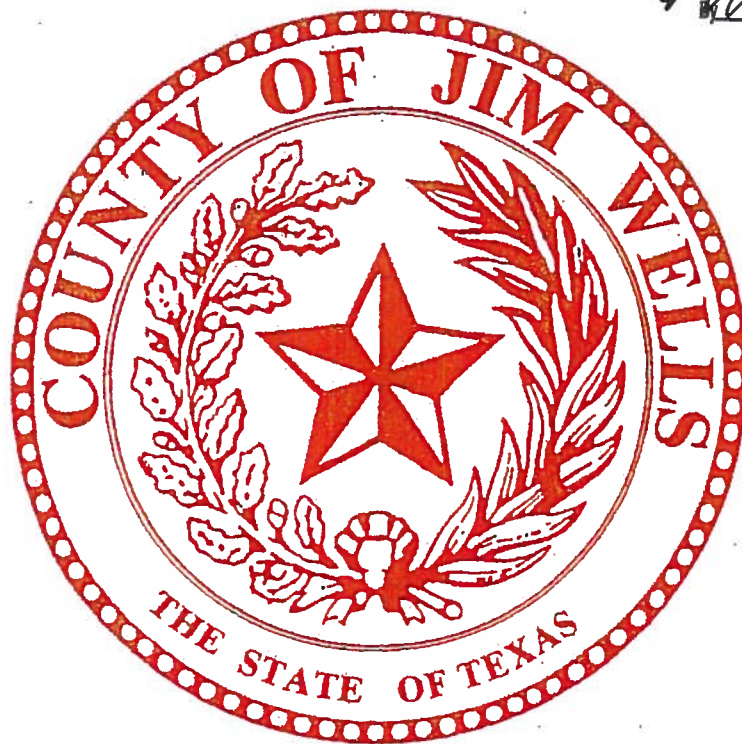


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Comprehensive Annual Financial Report

For Fiscal Year Ended

December 31, 2016



JIM WELLS COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

Prepared by:

Jim Wells County, Texas - Auditor's Office

Noe Gamez

County Auditor

Jim Wells County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2016

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INTRODUCTION

Introductory Section

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COUNTY OF JIM WELLS

STATE OF TEXAS

NOE GAMEZ
COUNTY AUDITOR

OFFICE (361) 668-5701
FAX (361) 664-6366

July 12, 2017

Honorable District Judge
Honorable County Judge
Honorable County Commissioners
Jim Wells County
Alice, TX 78332

Ladies and Gentlemen:

State law, V.T.C.A. Local Government Code 114.025 and 115.045, requires issuance of an annual financial report, audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants, of all matters relating to fiscal affairs of the County. Pursuant to those requirements, we hereby issue the comprehensive annual financial report of the County of Jim Wells for the fiscal year ended December 31, 2016.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and compile sufficient reliable information for the preparation of the County's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Responsibility for internal controls is shared by the Commissioners Court, which is the governing body; the County Auditor, who is appointed by the District Judge and, the County Treasurer. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Raul Hernandez & Company, P.C. The goal of the independent audit was to provide reasonable assurance that the financial statements of the

County for the fiscal year ended December 31, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statement, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the other supplementary information section of this report.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The introduction includes this transmittal letter, the County's organizational chart and a list of principal officials. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors. The financial section also includes government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information and the combining and individual fund financial statements and schedules in addition to the report of the independent auditors on the financial statements and schedules. The statistical section of this report includes selected financial and demographic information, which is generally presented on a multi-year basis.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statement, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the other supplementary information section of this report.

Profile of Jim Wells County

Jim Wells County is a political subdivision of the State of Texas. It has no legislative powers, and very restricted judicial and administrative powers. The governing body of the County is its Commissioners' Court of five members. The county judge is its chairman and the commissioner from each of the four road and bridge precincts is also a member. The Court has only such powers as are conferred upon it by the Constitution and the Statutes or by necessary implication therefrom. County government provides many varied services for the public it serves. Among these services are maintenance and minor construction work on county owned and operated roads and bridges, recording functions related to property rights and vital statistics of the county, operation of the county and district judicial system, operation of the county jail, operation of the county welfare department, operation of the county agriculture extension service, and the operation and maintenance of the city/county library and county fairgrounds.

The commissioners' court sets the tax rates, establishes policies for County operations, approves contracts for the County and develops and adopts the County budget within the resources as estimated by the county auditor. The commissioners' court is also responsible for development of policies and order, approving financial commitments and appointment of various department heads.

The management and leadership provided by members of the commissioners' court and the elected and appointed officials of other departments are crucial to the success of the County's financial management and growth.

The county auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County and "examining, auditing and approving" all disbursements from County funds prior to their submission to the commissioners' court for approval.

The County provides many varied services for the public it serves. These services include operation of the district, county and justices of the peace judicial systems, voting operations for national, state and some local elections, maintenance on and construction of county owned roads and bridges, recording functions relating to property rights and vital statistics, operation of the law enforcement agencies (sheriff and constables), operation of the county jail, operation of the public health department in conjunction with the City of Alice, operation of the park services department, operation of the county libraries, assistance to indigents, the provision of juvenile, health, education and welfare services involving the care and correction of dependent or delinquent children as well as property tax collections for multiple agencies.

The annual budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriation to the county auditor on or before June 30 of each year. The county judge, assisted by the county auditor, uses these requests as the starting point for developing a base line budget, but without any tax increases or personnel changes. The county auditor then presents this base line budget to the commissioners' court for review prior to July. The commissioners' court holds several budget workshops to discuss priorities or meet with department heads. The county judge, assisted by the county auditor, then prepares the proposed budget with all the revisions as directed by commissioners' court. A copy of the proposed budget is filed with the county clerk and county auditor. The commissioners' court then must hold a public hearing on a day within seven calendar days after the date the proposed budget is filed but before October 1st of the current year. The commissioners' court must take action on the proposed budget at the conclusion of the public hearing. The appropriated budget is prepared by fund, department, and budget category. On some items of greater importance, the budget is prepared by line item. All transfers between budget categories and departments require the special approval of the commissioners' court, except State and Federal grants. The appropriate department head can make a budget transfer with the approval of grantor agency for those special revenue funds.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basis financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the Supplemental Nonmajor Governmental Funds subsection of this report. Also included in the governmental fund subsection is project-length budget-to-actual comparison for each governmental fund for which a project length budget has been adopted (road & bridges, small dams, law library and capital projects fund).

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

Oil and Gas. The oil and gas industry is a major employer in Jim Wells County. Our strategic central location makes Alice ideal for companies to utilize all forms of transportation: rail, air, land or sea. Approximately 90 percent of local oilfield activity is related to natural gas exploration and production.

According to the US Department of Agriculture Economic Research Service, Jim Wells County is categorized as a mining dependent county. This means that mining contributed a weighted annual average of 15 percent or more of total labor and proprietor income over the three years from 1987 to 1989. By far, the majority of employees in the category "Mining" are in the area of oil and gas field services.

Alice is the Hub of the South Texas oil and gas industry. Currently, the Eagle Ford Shale boom has subsided in Jim Wells County.

Agriculture. Since the late 1800's, agribusiness has been a heavy contributor to the economy of the Alice area and South Texas. The combination of rich, fertile soils and long growing seasons provide farmers and ranchers with ideal conditions. Agribusiness is the second most important source of income for the Alice area. The city is also one of Texas' largest beef cattle centers.

Jim Wells County boasts more than 510,000 acres of agriculture land. Agricultural commodities include wheat, corn, hay sorghum, cotton, sunflower oil and melons. Cattle, goats, hogs, horses, exotic animals and aquaculture are also agricultural related commodities that are significant contributors to agribusiness in Alice and Jim Wells County.

The agricultural business is still a leading contributor to the economy of Jim Wells County, Texas in 2016.

Unemployment Rate. The current unemployment rate of Jim Wells County, Texas is 10.7%, which is higher than the national unemployment rate of 4.7% and the statewide average rate is 4.6%.

Retail Trades. For many years Alice, Texas, the county seat of Jim Wells County, has served as the retail trade center for many surrounding communities. The general public still remains mobile and uses Corpus Christi, Texas (located 55 miles east of Alice) as the principle retail center for our area. Tourism is on the rise in Alice, and the City is focusing on the tourism industry and working to attract Winter Texans to boost local retail trade. (1) Alice is the Hub of South Texas retail. A Super Wal-Mart, HEB, 6 banks, 2 credit unions, 3 car dealerships and the Alice News Papers Inc. form the core of the Alice retail community. In 2016, the sales tax revenues were down compared to 2015.

Healthcare. Alice is the Hub of the South Texas health care community. The health care cluster in Alice consists of a 138 bed primary care hospital, kidney dialysis center, heart center, cancer center, orthopedic clinic, nursing homes and rehabilitation centers.

The CHRISTUS Spohn Hospital System in 1999 opened a \$20 million, 71-bed hospital. The

facility offers primary care, obstetrics, diagnostic and emergency services as well as wellness, educational and disease prevention programs. In addition, the facility has a helicopter pad for air-ambulance transport www.christusspohn.org

During 2004 CHRISTUS Spohn Health System purchased Triad's Alice Regional Hospital which was established in 1931 and opened a new \$40 million hospital in Alice during 1999. The facility consists of 177,000 square feet and is licensed for 138 beds. The purchase immediately transforms CHRISTUS Spohn Hospital Alice from a 73-bed facility to a 148-bed facility. Alice Regional Hospital was renamed CHRISTUS Spohn Hospital Alice. CHRISTUS Spohn Hospital Alice was renamed CHRISTUS Spohn Laviana Plaza and will house physician office and a 10-bed inpatient geropsychiatric unit. The full service, acute care hospital offers 24 hour emergency service, outpatient and inpatient surgical services, intensive and critical care units, diagnostic radiology, geriatric psychiatric unit, obstetrical and newborn services, pediatric unit, women's center, physical therapy, nuclear medicine, rural health clinics, home health services, and community outreach services.

Transportation. Alice and Jim Wells County offer an enviable location to any firm dependent on transportation or trade in the United States, its immediate neighbors or Central America. The city has an advantage over other regions in its close proximity to Mexico and to deep-water ports. There are 15 ports of entry within 120 miles of Alice and Jim Wells County. These ports are:

- The Port of Corpus Christi
- La Quinta Terminal
- Laredo - Juarez-Lincoln Bridge, Gateway to the Americas Bridge, World Trade Bridge, Colombia Bridge
- Roma - Roma-Miguel Aleman Bridge
- Rio Grande City - Rio Grande City-Camargo Bridge
- Los Ebanos Ferry
- McAllen - Hidalgo-Reynosa Bridge
- Pharr - Pharr-Reynosa Bridge
- Progreso - Progreso International Bridge
- Harlingen - Free Trade Bridge
- Brownsville - Gateway International Bridge, B & M Bridge, The Port of Brownsville

Alice is equally accessible to both coasts, and the central time zone eases communication with other zones. There has been considerable focus on the region and the impact of trade with Mexico. First, the maquiladora or twin plant concept became an important development along the border with Mexico. Then, the passage of NAFTA had the effect of opening markets. Because of our location, much of the goods in trade pass through Jim Wells County. The county is positioned to provide valuable resources and to take advantage of opportunities that will accompany expanded trade with Mexico and Canada. Also our transportation infrastructure is being expanded to take advantage of these opportunities.

Major Highways: SH44/US 59 provides a major east-west trade corridor between the Port of Corpus Christi, Laredo, and Monterrey, Mexico and points south. US 281 provides a major north-south trade corridor between Northern Mexico, the Rio Grande Valley and points north. Alice is strategically located at the intersection of SH 44 and US 281, an essential component of the proposed

Interstate Highway 69 International Trade Corridor. I-69 will connect Mexico, the United States and Canada.

Railroad: Texas Mexican Railway operates its main line through Alice. Tex-Mex recently merged with Kansas City Southern Railway and now provides service from Mexico through Laredo, to Corpus Christi, Houston, the Midwest and the East Coast.

Airports: Alice International Airport provides a 6,000-foot runway. Corpus Christi International Airport, 35 minutes east of Alice, provides daily passenger, commercial and cargo service.

Professional Sports: During May 2005, a 21.5 million dollar baseball stadium named “Whataburger Field” was completed in Corpus Christi, Texas, (which is 35 miles east of Alice, Texas) and is the home of the Corpus Christi Hooks, Houston Astros AA league affiliate. The addition of a professional baseball team has provided a positive impact to the economy throughout all of South Texas.

Law Enforcement: Alice and Jim Wells County are served by numerous law enforcement agencies including the Alice Police Department, Jim Wells County Sheriff's Department, Texas Department of Public Safety, Texas Parks and Wildlife, the U.S. Border Patrol, and other municipal police departments in Orange Grove, Premont, and San Diego.

Attractions

Visitors and residents of Jim Wells County enjoy the outdoor-oriented lifestyle of South Texas. With an abundance of wildlife, hunting, fishing, and bird watching are favorite activities of those both living in Alice and visiting in the area. Other attractions in the area include:

South Texas Museum- focuses on distinctive history and traditions of this South Texas region. Exhibits trace habitation from American Indian to 20th Century farm, ranch, railroad, and oil activities, with emphasis on pioneer ranch and household artifacts. Includes mounted wildlife and livestock specimens. The museum is located at 66 South Wright Street.

Tejano ROOTS- is a private, non-profit organization established June 9, 1999. The Hall of Fame honors and recognizes Tejano artists, musicians, composers and any other persons who have contributed to the awareness and entertainment of the Tejano culture. The museum preserves the historical artifacts, documents and culture of the Tejano Music Industry. The museum is located at 213 N. Wright Street. www.tejanorootshalloffame.com.

Jose De Escandon Statue- Don Jose de Escandón was chosen in 1746 to explore and settle the South Texas area. He founded 23 settlements in the area over a two year period. Ranching and farming were the economic foundation of these settlements. This still held true through the 1800's, as Alice was recognized as the largest cattle-shipping center in the world. On November 14, 1999 a statue of Don Jose de Escandón was donated to the City of Alice by the children of the late Tomas and Eloisa Pena Martinez: Jose C. Martinez, Rita Martinez Jaso, Lucila Martinez Reynolds and Guadalupe T. Martinez

*Guinness Book of World Records-*Only in Alice will one find the world's tallest, cement water tower. Located in downtown Alice near City Hall, is what the 1976 Guinness Book of Records

calls the tallest concrete water tower in the world. Built in 1926-27, the 165-foot tall tower has a 3-foot tall tank which; measures 28.4 feet in diameter.

Golf Courses- Golfers have two courses to choose from in the Hub City. The two courses with a total of 27 holes are home for golfing organizations such as the Alice Pan American Golf Association and the Alice 50 Plus Golf Association. Benefit and high school tournaments are also held at the courses. Lined with mesquite trees, the Alice Municipal Golf Course is the larger of the two courses with 18 holes. The course, located at Anderson Park on North Texas Boulevard, features everything from long fairways to water hazards with a total of 5,911 yards of fairways and greens. Green fees on Monday through Friday vary according to days and tee-times.

Long-term financial planning.

The County is participating in the Jim Wells County & Alice Economic Development Task Force which is a public/private county wide alliance for the purpose of developing strategies and support for economic development proposals. The Jim Wells County & Alice Transportation Committee, also a public/private effort in which the County is a participant, has successfully worked with the Texas Department of Transportation to develop the State Highway 44 Relief Route and the U.S. 281 Relief Route and the improvement of S.H. 44 and U.S. 281 business routes through our County. The Transportation Committee is active in promoting the upgrade of U.S. 281, U.S. 59/S.H. 44 and U.S. 77 to interstate standards. These roadways link our area to the proposed I-69 project, which connects South Texas to Houston and the Midwest.

The County of Jim Wells and the City of Alice jointly operate the Municipal Airport. Through grant programs offered by the FAA and TAC, this facility has been upgraded to a level that could be of enormous benefit to any industry considering the area as a location site.

The essential components are coming together to open the door to diversification of our local industrial base and release the County from the swings of the volatile oil market.

Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jim Wells County, Texas for its comprehensive annual financial report for the year ended December 31, 2015. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to program requirements, and we are submitting it to GFOA to determine its

eligibility for another certificate.

The preparation and execution of this audit could not have been accomplished without the efforts and cooperation of my staff, other County officials, their staffs, and the Commissioners' Court. I wish to thank them all.

Respectfully Submitted,



Noe Gamez
County Auditor

(1)Source: Alice Chamber of Commerce, Alice/Jim Wells Economic Development Corp.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

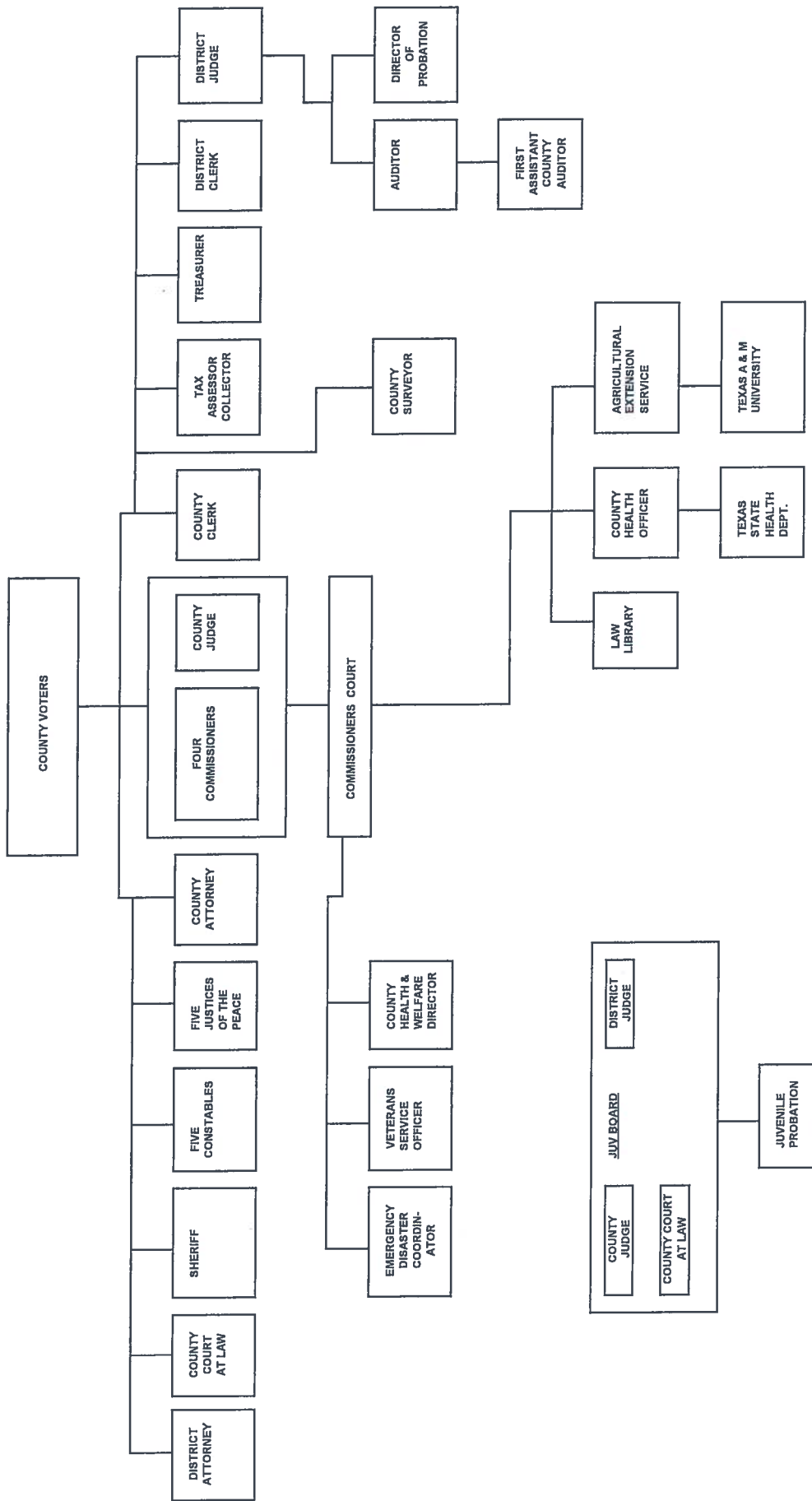
**Jim Wells County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

JIM WELLS COUNTY, TEXAS ORGANIZATION



**JIM WELLS COUNTY, TEXAS
DIRECTORY OF OFFICIALS**

DECEMBER 31, 2016

DISTRICT COURT

Richard Terrell	Judge, 79th Judicial District
Carlos O. Garcia	District Attorney
R. David Guerrero	District Clerk
Sonia Trevino	District Court Reporter
Gerardo Flores	District Court Interpreter

COMMISSIONERS COURT

Pedro "Pete" Trevino, Jr.	County Judge
Margie H. Gonzalez	County Commissioner, Precinct No. 1
Ventura Garcia	County Commissioner, Precinct No. 2
Richard Miller	County Commissioner, Precinct No. 3
Emede Garcia	County Commissioner, Precinct No. 4

OTHER COUNTY OFFICIALS

Louie Valadez	Interim Sheriff
J.C. Perez, III	County Clerk
Rebecca Dominguez	County Treasurer
Mary Lozano	Tax Assessor-Collector
Jesusa Sanchez-Vera	County Attorney
Noe Gamez	County Auditor
Cindy Garcia	First Assistant County Auditor

JUSTICES OF THE PEACE

Juan Rodriguez, Jr.	Precinct No. 1
Karin Knolle	Precinct No. 3
Sylvia Johnson	Precinct No. 4
Luz Paiz	Precinct No. 5
Jose L. Rodriguez	Precinct No. 6

CONSTABLES

Jesus Salinas	Precinct No. 1
Jim Long	Precinct No. 3
Frank Davila	Precinct No. 4
Robert Vasquez, Sr.	Precinct No. 5
Bartolo Guajardo	Precinct No. 6

**JIM WELLS COUNTY, TEXAS
DIRECTORY OF OFFICIALS**

**DECEMBER 31, 2016
(continued)**

OTHER OFFICIALS

Alejandro Lopez, M.D.	County Health Officer
Robert Owens	County Surveyor
Rogelio Mercado	Agriculture Agent
Gilbrando Garza	Veterans Service Officer
Albert Ramirez	79th Judicial District Adult Probation
James A. Schmidt	Chief Juvenile Probation Officer

Financial Section

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RAUL HERNANDEZ & COMPANY, P.C.
Certified Public Accountants
5422 Holly Rd
Corpus Christi, Texas 78411
Office (361) 980-0428 Fax (361) 980-1002

Independent Auditors' Report

To the County Commissioners
Jim Wells County, Texas
200 N. Almond
Alice, Texas 78332

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jim Wells County, Texas ("the County") as of and for the year ended December 31, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 County'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 County'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, each major fund, and the aggregate remaining fund information of Jim Wells County, Texas as of December 31, 2016, and the respective changes in financial position, 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, budgetary comparison information, schedule of the County's proportionate share of the net pension liability and schedule of County pension contributions identified as Required Supplementary Information in the table of contents 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 the Jim Wells County, Texas's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F -- Audit Requirements (Uniform Guidance) and is also not a required part of the basic financial statements.

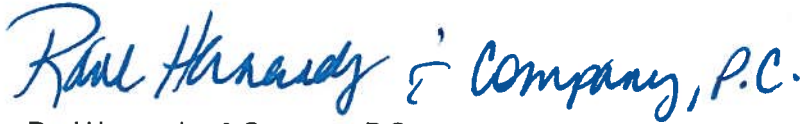
The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2017 on our consideration of Jim Wells County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jim Wells County, Texas's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in blue ink that reads "Raul Hernandez & Company, P.C." The signature is written in a cursive, flowing style.

Raul Hernandez & Company, P.C.

Corpus Christi, Texas
July 12, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) offers readers of the County financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2016. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, and in the financial statements and notes to the financial statements (which immediately follow this discussion). In 2004, the County implemented the new financial reporting requirements of GASB Statement No. 34 (Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments). These sections include this Management's Discussion and Analysis, the Government-wide Statement of Net Position, the Government-wide Statement of Activities, the concept of major fund reporting, and the reporting of infrastructure capital assets and long term debt liabilities in the governmental activities. These concepts are explained throughout this discussion and analysis.

FINANCIAL HIGHLIGHTS

- The assets of the County of Jim Wells exceeded its liabilities at the close of the most recent fiscal year by \$31,674,474 (net position).
- As of the close of the current fiscal year, the County of Jim Wells governmental funds reported combined ending fund balances of \$10,241,793, of which, \$4,065,441 represents an unassigned fund balance and places the County in a favorable position.
- The County of Jim Wells' total debt increased by a net of \$396,583 compared to the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.
- *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.

JIM WELLS COUNTY, TEXAS

- *Other information.* In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the county's progress in funding its obligation to provide pension benefits to its employees. Immediately following the required supplementary information on pensions are the two budgetary schedules on the general fund and major special revenue fund. The combining statements in connection to nonmajor governmental funds and fiduciary funds are then presented.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Figure A-1 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1 Major Features of the County's Government-wide and Fund Financial Statements

<u>Type of Statements</u>	<u>Government-wide</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
<u>Scope</u>	Entire county Government (except Fiduciary funds) and the county's component units	The activities of the county that are not proprietary or fiduciary	Activities of County similar to private business; self insurance	Instances in which the county is the trustee or agent for someone else's resources
<u>Required Financial position Statements</u>	<i>Statement of Net position</i> <i>Statement of Activities</i>	<i>Balance Sheet</i> <i>Statement of revenues, expenditures & changes in fund balances</i> <i>Statement of cash flows</i>	<i>Statement of net position</i> <i>Statement of rev, exp, & changes in net position</i> <i>Statement of flows</i>	<i>Statement of fiduciary net</i> <i>Statement of in fiduciary net position</i>
<u>Accounting basis and measurement focus</u>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial	Accrual accounting and economic focus	Accrual accounting economic resources focus

Government-wide Statements

The two government-wide statements report the County's net position and how they have changed. Net Position—the difference between the County's assets and liabilities—is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County's tax base

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general government, public safety, highways and streets, sanitation, economic development, culture and recreation, and interest on long-term debt. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Commissioner's Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Fiduciary funds*—The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

JIM WELLS COUNTY, TEXAS

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. As stated earlier, over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively. At the close of the fiscal year, the County net position was \$31,674,474; furthermore, the government's financial position has decreased by (\$2,179,722) in the current fiscal year compared to the prior year. Net position is summarized below along with comparative data from the previous year. (See Table A-1).

Table A-1
County's Net position

	<u>Governmental Activities</u> 2016	<u>Governmental Activities</u> 2015	<u>Increase (Decrease)</u> 2016-2015
Current Assets:			
Cash/Cash equivalents	\$ 10,659,410	\$ 11,887,513	\$ (1,228,103)
Taxes receivable	1,211,670	2,095,002	(883,332)
Sales taxes receivable	172,321	193,742	(21,421)
Intergovernmental receivable	-	318,497	(318,497)
Total current assets:	<u>12,043,401</u>	<u>14,494,754</u>	<u>(2,451,353)</u>
Non-current assets:			
Capital Assets	66,421,079	65,234,392	1,186,687
Less Accumulated			-
Depreciation	(42,440,397)	(41,700,077)	(740,320)
Total non-current assets:	<u>23,980,682</u>	<u>23,534,315</u>	<u>446,367</u>
Total Assets	<u>\$ 36,024,083</u>	<u>\$ 38,029,069</u>	<u>\$ (2,004,986)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow Related to Pension Plan	3,725,608	1,495,131	2,230,477
Total Deferred Outflows of Resources	<u>3,725,608</u>	<u>1,495,131</u>	<u>2,230,477</u>
Current Liabilities			
Accounts payable and other current liabilities	\$ 285,144	\$ 401,970	\$ (116,826)
Salaries Payable	-	426,061	(426,061)
Accrued Interest Payable	20,109	22,573	(2,464)
Deferred Revenue	304,792	-	304,792
Total current liabilities	<u>610,045</u>	<u>850,604</u>	<u>(240,559)</u>
Long-term liabilities:			
Due within one year	654,922	419,240	235,682
Due in more than one year	2,109,241	1,953,339	155,902
Net Pension Liability	4,362,393	2,401,655	1,960,738
Total Liabilities	<u>7,736,601</u>	<u>5,624,838</u>	<u>2,111,763</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts Related to Pensions	338,616	45,166	293,450
Total Deferred Inflows of Resources	<u>338,616</u>	<u>45,166</u>	<u>293,450</u>
Net Pension:			
Net Investment in Capital Assets	21,296,519	21,480,901	(184,382)
Restricted For:			
Debt Service	78,836	81,257	(2,421)
Capital Projects	1,195,801	1,201,213	(5,412)
Unrestricted	9,103,318	11,090,825	(1,987,507)
Total Net Position	<u>\$ 31,674,474</u>	<u>\$ 33,854,196</u>	<u>\$ (2,179,722)</u>

JIM WELLS COUNTY, TEXAS

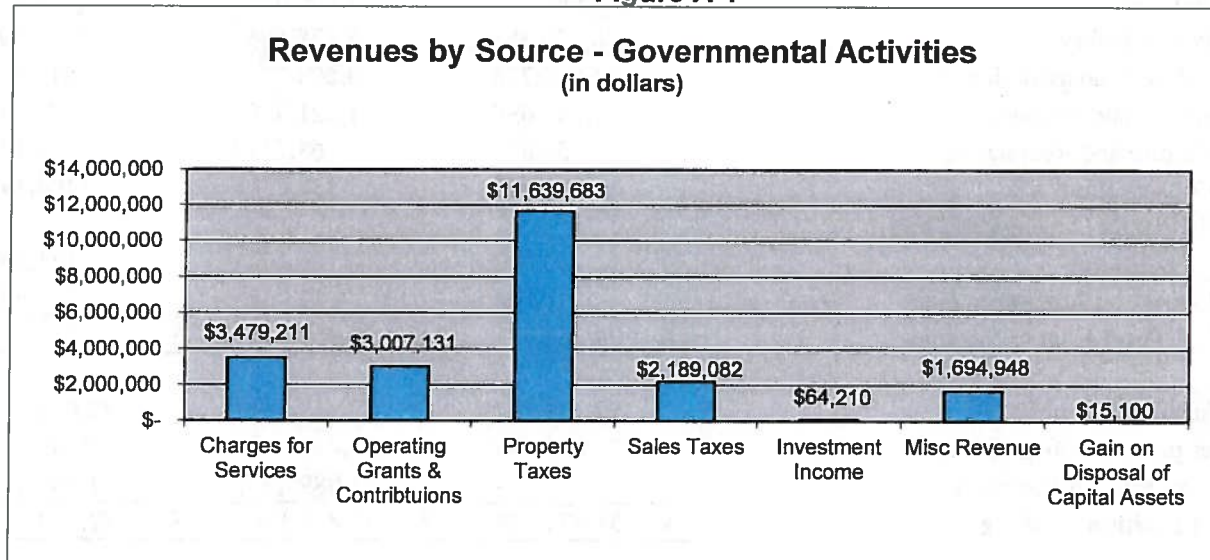
The \$78,836 and \$1,195,801 of the County's restricted net position represents funds available for the debt service and capital projects funds, respectively. These funds when spent are restricted for repayment of debt and capital asset acquisitions respectively. The \$9,103,318 unrestricted net position represents resources available to fund the programs of the County next year.

Revenues. The County's total revenues were \$22,089,365. A significant portion, 52 percent, of the County's revenue comes from property taxes. 15 percent comes from charges for services and 13 percent relates to operating grants and contributions. (See Figure A-1 and Table A-2)

Governmental Activities

- Property tax rates had a total direct rate of .780000, which is an increase of .229143 from the previous year. Net taxable value of property decreased by (\$388,975,108). Sales taxes decreased as a result of a decrease in retail trade and production slowdown of Eagle Ford shale production.
- Property Tax & Sales tax revenues decreased from the prior year due, in part, to decreases in economy.
- Sales tax revenues in 2016 decreased from the prior year by 11%.

Figure A-1



JIM WELLS COUNTY, TEXAS

Table A-2
Jim Wells County's Changes in Net position – Governmental Activities

	Governmental Activities		Increase (Decrease)
	<u>2016</u>	<u>2015</u>	<u>2016-2015</u>
Revenues			
Program:			
Charges for services	\$ 3,479,211	\$ 4,580,499	\$ (1,101,288)
Operating Grants and Contributions	3,007,131	2,664,310	342,821
General			
Property Taxes	11,639,683	13,112,296	(1,472,613)
Sales Taxes	2,189,082	3,553,802	(1,364,720)
Investment Income	64,210	64,710	(500)
Miscellaneous Revenues	1,694,948	501,454	1,193,494
Gain (Loss) on Disposal of Capital Assets	15,100	-	15,100
Total Revenues	<u>\$ 22,089,365</u>	<u>\$ 24,477,071</u>	<u>\$ (2,387,706)</u>
Cost of Services:			
General Government	6,126,377	4,926,871	1,199,506
Judicial	3,966,181	4,690,475	(724,294)
Public Safety	8,520,388	8,878,685	(358,297)
Public Transportation	4,016,728	3,504,784	511,944
Health and Welfare	1,247,698	1,321,339	(73,641)
Culture and Recreation	59,650	63,771	(4,121)
Conservation	234,661	338,859	(104,198)
Economic Development and Assistance	25,000	166,160	(141,160)
Interest on Long-term Debt	72,404	77,067	(4,663)
Total Cost of Services	<u>\$ 24,269,087</u>	<u>\$ 23,968,011</u>	<u>\$ 301,076</u>
Change in net position	(2,179,722)	509,060	(2,688,782)
Net position - beginning	33,854,196	34,434,610	(580,414)
Prior Period Adjustment	-	(1,089,474)	1,089,474
Net position - ending	<u>\$ 31,674,474</u>	<u>\$ 33,854,196</u>	<u>\$ (2,179,722)</u>

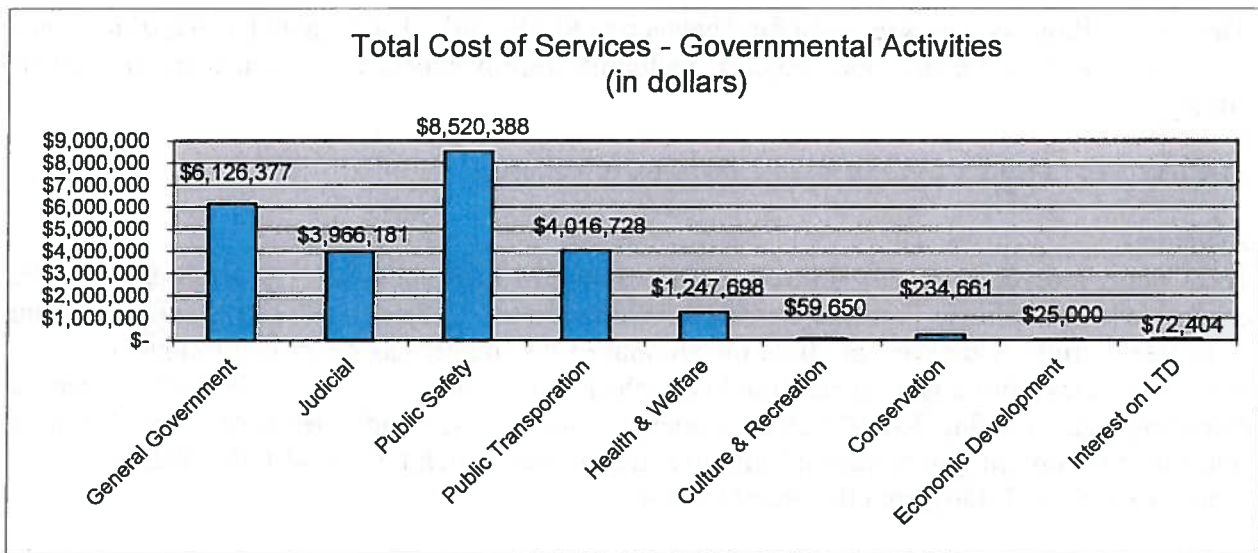
Table A-2 and Figure A-2 present the cost of each of the County's largest functions.

- The cost of all governmental activities this year was \$24,269,087. Public Safety was a significant part of the amount totaling \$8,520,388, which the majority was due to costs in the General Fund, Road & Bridge Funds, Adult & State Juvenile Probation funds, and the Sheriff Drug Forfeiture fund.

JIM WELLS COUNTY, TEXAS

- However, the amount that our taxpayers paid for these activities through property taxes was approximately \$11,639,683.
- Some of the cost was paid by those who directly benefited from the programs such as human services, state juvenile and adult probationary fees, and fees of office.
- \$8,520,388 of these costs were for public safety, which decreased by (\$358,297) from the prior year.

Figure A-2



FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and budget controls has been the framework of the County's strong fiscal management and accountability.

Governmental funds. The general government functions are reported in the General, Special Revenue, Debt Service, and Capital Project Funds. The focus of the *County's governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's annual financing and budgeting 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, the County's governmental funds reported combined ending fund balances of \$10,241,793, a decrease of (\$1,329,931) compared with the prior year. As shown on page 36 the unassigned fund balance resulted in an amount of \$4,065,441. The *unassigned fund balance*, used as a management and budgetary tool, is available for spending at the County's discretion. A major factor in causing the change to fund balance came from changes in general sales & use taxes revenues, general government and public transportation expenditures.

The General fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund decreased to \$4,389,125 from the previous year's balance of \$5,053,649 in the prior year. As a measure of the general fund's liquidity, we compare both unassigned fund balance and total fund balance to total fund expenditures. Although revenues increased compared to the prior year, this decrease is a result of an increase in transfers out, which totaled \$906,745 for the current year.

The Debt Service Fund (county-wide), which was created during 2004, has a total fund balance of \$78,836. The reserves for the payment of debt service combined with the estimated first quarter collections on current year assessments will be sufficient to meet next year's scheduled debt.

The Capital Projects Funds reflect a fund balance of \$1,195,801. The County has plans in the near future to invest in construction projects, including improvements to buildings throughout the county.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues

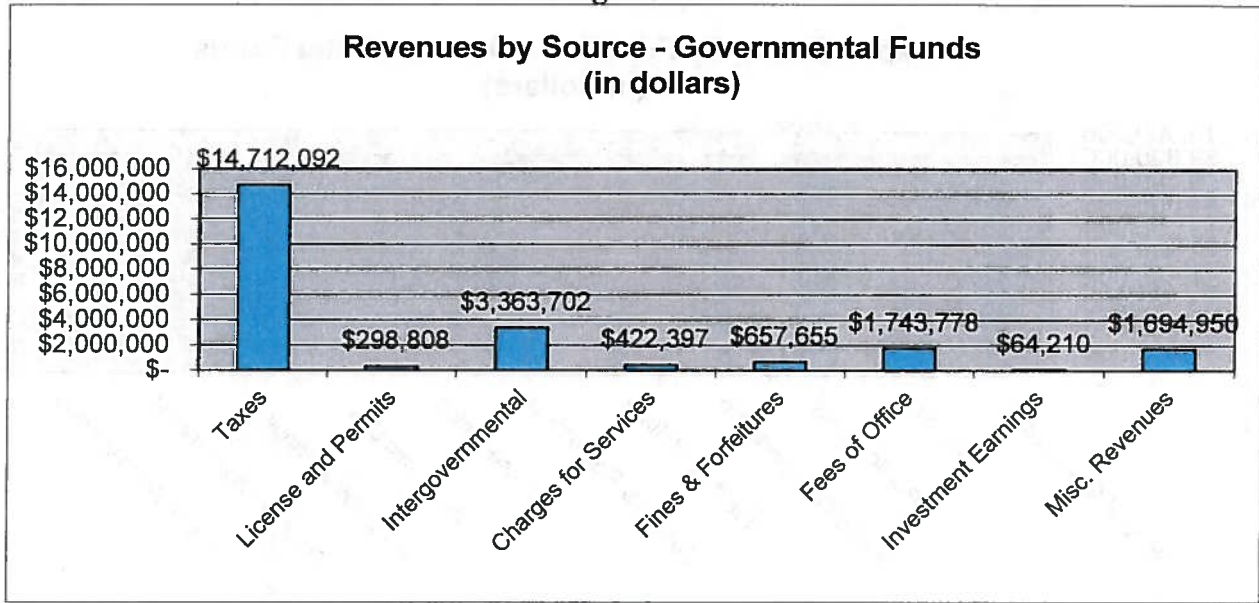
The County's revenue closely follows oil prices and oil field activities. In previous years, the economic boom in Eagle Ford shale production led to hotels being booked, stores expanding, and businesses hiring. However, in 2016, the amount of the impact has continued to level off. As a result, revenues from governmental fund types had another net decrease of (\$916,929) from the preceding year, totaling \$22,957,592. General property taxes and sales taxes were the most significant portion in governmental fund revenue sources, which totaled \$14,712,092, which is a decrease of (\$1,351,456) from the previous year.

The County's primary source of revenue consists of taxes, which comprise 64% of the County's total revenues. In addition, intergovernmental and fees of office revenues comprise 15% and 8% of total revenues, respectively. The county departments that charge for services include park & recreational, fees of office from justice of the peace precincts, and constables, which are all an important part of the County's revenues. They are an integral part of the County's ability to provide the services to which citizens have become accustomed. (See Figure A-3 and Table A-3)

Fines & Forfeitures decreased by (1,088,900) from the prior year due to less fines & cash seizures. Furthermore, license and permits decreased by (\$50,881) from the previous year, as a result of a decrease in fees and permits collected.

JIM WELLS COUNTY, TEXAS

Figure A-3



**Table A-3
Governmental Funds – Revenues by Source**

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Taxes	\$ 14,712,092	\$ 16,063,548	\$ (1,351,456)
License and Permits	298,808	349,689	(50,881)
Intergovernmental	3,363,702	2,938,603	425,099
Charges for Services	422,397	453,786	(31,389)
Fines & Forfeitures	657,655	1,746,555	(1,088,900)
Fees of Office	1,743,778	1,756,176	(12,398)
Investment Earnings	64,210	64,710	(500)
Misc. Revenues	1,694,950	501,454	1,193,496
Total Revenues	<u>\$ 22,957,592</u>	<u>\$ 23,874,521</u>	<u>\$ (916,929)</u>

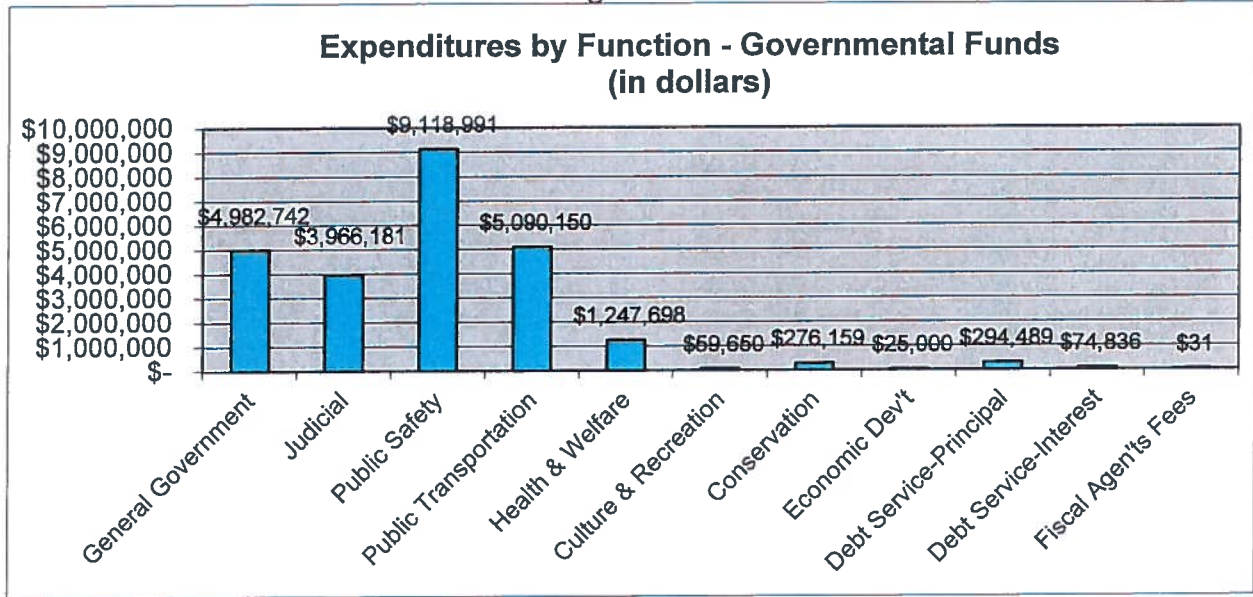
Expenditures

Debt-principal payments increased in the amount of \$29,430, compared to the result of the previous year. The increase in public transportation of \$1,267,977 is partly due to an increase in road improvements and infrastructure.

The County's primary expenditures were for public safety, public transportation, and general government. Public safety now accounts for over 36% of total expenditures. (See Figure A-4 and Table A-4)

JIM WELLS COUNTY, TEXAS

Figure A-4



**Table A-4
Governmental Funds – Expenditures by Function**

	2016	2015	Increase (Decrease)
General Government	\$ 4,982,742	\$ 3,914,692	\$ 1,068,050
Judicial	3,966,181	4,728,052	(761,871)
Public Safety	9,118,991	9,372,761	(253,770)
Public Transportation	5,090,150	3,822,173	1,267,977
Health and Welfare	1,247,698	1,321,339	(73,641)
Culture and Recreation	59,650	63,771	(4,121)
Conservation	276,159	338,859	(62,700)
Economic Development and Assistance	25,000	166,160	(141,160)
Debt Service:			
Principal	294,489	265,059	29,430
Interest and Fiscal Charges	74,836	79,404	(4,568)
Fiscal Agent's Fees	31	-	31
Total Expenditures	<u>\$ 25,135,927</u>	<u>\$ 24,072,270</u>	<u>\$ 1,063,657</u>

JIM WELLS COUNTY, TEXAS

Other financing sources from the County came from:

**Table A-5
Other Financing Resources**

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Transfers In	\$ 1,001,742	\$ 284,995	\$ 716,747
Transfers Out	(1,001,742)	(284,995)	(716,747)
Capital Leases	833,304	190,020	643,284
Sale of Capital Assets	15,100	-	15,100
	<u>\$ 848,404</u>	<u>\$ 190,020</u>	<u>\$ 658,384</u>

General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$14,914,963 and expenditures of \$17,560,317, which both include transfers.

The following are significant variations between the final budget and actual amount.

- Actual revenues (before transfers) were higher than budgeted figures by \$671,085. Of this amount, miscellaneous revenues, intergovernmental, and general property taxes had the largest favorable variances. The County's revenue booms and busts through the years closely follow oil prices and oil field activities.
- Actual expenditures (before transfers) were \$400,743 below final budget amounts. This favorable variance resulted from over-budgeted expenditures in the County Court, Safety Department, and Juvenile Corrections Board departments, among others. County departments were encouraged to monitor expenditures to help support the overall County budget since the County was incurring higher costs of items such as medical insurance, data services and utilities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the County had invested \$66,421,079 in a broad range of capital assets, including land, infrastructure, buildings & improvements, and equipment. (See Table A-6.) The capital assets of the County are those assets (land, infrastructure, buildings & improvements, and machinery & equipment), which are used in the performance of the County's functions including infrastructure assets. At December 31, 2016 net capital assets of the governmental activities totaled \$23,980,682. Depreciation on capital assets is recognized in the Government-wide financial statements. Accumulated depreciation for infrastructure, buildings & improvements, and machinery & equipment totaled \$42,440,397. More detailed information about the county's capital assets is presented in the notes to the financial statements on page 48.

JIM WELLS COUNTY, TEXAS

**Table A-6
County's Capital Assets**

	Governmental Activities		Increase (Decrease)
	2016	2015	2016-2015
Land	\$ 293,873	\$ 293,873	\$ -
Infrastructure	43,715,819	43,715,819	-
Buildings and Improvements	13,438,846	13,438,846	-
Machinery & Equipment	8,972,541	7,785,854	1,186,687
Total at historical cost	<u>66,421,079</u>	<u>65,234,392</u>	<u>1,186,687</u>
Total Accumulated Depreciation	<u>(42,440,397)</u>	<u>(41,700,077)</u>	<u>(740,320)</u>
Net Capital Assets	<u>\$ 23,980,682</u>	<u>\$ 23,534,315</u>	<u>\$ 446,367</u>

The largest increase to capital assets was attributed to machinery & equipment in the net amount of \$1,186,687 due to purchases of vehicles and equipment. Additional details on capital assets can be found in the notes to the financial statements on page 48.

Long Term Debt

At year-end the County had \$2,764,162 in bonds, capital leases obligations, and other long-term liabilities outstanding as shown in Table A-7. The County's total debt increased by a *net* of \$391,583 from 2015. More detailed information about the County's debt is presented in the notes to the financial statements on page 51.

**Table A-7
Long Term Debt**

	Governmental Activities	
	2016	2015
General obligation bonds	\$ 1,550,000	\$ 1,740,000
Capital leases	987,329	313,414
Compensated absences	226,833	319,165
Total governmental activities	<u>\$ 2,764,162</u>	<u>\$ 2,372,579</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2017 budget preparation is down from the prior year.
- General operating fund spending in the 2017 budget is expected to have a moderate decrease as compared to 2016.

These indicators were taken into account when adopting the general fund budget for 2017. Property taxes will increase due to 2017 adopted tax rate.

Expenditures are expected to experience a moderate decrease. These include decreases in public safety, utilities, insurance, courthouse improvements, and personal benefits. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities. The priorities inherent to the 2017 budget were to make county government: (1) communicative and open to the public and departmental staff; (2) have attainable and realistic budgets to enhance accountability; and (3) establish procedures that are in compliance with statutory requirements to improve efficiency.

If these estimates are realized, they will help the County's budgetary general fund balance with efficient, effective, and controlled use of its' resources.

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 demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Department at 200 N. Almond, Alice, Texas 78332

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Basic Financial Statements

JIM WELLS COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	<u>Governmental Activities</u>
ASSETS:	
Cash and Cash Equivalents	\$ 10,659,410
Taxes Receivables (net of allowances for uncollectibles):	1,211,670
Sales Taxes Receivable	172,321
Capital Assets (net of accumulated depreciation):	
Land	293,873
Buildings and System	7,808,153
Machinery and Equipment	4,757,858
Infrastructure	11,120,798
Total Assets	<u>36,024,083</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pension Plan	3,725,608
Total Deferred Outflows of Resources	<u>3,725,608</u>
LIABILITIES:	
Accounts Payable and Other Current Liabilities	285,144
Accrued Interest Payable	20,109
Deferred Revenue	304,792
Noncurrent Liabilities-	
Due within one year	654,922
Due in more than one year	2,109,241
Net Pension Liability	4,362,393
Total Liabilities	<u>7,736,601</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts Related to Pensions	338,616
Total Deferred Inflows of Resources	<u>338,616</u>
NET POSITION:	
Net Investment in Capital Assets	21,296,519
Restricted For:	
Debt Service	78,836
Capital Projects	1,195,801
Unrestricted	9,103,318
Total Net Position	<u>\$ 31,674,474</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
PRIMARY GOVERNMENT:				
Governmental Activities:				
General Government	\$ 6,126,377	\$ 1,384,274	\$ --	\$ (4,742,103)
Judicial	3,966,181	511,863	189,444	(3,264,874)
Public Safety	8,520,388	673,538	2,047,792	(5,799,058)
Public Transportation	4,016,728	909,536	260,366	(2,846,826)
Health and Welfare	1,247,698	--	509,529	(738,169)
Culture and Recreation	59,650	--	--	(59,650)
Conservation	234,661	--	--	(234,661)
Economic Development and Assistance	25,000	--	--	(25,000)
Interest on Long-term Debt	72,403	--	--	(72,403)
Total Governmental Activities	<u>24,269,086</u>	<u>3,479,211</u>	<u>3,007,131</u>	<u>(17,782,744)</u>
Total Primary Government	<u>\$ 24,269,086</u>	<u>\$ 3,479,211</u>	<u>\$ 3,007,131</u>	<u>(17,782,744)</u>
General Revenues:				
Property Taxes				11,639,683
Sales Taxes				2,189,082
Investment Income				64,210
Miscellaneous Revenues				1,694,948
Gain (Loss) on Disposal of Capital Assets				15,100
Total General Revenues				<u>15,603,023</u>
Change in Net Position				<u>(2,179,721)</u>
Net Position - Beginning				<u>33,854,195</u>
Net Position - Ending				<u>\$ 31,674,474</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
 BALANCE SHEET - GOVERNMENTAL FUNDS
 DECEMBER 31, 2016

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Assets:			
Cash and Cash Equivalents	\$ 4,451,822	\$ 6,207,587	\$ 10,659,409
Taxes Receivables (net of allowances for uncollectibles):	8,595,343	2,619,463	11,214,806
Sales Taxes Receivable	137,856	34,465	172,321
Total Assets	<u>\$ 13,185,021</u>	<u>\$ 8,861,515</u>	<u>\$ 22,046,536</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 171,534	\$ 113,610	\$ 285,144
Deferred Revenue	29,019	275,773	304,792
Total Liabilities	<u>200,553</u>	<u>389,383</u>	<u>589,936</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue Property Taxes	8,595,343	2,619,464	11,214,807
Total Deferred Inflows of Resources	<u>8,595,343</u>	<u>2,619,464</u>	<u>11,214,807</u>
Fund Balances:			
Restricted Fund Balances:			
Federal or State Funds Grant Restriction	--	4,901,715	4,901,715
Retirement of Long-Term Debt	--	78,836	78,836
Capital Project Funds	--	1,195,801	1,195,801
Unassigned Fund Balance	4,389,125	(323,684)	4,065,441
Total Fund Balance	<u>4,389,125</u>	<u>5,852,668</u>	<u>10,241,793</u>
Total Liabilities and Fund Balance	<u>\$ 13,185,021</u>	<u>\$ 8,861,515</u>	<u>\$ 22,046,536</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 DECEMBER 31, 2016

Total fund balances - governmental funds balance sheet	\$ 10,241,793
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	23,980,682
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,211,672
Payables for bond principal which are not due in the current period are not reported in the funds.	(1,550,001)
Payables for capital leases which are not due in the current period are not reported in the funds.	(987,330)
Payables for bond interest which are not due in the current period are not reported in the funds.	(20,109)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(226,832)
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	(4,362,393)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(338,616)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	<u>3,725,608</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 31,674,474</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXASSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue:			
Taxes:			
General Property Taxes	\$ 9,683,216	\$ 2,839,794	\$ 12,523,010
General Sales and Use Taxes	1,751,265	437,817	2,189,082
License and Permits	44,350	254,458	298,808
Intergovernmental	1,081,655	2,282,047	3,363,702
Charges for Services	58,029	364,368	422,397
Fines and Forfeitures	385,685	271,970	657,655
Fees of Office	1,121,319	622,459	1,743,778
Investment Earnings	38,671	25,539	64,210
Miscellaneous Revenues	1,421,858	273,092	1,694,950
Total revenues	<u>15,586,048</u>	<u>7,371,544</u>	<u>22,957,592</u>
Expenditures:			
Current:			
General Government	4,982,742	--	4,982,742
Judicial	3,583,958	382,223	3,966,181
Public Safety	6,447,758	2,671,233	9,118,991
Public Transportation	--	5,090,150	5,090,150
Health and Welfare	100,692	1,147,006	1,247,698
Culture and Recreation	59,650	--	59,650
Conservation	276,159	--	276,159
Economic Development and Assistance	25,000	--	25,000
Debt Service:			
Principal	68,534	225,955	294,489
Interest and Fiscal Charges	5,887	68,949	74,836
Fiscal Agent's Fees	--	31	31
Total Expenditures	<u>15,550,380</u>	<u>9,585,547</u>	<u>25,135,927</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>35,668</u>	<u>(2,214,003)</u>	<u>(2,178,335)</u>
Other Financing Sources (Uses):			
Transfers In	--	1,001,742	1,001,742
Transfers Out	(906,745)	(94,997)	(1,001,742)
Capital Leases	206,553	626,751	833,304
Sale of Capital Assets	--	15,100	15,100
Total Other Financing Sources (Uses)	<u>(700,192)</u>	<u>1,548,596</u>	<u>848,404</u>
Net Change in Fund Balances	(664,524)	(665,407)	(1,329,931)
Fund Balances - Beginning	5,053,649	6,518,075	11,571,724
Fund Balances - Ending	<u>\$ 4,389,125</u>	<u>\$ 5,852,668</u>	<u>\$ 10,241,793</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Net change in fund balances - total governmental funds	\$ (1,329,931)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,682,619
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,236,251)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(883,327)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	190,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	159,388
(Increase) decrease in accrued interest from beginning of period to end of period.	2,464
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	92,332
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(833,304)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	<u>(23,711)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ (2,179,721)</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016

	<u>Agency Funds</u>
ASSETS:	
Cash and Cash Equivalents	\$ 7,472,378
Total Assets	<u>\$ 7,472,378</u>
LIABILITIES:	
Due to Other Governments and Agencies	\$ 7,472,378
Total Liabilities	<u>\$ 7,472,378</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

A. Summary of Significant Accounting Policies

The combined financial statements of Jim Wells County, Texas (the "County") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County
- the exclusion of the organization would result in misleading or incomplete financial statements

Based on these criteria, the County has no component units. Additionally, the County is not a component unit of any other reporting entity as defined by the GASB Statement.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. include the financial internal activities. These statements distinguish between the governmental and business-type activities by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial major governmental funds, each displayed in a separate column. All remaining governmental and aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

All other governmental funds are combined and reported as nonmajor. Nonmajor funds include the road and bridge funds, grants-in-aid, capital projects and other special revenue funds.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

In addition, the County reports the following fund types:

Agency Funds: The County has only agency funds which are used to account for assets that are held by the County as an agent for the Payroll fund, DA Escrow fund, District Clerk fund, County Clerk fund, and other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's agency funds cannot be said to have a measurement focus (i.e., since they do not report equity they cannot present an operating statement reporting changes in equity.)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

b. Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

b. Inventories and Prepaid Items

Inventories on the balance sheet are stated at weighted average cost. Inventory items are recorded as expenditures when they are consumed. Inventories and prepaid item at December 31, 2012 were nominal

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

GASB Statement No. 34 requires the County to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, and bridges, These infrastructure assets are likely to be the largest asset class of the County. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

d. Deferred Inflows of Resources

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 and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item that qualifies for reporting in this category. The amounts in property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

e. Receivable and Payable Balances

The County believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

g. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

4. Compensated Absences

It is the County'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 county's policy does not permit payments of any amounts when employees separate from service with the county. All vacation pay is accrued when in the government-wide statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example as a result of employee resignations and retirements.

5. Fund balances of the governmental funds are classified as follows:

Non spendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Commissioner's Court is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the

Assigned Fund Balance - represents amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Commissioner's Court (court) has by resolution authorized the finance director to assign fund balance. The court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purpose for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose 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.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities 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 proceeds received, are reported as debt service expenditures.

B. Compliance and Accountability

1. Deficit Fund Balance or Fund Net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year end:

Fund Name	Deficit Amount
Road & Bridge No. 21 Fund	\$ (250,855)
Indigent Health Care Fund	(72,829)

2. Excess of expenditures over appropriations

For the year ended December 31, 2016, the County had one fund that had expenditures exceeding appropriations.

Road & Bridge Fund No. 21	\$ (323,920)
Indigent Health Care Fund	\$ (2,583)

C. Deposits and Investments

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Cash Deposits:

At December 31, 2016, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$18,131,788 and the bank balance was \$19,392,046. The County's cash deposits at December 31, 2016 and during the year ended December 31, 2016, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: Prosperity Bank
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$22,354,155.
- c. The highest combined balances of cash, savings and time deposit accounts amounted to \$24,831,717 and occurred during the month of February, 2016.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

Investments:

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (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, and (10) common trust funds.

The County did not have investments at December 31, 2016.

Investment or Investment Type	Maturity	Fair Value
None	N/A	\$ --

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

At year end, the County was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

D. Capital Assets

Capital asset activity for the year ended December 31, 2016, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 293,873	\$ --	\$ --	\$ 293,873
Total capital assets not being depreciated	<u>293,873</u>	<u>--</u>	<u>--</u>	<u>293,873</u>
Capital assets being depreciated:				
Infrastructure	43,715,815	--	--	43,715,815
Buildings and improvements	13,438,850	--	--	13,438,850
Machinery & Equipment	7,785,854	1,682,625	(495,938)	8,972,541
Total capital assets being depreciated	<u>64,940,519</u>	<u>1,682,625</u>	<u>(495,938)</u>	<u>66,127,206</u>
Less accumulated depreciation for:				
Infrastructure	(32,445,799)	(149,222)	--	(32,595,021)
Buildings and improvements	(5,343,745)	(286,948)	--	(5,630,693)
Machinery & Equipment	(3,910,533)	(800,088)	495,938	(4,214,683)
Total accumulated depreciation	<u>(41,700,077)</u>	<u>(1,236,258)</u>	<u>495,938</u>	<u>(42,440,397)</u>
Total capital assets being depreciated, net	<u>23,240,442</u>	<u>446,367</u>	<u>--</u>	<u>23,686,809</u>
Governmental activities capital assets, net	<u>\$ 23,534,315</u>	<u>\$ 446,367</u>	<u>\$ --</u>	<u>\$ 23,980,682</u>

Depreciation was charged to functions as follows:

General Government	\$ 506,863
Public Protection:	
Courthouse & Buildings	234,888
Probation	24,725
Sheriff	259,613
Fire Protection	37,088
Public Ways and Facilities, Including	
Depreciation of General Infrastructure Assets	173,081
	<u>\$ 1,236,258</u>

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

E. Interfund Balances and Activity

1. Due To and From Other Funds

The County did not have any balances in due to and due from other funds at December 31, 2016,

2. Transfers To and From Other Funds

Transfers to and from other funds at December 31, 2016, consisted of the following:

Transfers out:	Transfers In:		
	General Fund	Nonmajor Governmental	Total
General fund	\$ --	\$ 906,745	\$ 906,745
Nonmajor governmental	--	94,997	94,997
Total transfers out	--	1,001,742	1,001,742

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

F. Fund Balances

Minimum fund balance policy. The governing council has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund. The target level is set at two months of general fund annual revenues. This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a "revenue" source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level. Generally, replenishment is to occur within a three-year period.

The County has restricted, committed, assigned, and unassigned fund balance as follows.

Restricted Fund Balance:	
Federal or State Funds Grant Restriction	\$ 4,901,715
Retirement of Long-Term Debt	78,836
	<u>4,980,551</u>
Committed Fund Balance:	
Construction	1,195,801
Other Committed Fund Balance	--
	<u>1,195,801</u>
Assigned Fund Balance:	
Other Assigned Fund Balance	--
	<u>--</u>
Unassigned Fund Balance	
	4,065,441
	<u>4,065,441</u>
Total Fund Balance	\$ 10,241,793

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

G. Leases

Operating Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of December 31, 2016, as follows:

Year Ending December 31,		
2017	\$	25,233
2018		4,652
Total Minimum Rentals	\$	<u>29,885</u>
Rental Expenditures in 2016	\$	<u>38,122</u>

Capital Leases

The County has entered into three lease agreements as lessee for financing the acquisition of two fire trucks and six police vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

1. On July 22, 2011, the County entered into a five year lease agreement, secured with a new Mauldin Model M413XT Maintainer, with Government Capital Corporation with a maturity date of Feb. 15th, 2016. Payments are due in annual installments of \$16,781.54, including interest of 4.597%.
2. On April 22, 2013, the County entered into a three year lease agreement, secured with 5 vehicles with Government Capital Corporation, with a maturity of April 15, 2016. Payments are due in annual installments of \$56,536.19, including interest of 2.982%.
3. On February 5, 2014, the County entered into a five year lease agreement, secured by a backhoe with Government Capital Corporation, with a maturity date of February 1, 2018. Payments are due in annual installments of \$18,771.35 including interest of 3.639%.
4. On May 11, 2015, the County entered into a three year agreement, secured with 6 Police Chargers with Government Capital Corporation with a maturity date of June 10, 2018. Payments are due in annual installments of \$67,321.06, including interest of 3.124%.
5. On August 31, 2016, the County entered into a 13 month lease agreement secured by 2017 Mack Dump Truck with Bancorp South Equip Finance, with a maturity date of September 30, 2017. Payments are \$980.97 for 12 months and \$114,900.00 for the last month, including interest of 2.14%.
6. On August 31, 2016, the County entered into a 13 month lease agreement secured by 2017 Mack Dump Truck with Bancorp South Equip Finance, with a maturity date of September 30, 2017. Payments are \$0 for 12 months and \$126,808.00 for the last month, including interest of 2.14%.
7. On December 12, 2016, the County entered into a 3 year lease agreement secured by 4 Police Vehicles with Government Capital Corporation, with a maturity date of January 6, 2020. Payments are due in annual installments of \$59,583.33, including interest of 4.094%.
8. On December 12, 2016, the County entered into a six year lease agreement secured by a 2017 Suburban with Government Capital Corporation, with a maturity date of December 12, 2022. Payments are due in annual installments of \$6,648.43 including interest of 4.478%.
9. On November 2, 2016, the County entered into a seven year lease agreement secured by a 2017 Trash Truck and Refuse Equipment with Government Capital Corporation, with a maturity date of November 1, 2023. Payments are due in annual installments of \$61,217.37 including interest of 3.179%.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities
Machinery and Equipment	\$ 2,921,173
Less: accumulated depreciation	(832,256)
Total	<u>\$ 2,088,917</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2016 were as follows:

<u>Year Ending December 31.</u>	
2017	\$ 403,515
2018	213,542
2019	127,449
2020	127,449
2021	67,866
2022-2023	129,190
Total Minimum Lease Payments	<u>\$ 1,069,011</u>
Less: amount representing interest	(81,682)
Present Value of Minimum Lease Payments	<u>\$ 987,329</u>

H. Long-Term Obligations

1. Long-Term Obligation Activity

On May 1, 2008, the County issued \$2,735,000 in Certificate of Obligation Refunding Bonds, Series 2008 installments of \$145,000 to \$250,000 through September 1, 2023, with interest rate of 3.86%. Proceeds were used to renovate the jail and make improvements to county buildings.

The following is the certificates of obligation outstanding at December 31, 2016.

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Bonds Outstanding</u>
Certificates of Obligation Refunding Bonds, Series 2008	3.86%	May 1, 2008	September 1 2023	\$1,550,000

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended December 31, 2016, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental activities:</u>					
General obligation bonds	\$ 1,740,000	\$ --	\$ 190,000	\$ 1,550,000	195,000
Capital leases	313,414	833,303	159,388	987,329	379,923
Compensated absences *	319,165	46,520	138,852	226,833	80,000
Total governmental activities	<u>\$ 2,372,579</u>	<u>\$ 879,823</u>	<u>\$ 488,240</u>	<u>\$ 2,764,162</u>	<u>\$ 654,923</u>

* Other long-term liabilities

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

The funds typically used to liquidate other long-term liabilities in the past are as follows:

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
Compensated absences	Governmental	General

2. Debt Service Requirements

Debt service requirements on long-term debt at December 31, 2016, are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 195,000	\$ 57,997	\$ 252,997
2018	205,000	50,277	255,277
2019	210,000	42,364	252,364
2020	220,000	34,161	254,161
2021	230,000	25,573	255,573
2022-2026	490,000	23,834	513,834
Totals	<u>\$ 1,550,000</u>	<u>\$ 234,206</u>	<u>\$ 1,784,206</u>

I. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2016, the County obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The County pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The County continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

J. Pension Plan

1. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS) is a qualified pension plan under Section 401(a) of Internal Revenue Code. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent-multiple-employer public employee retirement system consisting of 586 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service, with 20 years of services regardless of age, or when the sum of their age and years of service equals 75 or more.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Members are vested after 8 years of employment with any organization with an accredited plan (not just the County), but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer. Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCRDS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCRDS Act.

2. Contributions

The employer has elected the annually determined contribution rate (variable-rate) plan provisions of the TCRDS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCRDS Act, the contribution rate of the employer is actuarially determined annually. It was 10.8% for the calendar year 2016. The deposit rate payable by the employee members is the rate of 4%, 5%, 6%, or 7.00% of compensation as adopted by the governing body of the employer within the options available in the TCRDS.

Employees of Jim Wells County were required to contribute 6.0% of their annual gross earnings during the fiscal year. The contribution rates for the County were 10.84% and 11.6% in calendar years 2015 and 2016, respectively. Jim Wells County's contributions to TCRDS for the fiscal year ended September 30, 2016 were \$1,122,930 and were equal to the required contributions.

3. Discount Rate

The discount rate used to measure the total pension liability was 8.1%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 8.1%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCRDS' investment consultant, Cliffwater LLC. The numbers shown below are based on January 2016 information for a 7-10 year time horizon.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected minus Inflation) (2)
US Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.45%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	14.00%	8.45%
Global Equities	MSCI World (net) Index	1.50%	5.75%
International Equities - Developed	MSCI World (net) Index	10.00%	5.45%
International Equities - Emerging	MSCI World (net) Index	8.00%	6.45%
Investment-Grade Bonds	Barclay's Capital Aggregate Bond Index	3.00%	1.00%
High-Yield bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	5.10%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.09%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	5.00%	6.40%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	8.10%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	3.00%	4.00%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.80%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	5.00%	6.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.25%
Total		100.00%	

(1) Target asset allocation adopted at the April 2016 TCDRS board meeting.

(2) Geometric real rates of return in addition to assumed inflation of 1.6%, per Cliffwater's 2016 capital market assumptions.

(3) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

4. Changes in Net Pension Liability

At December 31, 2015, Kleberg County reported a net pension liability of \$ 4,362,392. The changes in net pension liability were as follows:

	Total Pension Liability	Increase (Decrease) Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2014	\$ 37,828,089	\$ 36,237,022	\$ 1,591,067
Changes for the year			
Service cost	1,290,592	-	1,290,592
Interest on total pension liability	3,058,111	-	3,058,111
Effect of plan changes	(162,268)	-	(162,268)
Effect of economic/demographic gains or losses	(751,373)	-	(751,373)
Effect of assumptions changes or inputs	446,185	-	446,185
Refund of contributions	(240,417)	(240,417)	--
Benefit payments	(1,484,270)	(1,484,270)	--
Administrative expenses	-	(25,862)	25,862
Member contributions	-	617,908	(617,908)
Net investment income	-	(528,742)	528,742
Employer contributions	-	1,110,494	(1,110,494)
Other	-	(63,877)	63,877
Balance at 12/31/2015	\$ 39,984,649	\$ 35,622,257	\$ 4,362,392

The net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date and for the year then ended.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

5. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's 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%
County's net pension liability	\$ 44,792,603	\$ 39,984,648	\$ 35,949,360
Fiduciary net position	35,622,256	35,622,256	35,622,256
Net pension liability / (asset)	\$ 9,170,347	\$ 4,362,392	\$ 327,104

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

6. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the District recognized pension expense of \$1,378,312.

At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 514,932	\$ -
Changes in assumptions	-	297,456
Net difference between projected and actual earnings	(176,316)	3,428,152
Contributions subsequent to the measurement date	-	Employer determined
Total	338,616	3,725,608

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 Dec. 31:		
2016	\$	677,690
2017	\$	691,707
2018	\$	793,436
2019	\$	697,277
2020		-
Thereafter		-

7. Funded Status and Funding Progress

The funded status of the plan as of December 31, 2016, was as follows:

Actuarial Valuation Date	12/31/2015
Actuarial Value of Assets	29,178,271
Actuarial Accrued Liability	\$ 32,681,407
Unfunded Actuarial Liability	3,503,136
Funded Ratio	89.30%
Annualized Covered Payroll	\$ 10,244,406
Ratio of Unfunded Actuarial Liability to Annual Covered Payroll	3.66%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the status of the plan and the annual required contributions of the County are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Since this is the second year of implementation, no third year information is available.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

K. Health Care Coverage

During the year ended December 31, 2016, employees of the County were covered by a health insurance plan (the Plan). The County paid premiums of \$613 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the County and the licensed insurer is renewable January 2, 2017, and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the are available for the year ended , have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

L. Commitments and Contingencies

1. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the County at December 31, 2016.

M. Other Related Disclosures

The following funds had adopted budgets for the fiscal year ended December 31, 2016:

General Fund
Road and Bridge Funds
Small Dams Fund
Law Library Fund
Debt Service Fund
Jail Expansion Fund
Road Bond 1967 Fund

N. Subsequent Event

The County has evaluated subsequent events through July 12, 2017, the date which the financial statements were available to be issued.

O. Deferred Revenue

The County had deferred revenue in the amount of \$304,792 at the end of December 31, 2016.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT B-1
 Page 1 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
General Property Taxes	\$ 9,514,794	\$ 9,514,794	\$ 9,683,216	\$ 168,422
General Sales and Use Taxes	3,057,701	3,057,701	1,751,265	(1,306,436)
License and Permits	44,000	44,000	44,350	350
Intergovernmental	687,372	696,318	1,081,655	385,337
Charges for Services	13,720	15,700	58,029	42,329
Fines and Forfeitures	291,000	291,000	385,685	94,685
Fees of Office	994,850	994,850	1,121,319	126,469
Investment Earnings	45,000	45,000	38,671	(6,329)
Miscellaneous Revenues	255,600	255,600	1,421,858	1,166,258
Total revenues	<u>14,904,037</u>	<u>14,914,963</u>	<u>15,586,048</u>	<u>671,085</u>
EXPENDITURES:				
General Government				
County Judge				
Personal Services	254,709	245,768	233,924	11,844
Supplies	3,600	4,200	3,821	379
Other Services and Charges	14,700	13,200	10,788	2,412
Capital Outlay	2,500	400	--	400
Total County Judge	<u>275,509</u>	<u>263,568</u>	<u>248,533</u>	<u>15,035</u>
County Clerk				
Personal Services	457,345	406,877	400,990	5,887
Supplies	9,500	9,500	8,001	1,499
Other Services and Charges	61,185	61,185	69,647	(8,462)
Capital Outlay	1,000	1,000	--	1,000
Total County Clerk	<u>529,030</u>	<u>478,562</u>	<u>478,638</u>	<u>(76)</u>
Veterans Service				
Personal Services	72,244	72,167	74,083	(1,916)
Supplies	500	1,000	1,392	(392)
Other Services and Charges	33,212	39,715	39,318	397
Capital Outlay	200	774	--	774
Total Veterans Service	<u>106,156</u>	<u>113,656</u>	<u>114,793</u>	<u>(1,137)</u>
County Auditor				
Personal Services	486,851	486,851	477,282	9,569
Supplies	11,000	11,000	10,258	742
Other Services and Charges	41,600	42,800	36,472	6,328
Capital Outlay	8,543	7,343	--	7,343
Total County Auditor	<u>547,994</u>	<u>547,994</u>	<u>524,012</u>	<u>23,982</u>
County Treasurer				
Personal Services	175,016	172,969	171,312	1,657
Supplies	1,246	1,246	846	400
Other Services and Charges	4,650	4,650	4,362	288
Total County Treasurer	<u>180,912</u>	<u>178,865</u>	<u>176,520</u>	<u>2,345</u>
Tax Assessor-Collector				
Personal Services	497,373	492,324	481,023	11,301
Supplies	4,000	3,100	3,181	(81)
Other Services and Charges	357,239	358,039	418,297	(60,258)
Capital Outlay	1,200	1,300	--	1,300
Total Tax Assessor-Collector	<u>859,812</u>	<u>854,763</u>	<u>902,501</u>	<u>(47,738)</u>

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT B-1
Page 2 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
County Courthouse and Annex				
Personal Services	168,959	212,809	643,359	(430,550)
Supplies	43,000	44,700	41,166	3,534
Other Services and Charges	855,100	862,650	886,479	(23,829)
Capital Outlay	71,000	56,866	23,995	32,871
Total County Courthouse and Annex	<u>1,138,059</u>	<u>1,177,025</u>	<u>1,594,999</u>	<u>(417,974)</u>
County Airport				
Personal Services	28,200	28,200	5,550	22,650
Total County Airport	<u>28,200</u>	<u>28,200</u>	<u>5,550</u>	<u>22,650</u>
Elections				
Personal Services	258,249	258,249	265,323	(7,074)
Supplies	26,400	22,840	25,080	(2,240)
Other Services and Charges	35,688	39,248	37,568	1,680
Total Elections	<u>320,337</u>	<u>320,337</u>	<u>327,971</u>	<u>(7,634)</u>
Non-Departmental				
Personal Services	82,378	83,778	94,293	(10,515)
Supplies	61,600	61,727	62,421	(694)
Other Services and Charges	433,296	413,369	452,511	(39,142)
Total Non-Departmental	<u>577,274</u>	<u>558,874</u>	<u>609,225</u>	<u>(50,351)</u>
Total General Government	<u>4,563,282</u>	<u>4,521,843</u>	<u>4,982,742</u>	<u>(460,899)</u>
Judicial				
County court				
Personal Services	464,840	450,368	--	450,368
Supplies	3,500	3,500	--	3,500
Other Services and Charges	119,059	55,800	46,170	9,630
Total County Court	<u>587,399</u>	<u>509,668</u>	<u>46,170</u>	<u>463,498</u>
District Court				
Personal Services	484,745	453,280	418,562	34,718
Supplies	--	5,000	3,083	1,917
Other Services and Charges	191,454	196,454	155,429	41,025
Total District Court	<u>676,199</u>	<u>654,734</u>	<u>577,074</u>	<u>77,660</u>
District Clerk				
Personal Services	536,281	517,015	515,938	1,077
Supplies	14,000	14,000	15,427	(1,427)
Other Services and Charges	59,900	59,900	44,948	14,952
Capital Outlay	7,500	7,500	--	7,500
Total District Clerk	<u>617,681</u>	<u>598,415</u>	<u>576,313</u>	<u>22,102</u>
Justice of the Peace				
Personal Services	872,561	732,409	757,245	(24,836)
Supplies	6,350	7,150	18,280	(11,130)
Other Services and Charges	57,666	57,166	50,921	6,245
Total Justice of the Peace	<u>936,577</u>	<u>796,725</u>	<u>826,446</u>	<u>(29,721)</u>
County Attorney				
Personal Services	671,743	671,743	623,766	47,977
Supplies	3,000	5,000	3,933	1,067
Other Services and Charges	19,100	20,100	15,592	4,508
Total County Attorney	<u>693,843</u>	<u>696,843</u>	<u>643,291</u>	<u>53,552</u>

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT B-1
Page 3 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
District Attorney				
Personal Services	578,801	836,211	874,722	(38,511)
Supplies	8,000	8,000	6,206	1,794
Other Services and Charges	43,600	43,600	33,736	9,864
Capital Outlay	2,000	2,000	--	2,000
Total District Attorney	632,401	889,811	914,664	(24,853)
Total Judicial	4,144,099	4,146,195	3,583,958	562,237
Public Safety				
Ambulance				
Other Services and Charges	208,000	208,000	208,000	--
Total Ambulance	208,000	208,000	208,000	--
Fire Protection				
Other Services and Charges	100,000	100,000	57,446	42,554
Total Fire Protection	100,000	100,000	57,446	42,554
Constable				
Personal Services	587,102	450,698	440,947	9,751
Supplies	21,900	19,969	12,607	7,362
Other Services and Charges	22,345	24,266	18,453	5,813
Capital Outlay	6,800	6,810	--	6,810
Total Constable	638,147	501,743	472,007	29,736
Sheriff				
Personal Services	3,566,016	3,603,516	3,796,135	(192,619)
Supplies	452,068	444,568	345,231	99,337
Other Services and Charges	701,925	665,994	704,043	(38,049)
Capital Outlay	120,488	123,919	165,055	(41,136)
Total Sheriff	4,840,497	4,837,997	5,010,464	(172,467)
Juvenile Corrections Board				
Personal Services	62,565	62,565	49,379	13,186
Supplies	20,500	20,500	18,183	2,317
Other Services and Charges	318,100	314,600	239,231	75,369
Total Juvenile Corrections Board	401,165	397,665	306,793	90,872
Emergency Management				
Personal Services	104,394	81,465	80,495	970
Supplies	1,515	1,515	658	857
Other Services and Charges	41,000	41,121	36,813	4,308
Capital Outlay	21,163	17,263	--	17,263
Total Emergency Management	168,072	141,363	117,966	23,397
Safety Department				
Personal Services	185,494	176,068	156,140	19,928
Supplies	5,000	5,000	3,393	1,607
Other Services and Charges	199,395	240,195	13,460	226,735
Capital Outlay	12,000	4,200	--	4,200
Total Safety Department	401,889	425,463	172,993	252,470
Vector Control				
Supplies	1,200	1,200	508	692
Other Services and Charges	1,700	1,700	327	1,373
Capital Outlay	500	500	--	500
Total Vector Control	3,400	3,400	835	2,565
Adult Probation				
Other Services and Charges	37,772	37,772	34,086	3,686
Total Adult Probation	37,772	37,772	34,086	3,686
Total Public Safety	6,861,073	6,727,634	6,447,758	279,876

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT B-1
Page 4 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Welfare				
Personal Services	91,280	66,572	69,005	(2,433)
Supplies	700	700	550	150
Other Services and Charges	137,615	137,615	31,137	106,478
Capital Outlay	1,200	1,200	--	1,200
Total Health and Welfare	<u>230,795</u>	<u>206,087</u>	<u>100,692</u>	<u>105,395</u>
Culture and Recreation				
Jim Wells County Library				
Other Services and Charges	50,000	50,000	50,000	--
Total Jim Wells County Library	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>--</u>
Parks Department				
Other Services and Charges	13,771	13,771	9,650	4,121
Total Parks Department	<u>13,771</u>	<u>13,771</u>	<u>9,650</u>	<u>4,121</u>
Total Culture and Recreation	<u>63,771</u>	<u>63,771</u>	<u>59,650</u>	<u>4,121</u>
Conservation				
Agriculture Extension Service				
Personal Services	201,821	152,227	153,221	(994)
Supplies	19,066	19,066	18,505	561
Other Services and Charges	65,700	65,700	62,935	2,765
Capital Outlay	7,100	7,100	41,498	(34,398)
Total Agriculture Extension Service	<u>293,687</u>	<u>244,093</u>	<u>276,159</u>	<u>(32,066)</u>
Economic Development and Assistance				
Other Services and Charges	25,000	25,000	25,000	--
Total Economic Development and Assistance	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>--</u>
Debt Service:				
Principal	16,500	16,500	68,534	(52,034)
Interest and Fiscal Charges	--	--	5,887	(5,887)
Total Debt Service	<u>16,500</u>	<u>16,500</u>	<u>74,421</u>	<u>(57,921)</u>
Total Expenditures	<u>16,198,207</u>	<u>15,951,123</u>	<u>15,550,380</u>	<u>400,743</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,294,170)</u>	<u>(1,036,160)</u>	<u>35,668</u>	<u>1,071,828</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	(1,609,194)	(1,609,194)	(906,745)	(702,449)
Capital Leases	--	--	206,553	(206,553)
Total Other Financing Sources (Uses)	<u>(1,609,194)</u>	<u>(1,609,194)</u>	<u>(700,192)</u>	<u>(909,002)</u>
Net Change in Fund Balances	(2,903,364)	(2,645,354)	(664,524)	1,980,830
Fund Balances - Beginning	5,053,649	5,053,649	5,053,649	--
Fund Balances - Ending	<u>\$ 2,150,285</u>	<u>\$ 2,408,295</u>	<u>\$ 4,389,125</u>	<u>\$ 1,980,830</u>

JIM WELLS COUNTY, TEXAS
SCHEDULE OF CHANGES IN THE COUNTY'S
NET POSITION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	2015	2014
Total Pension Liability:		
Service cost	\$ 1,290,592	\$ 1,292,660
Interest	3,058,111	2,907,143
Changes of benefit terms	(162,268)	--
Difference between expected and actual experience	(751,373)	(67,749)
Benefit payments, including refunds of employee contributions	(1,278,502)	(1,471,906)
Net change in total pension liability	2,156,560	2,660,148
Total pension liability -beginning	37,828,089	35,978,529
Total pension liability-ending (a)	\$ 39,984,649	\$ 38,638,677
Plan Fiduciary Net Position		
Contributions - employer	\$ 1,110,494	\$ 1,142,342
Contributions - employee	617,908	591,887
Net investment income	(528,742)	2,287,706
Benefit payments, including refunds of employee contributions	(1,724,687)	(1,471,906)
Administrative expense	(25,862)	(26,972)
Other	(63,876)	(32,749)
Net Change in plan fiduciary net position	(614,765)	2,490,308
Plan fiduciary net position -beginning	36,237,022	33,746,713
Plan fiduciary net position -ending (b)	\$ 35,622,257	\$ 36,237,021
County's net position liability - ending (a) - (b)	\$ 4,362,392	\$ 2,401,656
Plan fiduciary net position as a percentage of the total pension liability	89.09%	93.78%
Covered employee payroll	\$ 11,140,898	\$ 9,864,786
County's net position liability as a percentage of covered-employee payroll	39.16%	24.35%

Notes to Schedule:

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

JIM WELLS COUNTY, TEXAS
SCHEDULE OF COUNTY CONTRIBUTIONS

EXHIBIT B-3

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	2016	2015	2014
Actuarially determined contribution	\$ 1,122,930	\$ 1,110,494	\$ 1,142,342
Contributions in relation to the actuarially required contribution	(1,122,930)	(1,110,494)	(1,142,342)
Contribution deficiency (excess)	\$ --	\$ --	\$ --
Covered employee payroll	\$ 74,094,632	\$ 11,140,898	\$ 9,864,786
Contributions as a percentage of covered-employee payroll	1.52%	9.97%	11.58%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for these years for which information is available.

JIM WELLS COUNTY, TEXAS
NOTES TO SCHEDULE OF CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age
 Amortization method Level percentage of payroll, closed
 Remaining amortization period 13.7
 Asset valuation method 5-year smoothed value, fund value
 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 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 Contributions. No changes in plan provisions are reflected in the Schedule of Employer Contributions.

The basis of budgeting in the Budgetary Comparison Schedules included in the Required Supplementary Information is the same as Accounting Principles Generally Accepted in the United States of America (GAAP).

JIM WELLS COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

BUDGETARY INFORMATION – The budget is prepared in accordance with financial policies approved by the County Budget Officer and the Commissioners Court following a public hearing. The Budget Officer is required by policy to present Commissioners Court with a balanced budget that contains a no-tax increase assumption as a starting point for budget discussions. The amounts budgeted in a fiscal year for expenditures in various funds may not exceed the balances in those funds as of the first day of the fiscal year plus any anticipated revenue for the fiscal year as estimated by the County Auditor.

The following are the funds which have legally adopted annual budgets prepared on a basis consistent with GAAP. General Fund, Debt Service Fund, and Special Revenue Funds which includes all four Road & Bridge Funds, the Small Dams Fund and the Law Library Fund. Project-length financial plans are adopted for the Capital Projects Funds.

The budget law of the State of Texas provides that "the amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in said funds plus the anticipated revenues for the current year for which the budget is made as estimated by the County Auditor. In addition, law provides that the Commissioners Court may, upon proper application, transfer an existing budget surplus during the year to a budget of like kind and fund but no such transfer shall increase the total budget.

Each year, all departments submit to the Budget Officer requests for appropriation. These requests are reviewed, compiled and presented to the Commissioners Court for approval. The Commissioners Court conducts departmental budget reviews, adjusts budget requests to final form and conducts a public hearing in the County Administration Building. Once copy of the proposed budget must be filed with the County Clerk and one with the County Auditor. Copies must be available to the public. The Commissioners Court must provide for the public hearing on the budget on some date within seven calendar days after the filing of the budget and prior to October 1st of the current fiscal year.

The County controls appropriations at the category level (i.e., salaries/allowances, operations and property) for each department/project within the General Fund and some of the Special Revenue Funds. Grants are budgeted in total and not at the category level. All Debt Service Funds' expenditures for principal and interest of long-term debt are considered to be in the operations category. Certain appropriation transfers may be made between categories or departments only with the approval of the Commissioners Court. Other transfers (e.g. court costs) may be authorized by the County Judge. Transfers that were made during fiscal year 2012 did not increase the County's overall budget. Unencumbered funds lapse at fiscal year end. The original budgets presented in the report are the approved budgets before amendments and transfers. The final budgets presented in this report reflect the budgets as amended for all appropriation transfers processed during the fiscal year. The legal level of budgetary control (the level on which expenditures may not exceed appropriations) is on an object class basis. More comprehensive accounting of activity on the budgetary basis is provided in a separate report, which available for public inspection in the office of the Jim Wells County Auditor, 200 N. Almond, Alice, Texas 78332.

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Combining Statements and Budget Comparisons as Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2016

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS				
Assets:				
Cash and Cash Equivalents	\$ 4,926,630	\$ 78,836	\$ 1,202,121	\$ 6,207,587
Taxes Receivables (net of allowances for uncollectibles):	2,619,463	--	--	2,619,463
Sales Taxes Receivable	34,465	--	--	34,465
Total Assets	<u>\$ 7,580,558</u>	<u>\$ 78,836</u>	<u>\$ 1,202,121</u>	<u>\$ 8,861,515</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 107,290	\$ --	\$ 6,320	\$ 113,610
Deferred Revenue	275,773	--	--	275,773
Total Liabilities	<u>383,063</u>	<u>--</u>	<u>6,320</u>	<u>389,383</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue Property Taxes	2,619,464	--	--	2,619,464
Total Deferred Inflows of Resources	<u>2,619,464</u>	<u>--</u>	<u>--</u>	<u>2,619,464</u>
Fund Balances:				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	4,901,715	--	--	4,901,715
Retirement of Long-Term Debt	--	78,836	--	78,836
Unassigned	(323,684)	--	--	(323,684)
Capital Project Funds	--	--	1,195,801	1,195,801
Total Fund Balance	<u>4,578,031</u>	<u>78,836</u>	<u>1,195,801</u>	<u>5,852,668</u>
Total Liabilities and Fund Balance	<u>\$ 7,580,558</u>	<u>\$ 78,836</u>	<u>\$ 1,202,121</u>	<u>\$ 8,861,515</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:				
Taxes:				
General Property Taxes	\$ 2,587,381	\$ 252,413	\$ --	\$ 2,839,794
General Sales and Use Taxes	437,817	--	--	437,817
License and Permits	254,458	--	--	254,458
Intergovernmental	2,280,994	--	1,053	2,282,047
Charges for Services	364,368	--	--	364,368
Fines and Forfeitures	271,970	--	--	271,970
Fees of Office	622,459	--	--	622,459
Investment Earnings	24,444	624	471	25,539
Miscellaneous Revenues	269,817	--	3,275	273,092
Total revenues	<u>7,113,708</u>	<u>253,037</u>	<u>4,799</u>	<u>7,371,544</u>
Expenditures:				
Current:				
Judicial	382,223	--	--	382,223
Public Safety	2,661,023	--	10,210	2,671,233
Public Transportation	5,090,150	--	--	5,090,150
Health and Welfare	1,147,006	--	--	1,147,006
Debt Service:				
Principal	35,955	190,000	--	225,955
Interest and Fiscal Charges	3,522	65,427	--	68,949
Fiscal Agent's Fees	--	31	--	31
Total Expenditures	<u>9,319,879</u>	<u>255,458</u>	<u>10,210</u>	<u>9,585,547</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,206,171)</u>	<u>(2,421)</u>	<u>(5,411)</u>	<u>(2,214,003)</u>
Other Financing Sources (Uses):				
Transfers In	1,001,742	--	--	1,001,742
Transfers Out	(94,997)	--	--	(94,997)
Capital Leases	626,751	--	--	626,751
Sale of Capital Assets	15,100	--	--	15,100
Total Other Financing Sources (Uses)	<u>1,548,596</u>	<u>--</u>	<u>--</u>	<u>1,548,596</u>
Net Change in Fund Balances	(657,575)	(2,421)	(5,411)	(665,407)
Fund Balances - Beginning	5,235,606	81,257	1,201,212	6,518,075
Fund Balances - Ending	<u>\$ 4,578,031</u>	<u>\$ 78,836</u>	<u>\$ 1,195,801</u>	<u>\$ 5,852,668</u>

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2016

	Public Transportation Planning Fund	Job Access & Reverse Commute Fund	Road & Bridge No. 21 Fund	Road & Bridge No. 22 Fund
ASSETS				
Assets:				
Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ 1,018,044
Taxes Receivables (net of allowances for uncollectibles):	--	--	576,240	388,191
Sales Taxes Receivable	--	--	6,652	5,149
Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 582,892</u>	<u>\$ 1,411,384</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ --	\$ --	\$ 31,709	\$ --
Deferred Revenue	--	--	225,798	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>257,507</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue Property Taxes	--	--	576,240	388,192
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>576,240</u>	<u>388,192</u>
Fund Balances:				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	--	--	--	1,023,192
Unassigned	--	--	(250,855)	--
Total Fund Balance	<u>--</u>	<u>--</u>	<u>(250,855)</u>	<u>1,023,192</u>
Total Liabilities and Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 582,892</u>	<u>\$ 1,411,384</u>

Road & Bridge No. 23 Fund	Road & Bridge No. 24 Fund	Indigent Health Care Fund	Sheriff Impound Fees	Small Dams No. 32 Fund
\$ 991,938	\$ 959,351	\$ 2,752	\$ 40,544	\$ 128,640
791,639	863,393	--	--	--
11,253	11,411	--	--	--
<u>\$ 1,794,830</u>	<u>\$ 1,834,155</u>	<u>\$ 2,752</u>	<u>\$ 40,544</u>	<u>\$ 128,640</u>
\$ --	\$ --	\$ 75,581	\$ --	\$ --
--	49,975	--	--	--
--	<u>49,975</u>	<u>75,581</u>	--	--
791,639	863,393	--	--	--
<u>791,639</u>	<u>863,393</u>	--	--	--
1,003,191	920,787	--	40,544	128,640
--	--	(72,829)	--	--
<u>1,003,191</u>	<u>920,787</u>	<u>(72,829)</u>	<u>40,544</u>	<u>128,640</u>
<u>\$ 1,794,830</u>	<u>\$ 1,834,155</u>	<u>\$ 2,752</u>	<u>\$ 40,544</u>	<u>\$ 128,640</u>

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2016

	DA State Grant Fund	CSCD Specialized Caseload (SO)	Jail Commissary Fund	CSCD Specialized Caseload (SO)
ASSETS				
Assets:				
Cash and Cash Equivalents	\$ --	\$ --	\$ 26,671	\$ 9,638
Taxes Receivables (net of allowances for uncollectibles):	--	--	--	--
Sales Taxes Receivable	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 26,671</u>	<u>\$ 9,638</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ --	\$ --	\$ --	\$ --
Deferred Revenue	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue Property Taxes	--	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	--	--	26,671	9,638
Unassigned	--	--	--	--
Total Fund Balance	<u>--</u>	<u>--</u>	<u>26,671</u>	<u>9,638</u>
Total Liabilities and Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 26,671</u>	<u>\$ 9,638</u>

<u>DA State Grant Fund</u>	<u>Pre-Trial Bond Supervision</u>	<u>CSCD After Care Caseload</u>	<u>County Attorney Check Collection</u>	<u>Juvenile Probation Fund</u>
\$ 686	\$ 65,263	\$ 7,933	\$ 141	\$ 179
--	--	--	--	--
--	--	--	--	--
<u>\$ 686</u>	<u>\$ 65,263</u>	<u>\$ 7,933</u>	<u>\$ 141</u>	<u>\$ 179</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
686	65,263	7,933	141	179
--	--	--	--	--
<u>686</u>	<u>65,263</u>	<u>7,933</u>	<u>141</u>	<u>179</u>
<u>\$ 686</u>	<u>\$ 65,263</u>	<u>\$ 7,933</u>	<u>\$ 141</u>	<u>\$ 179</u>

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2016

	Adult Probation Fund	State Juvenile Probation Fund	Colonia Grant Fund	Home Program Fund
ASSETS				
Assets:				
Cash and Cash Equivalents	\$ 155,273	\$ 108,670	\$ --	\$ 127
Taxes Receivables (net of allowances for uncollectibles):	--	--	--	--
Sales Taxes Receivable	--	--	--	--
Total Assets	<u>\$ 155,273</u>	<u>\$ 108,670</u>	<u>\$ --</u>	<u>\$ 127</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ --	\$ --	\$ --	\$ --
Deferred Revenue	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue Property Taxes	--	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	155,273	108,670	--	127
Unassigned	--	--	--	--
Total Fund Balance	<u>155,273</u>	<u>108,670</u>	<u>--</u>	<u>127</u>
Total Liabilities and Fund Balance	<u>\$ 155,273</u>	<u>\$ 108,670</u>	<u>\$ --</u>	<u>\$ 127</u>

Law Library Fund	Disaster Relief Fund	Drug Abuse and Rehabilitation Fund	County Attorney Crime Prevention Fund	79th Judicial District Attorney Forfeiture Fund
\$ 14,773	\$ --	\$ 27,176	\$ 8,554	\$ 432,065
--	--	--	--	--
--	--	--	--	--
<u>\$ 14,773</u>	<u>\$ --</u>	<u>\$ 27,176</u>	<u>\$ 8,554</u>	<u>\$ 432,065</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
14,773	--	27,176	8,554	432,065
--	--	--	--	--
<u>14,773</u>	<u>--</u>	<u>27,176</u>	<u>8,554</u>	<u>432,065</u>
<u>\$ 14,773</u>	<u>\$ --</u>	<u>\$ 27,176</u>	<u>\$ 8,554</u>	<u>\$ 432,065</u>

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2016

	<u>Sheriff Drug Forfeiture Fund</u>	<u>Community Corrections Fund</u>	<u>Constable Prct 5 Drug Forfeiture Fund</u>
ASSETS			
Assets:			
Cash and Cash Equivalents	\$ 209,692	\$ 18,832	\$ 56,718
Taxes Receivables (net of allowances for uncollectibles):	--	--	--
Sales Taxes Receivable	--	--	--
Total Assets	<u>\$ 209,692</u>	<u>\$ 18,832</u>	<u>\$ 56,718</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ --	\$ --	\$ --
Deferred Revenue	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue Property Taxes	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:			
Restricted Fund Balances:			
Federal or State Funds Grant Restriction	209,692	18,832	56,718
Unassigned	--	--	--
Total Fund Balance	<u>209,692</u>	<u>18,832</u>	<u>56,718</u>
Total Liabilities and Fund Balance	<u>\$ 209,692</u>	<u>\$ 18,832</u>	<u>\$ 56,718</u>

Juvenile Law Enforcement Officer Fund	JP Technology Fund	County and District Court Technology Fund	Records Preservation Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ --	\$ 5,650	\$ 3,143	\$ 634,177	\$ 4,926,630
--	--	--	--	2,619,463
--	--	--	--	34,465
<u>\$ --</u>	<u>\$ 5,650</u>	<u>\$ 3,143</u>	<u>\$ 634,177</u>	<u>\$ 7,580,558</u>
\$ --	\$ --	\$ --	\$ --	\$ 107,290
--	--	--	--	275,773
--	--	--	--	383,063
--	--	--	--	2,619,464
--	--	--	--	2,619,464
--	5,650	3,143	634,177	4,901,715
--	--	--	--	(323,684)
<u>--</u>	<u>5,650</u>	<u>3,143</u>	<u>634,177</u>	<u>4,578,031</u>
<u>\$ --</u>	<u>\$ 5,650</u>	<u>\$ 3,143</u>	<u>\$ 634,177</u>	<u>\$ 7,580,558</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Road & Bridge No. 21 Fund	Road & Bridge No. 22 Fund	Road & Bridge No. 23 Fund	Road & Bridge No. 24 Fund
Revenue:				
Taxes:				
General Property Taxes	\$ 522,202	\$ 426,824	\$ 814,045	\$ 824,310
General Sales and Use Taxes	84,499	65,410	142,947	144,961
License and Permits	79,384	46,909	9,089	119,076
Intergovernmental	24,583	19,029	146,917	234,073
Charges for Services	--	--	--	--
Fines and Forfeitures	1,257	743	1,828	1,884
Fees of Office	88,263	52,156	160,881	132,395
Investment Earnings	840	4,905	4,787	4,868
Miscellaneous Revenues	80,214	2	13,854	--
Total revenues	<u>881,242</u>	<u>615,978</u>	<u>1,294,348</u>	<u>1,461,567</u>
Expenditures:				
Current:				
Judicial	--	--	--	--
Public Safety	--	--	--	--
Public Transportation	1,647,223	709,746	1,273,224	1,448,554
Health and Welfare	--	--	--	--
Debt Service:				
Principal	35,955	--	--	--
Interest and Fiscal Charges	3,522	--	--	--
Total Expenditures	<u>1,686,700</u>	<u>709,746</u>	<u>1,273,224</u>	<u>1,448,554</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(805,458)</u>	<u>(93,768)</u>	<u>21,124</u>	<u>13,013</u>
Other Financing Sources (Uses):				
Transfers In	74,620	119,025	119,025	62,074
Transfers Out	(7,301)	(4,314)	(10,619)	(10,951)
Capital Leases	502,845	--	--	123,906
Sale of Capital Assets	--	--	--	15,100
Total Other Financing Sources (Uses)	<u>570,164</u>	<u>114,711</u>	<u>108,406</u>	<u>190,129</u>
Net Change in Fund Balances	(235,294)	20,943	129,530	203,142
Fund Balances - Beginning	(15,561)	1,002,249	873,661	717,645
Fund Balances - Ending	<u>\$ (250,855)</u>	<u>\$ 1,023,192</u>	<u>\$ 1,003,191</u>	<u>\$ 920,787</u>

Indigent Health Care Fund	Sheriff Impound Fees	Small Dams No. 32 Fund	Jail Commissary Fund	CSCD Specialized Caseload (SO)
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	50,176	47,435
--	7,696	--	--	--
--	--	--	--	--
78	177	448	--	--
3,279	19	34	--	--
<u>3,357</u>	<u>7,892</u>	<u>482</u>	<u>50,176</u>	<u>47,435</u>
--	--	--	--	--
--	26,623	--	43,764	56,386
--	--	11,403	--	--
554,157	--	--	--	--
--	--	--	--	--
<u>554,157</u>	<u>26,623</u>	<u>11,403</u>	<u>43,764</u>	<u>56,386</u>
(550,800)	(18,731)	(10,921)	6,412	(8,951)
455,000	--	33,185	--	9,762
--	--	--	--	--
--	--	--	--	--
<u>455,000</u>	<u>--</u>	<u>33,185</u>	<u>--</u>	<u>9,762</u>
(95,800)	(18,731)	22,264	6,412	811
22,971	59,275	106,376	20,259	8,827
<u>\$ (72,829)</u>	<u>\$ 40,544</u>	<u>\$ 128,640</u>	<u>\$ 26,671</u>	<u>\$ 9,638</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	DA State Grant Fund	Pre-Trial Bond Supervision	CSCD After Care Caseload	County Attorney Check Collection
Revenue:				
Taxes:				
General Property Taxes	\$ --	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	--	--	--
License and Permits	--	--	--	--
Intergovernmental	189,444	51,433	43,291	--
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	4,523
Fees of Office	--	--	--	--
Investment Earnings	307	332	--	15
Miscellaneous Revenues	--	--	--	1
Total revenues	<u>189,751</u>	<u>51,765</u>	<u>43,291</u>	<u>4,539</u>
Expenditures:				
Current:				
Judicial	325,317	--	--	8,522
Public Safety	--	100,627	--	--
Public Transportation	--	--	--	--
Health and Welfare	--	--	83,320	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>325,317</u>	<u>100,627</u>	<u>83,320</u>	<u>8,522</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(135,566)</u>	<u>(48,862)</u>	<u>(40,029)</u>	<u>(3,983)</u>
Other Financing Sources (Uses):				
Transfers In	--	--	29,069	--
Transfers Out	--	--	--	--
Capital Leases	--	--	--	--
Sale of Capital Assets	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>29,069</u>	<u>--</u>
Net Change in Fund Balances	(135,566)	(48,862)	(10,960)	(3,983)
Fund Balances - Beginning	<u>136,252</u>	<u>114,125</u>	<u>18,893</u>	<u>4,124</u>
Fund Balances - Ending	<u>\$ 686</u>	<u>\$ 65,263</u>	<u>\$ 7,933</u>	<u>\$ 141</u>

Juvenile Probation Fund	Adult Probation Fund	State Juvenile Probation Fund	Colonia Grant Fund	Home Program Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	311,039	502,060	259,534	--
--	356,672	--	--	--
--	--	--	--	--
16	687	364	--	--
<u>16</u>	<u>668,398</u>	<u>502,424</u>	<u>259,534</u>	<u>--</u>
--	--	--	--	--
8,908	717,927	481,320	--	--
--	--	--	259,534	--
--	--	--	--	--
<u>8,908</u>	<u>717,927</u>	<u>481,320</u>	<u>259,534</u>	<u>--</u>
<u>(8,892)</u>	<u>(49,529)</u>	<u>21,104</u>	<u>--</u>	<u>--</u>
--	75,000	--	--	--
--	(48,702)	--	--	--
--	--	--	--	--
<u>--</u>	<u>26,298</u>	<u>--</u>	<u>--</u>	<u>--</u>
(8,892)	(23,231)	21,104	--	--
9,071	178,504	87,566	--	127
<u>\$ 179</u>	<u>\$ 155,273</u>	<u>\$ 108,670</u>	<u>\$ --</u>	<u>\$ 127</u>

JIM WELLS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Law Library Fund	Disaster Relief Fund	Drug Abuse and Rehabilitation Fund	County Attorney Crime Prevention Fund
Revenue:				
Taxes:				
General Property Taxes	\$ --	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	--	--	--
License and Permits	--	--	--	--
Intergovernmental	--	249,995	3,027	50,270
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	28,188	--	--	--
Investment Earnings	74	--	--	30
Miscellaneous Revenues	--	--	--	--
Total revenues	<u>28,262</u>	<u>249,995</u>	<u>3,027</u>	<u>50,300</u>
Expenditures:				
Current:				
Judicial	37,330	--	--	--
Public Safety	--	--	27,000	53,487
Public Transportation	--	--	--	--
Health and Welfare	--	249,995	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>37,330</u>	<u>249,995</u>	<u>27,000</u>	<u>53,487</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,068)</u>	<u>--</u>	<u>(23,973)</u>	<u>(3,187)</u>
Other Financing Sources (Uses):				
Transfers In	2,000	--	--	13,110
Transfers Out	--	--	--	--
Capital Leases	--	--	--	--
Sale of Capital Assets	--	--	--	--
Total Other Financing Sources (Uses)	<u>2,000</u>	<u>--</u>	<u>--</u>	<u>13,110</u>
Net Change in Fund Balances	(7,068)	--	(23,973)	9,923
Fund Balances - Beginning	21,841	--	51,149	(1,369)
Fund Balances - Ending	<u>\$ 14,773</u>	<u>\$ --</u>	<u>\$ 27,176</u>	<u>\$ 8,554</u>

79th Judicial District Attorney Forfeiture Fund	Sheriff Drug Forfeiture Fund	Community Corrections Fund	Constable Prct 5 Drug Forfeiture Fund	JP Technology Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	98,688	--	--
155,321	99,282	--	7,132	--
--	--	--	--	11,622
2,088	2,004	--	203	18
165,766	6,648	--	--	--
<u>323,175</u>	<u>107,934</u>	<u>98,688</u>	<u>7,335</u>	<u>11,640</u>
--	--	--	--	11,054
412,592	622,202	110,187	--	--
--	--	--	--	--
--	--	--	--	--
<u>412,592</u>	<u>622,202</u>	<u>110,187</u>	<u>--</u>	<u>11,054</u>
<u>(89,417)</u>	<u>(514,268)</u>	<u>(11,499)</u>	<u>7,335</u>	<u>586</u>
--	--	9,872	--	--
(13,110)	--	--	--	--
--	--	--	--	--
<u>(13,110)</u>	<u>--</u>	<u>9,872</u>	<u>--</u>	<u>--</u>
(102,527)	(514,268)	(1,627)	7,335	586
534,592	723,960	20,459	49,383	5,064
<u>\$ 432,065</u>	<u>\$ 209,692</u>	<u>\$ 18,832</u>	<u>\$ 56,718</u>	<u>\$ 5,650</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	County and District Court Technology Fund	Records Preservation Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenue:			
Taxes:			
General Property Taxes	\$ --	\$ --	\$ 2,587,381
General Sales and Use Taxes	--	--	437,817
License and Permits	--	--	254,458
Intergovernmental	--	--	2,280,994
Charges for Services	--	--	364,368
Fines and Forfeitures	--	--	271,970
Fees of Office	492	148,462	622,459
Investment Earnings	11	2,192	24,444
Miscellaneous Revenues	--	--	269,817
Total revenues	<u>503</u>	<u>150,654</u>	<u>7,113,708</u>
Expenditures:			
Current:			
Judicial	--	--	382,223
Public Safety	--	--	2,661,023
Public Transportation	--	--	5,090,150
Health and Welfare	--	--	1,147,006
Debt Service:			
Principal	--	--	35,955
Interest and Fiscal Charges	--	--	3,522
Total Expenditures	<u>--</u>	<u>--</u>	<u>9,319,879</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>503</u>	<u>150,654</u>	<u>(2,206,171)</u>
Other Financing Sources (Uses):			
Transfers In	--	--	1,001,742
Transfers Out	--	--	(94,997)
Capital Leases	--	--	626,751
Sale of Capital Assets	--	--	15,100
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>1,548,596</u>
Net Change in Fund Balances	503	150,654	(657,575)
Fund Balances - Beginning	2,640	483,523	5,235,606
Fund Balances - Ending	<u>\$ 3,143</u>	<u>\$ 634,177</u>	<u>\$ 4,578,031</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 21 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
General Property Taxes	\$ 514,014	\$ 514,014	\$ 522,202	\$ 8,188
General Sales and Use Taxes	147,534	147,534	84,499	(63,035)
License and Permits	77,586	77,586	79,384	1,798
Intergovernmental	28,850	28,850	24,583	(4,267)
Fines and Forfeitures	905	905	1,257	352
Fees of Office	88,000	88,000	88,263	263
Investment Earnings	1,000	1,000	840	(160)
Miscellaneous Revenues	123,762	306,012	80,214	(225,798)
Total revenues	<u>981,651</u>	<u>1,163,901</u>	<u>881,242</u>	<u>(282,659)</u>
EXPENDITURES:				
Public Transportation				
Personal Services	598,431	636,123	627,474	8,649
Supplies	88,050	109,770	254,620	(144,850)
Other Services and Charges	141,350	238,737	247,218	(8,481)
Capital Outlay	44,300	378,150	517,911	(139,761)
Total Public Transportation	<u>872,131</u>	<u>1,362,780</u>	<u>1,647,223</u>	<u>(284,443)</u>
Debt Service:				
Principal	--	--	35,955	(35,955)
Interest and Fiscal Charges	--	--	3,522	(3,522)
Total Debt Service	<u>--</u>	<u>--</u>	<u>39,477</u>	<u>(39,477)</u>
Total Expenditures	<u>872,131</u>	<u>1,362,780</u>	<u>1,686,700</u>	<u>(323,920)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>109,520</u>	<u>(198,879)</u>	<u>(805,458)</u>	<u>(606,579)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	74,620	74,620	74,620	--
Transfers Out	(7,301)	(7,301)	(7,301)	--
Capital Leases	1,000	1,000	502,845	(501,845)
Total Other Financing Sources (Uses)	<u>68,319</u>	<u>68,319</u>	<u>570,164</u>	<u>(501,845)</u>
Net Change in Fund Balances	177,839	(130,560)	(235,294)	(104,734)
Fund Balances - Beginning	(15,560)	(15,561)	(15,561)	--
Fund Balances - Ending	<u>\$ 162,279</u>	<u>\$ (146,121)</u>	<u>\$ (250,855)</u>	<u>\$ (104,734)</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 22 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
General Property Taxes	\$ 420,486	\$ 420,486	\$ 426,824	\$ 6,338
General Sales and Use Taxes	114,206	114,206	65,410	(48,796)
License and Permits	60,000	60,000	46,909	(13,091)
Intergovernmental	21,455	21,455	19,029	(2,426)
Fines and Forfeitures	720	720	743	23
Fees of Office	65,000	65,000	52,156	(12,844)
Investment Earnings	2,500	2,500	4,905	2,405
Miscellaneous Revenues	--	--	2	2
Total revenues	<u>684,367</u>	<u>684,367</u>	<u>615,978</u>	<u>(68,389)</u>
EXPENDITURES:				
Public Transportation				
Personal Services	433,608	433,608	373,701	59,907
Supplies	48,300	48,800	49,333	(533)
Other Services and Charges	43,800	54,300	237,935	(183,635)
Capital Outlay	984,100	1,092,125	48,777	1,043,348
Total Public Transportation	<u>1,509,808</u>	<u>1,628,833</u>	<u>709,746</u>	<u>919,087</u>
Total Expenditures	<u>1,509,808</u>	<u>1,628,833</u>	<u>709,746</u>	<u>919,087</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(825,441)</u>	<u>(944,466)</u>	<u>(93,768)</u>	<u>850,698</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	119,025	119,025	119,025	--
Transfers Out	(4,314)	(4,314)	(4,314)	--
Total Other Financing Sources (Uses)	<u>114,711</u>	<u>114,711</u>	<u>114,711</u>	<u>--</u>
Net Change in Fund Balances	(710,730)	(829,755)	20,943	850,698
Fund Balances - Beginning	1,002,249	1,002,249	1,002,249	--
Fund Balances - Ending	<u>\$ 291,519</u>	<u>\$ 172,494</u>	<u>\$ 1,023,192</u>	<u>\$ 850,698</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 23 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
General Property Taxes	\$ 800,392	\$ 800,392	\$ 814,045	\$ 13,653
General Sales and Use Taxes	249,584	249,584	142,947	(106,637)
License and Permits	131,253	131,253	9,089	(122,164)
Intergovernmental	54,006	54,006	146,917	92,911
Fines and Forfeitures	1,571	1,571	1,828	257
Fees of Office	168,885	168,885	160,881	(8,004)
Investment Earnings	2,500	2,500	4,787	2,287
Miscellaneous Revenues	--	--	13,854	13,854
Total revenues	<u>1,408,191</u>	<u>1,408,191</u>	<u>1,294,348</u>	<u>(113,843)</u>
EXPENDITURES:				
Public Transportation				
Personal Services	863,703	869,703	625,528	244,175
Supplies	176,500	144,805	345,808	(201,003)
Other Services and Charges	171,500	204,695	161,069	43,626
Capital Outlay	776,500	903,025	140,819	762,206
Total Public Transportation	<u>1,988,203</u>	<u>2,122,227</u>	<u>1,273,224</u>	<u>849,003</u>
Total Expenditures	<u>1,988,203</u>	<u>2,122,227</u>	<u>1,273,224</u>	<u>849,003</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(580,012)</u>	<u>(714,036)</u>	<u>21,124</u>	<u>735,160</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	119,025	119,025	119,025	--
Transfers Out	<u>(10,619)</u>	<u>(10,619)</u>	<u>(10,619)</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>108,406</u>	<u>108,406</u>	<u>108,406</u>	<u>--</u>
Net Change in Fund Balances	(471,606)	(605,630)	129,530	735,160
Fund Balances - Beginning	873,661	873,661	873,661	--
Fund Balances - Ending	<u>\$ 402,055</u>	<u>\$ 268,031</u>	<u>\$ 1,003,191</u>	<u>\$ 735,160</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 24 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
General Property Taxes	\$ 810,260	\$ 810,260	\$ 824,310	\$ 14,050
General Sales and Use Taxes	253,101	253,101	144,961	(108,140)
License and Permits	133,102	133,102	119,076	(14,026)
Intergovernmental	48,775	290,651	234,073	(56,578)
Fines and Forfeitures	1,595	1,595	1,884	289
Fees of Office	151,000	151,000	132,395	(18,605)
Investment Earnings	3,000	3,000	4,868	1,868
Total revenues	<u>1,400,833</u>	<u>1,642,709</u>	<u>1,461,567</u>	<u>(181,142)</u>
EXPENDITURES:				
Public Transportation				
Personal Services	851,416	851,416	651,597	199,819
Supplies	163,550	167,550	207,713	(40,163)
Other Services and Charges	253,233	288,733	215,704	73,029
Capital Outlay	508,000	772,450	373,540	398,910
Total Public Transportation	<u>1,776,199</u>	<u>2,080,149</u>	<u>1,448,554</u>	<u>631,595</u>
Total Expenditures	<u>1,776,199</u>	<u>2,080,149</u>	<u>1,448,554</u>	<u>631,595</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(375,366)</u>	<u>(437,440)</u>	<u>13,013</u>	<u>450,453</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	62,074	62,074	62,074	--
Transfers Out	(10,951)	(10,951)	(10,951)	--
Capital Leases	--	--	123,906	(123,906)
Sale of Capital Assets	--	--	15,100	(15,100)
Total Other Financing Sources (Uses)	<u>51,123</u>	<u>51,123</u>	<u>190,129</u>	<u>(139,006)</u>
Net Change in Fund Balances	<u>(324,243)</u>	<u>(386,317)</u>	<u>203,142</u>	<u>589,459</u>
Fund Balances - Beginning	<u>717,645</u>	<u>717,645</u>	<u>717,645</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 393,402</u>	<u>\$ 331,328</u>	<u>\$ 920,787</u>	<u>\$ 589,459</u>

JIM WELLS COUNTY, TEXAS
 SMALL DAMS NO. 32 FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Investment Earnings	\$ 300	\$ 300	\$ 448	\$ 148
Miscellaneous Revenues	--	--	34	34
Total revenues	<u>300</u>	<u>300</u>	<u>482</u>	<u>182</u>
EXPENDITURES:				
Public Transportation				
Personal Services	--	20,000	8,189	11,811
Other Services and Charges	14,000	14,000	--	14,000
Capital Outlay	100,000	80,000	3,214	76,786
Total Public Transportation	<u>114,000</u>	<u>114,000</u>	<u>11,403</u>	<u>102,597</u>
Total Expenditures	<u>114,000</u>	<u>114,000</u>	<u>11,403</u>	<u>102,597</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(113,700)</u>	<u>(113,700)</u>	<u>(10,921)</u>	<u>102,779</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	33,185	33,185	33,185	--
Total Other Financing Sources (Uses)	<u>33,185</u>	<u>33,185</u>	<u>33,185</u>	<u>--</u>
Net Change in Fund Balances	(80,515)	(80,515)	22,264	102,779
Fund Balances - Beginning	106,376	106,376	106,376	--
Fund Balances - Ending	<u>\$ 25,861</u>	<u>\$ 25,861</u>	<u>\$ 128,640</u>	<u>\$ 102,779</u>

JIM WELLS COUNTY, TEXAS
 LAW LIBRARY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Fees of Office	\$ 36,000	\$ 36,000	\$ 28,188	\$ (7,812)
Investment Earnings	100	100	74	(26)
Total revenues	<u>36,100</u>	<u>36,100</u>	<u>28,262</u>	<u>(7,838)</u>
EXPENDITURES:				
Judicial				
County court				
Capital Outlay	43,000	43,000	37,330	5,670
Total County Court	<u>43,000</u>	<u>43,000</u>	<u>37,330</u>	<u>5,670</u>
Total Judicial	<u>43,000</u>	<u>43,000</u>	<u>37,330</u>	<u>5,670</u>
Total Expenditures	<u>43,000</u>	<u>43,000</u>	<u>37,330</u>	<u>5,670</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,900)</u>	<u>(6,900)</u>	<u>(9,068)</u>	<u>(2,168)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	2,000	2,000	2,000	--
Total Other Financing Sources (Uses)	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>--</u>
Net Change in Fund Balances	(4,900)	(4,900)	(7,068)	(2,168)
Fund Balances - Beginning	21,841	21,841	21,841	--
Fund Balances - Ending	<u>\$ 16,941</u>	<u>\$ 16,941</u>	<u>\$ 14,773</u>	<u>\$ (2,168)</u>

JIM WELLS COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
General Property Taxes	\$ 249,885	\$ 249,885	\$ 252,413	\$ 2,528
Investment Earnings	300	300	624	324
Total revenues	<u>250,185</u>	<u>250,185</u>	<u>253,037</u>	<u>2,852</u>
EXPENDITURES:				
Debt Service:				
Principal	180,000	180,000	190,000	(10,000)
Interest and Fiscal Charges	72,375	72,375	65,427	6,948
Fiscal Agent's Fees	500	500	31	469
Total Debt Service	<u>252,875</u>	<u>252,875</u>	<u>255,458</u>	<u>(2,583)</u>
Total Expenditures	<u>252,875</u>	<u>252,875</u>	<u>255,458</u>	<u>(2,583)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,690)</u>	<u>(2,690)</u>	<u>(2,421)</u>	<u>269</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(2,690)	(2,690)	(2,421)	269
Fund Balances - Beginning	81,257	81,257	81,257	--
Fund Balances - Ending	<u>\$ 78,567</u>	<u>\$ 78,567</u>	<u>\$ 78,836</u>	<u>\$ 269</u>

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2016

	<u>Relief Route Capital Fund</u>	<u>Jail Expansion Fund</u>	<u>Road Bond 1967</u>	<u>Total Nonmajor Capital Projects Funds (See Exhibit C-1)</u>
ASSETS				
Assets:				
Cash and Cash Equivalents	\$ 740,000	\$ 314,506	\$ 147,615	\$ 1,202,121
Total Assets	<u>\$ 740,000</u>	<u>\$ 314,506</u>	<u>\$ 147,615</u>	<u>\$ 1,202,121</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ --	\$ 6,320	\$ --	\$ 6,320
Total Liabilities	<u>\$ --</u>	<u>\$ 6,320</u>	<u>\$ --</u>	<u>\$ 6,320</u>
Fund Balances:				
Restricted Fund Balances:				
Capital Project Funds	740,000	308,186	147,615	1,195,801
Total Fund Balance	<u>740,000</u>	<u>308,186</u>	<u>147,615</u>	<u>1,195,801</u>
Total Liabilities and Fund Balance	<u>\$ 740,000</u>	<u>\$ 314,506</u>	<u>\$ 147,615</u>	<u>\$ 1,202,121</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Relief Route Capital Fund	Jail Expansion Fund	Road Bond 1967	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenue:				
Intergovernmental	\$ --	\$ 1,053	\$ --	\$ 1,053
Investment Earnings	259	212	--	471
Miscellaneous Revenues	2,687	--	588	3,275
Total revenues	<u>2,946</u>	<u>1,265</u>	<u>588</u>	<u>4,799</u>
Expenditures:				
Current:				
Public Safety	--	10,210	--	10,210
Total Expenditures	--	10,210	--	10,210
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,946</u>	<u>(8,945)</u>	<u>588</u>	<u>(5,411)</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	2,946	(8,945)	588	(5,411)
Fund Balances - Beginning	737,054	317,131	147,027	1,201,212
Fund Balances - Ending	<u>\$ 740,000</u>	<u>\$ 308,186</u>	<u>\$ 147,615</u>	<u>\$ 1,195,801</u>

JIM WELLS COUNTY, TEXAS
JAIL EXPANSION FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 1,000	\$ 83	\$ 1,053	\$ 970
Investment Earnings	--	--	212	212
Total revenues	<u>1,000</u>	<u>83</u>	<u>1,265</u>	<u>1,182</u>
EXPENDITURES:				
Public Safety				
Other Public Safety				
Other Services and Charges	25,000	2,083	10,210	(8,127)
Capital Outlay	280,000	23,333	--	23,333
Total Other Public Safety	<u>305,000</u>	<u>25,417</u>	<u>10,210</u>	<u>15,207</u>
Total Public Safety	<u>305,000</u>	<u>25,417</u>	<u>10,210</u>	<u>15,207</u>
Total Expenditures	<u>305,000</u>	<u>25,417</u>	<u>10,210</u>	<u>15,207</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(304,000)</u>	<u>(25,334)</u>	<u>(8,945)</u>	<u>16,389</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(304,000)	(25,334)	(8,945)	16,389
Fund Balances - Beginning	317,131	317,131	317,131	--
Fund Balances - Ending	<u>\$ 13,131</u>	<u>\$ 291,797</u>	<u>\$ 308,186</u>	<u>\$ 16,389</u>

JIM WELLS COUNTY, TEXAS
ROAD BOND 1967
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Miscellaneous Revenues	\$ 580	\$ 48	\$ 588	\$ 540
Total revenues	<u>580</u>	<u>48</u>	<u>588</u>	<u>540</u>
EXPENDITURES:				
Current:				
Economic Development and Assistance				
Other Services and Charges	400	33	--	33
Total Economic Development and Assistance	<u>400</u>	<u>33</u>	<u>--</u>	<u>33</u>
Total Expenditures	<u>130,400</u>	<u>10,867</u>	<u>--</u>	<u>10,867</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(129,820)</u>	<u>(10,819)</u>	<u>588</u>	<u>11,407</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(129,820)	(10,819)	588	11,407
Fund Balances - Beginning	147,027	147,027	147,027	--
Fund Balances - Ending	<u>\$ 17,207</u>	<u>\$ 136,208</u>	<u>\$ 147,615</u>	<u>\$ 11,407</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2016

	<u>Appelate Judicial Fund</u>	<u>79th Judicial District Attorney Escrow Fund</u>	<u>79th Judicial D.A. Fee Fund</u>	<u>Sheriff Department Fee Fund</u>
ASSETS:				
Cash and Cash Equivalents	\$ 1,864	\$ 2,085,866	\$ 3,643	\$ 1,818
Total Assets	<u>\$ 1,864</u>	<u>\$ 2,085,866</u>	<u>\$ 3,643</u>	<u>\$ 1,818</u>
LIABILITIES:				
Due to Other Governments and Agencies	\$ 1,864	\$ 2,085,866	\$ 3,643	\$ 1,818
Total Liabilities	<u>\$ 1,864</u>	<u>\$ 2,085,866</u>	<u>\$ 3,643</u>	<u>\$ 1,818</u>

State Fees Fund	Vouchers Payable Fund	Tax Collector Fund	District Clerk Fund	County Clerk Fund
\$ 102,033	\$ 271,255	\$ 622,158	\$ 176,053	\$ 952,918
<u>\$ 102,033</u>	<u>\$ 271,255</u>	<u>\$ 622,158</u>	<u>\$ 176,053</u>	<u>\$ 952,918</u>
\$ 102,033	\$ 271,255	\$ 622,158	\$ 176,053	\$ 952,918
<u>\$ 102,033</u>	<u>\$ 271,255</u>	<u>\$ 622,158</u>	<u>\$ 176,053</u>	<u>\$ 952,918</u>

JIM WELLS COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 DECEMBER 31, 2016

	Payroll Administrative Fund	Ad Valorem Tax Escrow Fund
ASSETS:		
Cash and Cash Equivalents	\$ 549,361	\$ 2,687,885
Total Assets	<u>\$ 549,361</u>	<u>\$ 2,687,885</u>
LIABILITIES:		
Due to Other Governments and Agencies	\$ 549,361	\$ 2,687,885
Total Liabilities	<u>\$ 549,361</u>	<u>\$ 2,687,885</u>

County Attorney Trust Fund	Sheriff Cash Bond Fund	Total Agency Funds (See Exhibit A-7)
<u>\$ 14,442</u>	<u>\$ 3,082</u>	<u>\$ 7,472,378</u>
<u>\$ 14,442</u>	<u>\$ 3,082</u>	<u>\$ 7,472,378</u>
<u>\$ 14,442</u>	<u>\$ 3,082</u>	<u>\$ 7,472,378</u>
<u>\$ 14,442</u>	<u>\$ 3,082</u>	<u>\$ 7,472,378</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2016

EXHIBIT C-17

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2016
Appellate Judicial Fund				
ASSETS				
Cash & Cash Equivalents	\$ 2,052	\$ 8,805	\$ 8,993	\$ 1,864
Total Assets	<u>\$ 2,052</u>	<u>\$ 8,805</u>	<u>\$ 8,993</u>	<u>\$ 1,864</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 2,052	\$ 8,805	\$ 8,993	\$ 1,864
Total Liabilities	<u>\$ 2,052</u>	<u>\$ 8,805</u>	<u>\$ 8,993</u>	<u>\$ 1,864</u>
79th Judicial D.A. Escrow Fund				
ASSETS				
Cash & Cash Equivalents	\$ 1,043,949	\$ 1,406,018	\$ 364,101	\$ 2,085,866
Total Assets	<u>\$ 1,043,949</u>	<u>\$ 1,406,018</u>	<u>\$ 364,101</u>	<u>\$ 2,085,866</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 1,043,949	\$ 1,406,018	\$ 364,101	\$ 2,085,866
Total Liabilities	<u>\$ 1,043,949</u>	<u>\$ 1,406,018</u>	<u>\$ 364,101</u>	<u>\$ 2,085,866</u>
79th Judicial D.A. Fee Fund				
ASSETS				
Cash & Cash Equivalents	\$ 3,628	\$ 11,576	\$ 11,561	\$ 3,643
Total Assets	<u>\$ 3,628</u>	<u>\$ 11,576</u>	<u>\$ 11,561</u>	<u>\$ 3,643</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 3,628	\$ 11,576	\$ 11,561	\$ 3,643
Total Liabilities	<u>\$ 3,628</u>	<u>\$ 11,576</u>	<u>\$ 11,561</u>	<u>\$ 3,643</u>
Sheriff Department Fee Fund				
ASSETS				
Cash & Cash Equivalents	\$ 2,285	\$ 61,614	\$ 62,081	\$ 1,818
Total Assets	<u>\$ 2,285</u>	<u>\$ 61,614</u>	<u>\$ 62,081</u>	<u>\$ 1,818</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 2,285	\$ 61,614	\$ 62,081	\$ 1,818
Total Liabilities	<u>\$ 2,285</u>	<u>\$ 61,614</u>	<u>\$ 62,081</u>	<u>\$ 1,818</u>
State Fees Fund				
ASSETS				
Cash & Cash Equivalents	\$ 140,163	\$ 382,939	\$ 421,069	\$ 102,033
Total Assets	<u>\$ 140,163</u>	<u>\$ 382,939</u>	<u>\$ 421,069</u>	<u>\$ 102,033</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 140,163	\$ 382,939	\$ 421,069	\$ 102,033
Total Liabilities	<u>\$ 140,163</u>	<u>\$ 382,939</u>	<u>\$ 421,069</u>	<u>\$ 102,033</u>

JIM WELLS COUNTY, TEXAS

EXHIBIT C-17

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2016

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2016
<u>Vouchers Payable Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 38,554	\$ 3,939,035	\$ 3,706,334	\$ 271,255
Total Assets	<u>\$ 38,554</u>	<u>\$ 3,939,035</u>	<u>\$ 3,706,334</u>	<u>\$ 271,255</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 38,554	\$ 3,939,035	\$ 3,706,334	\$ 271,255
Total Liabilities	<u>\$ 38,554</u>	<u>\$ 3,939,035</u>	<u>\$ 3,706,334</u>	<u>\$ 271,255</u>
<u>Tax Collector Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 801,349	\$ 12,551,150	\$ 12,730,341	\$ 622,158
Total Assets	<u>\$ 801,349</u>	<u>\$ 12,551,150</u>	<u>\$ 12,730,341</u>	<u>\$ 622,158</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 801,349	\$ 12,551,150	\$ 12,730,341	\$ 622,158
Total Liabilities	<u>\$ 801,349</u>	<u>\$ 12,551,150</u>	<u>\$ 12,730,341</u>	<u>\$ 622,158</u>
<u>District Clerk Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 198,962	\$ 589,709	\$ 612,618	\$ 176,053
Total Assets	<u>\$ 198,962</u>	<u>\$ 589,709</u>	<u>\$ 612,618</u>	<u>\$ 176,053</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 198,962	\$ 589,709	\$ 612,618	\$ 176,053
Total Liabilities	<u>\$ 198,962</u>	<u>\$ 589,709</u>	<u>\$ 612,618</u>	<u>\$ 176,053</u>
<u>County Clerk Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 992,601	\$ 1,442,116	\$ 1,481,799	\$ 952,918
Total Assets	<u>\$ 992,601</u>	<u>\$ 1,442,116</u>	<u>\$ 1,481,799</u>	<u>\$ 952,918</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 992,601	\$ 1,442,116	\$ 1,481,799	\$ 952,918
Total Liabilities	<u>\$ 992,601</u>	<u>\$ 1,442,116</u>	<u>\$ 1,481,799</u>	<u>\$ 952,918</u>
<u>Payroll Administrative Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 588,503	\$ 14,916,380	\$ 14,955,522	\$ 549,361
Total Assets	<u>\$ 588,503</u>	<u>\$ 14,916,380</u>	<u>\$ 14,955,522</u>	<u>\$ 549,361</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 588,503	\$ 14,916,380	\$ 14,955,522	\$ 549,361
Total Liabilities	<u>\$ 588,503</u>	<u>\$ 14,916,380</u>	<u>\$ 14,955,522</u>	<u>\$ 549,361</u>

JIM WELLS COUNTY, TEXAS

EXHIBIT C-17

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2016

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2016
Ad Valorem Tax Escrow Fund				
ASSETS				
Cash & Cash Equivalents	\$ 2,997,295	\$ 14,180,263	\$ 14,489,673	\$ 2,687,885
Total Assets	<u>\$ 2,997,295</u>	<u>\$ 14,180,263</u>	<u>\$ 14,489,673</u>	<u>\$ 2,687,885</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 2,997,295	\$ 14,180,263	\$ 14,489,673	\$ 2,687,885
Total Liabilities	<u>\$ 2,997,295</u>	<u>\$ 14,180,263</u>	<u>\$ 14,489,673</u>	<u>\$ 2,687,885</u>
County Attorney Trust Fund				
ASSETS				
Cash & Cash Equivalents	\$ 25,054	\$ 30,850	\$ 41,462	\$ 14,442
Total Assets	<u>\$ 25,054</u>	<u>\$ 30,850</u>	<u>\$ 41,462</u>	<u>\$ 14,442</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 25,054	\$ 30,850	\$ 41,462	\$ 14,442
Total Liabilities	<u>\$ 25,054</u>	<u>\$ 30,850</u>	<u>\$ 41,462</u>	<u>\$ 14,442</u>
Sheriff Cash Bond Fund				
ASSETS				
Cash & Cash Equivalents	\$ 3,070	\$ 12	\$ --	\$ 3,082
Total Assets	<u>\$ 3,070</u>	<u>\$ 12</u>	<u>\$ --</u>	<u>\$ 3,082</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 3,070	\$ 12	\$ --	\$ 3,082
Total Liabilities	<u>\$ 3,070</u>	<u>\$ 12</u>	<u>\$ --</u>	<u>\$ 3,082</u>
TOTAL AGENCY FUNDS:				
ASSETS				
Cash & Cash Equivalents	\$ 6,837,465	\$ 49,520,467	\$ 48,885,554	\$ 7,472,378
Total Assets	<u>\$ 6,837,465</u>	<u>\$ 49,520,467</u>	<u>\$ 48,885,554</u>	<u>\$ 7,472,378</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 6,837,465	\$ 49,520,467	\$ 48,885,554	\$ 7,472,378
Total Liabilities	<u>\$ 6,837,465</u>	<u>\$ 49,520,467</u>	<u>\$ 48,885,554</u>	<u>\$ 7,472,378</u>

STATISTICAL SECTION

This part of the Jim Wells County, Texas's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Page
Financial Trends	106
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity	111
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	
Debt Capacity	118
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	122
These schedules offer demographic and economic indicators to help the reader understand how the County's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	124
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

JIM WELLS COUNTY, TEXAS
 NET ASSETS BY COMPONENT
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 17,106,981	\$ 17,470,025	\$ 17,516,191	\$ 18,478,771	\$ 19,050,644	\$ 20,612,073	\$ 21,121,207			
Restricted	1,207,721	1,329,969	1,373,428	1,383,367	1,417,635	1,438,440	1,456,603			
Unrestricted	6,100,398	7,315,406	6,895,058	6,595,371	8,266,629	11,172,800	11,139,913			
Total Governmental Activities Net Position	\$ 24,415,100	\$ 26,115,400	\$ 25,784,677	\$ 26,457,509	\$ 28,734,908	\$ 33,223,313	\$ 33,717,723			
Governmental Activities										
Net Investment in Capital Assets	\$ 21,740,309	\$ 21,480,901	\$ 21,296,519							
Restricted	1,582,644	1,282,470	1,274,637							
Unrestricted	11,111,657	11,090,825	9,103,318							
Total Governmental Activities Net Position	\$ 34,434,610	\$ 33,854,196	\$ 31,674,474							

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

TABLE E-2

**JIM WELLS COUNTY, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year								
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses									
Governmental Activities:									
General Government	\$ 3,765,964	\$ 4,210,749	\$ 3,899,129	\$ 4,432,130	\$ 4,189,787	\$ 4,716,157	\$ 5,416,768	\$ 4,926,871	\$ 6,126,377
Judicial	2,806,925	3,319,623	3,454,814	3,565,739	3,732,690	4,377,675	4,104,234	4,690,475	3,986,181
Public Safety	7,340,490	7,455,989	7,185,489	7,232,526	8,611,259	8,622,918	8,331,437	8,878,685	8,520,388
Public Transportation	3,833,985	3,318,841	3,405,200	3,945,300	3,631,227	3,735,364	4,213,314	3,504,784	4,016,728
Health & Welfare	1,657,444	1,412,992	670,570	889,812	582,913	734,734	488,478	1,321,339	1,247,698
Culture & Recreation	1,457	47,636	51,380	55,624	69,692	86,888	17,597	63,771	59,650
Conservation	223,988	255,458	220,431	179,667	193,607	215,021	320,921	338,859	234,661
Economic Development & Assistance	72,351	106,201	122,466	132,651	130,926	229,631	334,818	166,160	25,000
Interest on Long-Term Debt	202,642	195,733	114,776	106,106	110,193	98,144	87,020	77,067	72,403
Total Governmental Activities Expenses	19,905,246	20,263,222	19,124,255	20,539,555	21,252,294	22,816,532	23,314,587	23,988,011	24,269,086
Total Primary Government Expenses	\$ 19,905,246	\$ 20,263,222	\$ 19,124,255	\$ 20,539,555	\$ 21,252,294	\$ 22,816,532	\$ 23,314,587	\$ 23,988,011	\$ 24,269,086
Program Revenues									
Governmental Activities:									
Charges for Services:									
General Government	\$ 891,401	\$ 825,948	\$ 887,296	\$ 862,367	\$ 1,539,647	\$ 934,260	\$ 1,410,019	\$ 1,307,737	\$ 1,384,274
Judicial	503,756	435,988	484,433	462,136	425,963	439,521	478,396	451,649	511,863
Public Safety	1,399,470	1,604,738	1,412,450	1,261,784	1,921,158	725,109	1,326,040	1,847,910	673,538
Other Activities	1,028,684	981,308	920,762	981,086	1,089,144	1,039,291	1,063,296	973,203	909,536
Operating Grants and Contributions	2,273,628	2,067,154	1,184,054	1,639,385	2,040,535	2,415,360	2,084,450	2,664,310	3,007,131
Total Governmental Activities Program Revenues	6,096,939	5,915,136	4,888,995	5,206,758	7,016,447	5,553,541	6,362,201	7,244,809	6,486,342
Total Primary Government Program Revenues	\$ 6,096,939	\$ 5,915,136	\$ 4,888,995	\$ 5,206,758	\$ 7,016,447	\$ 5,553,541	\$ 6,362,201	\$ 7,244,809	\$ 6,486,342
Net (Expense)/Revenue									
Governmental Activities	\$ (13,808,307)	\$ (14,348,086)	\$ (14,235,260)	\$ (15,332,797)	\$ (14,235,847)	\$ (17,262,991)	\$ (16,952,386)	\$ (16,723,202)	\$ (17,782,744)
Total Primary Government Net Expense	\$ (13,808,307)	\$ (14,348,086)	\$ (14,235,260)	\$ (15,332,797)	\$ (14,235,847)	\$ (17,262,991)	\$ (16,952,386)	\$ (16,723,202)	\$ (17,782,744)

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

JIM WELLS COUNTY, TEXAS
 GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
 LAST NINE FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year								
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue									
Governmental Activities	\$ (13,808,008)	\$ (14,348,086)	\$ (14,235,260)	\$ (15,332,797)	\$ (14,235,547)	\$ (17,262,991)	\$ (16,952,386)	\$ (16,723,202)	\$ (17,782,744)
Business-type Activities	--	--	--	--	--	--	--	--	--
Total Primary Government	\$ (13,808,008)	\$ (14,348,086)	\$ (14,235,260)	\$ (15,332,797)	\$ (14,235,547)	\$ (17,262,991)	\$ (16,952,386)	\$ (16,723,202)	\$ (17,782,744)
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Taxes									
Property Taxes	\$ 10,222,019	\$ 10,834,210	\$ 10,266,783	\$ 11,207,410	\$ 11,317,777	\$ 11,318,416	\$ 11,721,257	\$ 13,112,296	\$ 11,639,683
Sales Taxes	4,441,261	2,909,178	4,282,890	6,080,972	6,878,706	5,970,449	5,457,562	3,553,802	2,189,082
Fines and Forfeitures	--	12,077	--	3,460	--	--	--	--	--
Investment Earnings	482,047	253,302	13,190	20,988	50,817	59,237	59,443	64,710	64,210
Miscellaneous	362,981	319,212	287,603	297,366	371,301	409,299	431,011	501,454	1,694,948
Gain on Disposal of Capital Assets	--	--	(144,460)	--	--	--	--	--	15,100
Total Governmental Activities	\$ 15,508,308	\$ 14,327,979	\$ 14,706,006	\$ 17,610,196	\$ 18,618,601	\$ 17,757,401	\$ 17,669,273	\$ 17,232,262	\$ 15,603,023
Business-type Activities:									
Investment Earnings	--	--	--	--	--	--	--	--	--
Transfers	--	--	--	--	--	--	--	--	--
Total Business-type Activities	--	--	--	--	--	--	--	--	--
Total Primary Government	\$ 15,508,308	\$ 14,327,979	\$ 14,706,006	\$ 17,610,196	\$ 18,618,601	\$ 17,757,401	\$ 17,669,273	\$ 17,232,262	\$ 15,603,023
Change in Net Assets									
Governmental Activities	\$ 1,700,300	\$ (20,107)	\$ 470,746	\$ 2,277,399	\$ 4,383,054	\$ 494,410	\$ 716,887	\$ 509,060	\$ (2,179,721)
Business-type Activities	--	--	--	--	--	--	--	--	--
Total Primary Government	\$ 1,700,300	\$ (20,107)	\$ 470,746	\$ 2,277,399	\$ 4,383,054	\$ 494,410	\$ 716,887	\$ 509,060	\$ (2,179,721)

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

JIM WELLS COUNTY, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

TABLE E-4

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Committed	--	--	--	--	--	--	--	--	--	--
Assigned	--	--	--	--	--	--	--	--	--	--
Unassigned	3,756,881	4,295,926	3,288,481	3,433,781	5,213,053	6,745,919	6,246,745	6,291,502	5,053,649	4,389,125
Total General Fund	<u>\$ 3,756,881</u>	<u>\$ 4,295,926</u>	<u>\$ 3,288,481</u>	<u>\$ 3,433,781</u>	<u>\$ 5,213,053</u>	<u>\$ 6,745,919</u>	<u>\$ 6,246,745</u>	<u>\$ 6,291,502</u>	<u>\$ 5,053,649</u>	<u>\$ 4,389,125</u>
All Other Governmental Funds										
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Committed:										
Construction	1,101,676	1,153,939	1,178,109	1,179,629	1,182,135	1,186,860	1,191,616	1,196,391	1,201,213	1,195,801
Restricted:										
Federal or State Grant Restriction	1,197,203	1,898,750	1,932,417	2,097,903	2,076,415	3,520,081	3,605,800	4,011,905	5,235,603	4,901,715
Retirement of Long-Term Debt	39,387	44,728	51,932	55,472	62,586	71,525	77,127	79,654	81,257	78,836
Assigned	--	--	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--	--	--	(923,684)
Total All Other Governmental Funds	<u>\$ 2,338,266</u>	<u>\$ 3,097,417</u>	<u>\$ 3,162,458</u>	<u>\$ 3,333,004</u>	<u>\$ 3,321,136</u>	<u>\$ 4,778,466</u>	<u>\$ 4,874,543</u>	<u>\$ 5,287,950</u>	<u>\$ 6,518,073</u>	<u>\$ 5,852,668</u>

TABLE E-5

JIM WELLS COUNTY, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 12,995,913	\$ 14,694,210	\$ 13,274,621	\$ 14,857,893	\$ 17,291,451	\$ 18,266,650	\$ 17,258,046	\$ 17,188,766	\$ 16,063,548	\$ 14,712,092
Licenses and Permits	638,540	485,234	412,248	567,817	532,132	572,295	604,222	481,658	349,689	298,808
Intergovernmental	2,953,161	2,417,183	2,180,754	1,352,490	1,821,683	2,216,490	2,564,283	2,315,409	2,938,603	3,363,702
Charges for Services	711,161	687,388	641,372	768,657	648,927	683,246	511,073	472,690	453,786	422,397
Fines & Forfeitures	730,598	1,170,518	1,384,330	1,048,428	994,594	1,604,474	581,323	1,259,807	1,746,555	657,655
Fees of Office	1,225,619	1,334,405	1,308,509	1,151,603	1,212,882	1,940,242	1,292,640	1,832,637	1,756,176	1,743,778
Investment Earnings	381,960	482,047	253,302	13,190	20,988	50,817	59,237	59,443	64,710	64,210
Misc Revenues	388,045	365,191	319,212	287,603	297,366	371,301	409,299	431,010	501,454	1,694,950
Total Revenues	20,024,997	21,636,176	19,774,348	20,047,671	22,820,023	25,705,515	23,280,123	24,041,420	23,874,521	22,957,592
Expenditures										
General Government	3,328,928	3,863,953	3,840,234	3,661,994	3,691,682	4,157,172	4,477,267	4,310,377	3,914,692	4,982,742
Judicial	2,606,714	2,806,925	3,319,623	3,454,814	3,565,739	3,758,584	4,377,675	4,136,477	4,728,052	3,966,181
Public Safety	6,613,772	6,698,768	6,685,575	6,321,014	6,593,466	6,783,872	9,010,449	8,754,738	9,372,761	9,118,991
Public Transportation	3,427,812	3,912,090	3,757,734	3,836,019	4,463,567	4,631,140	4,207,550	4,884,561	3,822,173	5,090,150
Health & Welfare	1,679,727	1,657,445	1,412,992	670,570	889,812	582,913	734,734	488,478	1,321,339	1,247,698
Culture and Recreation	51,380	1,457	47,636	51,380	55,624	69,692	86,888	17,587	63,771	59,650
Conservation	206,255	223,988	255,458	220,431	179,667	193,607	215,021	320,921	338,859	276,159
Economic Development & Assistance	68,500	72,351	106,201	122,466	132,651	130,926	229,631	334,818	166,160	25,000
Capital Outlay	618,777	673,441	1,233,563	1,199,517	1,412,595	2,189,713	--	--	--	--
Debt Service										
Interest	160,314	177,609	118,928	116,723	108,117	112,334	100,350	89,553	79,404	74,836
Principal	226,496	3,074,730	334,765	278,983	247,663	498,812	403,655	339,608	265,059	294,489
Fiscal Agents Fees	500	55,222	--	--	--	--	--	--	--	31
Total Expenditures	18,989,175	23,217,979	21,112,709	19,933,911	21,340,583	23,108,765	23,843,220	23,677,128	24,072,270	25,135,927
Excess of Revenues Over (Under) Expenditures	1,035,822	(1,581,803)	(1,338,361)	113,760	1,479,440	2,596,750	(563,097)	364,292	(197,749)	(2,178,335)
Other Financing Sources (Uses)										
Bonds Issued	--	2,880,000	--	--	--	--	--	--	--	--
Loan Proceeds	--	--	--	--	--	--	--	--	--	--
Capital Leases	266,325	--	395,959	--	287,964	288,095	160,000	93,863	190,020	833,304
Transfers In	1,020,609	1,156,393	584,205	374,624	350,970	346,736	577,149	294,264	284,995	1,001,742
Transfers Out	(1,020,609)	(1,156,393)	(584,205)	(374,624)	(350,970)	(346,736)	(577,149)	(294,264)	(284,995)	(1,001,742)
Sale of Capital Assets	--	--	--	--	--	--	--	--	--	15,100
Total Other Financing Sources (Uses)	266,325	2,880,000	395,959	--	287,964	288,095	160,000	93,863	190,020	848,404
Net Change in Fund Balances	\$ 1,302,147	\$ 1,298,197	\$ (942,402)	\$ 113,760	\$ 1,767,404	\$ 2,894,845	\$ (403,097)	\$ 458,155	\$ (7,729)	\$ (1,329,931)
Debt Service As A Percentage Of Noncapital Expenditures	2.0%	14.1%	14.5%	2.0%	1.7%	2.7%	2.1%	1.8%	1.4%	1.5%

JIM WELLS COUNTY, TEXAS
 TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax	Sales & Use Tax	Total
2007	9,375,386	3,620,527	12,995,913
2008	10,252,949	4,441,261	14,694,210
2009	10,365,443	2,909,178	13,274,621
2010	10,574,993	4,282,890	14,857,883
2011	11,207,410	6,080,972	17,288,382
2012	11,387,944	6,878,706	18,266,650
2013	11,287,597	5,970,449	17,258,046
2014	11,731,204	5,457,562	17,188,766
2015	12,509,746	3,553,802	16,063,548
2016	12,523,010	2,189,082	14,712,092
Percent Change 2015-2016	0.1%	-38.4%	-8.4%

Source: County Auditor's Office

TABLE E-7

JIM WELLS COUNTY, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2007	\$ 590,546,070	1,064,321,905	73,790,040	314,875,125	1,413,782,890	0.705832	1,728,658,015	81.785%
2008	611,980,506	1,190,587,725	84,810,510	341,591,715	1,545,787,026	0.658055	1,887,378,741	81.901%
2009	624,639,121	1,272,390,664	78,921,490	345,991,655	1,629,959,620	0.671122	1,975,951,275	82.490%
2010	652,740,384	1,503,754,978	78,312,052	538,722,678	1,696,084,736	0.633815	2,234,807,414	75.894%
2011	877,569,935	1,555,585,714	57,501,700	540,104,947	1,950,552,402	0.611543	2,490,687,349	78.314%
2012	1,144,773,618	1,590,114,095	59,384,630	533,129,878	2,261,142,465	0.561139	2,794,272,343	80.921%
2013	1,627,236,834	1,375,963,049	47,078,540	506,856,474	2,543,421,949	0.486830	3,050,278,423	83.383%
2014	1,674,183,451	1,202,608,638	47,830,750	519,504,513	2,405,118,326	0.454430	2,924,622,839	82.237%
2015	1,720,845,582	1,063,331,470	30,230,970	514,966,677	2,299,441,345	0.550857	2,814,408,022	81.702%
2016	1,745,972,624	139,450,407	537,978,000	524,569,656	1,898,831,375	0.656741	2,423,401,031	78.354%

Source: Jim Wells County Appraisal District

JIM WELLS COUNTY, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	County Direct Rates				Overlapping Rates								Emergency Service District #1	
	Basic Rate	General Obligation Debt Service	Total Direct Rate	City of Alice	Alice ISD	Alice Water Authority	City of Premont	Premont ISD	City of Orange Grove	Orange Grove ISD	BB-PB ISD	La Gloria ISD		Fresh Water District #1
2007	0.640819	0.017238	0.658055	0.331080	1.198650	0.112986	0.456783	1.133444	0.772729	1.186586	1.183872	1.040000	0.175423	0.083125
2008	0.654787	0.016335	0.671122	0.370000	1.281170	0.110915	0.456783	1.160000	0.660906	1.240000	1.229617	1.040000	0.161456	0.087429
2009	0.548729	0.085086	0.633815	0.364457	1.294300	0.115569	0.442746	1.140000	0.638730	1.240000	1.160509	1.040000	0.072527	0.087396
2010	0.596722	0.014821	0.611543	0.372420	1.284300	0.116250	0.432860	1.120000	0.632750	1.240000	1.172000	1.040000	0.072870	0.087248
2011	0.548052	0.013087	0.561139	0.288813	1.218600	0.122812	0.442746	1.315000	0.711028	1.240000	1.288880	1.040000	0.083801	0.087396
2012	0.474460	0.011237	0.485697	0.247122	1.228600	0.128404	0.488085	1.294700	0.657055	1.240000	1.263430	1.040000	0.064962	0.087059
2013	0.444530	0.009900	0.454430	0.247122	1.233700	0.130795	0.478960	1.304900	0.669964	1.240000	1.265000	1.040000	0.080682	0.087059
2014	0.508366	0.010483	0.519849	0.247122	1.233700	0.130795	0.478960	1.304900	0.669964	1.240000	1.265000	1.040000	0.080682	0.087059
2015	0.538763	0.011094	0.550857	0.271826	1.284630	1.400440	0.490000	1.325300	0.712780	1.240000	1.283000	1.040000	0.132857	0.077094
2016	0.643521	0.013220	0.656741	0.530000	1.330250	0.155009	0.490000	1.326600	0.743301	1.240000	1.297400	1.040000	0.132857	0.080410

Source: Jim Wells County Appraisal District

TABLE E-9

JIM WELLS COUNTY, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Precision Drilling Oilfield	\$ 36,167,982	1	2.25%	\$ --		--
AEP Texas Central Co	28,195,831	2	1.75%	20,595,320	5	2.09%
Nabors Drilling USA Inc	28,125,079	3	1.75%	--		--
DCP Intrastate Network LLC/Midstream LP	26,680,710	4	1.66%	--		--
Net Mexico Pipeline LP	25,496,400	5	1.59%	--		--
Key Energy Services LLC	19,529,309	6	1.22%	--		--
Carbo Ceramics	18,444,646	7	1.15%	--		--
SNBL USA LTD	15,396,425	8	0.96%	--		--
Enterprise TX Pipeline/GC LP/Intrastate	15,127,644	9	0.94%	--		--
Helmerich & Payne Intl Drill	15,095,795	10	0.94%	15,285,090	9	1.55%
Total	\$ 228,259,821		14.21%	\$ 35,880,410		3.64%

Source: Jim Wells County Appraisal District

JIM WELLS COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	9,123,519	8,380,287	91.85%	716,444	9,096,731	99.71%
2008	9,979,181	9,290,573	93.10%	463,178	9,753,751	97.74%
2009	10,221,474	9,685,254	94.75%	460,981	10,146,235	99.26%
2010	10,917,999	8,349,909	76.48%	2,017,296	10,367,205	94.96%
2011	11,016,612	7,247,136	65.78%	1,934,866	9,182,002	83.35%
2012	11,093,297	6,538,736	58.94%	4,260,027	10,798,763	97.34%
2013	11,558,469	7,908,135	68.42%	3,379,462	11,287,597	97.66%
2014	12,506,699	7,992,309	63.90%	4,258,222	12,250,531	97.95%
2015	12,673,866	8,328,288	65.71%	3,795,990	12,124,278	95.66%
2016	12,896,204	8,034,632	62.30%	2,062,914	10,097,546	78.30%

Sources: Jim Wells County Appraisal District

JIM WELLS COUNTY, TEXAS
 TAXABLE SALES BY CATEGORY
 LAST TEN CALENDAR YEARS

	Calendar Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Building Material & Hardware	\$ 22,455,856	\$ 20,683,662	\$ 23,752,661	\$ 50,201,906	\$ 106,281,144	\$ 67,749,008	\$ 77,389,392	\$ 79,832,658	\$ 76,710,785	\$ 82,756,422
General Merchandise	66,220,424	83,961,117	135,161,430	220,607,413	237,580,732	223,233,718	331,292,064	293,814,626	203,525,345	198,542,266
Food Stores	18,164,822	12,234,512	15,538,159	11,889,929	13,938,627	38,493,492	33,209,800	22,610,857	43,315,498	45,678,924
Auto Dealers & Gas	37,000,812	27,254,328	36,939,992	45,049,897	70,125,472	179,702,255	83,263,788	80,264,576	51,591,144	50,592,478
Apparel & Accessory	9,467,811	8,543,291	5,824,310	7,868,885	8,331,684	249,004,104	241,463,096	193,216,485	73,224,468	82,423,854
Home Furnishing & Appliances	11,854,974	12,362,817	5,513,370	6,403,813	3,753,873	9,017,488	10,834,480	8,583,410	29,872,970	19,277,894
Eating & Drinking Places	41,993,874	44,943,619	32,293,102	35,669,789	41,815,881	61,566,182	58,810,040	60,342,958	56,479,256	57,788,482
Misc Retail Stores	31,284,424	42,877,449	47,083,116	70,137,837	96,746,553	17,485,100	12,087,528	15,872,927	21,363,419	20,224,658
Total	\$ 238,442,997	\$ 252,860,795	\$ 302,026,140	\$ 447,829,469	\$ 578,573,966	\$ 846,251,347	\$ 848,350,188	\$ 754,538,497	\$ 556,082,885	\$ 557,284,958
Direct Sales Tax Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

Source: Texas State Comptroller of Public Accounts.

Note: Retail sales information is not available on a fiscal-year basis.

JIM WELLS COUNTY, TEXAS
 DIRECT AND OVERLAPPING SALES TAX RATES
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>County Direct Rate</u>	<u>City of Alice</u>
2007	1.50%	0.50%
2008	1.50%	0.50%
2009	1.50%	0.50%
2010	1.50%	0.50%
2011	1.50%	0.50%
2012	1.50%	0.50%
2013	1.50%	0.50%
2014	1.50%	0.50%
2015	1.50%	0.50%
2016	1.50%	0.50%

Sources: County Auditor's Office

TABLE E-13

JIM WELLS COUNTY, TEXAS
 RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Capital Leases	Percentage of Actual Taxable Value of Property	Per Capita	Total Primary Government	Percentage of Personal Income	Per Capita
2006	2,934,561	266,225	0.27%	65	3,200,851	1.01%	71
2007	2,880,000	126,058	0.23%	64	3,006,122	1.18%	66
2008	2,735,000	332,253	0.21%	60	3,067,313	1.21%	68
2009	2,585,000	203,270	0.18%	57	2,788,327	1.35%	62
2010	2,430,000	398,572	0.17%	54	2,828,626	1.30%	63
2011	2,265,000	352,855	0.16%	50	2,617,905	1.52%	58
2012	2,095,000	279,199	0.15%	46	2,374,199	1.71%	52
2013	1,920,000	208,454	0.13%	42	2,128,454	1.91%	47
2015	1,740,000	313,414	0.13%	38	2,053,414	1.98%	45
2016	1,550,000	987,329	0.16%	34	2,537,329	1.60%	56

TABLE E-14

JIM WELLS COUNTY, TEXAS
 RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2007	2,934,561	2,934,561	0.21%	65
2008	2,880,000	2,880,000	0.20%	64
2009	2,735,000	2,735,000	0.19%	60
2010	2,585,000	2,585,000	0.18%	57
2011	2,430,000	2,430,000	0.17%	54
2012	2,265,000	2,265,000	0.16%	50
2013	2,095,000	2,095,000	0.15%	46
2014	1,920,000	1,920,000	0.14%	42
2015	1,740,000	1,740,000	0.12%	38
2016	1,471,164	1,471,164	0.10%	33

TABLE E-15

JIM WELLS COUNTY, TEXAS
 DIRECT AND OVERLAPPING
 GOVERNMENTAL ACTIVITIES DEBT

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt Repaid With Property Taxes			
City of Alice	\$ 29,980,655	100.000%	29,980,655
Alice Independent School District	26,949,998	81.180%	21,878,008
Jim Wells County Fresh Water Supply District #1	1,925,852	100.000%	1,925,852
Orange Grove Independent School District	11,790,000	100.000%	11,790,000
Alice Water Authority	3,590,000	48.980%	1,758,382
Premont Independent School District	1,560,000	100.000%	1,560,000
Total Overlapping Debt			68,892,897
County Direct Debt			2,764,162
Total Direct and Overlapping Debt			\$ <u>71,657,059</u>

Sources: Debt outstanding data provided by each governmental unit.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

JIM WELLS COUNTY, TEXAS
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 212,067,434	\$ 283,106,811	\$ 296,392,691	\$ 335,221,112	\$ 373,603,102	\$ 419,140,851	\$ 457,541,763	\$ 438,693,426	\$ 422,161,203	\$ 363,510,155
Total Net Debt Applicable to Limit	--	--	--	--	--	--	--	--	--	--
Legal Debt Margin	212,067,434	283,106,811	296,392,691	335,221,112	373,603,102	419,140,851	457,541,763	438,693,426	422,161,203	363,510,155
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 2,423,401,031
Debt Limit (15% of Assessed Value)	363,510,155
Debt Applicable to Limit:	
General Obligation Bonds	1,550,000
Less: Amount Set Aside for Repayment of General Obligation Debt	(195,000)
Total Net Debt Applicable to Limit	1,355,000
Legal Debt Margin	\$ 362,155,155

TABLE E-17

JIM WELLS COUNTY, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Population	45,244	41,119	41,001	40,838	41,339	41,754	41,680	41,353	41,382	41,149
Total Personal Income	\$ 32,588	\$ 35,528	\$ 37,414	\$ 37,918	\$ 37,020	\$ 39,800	\$ 40,723	\$ 40,585	\$ 42,463	\$ 42,359
Per Capita Personal Income	\$ 27,852	\$ 26,767	\$ 29,523	\$ 33,450	\$ 16,976	\$ 18,268	\$ 19,818	\$ 20,452	\$ 20,977	\$ 21,796
Median Age	35.0	33.6	33.9	33.5	34.1	34.6	33.0	34.0	34.2	34.2
Education Level in Years of Schooling	12	12	12	12	12	12	12	12	12	12
School Enrollment	5,637	5,614	5,525	5,322	5,371	5,422	5,547	5,526	5,526	6
Unemployment	4.0%	4.0%	9.1%	8.9%	5.8%	4.9%	4.7%	4.2%	7.9%	9.7%

Sources: Population, median age, and education level information provided by the United States Census Bureau. Personal income and unemployment data provided by the Jim Wells County. School enrollment data provided by the Alice Independent School District.

JIM WELLS COUNTY, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2016			2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Alice ISD	842	1	4.38%	880	1	4.69%
Forbes Energy Services, Ltd.	809	2	4.21%	--	--	--
Saldivar Primary Home Care	420	3	2.18%	--	--	--
Dixie Iron Works MSI	338	4	1.76%	200	10	1.06%
Jim Wells County	327	5	1.70%	236	9	--
Fesco, Inc.	279	6	1.45%	512	4	--
Wal-Mart	269	7	1.40%	425	7	--
City of Alice	243	8	1.26%	242	8	--
CACOST	234	9	1.22%	242		1.29%
Christus Spohn Hospital-Alice	218	10	1.13%	453	5	2.41%
Total	3,979		20.69%	3,190		9.45%

Source: County Auditor's Office

JIM WELLS COUNTY, TEXAS
FULL-TIME-EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Full-Time-Equivalent Employees as of Year End									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Administration	18	22	24	24	20	21	22	24	23	24
Finance	17	16	18	18	18	20	23	20	20	21
Judicial	31	31	38	35	35	37	36	37	37	34
Legal	18	23	27	26	20	24	23	27	26	25
Other	--	--	--	--	--	--	--	--	--	--
Public Safety	120	128	136	133	142	130	129	119	113	112
Public Transportation	99	105	119	107	117	91	91	96	92	82
Public Facilities	1	1	3	2	2	2	4	4	5	5
Health & Welfare										
Conservation & Agriculture	3	4	4	4	4	5	4	4	4	3
Civilians	4	3	3	3	2	2	2	2	2	2
Total	311	333	372	352	360	332	334	333	322	308

Source: County Auditor Office

JIM WELLS COUNTY, TEXAS
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Building Permits Issued	445	295	224	208	208	242	35	29	24	20
Public Safety	1,902	1,606	1,906	2,001	2,560	2,342	2,422	2,526	2,358	2,242
Serious Crimes	3,959	4,079	6,546	4,435	5,566	5,687	5,823	6,019	5,823	6,227
Parking/Traffic Violations										
Judicial	1,836	1,598	1,858	2,080	2,165	2,131	2,122	2,122	2,369	2,462
Number of Cases Heard										
Culture & Recreation	25	22	14	12	15	16	17	17	17	17
Number of Events	99,823	120,735	120,816	145,316	155,216	156,233	157,288	158,244	159,632	161,239
Annual Number of Patrons Assisted										
Public Transportation	1,610	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617
Street Miles										

Source: County Auditor's Office

JIM WELLS COUNTY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Number of Buildings	27	28	28	28	28	28	28	28	28	28
Public Safety										
Number of Buildings	9	9	9	9	9	9	9	9	9	9
Number of Vehicles	40	40	50	48	48	55	65	68	74	82
Number of Jails	1	1	1	1	1	1	1	1	1	1
Judicial										
Number of Buildings	2	2	2	2	2	2	2	2	2	2
Number of Courts	8	8	8	8	8	8	8	8	8	8
Public Transportation										
Number of Buildings	4	4	4	4	4	4	4	4	4	4
Streets (lane miles)	1,080	1,080	1,080	1,617	1,617	1,617	1,617	1,617	1,617	1,617
Number of Bridges	12	12	12	12	12	12	12	12	12	12
Health and Welfare										
Number of Buildings	5	5	5	5	5	5	5	5	5	5
Economic Development and Assistance										
Number of Buildings	2	2	2	2	2	2	2	2	2	2

Sources: Various city departments

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

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RAUL HERNANDEZ & COMPANY, P.C.

Certified Public Accountants
5422 Holly Rd
Corpus Christi, Texas 78411
Office (361) 980-0428 Fax (361) 980-1002

Independent Auditors' Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

County Commissioners
Jim Wells County, Texas
200 N. Almond
Alice, Texas 78332

Members of the County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jim Wells County, Texas, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Jim Wells County, Texas's basic financial statements, and have issued our report thereon dated July 12, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Raul Hernandez & Company, P.C." The signature is written in a cursive, flowing style.

Raul Hernandez & Company, P.C.

Corpus Christi, Texas
July 12, 2017

RAUL HERNANDEZ & COMPANY, P.C.
Certified Public Accountants
5422 Holly Rd
Corpus Christi, Texas 78411
Office (361) 980-0428 Fax (361) 980-1002

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

County Commissioners
Jim Wells County, Texas
200 N. Almond
Alice, Texas 78332

Members of the County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited the Jim Wells County, Texas's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Jim Wells County, Texas's major federal programs for the year ended December 31, 2016. Jim Wells County, Texas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Jim Wells County, Texas's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Jim Wells County, Texas's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Jim Wells County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,



Raul Hernandez & Company, P.C.

Corpus Christi, Texas
July 12, 2017

JIM WELLS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

JIM WELLS COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
N/A		

JIM WELLS COUNTY, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2016

N/A

JIM WELLS COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT D-1

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Federal Expenditures
OTHER PROGRAMS:			
<u>U. S. Department of Housing & Urban Development</u>			
Passed Through Texas General Land Office:			
Community Development Block Grant Disaster Recovery	14.228	13-131-000-7193	\$ 249,995
Passed Through Texas Department of Agriculture:			
Texas Community Development Block Grant	14.228	713085	162,144
Texas Community Development Block Grant Program	14.228	713251	58,030
Texas Community Development Block Grant	14.228	7215025	39,360
Total Passed Through Texas Department of Agriculture			<u>259,534</u>
Total U. S. Department of Housing & Urban Development			<u>509,528</u>
<u>Federal Emergency Management Agency</u>			
Passed Through Texas Department of Public Safety:			
Public Assistance Grant	97.036	PA-06-TX-4223	249,037
Total Federal Emergency Management Agency			<u>249,037</u>
<u>Department of Homeland Security-FEMA</u>			
Passed Through Texas Department of Public Safety-Div of Emergency Management:			
Operating Stone Garden	97.067	2016	82,806
Total Department of Homeland Security-FEMA			<u>82,806</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 841,371</u>

The accompanying notes are an integral part of this schedule.

JIM WELLS COUNTY, TEXAS

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Jim Wells County, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

Indirect Cost Rate

The County does not have any indirect cost under the Uniform Guidance.

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