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J. A. Perez III, Co. Clk, Jim Wells Co., Texas
By *[Signature]* Deputy



Comprehensive Annual Financial Report

For Fiscal Year Ended

December 31, 2017

JIM WELLS COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

Jim Wells County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2017

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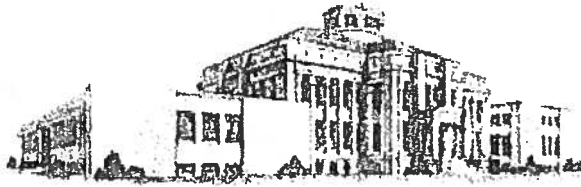
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Introductory Section

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COUNTY OF JIM WELLS

STATE OF TEXAS

NOE GAMEZ
COUNTY AUDITOR

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

June 1, 2018

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

Ladies and Gentlemen:

State Jaw, V.T.C.A. Local Government Code I 14.025 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, 2017.

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, 2017, 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, 2017, 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 there from. 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 2017.

Unemployment Rate. The current unemployment rate of Jim Wells County, Texas is 6.0%, which is higher than the national unemployment rate of 4.1% and the statewide average rate is 3.7%.

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 2017, the sales tax revenues were up compared to 2016.

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 wing, 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
- LaQuinta 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 Escandon 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 Escandon 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

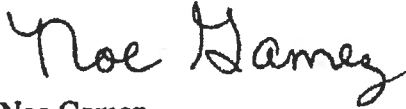
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jim Wells County, Texas for its comprehensive annual financial report for the year ended December 31, 2016. The Certificate of Achievement is 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,

A handwritten signature in cursive script that reads "Noe Gamez".

Noe Gamez
County Auditor

(J)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, 2016

Christopher P. Morrill

Executive Director/CEO

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

DECEMBER 31, 2017

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
Carlos D. Gonzalez	County Commissioner, Precinct No. 3
Emede Garcia	County Commissioner, Precinct No. 4

OTHER COUNTY OFFICIALS

Daniel J. Bueno	Sheriff
J.C. Perez, III	County Clerk
Rebecca Dominguez	County Treasurer
Mary Lozano	Tax Assessor-Collector
Michael Guerra	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, 2017
(continued)**

OTHER OFFICIALS

Alejandro Lopez, M.D.
Robert Owens
Rogelio Mercado
Gilbrando Garza
Albert Ramirez

James A. Schmidt

County Health Officer
County Surveyor
Agriculture Agent
Veterans Service Officer
79th Judicial District Adult
Probation
Chief Juvenile Probation
Officer

Financial Section

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Raul Hernandez and Company, P.C.
Certified Public Accountants
5402 Holly Rd., Suite 102
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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2017, 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 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

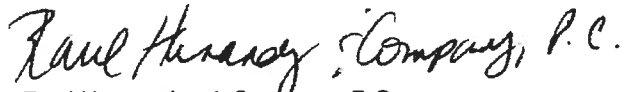
The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 June 1, 2018 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,



Raul Hernandez & Company, P.C.

Corpus Christi, TX
June 1, 2018

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JIM WELLS COUNTY, TEXAS

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, 2017. 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 \$33,717,502 (net position).
- As of the close of the current fiscal year, the County of Jim Wells governmental funds reported combined ending fund balances of \$12,994,413, of which, \$5,934,556 represents an unassigned fund balance and places the County in a favorable position.
- The County of Jim Wells' total debt decreased by a net of \$367,636 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 position</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

JIM WELLS COUNTY, TEXAS

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 \$33,717,502; furthermore, the government's financial position has increased by \$2,043,028 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> <u>2017</u>	<u>Governmental Activities</u> <u>2016</u>	<u>Increase (Decrease)</u> <u>2017-2016</u>
Current Assets:			
Cash/Cash equivalents	\$ 12,990,749	\$ 10,659,410	\$ 2,331,339
Taxes receivable	713,665	1,211,670	(498,005)
Sales taxes receivable	229,613	172,321	57,292
Intergovernmental receivable	73,118	-	73,118
Total current assets:	<u>14,007,145</u>	<u>12,043,401</u>	<u>1,963,744</u>
Non-current assets:			
Capital Assets	66,764,917	66,421,079	343,838
Less Accumulated Depreciation	(43,550,504)	(42,440,397)	(1,110,107)
Total non-current assets:	<u>23,214,413</u>	<u>23,980,682</u>	<u>(766,269)</u>
Total Assets	<u>\$ 37,221,558</u>	<u>\$ 36,024,083</u>	<u>\$ 1,197,475</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow Related to Pension Plan	3,458,173	3,725,608	(267,435)
Total Deferred Outflows of Resources	<u>3,458,173</u>	<u>3,725,608</u>	<u>(267,435)</u>
Current Liabilities			
Accounts payable and other current liabilities	\$ 260,537	\$ 285,144	\$ (24,607)
Accrued Interest Payable	16,898	20,109	(3,211)
Deferred Revenue	9,511	304,792	(295,281)
Total current liabilities	<u>286,946</u>	<u>610,045</u>	<u>(323,099)</u>
Long-term liabilities:			
Due within one year	630,361	654,922	(24,561)
Due in more than one year	1,766,167	2,109,241	(343,074)
Net Pension Liability	3,378,109	4,362,393	(984,284)
Total Liabilities	<u>6,061,583</u>	<u>7,736,601</u>	<u>(1,675,018)</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts Related to Pensions	900,646	338,616	562,030
Total Deferred Inflows of Resources	<u>900,646</u>	<u>338,616</u>	<u>562,030</u>
Net Pension:			
Net Investment in Capital Assets	21,037,621	21,296,519	(258,898)
Restricted For:			
Debt Service	76,776	78,836	(2,060)
Capital Projects	988,972	1,195,801	(206,829)
Unrestricted	11,614,133	9,103,318	2,510,815
Total Net Position	<u>\$ 33,717,502</u>	<u>\$ 31,674,474</u>	<u>\$ 2,043,028</u>

JIM WELLS COUNTY, TEXAS

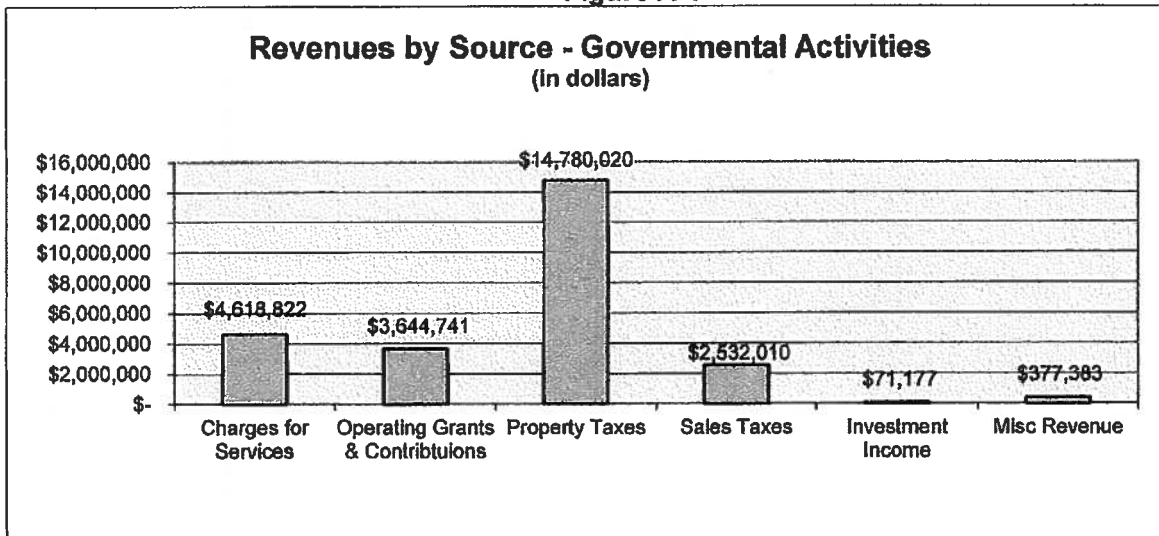
The \$76,776 and \$988,972 of the County's restricted net position represents funds available for the debt service and capital projects funds, respectively. These funds when spent are restricted for repayment of debt and capital asset acquisitions respectively. The \$11,614,133 unrestricted net position represents resources available to fund the programs of the County next year.

Revenues. The County's total revenues were \$26,024,153. A significant portion, 56 percent, of the County's revenue comes from property taxes. 17 percent comes from charges for services and 14 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 .815713, which is an increase of .035713 from the previous year. Net taxable value of property decreased by (\$61,085,082). Sales taxes increased as a result of an increase in retail trade and County's fulfillment of the repayment of sales tax to the state of Texas.
- Property Tax & Sales tax revenues increased from the prior year due, in part, to an increase in property tax rates.
- Sales tax revenues in 2017 increased from the prior year by 18%.

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>2017</u>	<u>2016</u>	<u>2017-2016</u>
Revenues			
Program:			
Charges for services	\$ 4,618,822	\$ 4,729,211	\$ (110,389)
Operating Grants and Contributions	3,644,741	3,007,131	637,610
General			
Property Taxes	14,780,020	11,639,683	3,140,337
Sales Taxes	2,532,010	2,189,082	342,928
Investment Income	71,177	64,210	6,967
Miscellaneous Revenues	377,383	444,948	(67,565)
Gain (Loss) on Disposal of Capital Assets	-	15,100	(15,100)
Total Revenues	<u>\$ 26,024,153</u>	<u>\$ 22,089,365</u>	<u>\$ 3,934,788</u>
Cost of Services:			
General Government	5,585,530	6,126,377	(540,847)
Judicial	4,566,636	3,966,181	600,455
Public Safety	8,405,430	8,520,388	(114,958)
Public Transportation	3,614,657	4,016,728	(402,071)
Health and Welfare	1,141,001	1,247,698	(106,697)
Culture and Recreation	59,860	59,650	210
Conservation	229,285	234,661	(5,376)
Economic Development and Assistance	302,505	25,000	277,505
Interest on Long-term Debt	76,221	72,404	3,817
Total Cost of Services	<u>\$ 23,981,125</u>	<u>\$ 24,269,087</u>	<u>\$ (287,962)</u>
Change in net position	2,043,028	(2,179,722)	4,222,750
Net position - beginning	31,674,474	33,854,196	(2,179,722)
Prior Period Adjustment	-	-	-
Net position - ending	<u>\$ 33,717,502</u>	<u>\$ 31,674,474</u>	<u>\$ 2,043,028</u>

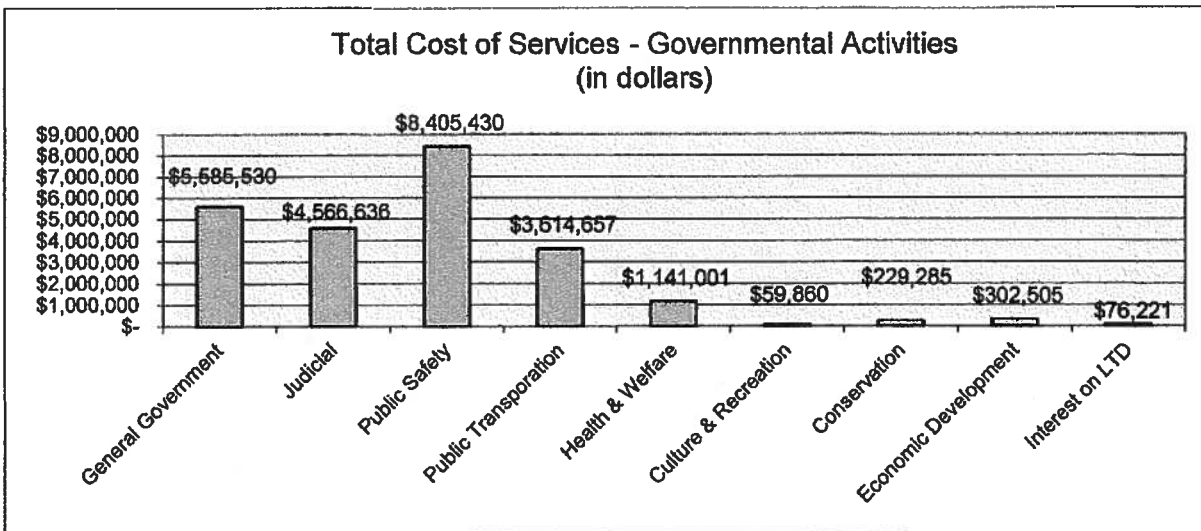
Table A-2 and Figure A-2 present the cost of each of the County's largest functions.

- The cost of all governmental activities this year was \$23,981,125. Public Safety was a significant part of the amount totaling \$8,405,430, 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 \$14,780,020.
- 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.
- \$8,405,430 of these costs were for public safety, which decreased by (\$114,958) 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 \$12,994,413, an increase of \$2,752,619 compared with the prior year. As shown on page 36 the unassigned fund balance resulted in an amount of \$5,934,556. 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.

JIM WELLS COUNTY, TEXAS

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 increased to \$5,967,131 from the previous year's balance of \$4,389,125 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. Revenues increased compared to the prior year, this increase was a result of an increase in property taxes collected, which totaled \$11,513,297 for the current year.

The Debt Service Fund (county-wide), which was created during 2004, has a total fund balance of \$76,776. 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 \$988,972. 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

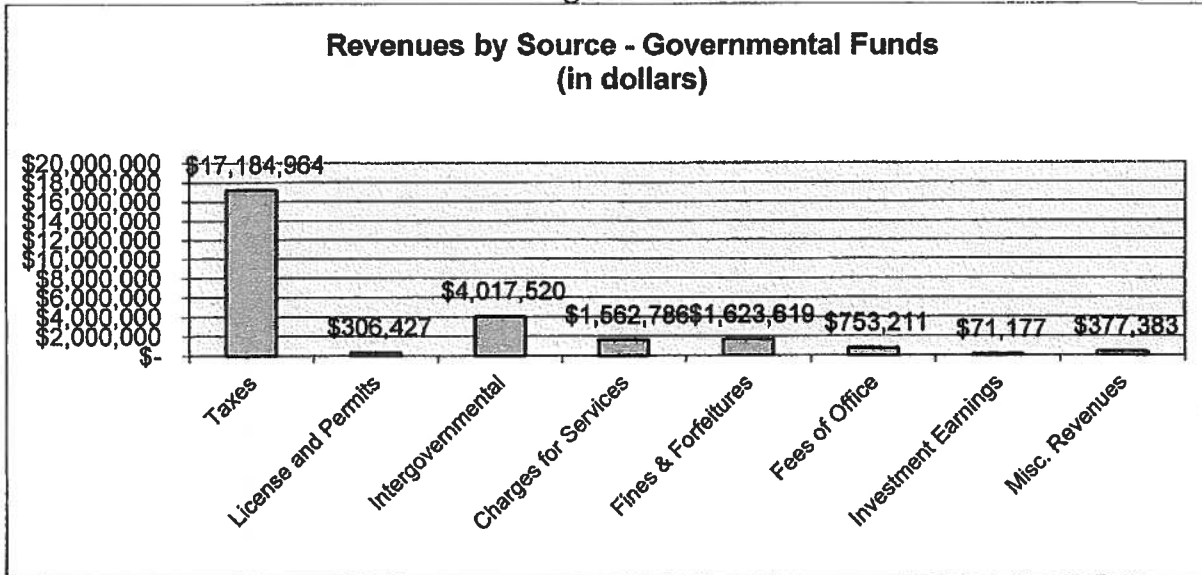
The County's revenue closely follows oil prices and oil field activities. In previous years, the economic boom in Eagle Ford shale production led to hotels being booked, stores expanding, and businesses hiring. However, in 2017, the amount of the impact has continued to level off. This caused the County to raise the property tax rates to make up for the decrease in revenues. As a result, revenues from governmental fund types had a net increase of \$2,939,495 from the preceding year, totaling \$22,257,592. General property taxes and sales taxes were the most significant portion in governmental fund revenue sources, which totaled \$17,184,964, which is an increase of \$2,472,872 from the previous year.

The County's primary source of revenue consists of taxes, which comprise 66% of the County's total revenues. In addition, intergovernmental and charges for services revenues comprise 15% and 6% 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 increased by \$965,964 from the prior year due to more fines & cash seizures. Furthermore, license and permits increased by \$7,619 from the previous year, as a result of a slight increase in fees and permits collected.

JIM WELLS COUNTY, TEXAS

Figure A-3



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

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>
Taxes	\$ 17,184,964	\$ 14,712,092	\$ 2,472,872
License and Permits	306,427	298,808	7,619
Intergovernmental	4,017,520	3,363,702	653,818
Charges for Services	1,562,786	1,672,397	(109,611)
Fines & Forfeitures	1,623,619	657,655	965,964
Fees of Office	753,211	1,743,778	(990,567)
Investment Earnings	71,177	64,210	6,967
Misc. Revenues	377,383	444,950	(67,567)
Total Revenues	<u>\$ 25,897,087</u>	<u>\$ 22,957,592</u>	<u>\$ 2,939,495</u>

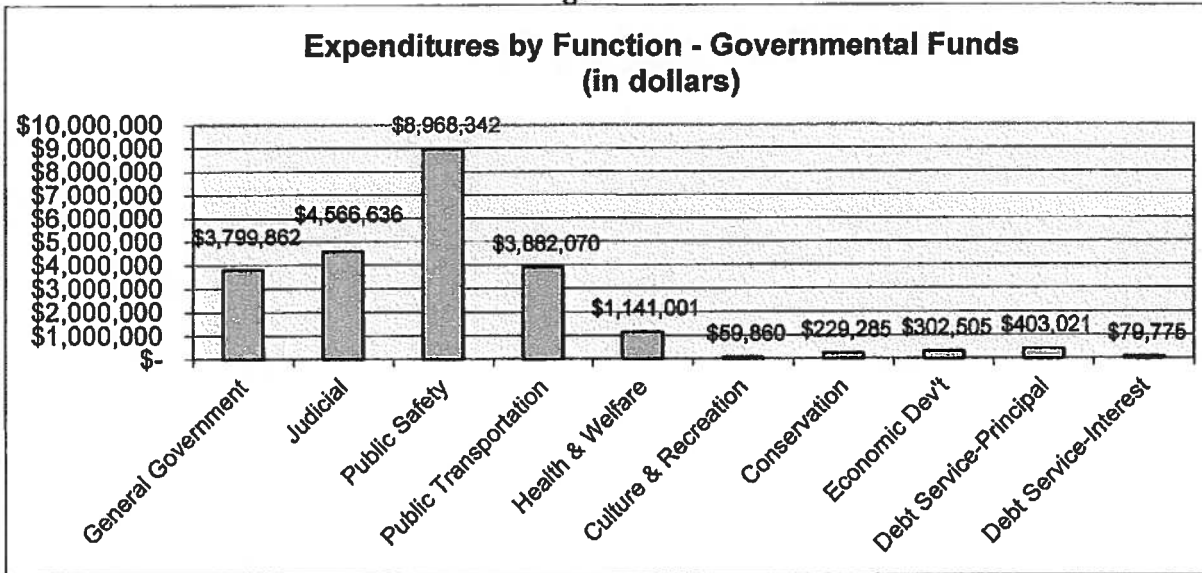
Expenditures

Debt-principal payments increased in the amount of \$108,832, compared to the result of the previous year. The increase in judicial of \$600,455 is partly due to an increase in personal services. The decreases in general government and public transportation of (\$1,182,880) and (\$1,208,080), respectively, were due to decreases in personal services and other services and charges.

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**

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>
General Government	\$ 3,799,862	\$ 4,982,742	\$(1,182,880)
Judicial	4,566,636	3,966,181	600,455
Public Safety	8,968,342	9,118,991	(150,649)
Public Transportation	3,882,070	5,090,150	(1,208,080)
Health and Welfare	1,141,001	1,247,698	(106,697)
Culture and Recreation	59,860	59,650	210
Conservation	229,285	276,159	(46,874)
Economic Development and Assistance	302,505	25,000	277,505
Debt Service:			
Principal	403,021	294,489	108,532
Interest and Fiscal Charges	79,775	74,836	4,939
Fiscal Agent's Fees	-	31	(31)
Total Expenditures	<u>\$23,432,357</u>	<u>\$ 25,135,927</u>	<u>\$(1,703,570)</u>

JIM WELLS COUNTY, TEXAS

Other financing sources from the County came from:

**Table A-5
Other Financing Resources**

	2017	2016	Increase (Decrease)
Transfers In	\$ 638,296	\$ 1,001,742	\$ (363,446)
Transfers Out	(638,296)	(1,001,742)	363,446
Capital Leases	287,889	833,304	(545,415)
Sale of Capital Assets	-	15,100	(15,100)
	\$ 287,889	\$ 848,404	\$ (560,515)

General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$15,779,089 and expenditures of \$15,753,007, 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 \$416,287. Of this amount, charges for services and sales 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 \$416,088 below final budget amounts. This favorable variance resulted from over-budgeted expenditures in the District Court, Health and Welfare, 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 2017, the County had invested \$66,764,917 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, 2017 net capital assets of the governmental activities totaled \$23,214,413. Depreciation on capital assets is recognized in the Government-wide financial statements. Accumulated depreciation for infrastructure, buildings & improvements, and machinery & equipment totaled \$43,550,504. 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)
	2017	2016	2017-2016
	Land	\$ 346,773	\$ 293,873
Infrastructure	43,715,815	43,715,819	(4)
Buildings and Improvements	13,491,721	13,438,846	52,875
Machinery & Equipment	9,210,608	8,972,541	238,067
Total at historical cost	66,764,917	66,421,079	343,838
 Total Accumulated Depreciation	(43,550,504)	(42,440,397)	(1,110,107)
Net Capital Assets	\$ 23,214,413	\$ 23,980,682	\$ (766,269)

The largest increase to capital assets was attributed to machinery & equipment in the net amount of \$725,008 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 \$2,396,528 in bonds, capital leases obligations, and other long-term liabilities outstanding as shown in Table A-7. The County's total debt decreased by a net of \$367,634 from 2016. 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	
	2017	2016
	General obligation bonds	\$ 1,355,000
Capital leases	821,792	987,329
Compensated absences	219,736	226,833
Total governmental activities	\$ 2,396,528	\$ 2,764,162

JIM WELLS COUNTY, TEXAS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2018 budget preparation is up from the prior year.
- General operating fund spending in the 2018 budget is expected to have a moderate decrease as compared to 2017.

These indicators were taken into account when adopting the general fund budget for 2018. Property taxes will increase due to 2018 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 2018 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, 2017

	Governmental Activities
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 12,990,749
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	713,665
<i>Sales Taxes Receivable</i>	229,613
<i>Intergovernmental Receivable</i>	73,118
Capital Assets (net of accumulated depreciation):	
<i>Land</i>	346,773
<i>Buildings and System</i>	7,584,943
<i>Machinery and Equipment</i>	4,311,126
<i>Infrastructure</i>	10,971,571
Total Assets	<u>37,221,558</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pension Plan	3,458,173
Total Deferred Outflows of Resources	<u>3,458,173</u>
LIABILITIES:	
<i>Accounts Payable and Other Current Liabilities</i>	260,537
<i>Accrued Interest Payable</i>	16,898
<i>Deferred Revenue</i>	9,511
Noncurrent Liabilities-	
<i>Due within one year</i>	630,361
<i>Due in more than one year</i>	1,766,167
<i>Net Pension Liability</i>	3,378,109
Total Liabilities	<u>6,061,583</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts Related to Pensions	900,646
Total Deferred Inflows of Resources	<u>900,646</u>
NET POSITION:	
Net Investment in Capital Assets	21,037,621
Restricted For:	
Debt Service	76,776
Capital Projects	988,972
Unrestricted	11,614,133
Total Net Position	<u>\$ 33,717,502</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT:				
Governmental Activities:				
General Government	\$ 5,585,530	\$ 1,451,596	\$ 5,705	\$ (4,128,229)
Judicial	4,566,636	477,456	283,914	(3,805,266)
Public Safety	8,405,430	1,626,331	1,759,369	(5,019,730)
Public Transportation	3,614,657	1,063,439	292,201	(2,259,017)
Health and Welfare	1,141,001	--	1,276,052	135,051
Culture and Recreation	59,860	--	--	(59,860)
Conservation	229,285	--	--	(229,285)
Economic Development and Assistance	302,505	--	--	(302,505)
Interest on Long-term Debt	76,221	--	--	(76,221)
Total Governmental Activities	<u>23,981,125</u>	<u>4,618,822</u>	<u>3,644,741</u>	<u>(15,717,562)</u>
Total Primary Government	\$ <u>23,981,125</u>	\$ <u>4,618,822</u>	\$ <u>3,644,741</u>	<u>(15,717,562)</u>
General Revenues:				
Property Taxes				14,780,020
Sales Taxes				2,532,010
Investment Income				71,177
Miscellaneous Revenues				<u>377,383</u>
Total General Revenues				<u>17,760,590</u>
Change in Net Position				2,043,028
Net Position - Beginning				31,674,474
Net Position - Ending				<u>\$ 33,717,502</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 5,954,296	\$ 7,036,453	\$ 12,990,749
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	9,144,230	2,784,243	11,928,473
<i>Sales Taxes Receivable</i>	183,690	45,923	229,613
<i>Intergovernmental Receivable</i>	--	73,118	73,118
Total Assets	\$ 15,282,216	\$ 9,939,737	\$ 25,221,953
LIABILITIES AND FUND BALANCES:			
Liabilities:			
<i>Accounts Payable</i>	\$ 141,836	\$ 118,701	\$ 260,537
<i>Deferred Revenue</i>	--	9,511	9,511
Total Liabilities	141,836	128,212	270,048
DEFERRED INFLOWS OF RESOURCES:			
<i>Unavailable Revenue Property Taxes</i>	9,173,249	2,784,243	11,957,492
Total Deferred Inflows of Resources	9,173,249	2,784,243	11,957,492
Fund Balances:			
Restricted Fund Balances:			
<i>Federal or State Funds Grant Restriction</i>	--	5,994,109	5,994,109
<i>Retirement of Long-Term Debt</i>	--	76,776	76,776
<i>Capital Project Funds</i>	--	988,972	988,972
<i>Unassigned Fund Balance</i>	5,967,131	(32,575)	5,934,556
Total Fund Balance	5,967,131	7,027,282	12,994,413
Total Liabilities and Fund Balance	\$ 15,282,216	\$ 9,939,737	\$ 25,221,953

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, 2017

Total fund balances - governmental funds balance sheet	\$ 12,994,413
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.	23,214,413
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	742,684
Payables for bond principal which are not due in the current period are not reported in the funds.	(1,355,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(821,792)
Payables for bond interest which are not due in the current period are not reported in the funds.	(16,898)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(219,736)
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	(3,378,109)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(900,646)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	3,458,173
Net position of governmental activities - Statement of Net Position	<u>\$ 33,717,502</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue:			
Taxes:			
<i>General Property Taxes</i>	\$ 11,513,297	\$ 3,139,657	\$ 14,652,954
<i>General Sales and Use Taxes</i>	2,025,608	506,402	2,532,010
<i>License and Permits</i>	43,033	263,394	306,427
<i>Intergovernmental</i>	724,614	3,292,906	4,017,520
<i>Charges for Services</i>	1,237,501	325,285	1,562,786
<i>Fines and Forfeitures</i>	360,646	1,262,973	1,623,619
<i>Fees of Office</i>	16,375	736,836	753,211
<i>Investment Earnings</i>	41,836	29,341	71,177
<i>Miscellaneous Revenues</i>	202,466	174,917	377,383
Total revenues	<u>16,165,376</u>	<u>9,731,711</u>	<u>25,897,087</u>
Expenditures:			
Current:			
<i>General Government</i>	3,799,862	--	3,799,862
<i>Judicial</i>	3,655,707	910,929	4,566,636
<i>Public Safety</i>	6,009,817	2,958,525	8,968,342
<i>Public Transportation</i>	--	3,882,070	3,882,070
<i>Health and Welfare</i>	85,428	1,055,573	1,141,001
<i>Culture and Recreation</i>	59,860	--	59,860
<i>Conservation</i>	229,285	--	229,285
<i>Economic Development and Assistance</i>	302,505	--	302,505
Debt Service:			
<i>Principal</i>	115,277	287,744	403,021
<i>Interest and Fiscal Charges</i>	1,352	78,423	79,775
Total Expenditures	<u>14,259,093</u>	<u>9,173,264</u>	<u>23,432,357</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,906,283</u>	<u>558,447</u>	<u>2,464,730</u>
Other Financing Sources (Uses):			
<i>Transfers In</i>	30,000	608,296	638,296
<i>Transfers Out</i>	(548,249)	(90,047)	(638,296)
<i>Capital Leases</i>	189,972	97,917	287,889
Total Other Financing Sources (Uses)	<u>(328,277)</u>	<u>616,166</u>	<u>287,889</u>
Net Change in Fund Balances	1,578,006	1,174,613	2,752,619
Fund Balances - Beginning	4,389,125	5,852,669	10,241,794
Fund Balances - Ending	<u>\$ 5,967,131</u>	<u>\$ 7,027,282</u>	<u>\$ 12,994,413</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, 2017**

Net change in fund balances - total governmental funds	\$ 2,752,619
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	830,325
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,280,776)
The gain or loss on the sale of capital assets is not reported in the funds.	(70,756)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	127,066
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	195,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	208,364
(Increase) decrease in accrued interest from beginning of period to end of period.	3,211
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	7,097
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(287,889)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	<u>(441,233)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 2,043,028</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017

	<u>Agency Funds</u>
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 7,559,689
Total Assets	<u>\$ 7,559,689</u>
LIABILITIES:	
<i>Due to Other Governments and Agencies</i>	\$ 7,559,689
Total Liabilities	<u>\$ 7,559,689</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, 2017

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

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County, its component units or its constituents; and 2) The County or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the County.

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.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

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 in the governmental funds to be available if the revenues are collected within sixty days after year-end. The County does not consider revenues collected after its year-end to be available in the current period. 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.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

b. Inventories and Prepaid Items
and not reported on the financial statements.

The County records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

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.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

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.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

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:

<u>Fund Name</u>	<u>Deficit Amount</u>
Road & Bridge No. 21 Fund	(30,898)
Indigent Health Care Fund	(1,677)

2. Excess of expenditures over appropriations

For the year ended December 31, 2017, the County had two funds that had expenditures exceeding appropriations.

Road & Bridge Fund No. 21	(222,960)
Law Library Fund	(5,272)

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, 2017

Cash Deposits:

At December 31, 2017, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$20,550,438 and the bank balance was \$21,224,258. The County's cash deposits at December 31, 2017 and during the year ended December 31, 2017, 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 \$30,497,799.
- c. The highest combined balances of cash, savings and time deposit accounts amounted to \$27,143,689 and occurred during the month of February, 2017.
- 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, 2017.

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, 2017

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, 2017

D. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 293,873	\$ 52,900	--	\$ 346,773
Total capital assets not being depreciated	<u>293,873</u>	<u>52,900</u>	<u>--</u>	<u>346,773</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	43,715,815	--	--	43,715,815
Buildings and improvements	13,438,850	59,046	(6,175)	13,491,721
Machinery & Equipment	8,972,541	725,008	(486,941)	9,210,608
Total capital assets being depreciated	<u>66,127,206</u>	<u>784,054</u>	<u>(493,116)</u>	<u>66,418,144</u>
Less accumulated depreciation for:				
Infrastructure	(32,595,021)	(149,222)	--	(32,744,243)
Buildings and improvements	(5,630,693)	(275,581)	504	(5,906,778)
Machinery & Equipment	(4,214,683)	(861,584)	176,785	(4,899,482)
Total accumulated depreciation	<u>(42,440,397)</u>	<u>(1,286,387)</u>	<u>177,289</u>	<u>(43,550,503)</u>
Total capital assets being depreciated, net	<u>23,686,809</u>	<u>(502,333)</u>	<u>(315,827)</u>	<u>22,867,641</u>
Governmental activities capital assets, net	<u>\$ 23,980,682</u>	<u>\$ (449,433)</u>	<u>\$ (315,827)</u>	<u>\$ 23,214,414</u>

Depreciation was charged to functions as follows:

General Government	\$ 524,752
Public Protection:	
Courthouse & Buildings	243,178
Probation	25,597
Sheriff	275,278
Fire Protection	38,396
Public Ways and Facilities, Including Depreciation of General Infrastructure Assets	<u>179,186</u>
	<u>\$ 1,286,387</u>

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, 2017,

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

2. Transfers To and From Other Funds

Transfers to and from other funds at December 31, 2017, consisted of the following:

Transfers out:	Transfers In:		
	General Fund	Nonmajor Governmental	Total
General fund	\$ --	\$ 548,249	\$ 548,249
Nonmajor governmental	--	90,047	90,047
Total transfers out	<u>--</u>	<u>638,296</u>	<u>638,296</u>

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. Short-Term Debt Activity

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	\$ 5,994,109
Retirement of Long-Term Debt	76,776
	<u>6,070,885</u>
Committed Fund Balance:	
Construction	988,972
Other Committed Fund Balance	--
	<u>988,972</u>
Assigned Fund Balance:	
Other Assigned Fund Balance	--
	<u>--</u>
Unassigned Fund Balance	<u>5,934,556</u>
	<u>5,934,556</u>
Total Fund Balance	<u>\$ 12,994,413</u>

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

G. 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.

Description	Interest Rates (%)	Date of Issuance	Date of Maturity	Bonds Outstanding
Certificates of Obligation Refunding Bonds, Series 2008	3.86%	May 1, 2008	September 1 2023	\$1,355,000

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended December 31, 2017, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 1,550,000	\$ --	\$ 195,000	\$ 1,355,000	205,000
Capital leases	987,329	287,889	453,426	821,792	335,361
Compensated absences *	226,833	95,346	102,443	219,736	90,000
Total governmental activities	\$ 2,764,162	\$ 383,235	\$ 750,869	\$ 2,396,528	\$ 630,361

* Other long-term liabilities

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

Liability	Activity Type	Fund
Compensated absences	Governmental	General

2. Debt Service Requirements

Debt service requirements on long-term debt at December 31, 2017, are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2018	\$ 205,000	\$ 50,277	\$ 255,277
2019	210,000	42,364	252,364
2020	220,000	34,161	254,161
2021	230,000	25,572	255,572
2022	240,000	16,598	256,598
2023	250,000	7,237	257,237
Totals	\$ 1,355,000	\$ 176,209	\$ 1,531,209

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

H. Commitments Under Noncapitalized Leases

Operating Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of December 31, 2017, as follows:

Year Ending December 31, 2018	4,652
Total Minimum Rentals	<u>\$ 4,652</u>
 Rental Expenditures in 2017	 <u>\$ 25,233</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 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%.
2. 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%.
3. On October 4, 2016, the County entered into a 7 year lease agreement secured by Drum Vibratory Roller with Government Capital Corporation, with a maturity date of September 28, 2023. Payments are \$15,859.76 for 7 years annually, including interest of 3.244%.
4. On September 22, 2017, the County entered into a 6 month lease agreement secured by 2018 Large Brush Truck with Neel Fire Protection Apparatus, Inc., with a maturity date of March 8, 2018. Payment of \$129,972 is due for the last month.
5. 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%.
6. 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%.
7. 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%.

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities
Machinery and Equipment	\$ 3,209,062
Less: accumulated depreciation	(940,881)
Total	<u>\$ 2,268,181</u>

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2017 were as follows:

<u>Year Ending December 31,</u>		
2018	\$	359,373
2019		143,308
2020		143,308
2021		83,726
2022		83,066
2023		77,033
Total Minimum Lease Payments	\$	<u>889,814</u>
Less: amount representing interest		<u>(68,023)</u>
Present Value of Minimum Lease Payments	\$	<u><u>821,791</u></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 2017, 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

retirement

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.

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 TCDRS 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 TCDRS Act.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

2. Contributions

The employer has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS 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 TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 10.8% for the calendar year 2017. 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 TCDRS.

Employees of Jim Wells County were required to contribute 5.0% of their annual gross earnings during the fiscal year. The contribution rates for the County were 10% and 8% in calendar years 2016 and 2017, respectively. Jim Wells County's contributions to TCDRS for the fiscal year ended December 31, 2017 were \$848,058 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 TCDRS' investment consultant, Cliffwater LLC. The numbers shown below are based on January 2016 information for a 7-10 year time horizon.

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

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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	13.50%	4.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	16.00%	7.70%
Global Equities	MSCI World (net) Index	1.50%	5.00%
International Equities - Developed	MSCI World Ex USA (net) Index	10.00%	4.70%
International Equities - Emerging	MSCI EM Standard (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.60%
High-Yield bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	3.83%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.15%
Distressed Debt	Cambridge Associates Distressed Securities (4)	3.00%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	3.85%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.60%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (5)	6.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	20.00%	3.85%
Total		100.00%	

(1) Target asset allocation adopted at the April 2017 TCERS board meeting.

(2) Geometric real rates of return in addition to assumed inflation of 2.0%, per Cliffwater's 2017 capital market assumptions.

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

(4) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

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

4. Changes in Net Pension Liability

At December 31, 2016, Jim Wells County reported a net pension liability of \$ 3,378,109. The changes in net pension liability were as follows:

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2015	\$ 39,984,649	\$ 35,622,256	\$ 4,362,393
Changes for the year			
Service cost	1,495,734	-	1,495,734
Interest on total pension liability	3,187,787	-	3,187,787
Effect of plan changes	(431,184)	-	(431,184)
Effect of economic/demographic gains or losses	--	-	--
Effect of assumptions changes or inputs	(975,283)	-	(975,283)
Refund of contributions	--	--	--
Benefit payments	(2,348,036)	(2,348,036)	--
Administrative expenses	-	(28,652)	28,652
Member contributions	-	622,697	(622,697)
Net investment income	-	2,635,191	(2,635,191)
Employer contributions	-	1,122,930	(1,122,930)
Other	-	(90,829)	90,829
Balance at 12/31/2015	\$ 40,913,667	\$ 37,535,558	\$ 3,378,109

The net pension liability was measured as of December 31, 2016 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		Current Discount Rate		1% Increase	
	7.10%		8.10%		9.10%	
County's net pension liability	\$ 45,648,961	\$ 40,913,667	\$ 40,913,667	\$ 36,934,273		
Fiduciary net position	37,535,556		37,535,556		37,535,556	
Net pension liability / (asset)	\$ 8,113,405		\$ 3,378,111		\$ (601,283)	

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

For the year ended December 31, 2017, the District recognized pension expense of \$1,289,292.

At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 900,646	\$ -
Changes in assumptions	-	148,729
Net difference between projected and actual earnings	-	2,461,386
Contributions subsequent to the measurement date	-	848,058
Total	\$ 900,646	\$ 3,458,173

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:	
2018	\$ 410,923
2019	\$ 512,651
2020	\$ 741,587
2021	\$ 44,308
Thereafter	-

7. Funded Status and Funding Progress

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

Actuarial Valuation Date	12/31/2016
Actuarial Value of Assets	38,863,326
Actuarial Accrued Liability	\$ 42,520,119
Unfunded Actuarial Liability	3,656,793
Funded Ratio	91.40%
Annualized Covered Payroll	\$ 10,378,279
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.

K. Health Care Coverage

During the year ended December 31, 2017, employees of the County were covered by a health insurance plan (the Plan). The County paid premiums of \$634 per pay period per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The premiums were paid to a licensed insurer.

The contract between the County and the licensed insurer is renewable January 2, 2018, and the 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.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017.

M. Closure and Postclosure Care Cost

The following funds had adopted budgets for the fiscal year ended December 31, 2017:

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

N. Subsequent Events

The County has evaluated subsequent events through June 1, 2018, the date which the financial statements were available to be issued.

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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, 2017

EXHIBIT B-1
Page 1 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 11,548,640	\$ 11,548,640	\$ 11,513,297	\$ (35,343)
<i>General Sales and Use Taxes</i>	1,630,840	1,630,840	2,025,608	394,768
License and Permits	44,500	44,500	43,033	(1,467)
Intergovernmental	700,865	700,865	724,614	23,749
Charges for Services	1,108,580	1,108,580	1,237,501	128,921
Fines and Forfeitures	330,000	330,000	360,646	30,646
Fees of Office	25,700	25,700	16,375	(9,325)
Investment Earnings	45,000	45,000	41,836	(3,164)
Miscellaneous Revenues	314,964	314,964	202,466	(112,498)
Total revenues	<u>15,749,089</u>	<u>15,749,089</u>	<u>16,165,376</u>	<u>416,287</u>
EXPENDITURES:				
General Government				
County Judge				
<i>Personal Services</i>	207,378	207,378	205,790	1,588
<i>Supplies</i>	4,200	4,200	3,648	552
<i>Other Services and Charges</i>	15,700	15,700	15,199	501
Total County Judge	<u>227,278</u>	<u>227,278</u>	<u>224,637</u>	<u>2,641</u>
County Clerk				
<i>Personal Services</i>	355,228	355,228	325,633	29,595
<i>Other Services and Charges</i>	71,685	71,685	32,450	39,235
Total County Clerk	<u>426,913</u>	<u>426,913</u>	<u>358,083</u>	<u>68,830</u>
Veterans Service				
<i>Personal Services</i>	47,156	46,586	50,760	(4,174)
<i>Supplies</i>	500	500	398	102
<i>Other Services and Charges</i>	32,412	32,712	42,660	(9,948)
Total Veterans Service	<u>80,068</u>	<u>79,798</u>	<u>93,818</u>	<u>(14,020)</u>
County Auditor				
<i>Personal Services</i>	581,357	581,357	487,810	93,547
<i>Supplies</i>	11,000	11,000	8,832	2,168
<i>Other Services and Charges</i>	80,843	80,843	39,518	41,325
Total County Auditor	<u>673,200</u>	<u>673,200</u>	<u>536,160</u>	<u>137,040</u>
County Treasurer				
<i>Personal Services</i>	162,819	162,819	156,573	6,246
<i>Supplies</i>	1,000	1,000	840	160
<i>Other Services and Charges</i>	3,800	3,800	4,717	(917)
Total County Treasurer	<u>167,619</u>	<u>167,619</u>	<u>162,130</u>	<u>5,489</u>
Tax Assessor-Collector				
<i>Personal Services</i>	415,143	415,143	377,513	37,630
<i>Supplies</i>	2,500	2,500	809	1,691
<i>Other Services and Charges</i>	358,539	358,539	489,048	(130,509)
Total Tax Assessor-Collector	<u>776,182</u>	<u>776,182</u>	<u>867,370</u>	<u>(91,188)</u>
County Courthouse and Annex				
<i>Personal Services</i>	184,659	184,659	187,984	(3,325)
<i>Supplies</i>	43,000	44,900	35,356	9,544
<i>Other Services and Charges</i>	630,600	628,700	609,458	19,242
Total County Courthouse and Annex	<u>858,259</u>	<u>858,259</u>	<u>832,798</u>	<u>25,461</u>
County Airport				
<i>Personal Services</i>	50,000	50,000	53,413	(3,413)
Total County Airport	<u>50,000</u>	<u>50,000</u>	<u>53,413</u>	<u>(3,413)</u>

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B-1
Page 2 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Elections				
<i>Personal Services</i>	144,404	144,404	129,712	14,692
<i>Supplies</i>	16,100	14,427	9,115	5,312
<i>Other Services and Charges</i>	34,650	36,323	36,544	(221)
<i>Total Elections</i>	<u>195,154</u>	<u>195,154</u>	<u>175,371</u>	<u>19,783</u>
Non-Departmental				
<i>Personal Services</i>	76,872	76,872	77,955	(1,083)
<i>Supplies</i>	62,000	58,500	57,560	940
<i>Other Services and Charges</i>	434,711	438,011	360,567	77,444
<i>Total Non-Departmental</i>	<u>573,583</u>	<u>573,383</u>	<u>496,082</u>	<u>77,301</u>
Total General Government	<u>4,028,256</u>	<u>4,027,786</u>	<u>3,799,862</u>	<u>227,924</u>
Judicial				
County court				
<i>Personal Services</i>	388,762	388,762	384,520	4,242
<i>Supplies</i>	3,000	3,000	3,140	(140)
<i>Other Services and Charges</i>	187,925	187,925	175,712	12,213
<i>Total County Court</i>	<u>579,687</u>	<u>579,687</u>	<u>563,372</u>	<u>16,315</u>
District Court				
<i>Personal Services</i>	386,567	387,067	376,078	10,989
<i>Supplies</i>	5,000	5,000	2,407	2,593
<i>Other Services and Charges</i>	230,036	229,536	144,308	85,228
<i>Total District Court</i>	<u>621,603</u>	<u>621,603</u>	<u>522,793</u>	<u>98,810</u>
District Clerk				
<i>Personal Services</i>	453,875	457,875	457,100	775
<i>Supplies</i>	14,000	14,000	15,540	(1,540)
<i>Other Services and Charges</i>	59,600	55,600	46,881	8,719
<i>Total District Clerk</i>	<u>527,475</u>	<u>527,475</u>	<u>519,521</u>	<u>7,954</u>
Justice of the Peace				
<i>Personal Services</i>	676,384	676,084	694,956	(18,872)
<i>Supplies</i>	6,650	6,650	13,678	(7,028)
<i>Other Services and Charges</i>	98,250	99,850	51,341	48,509
<i>Total Justice of the Peace</i>	<u>781,284</u>	<u>782,584</u>	<u>759,975</u>	<u>22,609</u>
County Attorney				
<i>Personal Services</i>	543,604	547,857	554,706	(6,849)
<i>Supplies</i>	5,500	5,500	5,552	(52)
<i>Other Services and Charges</i>	28,982	24,732	19,010	5,722
<i>Total County Attorney</i>	<u>578,086</u>	<u>578,089</u>	<u>579,268</u>	<u>(1,179)</u>
District Attorney				
<i>Personal Services</i>	715,919	715,919	682,876	33,043
<i>Supplies</i>	5,000	5,000	5,313	(313)
<i>Other Services and Charges</i>	42,500	42,500	22,589	19,911
<i>Total District Attorney</i>	<u>763,419</u>	<u>763,419</u>	<u>710,778</u>	<u>52,641</u>
Total Judicial	<u>3,851,554</u>	<u>3,852,857</u>	<u>3,655,707</u>	<u>197,150</u>
Public Safety				
Ambulance				
<i>Other Services and Charges</i>	208,000	208,000	198,000	10,000
<i>Total Ambulance</i>	<u>208,000</u>	<u>208,000</u>	<u>198,000</u>	<u>10,000</u>
Fire Protection				
<i>Other Services and Charges</i>	--	100,912	230,884	(129,972)
<i>Total Fire Protection</i>	<u>--</u>	<u>100,912</u>	<u>230,884</u>	<u>(129,972)</u>

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B-1
Page 3 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Constable				
<i>Personal Services</i>	339,278	339,278	349,134	(9,856)
<i>Supplies</i>	12,670	11,993	5,412	6,581
<i>Other Services and Charges</i>	26,200	27,825	16,644	11,181
<i>Total Constable</i>	<u>378,148</u>	<u>379,096</u>	<u>371,190</u>	<u>7,906</u>
Sheriff				
<i>Personal Services</i>	3,496,754	3,498,754	3,543,610	(44,856)
<i>Supplies</i>	441,568	438,568	400,738	37,830
<i>Other Services and Charges</i>	424,925	468,425	548,018	(79,593)
<i>Capital Outlay</i>	100,414	50,345	50,345	--
<i>Total Sheriff</i>	<u>4,463,660</u>	<u>4,456,092</u>	<u>4,542,711</u>	<u>(86,619)</u>
Juvenile Corrections Board				
<i>Personal Services</i>	27,406	27,406	27,683	(277)
<i>Supplies</i>	16,551	27,551	22,542	5,009
<i>Other Services and Charges</i>	303,600	293,600	222,239	71,361
<i>Total Juvenile Corrections Board</i>	<u>347,557</u>	<u>348,557</u>	<u>272,464</u>	<u>76,093</u>
Emergency Management				
<i>Personal Services</i>	54,509	58,409	56,358	2,051
<i>Supplies</i>	2,500	2,500	618	1,882
<i>Other Services and Charges</i>	57,500	53,600	50,288	3,312
<i>Total Emergency Management</i>	<u>114,509</u>	<u>114,509</u>	<u>107,264</u>	<u>7,245</u>
Safety Department				
<i>Personal Services</i>	110,050	110,050	98,463	11,587
<i>Supplies</i>	4,500	4,000	1,751	2,249
<i>Other Services and Charges</i>	16,870	17,370	11,333	6,037
<i>Total Safety Department</i>	<u>131,420</u>	<u>131,420</u>	<u>111,547</u>	<u>19,873</u>
Vector Control				
<i>Other Services and Charges</i>	2,650	2,650	620	2,030
<i>Total Vector Control</i>	<u>2,650</u>	<u>2,650</u>	<u>620</u>	<u>2,030</u>
Adult Probation				
<i>Other Services and Charges</i>	37,772	37,772	22,175	15,597
<i>Total Adult Probation</i>	<u>37,772</u>	<u>37,772</u>	<u>22,175</u>	<u>15,597</u>
<i>Total Public Safety</i>	<u>5,823,016</u>	<u>5,918,307</u>	<u>6,009,817</u>	<u>(91,510)</u>
Health and Welfare				
<i>Personal Services</i>	60,908	60,908	53,342	7,566
<i>Supplies</i>	700	700	216	484
<i>Other Services and Charges</i>	130,115	130,115	31,870	98,245
<i>Total Health and Welfare</i>	<u>191,723</u>	<u>191,723</u>	<u>85,428</u>	<u>106,295</u>
Culture and Recreation				
<i>Jim Wells County Library</i>				
<i>Other Services and Charges</i>	50,000	50,000	50,000	--
<i>Total Jim Wells County Library</i>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>--</u>
<i>Parks Department</i>				
<i>Other Services and Charges</i>	13,500	13,500	9,860	3,640
<i>Total Parks Department</i>	<u>13,500</u>	<u>13,500</u>	<u>9,860</u>	<u>3,640</u>
<i>Total Culture and Recreation</i>	<u>63,500</u>	<u>63,500</u>	<u>59,860</u>	<u>3,640</u>
Conservation				
<i>Agriculture Extension Service</i>				
<i>Personal Services</i>	144,601	144,601	144,484	117
<i>Supplies</i>	10,912	8,914	11,844	(2,930)
<i>Other Services and Charges</i>	108,298	109,363	72,957	36,406
<i>Total Agriculture Extension Service</i>	<u>263,811</u>	<u>262,878</u>	<u>229,285</u>	<u>33,593</u>

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B-1
Page 4 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Economic Development and Assistance				
<i>Other Services and Charges</i>	241,500	241,500	302,505	(61,005)
<i>Total Economic Development and Assistance</i>	241,500	241,500	302,505	(61,005)
Debt Service:				
<i>Principal</i>	--	115,277	115,277	--
<i>Interest and Fiscal Charges</i>	--	1,352	1,352	--
<i>Total Debt Service</i>	--	116,629	116,629	--
Total Expenditures	14,463,360	14,675,181	14,259,093	416,088
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,285,729	1,073,908	1,906,283	832,375
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	30,000	30,000	30,000	--
<i>Transfers Out</i>	(1,077,826)	(1,077,826)	(548,249)	(529,577)
<i>Capital Leases</i>	41,498	41,498	189,972	(148,474)
<i>Total Other Financing Sources (Uses)</i>	(1,006,328)	(1,006,328)	(328,277)	(678,051)
Net Change in Fund Balances	279,401	67,580	1,578,006	1,510,426
Fund Balances - Beginning	4,389,124	4,389,125	4,389,125	--
Fund Balances - Ending	\$ 4,668,525	\$ 4,456,705	\$ 5,967,131	\$ 1,510,426

JIM WELLS COUNTY, TEXAS
SCHEDULE OF CHANGES IN THE COUNTY'S
NET POSITION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2016	2015	2014
Total Pension Liability:			
Service cost	\$ 1,495,734	\$ 1,290,592	\$ 1,292,660
Interest	3,187,787	3,058,111	2,907,143
Changes of benefit terms	(431,184)	(162,268)	--
Difference between expected and actual experience	(975,283)	(751,373)	(67,749)
Benefit payments, including refunds of employee contributions	(2,348,036)	(1,278,502)	(1,471,906)
Net change in total pension liability	929,018	2,156,560	2,660,148
Total pension liability -beginning	39,984,649	37,828,089	35,978,529
Total pension liability-ending (a)	\$ 40,913,667	\$ 39,984,649	\$ 38,638,677
Plan Fiduciary Net Position			
Contributions - employer	\$ 1,122,930	\$ 1,110,494	\$ 1,142,342
Contributions - employee	622,697	617,908	591,887
Net investment income	2,635,191	(528,742)	2,287,706
Benefit payments, including refunds of employee contributions	(2,348,036)	(1,724,687)	(1,471,906)
Administrative expense	(28,652)	(25,862)	(26,972)
Other	(90,829)	(63,876)	(32,749)
Net Change in plan fiduciary net position	1,913,301	(614,765)	2,490,308
Plan fiduciary net position -beginning	35,622,256	36,237,022	33,746,713
Plan fiduciary net position -ending (b)	\$ 37,535,557	\$ 35,622,257	\$ 36,237,021
County's net position liability - ending (a) - (b)	\$ 3,378,110	\$ 4,362,392	\$ 2,401,656
Plan fiduciary net position as a percentage of the total pension liability	91.74%	89.09%	93.78%
Covered employee payroll	\$ 10,378,279	\$ 11,140,898	\$ 9,864,786
County's net position liability as a percentage of covered-employee payroll	32.55%	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

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016	2015	2014
Actuarially determined contribution	\$ 848,058	\$ 1,122,930	\$ 1,110,494	\$ 1,142,342
Contributions in relation to the actuarially required contribution	(848,058)	(1,122,930)	(1,110,494)	(1,142,342)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --
Covered employee payroll	\$ 10,271,665	\$ 10,378,279	\$ 10,244,406	\$ 9,864,786
Contributions as a percentage of covered-employee payroll	8.26%	10.82%	10.84%	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
NOTES TO SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	1.8 years
Asset Valuation Method	5-yr smoothed market
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.0%, net of investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.

Other Information: There were no benefit changes during the year.

JIM WELLS COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 5,970,705	\$ 76,776	\$ 988,972	\$ 7,036,453
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	2,784,243	--	--	2,784,243
<i>Sales Taxes Receivable</i>	45,923	--	--	45,923
<i>Intergovernmental Receivable</i>	73,118	--	--	73,118
Total Assets	<u>\$ 8,873,989</u>	<u>\$ 76,776</u>	<u>\$ 988,972</u>	<u>\$ 9,939,737</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 118,701	\$ --	\$ --	\$ 118,701
<i>Deferred Revenue</i>	9,511	--	--	9,511
Total Liabilities	<u>128,212</u>	<u>--</u>	<u>--</u>	<u>128,212</u>
DEFERRED INFLOWS OF RESOURCES:				
<i>Unavailable Revenue Property Taxes</i>	2,784,243	--	--	2,784,243
Total Deferred Inflows of Resources	<u>2,784,243</u>	<u>--</u>	<u>--</u>	<u>2,784,243</u>
Fund Balances:				
Restricted Fund Balances:				
<i>Federal or State Funds Grant Restriction</i>	5,994,109	--	--	5,994,109
<i>Retirement of Long-Term Debt</i>	--	76,776	--	76,776
<i>Unassigned</i>	(32,575)	--	--	(32,575)
<i>Capital Project Funds</i>	--	--	988,972	988,972
Total Fund Balance	<u>5,961,534</u>	<u>76,776</u>	<u>988,972</u>	<u>7,027,282</u>
Total Liabilities and Fund Balance	<u>\$ 8,873,989</u>	<u>\$ 76,776</u>	<u>\$ 988,972</u>	<u>\$ 9,939,737</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:				
Taxes:				
<i>General Property Taxes</i>	\$ 2,889,295	\$ 250,362	\$ --	\$ 3,139,657
<i>General Sales and Use Taxes</i>	506,402	--	--	506,402
<i>License and Permits</i>	263,394	--	--	263,394
<i>Intergovernmental</i>	3,292,906	--	--	3,292,906
<i>Charges for Services</i>	325,285	--	--	325,285
<i>Fines and Forfeitures</i>	1,262,973	--	--	1,262,973
<i>Fees of Office</i>	736,836	--	--	736,836
<i>Investment Earnings</i>	27,332	575	1,434	29,341
<i>Miscellaneous Revenues</i>	171,960	--	2,957	174,917
Total revenues	<u>9,476,383</u>	<u>250,937</u>	<u>4,391</u>	<u>9,731,711</u>
Expenditures:				
Current:				
<i>Judicial</i>	910,929	--	--	910,929
<i>Public Safety</i>	2,747,306	--	211,219	2,958,525
<i>Public Transportation</i>	3,882,070	--	--	3,882,070
<i>Health and Welfare</i>	1,055,573	--	--	1,055,573
Debt Service:				
<i>Principal</i>	92,744	195,000	--	287,744
<i>Interest and Fiscal Charges</i>	20,426	57,997	--	78,423
Total Expenditures	<u>8,709,048</u>	<u>252,997</u>	<u>211,219</u>	<u>9,173,264</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>767,335</u>	<u>(2,060)</u>	<u>(206,828)</u>	<u>558,447</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	608,296	--	--	608,296
<i>Transfers Out</i>	(90,047)	--	--	(90,047)
<i>Capital Leases</i>	97,917	--	--	97,917
Total Other Financing Sources (Uses)	<u>616,166</u>	<u>--</u>	<u>--</u>	<u>616,166</u>
Net Change in Fund Balances	1,383,501	(2,060)	(206,828)	1,174,613
Fund Balances - Beginning	4,578,033	78,836	1,195,800	5,852,669
Fund Balances - Ending	<u>\$ 5,961,534</u>	<u>\$ 76,776</u>	<u>\$ 988,972</u>	<u>\$ 7,027,282</u>

JIM WELLS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	Road & Bridge No. 21 Fund	Road & Bridge No. 22 Fund	Road & Bridge No. 23 Fund	Road & Bridge No. 24 Fund
ASSETS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ --	\$ 1,256,628	\$ 1,205,665	\$ 1,051,421
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	613,046	410,446	842,202	918,549
<i>Sales Taxes Receivable</i>	8,863	6,861	14,994	15,205
<i>Intergovernmental Receivable</i>	--	--	--	--
Total Assets	\$ 621,909	\$ 1,673,935	\$ 2,062,861	\$ 1,985,175
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 39,761	\$ --	\$ --	\$ --
<i>Deferred Revenue</i>	--	--	--	--
Total Liabilities	39,761	--	--	--
DEFERRED INFLOWS OF RESOURCES:				
<i>Unavailable Revenue Property Taxes</i>	613,046	410,446	842,202	918,549
Total Deferred Inflows of Resources	613,046	410,446	842,202	918,549
Fund Balances:				
Restricted Fund Balances:				
<i>Federal or State Funds Grant Restriction</i>	--	1,263,489	1,220,659	1,066,626
<i>Unassigned</i>	(30,898)	--	--	--
Total Fund Balance	(30,898)	1,263,489	1,220,659	1,066,626
Total Liabilities and Fund Balance	\$ 621,909	\$ 1,673,935	\$ 2,062,861	\$ 1,985,175

<u>Indigent Health Care Fund</u>	<u>Sheriff Impound Fees</u>	<u>Small Dams No. 32 Fund</u>	<u>Jail Commissary Fund</u>	<u>CSCD Specialized Caseload (SO)</u>
\$ 4,145	\$ 37,284	\$ 132,743	\$ 29,873	\$ 6,163
--	--	--	--	--
--	--	--	--	--
<u>\$ 4,145</u>	<u>\$ 37,284</u>	<u>\$ 132,743</u>	<u>\$ 29,873</u>	<u>\$ 6,163</u>
\$ 5,822	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
<u>5,822</u>	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	37,284	132,743	29,873	6,163
(1,677)	--	--	--	--
<u>(1,677)</u>	<u>37,284</u>	<u>132,743</u>	<u>29,873</u>	<u>6,163</u>
<u>\$ 4,145</u>	<u>\$ 37,284</u>	<u>\$ 132,743</u>	<u>\$ 29,873</u>	<u>\$ 6,163</u>

JIM WELLS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	<u>DA State Grant Fund</u>	<u>Pre-Trial Bond Supervision</u>	<u>CSCD After Care Caseload</u>	<u>County Attorney Check Collection</u>
ASSETS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 105,415	\$ 46,825	\$ 6,426	\$ 1,156
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	--	--	--	--
<i>Sales Taxes Receivable</i>	--	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
Total Assets	<u>\$ 105,415</u>	<u>\$ 46,825</u>	<u>\$ 6,426</u>	<u>\$ 1,156</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Deferred Revenue</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES:				
<i>Unavailable Revenue Property Taxes</i>	--	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	105,415	46,825	6,426	1,156
<i>Unassigned</i>	--	--	--	--
Total Fund Balance	<u>105,415</u>	<u>46,825</u>	<u>6,426</u>	<u>1,156</u>
Total Liabilities and Fund Balance	<u>\$ 105,415</u>	<u>\$ 46,825</u>	<u>\$ 6,426</u>	<u>\$ 1,156</u>

Juvenile Probation Fund	Adult Probation Fund	State Juvenile Probation Fund	Colonia Grant Fund	Home Program Fund
\$ 180	\$ 50,569	\$ 164,749	\$ --	\$ 9,638
--	--	--	--	--
--	--	--	73,118	--
<u>\$ 180</u>	<u>\$ 50,569</u>	<u>\$ 164,749</u>	<u>\$ 73,118</u>	<u>\$ 9,638</u>
\$ --	\$ --	\$ --	\$ 73,118	\$ --
--	--	--	--	9,511
--	--	--	73,118	9,511
--	--	--	--	--
--	--	--	--	--
180	50,569	164,749	--	127
--	--	--	--	--
<u>180</u>	<u>50,569</u>	<u>164,749</u>	<u>--</u>	<u>127</u>
<u>\$ 180</u>	<u>\$ 50,569</u>	<u>\$ 164,749</u>	<u>\$ 73,118</u>	<u>\$ 9,638</u>

JIM WELLS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	Law Library Fund	Disaster Relief Fund	Drug Abuse and Rehabilitation Fund	County Attorney Crime Prevention Fund
ASSETS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 4,601	\$ --	\$ 34,000	\$ 4,255
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	--	--	--	--
<i>Sales Taxes Receivable</i>	--	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
Total Assets	\$ 4,601	\$ --	\$ 34,000	\$ 4,255
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Deferred Revenue</i>	--	--	--	--
Total Liabilities	--	--	--	--
DEFERRED INFLOWS OF RESOURCES:				
<i>Unavailable Revenue Property Taxes</i>	--	--	--	--
Total Deferred Inflows of Resources	--	--	--	--
Fund Balances:				
Restricted Fund Balances:				
<i>Federal or State Funds Grant Restriction</i>	4,601	--	34,000	4,255
<i>Unassigned</i>	--	--	--	--
Total Fund Balance	4,601	--	34,000	4,255
Total Liabilities and Fund Balance	\$ 4,601	\$ --	\$ 34,000	\$ 4,255

79th Judicial District Attorney Forfeiture Fund	Sheriff Drug Forfeiture Fund	Sheriff Forfeiture Fund	Community Corrections Fund	Constable Prct 5 Drug Forfeiture Fund
\$ 474,044	\$ 508,111	\$ 5,728	\$ 15,300	\$ 4,734
--	--	--	--	--
--	--	--	--	--
<u>\$ 474,044</u>	<u>\$ 508,111</u>	<u>\$ 5,728</u>	<u>\$ 15,300</u>	<u>\$ 4,734</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
474,044	508,111	5,728	15,300	4,734
--	--	--	--	--
<u>474,044</u>	<u>508,111</u>	<u>5,728</u>	<u>15,300</u>	<u>4,734</u>
<u>\$ 474,044</u>	<u>\$ 508,111</u>	<u>\$ 5,728</u>	<u>\$ 15,300</u>	<u>\$ 4,734</u>

JIM WELLS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	<u>Drug and Alcohol Court Fund</u>	<u>JP Technology Fund</u>
ASSETS		
Assets:		
<i>Cash and Cash Equivalents</i>	\$ 21,215	\$ 5,692
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	--	--
<i>Sales Taxes Receivable</i>	--	--
<i>Intergovernmental Receivable</i>	--	--
Total Assets	<u>\$ 21,215</u>	<u>\$ 5,692</u>
LIABILITIES AND FUND BALANCES:		
Liabilities:		
<i>Accounts Payable</i>	\$ --	\$ --
<i>Deferred Revenue</i>	--	--
Total Liabilities	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES:		
<i>Unavailable Revenue Property Taxes</i>	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>
Fund Balances:		
Restricted Fund Balances:		
Federal or State Funds Grant Restriction	21,215	5,692
<i>Unassigned</i>	--	--
Total Fund Balance	<u>21,215</u>	<u>5,692</u>
Total Liabilities and Fund Balance	<u>\$ 21,215</u>	<u>\$ 5,692</u>

County and District Court Technology Fund	Records Preservation Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 3,457	\$ 780,688	\$ 5,970,705
--	--	2,784,243
--	--	45,923
--	--	73,118
<u>\$ 3,457</u>	<u>\$ 780,688</u>	<u>\$ 8,873,989</u>
\$ --	\$ --	\$ 118,701
--	--	9,511
--	--	<u>128,212</u>
--	--	<u>2,784,243</u>
--	--	<u>2,784,243</u>
3,457	780,688	5,994,109
--	--	<u>(32,575)</u>
<u>3,457</u>	<u>780,688</u>	<u>5,961,534</u>
<u>\$ 3,457</u>	<u>\$ 780,688</u>	<u>\$ 8,873,989</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, 2017**

	Road & Bridge No. 21 Fund	Road & Bridge No. 22 Fund	Road & Bridge No. 23 Fund	Road & Bridge No. 24 Fund
Revenue:				
Taxes:				
<i>General Property Taxes</i>	\$ 580,433	\$ 471,901	\$ 912,756	\$ 924,205
<i>General Sales and Use Taxes</i>	97,736	75,656	165,340	167,670
<i>License and Permits</i>	79,293	46,855	9,089	128,157
<i>Intergovernmental</i>	160,928	27,311	187,828	88,373
<i>Charges for Services</i>	--	--	--	--
<i>Fines and Forfeitures</i>	1,135	671	1,651	1,703
<i>Fees of Office</i>	288,233	44,690	110,007	113,445
<i>Investment Earnings</i>	824	5,397	5,965	5,440
<i>Miscellaneous Revenues</i>	--	--	--	4,420
Total revenues	<u>1,208,582</u>	<u>672,481</u>	<u>1,392,636</u>	<u>1,433,413</u>
Expenditures:				
Current:				
<i>Judicial</i>	--	--	--	--
<i>Public Safety</i>	--	--	--	--
<i>Public Transportation</i>	983,392	427,870	1,164,549	1,276,623
<i>Health and Welfare</i>	--	--	--	--
Debt Service:				
<i>Principal</i>	79,440	--	--	--
<i>Interest and Fiscal Charges</i>	16,409	--	--	--
Total Expenditures	<u>1,079,241</u>	<u>427,870</u>	<u>1,164,549</u>	<u>1,276,623</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>129,341</u>	<u>244,611</u>	<u>228,087</u>	<u>156,790</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	--	--	--	--
<i>Transfers Out</i>	(7,301)	(4,314)	(10,619)	(10,951)
<i>Capital Leases</i>	97,917	--	--	--
Total Other Financing Sources (Uses)	<u>90,616</u>	<u>(4,314)</u>	<u>(10,619)</u>	<u>(10,951)</u>
Net Change In Fund Balances	219,957	240,297	217,468	145,839
Fund Balances - Beginning	(250,855)	1,023,192	1,003,191	920,787
Fund Balances - Ending	<u>\$ (30,898)</u>	<u>\$ 1,263,489</u>	<u>\$ 1,220,659</u>	<u>\$ 1,066,626</u>

Indigent Health Care Fund	Sheriff Impound Fees	Small Dams No. 32 Fund	Jail Commissary Fund	CSCD Specialized Caseload (SO)
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	48,078	45,063
--	710	--	--	--
--	--	--	--	--
150	157	554	--	--
2,485	--	--	--	--
<u>2,635</u>	<u>867</u>	<u>554</u>	<u>48,078</u>	<u>45,063</u>
--	--	--	--	--
--	4,127	--	44,876	48,267
421,483	--	29,636	--	--
--	--	--	--	--
<u>421,483</u>	<u>4,127</u>	<u>29,636</u>	<u>44,876</u>	<u>48,267</u>
(418,848)	(3,260)	(29,082)	3,202	(3,204)
490,000	--	33,185	--	1,800
--	--	--	--	(2,071)
--	--	--	--	--
<u>490,000</u>	<u>--</u>	<u>33,185</u>	<u>--</u>	<u>(271)</u>
71,152	(3,260)	4,103	3,202	(3,475)
(72,829)	40,544	128,640	26,671	9,638
<u>\$ (1,677)</u>	<u>\$ 37,284</u>	<u>\$ 132,743</u>	<u>\$ 29,873</u>	<u>\$ 6,163</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, 2017

	DA State Grant Fund	Pre-Trial Bond Supervision	CSCD After Care Caseload	County Attorney Check Collection
Revenue:				
Taxes:				
<i>General Property Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>General Sales and Use Taxes</i>	--	--	--	--
<i>License and Permits</i>	--	--	--	--
<i>Intergovernmental</i>	283,914	66,271	41,128	--
<i>Charges for Services</i>	--	--	--	--
<i>Fines and Forfeitures</i>	--	--	--	1,830
<i>Fees of Office</i>	--	--	--	--
<i>Investment Earnings</i>	195	217	--	3
<i>Miscellaneous Revenues</i>	--	--	--	--
Total revenues	<u>284,109</u>	<u>66,488</u>	<u>41,128</u>	<u>1,833</u>
Expenditures:				
Current:				
<i>Judicial</i>	179,380	--	--	817
<i>Public Safety</i>	--	84,927	--	--
<i>Public Transportation</i>	--	--	--	--
<i>Health and Welfare</i>	--	--	39,838	--
Debt Service:				
<i>Principal</i>	--	--	--	--
<i>Interest and Fiscal Charges</i>	--	--	--	--
Total Expenditures	<u>179,380</u>	<u>84,927</u>	<u>39,838</u>	<u>817</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>104,729</u>	<u>(18,439)</u>	<u>1,290</u>	<u>1,016</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	--	--	3,715	--
<i>Transfers Out</i>	--	--	(6,513)	--
<i>Capital Leases</i>	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(2,798)</u>	<u>--</u>
Net Change in Fund Balances	<u>104,729</u>	<u>(18,439)</u>	<u>(1,508)</u>	<u>1,016</u>
Fund Balances - Beginning	686	65,264	7,934	140
Fund Balances - Ending	<u>\$ 105,415</u>	<u>\$ 46,825</u>	<u>\$ 6,426</u>	<u>\$ 1,156</u>

Juvenile Probation Fund	Adult Probation Fund	State Juvenile Probation Fund	Colonla Grant Fund	Home Program Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	297,106	573,767	540,159	681,800
--	324,575	--	--	--
--	--	--	--	--
--	--	--	--	--
1	631	659	--	--
<u>1</u>	<u>622,312</u>	<u>574,426</u>	<u>540,159</u>	<u>681,800</u>
--	--	--	--	681,800
--	788,656	518,346	--	--
--	--	--	540,159	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>788,656</u>	<u>518,346</u>	<u>540,159</u>	<u>681,800</u>
1	(166,344)	56,080	--	--
--	67,156	--	--	--
--	(5,516)	--	--	--
--	--	--	--	--
<u>--</u>	<u>61,640</u>	<u>--</u>	<u>--</u>	<u>--</u>
1	(104,704)	56,080	--	--
179	155,273	108,669	--	127
<u>\$ 180</u>	<u>\$ 50,569</u>	<u>\$ 164,749</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, 2017

	Law Library Fund	Disaster Relief Fund	Drug Abuse and Rehabilitation Fund	County Attorney Crime Prevention Fund
Revenue:				
<i>Taxes:</i>				
<i>General Property Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>General Sales and Use Taxes</i>	--	--	--	--
<i>License and Permits</i>	--	--	--	--
<i>Intergovernmental</i>	--	54,093	25,688	37,779
<i>Charges for Services</i>	--	--	--	--
<i>Fines and Forfeitures</i>	--	--	--	--
<i>Fees of Office</i>	25,774	--	--	--
<i>Investment Earnings</i>	46	--	135	28
<i>Miscellaneous Revenues</i>	--	--	--	--
Total revenues	<u>25,820</u>	<u>54,093</u>	<u>25,823</u>	<u>37,807</u>
Expenditures:				
<i>Current:</i>				
<i>Judicial</i>	37,992	--	--	--
<i>Public Safety</i>	--	--	19,000	52,546
<i>Public Transportation</i>	--	--	--	--
<i>Health and Welfare</i>	--	54,093	--	--
<i>Debt Service:</i>				
<i>Principal</i>	--	--	--	--
<i>Interest and Fiscal Charges</i>	--	--	--	--
Total Expenditures	<u>37,992</u>	<u>54,093</u>	<u>19,000</u>	<u>52,546</u>
Excess (Deficiency) of Revenues	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Over (Under) Expenditures	<u>(12,172)</u>	<u> </u>	<u>6,823</u>	<u>(14,739)</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	2,000	--	--	10,440
<i>Transfers Out</i>	--	--	--	--
<i>Capital Leases</i>	--	--	--	--
Total Other Financing Sources (Uses)	<u>2,000</u>	<u> </u>	<u> </u>	<u>10,440</u>
Net Change in Fund Balances	<u>(10,172)</u>	<u> </u>	<u>6,823</u>	<u>(4,299)</u>
Fund Balances - Beginning	14,773	--	27,177	8,554
Fund Balances - Ending	<u>\$ 4,601</u>	<u>\$ --</u>	<u>\$ 34,000</u>	<u>\$ 4,255</u>

	79th Judicial District Attorney Forfeiture Fund	Sheriff Drug Forfeiture Fund	Sheriff Forfeiture Fund	Community Corrections Fund	Constable Prct 5 Drug Forfeiture Fund
\$	--	\$ --	\$ --	\$ --	\$ --
	--	--	--	--	--
	--	--	5,705	100,415	--
	391,829	864,154	--	--	--
	--	--	--	--	--
	1,906	1,719	23	--	162
	--	165,055	--	--	--
	<u>393,735</u>	<u>1,030,928</u>	<u>5,728</u>	<u>100,415</u>	<u>162</u>
	--	--	--	--	--
	341,316	685,189	--	101,625	52,146
	--	--	--	--	--
	--	13,304	--	--	--
	--	4,017	--	--	--
	<u>341,316</u>	<u>702,510</u>	<u>--</u>	<u>101,625</u>	<u>52,146</u>
	<u>52,419</u>	<u>328,418</u>	<u>5,728</u>	<u>(1,210)</u>	<u>(51,984)</u>
	--	--	--	--	--
	(10,440)	(30,000)	--	(2,322)	--
	--	--	--	--	--
	<u>(10,440)</u>	<u>(30,000)</u>	<u>--</u>	<u>(2,322)</u>	<u>--</u>
	41,979	298,418	5,728	(3,532)	(51,984)
	432,065	209,693	--	18,832	56,718
\$	<u><u>474,044</u></u>	<u><u>508,111</u></u>	<u><u>5,728</u></u>	<u><u>15,300</u></u>	<u><u>4,734</u></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, 2017

	Drug and Alcohol Court Fund	JP Technology Fund
	<u> </u>	<u> </u>
Revenue:		
Taxes:		
<i>General Property Taxes</i>	\$ --	\$ --
<i>General Sales and Use Taxes</i>	--	--
<i>License and Permits</i>	--	--
<i>Intergovernmental</i>	27,500	--
<i>Charges for Services</i>	--	--
<i>Fines and Forfeitures</i>	--	--
<i>Fees of Office</i>	--	10,966
<i>Investment Earnings</i>	--	16
<i>Miscellaneous Revenues</i>	--	--
Total revenues	<u>27,500</u>	<u>10,982</u>
Expenditures:		
Current:		
<i>Judicial</i>	--	10,940
<i>Public Safety</i>	6,285	--
<i>Public Transportation</i>	--	--
<i>Health and Welfare</i>	--	--
Debt Service:		
<i>Principal</i>	--	--
<i>Interest and Fiscal Charges</i>	--	--
Total Expenditures	<u>6,285</u>	<u>10,940</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	<u>21,215</u>	<u>42</u>
Other Financing Sources (Uses):		
<i>Transfers In</i>	--	--
<i>Transfers Out</i>	--	--
<i>Capital Leases</i>	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>
Net Change in Fund Balances	21,215	42
Fund Balances - Beginning	--	5,650
Fund Balances - Ending	<u>\$ 21,215</u>	<u>\$ 5,692</u>

County and District Court Technology Fund	Records Preservation Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ 2,889,295
--	--	506,402
--	--	263,394
--	--	3,292,906
--	--	325,285
--	--	1,262,973
--	143,721	736,836
313	2,791	27,332
--	--	171,960
<u>313</u>	<u>146,512</u>	<u>9,476,383</u>
--	--	910,929
--	--	2,747,306
--	--	3,882,070
--	--	1,055,573
--	--	92,744
--	--	20,426
<u>--</u>	<u>--</u>	<u>8,709,048</u>
<u>313</u>	<u>146,512</u>	<u>767,335</u>
--	--	608,296
--	--	(90,047)
--	--	97,917
<u>--</u>	<u>--</u>	<u>616,166</u>
313	146,512	1,383,501
3,144	634,176	4,578,033
<u>\$ 3,457</u>	<u>\$ 780,688</u>	<u>\$ 5,961,534</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 21 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 611,388	\$ 611,388	\$ 580,433	\$ (30,955)
<i>General Sales and Use Taxes</i>	78,688	78,688	97,736	19,048
License and Permits	85,000	85,000	79,293	(5,707)
Intergovernmental	254,648	254,648	160,928	(93,720)
Fines and Forfeitures	905	905	1,135	230
Fees of Office	284,000	284,000	288,233	4,233
Investment Earnings	1,000	1,000	824	(176)
Miscellaneous Revenues	1,000	1,000	--	(1,000)
Total revenues	<u>1,316,629</u>	<u>1,316,629</u>	<u>1,208,582</u>	<u>(108,047)</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	551,311	551,311	575,469	(24,158)
<i>Supplies</i>	126,410	123,910	108,876	15,034
<i>Other Services and Charges</i>	143,010	145,060	286,847	(141,787)
<i>Capital Outlay</i>	36,000	36,000	12,200	23,800
Total Public Transportation	<u>856,731</u>	<u>856,281</u>	<u>983,392</u>	<u>(127,111)</u>
<i>Debt Service:</i>				
<i>Principal</i>	--	--	79,440	(79,440)
<i>Interest and Fiscal Charges</i>	--	--	16,409	(16,409)
Total Debt Service	<u>--</u>	<u>--</u>	<u>95,849</u>	<u>(95,849)</u>
Total Expenditures	<u>856,731</u>	<u>856,281</u>	<u>1,079,241</u>	<u>(222,960)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>459,898</u>	<u>460,348</u>	<u>129,341</u>	<u>(331,007)</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	(7,301)	(7,301)	(7,301)	--
<i>Capital Leases</i>	--	--	97,917	(97,917)
Total Other Financing Sources (Uses)	<u>(7,301)</u>	<u>(7,301)</u>	<u>90,616</u>	<u>(97,917)</u>
Net Change in Fund Balances	<u>452,597</u>	<u>453,047</u>	<u>219,957</u>	<u>(233,090)</u>
Fund Balances - Beginning	(250,855)	(250,855)	(250,855)	--
Fund Balances - Ending	<u>\$ 201,742</u>	<u>\$ 202,192</u>	<u>\$ (30,898)</u>	<u>\$ (233,090)</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 22 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 502,406	\$ 502,406	\$ 471,901	\$ (30,505)
<i>General Sales and Use Taxes</i>	60,912	60,912	75,856	14,744
License and Permits	60,000	60,000	46,855	(13,145)
Intergovernmental	21,455	21,455	27,311	5,856
Fines and Forfeitures	720	720	671	(49)
Fees of Office	65,000	65,000	44,690	(20,310)
Investment Earnings	3,200	3,200	5,397	2,197
Total revenues	<u>713,693</u>	<u>713,693</u>	<u>672,481</u>	<u>(41,212)</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	408,544	408,544	354,303	54,241
<i>Supplies</i>	48,300	48,800	37,936	10,864
<i>Other Services and Charges</i>	168,800	163,300	35,631	127,669
<i>Capital Outlay</i>	18,100	14,100	--	14,100
Total Public Transportation	<u>643,744</u>	<u>634,744</u>	<u>427,870</u>	<u>206,874</u>
Total Expenditures	<u>643,744</u>	<u>634,744</u>	<u>427,870</u>	<u>206,874</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>69,949</u>	<u>78,949</u>	<u>244,611</u>	<u>165,662</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	(4,314)	(4,314)	(4,314)	--
Total Other Financing Sources (Uses)	<u>(4,314)</u>	<u>(4,314)</u>	<u>(4,314)</u>	<u>--</u>
Net Change in Fund Balances	<u>65,635</u>	<u>74,635</u>	<u>240,297</u>	<u>165,662</u>
Fund Balances - Beginning	1,023,192	1,023,192	1,023,192	--
Fund Balances - Ending	<u>\$ 1,088,827</u>	<u>\$ 1,097,827</u>	<u>\$ 1,263,489</u>	<u>\$ 165,662</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 23 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 965,122	\$ 965,122	\$ 912,756	\$ (52,366)
<i>General Sales and Use Taxes</i>	133,117	133,117	165,340	32,223
License and Permits	8,506	8,506	9,089	583
Intergovernmental	198,000	198,000	187,828	(10,172)
Fines and Forfeitures	1,571	1,571	1,651	80
Fees of Office	148,885	148,885	110,007	(38,878)
Investment Earnings	3,000	3,000	5,965	2,965
Total revenues	<u>1,458,201</u>	<u>1,458,201</u>	<u>1,392,636</u>	<u>(65,565)</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	768,891	768,891	627,900	140,991
<i>Supplies</i>	167,864	168,529	152,117	16,412
<i>Other Services and Charges</i>	373,100	368,600	339,432	29,168
<i>Capital Outlay</i>	103,362	117,197	45,100	72,097
Total Public Transportation	<u>1,413,217</u>	<u>1,423,217</u>	<u>1,164,549</u>	<u>258,668</u>
Total Expenditures	<u>1,413,217</u>	<u>1,423,217</u>	<u>1,164,549</u>	<u>258,668</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>44,984</u>	<u>34,984</u>	<u>228,087</u>	<u>193,103</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	(10,619)	(10,619)	(10,619)	--
Total Other Financing Sources (Uses)	<u>(10,619)</u>	<u>(10,619)</u>	<u>(10,619)</u>	<u>--</u>
Net Change in Fund Balances	34,365	24,365	217,468	193,103
Fund Balances - Beginning	1,003,193	1,003,191	1,003,191	--
Fund Balances - Ending	<u>\$ 1,037,558</u>	<u>\$ 1,027,556</u>	<u>\$ 1,220,659</u>	<u>\$ 193,103</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 24 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 977,310	\$ 977,310	\$ 924,205	\$ (53,105)
<i>General Sales and Use Taxes</i>	134,993	134,993	167,670	32,677
License and Permits	141,877	141,877	128,157	(13,720)
Intergovernmental	196,000	118,000	88,373	(29,627)
Fines and Forfeitures	1,595	1,595	1,703	108
Fees of Office	151,000	151,000	113,445	(37,555)
Investment Earnings	3,500	3,500	5,440	1,940
Miscellaneous Revenues	--	--	4,420	4,420
Total revenues	<u>1,606,275</u>	<u>1,528,275</u>	<u>1,433,413</u>	<u>(94,862)</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	788,753	779,653	637,866	141,787
<i>Supplies</i>	147,550	175,150	136,933	38,217
<i>Other Services and Charges</i>	344,233	360,708	311,711	48,997
<i>Capital Outlay</i>	138,726	237,826	190,113	47,713
Total Public Transportation	<u>1,419,262</u>	<u>1,553,337</u>	<u>1,276,623</u>	<u>276,714</u>
Total Expenditures	<u>1,419,262</u>	<u>1,553,337</u>	<u>1,276,623</u>	<u>276,714</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>187,013</u>	<u>(25,062)</u>	<u>158,790</u>	<u>181,852</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	(10,951)	(10,951)	(10,951)	--
Total Other Financing Sources (Uses)	<u>(10,951)</u>	<u>(10,951)</u>	<u>(10,951)</u>	<u>--</u>
Net Change in Fund Balances	<u>176,062</u>	<u>(36,013)</u>	<u>145,839</u>	<u>181,852</u>
Fund Balances - Beginning	920,787	920,787	920,787	--
Fund Balances - Ending	<u>\$ 1,096,849</u>	<u>\$ 884,774</u>	<u>\$ 1,066,626</u>	<u>\$ 181,852</u>

JIM WELLS COUNTY, TEXAS
SMALL DAMS NO. 32 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Investment Earnings	\$ 300	\$ 300	\$ 554	\$ 254
Total revenues	<u>300</u>	<u>300</u>	<u>554</u>	<u>254</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	20,000	20,000	11,445	8,555
<i>Other Services and Charges</i>	39,000	39,000	18,191	20,809
<i>Total Public Transportation</i>	<u>59,000</u>	<u>59,000</u>	<u>29,636</u>	<u>29,364</u>
Total Expenditures	<u>59,000</u>	<u>59,000</u>	<u>29,636</u>	<u>29,364</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(58,700)</u>	<u>(58,700)</u>	<u>(29,082)</u>	<u>29,618</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	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	(25,515)	(25,515)	4,103	29,618
Fund Balances - Beginning	128,640	128,640	128,640	--
Fund Balances - Ending	<u>\$ 103,125</u>	<u>\$ 103,125</u>	<u>\$ 132,743</u>	<u>\$ 29,618</u>

JIM WELLS COUNTY, TEXAS
LAW LIBRARY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Fees of Office	\$ 36,000	\$ 36,000	\$ 25,774	\$ (10,226)
Investment Earnings	100	100	46	(54)
Total revenues	<u>36,100</u>	<u>36,100</u>	<u>25,820</u>	<u>(10,280)</u>
EXPENDITURES:				
Judicial				
County court				
Other Services and Charges	43,000	43,000	37,992	5,008
Total County Court	<u>43,000</u>	<u>43,000</u>	<u>37,992</u>	<u>5,008</u>
Total Judicial	<u>43,000</u>	<u>43,000</u>	<u>37,992</u>	<u>5,008</u>
Total Expenditures	<u>43,000</u>	<u>43,000</u>	<u>37,992</u>	<u>5,008</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,900)</u>	<u>(6,900)</u>	<u>(12,172)</u>	<u>(5,272)</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)	(10,172)	(5,272)
Fund Balances - Beginning	14,773	14,773	14,773	--
Fund Balances - Ending	<u>\$ 9,873</u>	<u>\$ 9,873</u>	<u>\$ 4,601</u>	<u>\$ (5,272)</u>

JIM WELLS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2017

	<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:				
<i>Cash and Cash Equivalents</i>	\$ 742,957	\$ 97,815	\$ 148,200	\$ 988,972
Total Assets	<u>\$ 742,957</u>	<u>\$ 97,815</u>	<u>\$ 148,200</u>	<u>\$ 988,972</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Fund Balances:				
Restricted Fund Balances:				
<i>Capital Project Funds</i>	\$ 742,957	\$ 97,815	\$ 148,200	\$ 988,972
Total Fund Balance	<u>742,957</u>	<u>97,815</u>	<u>148,200</u>	<u>988,972</u>
Total Liabilities and Fund Balance	<u>\$ 742,957</u>	<u>\$ 97,815</u>	<u>\$ 148,200</u>	<u>\$ 988,972</u>

JIM WELLS COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 254,370	\$ 254,370	\$ 250,362	\$ (4,008)
Investment Earnings	500	500	575	75
Total revenues	<u>254,870</u>	<u>254,870</u>	<u>250,937</u>	<u>(3,933)</u>
EXPENDITURES:				
<i>Debt Service:</i>				
<i>Principal</i>	195,000	195,000	195,000	--
<i>Interest and Fiscal Charges</i>	57,997	57,997	57,997	--
<i>Fiscal Agent's Fees</i>	500	500	--	500
<i>Total Debt Service</i>	<u>253,497</u>	<u>253,497</u>	<u>252,997</u>	<u>500</u>
Total Expenditures	<u>253,497</u>	<u>253,497</u>	<u>252,997</u>	<u>500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,373</u>	<u>1,373</u>	<u>(2,060)</u>	<u>(3,433)</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change In Fund Balances	1,373	1,373	(2,060)	(3,433)
Fund Balances - Beginning	78,836	78,836	78,836	--
Fund Balances - Ending	<u>\$ 80,209</u>	<u>\$ 80,209</u>	<u>\$ 76,776</u>	<u>\$ (3,433)</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, 2017

	Relief Route Capital Fund	Jail Expansion Fund	Road Bond 1967	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenue:				
<i>Investment Earnings</i>	\$ --	\$ 848	\$ 586	\$ 1,434
<i>Miscellaneous Revenues</i>	2,957	--	--	2,957
Total revenues	<u>2,957</u>	<u>848</u>	<u>586</u>	<u>4,391</u>
Expenditures:				
Current:				
<i>Public Safety</i>	--	211,219	--	211,219
Total Expenditures	<u>--</u>	<u>211,219</u>	<u>--</u>	<u>211,219</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,957</u>	<u>(210,371)</u>	<u>586</u>	<u>(206,828)</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	2,957	(210,371)	586	(206,828)
Fund Balances - Beginning	740,000	308,186	147,614	1,195,800
Fund Balances - Ending	<u>\$ 742,957</u>	<u>\$ 97,815</u>	<u>\$ 148,200</u>	<u>\$ 988,972</u>

JIM WELLS COUNTY, TEXAS
JAIL EXPANSION FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Investment Earnings	\$ 1,250	\$ 1,250	\$ 848	\$ (402)
Total revenues	<u>1,250</u>	<u>1,250</u>	<u>848</u>	<u>(402)</u>
EXPENDITURES:				
Public Safety				
Other Public Safety				
<i>Other Services and Charges</i>	305,000	305,000	211,219	93,781
<i>Total Other Public Safety</i>	<u>305,000</u>	<u>305,000</u>	<u>211,219</u>	<u>93,781</u>
Total Public Safety	<u>305,000</u>	<u>305,000</u>	<u>211,219</u>	<u>93,781</u>
Total Expenditures	<u>305,000</u>	<u>305,000</u>	<u>211,219</u>	<u>93,781</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(303,750)</u>	<u>(303,750)</u>	<u>(210,371)</u>	<u>93,379</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(303,750)	(303,750)	(210,371)	93,379
Fund Balances - Beginning	308,186	308,186	308,186	--
Fund Balances - Ending	<u>\$ 4,436</u>	<u>\$ 4,436</u>	<u>\$ 97,815</u>	<u>\$ 93,379</u>

JIM WELLS COUNTY, TEXAS
ROAD BOND 1967
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Investment Earnings	\$ 680	\$ 680	\$ 586	\$ (94)
Total revenues	<u>680</u>	<u>680</u>	<u>586</u>	<u>(94)</u>
EXPENDITURES:				
Economic Development and Assistance				
Other Services and Charges	400	400	--	400
Total Economic Development and Assistance	<u>400</u>	<u>400</u>	<u>--</u>	<u>400</u>
Total Expenditures	<u>400</u>	<u>400</u>	<u>--</u>	<u>400</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>280</u>	<u>280</u>	<u>586</u>	<u>306</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	280	280	586	306
Fund Balances - Beginning	147,614	147,614	147,614	--
Fund Balances - Ending	<u>\$ 147,894</u>	<u>\$ 147,894</u>	<u>\$ 148,200</u>	<u>\$ 306</u>

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JIM WELLS COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2017

	Appelate Judicial Fund	79th Judicial District Attorney Escrow Fund	79th Judicial D.A. Fee Fund	Sheriff Department Fee Fund
ASSETS:				
<i>Cash and Cash Equivalents</i>	\$ 1,477	\$ 2,207,576	\$ 4,481	\$ 6,550
Total Assets	<u>\$ 1,477</u>	<u>\$ 2,207,576</u>	<u>\$ 4,481</u>	<u>\$ 6,550</u>
LIABILITIES:				
<i>Due to Other Governments and Agencies</i>	\$ 1,477	\$ 2,207,576	\$ 4,481	\$ 6,550
Total Liabilities	<u>\$ 1,477</u>	<u>\$ 2,207,576</u>	<u>\$ 4,481</u>	<u>\$ 6,550</u>

State Fees Fund	Vouchers Payable Fund	Tax Collector Fund	District Clerk Fund	County Clerk Fund
\$ 116,006	\$ 198,386	\$ 494,475	\$ 141,381	\$ 992,447
<u>\$ 116,006</u>	<u>\$ 198,386</u>	<u>\$ 494,475</u>	<u>\$ 141,381</u>	<u>\$ 992,447</u>
\$ 116,006	\$ 198,386	\$ 494,475	\$ 141,381	\$ 992,447
<u>\$ 116,006</u>	<u>\$ 198,386</u>	<u>\$ 494,475</u>	<u>\$ 141,381</u>	<u>\$ 992,447</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2017

	<u>Payroll Administrative Fund</u>	<u>Ad Valorem Tax Escrow Fund</u>
ASSETS:		
<i>Cash and Cash Equivalents</i>	\$ 546,049	\$ 2,833,904
Total Assets	<u>\$ 546,049</u>	<u>\$ 2,833,904</u>
LIABILITIES:		
<i>Due to Other Governments and Agencies</i>	\$ 546,049	\$ 2,833,904
Total Liabilities	<u>\$ 546,049</u>	<u>\$ 2,833,904</u>

<u>County Attorney Trust Fund</u>	<u>Sheriff Cash Bond Fund</u>	<u>Total Agency Funds (See Exhibit A-7)</u>
\$ 13,863	\$ 3,094	\$ 7,559,689
<u>\$ 13,863</u>	<u>\$ 3,094</u>	<u>\$ 7,559,689</u>
\$ 13,863	\$ 3,094	\$ 7,559,689
<u>\$ 13,863</u>	<u>\$ 3,094</u>	<u>\$ 7,559,689</u>

JIM WELLS COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-17

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
Appellate Judicial Fund				
ASSETS				
Cash & Cash Equivalents	\$ 1,864	\$ 3,197	\$ 3,584	\$ 1,477
Total Assets	<u>\$ 1,864</u>	<u>\$ 3,197</u>	<u>\$ 3,584</u>	<u>\$ 1,477</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 1,864	\$ 3,197	\$ 3,584	\$ 1,477
Total Liabilities	<u>\$ 1,864</u>	<u>\$ 3,197</u>	<u>\$ 3,584</u>	<u>\$ 1,477</u>
79th Judicial D.A. Escrow Fund				
ASSETS				
Cash & Cash Equivalents	\$ 2,085,866	\$ 1,501,463	\$ 1,379,752	\$ 2,207,577
Total Assets	<u>\$ 2,085,866</u>	<u>\$ 1,501,463</u>	<u>\$ 1,379,752</u>	<u>\$ 2,207,577</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 2,085,866	\$ 1,501,463	\$ 1,379,752	\$ 2,207,577
Total Liabilities	<u>\$ 2,085,866</u>	<u>\$ 1,501,463</u>	<u>\$ 1,379,752</u>	<u>\$ 2,207,577</u>
79th Judicial D.A. Fee Fund				
ASSETS				
Cash & Cash Equivalents	\$ 3,643	\$ 1,338	\$ 500	\$ 4,481
Total Assets	<u>\$ 3,643</u>	<u>\$ 1,338</u>	<u>\$ 500</u>	<u>\$ 4,481</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 3,643	\$ 1,338	\$ 500	\$ 4,481
Total Liabilities	<u>\$ 3,643</u>	<u>\$ 1,338</u>	<u>\$ 500</u>	<u>\$ 4,481</u>
Sheriff Department Fee Fund				
ASSETS				
Cash & Cash Equivalents	\$ 1,818	\$ 62,082	\$ 63,099	\$ 801
Total Assets	<u>\$ 1,818</u>	<u>\$ 62,082</u>	<u>\$ 63,099</u>	<u>\$ 801</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 1,818	\$ 62,082	\$ 63,099	\$ 801
Total Liabilities	<u>\$ 1,818</u>	<u>\$ 62,082</u>	<u>\$ 63,099</u>	<u>\$ 801</u>
State Fees Fund				
ASSETS				
Cash & Cash Equivalents	\$ 102,033	\$ 376,791	\$ 362,817	\$ 116,006
Total Assets	<u>\$ 102,033</u>	<u>\$ 376,791</u>	<u>\$ 362,817</u>	<u>\$ 116,006</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 102,033	\$ 376,791	\$ 362,817	\$ 116,006
Total Liabilities	<u>\$ 102,033</u>	<u>\$ 376,791</u>	<u>\$ 362,817</u>	<u>\$ 116,006</u>

JIM WELLS COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-17

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
<u>Vouchers Payable Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 271,255	\$ 4,245,750	\$ 4,318,619	\$ 198,386
Total Assets	<u>\$ 271,255</u>	<u>\$ 4,245,750</u>	<u>\$ 4,318,619</u>	<u>\$ 198,386</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 271,255	\$ 4,245,750	\$ 4,318,619	\$ 198,386
Total Liabilities	<u>\$ 271,255</u>	<u>\$ 4,245,750</u>	<u>\$ 4,318,619</u>	<u>\$ 198,386</u>
<u>Tax Collector Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 622,158	\$ 13,068,484	\$ 13,196,166	\$ 494,475
Total Assets	<u>\$ 622,158</u>	<u>\$ 13,068,484</u>	<u>\$ 13,196,166</u>	<u>\$ 494,475</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 622,158	\$ 13,068,484	\$ 13,196,166	\$ 494,475
Total Liabilities	<u>\$ 622,158</u>	<u>\$ 13,068,484</u>	<u>\$ 13,196,166</u>	<u>\$ 494,475</u>
<u>District Clerk Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 176,053	\$ 636,307	\$ 670,979	\$ 141,381
Total Assets	<u>\$ 176,053</u>	<u>\$ 636,307</u>	<u>\$ 670,979</u>	<u>\$ 141,381</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 176,053	\$ 636,307	\$ 670,979	\$ 141,381
Total Liabilities	<u>\$ 176,053</u>	<u>\$ 636,307</u>	<u>\$ 670,979</u>	<u>\$ 141,381</u>
<u>County Clerk Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 952,918	\$ 493,814	\$ 454,284	\$ 992,447
Total Assets	<u>\$ 952,918</u>	<u>\$ 493,814</u>	<u>\$ 454,284</u>	<u>\$ 992,447</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 952,918	\$ 493,814	\$ 454,284	\$ 992,447
Total Liabilities	<u>\$ 952,918</u>	<u>\$ 493,814</u>	<u>\$ 454,284</u>	<u>\$ 992,447</u>
<u>Payroll Administrative Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 549,361	\$ 13,908,602	\$ 13,911,915	\$ 546,049
Total Assets	<u>\$ 549,361</u>	<u>\$ 13,908,602</u>	<u>\$ 13,911,915</u>	<u>\$ 546,049</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 549,361	\$ 13,908,602	\$ 13,911,915	\$ 546,049
Total Liabilities	<u>\$ 549,361</u>	<u>\$ 13,908,602</u>	<u>\$ 13,911,915</u>	<u>\$ 546,049</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-17

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
Ad Valorem Tax Escrow Fund				
ASSETS				
Cash & Cash Equivalents	\$ 2,687,885	\$ 17,314,983	\$ 17,168,963	\$ 2,833,904
Total Assets	<u>\$ 2,687,885</u>	<u>\$ 17,314,983</u>	<u>\$ 17,168,963</u>	<u>\$ 2,833,904</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 2,687,885	\$ 17,314,983	\$ 17,168,963	\$ 2,833,904
Total Liabilities	<u>\$ 2,687,885</u>	<u>\$ 17,314,983</u>	<u>\$ 17,168,963</u>	<u>\$ 2,833,904</u>
County Attorney Trust Fund				
ASSETS				
Cash & Cash Equivalents	\$ 14,442	\$ 19,287	\$ 19,867	\$ 13,863
Total Assets	<u>\$ 14,442</u>	<u>\$ 19,287</u>	<u>\$ 19,867</u>	<u>\$ 13,863</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 14,442	\$ 19,287	\$ 19,867	\$ 13,863
Total Liabilities	<u>\$ 14,442</u>	<u>\$ 19,287</u>	<u>\$ 19,867</u>	<u>\$ 13,863</u>
Sheriff Cash Bond Fund				
ASSETS				
Cash & Cash Equivalents	\$ 3,082	\$ 12	\$ --	\$ 3,094
Total Assets	<u>\$ 3,082</u>	<u>\$ 12</u>	<u>\$ --</u>	<u>\$ 3,094</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 3,082	\$ 12	\$ --	\$ 3,094
Total Liabilities	<u>\$ 3,082</u>	<u>\$ 12</u>	<u>\$ --</u>	<u>\$ 3,094</u>
TOTAL AGENCY FUNDS:				
ASSETS				
Cash & Cash Equivalents	\$ 7,472,377	\$ 51,632,110	\$ 51,550,546	\$ 7,553,940
Total Assets	<u>\$ 7,472,377</u>	<u>\$ 51,632,110</u>	<u>\$ 51,550,546</u>	<u>\$ 7,553,940</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 7,472,377	\$ 51,632,110	\$ 51,550,546	\$ 7,553,940
Total Liabilities	<u>\$ 7,472,377</u>	<u>\$ 51,632,110</u>	<u>\$ 51,550,546</u>	<u>\$ 7,553,940</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	108
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	113
<i>These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.</i>	
Debt Capacity	120
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	124
<i>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.</i>	
Operating Information	126
<i>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.</i>	

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 17,470,025	\$ 17,516,191	\$ 18,478,771	\$ 19,050,644	\$ 20,612,073	\$ 21,121,207	\$ 21,740,309			
Restricted	1,329,969	1,373,428	1,383,367	1,417,635	1,438,440	1,456,603	1,582,644			
Unrestricted	7,315,406	6,895,058	6,595,371	8,266,629	11,172,800	11,139,913	11,111,657			
Total Governmental Activities Net Position	\$ 26,115,400	\$ 25,784,677	\$ 26,457,509	\$ 28,734,908	\$ 33,223,313	\$ 33,717,723	\$ 34,434,610			
Governmental Activities										
Net Investment in Capital Assets	\$ 21,480,901	\$ 21,296,519	\$ 21,037,621							
Restricted	1,282,470	1,274,637	1,065,748							
Unrestricted	11,090,825	9,103,318	11,614,133							
Total Governmental Activities Net Position	\$ 33,854,196	\$ 31,674,474	\$ 33,717,502							

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								
	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses									
Governmental Activities:									
General Government	\$ 4,210,749	\$ 3,899,129	\$ 4,432,130	\$ 4,189,787	\$ 4,716,157	\$ 5,416,768	\$ 4,926,871	\$ 6,126,377	\$ 5,585,530
Judicial	3,319,623	3,454,814	3,565,739	3,732,890	4,377,675	4,104,234	4,690,475	3,966,181	4,566,636
Public Safety	7,455,989	7,185,489	7,232,526	8,611,259	8,622,918	8,331,437	8,878,885	8,520,388	8,405,430
Public Transportation	3,318,841	3,405,200	3,945,300	3,631,227	3,735,364	4,213,314	3,504,784	4,016,728	3,614,657
Health & Welfare	1,412,992	670,570	889,812	582,913	734,734	488,478	1,321,339	1,247,698	1,141,001
Culture & Recreation	47,636	51,380	55,624	69,692	86,888	17,597	63,771	59,860	59,860
Conservation	255,458	220,431	179,667	193,607	215,021	320,921	338,859	234,661	229,285
Economic Development & Assistance	106,201	122,466	132,651	130,926	229,631	334,818	166,160	25,000	302,505
Interest on Long-Term Debt	135,733	114,776	106,106	110,193	98,144	87,020	77,067	72,403	76,221
Total Governmental Activities Expenses	20,263,222	19,124,255	20,539,555	21,252,294	22,816,532	23,314,587	23,968,011	24,269,086	23,981,125
Total Primary Government Expenses	\$ 20,263,222	\$ 19,124,255	\$ 20,539,555	\$ 21,252,294	\$ 22,816,532	\$ 23,314,587	\$ 23,968,011	\$ 24,269,086	\$ 23,981,125
Program Revenues									
Governmental Activities:									
Charges for Services:									
General Government	\$ 825,948	\$ 887,296	\$ 862,367	\$ 1,539,647	\$ 934,260	\$ 1,410,019	\$ 1,307,737	\$ 1,384,274	\$ 1,451,596
Judicial	435,988	484,433	462,136	425,963	439,521	478,396	451,649	511,863	477,456
Public Safety	1,604,736	1,412,450	1,261,784	1,921,158	725,109	1,326,040	1,847,910	673,538	1,626,331
Other Activities	981,308	920,762	981,086	1,089,144	1,039,291	1,063,296	973,203	909,536	1,063,439
Operating Grants and Contributions	2,067,154	1,184,054	1,639,395	2,040,535	2,415,360	2,084,450	2,664,310	3,007,131	3,644,741
Total Governmental Activities Program Revenues	5,915,136	4,888,995	5,206,758	7,016,447	5,553,541	6,362,201	7,244,809	6,486,342	8,263,563
Total Primary Government Program Revenues	\$ 5,915,136	\$ 4,888,995	\$ 5,206,758	\$ 7,016,447	\$ 5,553,541	\$ 6,362,201	\$ 7,244,809	\$ 6,486,342	\$ 8,263,563
Net (Expense)/Revenue	\$ (14,348,086)	\$ (14,235,260)	\$ (15,332,797)	\$ (14,235,847)	\$ (17,262,991)	\$ (16,952,386)	\$ (16,723,202)	\$ (17,782,744)	\$ (15,717,562)
Governmental Activities									
Total Primary Government Net Expense	\$ (14,348,086)	\$ (14,235,260)	\$ (15,332,797)	\$ (14,235,847)	\$ (17,262,991)	\$ (16,952,386)	\$ (16,723,202)	\$ (17,782,744)	\$ (15,717,562)

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								
	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue									
Governmental Activities	\$ (14,348,086)	\$ (14,235,260)	\$ (15,332,797)	\$ (14,235,547)	\$ (17,262,991)	\$ (16,952,386)	\$ (16,723,202)	\$ (17,782,744)	\$ (15,717,562)
Business-type Activities	--	--	--	--	--	--	--	--	--
Total Primary Government Expenses	\$ (14,348,086)	\$ (14,235,260)	\$ (15,332,797)	\$ (14,235,547)	\$ (17,262,991)	\$ (16,952,386)	\$ (16,723,202)	\$ (17,782,744)	\$ (15,717,562)
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Taxes									
Property Taxes	\$ 10,834,210	\$ 10,266,783	\$ 11,207,410	\$ 11,317,777	\$ 11,318,416	\$ 11,721,257	\$ 13,112,296	\$ 11,639,683	\$ 14,780,020
Sales Taxes	2,909,178	4,282,890	6,080,972	6,878,706	5,970,449	5,457,562	3,553,802	2,189,082	2,532,010
Fines and Forfeitures	12,077	--	3,460	--	--	--	--	--	--
Investment Earnings	253,302	13,190	20,988	50,817	59,237	59,443	64,710	64,210	71,177
Miscellaneous	319,212	287,603	297,366	371,301	409,299	431,011	501,454	1,694,948	377,383
Gain on Disposal of Capital Assets	--	(144,460)	--	--	--	--	--	15,100	--
Total Governmental Activities	\$ 14,327,979	\$ 14,706,006	\$ 17,610,196	\$ 18,618,601	\$ 17,757,401	\$ 17,669,273	\$ 17,232,262	\$ 15,603,023	\$ 17,760,590
Business-type Activities:									
Investment Earnings	--	--	--	--	--	--	--	--	--
Transfers	--	--	--	--	--	--	--	--	--
Total Business-type Activities	--	--	--	--	--	--	--	--	--
Total Primary Government	\$ 14,327,979	\$ 14,706,006	\$ 17,610,196	\$ 18,618,601	\$ 17,757,401	\$ 17,669,273	\$ 17,232,262	\$ 15,603,023	\$ 17,760,590
Change in Net Assets									
Governmental Activities	\$ (20,107)	\$ 470,746	\$ 2,277,399	\$ 4,383,054	\$ 494,410	\$ 716,887	\$ 509,060	\$ (2,179,721)	\$ 2,043,028
Business-type Activities	--	--	--	--	--	--	--	--	--
Total Primary Government	\$ (20,107)	\$ 470,746	\$ 2,277,399	\$ 4,383,054	\$ 494,410	\$ 716,887	\$ 509,060	\$ (2,179,721)	\$ 2,043,028

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

TABLE E-4

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

General Fund	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Committed	--	--	--	--	--	--	--	--	--	--
Assigned	--	--	--	--	--	--	--	--	--	--
Unassigned	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	5,967,131
Total General Fund	\$ 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	\$ 5,967,131
All Other Governmental Funds										
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Committed:										
Construction	1,153,939	1,178,109	1,179,629	1,182,135	1,186,880	1,191,616	1,196,391	1,201,213	1,195,801	988,972
Restricted:										
Federal or State Grant Restriction	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	5,994,109
Retirement of Long-Term Debt	44,728	51,932	55,472	62,586	71,525	77,127	79,654	81,257	78,836	76,776
Assigned	--	--	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--	--	(323,684)	(32,575)
Total All Other Governmental Funds	\$ 3,097,417	\$ 3,162,458	\$ 3,333,004	\$ 3,321,136	\$ 4,778,466	\$ 4,874,543	\$ 5,287,950	\$ 6,518,073	\$ 5,852,668	\$ 7,027,282

TABLE E-5

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 14,694,210	\$ 13,274,621	\$ 14,857,883	\$ 17,291,451	\$ 18,266,650	\$ 17,258,046	\$ 17,188,766	\$ 16,063,548	\$ 14,712,092	\$ 17,184,964
Licenses and Permits	485,234	412,248	567,817	532,132	572,295	604,222	481,658	349,689	298,808	306,427
Intergovernmental	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	4,017,520
Charges for Services	687,388	641,372	768,657	648,927	683,246	511,073	472,690	453,786	422,397	1,562,786
Fines & Forfeitures	1,170,518	1,384,330	1,048,428	994,594	1,604,474	581,323	1,259,807	1,746,555	657,655	1,623,619
Fees of Office	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	793,211
Investment Earnings	482,047	253,302	13,190	20,988	50,817	59,237	59,443	64,710	64,210	71,177
Misc Revenues	365,191	319,212	287,366	297,366	371,301	409,299	431,010	501,454	1,694,950	377,383
Total Revenues	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	25,897,087
Expenditures										
General Government	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	3,799,862
Judicial	2,806,925	3,319,623	3,454,814	3,565,739	3,758,564	4,377,675	4,136,477	4,728,052	3,966,181	4,566,636
Public Safety	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	8,968,342
Public Transportation	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	3,882,070
Health & Welfare	1,657,445	1,412,992	670,570	889,812	582,913	734,734	488,478	1,321,339	1,247,698	1,141,001
Culture and Recreation	1,457	47,636	51,380	55,624	69,692	86,888	17,597	63,771	59,650	59,860
Conservation	223,988	255,458	220,431	179,667	193,607	215,021	320,921	338,859	276,159	229,285
Economic Development & Assistance	72,351	106,201	122,466	132,651	130,926	229,631	334,818	166,160	25,000	302,505
Capital Outlay	673,441	1,233,563	1,199,517	1,412,595	2,189,713	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Interest	177,609	118,928	116,723	108,117	112,334	100,350	89,553	79,404	74,836	79,775
Principal	3,074,730	334,765	278,983	247,663	498,812	403,655	339,608	265,059	294,489	403,021
Fiscal Agents Fees	55,222	-	-	-	-	-	-	-	31	-
Total Expenditures	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	23,432,957
Excess of Revenues Over (Under) Expenditures	(1,581,803)	(1,338,361)	113,760	1,479,440	2,596,750	(563,097)	364,292	(197,749)	(2,178,335)	2,464,730
Other Financing Sources (Uses)										
Bonds Issued	2,880,000	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-	-
Capital Leases	-	395,959	-	287,964	288,095	160,000	93,863	190,020	833,304	287,889
Transfers In	1,156,393	584,205	374,624	350,970	346,736	577,149	294,264	284,995	1,001,742	638,296
Transfers Out	(1,156,393)	(584,205)	(374,624)	(350,970)	(346,736)	(577,149)	(294,264)	(284,995)	(1,001,742)	(638,296)
Sale of Capital Assets	-	-	-	-	-	-	-	-	15,100	-
Total Other Financing Sources (Uses)	2,880,000	395,959	-	287,964	288,095	160,000	93,863	190,020	848,404	287,889
Net Change in Fund Balances	\$ 1,298,197	\$ (942,402)	\$ 113,760	\$ 1,767,404	\$ 2,884,845	\$ (403,097)	\$ 458,155	\$ (7,729)	\$ (1,329,931)	\$ 2,752,619
Debt Service As A Percentage Of Noncapital Expenditures	14.1%	14.5%	2.0%	1.7%	2.7%	2.1%	1.8%	1.4%	1.5%	2.1%

TABLE E-6

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

Fiscal Year	<u>Property Tax</u>	<u>Sales & Use Tax</u>	<u>Total</u>
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
2017	14,652,954	2,532,010	17,184,964
Percent Change 2016-2017	17.0%	15.7%	16.8%

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
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%
2017	1,763,352,916	122,439,531	467,541,470	515,587,624	1,837,746,293	0.815713	2,353,333,917	78.091%

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									
	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	Emergency Service District #1
2008	0.654787	0.016335	0.671122	0.370000	1.281170	0.110915	0.456763	1.160000	0.660906	1.240000	1.229817	1.040000	0.161456	0.087429
2009	0.548729	0.085086	0.633815	0.364457	1.294300	0.115569	0.442746	1.140000	0.636730	1.240000	1.160509	1.040000	0.075257	0.087396
2010	0.596722	0.014821	0.611543	0.372420	1.294300	0.116250	0.432880	1.120000	0.632750	1.240000	1.172000	1.040000	0.072570	0.087246
2011	0.548052	0.013087	0.561139	0.288913	1.218600	0.122812	0.442748	1.315000	0.711028	1.240000	1.259860	1.040000	0.083801	0.087398
2012	0.474460	0.011237	0.485697	0.247122	1.228600	0.126404	0.468085	1.294700	0.657055	1.240000	1.289490	1.040000	0.064962	0.087059
2013	0.444530	0.008900	0.453430	0.247122	1.233700	0.130795	0.478960	1.304900	0.668964	1.240000	1.265000	1.040000	0.080662	0.087059
2014	0.506866	0.010483	0.517349	0.247122	1.233700	0.130795	0.478960	1.304900	0.668964	1.240000	1.265000	1.040000	0.080662	0.087059
2015	0.597763	0.011094	0.608857	0.271826	1.294630	1.400440	0.490000	1.325000	0.712780	1.240000	1.289000	1.040000	0.132857	0.077094
2016	0.643521	0.013220	0.656741	0.530000	1.302260	0.155009	0.490000	1.329600	0.743301	1.240000	1.297400	1.040000	0.132857	0.080410
2017	0.704762	0.110931	0.815693	0.530000	1.330000	0.155009	0.500000	1.665500	0.685301	1.284000	1.470000	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	2017			2008		
	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	\$ 41,920,402	1	2.61%	\$ --	--	--
AEP Texas Central Co	28,195,831	2	1.75%	21,465,285	4	2.18%
Nabors Drilling USA Inc	28,130,161	3	1.75%	--	--	--
Net Mexico Pipeline LP	25,076,070	4	1.56%	--	--	--
DCP Interstate Network	18,668,020	5	1.16%	--	--	--
SBBL USA LTD	15,951,618	6	0.99%	--	--	--
Key Energy Services, LLC	15,573,809	7	0.97%	--	--	--
Enterprise TX Pipeline	15,154,284	8	0.94%	--	--	--
Knight Oil Tools	15,130,670	9	0.94%	--	--	--
Wal-Mart	13,316,313	10	0.83%	16,285,698	8	1.65%
Total	\$ <u>217,117,178</u>		<u>13.51%</u>	\$ <u>37,750,983</u>		<u>3.83%</u>

Source: Jim Wells County Appraisal District

TABLE E-10

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
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%
2017	15,005,049	7,204,575	48.01%	2,420,928	9,625,503	64.15%

Sources: Jim Wells County Appraisal District

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Building Material & Hardware	\$ 20,683,662	\$ 23,752,661	\$ 50,201,906	\$ 106,281,144	\$ 67,749,008	\$ 77,389,392	\$ 79,832,668	\$ 76,710,785	\$ 82,756,422	\$ 72,623,462
General Merchandise	83,961,117	135,161,430	220,607,413	237,580,732	223,233,718	331,292,064	283,814,626	203,525,345	198,542,266	199,458,576
Food Stores	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	45,264,328
Auto Dealers & Gas	27,284,328	36,939,992	45,049,897	70,125,472	179,702,255	83,263,788	80,264,576	51,591,144	50,592,478	53,624,422
Apparel & Accessory	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	95,888,566
Home Furnishing & Appliances	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	23,562,825
Eating & Drinking Places	44,943,619	32,233,102	35,669,789	41,815,881	61,566,182	58,810,040	60,342,958	56,479,256	57,788,462	59,488,793
Misc Retail Stores	42,877,449	47,063,116	70,137,837	96,746,553	17,485,100	12,087,528	15,872,927	21,363,419	20,224,658	28,382,056
Total	\$ 252,860,795	\$ 302,026,140	\$ 447,829,469	\$ 578,573,966	\$ 846,251,347	\$ 848,350,188	\$ 764,538,497	\$ 556,082,885	\$ 557,284,958	\$ 578,293,028
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.

TABLE E-12**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>
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%
2017	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
2008	2,880,000	126,058	0.23%	64	3,006,122	1.18%	66
2009	2,735,000	332,253	0.21%	60	3,067,313	1.21%	68
2010	2,585,000	203,270	0.18%	57	2,788,327	1.35%	62
2011	2,430,000	398,572	0.17%	54	2,828,626	1.30%	63
2012	2,265,000	352,855	0.16%	50	2,617,905	1.52%	58
2013	2,095,000	279,199	0.15%	46	2,374,199	1.71%	52
2014	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
2017	1,355,000	821,791	0.12%	34	2,176,791	1.84%	54

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	Net Bonded Debt Per Capita
	General Obligation Bonds	Total		
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
2017	1,355,000	1,355,000	0.07%	32

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	33,439,695	81.180%	27,146,344
Jim Wells County Fresh Water Supply District #1	1,925,852	100.000%	1,925,852
Orange Grove Independent School District	11,175,000	100.000%	11,175,000
Alice Water Authority	3,335,000	48.980%	1,633,483
Premont Independent School District	11,775,000	100.000%	11,775,000
 			<hr/>
Total Overlapping Debt			83,636,334
County Direct Debt			<u>2,176,791</u>
Total Direct and Overlapping Debt			<u>\$ 85,813,125</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 28,310,681	\$ 296,392,691	\$ 335,221,112	\$ 373,603,102	\$ 419,140,851	\$ 457,541,763	\$ 438,693,426	\$ 422,161,203	\$ 363,510,155	\$ 353,000,088
Total Net Debt Applicable to Limit	--	--	--	--	--	--	--	--	--	--
Legal Debt Margin	28,310,681	296,392,691	335,221,112	373,603,102	419,140,851	457,541,763	438,693,426	422,161,203	363,510,155	353,000,088
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	\$ 2,353,333,917
Debt Limit (15% of Assessed Value)	353,000,088
Debt Applicable to Limit:	
General Obligation Bonds	1,355,000
Less: Amount Set Aside for Repayment of	
General Obligation Debt	(205,000)
Total Net Debt Applicable to Limit	1,150,000
Legal Debt Margin	\$ 351,850,088

TABLE E-17

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Population	41,119	41,001	40,838	41,339	41,754	41,680	41,353	41,382	41,149	40,871
Total Personal Income	\$ 35,528	\$ 37,414	\$ 37,918	\$ 37,020	\$ 39,800	\$ 40,723	\$ 40,585	\$ 42,463	\$ 42,359	\$ 40,056
Per Capita Personal Income	\$ 26,767	\$ 29,523	\$ 33,450	\$ 16,976	\$ 18,268	\$ 19,818	\$ 20,452	\$ 20,977	\$ 21,796	\$ 20,524
Median Age	33.6	33.9	33.5	34.1	34.6	33.0	34.0	34.2	34.2	34.4
Education Level in Years of Schooling	12	12	12	12	12	12	12	12	12	12
School Enrollment	5,614	5,525	5,322	5,371	5,422	5,547	5,526	5,526	5,545	5,562
Unemployment	4.0%	9.1%	8.9%	5.8%	4.9%	4.7%	4.2%	7.9%	9.7%	7.5%

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.

TABLE E-18

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

Employer	2017			2008		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Alice ISD	845	1	4.39%	872	1	4.64%
Forbes Energy Services, Ltd.	810	2	4.21%	--	--	--
Saldivar Primary Home Care	422	3	2.19%	--	--	--
Dixie Iron Works MSI	332	4	1.73%	199	10	1.06%
Jim Wells County	327	5	1.70%	236	9	1.26%
Fesco, Inc.	282	6	1.47%	513	4	2.73%
Wal-Mart	275	7	1.43%	418	6	2.23%
City of Alice	245	8	1.27%	245	7	1.30%
CACOST	235	9	1.22%	243	8	1.29%
Christus Spohn Hospital-Alice	222	10	1.15%	379	5	2.02%
Total	<u>3,995</u>		<u>20.78%</u>	<u>3,105</u>		<u>16.53%</u>

Source: County Auditor's Office

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Administration	22	24	24	20	21	22	24	23	24	24
Finance	16	18	18	18	20	23	20	20	21	21
Judicial	31	38	35	35	37	36	37	37	34	34
Legal	23	27	26	20	24	23	27	26	25	25
Other	--	--	--	--	--	--	--	--	--	--
Public Safety	128	136	133	142	130	129	119	113	112	112
Public Transportation	105	119	107	117	91	91	96	92	82	82
Public Facilities	1	3	2	2	2	4	4	5	5	5
Health & Welfare										
Conservation & Agriculture	4	4	4	4	5	4	4	4	3	3
Civilians	3	3	3	2	2	2	2	2	2	2
Total	333	372	352	360	332	334	333	322	308	308

Source: County Auditor Office

TABLE E-20

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

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Building Permits Issued	445	224	208	208	242	35	29	24	20	20
Public Safety										
Serious Crimes	1,606	1,906	2,001	2,560	2,342	2,422	2,526	2,358	2,242	2,568
Parking/Traffic Violations	4,079	6,546	4,435	5,566	5,687	5,823	6,019	5,823	6,227	6,547
Judicial										
Number of Cases Heard	1,598	1,858	2,080	2,165	2,131	2,122	2,122	2,369	2,462	2,584
Culture & Recreation										
Number of Events	22	14	12	15	15	17	17	17	17	17
Annual Number of Patrons Assisted	120,735	120,816	145,316	155,216	156,233	157,288	158,244	159,632	161,239	162,368
Public Transportation										
Street Miles	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617

Source: County Auditor's Office

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

<u>Function/Program</u>	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Number of Buildings	28	28	28	28	28	28	28	28	28	28
Public Safety										
Number of Buildings	9	9	9	9	9	9	9	9	9	10
Number of Vehicles	40	50	48	48	55	65	68	74	82	86
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 and Company, P.C.
Certified Public Accountants
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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, 2017, 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 June 1, 2018.

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,


Raul Hernandez & Company, P.C.

Corpus Christi, TX
June 1, 2018

Raul Hernandez and Company, P.C.
Certified Public Accountants
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Corpus Christi, Texas 78411
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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 Jim Wells County, Texas's major federal program for the year ended December 31, 2017. Jim Wells County, Texas's major federal program is 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 its major federal program for the year ended December 31, 2017.

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, TX
June 1, 2018

JIM WELLS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 X No

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

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X 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 X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.239	HOME Investment Partnerships Program

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

Auditee qualified as low-risk auditee? X 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, 2017

<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, 2017

N/A

JIM WELLS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT D-1

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U. S. Department of Housing & Urban Development				
Passed Through Texas General Land Office:				
Community Development Block Grant Disaster Recovery	14.228	13-131-000-	\$ --	\$ 54,093
Passed Through Texas Department of Agriculture:				
Texas Community Development Block Grant	14.228	713085	--	4,490
Texas Community Development Block Grant	14.228	7215025	--	446,960
Texas Community Development Block Grant Program	14.228	7216240	--	88,709
HOME Investment Partnerships Program	14.239	1002406	--	487,000
HOME Investment Partnerships Program	14.239	1002434	--	194,800
Total Passed Through Texas Department of Agriculture			--	1,221,959
Total U. S. Department of Housing & Urban Development			--	1,276,053
Federal Emergency Management Agency				
Passed Through Texas Department of Public Safety:				
Public Assistance Grant	97.036	PA-06-TX-4223	--	316,942
Total Federal Emergency Management Agency			--	316,942
Department of Homeland Security-FEMA				
Passed Through Texas Department of Public Safety-Div of Emergency Management:				
Operating Stone Garden	97.067	2017	--	177,044
Total Department of Homeland Security-FEMA			--	177,044
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ --	\$ 1,770,039

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, 2017

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Jim Wells County, Texas. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Jim Wells County, Texas has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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