

**Comprehensive Annual Financial Report**

**For Fiscal Year Ended**

**December 31, 2018**

JIM WELLS COUNTY, TEXAS

*COMPREHENSIVE ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED DECEMBER 31, 2018*



Jim Wells County, Texas  
 Comprehensive Annual Financial Report  
 For The Year Ended December 31, 2018

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit/Table</u>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal.....	3	
GFOA Certificate of Achievement.....	11	
Organizational Chart.....	12	
List of Principal Officials.....	13	
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report.....	17	
Management's Discussion and Analysis (Required Supplementary Information).....	21	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Position.....	35	Exhibit A-1
Statement of Activities.....	36	Exhibit A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	37	Exhibit A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position.....	38	Exhibit A-4
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	39	Exhibit A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	40	Exhibit A-6
Statement of Fiduciary Net Position - Fiduciary Funds.....	41	Exhibit A-7
Notes to the Financial Statements .....	42	
<u>Required Supplementary Information</u>		
Budgetary Comparison Schedules:		
General Fund.....	63	Exhibit B-1
Schedule of the County's Proportionate Share of the		
Net Pension Liability - Pension Plan.....	67	Exhibit B-2
Schedule of County's Contributions - Pension Plan.....	68	Exhibit B-3
Notes to Schedule of Pension Contributions.....	69	
Schedule of the Changes in Total OPEB Liability		
and Related Ratios.....	70	Exhibit B-4
Notes to Schedule of OPEB Contributions.....	71	
Notes to Required Supplementary Information.....	72	
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	75	Exhibit C-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	76	Exhibit C-2

Jim Wells County, Texas  
 Comprehensive Annual Financial Report  
 For The Year Ended December 31, 2018

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit/Table</u>
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	77	Exhibit C-3
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	85	Exhibit C-4
Budgetary Comparison Schedules:		
Road & Bridge No. 21 Fund.....	93	Exhibit C-5
Road & Bridge No. 22 Fund.....	94	Exhibit C-6
Road & Bridge No. 23 Fund.....	95	Exhibit C-7
Road & Bridge No. 24 Fund.....	96	Exhibit C-8
Small Dams No. 32 Fund.....	97	Exhibit C-9
Law Library Fund.....	98	Exhibit C-10
Debt Service Funds:		
Budgetary Comparison Schedule:		
Debt Service Fund.....	99	Exhibit C-11
Capital Projects Funds:		
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	100	Exhibit C-12
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	101	Exhibit C-13
Budgetary Comparison Schedules:		
Jail Expansion Fund.....	102	Exhibit C-14
Road Bond 1967.....	103	Exhibit C-15
Fiduciary Funds:		
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities.....	105	Exhibit C-16
Combining Statement of Changes in Assets and Liabilities.....	109	Exhibit C-17

Jim Wells County, Texas  
 Comprehensive Annual Financial Report  
 For The Year Ended December 31, 2018

TABLE OF CONTENTS

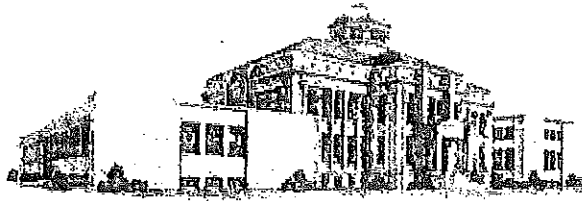
	<u>Page</u>	<u>Exhibit/Table</u>
<b>STATISTICAL SECTION</b>		
Net Position by Component.....	113	Table E-1
Expenses, Program Revenues, and Net (Expense)/Revenue.....	114	Table E-2
General Revenues and Total Change in Net Position.....	115	Table E-3
Fund Balances of Governmental Funds.....	116	Table E-4
Changes in Fund Balances of Governmental Funds.....	117	Table E-5
Tax Revenues by Source, Governmental Funds.....	118	Table E-6
Assessed Value and Estimated Actual Value of Taxable Property.....	119	Table E-7
Direct and Overlapping Property Tax Rates.....	120	Table E-8
Principal Property Tax Payers.....	121	Table E-9
Property Tax Levies and Collections.....	122	Table E-10
Taxable Sales by Category.....	123	Table E-11
Direct and Overlapping Sales Tax Rates.....	124	Table E-12
Ratios of Outstanding Debt by Type.....	125	Table E-13
Ratios of General Bonded Debt Outstanding.....	126	Table E-14
Direct and Overlapping Governmental Activities Debt.....	127	Table E-15
Legal Debt Margin Information.....	128	Table E-16
Demographic and Economic Statistics.....	129	Table E-17
Principal Employers.....	130	Table E-18
Full-Time-Equivalent Employees by Function/Program.....	131	Table E-19
Operating Indicators By Function/Program.....	132	Table E-20
Capital Asset Statistics by Function/Program.....	133	Table E-21
<b>OTHER SUPPLEMENTARY INFORMATION SECTION</b>		
Independent Auditors' Report on Internal Control over Financial Reporting and On Compliance and Others Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i> .....	136	
Schedule of Findings and Questioned Costs .....	138	
Summary Schedule of Prior Audit Findings.....	139	
Corrective Action Plan.....	140	



*Introductory Section*



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# COUNTY OF JIM WELLS

STATE OF TEXAS

**NOE GAMEZ**  
COUNTY AUDITOR

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

July 10, 2019

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

Ladies and Gentlemen:

State law, V.T.C.A. Local Government Code 114.025 and 115.045, requires issuance of an annual financial report, audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants, of all matters relating to fiscal affairs of the County. Pursuant to those requirements, we hereby issue the comprehensive annual financial report of the County of Jim Wells for the fiscal year ended December 31, 2018.

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, 2018, 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, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statement, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the other supplementary information section of this report.

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

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

### **Profile of Jim Wells County**

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

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

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

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

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

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

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

## **Factors Affecting Financial Condition**

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

### **Local Economy**

*Oil and Gas.* The oil and gas industry is a major employer in Jim Wells County. Our strategic central location makes Alice ideal for companies to utilize all forms of transportation: rail, air, land or sea. Several major oilfield service companies and drilling contractors have established regional operations in Alice. 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 with five major drilling companies, six international oilfield service companies, and an array of rental tool companies, completion and production companies and trucking companies. Currently the Eagle Ford Shale boom is bringing many new companies and workers to Alice and Jim Wells County. Many job openings exist for workers looking to train into the oilfield with good pay and benefits. Alice is rapidly growing to the next tier community. (1).

*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 2018.

*Unemployment Rate.* The current unemployment rate of Jim Wells County, Texas is 5.4%, which is higher than the national unemployment rate of 3.9% 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 2018, the sales tax revenues were up compared to 2017.

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](http://www.christusspohn.org)

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

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

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

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

Major Highways: SH44/US 59 provides a major east-west trade corridor between the Port of Corpus Christi, Laredo, and Monterrey, Mexico and points south. US 281 provides a major north-south trade corridor between Northern Mexico, the Rio Grande Valley and points north. Alice is strategically located at the intersection of SH 44 and US 281, an essential component of the proposed Interstate Highway 69 International Trade Corridor. I-69 will connect Mexico, the United States and Canada.

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

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

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

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

### **Attractions**

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

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

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

Jose De Escandon Statue- Don Jose de Escandón was chosen in 1746 to explore and settle the South Texas area. He founded 23 settlements in the area over a two year period. Ranching and farming were the economic foundation of these settlements. This still held true through the 1800's, as Alice was recognized as the largest cattle-shipping center in the world. On November 14, 1999 a statue of Don Jose de Escandón was donated to the City of Alice by

the children of the late Tomas and Eloisa Pena Martinez: Jose C. Martinez, Rita Martinez Jaso, Lucila Martinez Reynolds and Guadalupe T. Martinez

*Guinness Book of World Records*-Only in Alice will one find the world's tallest, cement water tower. Located in downtown Alice near City Hall, is what the 1976 Guinness Book of Records calls the tallest concrete water tower in the world. Built in 1926-27, the 165-foot tall tower has a 3-foot tall tank which; measures 28.4 feet in diameter.

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

### **Long-term financial planning.**

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

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

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

### **Awards and acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jim Wells County, Texas for its comprehensive annual financial report for the year ended December 31, 2017. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

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



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

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

Respectfully Submitted,



Noe Gamez  
County Auditor

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



Government Finance Officers Association

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

Presented to

**Jim Wells County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO



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

**DECEMBER 31, 2018**

**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, 2018  
(continued)

OTHER OFFICIALS

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

*Financial Section*

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**RAUL HERNANDEZ & COMPANY, P.C.**  
Certified Public Accountants  
5402 Holly Road, 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**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, 2018, 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.



## **Emphasis of Matter**

### *Change in Accounting Principle*

As described in Note K to the financial statements, in 2018, Jim Wells County, Texas adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the County's proportionate share of the net pension liability and schedule of County pension contributions, and schedule of the County's proportionate share of the net OPEB liability and schedule of County OPEB 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' 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 July 10, 2019 on our consideration of Jim Wells County, Texas' 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 solely 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 the effectiveness of the County's 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' internal control over financial reporting and compliance.

Respectfully submitted,

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

Raul Hernandez & Company, P.C.

Corpus Christi, Texas  
July 10, 2019

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# JIM WELLS COUNTY, TEXAS

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) offers readers of the County financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2018. 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 \$36,049,889 (net position).
- As of the close of the current fiscal year, the County of Jim Wells governmental funds reported combined ending fund balances of \$15,949,301, of which, \$7,302,040 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 \$135,503 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>Balance Sheet</i>	<i>Statement of net position</i>	<i>Statement of fiduciary net position</i>
	<i>Statement of Activities</i>	<i>Statement of revenues, expenditures &amp; changes in fund balances</i> <i>Statement of cash flows</i>	<i>Statement of rev, exp, &amp; changes in net position</i> <i>Statement of flows</i>	<i>Statement of in fiduciary net position</i>
<u>Accounting basis and measurement focus</u>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial	Accrual accounting and economic focus	Accrual accounting economic resources focus

## Government-wide Statements

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

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

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

## Fund Financial Statements

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

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

The County has the following kinds of funds:

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

# JIM WELLS COUNTY, TEXAS

## FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

**Net position.** As stated earlier, over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively. At the close of the fiscal year, the County net position was \$36,049,889; furthermore, the government's financial position has increased by a net amount of \$2,617,945 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**

	Governmental Activities <u>2018</u>	Governmental Activities <u>2017</u>	Increase (Decrease) <u>2018-2017</u>
<b>Current Assets:</b>			
Cash/Cash equivalents	\$ 16,275,571	\$ 12,990,750	\$ 3,284,821
Taxes receivable	786,877	713,665	73,212
Sales taxes receivable	284,884	229,613	55,271
Intergovernmental receivable	-	73,118	(73,118)
<b>Total current assets:</b>	<u>17,347,332</u>	<u>14,007,146</u>	<u>3,340,186</u>
<b>Non-current assets:</b>			
Capital Assets	67,591,719	66,764,917	826,802
Less Accumulated Depreciation	<u>(44,732,332)</u>	<u>(43,550,504)</u>	<u>(1,181,828)</u>
<b>Total non-current assets:</b>	<u>22,859,387</u>	<u>23,214,413</u>	<u>(355,026)</u>
<b>Total Assets</b>	<u>\$ 40,206,719</u>	<u>\$ 37,221,559</u>	<u>\$ 2,985,160</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflow Related to Pension Plan	1,164,237	3,458,173	(2,293,936)
Deferred Outflow Related to OPEB	55,525	-	55,525
<b>Total Deferred Outflows of Resources</b>	<u>1,219,762</u>	<u>3,458,173</u>	<u>(2,238,411)</u>
<b>Current Liabilities</b>			
Accounts payable and other current liabilities	\$ 242,721	\$ 260,537	\$ (17,816)
Accrued Interest Payable	14,239	16,898	(2,659)
Due to Other Governments and Agencies	281,783	285,559	(3,776)
Deferred Revenue	9,511	9,511	-
<b>Total current liabilities</b>	<u>548,254</u>	<u>572,505</u>	<u>(24,251)</u>
<b>Long-term liabilities:</b>			
Due within one year	532,923	630,361	(97,438)
Due in more than one year	1,728,102	1,766,167	(38,065)
Net Pension Liability - due in more than one year	945,902	3,378,109	(2,432,207)
Net OPEB Liability - due in more than one year	532,302	-	532,302
<b>Total Liabilities</b>	<u>4,287,483</u>	<u>6,347,142</u>	<u>(2,059,659)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts Related to Pensions	1,071,607	900,646	170,961
Deferred Amounts Related to OPEB	17,502	-	17,502
<b>Total Deferred Inflows of Resources</b>	<u>1,089,109</u>	<u>900,646</u>	<u>188,463</u>
<b>Net Pension:</b>			
Net Investment in Capital Assets	20,832,777	21,037,621	(204,844)
Restricted For:			
Debt Service	83,085	76,776	6,309
Capital Projects	894,729	988,972	(94,243)
Unrestricted	14,239,298	11,328,575	2,910,723
<b>Total Net Position</b>	<u>\$ 36,049,889</u>	<u>\$ 33,431,944</u>	<u>\$ 2,617,945</u>

# JIM WELLS COUNTY, TEXAS

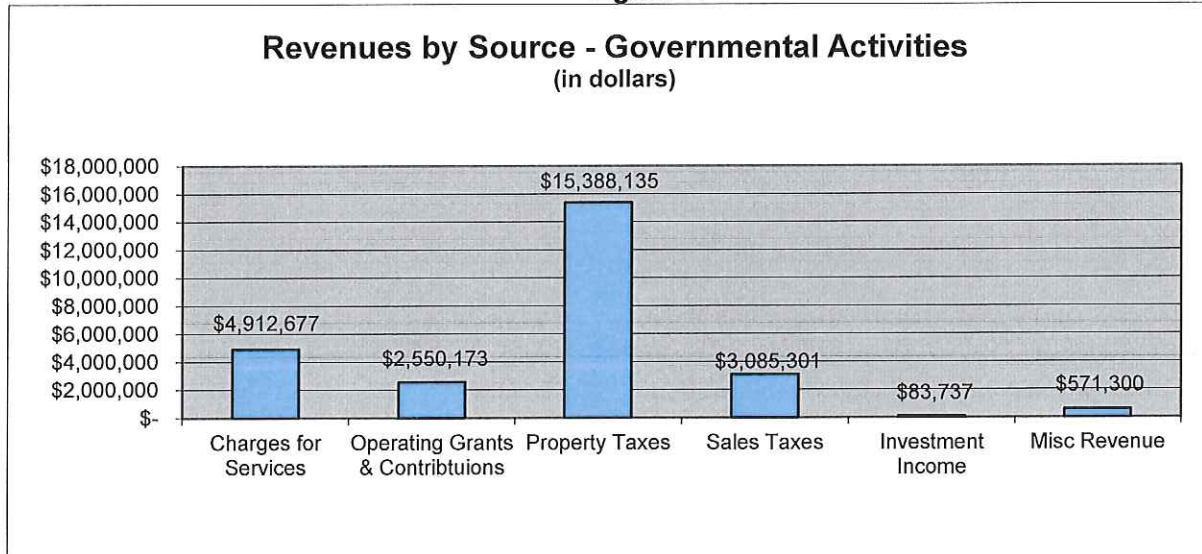
The \$83,085 and \$894,729 of the County's restricted net position represents funds available for the debt service and capital projects funds, respectively. These funds when spent are restricted for repayment of debt and capital asset acquisitions respectively. The \$14,239,298 unrestricted net position represents resources available to fund the programs of the County next year.

**Revenues.** The County's total revenues were \$26,591,323. A significant portion, 58 percent, of the County's revenue comes from property taxes. 18 percent comes from charges for services and 12 percent relates to sales taxes. (See Figure A-1 and Table A-2)

## Governmental Activities

- Property tax rates had a total direct rate of .802202, which is a decrease of (.013511) from the previous year. Net taxable value of property totaled \$1,891,913,790.
- Property Tax & Sales tax revenues increased from the prior year due, in part, to an increase in collections.
- Sales tax revenues in 2018 increased from the prior year by 29.4%.

Figure A-1





# JIM WELLS COUNTY, TEXAS

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

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>
	<u>2018</u>	<u>2017</u>	<u>2018-2017</u>
<b>Revenues</b>			
Program:			
Charges for services	\$ 4,912,677	\$ 4,618,822	\$ 293,855
Operating Grants and Contributions	2,550,173	3,644,741	(1,094,568)
<b>General</b>			
Property Taxes	15,388,135	14,780,021	608,114
Sales Taxes	3,085,301	2,383,694	701,607
Investment Income	83,737	71,177	12,560
Miscellaneous Revenues	571,300	212,328	358,972
<b>Total Revenues</b>	<u>\$ 26,591,323</u>	<u>\$ 25,710,783</u>	<u>\$ 880,540</u>
<b>Cost of Services:</b>			
General Government	5,985,704	5,585,530	400,174
Judicial	4,034,322	4,566,636	(532,314)
Public Safety	8,371,679	8,405,430	(33,751)
Public Transportation	3,917,189	3,614,657	302,532
Health and Welfare	593,500	1,141,001	(547,501)
Culture and Recreation	64,132	59,860	4,272
Conservation	210,170	229,285	(19,115)
Economic Development and Assistance	135,133	302,505	(167,372)
Interest on Long-term Debt	73,452	76,221	(2,769)
<b>Total Cost of Services</b>	<u>\$ 23,385,281</u>	<u>\$ 23,981,125</u>	<u>\$ (595,844)</u>
Change in net position	3,206,042	1,729,658	1,476,384
<b>Net position - beginning</b>	33,431,944	31,674,475	1,757,469
Prior Period Adjustment	(588,097)	27,811	(615,908)
<b>Net position - ending</b>	<u>\$ 36,049,889</u>	<u>\$ 33,431,944</u>	<u>\$ 2,617,945</u>

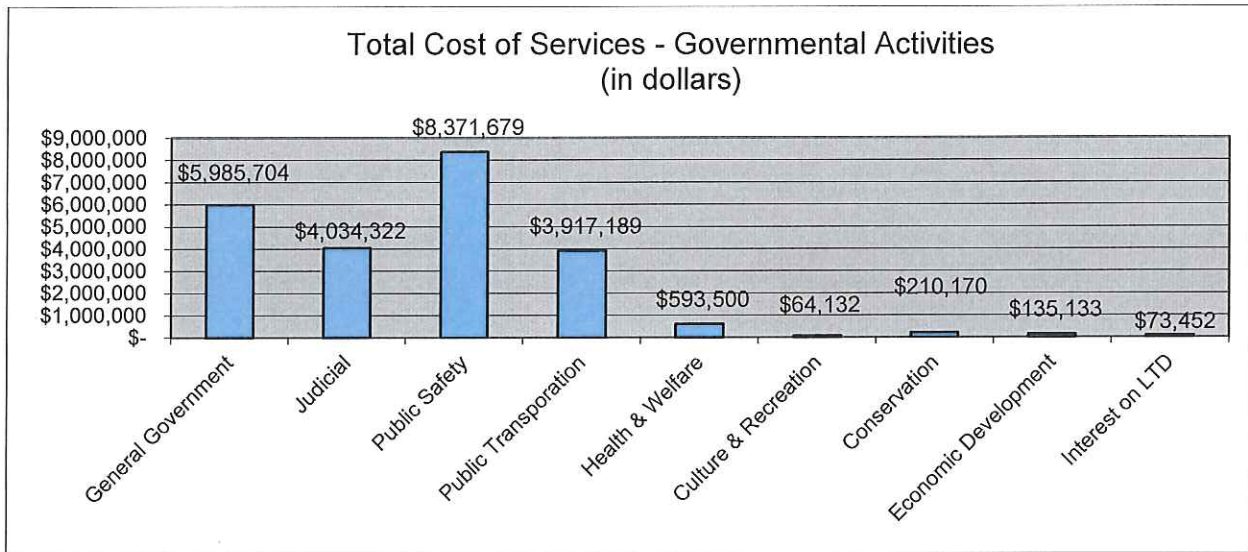
Table A-2 and Figure A-2 present the cost of each of the County's largest functions.

- The cost of all governmental activities this year was \$23,385,281. Public Safety was a significant part of the amount totaling \$8,371,679, which the majority was due to costs in the General Fund, Adult & State Juvenile Probation funds, the Sheriff Drug Forfeiture fund and 79<sup>th</sup> Judicial District Attorney Forfeiture fund.

# JIM WELLS COUNTY, TEXAS

- However, the amount that our taxpayers paid for these activities through property taxes was approximately \$15,388,135.
- 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.
- \$8,371,679 of these costs were for public safety, which decreased by (\$33,751) 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.

# JIM WELLS COUNTY, TEXAS

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As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$15,949,301, a net increase of \$3,240,444 compared with the prior year. As shown on page 37 the unassigned fund balance resulted in an amount of \$7,302,040. 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 property taxes, general sales & use taxes revenues, licenses & permits, fines & forfeitures, fees of office, investment earnings, miscellaneous revenues, and increase in capital leases.

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 \$7,302,040 from the previous year's balance of \$5,681,573 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 \$11,988,531 for the current year.

The Debt Service Fund (county-wide), which was created during 2004, has a total fund balance of \$83,085. 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 \$894,729. 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

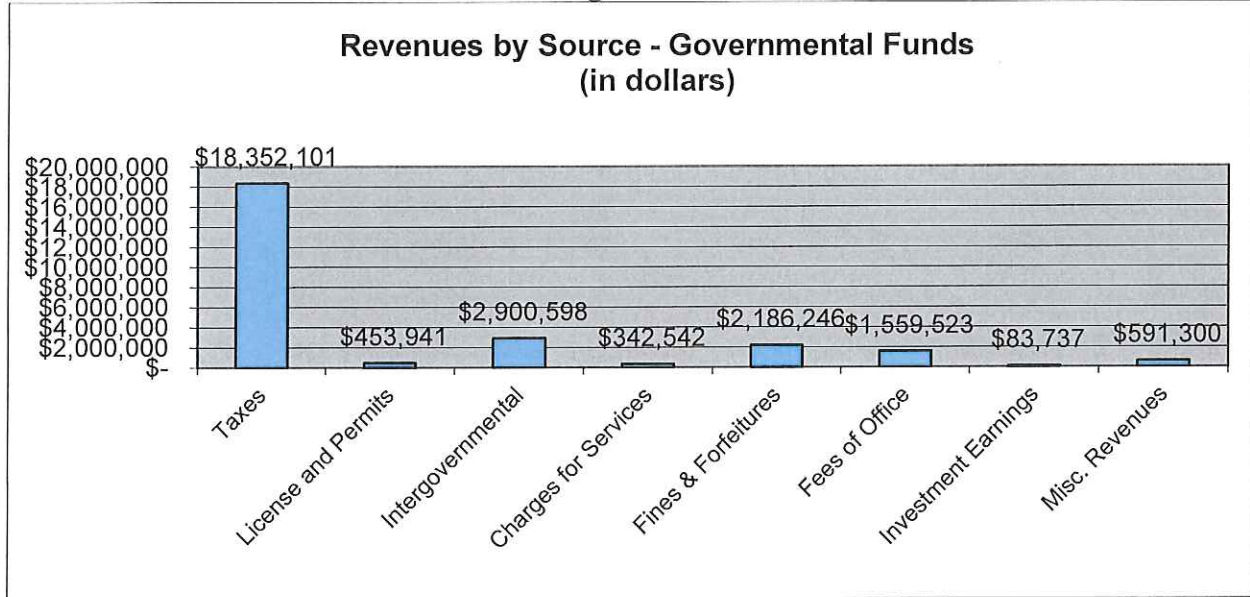
The County's revenue closely follows oil prices and oil field activities. In previous years, the economic boom in Eagle Ford shale production led to hotels being booked, stores expanding, and businesses hiring. However, in 2018, the amount of the impact has continued to level off. Revenues from governmental fund types had a net increase of \$886,271 from the preceding year, totaling \$26,469,988. General property taxes and sales taxes were the most significant portion in governmental fund revenue sources, which totaled \$18,352,101, which is an increase of \$1,315,452 from the previous year.

The County's primary source of revenue consists of taxes, which comprise 69% of the County's total revenues. In addition, intergovernmental and fines & forfeitures revenues comprise 11% and 8% of total revenues, respectively. The county departments that charge for services include park & recreational, fees of office from justice of the peace precincts, and constables, which are all an important part of the County's revenues. They are an integral part of the County's ability to provide the services to which citizens have become accustomed. (See Figure A-3 and Table A-3)

# JIM WELLS COUNTY, TEXAS

Fines & Forfeitures increased by \$562,627 from the prior year due to more fines & cash seizures. Furthermore, fees of office increased by \$806,312 from the previous year, as a result of an increase in fees collected.

**Figure A-3**



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

	<b>2018</b>	<b>2017</b>	<b>Increase (Decrease)</b>
Taxes	\$ 18,352,101	\$ 17,036,649	\$ 1,315,452
License and Permits	453,941	306,427	147,514
Intergovernmental	2,900,598	4,017,520	(1,116,922)
Charges for Services	342,542	1,562,786	(1,220,244)
Fines & Forfeitures	2,186,246	1,623,619	562,627
Fees of Office	1,559,523	753,211	806,312
Investment Earnings	83,737	71,177	12,560
Misc. Revenues	591,300	212,328	378,972
<b>Total Revenues</b>	<b>\$ 26,469,988</b>	<b>\$ 25,583,717</b>	<b>\$ 886,271</b>

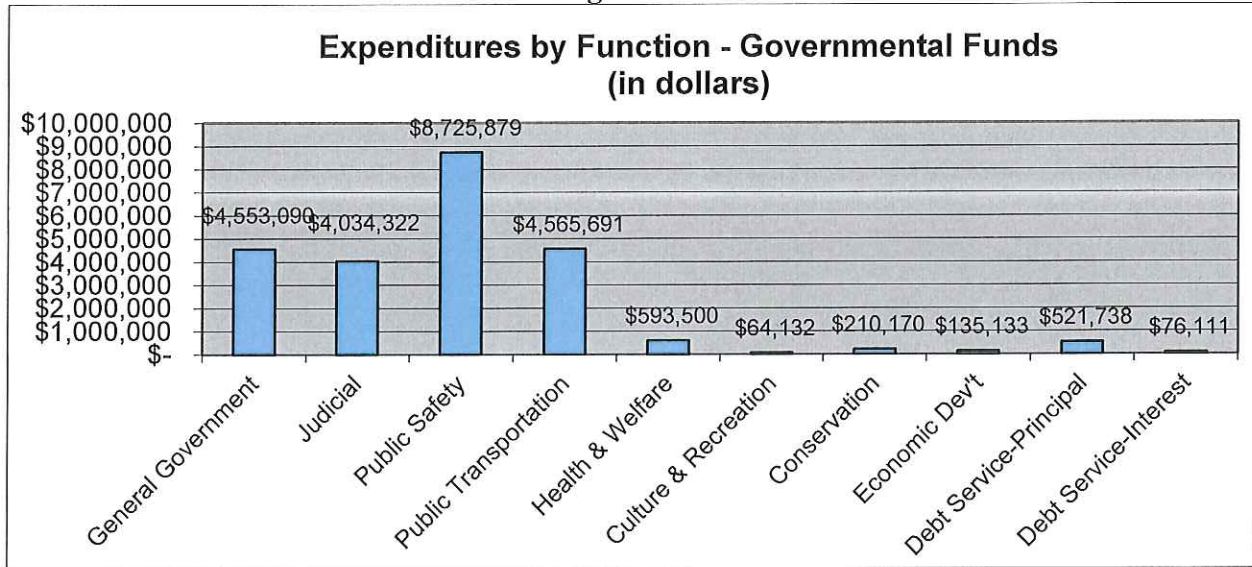
## Expenditures

The increase in general government expenditures of \$753,228 is partly due to an increase in tax assessor-collector, county courthouse & annex, elections, and non-departmental departments. The increase in public transportation of \$683,621 was due to increases in the Road & Bridge Funds.

The County's primary expenditures were for public safety, public transportation, and general government. Public safety now accounts for over 37% 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**

	<b>2018</b>	<b>2017</b>	<b>Increase (Decrease)</b>
General Government	\$ 4,553,090	\$ 3,799,862	\$ 753,228
Judicial	4,034,322	4,566,636	(532,314)
Public Safety	8,725,879	8,968,342	(242,463)
Public Transportation	4,565,691	3,882,070	683,621
Health and Welfare	593,500	1,141,001	(547,501)
Culture and Recreation	64,132	59,860	4,272
Conservation	210,170	229,285	(19,115)
Economic Development and Assistance	135,133	302,505	(167,372)
Debt Service:			
Principal	521,738	403,021	118,717
Interest and Fiscal Charges	76,111	79,775	(3,664)
Total Expenditures	<u>\$ 23,479,766</u>	<u>\$ 23,432,357</u>	<u>\$ 47,409</u>

# JIM WELLS COUNTY, TEXAS

Other financing sources from the County came from:

**Table A-5  
Other Financing Resources**

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>
Transfers In	\$ 575,242	\$ 638,296	\$ (63,054)
Transfers Out	(575,242)	(638,296)	63,054
Capital Leases	371,557	287,889	83,668
	<u>\$ 371,557</u>	<u>\$ 287,889</u>	<u>\$ 83,668</u>

## General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$16,175,331 and expenditures of \$16,077,752, 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 \$615,025. Of this amount, general property taxes and general sales & use 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 \$186,378 below final budget amounts. This biggest favorable variances resulted from over-budgeted expenditures in the District Court, Sheriff, Health and Welfare, and County Auditor 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 2018, the County had invested \$67,591,719 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, 2018 net capital assets of the governmental activities totaled \$22,859,386. Depreciation on capital assets is recognized in the Government-wide financial statements. Accumulated depreciation for infrastructure, buildings & improvements, and machinery & equipment totaled \$44,732,333. 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		Increase (Decrease) 2018-2017
	Activities		
	2018	2017	
Land	\$ 346,773	\$ 346,773	\$ -
Infrastructure	43,715,819	43,715,819	-
Buildings and Improvements	13,491,717	13,491,717	-
Machinery & Equipment	10,037,410	9,210,608	826,802
Total at historical cost	<u>67,591,719</u>	<u>66,764,917</u>	<u>826,802</u>
Total Accumulated Depreciation	<u>(44,732,333)</u>	<u>(43,550,504)</u>	<u>(1,181,829)</u>
Net Capital Assets	<u>\$ 22,859,386</u>	<u>\$ 23,214,413</u>	<u>\$ (355,027)</u>

The largest increase to capital assets was attributed to machinery & equipment in the net amount of \$826,802 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 \$2,261,025 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 \$135,503 from 2017. More detailed information about the County's debt is presented in the notes to the financial statements on page 50.

**Table A-7  
Long Term Debt**

	Governmental	
	Activities	
	2018	2017
General obligation bonds	\$ 1,150,000	\$ 1,355,000
Capital leases	876,610	821,792
Compensated absences	234,415	219,736
Total governmental activities	<u>\$ 2,261,025</u>	<u>\$ 2,396,528</u>

# JIM WELLS COUNTY, TEXAS

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## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Appraised value used for the 2019 budget preparation is up from the prior year.
- General operating fund spending in the 2019 budget is expected to have a moderate decrease as compared to 2018.

These indicators were taken into account when adopting the general fund budget for 2019. Property taxes will decrease due to 2019 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 2019 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, 2018**

	Governmental Activities
<b>ASSETS:</b>	
<i>Cash and Cash Equivalents</i>	\$ 16,275,571
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	786,877
<i>Sales Taxes Receivable</i>	284,884
Capital Assets ( net of accumulated depreciation):	
<i>Land</i>	346,773
<i>Buildings and System</i>	7,306,127
<i>Machinery and Equipment</i>	4,386,201
<i>Infrastructure</i>	10,820,286
Total Assets	<u>40,206,719</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pension Plan	1,164,237
Deferred Outflow Related to OPEB	55,525
Total Deferred Outflows of Resources	<u>1,219,762</u>
<b>LIABILITIES:</b>	
<i>Accounts Payable and Other Current Liabilities</i>	242,721
<i>Accrued Interest Payable</i>	14,239
<i>Due to Other Governments and Agencies</i>	281,783
<i>Deferred Revenue</i>	9,511
Noncurrent Liabilities-	
<i>Due within one year</i>	532,923
<i>Due in more than one year</i>	1,728,102
<i>Net Pension Liability-due in more than one year</i>	945,902
<i>Net OPEB Liability-due in more than one year</i>	532,302
Total Liabilities	<u>4,287,483</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts Related to Pensions	1,071,607
Deferred Amounts Related to OPEB	17,502
Total Deferred Inflows of Resources	<u>1,089,109</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	20,832,777
Restricted For:	
Debt Service	83,085
Capital Projects	894,729
Unrestricted	14,239,298
Total Net Position	<u>\$ 36,049,889</u>

The accompanying notes are an integral part of this statement.

**JIM WELLS COUNTY, TEXAS**  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>PRIMARY GOVERNMENT:</b>				
Governmental Activities:				
General Government	\$ 5,985,704	\$ 954,670	\$ 45,603	\$ (4,985,431)
Judicial	4,034,322	634,503	293,475	(3,106,344)
Public Safety	8,371,679	2,127,711	1,739,271	(4,504,697)
Public Transportation	3,917,189	1,195,793	291,961	(2,429,435)
Health and Welfare	593,500	--	88,541	(504,959)
Culture and Recreation	64,132	--	--	(64,132)
Conservation	210,170	--	--	(210,170)
Economic Development and Assistance	135,133	--	--	(135,133)
Interest on Long-term Debt	73,452	--	--	(73,452)
Total Governmental Activities	<u>23,385,281</u>	<u>4,912,677</u>	<u>2,550,173</u>	<u>(15,922,431)</u>
Total Primary Government	<u>\$ 23,385,281</u>	<u>\$ 4,912,677</u>	<u>\$ 2,550,173</u>	<u>(15,922,431)</u>
General Revenues:				
Property Taxes				15,388,135
Sales Taxes				3,085,301
Investment Income				83,737
Miscellaneous Revenues				571,300
Total General Revenues				<u>19,128,473</u>
Change in Net Position				3,206,042
Net Position - Beginning				33,431,944
Prior Period Adjustment				(588,097)
Net Position - Ending				<u>\$ 36,049,889</u>

The accompanying notes are an integral part of this statement.

**JIM WELLS COUNTY, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2018**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 7,671,244	\$ 8,604,327	\$ 16,275,571
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	9,125,615	2,728,801	11,854,416
<i>Sales Taxes Receivable</i>	178,957	105,927	284,884
Total Assets	<u>\$ 16,975,816</u>	<u>\$ 11,439,055</u>	<u>\$ 28,414,871</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
Liabilities:			
<i>Accounts Payable</i>	\$ 237,258	\$ 5,463	\$ 242,721
<i>Due to Other Governments and Agencies</i>	281,783	--	281,783
<i>Deferred Revenue</i>	--	9,511	9,511
Total Liabilities	<u>519,041</u>	<u>14,974</u>	<u>534,015</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
<i>Unavailable Revenue Property Taxes</i>	<u>9,154,735</u>	<u>2,776,820</u>	<u>11,931,555</u>
Total Deferred Inflows of Resources	<u>9,154,735</u>	<u>2,776,820</u>	<u>11,931,555</u>
<b>Fund Balances:</b>			
Restricted Fund Balances:			
Federal or State Funds Grant Restriction	--	7,669,447	7,669,447
Retirement of Long-Term Debt	--	83,085	83,085
<i>Capital Project Funds</i>	--	894,729	894,729
Unassigned Fund Balance	<u>7,302,040</u>	<u>--</u>	<u>7,302,040</u>
Total Fund Balance	<u>7,302,040</u>	<u>8,647,261</u>	<u>15,949,301</u>
Total Liabilities and Fund Balance	<u>\$ 16,975,816</u>	<u>\$ 11,439,055</u>	<u>\$ 28,414,871</u>

The accompanying notes are an integral part of this statement.

**JIM WELLS COUNTY, TEXAS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 DECEMBER 31, 2018

Total fund balances - governmental funds balance sheet	\$ 15,949,301
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.	22,859,387
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	864,016
Payables for bond principal which are not due in the current period are not reported in the funds.	(1,150,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(876,611)
Payables for bond interest which are not due in the current period are not reported in the funds.	(14,239)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(234,414)
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	(945,902)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(1,071,607)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	1,164,237
Recognition of the County's proportionate share of the net OPEB liability is not reported in the funds.	(532,302)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(17,502)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	<u>55,525</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 36,049,889</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, 2018

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue:			
Taxes:			
<i>General Property Taxes</i>	\$ 11,988,531	\$ 3,278,269	\$ 15,266,800
<i>General Sales and Use Taxes</i>	2,486,829	598,472	3,085,301
<i>License and Permits</i>	83,280	370,661	453,941
<i>Intergovernmental</i>	780,827	2,119,771	2,900,598
<i>Charges for Services</i>	18,292	324,250	342,542
<i>Fines and Forfeitures</i>	407,073	1,779,173	2,186,246
<i>Fees of Office</i>	713,758	845,765	1,559,523
<i>Investment Earnings</i>	50,265	33,472	83,737
<i>Miscellaneous Revenues</i>	261,501	329,799	591,300
Total revenues	<u>16,790,356</u>	<u>9,679,632</u>	<u>26,469,988</u>
Expenditures:			
Current:			
<i>General Government</i>	4,533,338	19,752	4,553,090
<i>Judicial</i>	3,694,928	339,394	4,034,322
<i>Public Safety</i>	5,945,697	2,780,182	8,725,879
<i>Public Transportation</i>	--	4,565,691	4,565,691
<i>Health and Welfare</i>	82,031	511,469	593,500
<i>Culture and Recreation</i>	64,132	--	64,132
<i>Conservation</i>	210,170	--	210,170
<i>Economic Development and Assistance</i>	135,133	--	135,133
Debt Service:			
<i>Principal</i>	134,700	387,038	521,738
<i>Interest and Fiscal Charges</i>	1,901	74,210	76,111
Total Expenditures	<u>14,802,030</u>	<u>8,677,736</u>	<u>23,479,766</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,988,326</u>	<u>1,001,896</u>	<u>2,990,222</u>
Other Financing Sources (Uses):			
<i>Transfers In</i>	2,000	573,242	575,242
<i>Transfers Out</i>	(516,500)	(58,742)	(575,242)
<i>Capital Leases</i>	267,976	103,581	371,557
Total Other Financing Sources (Uses)	<u>(246,524)</u>	<u>618,081</u>	<u>371,557</u>
Net Change in Fund Balances	1,741,802	1,619,977	3,361,779
Fund Balances - Beginning	5,681,573	7,027,284	12,708,857
Increase (Decrease) in Fund Balance	(121,335)	--	(121,335)
Fund Balances - Ending	<u>\$ 7,302,040</u>	<u>\$ 8,647,261</u>	<u>\$ 15,949,301</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, 2018

Net change in fund balances - total governmental funds	\$ 3,361,779
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,016,294
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,300,391)
The gain or loss on the sale of capital assets is not reported in the funds.	(70,930)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	121,335
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	205,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	316,738
(Increase) decrease in accrued interest from beginning of period to end of period.	2,659
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(14,678)
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(371,557)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(60,207)
Change in net position of governmental activities - Statement of Activities	<u>\$ 3,206,042</u>

The accompanying notes are an integral part of this statement.



**JIM WELLS COUNTY, TEXAS**  
*STATEMENT OF FIDUCIARY NET POSITION*  
*FIDUCIARY FUNDS*  
*DECEMBER 31, 2018*

	<u>Agency Funds</u>
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 9,042,517
Total Assets	<u>\$ 9,042,517</u>
LIABILITIES:	
<i>Due to Other Governments and Agencies</i>	\$ 9,042,517
Total Liabilities	<u>\$ 9,042,517</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, 2018**

**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 position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental 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 statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

**JIM WELLS COUNTY, TEXAS**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED DECEMBER 31, 2018*

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.

In addition, the County reports the following fund types:

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide 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. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Property Taxes

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

**JIM WELLS COUNTY, TEXAS**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED DECEMBER 31, 2018*

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

Inventories on the balance sheet are stated at weighted average cost. Inventory items are recorded as expenditures when they are consumed.

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 fixed 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

d. 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.

e. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to or deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**JIM WELLS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

f. Other Post-Employment Benefits (OPEB)

The total OPEB liability of the Texas Counties and Districts Retirement System (TCDRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

g. 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 position.

h. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not 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 for a specific purpose because of a formal action by the County's Commissioners. Committed amounts cannot be used for any other purpose unless the Commissioner's Court removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Commissioner's Court. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Commissioner's Court or by an official or body to which the County delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

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 purposes for which amounts had been restricted, committed or assigned.

**JIM WELLS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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.

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

**B. Compliance and Accountability**

**1. Deficit Fund Balance or Fund Net Position of Individual Funds**

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

**2. Excess of expenditures over appropriations**

For the year ended December 31, 2018, the County had two funds that had expenditures exceeding appropriations.

Law Library Fund	(9,279)
Jail Expansion Fund	(10,556)

**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.

**Cash Deposits:**

At December 31, 2018, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was 25,292,470 and the bank balance was 26,189,703. The County's cash deposits at December 31, 2018 and during the year ended December 31, 2018, 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 30,824,816.
- c. The highest combined balances of cash, savings and time deposit accounts amounted to 32,156,030 and occurred during the month of February, 2018.
- d. Total amount of FDIC coverage at the time of the largest combined balance was 250,000.

**JIM WELLS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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, 2018.

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.

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.

**JIM WELLS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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.

D. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 346,773	\$ --	\$ --	\$ 346,773
Total capital assets not being depreciated	<u>346,773</u>	<u>--</u>	<u>--</u>	<u>346,773</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	43,715,819	--	--	43,715,819
Buildings and improvements	13,491,717	--	--	13,491,717
Machinery & Equipment	9,210,608	1,016,293	(189,491)	10,037,410
Total capital assets being depreciated	<u>66,418,144</u>	<u>1,016,293</u>	<u>(189,491)</u>	<u>67,244,946</u>
Less accumulated depreciation for:				
Infrastructure	(32,744,243)	(151,286)	--	(32,895,529)
Buildings and improvements	(5,906,778)	(278,816)	--	(6,185,594)
Machinery & Equipment	(4,899,482)	(870,289)	118,561	(5,651,210)
Total accumulated depreciation	<u>(43,550,503)</u>	<u>(1,300,391)</u>	<u>118,561</u>	<u>(44,732,333)</u>
Total capital assets being depreciated, net	<u>22,867,641</u>	<u>(284,098)</u>	<u>(70,930)</u>	<u>22,512,613</u>
Governmental activities capital assets, net	<u>\$ 23,214,414</u>	<u>\$ (284,098)</u>	<u>\$ (70,930)</u>	<u>\$ 22,859,386</u>

Depreciation was charged to functions as follows:

General Government	\$ 530,160
Public Protection:	
Courthouse & Buildings	247,074
Probation	26,008
Sheriff	276,082
Fire Protection	39,012
Public Ways and Facilities, Including	
Depreciation of General Infrastructure Assets	182,055
	<u>\$ 1,300,391</u>



**JIM WELLS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**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, 2018,

2. Transfers To and From Other Funds

Transfers to and from other funds at December 31, 2018, consisted of the following:

Transfers out:	Transfers In:		
	General Fund	Nonmajor Governmental	Total
General fund	\$ --	\$ 516,500	\$ 516,500
Nonmajor governmental	--	58,742	58,742
Total transfers out	--	575,242	575,242

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	\$ 7,669,447
Retirement of Long-Term Debt	83,085
	<u>7,752,532</u>
Committed Fund Balance:	
Construction	894,729
Other Committed Fund Balance	--
	<u>894,729</u>
Assigned Fund Balance:	
Other Assigned Fund Balance	--
	<u>--</u>
Unassigned Fund Balance	7,302,040
	<u>7,302,040</u>
Total Fund Balance	<u>\$ 15,949,301</u>

**JIM WELLS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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, 2018.

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Bonds Outstanding</u>
Certificates of Obligation Refunding Bonds, Series 2008	3.86%	May 1, 2008	September 1 2023	\$1,150,000

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended December 31, 2018, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental activities:</u>					
General obligation bonds	\$ 1,355,000	\$ --	\$ 205,000	\$ 1,150,000	210,000
Capital leases	821,792	371,556	316,738	876,610	232,923
Compensated absences *	219,736	152,623	137,944	234,415	90,000
Total governmental activities	<u>\$ 2,396,528</u>	<u>\$ 524,179</u>	<u>\$ 659,682</u>	<u>\$ 2,261,025</u>	<u>\$ 532,923</u>

\* Other long-term liabilities

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

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

2. Debt Service Requirements

Debt service requirements on long-term debt at December 31, 2018, are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 210,000	\$ 42,364	\$ 252,364
2020	220,000	34,161	254,161
2021	230,000	25,573	255,573
2022	240,000	16,598	256,598
2023	250,000	7,237	257,237
Totals	<u>\$ 1,150,000</u>	<u>\$ 125,933</u>	<u>\$ 1,275,933</u>

**JIM WELLS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

H. Commitments Under Leases

Operating Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of December 31, 2018, as follows:

Year Ending December 31, 2019	41,548
Total Minimum Rentals	<u>\$ 41,548</u>
Rental Expenditures in 2018	<u>\$ 62,322</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 March 31, 2018, the County entered into a three year lease agreement, secured by 6 vehicles with Government Capital Corporation, with a maturity date of March 31, 2021. Payments are due in annual installments of \$97,985.17 including interest of 4.78%.
2. On February 28, 2018, the County entered into a 5 year agreement, secured with a Peterbilt with Government Capital Corporation with a maturity date of February 28, 2023. Payments are due in monthly installments of \$1,959.25, including interest of 4.565%.
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 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%.
5. 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%.
6. 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 monthly installments of \$5,529.09 including interest of 3.179%.

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities
Machinery and Equipment	<u>\$ 3,209,062</u>
Less: accumulated depreciation	<u>(1,049,506)</u>
Total	<u>\$ 2,159,556</u>

**JIM WELLS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018 were as follows:

<u>Year Ending December 31,</u>		
2019	\$	267,978
2020		261,532
2021		210,353
2022		112,315
2023		98,032
Total Minimum Lease Payments	\$	<u>950,210</u>
Less: amount representing interest		<u>(73,600)</u>
Present Value of Minimum Lease Payments	\$	<u>876,610</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 2018, the County obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The County pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The County continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

**J. Pension Plan**

**1. Plan Description**

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

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

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

**JIM WELLS COUNTY, TEXAS**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED DECEMBER 31, 2018*

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 6.0% of their annual gross earnings during the fiscal year. The contribution rates for the County were 8% and 8% in calendar years 2017 and 2018, respectively. Jim Wells County's contributions to TCDRS for the fiscal year ended December 31, 2018 were \$920,454 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, 2018**

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	11.50%	4.55%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	16.00%	7.55%
Global Equities	MSCI World (net) Index	1.50%	4.85%
International Equities - Developed	MSCI World Ex USA (net) Index	11.00%	4.55%
International Equities - Emerging	MSCI EM Standard (net) Index	8.00%	5.55%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.75%
Strategic Credit	FTSE High-Yield Cash Pay Capped Index	8.00%	4.12%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.06%
Distressed Debt	Cambridge Associates Distressed Securities (4)	2.00%	8.30%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.05%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (5)	6.00%	6.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	18.00%	4.10%
Total		100.00%	

(1) Target asset allocation adopted at the April 2017 TCDRS 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.

**JIM WELLS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

4. Changes in Net Pension Liability

At December 31, 2018, Jim Wells County reported a net pension liability of \$ 3,378,109. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2016	\$ 40,913,667	\$ 37,535,556	\$ 3,378,111
Changes for the year			
Service cost	1,291,227	-	1,291,227
Interest on total pension liability	3,323,734	-	3,323,734
Effect of plan changes	--	-	--
Effect of economic/demographic gains or losses	(598,806)	-	(598,806)
Effect of assumptions changes or inputs	365,674	-	365,674
Refund of contributions	(272,697)	(272,697)	--
Benefit payments	(2,116,105)	(2,116,105)	--
Administrative expenses	-	(27,905)	27,905
Member contributions	-	561,628	(561,628)
Net investment income	-	5,462,859	(5,462,859)
Employer contributions	-	848,058	(848,058)
Other	-	(30,603)	30,603
Balance at 12/31/2017	\$ 42,906,694	\$ 41,960,792	\$ 945,902

The net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date and for the year then ended.

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

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

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

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.10%) or 1-percentage-point higher (9.10%) than the current rate.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
County's net pension liability	\$ 47,820,955	\$ 42,906,692	\$ 38,712,583
Fiduciary net position	41,960,790	41,960,790	41,960,790
Net pension liability / (asset)	\$ 5,860,165	\$ 945,902	\$ (3,248,207)

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

For the year ended December 31, 2018, the District recognized pension expense of \$953,144.

At December 31, 2018, 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, 2018*

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 724,300	\$ -
Changes in assumptions	-	243,783
Net difference between projected and actual earnings	347,307	--
Contributions subsequent to the measurement date	-	920,454
Total	\$ 1,071,607	\$ 1,164,237

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:	
2019	\$ (57,797)
2020	\$ 171,140
2021	\$ (448,429)
2022	\$ (492,737)
Thereafter	-

**K. Other Post-Employment Benefits**

Group Term Life Insurance Provided Through the Texas County District Retirement System (TCDRS)

**1. Plan Description**

The County provides group term life insurance for all of its full-time employees and retirees through a statewide, multiple-employer, public-employee retirement system through TCERS. The fund for this benefit is a separate trust administered by TCERS. The fund receives monthly premiums and pays benefits when due. The obligations of the program are payable only from this fund, and are not an obligation of, or a claim against, the TCERS Pension Trust Fund. The fund's assets are pooled with those of the Pension Trust Fund under provisions of the TCERS Act and annually receive an allocation of income based on the fund value. The TCERS issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCERS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

Current employees of the plan are insured for an amount equivalent to the employee's current annual compensation. Employers may also choose to cover retirees. Retirees are insured for \$5,000. Life insurance proceeds are payable as a lump sum. The coverage provided to retirees is a post-employment benefit other than pension benefits.

**2. Contributions**

The County contributes to the program at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered payroll of members employed by the County. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

The program is voluntary and the County can cease participation at any time. Therefore, the funding policy of the program is to ensure that adequate resources are available to meet all insurance benefit payments for the upcoming year. It is not the intent of the funding policy to pre-fund retiree term life insurance during employees' entire careers.



**JIM WELLS COUNTY, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Contribution Rates	
	2017	2018
Employee	--	--
Employer	0.35%	0.35%
Fiscal year 2018 employer contributions		\$ 36,701

The County's contributions to TCDRS for the year ended December 31, 2018 were equal to the required contributions.

3. Actuarial Assumptions

The Group Term Life Fund (GTLF) is an optional cost-sharing multiple-employer defined benefit plan that is administered by the TCDRS. It provides death benefits to active and, if elected, retired employees of participating employers. The financing objective of the GTLF is to operate as a group term insured benefit, charging each employer its premium based on current actuarial assumptions and its own demographic membership (number of active and retired members covered by the GTLF). The funding of the GTLF is in accordance with Section 845.406 of the TCDRS statute. Contribution rates are established as a percentage of pay.

The GTLF provides death benefits to both active and retired members. Each participating employer can elect to cover just active members, or active and retired members. The required contribution rates for funding purposes are equal to a premium rate that is individually determined for each participating employer annually, and is based on the mortality and service experience of all employees and retirees covered by the fund and the demographics specific to the workforce of the participating employer. The rate is expressed as a percentage of the compensation of members employed by the participating employer. The required contributions are determined using a one-year term cost funding method.

Employers who participate in the TCDRS retirement plan may elect to participate in the GTLF. Employers may elect to cover members who are active employees only or both members who are active employees and retirees, and may elect to change or discontinue coverage annually.

The County must have elected the applicable Group Term Life coverage for the calendar year in which a member who is an active employee or retiree dies. If death occurs while the member is actively employed, the benefit is an amount equal to the employee's most recent regular annualized salary. The insurance benefit payable upon the death of a retiree is \$5,000.

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Unit credit cost method
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	N/A
Inflation	N/A
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	N/A
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014
Changes in Plan Provisions	None

**JIM WELLS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Discount Rate:**

The OPEB plan has been determined to be an unfunded OPEB plan. Therefore, the discount rate used to measure the total OPEB liability was the municipal bond rate of 3.44%. The current discount rate is a decrease from the previous year's discount rate of 3.78%.

**Changes in the Total OPEB Liability:**

At December 31, 2018 the County reported a total OPEB liability of \$532,302. The changes in the total OPEB liability were as follows:

	Increase (Decrease)
	Total OPEB Liability
Balance at December 31, 2017	\$ 505,140
Changes for the year:	
Service cost	19,110
Interest	19,571
Change in benefit terms	--
Difference between expected and actual experience	(21,003)
Changes in assumptions	22,589
Benefit payments, including refunds of employee contributions	(13,105)
Other charges	--
Net changes	<u>27,162</u>
Balance at December 31, 2018	<u>\$ 532,302</u>

The total OPEB liability was measured as of December 31, 2017 and 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 OPEB liability during the measurement period.

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

**4. Discount Rate Sensitivity Analysis**

The following shows the total OPEB liability calculated using the discount rate of 3.44%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.44%) or 1 percentage point higher (4.44%) than the current rate.

	1% Decrease in Discount Rate (2.44%)	Discount Rate (3.44%)	1% Decrease in Discount rate (4.44%)
Total OPEB Liability	\$ 633,903	\$ 532,302	\$ 453,250

**5. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2018, the County recognized OPEB expense of \$38,945.

**JIM WELLS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience (net of current year amortization)	\$ --	\$ 17,502
Changes in actuarial assumptions (net of current year amortization)	18,824	--
Differences between projected and actual investment earnings (net of current year amortization)	--	--
Contributions subsequent to the measurement date	36,701	--
Total	\$ 55,525	\$ 17,502

\$36,701 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending December 31, 2018. Other amounts reported as deferred outflows and inflows of resources to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended December 31		
2019	\$	264
2020	\$	264
2021	\$	264
2022	\$	264
2023	\$	264
Thereafter	\$	--

**L. Health Care Coverage**

During the year ended December 31, 2018, 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, 2019, and the terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the Plan are available for the year ended December 31, 2018, and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

**M. 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, 2018.

**JIM WELLS COUNTY, TEXAS**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED DECEMBER 31, 2018*

N. Budgeted Funds

The following funds had adopted budgets for the fiscal year ended December 31, 2018:

General Fund  
Road and Bridge Funds  
Small Dams Fund  
Law Library Fund  
Debt Service Fund  
Jail Expansion Fund  
Road Bond 19767 Fund

O. Due to Other Governments

The County has been notified by the State Comptroller of Texas that it has been overpaid two different amounts in local sales and use taxes. This overpayment was the result of an audit of a direct pay taxpayer in which it was determined that the taxpayer erred and accrued local use tax based on items that were not taxable. As of the December 31, 2018, the County owes \$281,783. This amount is made up of \$68,615.68 that is being deducted from the monthly sales tax allocation in the amount of \$5,719 through December, 2019. Another amount of \$108,763.70 is being deducted from the monthly sales tax allocation in the amount of \$3,296 through September, 2021. With another amount of \$104,403.90 being deducted from the monthly sales tax allocation in the amount of \$2,822 through January, 2022.

P. Prior Period Adjustment

During the year ended December 31, 2018, a prior period adjustment of \$121,335 was made to the general fund for an understatement of liabilities of local sales and use taxes. The County adopted GASB statement No. 75 and the County assumed their proportional share of net OPEB liability of the Texas County and District Retirement System of Texas. Adoption of GASB 75 required a prior period adjustment to report the effect of GASB 75 retroactively. The prior period adjustment totaled (\$466,762) which resulted in a decrease to beginning net position for the government wide statements.

Q. Subsequent Events

The County has evaluated subsequent events through July 10, 2019, 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, 2018**

**EXHIBIT B-1**  
Page 1 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Taxes:				
<i>General Property Taxes</i>	\$ 11,435,455	\$ 11,435,455	\$ 11,988,531	\$ 553,076
<i>General Sales and Use Taxes</i>	2,084,354	2,086,354	2,486,829	400,475
License and Permits	97,000	97,000	83,280	(13,720)
Intergovernmental	529,747	783,094	780,827	(2,267)
Charges for Services	16,500	16,500	18,292	1,792
Fines and Forfeitures	345,000	345,000	407,073	62,073
Fees of Office	1,135,550	1,135,550	713,758	(421,792)
Investment Earnings	45,000	45,000	50,265	5,265
Miscellaneous Revenues	231,378	231,378	261,501	30,123
Total revenues	<u>15,919,984</u>	<u>16,175,331</u>	<u>16,790,356</u>	<u>615,025</u>
<b>EXPENDITURES:</b>				
<b>General Government</b>				
<b>County Judge</b>				
<i>Personal Services</i>	208,356	208,356	206,961	1,395
<i>Supplies</i>	5,200	5,200	2,838	2,362
<i>Other Services and Charges</i>	7,700	7,700	5,299	2,401
<i>Capital Outlay</i>	2,000	2,000	--	2,000
Total County Judge	<u>223,256</u>	<u>223,256</u>	<u>215,098</u>	<u>8,158</u>
<b>County Clerk</b>				
<i>Personal Services</i>	349,279	349,279	334,184	15,095
<i>Supplies</i>	9,000	4,180	4,087	93
<i>Other Services and Charges</i>	49,375	55,533	53,860	1,673
Total County Clerk	<u>407,654</u>	<u>408,992</u>	<u>392,131</u>	<u>16,861</u>
<b>Veterans Service</b>				
<i>Personal Services</i>	47,222	47,222	46,875	347
<i>Supplies</i>	500	1,105	1,113	(8)
<i>Other Services and Charges</i>	41,700	41,095	40,343	752
Total Veterans Service	<u>89,422</u>	<u>89,422</u>	<u>88,331</u>	<u>1,091</u>
<b>County Auditor</b>				
<i>Personal Services</i>	512,164	512,164	510,092	2,072
<i>Supplies</i>	11,000	11,000	9,594	1,406
<i>Other Services and Charges</i>	58,193	58,193	35,434	22,759
Total County Auditor	<u>581,357</u>	<u>581,357</u>	<u>555,120</u>	<u>26,237</u>
<b>County Treasurer</b>				
<i>Personal Services</i>	163,687	163,687	157,118	6,569
<i>Supplies</i>	1,000	1,000	660	340
<i>Other Services and Charges</i>	3,100	3,100	2,488	612
Total County Treasurer	<u>167,787</u>	<u>167,787</u>	<u>160,266</u>	<u>7,521</u>
<b>Tax Assessor-Collector</b>				
<i>Personal Services</i>	437,611	437,611	407,312	30,299
<i>Supplies</i>	2,500	2,400	1,778	622
<i>Other Services and Charges</i>	482,828	482,928	616,230	(133,302)
Total Tax Assessor-Collector	<u>922,939</u>	<u>922,939</u>	<u>1,025,320</u>	<u>(102,381)</u>
<b>County Courthouse and Annex</b>				
<i>Personal Services</i>	199,330	199,330	206,791	(7,461)
<i>Supplies</i>	44,500	44,500	46,480	(1,980)
<i>Other Services and Charges</i>	671,600	766,600	843,784	(77,184)
Total County Courthouse and Annex	<u>915,430</u>	<u>1,010,430</u>	<u>1,097,055</u>	<u>(86,625)</u>

**JIM WELLS COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**EXHIBIT B-1**  
Page 2 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>County Airport</b>				
<i>Other Services and Charges</i>	50,000	50,000	1,527	48,473
<i>Total County Airport</i>	50,000	50,000	1,527	48,473
<b>Elections</b>				
<i>Personal Services</i>	157,264	157,264	163,001	(5,737)
<i>Supplies</i>	16,300	15,500	13,582	1,918
<i>Other Services and Charges</i>	34,702	35,502	31,685	3,817
<i>Total Elections</i>	208,266	208,266	208,268	(2)
<b>Non-Departmental</b>				
<i>Personal Services</i>	82,493	77,493	79,228	(1,735)
<i>Supplies</i>	63,900	53,900	50,326	3,574
<i>Other Services and Charges</i>	680,156	669,571	647,076	22,495
<i>Capital Outlay</i>	--	--	13,592	(13,592)
<i>Total Non-Departmental</i>	826,549	800,964	790,222	10,742
<b>Total General Government</b>	4,392,660	4,463,413	4,533,338	(69,925)
<b>Judicial</b>				
<b>County court</b>				
<i>Personal Services</i>	390,814	390,814	400,648	(9,834)
<i>Supplies</i>	3,000	3,000	1,671	1,329
<i>Other Services and Charges</i>	173,625	193,625	215,638	(22,013)
<i>Total County Court</i>	567,439	587,439	617,957	(30,518)
<b>District Court</b>				
<i>Personal Services</i>	382,258	422,040	386,303	35,737
<i>Supplies</i>	5,000	5,000	2,893	2,107
<i>Other Services and Charges</i>	188,254	188,254	123,018	65,236
<i>Total District Court</i>	575,512	615,294	512,214	103,080
<b>District Clerk</b>				
<i>Personal Services</i>	462,023	462,023	447,047	14,976
<i>Supplies</i>	14,000	8,800	9,202	(402)
<i>Other Services and Charges</i>	39,100	44,300	45,038	(738)
<i>Total District Clerk</i>	515,123	515,123	501,287	13,836
<b>Justice of the Peace</b>				
<i>Personal Services</i>	736,785	734,853	721,430	13,423
<i>Supplies</i>	9,750	12,754	19,466	(6,712)
<i>Other Services and Charges</i>	28,500	29,928	31,327	(1,399)
<i>Total Justice of the Peace</i>	775,035	777,535	772,223	5,312
<b>County Attorney</b>				
<i>Personal Services</i>	552,192	548,579	538,394	10,185
<i>Supplies</i>	5,000	5,000	4,245	755
<i>Other Services and Charges</i>	7,094	10,707	8,320	2,387
<i>Total County Attorney</i>	564,286	564,286	550,959	13,327
<b>District Attorney</b>				
<i>Personal Services</i>	719,580	719,580	725,381	(5,801)
<i>Supplies</i>	6,000	6,000	4,078	1,922
<i>Other Services and Charges</i>	15,000	15,000	10,829	4,171
<i>Total District Attorney</i>	740,580	740,580	740,288	292
<b>Total Judicial</b>	3,737,976	3,800,257	3,694,928	105,329
<b>Public Safety</b>				
<b>Ambulance</b>				
<i>Other Services and Charges</i>	218,000	218,000	218,000	--
<i>Total Ambulance</i>	218,000	218,000	218,000	--



**JIM WELLS COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**EXHIBIT B-1**  
Page 3 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Fire Protection</b>				
<i>Other Services and Charges</i>	150,000	35,027	21,777	13,250
<i>Total Fire Protection</i>	150,000	35,027	21,777	13,250
<b>Constable</b>				
<i>Personal Services</i>	322,931	322,931	343,864	(20,933)
<i>Supplies</i>	10,170	8,670	3,789	4,881
<i>Other Services and Charges</i>	21,660	23,160	11,062	12,098
<i>Total Constable</i>	354,761	354,761	358,715	(3,954)
<b>Sheriff</b>				
<i>Personal Services</i>	3,344,395	3,597,742	3,623,890	(26,148)
<i>Supplies</i>	399,065	399,065	386,378	12,687
<i>Other Services and Charges</i>	481,365	481,365	468,575	12,790
<i>Capital Outlay</i>	317,976	317,976	267,676	50,300
<i>Total Sheriff</i>	4,542,801	4,796,148	4,746,519	49,629
<b>Juvenile Corrections Board</b>				
<i>Personal Services</i>	26,509	26,509	24,450	2,059
<i>Supplies</i>	16,551	21,651	19,708	1,943
<i>Other Services and Charges</i>	303,600	298,500	308,592	(10,092)
<i>Total Juvenile Corrections Board</i>	346,660	346,660	352,750	(6,090)
<b>Safety Department</b>				
<i>Personal Services</i>	110,732	110,732	111,551	(819)
<i>Supplies</i>	4,500	3,500	1,929	1,571
<i>Other Services and Charges</i>	8,670	9,670	6,002	3,668
<i>Total Safety Department</i>	123,902	123,902	119,482	4,420
<b>Vector Control</b>				
<i>Supplies</i>	10,000	1,000	961	39
<i>Other Services and Charges</i>	1,450	1,450	513	937
<i>Total Vector Control</i>	11,450	2,450	1,474	976
<b>Adult Probation</b>				
<i>Other Services and Charges</i>	42,772	32,772	11,337	21,435
<i>Capital Outlay</i>	--	10,000	6,865	3,135
<i>Total Adult Probation</i>	42,772	42,772	18,202	24,570
<b>Total Public Safety</b>	5,949,797	6,071,915	5,945,697	126,218
<b>Health and Welfare</b>				
<i>Personal Services</i>	49,242	49,242	49,499	(257)
<i>Supplies</i>	700	700	642	58
<i>Other Services and Charges</i>	57,142	57,142	31,890	25,252
<i>Total Health and Welfare</i>	107,084	107,084	82,031	25,053
<b>Culture and Recreation</b>				
<i>Jim Wells County Library</i>				
<i>Other Services and Charges</i>	60,000	60,000	50,000	10,000
<i>Total Jim Wells County Library</i>	60,000	60,000	50,000	10,000
Parks Department				
<i>Other Services and Charges</i>	13,500	13,500	9,600	3,900
<i>Total Parks Department</i>	13,500	13,500	9,600	3,900
Orange Grove Center				
<i>Other Services and Charges</i>	--	--	4,532	(4,532)
<i>Total Orange Grove Center</i>	--	--	4,532	(4,532)
<b>Total Culture and Recreation</b>	73,500	73,500	64,132	9,368

**JIM WELLS COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**EXHIBIT B-1**  
Page 4 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Conservation</b>				
<b>Agriculture Extension Service</b>				
<i>Personal Services</i>	144,897	144,897	145,132	(235)
<i>Supplies</i>	2,500	1,193	7,398	(6,205)
<i>Other Services and Charges</i>	50,400	52,177	57,640	(5,463)
<i>Total Agriculture Extension Service</i>	<u>197,797</u>	<u>198,267</u>	<u>210,170</u>	<u>(11,903)</u>
<b>Economic Development and Assistance</b>				
<i>Personal Services</i>	54,870	54,370	55,432	(1,062)
<i>Other Services and Charges</i>	82,500	83,000	79,701	3,299
<i>Total Economic Development and Assistance</i>	<u>137,370</u>	<u>137,370</u>	<u>135,133</u>	<u>2,237</u>
<b>Debt Service:</b>				
<i>Principal</i>	7,100	136,602	134,700	1,902
<i>Interest and Fiscal Charges</i>	--	--	1,901	(1,901)
<i>Total Debt Service</i>	<u>7,100</u>	<u>136,602</u>	<u>136,601</u>	<u>1</u>
<b>Total Expenditures</b>	<u>14,603,283</u>	<u>14,988,408</u>	<u>14,802,030</u>	<u>186,378</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,316,701</u>	<u>1,186,923</u>	<u>1,988,326</u>	<u>801,403</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	--	--	2,000	2,000
<i>Transfers Out</i>	(1,089,344)	(1,089,344)	(516,500)	(572,844)
<i>Capital Leases</i>	267,976	267,976	267,976	--
<i>Total Other Financing Sources (Uses)</i>	<u>(821,368)</u>	<u>(821,368)</u>	<u>(246,524)</u>	<u>(574,844)</u>
Net Change in Fund Balances	495,333	365,555	1,741,802	1,376,247
Fund Balances - Beginning	5,681,573	5,681,573	5,681,573	--
Increase (Decrease) in Fund Balance	--	--	(121,335)	(121,335)
Fund Balances - Ending	<u>\$ 6,176,905</u>	<u>\$ 6,047,127</u>	<u>\$ 7,302,040</u>	<u>\$ 1,254,913</u>

**JIM WELLS COUNTY, TEXAS**  
**SCHEDULE OF CHANGES IN THE COUNTY'S**  
**NET POSITION LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	2017	2016	2015	2014
Total Pension Liability:				
Service cost	\$ 1,291,227	\$ 1,495,734	\$ 1,290,592	\$ 1,292,660
Interest	3,323,734	3,187,787	3,058,111	2,907,143
Changes of benefit terms		(431,184)	(162,268)	--
Difference between expected and actual experience	(598,806)	(975,283)	(751,373)	(67,749)
Benefit payments, including refunds of employee contributions	(2,023,128)	(2,348,036)	(1,278,502)	(1,471,906)
Net change in total pension liability	1,993,027	929,018	2,156,560	2,660,148
Total pension liability -beginning	40,913,667	39,984,649	37,828,089	35,978,529
Total pension liability-ending (a)	<u>\$ 42,906,694</u>	<u>\$ 40,913,667</u>	<u>\$ 39,984,649</u>	<u>\$ 38,638,677</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 848,058	\$ 1,122,930	\$ 1,110,494	\$ 1,142,342
Contributions - employee	561,628	622,697	617,908	591,887
Net investment income	5,462,859	2,635,191	(528,742)	2,287,706
Benefit payments, including refunds of employee contributions	(2,388,802)	(2,348,036)	(1,724,687)	(1,471,906)
Administrative expense	(27,905)	(28,652)	(25,862)	(26,972)
Other	(30,604)	(90,829)	(63,876)	(32,749)
Net Change in plan fiduciary net position	4,425,234	1,913,301	(614,765)	2,490,308
Plan fiduciary net position -beginning	37,535,557	35,622,256	36,237,022	33,746,713
Plan fiduciary net position -ending (b)	<u>\$ 41,960,791</u>	<u>\$ 37,535,557</u>	<u>\$ 35,622,257</u>	<u>\$ 36,237,021</u>
County's net position liability - ending (a) - (b)	\$ 945,903	\$ 3,378,110	\$ 4,362,392	\$ 2,401,656
Plan fiduciary net position as a percentage of the total pension liability	97.80%	91.74%	89.09%	93.78%
Covered payroll	\$ 9,360,464	\$ 10,378,279	\$ 11,140,898	\$ 9,864,786
County's net position liability as a percentage of covered payroll	10.11%	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, 2018

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 920,454	\$ 848,058	\$ 1,122,930	\$ 1,110,494	\$ 1,142,342
Contributions in relation to the actuarially required contribution	<u>(920,454)</u>	<u>(848,058)</u>	<u>(1,122,930)</u>	<u>(1,110,494)</u>	<u>(1,142,342)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	\$ 10,642,885	\$ 9,360,464	\$ 10,378,279	\$ 10,244,406	\$ 9,864,786
Contributions as a percentage of covered payroll	8.65%	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 PENSION CONTRIBUTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	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**  
*SCHEDULE OF THE CHANGES IN TOTAL OPEB  
 LIABILITY AND RELATED RATIOS  
 FOR THE YEAR ENDED DECEMBER 31, 2018  
 LAST TEN FISCAL YEARS \**

**EXHIBIT B-4**

	<u>2017</u>
Total OPEB Liability	
Service cost	\$ 19,110
Interest (on the total OPEB liability)	19,571
Change in benefit terms	-
Difference between expected and actual experience	(21,003)
Change of assumptions	22,589
Benefit payments, including refunds of employee contributions	<u>(13,105)</u>
Net Change in Total OPEB Liability	27,162
Total OPEB Liability - Beginning	<u>505,140</u>
 Total OPEB Liability - Ending	 <u>\$ 532,302</u>
 Covered payroll	 \$ 9,360,464
 Total OPEB Liability as a Percentage of Covered Payroll	 5.69%

\* 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  
NOTES TO SCHEDULE OF OPEB CONTRIBUTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**Valuation Date:** 31, two years prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry age
Amortization Method	Straight-line amortization of expected working life
Remaining Amortization Period	NA
Asset Valuation Method	NA
Inflation	NA
Salary Increases	NA
Investment Rate of Return	3.44%, based on 20-year Bond GO Index published by bondbuyer.com as of December 28, 2017
Retirement Age	NA
Mortality	See Tables 1 thru 4 in the Milliman Valuation Report

**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, 2018*

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 1<sup>st</sup> 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, 2018**

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 7,626,513	\$ 83,085	\$ 894,729	\$ 8,604,327
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	2,728,801	--	--	2,728,801
<i>Sales Taxes Receivable</i>	105,927	--	--	105,927
Total Assets	<u>\$ 10,461,241</u>	<u>\$ 83,085</u>	<u>\$ 894,729</u>	<u>\$ 11,439,055</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 5,463	\$ --	\$ --	\$ 5,463
<i>Deferred Revenue</i>	9,511	--	--	9,511
Total Liabilities	<u>14,974</u>	<u>--</u>	<u>--</u>	<u>14,974</u>
DEFERRED INFLOWS OF RESOURCES:				
<i>Unavailable Revenue Property Taxes</i>	2,776,820	--	--	2,776,820
Total Deferred Inflows of Resources	<u>2,776,820</u>	<u>--</u>	<u>--</u>	<u>2,776,820</u>
Fund Balances:				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	7,669,447	--	--	7,669,447
Retirement of Long-Term Debt	--	83,085	--	83,085
<i>Capital Project Funds</i>	--	--	894,729	894,729
Total Fund Balance	<u>7,669,447</u>	<u>83,085</u>	<u>894,729</u>	<u>8,647,261</u>
Total Liabilities and Fund Balance	<u>\$ 10,461,241</u>	<u>\$ 83,085</u>	<u>\$ 894,729</u>	<u>\$ 11,439,055</u>

**JIM WELLS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:				
Taxes:				
<i>General Property Taxes</i>	\$ 3,017,276	\$ 260,993	\$ --	\$ 3,278,269
<i>General Sales and Use Taxes</i>	598,472	--	--	598,472
<i>License and Permits</i>	370,661	--	--	370,661
<i>Intergovernmental</i>	2,119,771	--	--	2,119,771
<i>Charges for Services</i>	324,250	--	--	324,250
<i>Fines and Forfeitures</i>	1,779,173	--	--	1,779,173
<i>Fees of Office</i>	845,765	--	--	845,765
<i>Investment Earnings</i>	32,083	592	797	33,472
<i>Miscellaneous Revenues</i>	326,822	--	2,977	329,799
Total revenues	<u>9,414,273</u>	<u>261,585</u>	<u>3,774</u>	<u>9,679,632</u>
Expenditures:				
Current:				
<i>General Government</i>	19,752	--	--	19,752
<i>Judicial</i>	339,394	--	--	339,394
<i>Public Safety</i>	2,682,165	--	98,017	2,780,182
<i>Public Transportation</i>	4,565,691	--	--	4,565,691
<i>Health and Welfare</i>	511,469	--	--	511,469
Debt Service:				
<i>Principal</i>	182,038	205,000	--	387,038
<i>Interest and Fiscal Charges</i>	23,933	50,277	--	74,210
Total Expenditures	<u>8,324,442</u>	<u>255,277</u>	<u>98,017</u>	<u>8,677,736</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,089,831</u>	<u>6,308</u>	<u>(94,243)</u>	<u>1,001,896</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	573,242	--	--	573,242
<i>Transfers Out</i>	(58,742)	--	--	(58,742)
<i>Capital Leases</i>	103,581	--	--	103,581
Total Other Financing Sources (Uses)	<u>618,081</u>	<u>--</u>	<u>--</u>	<u>618,081</u>
Net Change in Fund Balances	1,707,912	6,308	(94,243)	1,619,977
Fund Balances - Beginning	5,961,535	76,777	988,972	7,027,284
Fund Balances - Ending	<u>\$ 7,669,447</u>	<u>\$ 83,085</u>	<u>\$ 894,729</u>	<u>\$ 8,647,261</u>

**JIM WELLS COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2018**

	Road & Bridge No. 21 Fund	Road & Bridge No. 22 Fund	Road & Bridge No. 23 Fund	Road & Bridge No. 24 Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 91,069	\$ 1,251,821	\$ 1,577,362	\$ 1,226,341
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	563,391	409,330	839,979	916,101
<i>Sales Taxes Receivable</i>	59,197	8,651	18,906	19,173
Total Assets	<u>\$ 713,657</u>	<u>\$ 1,669,802</u>	<u>\$ 2,436,247</u>	<u>\$ 2,161,615</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
<i>Accounts Payable</i>	\$ 5,463	\$ --	\$ --	\$ --
<i>Deferred Revenue</i>	--	--	--	--
Total Liabilities	<u>5,463</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
<i>Unavailable Revenue Property Taxes</i>	611,412	409,330	839,978	916,100
Total Deferred Inflows of Resources	<u>611,412</u>	<u>409,330</u>	<u>839,978</u>	<u>916,100</u>
<b>Fund Balances:</b>				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	<u>96,782</u>	<u>1,260,472</u>	<u>1,596,269</u>	<u>1,245,515</u>
Total Fund Balance	<u>96,782</u>	<u>1,260,472</u>	<u>1,596,269</u>	<u>1,245,515</u>
Total Liabilities and Fund Balance	<u>\$ 713,657</u>	<u>\$ 1,669,802</u>	<u>\$ 2,436,247</u>	<u>\$ 2,161,615</u>

Indigent Health Care Fund	Sheriff Impound Fees	Small Dams No. 32 Fund	Jail Commissary Fund	CSCD Specialized Caseload (SO)
\$ 75,193	\$ 39,724	\$ 156,199	\$ 37,319	\$ 9,021
--	--	--	--	--
--	--	--	--	--
<u>\$ 75,193</u>	<u>\$ 39,724</u>	<u>\$ 156,199</u>	<u>\$ 37,319</u>	<u>\$ 9,021</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>75,193</u>	<u>39,724</u>	<u>156,199</u>	<u>37,319</u>	<u>9,021</u>
<u>75,193</u>	<u>39,724</u>	<u>156,199</u>	<u>37,319</u>	<u>9,021</u>
<u>\$ 75,193</u>	<u>\$ 39,724</u>	<u>\$ 156,199</u>	<u>\$ 37,319</u>	<u>\$ 9,021</u>

**JIM WELLS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2018

	<u>DA State Grant Fund</u>	<u>Pre-Trial Bond Supervision</u>	<u>CSCD After Care Caseload</u>	<u>County Attorney Check Collection</u>
<b>ASSETS</b>				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 113,345	\$ 60,578	\$ 8,785	\$ 14,059
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	--	--	--	--
<i>Sales Taxes Receivable</i>	--	--	--	--
Total Assets	<u>\$ 113,345</u>	<u>\$ 60,578</u>	<u>\$ 8,785</u>	<u>\$ 14,059</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Deferred Revenue</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
<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	<u>113,345</u>	<u>60,578</u>	<u>8,785</u>	<u>14,059</u>
Total Fund Balance	<u>113,345</u>	<u>60,578</u>	<u>8,785</u>	<u>14,059</u>
 Total Liabilities and Fund Balance	 <u>\$ 113,345</u>	 <u>\$ 60,578</u>	 <u>\$ 8,785</u>	 <u>\$ 14,059</u>

Juvenile Probation Fund	Adult Probation Fund	State Juvenile Probation Fund	Colonia Grant Fund	Home Program Fund
\$ 180	\$ 100,956	\$ 111,723	\$ --	\$ 9,638
--	--	--	--	--
--	--	--	--	--
<u>\$ 180</u>	<u>\$ 100,956</u>	<u>\$ 111,723</u>	<u>\$ --</u>	<u>\$ 9,638</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	9,511
--	--	--	--	9,511
--	--	--	--	--
--	--	--	--	--
180	100,956	111,723	--	127
180	100,956	111,723	--	127
<u>\$ 180</u>	<u>\$ 100,956</u>	<u>\$ 111,723</u>	<u>\$ --</u>	<u>\$ 9,638</u>



**JIM WELLS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2018

	<u>Law Library Fund</u>	<u>Disaster Relief Fund</u>	<u>Drug Abuse and Rehabilitation Fund</u>	<u>County Attorney Crime Prevention Fund</u>
<b>ASSETS</b>				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 2,223	\$ --	\$ 72,955	\$ 8,745
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	--	--	--	--
<i>Sales Taxes Receivable</i>	--	--	--	--
Total Assets	<u>\$ 2,223</u>	<u>\$ --</u>	<u>\$ 72,955</u>	<u>\$ 8,745</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Deferred Revenue</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
<i>Unavailable Revenue Property Taxes</i>	--	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balances:</b>				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	2,223	--	72,955	8,745
Total Fund Balance	<u>2,223</u>	<u>--</u>	<u>72,955</u>	<u>8,745</u>
 Total Liabilities and Fund Balance	 <u>\$ 2,223</u>	 <u>\$ --</u>	 <u>\$ 72,955</u>	 <u>\$ 8,745</u>

	79th Judicial District Attorney Forfeiture Fund	Sheriff Drug Forfeiture Fund	Sheriff Forfeiture Fund	Community Corrections Fund	Constable Prct 5 Drug Forfeiture Fund
	\$ 637,854	\$ 998,247	\$ 51,368	\$ 21,772	\$ 37,067
	--	--	--	--	--
	--	--	--	--	--
	<u>\$ 637,854</u>	<u>\$ 998,247</u>	<u>\$ 51,368</u>	<u>\$ 21,772</u>	<u>\$ 37,067</u>
	\$ --	\$ --	\$ --	\$ --	\$ --
	--	--	--	--	--
	--	--	--	--	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	637,854	998,247	51,368	21,772	37,067
	<u>637,854</u>	<u>998,247</u>	<u>51,368</u>	<u>21,772</u>	<u>37,067</u>
	<u>\$ 637,854</u>	<u>\$ 998,247</u>	<u>\$ 51,368</u>	<u>\$ 21,772</u>	<u>\$ 37,067</u>

**JIM WELLS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2018

	Drug and Alcohol Court Fund	JP Technology Fund
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Assets:		
<i>Cash and Cash Equivalents</i>	\$ 11,436	\$ 8,056
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	--	--
<i>Sales Taxes Receivable</i>	--	--
Total Assets	<u>\$ 11,436</u>	<u>\$ 8,056</u>
<b>LIABILITIES AND FUND BALANCES:</b>		
Liabilities:		
<i>Accounts Payable</i>	\$ --	\$ --
<i>Deferred Revenue</i>	--	--
Total Liabilities	<u>--</u>	<u>--</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
<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	11,436	8,056
Total Fund Balance	<u>11,436</u>	<u>8,056</u>
Total Liabilities and Fund Balance	<u>\$ 11,436</u>	<u>\$ 8,056</u>

County and District Court Technology Fund	Records Preservation Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 3,707	\$ 889,770	\$ 7,626,513
--	--	2,728,801
--	--	105,927
<u>\$ 3,707</u>	<u>\$ 889,770</u>	<u>\$ 10,461,241</u>
\$ --	\$ --	\$ 5,463
--	--	9,511
--	--	<u>14,974</u>
--	--	2,776,820
--	--	<u>2,776,820</u>
<u>3,707</u>	<u>889,770</u>	<u>7,669,447</u>
<u>3,707</u>	<u>889,770</u>	<u>7,669,447</u>
<u>\$ 3,707</u>	<u>\$ 889,770</u>	<u>\$ 10,461,241</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, 2018

	Road & Bridge No. 21 Fund	Road & Bridge No. 22 Fund	Road & Bridge No. 23 Fund	Road & Bridge No. 24 Fund
<b>Revenue:</b>				
<i>Taxes:</i>				
<i>General Property Taxes</i>	\$ 602,817	\$ 489,227	\$ 962,622	\$ 962,610
<i>General Sales and Use Taxes</i>	115,505	89,412	195,401	198,154
<i>License and Permits</i>	79,675	49,081	118,392	123,513
<i>Intergovernmental</i>	34,525	19,323	187,895	42,823
<i>Charges for Services</i>	--	--	--	--
<i>Fines and Forfeitures</i>	1,408	878	2,121	2,180
<i>Fees of Office</i>	362,656	48,266	152,093	120,520
<i>Investment Earnings</i>	1,418	6,230	7,100	6,372
<i>Miscellaneous Revenues</i>	31,854	20,000	131,446	77,850
Total revenues	<u>1,229,858</u>	<u>722,417</u>	<u>1,757,070</u>	<u>1,534,022</u>
<b>Expenditures:</b>				
<i>Current:</i>				
<i>General Government</i>	--	--	--	--
<i>Judicial</i>	--	--	--	--
<i>Public Safety</i>	--	--	--	--
<i>Public Transportation</i>	1,119,217	721,120	1,370,842	1,344,182
<i>Health and Welfare</i>	--	--	--	--
<i>Debt Service:</i>				
<i>Principal</i>	63,930	--	--	--
<i>Interest and Fiscal Charges</i>	15,312	--	--	--
Total Expenditures	<u>1,198,459</u>	<u>721,120</u>	<u>1,370,842</u>	<u>1,344,182</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>31,399</u>	<u>1,297</u>	<u>386,228</u>	<u>189,840</u>
<b>Other Financing Sources (Uses):</b>				
<i>Transfers In</i>	--	--	--	--
<i>Transfers Out</i>	(7,301)	(4,314)	(10,619)	(10,951)
<i>Capital Leases</i>	103,581	--	--	--
Total Other Financing Sources (Uses)	<u>96,280</u>	<u>(4,314)</u>	<u>(10,619)</u>	<u>(10,951)</u>
Net Change in Fund Balances	127,679	(3,017)	375,609	178,889
Fund Balances - Beginning	(30,897)	1,263,489	1,220,660	1,066,626
Fund Balances - Ending	<u>\$ 96,782</u>	<u>\$ 1,260,472</u>	<u>\$ 1,596,269</u>	<u>\$ 1,245,515</u>

Indigent Health Care Fund	Sheriff Impound Fees	Small Dams No. 32 Fund	Jail Commissary Fund	CSCD Specialized Caseload (SO)
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	151,772	44,680
--	5,915	--	--	--
--	--	--	--	--
--	--	--	--	--
206	154	602	--	29
40,238	--	--	--	--
<u>40,444</u>	<u>6,069</u>	<u>602</u>	<u>151,772</u>	<u>44,709</u>
--	--	--	--	--
--	--	--	--	--
--	3,629	--	144,326	40,551
--	--	10,330	--	--
388,574	--	--	--	--
--	--	--	--	--
<u>388,574</u>	<u>3,629</u>	<u>10,330</u>	<u>144,326</u>	<u>40,551</u>
<u>(348,130)</u>	<u>2,440</u>	<u>(9,728)</u>	<u>7,446</u>	<u>4,158</u>
425,000	--	33,185	--	564
--	--	--	--	(1,864)
--	--	--	--	--
<u>425,000</u>	<u>--</u>	<u>33,185</u>	<u>--</u>	<u>(1,300)</u>
76,870	2,440	23,457	7,446	2,858
(1,677)	37,284	132,742	29,873	6,163
<u>\$ 75,193</u>	<u>\$ 39,724</u>	<u>\$ 156,199</u>	<u>\$ 37,319</u>	<u>\$ 9,021</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, 2018

	DA State Grant Fund	Pre-Trial Bond Supervision	GSCD 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>	293,475	122,405	38,963	--
<i>Charges for Services</i>	--	--	--	--
<i>Fines and Forfeitures</i>	--	--	--	13,805
<i>Fees of Office</i>	--	--	--	--
<i>Investment Earnings</i>	375	193	--	32
<i>Miscellaneous Revenues</i>	--	--	--	--
Total revenues	<u>293,850</u>	<u>122,598</u>	<u>38,963</u>	<u>13,837</u>
Expenditures:				
Current:				
<i>General Government</i>	--	--	--	--
<i>Judicial</i>	285,921	--	--	934
<i>Public Safety</i>	--	108,845	--	--
<i>Public Transportation</i>	--	--	--	--
<i>Health and Welfare</i>	--	--	34,354	--
Debt Service:				
<i>Principal</i>	--	--	--	--
<i>Interest and Fiscal Charges</i>	--	--	--	--
Total Expenditures	<u>285,921</u>	<u>108,845</u>	<u>34,354</u>	<u>934</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,929</u>	<u>13,753</u>	<u>4,609</u>	<u>12,903</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	--	--	1,300	--
<i>Transfers Out</i>	--	--	(3,550)	--
<i>Capital Leases</i>	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(2,250)</u>	<u>--</u>
Net Change in Fund Balances	7,929	13,753	2,359	12,903
Fund Balances - Beginning	105,416	46,825	6,426	1,156
Fund Balances - Ending	<u>\$ 113,345</u>	<u>\$ 60,578</u>	<u>\$ 8,785</u>	<u>\$ 14,059</u>

Juvenile Probation Fund	Adult Probation Fund	State Juvenile Probation Fund	Colonia Grant Fund	Home Program Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	326,243	467,220	32,201	--
--	318,335	--	--	--
--	--	--	--	--
--	543	480	--	--
--	--	--	--	--
<u>--</u>	<u>645,121</u>	<u>467,700</u>	<u>32,201</u>	<u>--</u>
--	--	--	--	--
--	668,084	520,726	--	--
--	--	--	32,201	--
--	--	--	--	--
<u>--</u>	<u>668,084</u>	<u>520,726</u>	<u>32,201</u>	<u>--</u>
--	(22,963)	(53,026)	--	--
--	82,471	--	--	--
--	(9,121)	--	--	--
--	--	--	--	--
<u>--</u>	<u>73,350</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	50,387	(53,026)	--	--
180	50,569	164,749	--	127
<u>\$ 180</u>	<u>\$ 100,956</u>	<u>\$ 111,723</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, 2018

	Law Library Fund	Disaster Relief Fund	Drug Abuse and Rehabilitation Fund	County Attorney Crime Prevention Fund
Revenue:				
Taxes:				
<i>General Property Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>General Sales and Use Taxes</i>	--	--	--	--
<i>License and Permits</i>	--	--	--	--
<i>Intergovernmental</i>	--	56,340	51,763	11,963
<i>Charges for Services</i>	--	--	--	--
<i>Fines and Forfeitures</i>	--	--	--	--
<i>Fees of Office</i>	22,890	--	--	--
<i>Investment Earnings</i>	11	--	193	9
<i>Miscellaneous Revenues</i>	--	--	--	--
Total revenues	<u>22,901</u>	<u>56,340</u>	<u>51,956</u>	<u>11,972</u>
Expenditures:				
Current:				
<i>General Government</i>	--	--	--	--
<i>Judicial</i>	41,279	--	--	--
<i>Public Safety</i>	--	--	13,000	17,963
<i>Public Transportation</i>	--	--	--	--
<i>Health and Welfare</i>	--	56,340	--	--
Debt Service:				
<i>Principal</i>	--	--	--	--
<i>Interest and Fiscal Charges</i>	--	--	--	--
Total Expenditures	<u>41,279</u>	<u>56,340</u>	<u>13,000</u>	<u>17,963</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(18,378)</u>	<u>--</u>	<u>38,956</u>	<u>(5,991)</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	16,500	--	--	10,481
<i>Transfers Out</i>	(500)	--	--	--
<i>Capital Leases</i>	--	--	--	--
Total Other Financing Sources (Uses)	<u>16,000</u>	<u>--</u>	<u>--</u>	<u>10,481</u>
Net Change in Fund Balances	(2,378)	--	38,956	4,490
Fund Balances - Beginning	4,601	--	33,999	4,255
Fund Balances - Ending	<u>\$ 2,223</u>	<u>\$ --</u>	<u>\$ 72,955</u>	<u>\$ 8,745</u>

	79th Judicial District Attorney Forfeiture Fund	Sheriff Drug Forfeiture Fund	Sheriff Forfeiture Fund	Community Corrections Fund	Constable Prct 5 Drug Forfeiture Fund
\$	--	\$	--	\$	--
	--	--	--	--	--
	--	--	45,603	101,255	36,322
	540,756	1,218,025	--	--	--
	2,265	2,466	37	--	--
	--	25,434	--	--	--
	<u>543,021</u>	<u>1,245,925</u>	<u>45,640</u>	<u>101,255</u>	<u>36,322</u>
	--	--	--	--	--
	368,730	629,060	--	98,483	3,989
	--	--	--	--	--
	--	118,108	--	--	--
	--	8,621	--	--	--
	<u>368,730</u>	<u>755,789</u>	<u>--</u>	<u>98,483</u>	<u>3,989</u>
	<u>174,291</u>	<u>490,136</u>	<u>45,640</u>	<u>2,772</u>	<u>32,333</u>
	--	--	--	3,741	--
	(10,481)	--	--	(41)	--
	--	--	--	--	--
	<u>(10,481)</u>	<u>--</u>	<u>--</u>	<u>3,700</u>	<u>--</u>
	163,810	490,136	45,640	6,472	32,333
	474,044	508,111	5,728	15,300	4,734
\$	<u><u>637,854</u></u>	<u><u>998,247</u></u>	<u><u>51,368</u></u>	<u><u>21,772</u></u>	<u><u>37,067</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, 2018

	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>	55,000	--
<i>Charges for Services</i>	--	--
<i>Fines and Forfeitures</i>	--	--
<i>Fees of Office</i>	--	13,600
<i>Investment Earnings</i>	--	24
<i>Miscellaneous Revenues</i>	--	--
Total revenues	<u>55,000</u>	<u>13,624</u>
Expenditures:		
Current:		
<i>General Government</i>	--	--
<i>Judicial</i>	--	11,260
<i>Public Safety</i>	64,779	--
<i>Public Transportation</i>	--	--
<i>Health and Welfare</i>	--	--
Debt Service:		
<i>Principal</i>	--	--
<i>Interest and Fiscal Charges</i>	--	--
Total Expenditures	<u>64,779</u>	<u>11,260</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,779)</u>	<u>2,364</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	(9,779)	2,364
Fund Balances - Beginning	21,215	5,692
Fund Balances - Ending	<u>\$ 11,436</u>	<u>\$ 8,056</u>

County and District Court Technology Fund	Records Preservation Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ 3,017,276
--	--	598,472
--	--	370,661
--	--	2,119,771
--	--	324,250
--	--	1,779,173
236	125,504	845,765
14	3,330	32,083
--	--	326,822
<u>250</u>	<u>128,834</u>	<u>9,414,273</u>
--	19,752	19,752
--	--	339,394
--	--	2,682,165
--	--	4,565,691
--	--	511,469
--	--	182,038
--	--	23,933
<u>--</u>	<u>19,752</u>	<u>8,324,442</u>
<u>250</u>	<u>109,082</u>	<u>1,089,831</u>
--	--	573,242
--	--	(58,742)
--	--	103,581
<u>--</u>	<u>--</u>	<u>618,081</u>
250	109,082	1,707,912
3,457	780,688	5,961,535
<u>\$ 3,707</u>	<u>\$ 889,770</u>	<u>\$ 7,669,447</u>

**JIM WELLS COUNTY, TEXAS**  
ROAD & BRIDGE NO. 21 FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Taxes:				
<i>General Property Taxes</i>	\$ 606,198	\$ 606,198	\$ 602,817	\$ (3,381)
<i>General Sales and Use Taxes</i>	100,667	100,667	115,505	14,838
License and Permits	85,000	85,000	79,675	(5,325)
Intergovernmental	42,563	42,563	34,525	(8,038)
Fines and Forfeitures	905	905	1,408	503
Fees of Office	308,000	308,000	362,656	54,656
Investment Earnings	1,000	1,000	1,418	418
Miscellaneous Revenues	21,000	21,000	31,854	10,854
Total revenues	<u>1,165,333</u>	<u>1,165,333</u>	<u>1,229,858</u>	<u>64,525</u>
<b>EXPENDITURES:</b>				
<b>Public Transportation</b>				
<i>Personal Services</i>	575,695	579,267	569,386	9,881
<i>Supplies</i>	123,910	113,695	110,412	3,283
<i>Other Services and Charges</i>	274,738	281,564	274,856	6,708
<i>Capital Outlay</i>	226,121	226,121	164,563	61,558
Total Public Transportation	<u>1,200,464</u>	<u>1,200,646</u>	<u>1,119,217</u>	<u>81,429</u>
<b>Debt Service:</b>				
<i>Principal</i>	--	--	63,930	(63,930)
<i>Interest and Fiscal Charges</i>	--	--	15,312	(15,312)
Total Debt Service	<u>--</u>	<u>--</u>	<u>79,242</u>	<u>(79,242)</u>
<b>Total Expenditures</b>	<u>1,200,464</u>	<u>1,200,646</u>	<u>1,198,459</u>	<u>2,187</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(35,131)</u>	<u>(35,313)</u>	<u>31,399</u>	<u>66,712</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers Out</i>	(7,301)	(7,301)	(7,301)	--
<i>Capital Leases</i>	103,581	103,581	103,581	--
Total Other Financing Sources (Uses)	<u>96,280</u>	<u>96,280</u>	<u>96,280</u>	<u>--</u>
Net Change in Fund Balances	61,149	60,967	127,679	66,712
Fund Balances - Beginning	(30,897)	(30,897)	(30,897)	--
Fund Balances - Ending	<u>\$ 92,046</u>	<u>\$ 91,864</u>	<u>\$ 96,782</u>	<u>\$ 4,918</u>

**JIM WELLS COUNTY, TEXAS**  
ROAD & BRIDGE NO. 22 FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Taxes:				
<i>General Property Taxes</i>	\$ 491,845	\$ 491,845	\$ 489,227	\$ (2,618)
<i>General Sales and Use Taxes</i>	77,925	77,925	89,412	11,487
License and Permits	60,000	60,000	49,081	(10,919)
Intergovernmental	28,000	28,000	19,323	(8,677)
Fines and Forfeitures	720	720	878	158
Fees of Office	60,000	60,000	48,266	(11,734)
Investment Earnings	3,200	3,200	6,230	3,030
Miscellaneous Revenues	20,000	20,000	20,000	--
Total revenues	<u>741,690</u>	<u>741,690</u>	<u>722,417</u>	<u>(19,273)</u>
<b>EXPENDITURES:</b>				
<b>Public Transportation</b>				
<i>Personal Services</i>	413,496	413,496	362,355	51,141
<i>Supplies</i>	48,800	54,800	40,018	14,782
<i>Other Services and Charges</i>	169,500	225,500	235,359	(9,859)
<i>Capital Outlay</i>	14,100	129,100	83,388	45,712
<i>Total Public Transportation</i>	<u>645,896</u>	<u>822,896</u>	<u>721,120</u>	<u>101,776</u>
<b>Total Expenditures</b>	<u>645,896</u>	<u>822,896</u>	<u>721,120</u>	<u>101,776</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>95,794</u>	<u>(81,206)</u>	<u>1,297</u>	<u>82,503</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers Out</i>	<u>(4,314)</u>	<u>(4,314)</u>	<u>(4,314)</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>(4,314)</u>	<u>(4,314)</u>	<u>(4,314)</u>	<u>--</u>
Net Change in Fund Balances	91,480	(85,520)	(3,017)	82,503
Fund Balances - Beginning	1,263,489	1,263,489	1,263,489	--
Fund Balances - Ending	<u>\$ 1,354,969</u>	<u>\$ 1,177,969</u>	<u>\$ 1,260,472</u>	<u>\$ 82,503</u>

**JIM WELLS COUNTY, TEXAS**  
ROAD & BRIDGE NO. 23 FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Taxes:				
<i>General Property Taxes</i>	\$ 956,340	\$ 956,340	\$ 962,622	\$ 6,282
<i>General Sales and Use Taxes</i>	170,299	170,299	195,401	25,102
License and Permits	140,000	140,000	118,392	(21,608)
Intergovernmental	196,667	196,667	187,895	(8,772)
Fines and Forfeitures	1,571	1,571	2,121	550
Fees of Office	138,356	138,356	152,093	13,737
Investment Earnings	3,000	3,000	7,100	4,100
Miscellaneous Revenues	20,000	20,000	131,446	111,446
Total revenues	<u>1,626,233</u>	<u>1,626,233</u>	<u>1,757,070</u>	<u>130,837</u>
<b>EXPENDITURES:</b>				
<b>Public Transportation</b>				
<i>Personal Services</i>	771,259	771,386	660,836	110,550
<i>Supplies</i>	160,814	283,014	220,509	62,505
<i>Other Services and Charges</i>	356,600	221,373	216,257	5,116
<i>Capital Outlay</i>	109,362	321,562	273,240	48,322
<i>Total Public Transportation</i>	<u>1,398,035</u>	<u>1,597,335</u>	<u>1,370,842</u>	<u>226,493</u>
<b>Total Expenditures</b>	<u>1,398,035</u>	<u>1,597,335</u>	<u>1,370,842</u>	<u>226,493</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>228,198</u>	<u>28,898</u>	<u>386,228</u>	<u>357,330</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers Out</i>	<u>(10,619)</u>	<u>(10,619)</u>	<u>(10,619)</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>(10,619)</u>	<u>(10,619)</u>	<u>(10,619)</u>	<u>--</u>
Net Change in Fund Balances	217,579	18,279	375,609	357,330
Fund Balances - Beginning	1,220,660	1,220,660	1,220,660	--
Fund Balances - Ending	<u>\$ 1,438,239</u>	<u>\$ 1,238,939</u>	<u>\$ 1,596,269</u>	<u>\$ 357,330</u>

**JIM WELLS COUNTY, TEXAS**  
ROAD & BRIDGE NO. 24 FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Taxes:				
<i>General Property Taxes</i>	\$ 973,406	\$ 973,406	\$ 962,610	\$ (10,796)
<i>General Sales and Use Taxes</i>	172,698	172,698	198,154	25,456
License and Permits	133,102	133,102	123,513	(9,589)
Intergovernmental	54,000	54,000	42,823	(11,177)
Fines and Forfeitures	1,595	1,595	2,180	585
Fees of Office	143,000	143,000	120,520	(22,480)
Investment Earnings	3,500	3,500	6,372	2,872
Miscellaneous Revenues	77,850	77,850	77,850	--
Total revenues	<u>1,559,151</u>	<u>1,559,151</u>	<u>1,534,022</u>	<u>(25,129)</u>
<b>EXPENDITURES:</b>				
<b>Public Transportation</b>				
<i>Personal Services</i>	800,357	810,317	743,653	66,664
<i>Supplies</i>	147,550	177,100	168,253	8,847
<i>Other Services and Charges</i>	470,133	680,096	304,965	375,131
<i>Capital Outlay</i>	274,576	291,553	127,311	164,242
Total Public Transportation	<u>1,692,616</u>	<u>1,959,066</u>	<u>1,344,182</u>	<u>614,884</u>
<b>Total Expenditures</b>	<u>1,692,616</u>	<u>1,959,066</u>	<u>1,344,182</u>	<u>614,884</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(133,465)</u>	<u>(399,915)</u>	<u>189,840</u>	<u>589,755</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers Out</i>	<u>(10,851)</u>	<u>(10,851)</u>	<u>(10,951)</u>	<u>100</u>
Total Other Financing Sources (Uses)	<u>(10,851)</u>	<u>(10,851)</u>	<u>(10,951)</u>	<u>100</u>
Net Change in Fund Balances	(144,316)	(410,766)	178,889	589,655
Fund Balances - Beginning	1,066,626	1,066,626	1,066,626	--
Fund Balances - Ending	<u>\$ 922,310</u>	<u>\$ 655,860</u>	<u>\$ 1,245,515</u>	<u>\$ 589,655</u>



**JIM WELLS COUNTY, TEXAS**  
 SMALL DAMS NO. 32 FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Investment Earnings	\$ 400	\$ 400	\$ 602	\$ 202
Total revenues	<u>400</u>	<u>400</u>	<u>602</u>	<u>202</u>
<b>EXPENDITURES:</b>				
<b>Public Transportation</b>				
<i>Personal Services</i>	20,000	20,000	8,932	11,068
<i>Other Services and Charges</i>	39,000	39,000	1,398	37,602
<i>Total Public Transportation</i>	<u>59,000</u>	<u>59,000</u>	<u>10,330</u>	<u>48,670</u>
<b>Total Expenditures</b>	<u>59,000</u>	<u>59,000</u>	<u>10,330</u>	<u>48,670</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(58,600)</u>	<u>(58,600)</u>	<u>(9,728)</u>	<u>48,872</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	--	--	33,185	33,185
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>33,185</u>	<u>(33,185)</u>
Net Change in Fund Balances	(58,600)	(58,600)	23,457	82,057
Fund Balances - Beginning	132,742	132,742	132,742	--
Fund Balances - Ending	<u>\$ 74,142</u>	<u>\$ 74,142</u>	<u>\$ 156,199</u>	<u>\$ 82,057</u>

**JIM WELLS COUNTY, TEXAS**  
**LAW LIBRARY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**EXHIBIT C-10**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Fees of Office	\$ 30,000	\$ 30,000	\$ 22,890	\$ (7,110)
Investment Earnings	100	100	11	(89)
Total revenues	<u>30,100</u>	<u>30,100</u>	<u>22,901</u>	<u>(7,199)</u>
<b>EXPENDITURES:</b>				
<b>Judicial</b>				
<b>County court</b>				
<i>Other Services and Charges</i>	<u>32,000</u>	<u>32,000</u>	<u>41,279</u>	<u>(9,279)</u>
<i>Total County Court</i>	<u>32,000</u>	<u>32,000</u>	<u>41,279</u>	<u>(9,279)</u>
<b>Total Judicial</b>	<u>32,000</u>	<u>32,000</u>	<u>41,279</u>	<u>(9,279)</u>
<b>Total Expenditures</b>	<u>32,000</u>	<u>32,000</u>	<u>41,279</u>	<u>(9,279)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,900)</u>	<u>(1,900)</u>	<u>(18,378)</u>	<u>(16,478)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	<u>2,000</u>	<u>2,000</u>	<u>16,500</u>	<u>14,500</u>
<i>Transfers Out</i>	<u>--</u>	<u>--</u>	<u>(500)</u>	<u>500</u>
Total Other Financing Sources (Uses)	<u>2,000</u>	<u>2,000</u>	<u>16,000</u>	<u>(14,000)</u>
Net Change in Fund Balances	100	100	(2,378)	(2,478)
Fund Balances - Beginning	<u>4,601</u>	<u>4,601</u>	<u>4,601</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 4,701</u>	<u>\$ 4,701</u>	<u>\$ 2,223</u>	<u>\$ (2,478)</u>

**JIM WELLS COUNTY, TEXAS**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Taxes:				
<i>General Property Taxes</i>	\$ 252,629	\$ 252,629	\$ 260,993	\$ 8,364
Investment Earnings	500	500	592	92
Total revenues	<u>253,129</u>	<u>253,129</u>	<u>261,585</u>	<u>8,456</u>
<b>EXPENDITURES:</b>				
<i>Debt Service:</i>				
<i>Principal</i>	205,000	205,000	205,000	--
<i>Interest and Fiscal Charges</i>	50,277	50,277	50,277	--
<i>Total Debt Service</i>	<u>255,277</u>	<u>255,277</u>	<u>255,277</u>	<u>--</u>
<b>Total Expenditures</b>	<u>255,277</u>	<u>255,277</u>	<u>255,277</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,148)</u>	<u>(2,148)</u>	<u>6,308</u>	<u>8,456</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(2,148)	(2,148)	6,308	8,456
Fund Balances - Beginning	76,777	76,777	76,777	--
Fund Balances - Ending	<u>\$ 74,629</u>	<u>\$ 74,629</u>	<u>\$ 83,085</u>	<u>\$ 8,456</u>

**JIM WELLS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 DECEMBER 31, 2018

	Relief Route Capital Fund	Jail Expansion Fund	Road Bond 1967	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
<b>ASSETS</b>				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 745,934	\$ 1	\$ 148,794	\$ 894,729
Total Assets	<u>\$ 745,934</u>	<u>\$ 1</u>	<u>\$ 148,794</u>	<u>\$ 894,729</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
Fund Balances:				
Restricted Fund Balances:				
<i>Capital Project Funds</i>	\$ 745,934	\$ 1	\$ 148,794	\$ 894,729
Total Fund Balance	<u>745,934</u>	<u>1</u>	<u>148,794</u>	<u>894,729</u>
Total Liabilities and Fund Balance	<u>\$ 745,934</u>	<u>\$ 1</u>	<u>\$ 148,794</u>	<u>\$ 894,729</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, 2018

	Relief Route Capital Fund	Jail Expansion Fund	Road Bond 1967	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenue:				
<i>Investment Earnings</i>	\$ --	\$ 203	\$ 594	\$ 797
<i>Miscellaneous Revenues</i>	2,977	--	--	2,977
Total revenues	<u>2,977</u>	<u>203</u>	<u>594</u>	<u>3,774</u>
Expenditures:				
Current:				
<i>Public Safety</i>	--	98,017	--	98,017
Total Expenditures	<u>--</u>	<u>98,017</u>	<u>--</u>	<u>98,017</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,977</u>	<u>(97,814)</u>	<u>594</u>	<u>(94,243)</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	2,977	(97,814)	594	(94,243)
Fund Balances - Beginning	742,957	97,815	148,200	988,972
Fund Balances - Ending	<u>\$ 745,934</u>	<u>\$ 1</u>	<u>\$ 148,794</u>	<u>\$ 894,729</u>

**JIM WELLS COUNTY, TEXAS**  
**JAIL EXPANSION FUND**  
**CAPITAL PROJECTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Investment Earnings	\$ 600	\$ 600	\$ 203	\$ (397)
Total revenues	<u>600</u>	<u>600</u>	<u>203</u>	<u>(397)</u>
<b>EXPENDITURES:</b>				
<b>Public Safety</b>				
<b>Other Public Safety</b>				
<i>Other Services and Charges</i>	87,461	87,461	98,017	(10,556)
<i>Total Other Public Safety</i>	<u>87,461</u>	<u>87,461</u>	<u>98,017</u>	<u>(10,556)</u>
<b>Total Public Safety</b>	<u>87,461</u>	<u>87,461</u>	<u>98,017</u>	<u>(10,556)</u>
<b>Total Expenditures</b>	<u>87,461</u>	<u>87,461</u>	<u>98,017</u>	<u>(10,556)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(86,861)</u>	<u>(86,861)</u>	<u>(97,814)</u>	<u>(10,953)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(86,861)	(86,861)	(97,814)	(10,953)
Fund Balances - Beginning	97,815	97,815	97,815	--
Fund Balances - Ending	<u>\$ 10,954</u>	<u>\$ 10,954</u>	<u>\$ 1</u>	<u>\$ (10,953)</u>

**JIM WELLS COUNTY, TEXAS**  
ROAD BOND 1967  
CAPITAL PROJECTS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Investment Earnings	\$ 500	\$ 500	\$ 594	\$ 94
Total revenues	<u>500</u>	<u>500</u>	<u>594</u>	<u>94</u>
<b>EXPENDITURES:</b>				
<b>Economic Development and Assistance</b>				
<i>Other Services and Charges</i>	400	400	--	400
<i>Total Economic Development and Assistance</i>	<u>400</u>	<u>400</u>	<u>--</u>	<u>400</u>
<b>Total Expenditures</b>	<u>400</u>	<u>400</u>	<u>--</u>	<u>400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>100</u>	<u>100</u>	<u>594</u>	<u>494</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	100	100	594	494
Fund Balances - Beginning	148,200	148,200	148,200	--
Fund Balances - Ending	<u>\$ 148,300</u>	<u>\$ 148,300</u>	<u>\$ 148,794</u>	<u>\$ 494</u>

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**JIM WELLS COUNTY, TEXAS**

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2018

	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>	\$ 1,454	\$ 1,635,176	\$ 5,156	\$ 24,216
Total Assets	<u>\$ 1,454</u>	<u>\$ 1,635,176</u>	<u>\$ 5,156</u>	<u>\$ 24,216</u>
LIABILITIES:				
<i>Due to Other Governments and Agencies</i>	\$ 1,454	\$ 1,635,176	\$ 5,156	\$ 24,216
Total Liabilities	<u>\$ 1,454</u>	<u>\$ 1,635,176</u>	<u>\$ 5,156</u>	<u>\$ 24,216</u>

State Fees Fund	Vouchers Payable Fund	Tax Collector Fund	District Clerk Fund	County Clerk Fund
\$ 119,308	\$ 71,605	\$ 582,498	\$ 507,639	\$ 1,012,921
<u>\$ 119,308</u>	<u>\$ 71,605</u>	<u>\$ 582,498</u>	<u>\$ 507,639</u>	<u>\$ 1,012,921</u>
\$ 119,308	\$ 71,605	\$ 582,498	\$ 507,639	\$ 1,012,921
<u>\$ 119,308</u>	<u>\$ 71,605</u>	<u>\$ 582,498</u>	<u>\$ 507,639</u>	<u>\$ 1,012,921</u>

**JIM WELLS COUNTY, TEXAS**

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2018

	Payroll Administrative Fund	Ad Valorem Tax Escrow Fund
ASSETS:		
<i>Cash and Cash Equivalents</i>	\$ 499,251	\$ 4,578,785
Total Assets	<u>\$ 499,251</u>	<u>\$ 4,578,785</u>
LIABILITIES:		
<i>Due to Other Governments and Agencies</i>	\$ 499,251	\$ 4,578,785
Total Liabilities	<u>\$ 499,251</u>	<u>\$ 4,578,785</u>

County Attorney Trust Fund	Sheriff Cash Bond Fund	Total Agency Funds (See Exhibit A-7)
<u>\$ 1,401</u>	<u>\$ 3,107</u>	<u>\$ 9,042,517</u>
<u>\$ 1,401</u>	<u>\$ 3,107</u>	<u>\$ 9,042,517</u>
<u>\$ 1,401</u>	<u>\$ 3,107</u>	<u>\$ 9,042,517</u>
<u>\$ 1,401</u>	<u>\$ 3,107</u>	<u>\$ 9,042,517</u>

**JIM WELLS COUNTY, TEXAS**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2018

EXHIBIT C-17

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2018
<b>Appellate Judicial Fund</b>				
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 1,477	\$ 3,244	\$ 3,268	\$ 1,453
Total Assets	<u>\$ 1,477</u>	<u>\$ 3,244</u>	<u>\$ 3,268</u>	<u>\$ 1,453</u>
<b>LIABILITIES</b>				
Due to Other Governments and Agencies	\$ 1,477	\$ 3,244	\$ 3,268	\$ 1,453
Total Liabilities	<u>\$ 1,477</u>	<u>\$ 3,244</u>	<u>\$ 3,268</u>	<u>\$ 1,453</u>
<b>79th Judicial D.A. Escrow Fund</b>				
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 2,207,577	\$ 1,121,464	\$ 1,693,864	\$ 1,635,177
Total Assets	<u>\$ 2,207,577</u>	<u>\$ 1,121,464</u>	<u>\$ 1,693,864</u>	<u>\$ 1,635,177</u>
<b>LIABILITIES</b>				
Due to Other Governments and Agencies	\$ 2,207,577	\$ 1,121,464	\$ 1,693,864	\$ 1,635,177
Total Liabilities	<u>\$ 2,207,577</u>	<u>\$ 1,121,464</u>	<u>\$ 1,693,864</u>	<u>\$ 1,635,177</u>
<b>79th Judicial D.A. Fee Fund</b>				
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 4,481	\$ 13,921	\$ 13,245	\$ 5,157
Total Assets	<u>\$ 4,481</u>	<u>\$ 13,921</u>	<u>\$ 13,245</u>	<u>\$ 5,157</u>
<b>LIABILITIES</b>				
Due to Other Governments and Agencies	\$ 4,481	\$ 13,921	\$ 13,245	\$ 5,157
Total Liabilities	<u>\$ 4,481</u>	<u>\$ 13,921</u>	<u>\$ 13,245</u>	<u>\$ 5,157</u>
<b>Sheriff Department Fee Fund</b>				
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 6,550	\$ 86,794	\$ 69,128	\$ 24,216
Total Assets	<u>\$ 6,550</u>	<u>\$ 86,794</u>	<u>\$ 69,128</u>	<u>\$ 24,216</u>
<b>LIABILITIES</b>				
Due to Other Governments and Agencies	\$ 6,550	\$ 86,794	\$ 69,128	\$ 24,216
Total Liabilities	<u>\$ 6,550</u>	<u>\$ 86,794</u>	<u>\$ 69,128</u>	<u>\$ 24,216</u>
<b>State Fees Fund</b>				
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 116,006	\$ 449,672	\$ 446,370	\$ 119,308
Total Assets	<u>\$ 116,006</u>	<u>\$ 449,672</u>	<u>\$ 446,370</u>	<u>\$ 119,308</u>
<b>LIABILITIES</b>				
Due to Other Governments and Agencies	\$ 116,006	\$ 449,672	\$ 446,370	\$ 119,308
Total Liabilities	<u>\$ 116,006</u>	<u>\$ 449,672</u>	<u>\$ 446,370</u>	<u>\$ 119,308</u>

**JIM WELLS COUNTY, TEXAS**

**EXHIBIT C-17**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2018

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2018
<b><u>Vouchers Payable Fund</u></b>				
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 198,386	\$ 3,882,849	\$ 4,009,630	\$ 71,605
Total Assets	<u>\$ 198,386</u>	<u>\$ 3,882,849</u>	<u>\$ 4,009,630</u>	<u>\$ 71,605</u>
<b>LIABILITIES</b>				
Due to Other Governments and Agencies	\$ 198,386	\$ 3,882,849	\$ 4,009,630	\$ 71,605
Total Liabilities	<u>\$ 198,386</u>	<u>\$ 3,882,849</u>	<u>\$ 4,009,630</u>	<u>\$ 71,605</u>
<b><u>Tax Collector Fund</u></b>				
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 494,475	\$ 14,498,191	\$ 14,410,168	\$ 582,498
Total Assets	<u>\$ 494,475</u>	<u>\$ 14,498,191</u>	<u>\$ 14,410,168</u>	<u>\$ 582,498</u>
<b>LIABILITIES</b>				
Due to Other Governments and Agencies	\$ 494,475	\$ 14,498,191	\$ 14,410,168	\$ 582,498
Total Liabilities	<u>\$ 494,475</u>	<u>\$ 14,498,191</u>	<u>\$ 14,410,168</u>	<u>\$ 582,498</u>
<b><u>District Clerk Fund</u></b>				
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 141,381	\$ 916,064	\$ 549,806	\$ 507,639
Total Assets	<u>\$ 141,381</u>	<u>\$ 916,064</u>	<u>\$ 549,806</u>	<u>\$ 507,639</u>
<b>LIABILITIES</b>				
Due to Other Governments and Agencies	\$ 141,381	\$ 916,064	\$ 549,806	\$ 507,639
Total Liabilities	<u>\$ 141,381</u>	<u>\$ 916,064</u>	<u>\$ 549,806</u>	<u>\$ 507,639</u>
<b><u>County Clerk Fund</u></b>				
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 992,447	\$ 457,355	\$ 436,881	\$ 1,012,921
Total Assets	<u>\$ 992,447</u>	<u>\$ 457,355</u>	<u>\$ 436,881</u>	<u>\$ 1,012,921</u>
<b>LIABILITIES</b>				
Due to Other Governments and Agencies	\$ 992,447	\$ 457,355	\$ 436,881	\$ 1,012,921
Total Liabilities	<u>\$ 992,447</u>	<u>\$ 457,355</u>	<u>\$ 436,881</u>	<u>\$ 1,012,921</u>
<b><u>Payroll Administrative Fund</u></b>				
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 546,049	\$ 14,915,693	\$ 14,962,491	\$ 499,251
Total Assets	<u>\$ 546,049</u>	<u>\$ 14,915,693</u>	<u>\$ 14,962,491</u>	<u>\$ 499,251</u>
<b>LIABILITIES</b>				
Due to Other Governments and Agencies	\$ 546,049	\$ 14,915,693	\$ 14,962,491	\$ 499,251
Total Liabilities	<u>\$ 546,049</u>	<u>\$ 14,915,693</u>	<u>\$ 14,962,491</u>	<u>\$ 499,251</u>

**JIM WELLS COUNTY, TEXAS**

**EXHIBIT C-17**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED DECEMBER 31, 2018

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2018
<b>Ad Valorem Tax Escrow Fund</b>				
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 2,833,904	\$ 20,003,858	\$ 18,258,977	\$ 4,578,785
Total Assets	<u>\$ 2,833,904</u>	<u>\$ 20,003,858</u>	<u>\$ 18,258,977</u>	<u>\$ 4,578,785</u>
<b>LIABILITIES</b>				
Due to Other Governments and Agencies	\$ 2,833,904	\$ 20,003,858	\$ 18,258,977	\$ 4,578,785
Total Liabilities	<u>\$ 2,833,904</u>	<u>\$ 20,003,858</u>	<u>\$ 18,258,977</u>	<u>\$ 4,578,785</u>
<b>County Attorney Trust Fund</b>				
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 13,863	\$ 18,113	\$ 30,575	\$ 1,401
Total Assets	<u>\$ 13,863</u>	<u>\$ 18,113</u>	<u>\$ 30,575</u>	<u>\$ 1,401</u>
<b>LIABILITIES</b>				
Due to Other Governments and Agencies	\$ 13,863	\$ 18,113	\$ 30,575	\$ 1,401
Total Liabilities	<u>\$ 13,863</u>	<u>\$ 18,113</u>	<u>\$ 30,575</u>	<u>\$ 1,401</u>
<b>Sheriff Cash Bond Fund</b>				
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 3,094	\$ 12	\$ --	\$ 3,106
Total Assets	<u>\$ 3,094</u>	<u>\$ 12</u>	<u>\$ --</u>	<u>\$ 3,106</u>
<b>LIABILITIES</b>				
Due to Other Governments and Agencies	\$ 3,094	\$ 12	\$ --	\$ 3,106
Total Liabilities	<u>\$ 3,094</u>	<u>\$ 12</u>	<u>\$ --</u>	<u>\$ 3,106</u>
<b>TOTAL AGENCY FUNDS:</b>				
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 7,559,690	\$ 56,367,230	\$ 54,884,403	\$ 9,042,517
Total Assets	<u>\$ 7,559,690</u>	<u>\$ 56,367,230</u>	<u>\$ 54,884,403</u>	<u>\$ 9,042,517</u>
<b>LIABILITIES</b>				
Due to Other Governments and Agencies	\$ 7,559,690	\$ 56,367,230	\$ 54,884,403	\$ 9,042,517
Total Liabilities	<u>\$ 7,559,690</u>	<u>\$ 56,367,230</u>	<u>\$ 54,884,403</u>	<u>\$ 9,042,517</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.

<b>Contents</b>	<b>Page</b>
Financial Trends	113
<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	118
<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	125
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	129
<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	131
<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.



TABLE E-1

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 17,516,191	\$ 18,478,771	\$ 19,050,644	\$ 20,612,073	\$ 21,121,207	\$ 21,740,309	\$ 21,480,901			
Restricted	1,373,428	1,383,367	1,417,635	1,438,440	1,456,603	1,582,644	1,282,470			
Unrestricted	6,895,058	6,595,371	8,266,629	11,172,800	11,139,913	11,111,657	11,090,825			
Total Governmental Activities Net Position	\$ 25,784,677	\$ 26,457,509	\$ 28,734,908	\$ 33,223,313	\$ 33,717,723	\$ 34,434,610	\$ 33,854,196			
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 21,296,519	\$ 21,037,621	\$ 20,832,777							
Restricted	1,274,637	1,065,748	977,814							
Unrestricted	9,103,318	11,328,575	14,239,298							
Total Governmental Activities Net Position	\$ 31,674,474	\$ 33,431,944	\$ 36,049,889							

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 TEN FISCAL YEARS**  
**(ACCURAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
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	\$ 5,985,704
Judicial	3,319,623	3,454,814	3,565,739	3,732,690	4,377,675	4,104,234	4,690,475	3,966,181	4,566,636	4,034,322
Public Safety	7,455,989	7,185,489	7,232,526	8,611,259	8,622,918	8,331,437	8,878,685	8,520,388	8,405,430	8,371,679
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	3,917,189
Health & Welfare	1,412,992	670,570	889,812	582,913	734,734	488,478	1,321,339	1,247,698	1,141,001	593,500
Culture & Recreation	47,636	51,380	55,624	69,692	86,888	17,597	63,771	59,650	59,860	64,132
Conservation	255,458	220,431	179,667	193,607	215,021	320,921	338,859	234,661	229,285	210,170
Economic Development & Assistance	106,201	122,466	132,651	130,926	229,631	334,818	166,160	25,000	302,505	135,133
Interest on Long-Term Debt	135,733	114,776	106,106	110,193	98,144	87,020	77,067	72,403	76,221	73,452
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	23,385,281
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	\$ 23,385,281
<b>Program Revenues</b>										
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	\$ 954,670
Judicial	435,988	484,433	462,136	425,963	439,521	478,396	451,649	511,863	477,456	634,503
Public Safety	1,604,738	1,412,450	1,261,784	1,921,158	725,109	1,326,040	1,847,910	673,538	1,626,331	2,127,711
Other Activities	981,308	920,762	981,086	1,089,144	1,039,291	1,063,296	973,203	909,536	1,063,439	1,195,793
Operating Grants and Contributions	2,067,154	1,184,054	1,639,385	2,040,535	2,415,360	2,084,450	2,664,310	3,007,131	3,644,741	2,550,173
Total Governmental Activities Program Revenues	5,915,136	4,888,995	5,206,758	7,016,447	5,553,941	6,362,201	7,244,809	6,486,342	8,253,563	7,462,850
Total Primary Government Program Revenues	\$ 5,915,136	\$ 4,888,995	\$ 5,206,758	\$ 7,016,447	\$ 5,553,941	\$ 6,362,201	\$ 7,244,809	\$ 6,486,342	\$ 8,253,563	\$ 7,462,850
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (14,348,086)	\$ (14,235,260)	\$ (15,332,797)	\$ (14,235,847)	\$ (17,262,591)	\$ (16,952,386)	\$ (16,723,202)	\$ (17,782,744)	\$ (15,717,562)	\$ (15,922,431)
Total Primary Government Net Expense	\$ (14,348,086)	\$ (14,235,260)	\$ (15,332,797)	\$ (14,235,847)	\$ (17,262,591)	\$ (16,952,386)	\$ (16,723,202)	\$ (17,782,744)	\$ (15,717,562)	\$ (15,922,431)

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

TABLE E-3

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (14,348,086)	\$ (14,235,260)	\$ (15,332,797)	\$ (14,235,547)	\$ (17,262,991)	\$ (16,952,986)	\$ (16,723,202)	\$ (17,782,744)	\$ (15,717,562)	\$ (15,922,431)
Business-type Activities	--	--	--	--	--	--	--	--	--	--
<b>Total Primary Government</b>	<b>\$ (14,348,086)</b>	<b>\$ (14,235,260)</b>	<b>\$ (15,332,797)</b>	<b>\$ (14,235,547)</b>	<b>\$ (17,262,991)</b>	<b>\$ (16,952,986)</b>	<b>\$ (16,723,202)</b>	<b>\$ (17,782,744)</b>	<b>\$ (15,717,562)</b>	<b>\$ (15,922,431)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
<b>Taxes</b>										
Property Taxes	\$ 10,934,210	\$ 10,266,783	\$ 11,207,410	\$ 11,317,777	\$ 11,318,416	\$ 11,721,257	\$ 13,112,296	\$ 11,639,683	\$ 14,780,021	\$ 15,388,135
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	2,383,694	3,085,301
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	83,737
Miscellaneous	319,212	287,603	297,366	371,301	409,299	431,011	501,454	1,694,948	212,328	571,300
Gain on Disposal of Capital Assets	--	(144,460)	--	--	--	--	--	15,100	--	--
<b>Total Governmental Activities</b>	<b>\$ 14,327,979</b>	<b>\$ 14,706,006</b>	<b>\$ 17,610,196</b>	<b>\$ 18,618,601</b>	<b>\$ 17,757,401</b>	<b>\$ 17,669,273</b>	<b>\$ 17,232,262</b>	<b>\$ 15,603,023</b>	<b>\$ 17,447,220</b>	<b>\$ 19,128,473</b>
Business-type Activities:										
Investment Earnings	--	--	--	--	--	--	--	--	--	--
Transfers	--	--	--	--	--	--	--	--	--	--
<b>Total Business-type Activities</b>	<b>\$ 14,327,979</b>	<b>\$ 14,706,006</b>	<b>\$ 17,610,196</b>	<b>\$ 18,618,601</b>	<b>\$ 17,757,401</b>	<b>\$ 17,669,273</b>	<b>\$ 17,232,262</b>	<b>\$ 15,603,023</b>	<b>\$ 17,447,220</b>	<b>\$ 19,128,473</b>
<b>Change in Net Assets</b>										
Governmental Activities	\$ (20,107)	\$ 470,746	\$ 2,277,399	\$ 4,383,054	\$ 494,410	\$ 716,887	\$ 509,060	\$ (2,179,721)	\$ 1,729,658	\$ 3,206,042
Business-type Activities	--	--	--	--	--	--	--	--	--	--
<b>Total Primary Government</b>	<b>\$ (20,107)</b>	<b>\$ 470,746</b>	<b>\$ 2,277,399</b>	<b>\$ 4,383,054</b>	<b>\$ 494,410</b>	<b>\$ 716,887</b>	<b>\$ 509,060</b>	<b>\$ (2,179,721)</b>	<b>\$ 1,729,658</b>	<b>\$ 3,206,042</b>

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Committed	--	--	--	--	--	--	--	--	--	--
Assigned	--	--	--	--	--	--	--	--	--	--
Unassigned	3,288,481	3,433,781	5,213,053	6,745,919	6,246,745	6,291,502	5,053,649	4,389,125	5,681,573	7,302,040
<b>Total General Fund</b>	<b>\$ 3,288,481</b>	<b>\$ 3,433,781</b>	<b>\$ 5,213,053</b>	<b>\$ 6,745,919</b>	<b>\$ 6,246,745</b>	<b>\$ 6,291,502</b>	<b>\$ 5,053,649</b>	<b>\$ 4,389,125</b>	<b>\$ 5,681,573</b>	<b>\$ 7,302,040</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Committed:										
Construction	1,178,109	1,179,629	1,182,135	1,186,860	1,191,616	1,196,391	1,201,213	1,195,801	988,972	894,729
Restricted:										
Federal or State Grant Restriction	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	7,669,447
Retirement of Long-Term Debt	51,932	55,472	62,586	71,525	77,127	79,654	81,257	78,836	76,776	83,085
Assigned	--	--	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--	(323,684)	(32,575)	--
<b>Total All Other Governmental Funds</b>	<b>\$ 3,162,458</b>	<b>\$ 3,333,004</b>	<b>\$ 3,321,136</b>	<b>\$ 4,778,466</b>	<b>\$ 4,874,543</b>	<b>\$ 5,287,950</b>	<b>\$ 6,518,073</b>	<b>\$ 5,852,668</b>	<b>\$ 7,027,282</b>	<b>\$ 8,647,261</b>

TABLE E-5

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes	\$ 13,274,621	\$ 14,857,883	\$ 17,291,451	\$ 18,266,650	\$ 17,258,046	\$ 17,188,766	\$ 16,063,548	\$ 14,712,092	\$ 17,036,649	\$ 18,352,101
Licenses and Permits	412,248	567,817	532,132	572,295	604,222	481,658	349,689	298,808	306,427	453,941
Intergovernmental	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	2,900,598
Charges for Services	641,372	768,657	648,927	683,246	511,073	472,690	453,786	422,397	1,562,786	342,542
Fines & Forfeitures	1,384,330	1,048,428	994,594	1,604,474	581,323	1,259,907	1,746,555	657,655	1,623,619	2,186,246
Fees of Office	1,308,509	1,151,603	1,212,882	1,940,242	1,292,640	1,832,637	1,756,176	1,743,778	753,211	1,559,523
Investment Earnings	253,302	13,190	20,988	50,817	59,237	84,710	64,210	71,177	83,737	83,737
Misc Revenues	319,212	287,603	297,366	371,301	409,299	431,010	501,454	1,694,950	212,328	591,300
Total Revenues	19,774,348	20,047,671	22,820,023	25,705,515	23,280,123	24,041,420	23,874,521	22,957,592	25,593,717	26,459,988
<b>Expenditures</b>										
General Government	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	4,553,090
Judicial	3,319,623	3,454,814	3,565,739	3,758,584	4,377,675	4,136,477	4,728,052	3,966,181	4,566,636	4,034,322
Public Safety	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	8,725,879
Public Transportation	3,757,794	3,836,019	4,463,567	4,631,140	4,207,550	4,884,561	3,822,173	5,090,150	3,882,070	4,565,691
Health & Welfare	1,412,992	670,570	889,812	582,913	734,734	488,478	1,321,339	1,247,698	1,141,001	593,500
Culture and Recreation	47,636	51,380	55,624	69,692	86,888	17,597	63,771	59,650	59,860	64,132
Conservation	255,458	220,431	179,667	193,607	215,021	320,921	338,859	276,159	229,285	210,170
Economic Development & Assistance	105,201	122,466	132,651	130,926	229,631	334,818	166,160	25,000	302,505	135,133
Capital Outlay	1,233,563	1,199,517	1,412,595	2,189,713	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--	--	--	--
Interest	118,928	116,723	108,117	112,334	100,350	89,553	79,404	74,836	79,775	76,111
Principal	334,765	278,983	247,663	498,812	403,655	339,608	265,059	294,489	403,021	521,738
Fiscal Agents Fees	--	--	--	--	--	--	--	31	--	--
Total Expenditures	21,112,709	19,933,911	21,340,583	23,108,765	23,843,220	23,677,128	24,072,270	25,135,927	23,432,357	23,479,766
Excess of Revenues Over (Under) Expenditures	(1,338,361)	113,760	1,479,440	2,596,750	(563,097)	364,292	(197,749)	(2,178,335)	2,151,360	2,990,222
<b>Other Financing Sources (Uses)</b>										
Bonds Issued	--	--	--	--	--	--	--	--	--	--
Loan Proceeds	--	--	--	--	--	--	--	--	--	--
Capital Leases	395,959	--	287,964	288,095	160,000	93,863	190,020	833,304	287,889	575,242
Transfers In	584,205	374,624	350,970	346,736	577,149	294,264	284,995	1,001,742	638,296	(575,242)
Transfers Out	(584,205)	(374,624)	(350,970)	(346,736)	(577,149)	(294,264)	(284,995)	(1,001,742)	(638,296)	371,557
Sale of Capital Assets	--	--	--	--	--	--	--	15,100	--	--
Total Other Financing Sources (Uses)	395,959	--	287,964	288,095	160,000	93,863	190,020	848,404	287,889	371,557
Net Change in Fund Balances	\$ (942,402)	\$ 113,760	\$ 1,767,404	\$ 2,884,845	\$ (403,097)	\$ 458,155	\$ (7,729)	\$ (1,329,931)	\$ 2,439,249	\$ 3,361,779
Debt Service As A Percentage Of Noncapital Expenditures	14.5%	2.0%	1.7%	2.7%	2.1%	1.8%	1.4%	1.5%	2.1%	2.6%

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

Fiscal Year	Property Tax	Sales & Use Tax	Total
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	14,652,955	2,383,694	17,036,649
2018	15,266,800	3,085,301	18,352,101
Percent Change 2017-2018	4.2%	29.4%	7.7%

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
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%
2018	1,829,092,284	116,970,173	458,118,770	512,267,437	1,891,913,790	0.802202	2,404,181,227	78.693%

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	
2009	0.548729	0.086586	0.635315	0.384457	1.294300	0.115559	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	0.432680	1.120000	0.632750	1.240000	1.172000	1.040000	0.072870	0.087246	
2011	0.548052	0.013087	0.561139	0.288913	1.218600	0.122612	0.442746	1.315000	0.711028	1.240000	1.268680	1.040000	0.083801	0.087396	
2012	0.474460	0.011237	0.485697	0.247122	1.228600	0.128404	0.469085	1.294700	0.657055	1.240000	1.269430	1.040000	0.064962	0.087059	
2013	0.444530	0.009900	0.454430	0.247122	1.233700	0.130795	0.478960	1.304900	0.669964	1.240000	1.265000	1.040000	0.080662	0.087059	
2014	0.509368	0.010483	0.519849	0.247122	1.233700	0.130795	0.478960	1.304900	0.669964	1.240000	1.265000	1.040000	0.080662	0.087059	
2015	0.589763	0.011084	0.550857	0.271828	1.284630	1.406440	0.480000	1.326300	0.712760	1.240000	1.283000	1.040000	0.132857	0.077094	
2016	0.643521	0.013220	0.656741	0.530000	1.330260	0.155009	0.490000	1.326600	0.743301	1.240000	1.297400	1.040000	0.132857	0.080410	
2017	0.704782	0.110931	0.815713	0.530000	1.330000	0.155009	0.500000	1.665600	0.683301	1.284000	1.470000	1.040000	0.132857	0.080410	
2018	0.683249	0.108953	0.802202	0.522537	1.330000	0.152576	0.500000	1.652500	0.645893	1.279000	1.470000	1.040000	0.132857	0.074189	

Source: Jim Wells County Appraisal District



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

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
AEP Texas Central Co	\$ 38,069,771	1	2.37%	\$ --	--	--
Precision Drilling Co., LP	33,962,362	2	2.11%	30,254,896	3	3.07%
Net Mexico Pipeling LP	25,084,720	3	1.56%	--	--	--
Key Energy Service, LLC	20,468,824	4	1.27%	--	--	--
DGP Interstate Network	18,326,010	5	1.14%	--	--	--
Nabors Drilling Technologies	16,548,197	6	1.03%	--	--	--
Enterprise FM Trust	15,324,770	7	0.95%	--	--	--
Houston Pipeline Company, LP	15,003,340	8	0.93%	--	--	--
Orient Bioresource Center, Inc	14,214,268	9	0.88%	--	--	--
Wal-Mart	13,872,596	10	0.86%	16,852,478	8	1.71%
Total	\$ <u>210,874,858</u>		<u>13.12%</u>	\$ <u>47,107,374</u>		<u>4.78%</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
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%
2018	15,193,002	5,877,710	38.69%	3,562,513	9,440,223	62.14%

Sources: Jim Wells County Appraisal District

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Building Material & Hardware	\$ 23,752,661	\$ 50,201,906	\$ 106,281,144	\$ 67,749,008	\$ 77,389,392	\$ 79,832,658	\$ 76,710,785	\$ 82,756,422	\$ 72,623,462	\$ 70,524,563
General Merchandise	135,161,430	220,607,413	237,580,732	223,233,718	331,292,064	293,814,626	203,525,345	198,542,266	199,458,576	198,456,963
Food Stores	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	45,258,147
Auto Dealers & Gas	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	52,789,456
Apparel & Accessory	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	96,335,241
Home Furnishing & Appliances	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	18,457,741
Eating & Drinking Places	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	60,753,951
Misc Retail Stores	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	36,524,789
<b>Total</b>	<b>\$ 302,026,140</b>	<b>\$ 447,829,469</b>	<b>\$ 578,573,966</b>	<b>\$ 846,251,347</b>	<b>\$ 848,950,188</b>	<b>\$ 754,538,497</b>	<b>\$ 556,082,885</b>	<b>\$ 557,284,958</b>	<b>\$ 578,293,028</b>	<b>\$ 579,100,851</b>
Direct Sales Tax Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

Source: Texas State Comptroller of Public Accounts.

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

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

<u>Fiscal Year</u>	<u>County Direct Rate</u>	<u>City of Alice</u>
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%
2018	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
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
2018	1,150,000	876,610	0.11%	28	2,026,610	2.03%	49

**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		
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
2018	1,150,000	1,150,000	0.06%	26

**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	\$ 34,990,086	100.000%	34,990,086
Alice Independent School District	31,260,346	81.180%	25,377,149
Jim Wells County Fresh Water Supply District #1	1,652,635	100.000%	1,652,635
Orange Grove Independent School District	11,136,928	100.000%	11,136,928
Alice Water Authority	3,129,605	48.980%	1,532,881
Premont Independent School District	12,843,293	100.000%	12,843,293
Total Overlapping Debt			<u>87,532,971</u>
County Direct Debt			<u>2,026,610</u>
Total Direct and Overlapping Debt			<u>\$ 89,559,581</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.

TABLE E-16

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 296,392,691	\$ 335,221,112	\$ 373,603,102	\$ 419,140,851	\$ 457,541,763	\$ 438,593,426	\$ 422,161,203	\$ 363,510,155	\$ 363,000,088	\$ 360,627,184
Total Net Debt Applicable to Limit	--	--	--	--	--	--	--	--	--	--
Legal Debt Margin	296,392,691	335,221,112	373,603,102	419,140,851	457,541,763	438,593,426	422,161,203	363,510,155	363,000,088	360,627,184
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	\$ 2,404,181,227
Debt Limit (15% of Assessed Value)	360,627,184
Debt Applicable to Limit:	
General Obligation Bonds	1,150,000
Less: Amount Set Aside for Repayment of General Obligation Debt	(210,000)
Total Net Debt Applicable to Limit	940,000
Legal Debt Margin	\$ 359,687,184



TABLE E-17

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Population	41,001	40,838	41,339	41,754	41,680	41,353	41,382	41,149	40,871	41,318
Total Personal Income	\$ 37,414	\$ 37,918	\$ 37,020	\$ 39,800	\$ 40,723	\$ 40,585	\$ 42,463	\$ 42,359	\$ 40,056	\$ 41,103
Per Capita Personal Income	\$ 29,523	\$ 33,450	\$ 16,976	\$ 18,268	\$ 19,818	\$ 20,452	\$ 20,977	\$ 21,796	\$ 20,524	\$ 37,906
Median Age	33.9	33.5	34.1	34.6	33.0	34.0	34.2	34.2	34.4	34.5
Education Level in Years of Schooling	12	12	12	12	12	12	12	12	12	12
School Enrollment	5,525	5,322	5,371	5,422	5,547	5,526	5,526	5,545	5,562	5,534
Unemployment	9.1%	8.9%	5.8%	4.9%	4.7%	4.2%	7.9%	9.7%	7.5%	5.4%

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

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

Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Alice ISD	846	1	4.40%	872	1	4.64%
Forbes Energy Services, Ltd.	811	2	4.22%	--		--
Saldivar Primary Home Care	423	3	2.20%	--		--
Dixie Iron Works MSI	331	4	1.72%	199	10	1.06%
Jim Wells County	327	5	1.70%	236	9	1.26%
Fesco, Inc.	281	6	1.46%	513	4	2.73%
Wal-Mart	275	7	1.43%	418	6	2.23%
City of Alice	243	8	1.26%	245	7	1.30%
CACOST	236	9	1.23%	243	8	1.29%
Christus Spohn Hospital-Alice	225	10	1.17%	379	5	2.02%
Total	<u>3,998</u>		<u>20.79%</u>	<u>3,105</u>		<u>16.53%</u>

Source: County Auditor's Office

TABLE E-19

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Administration	24	24	20	21	22	24	23	24	24	24
Finance	18	18	18	20	23	20	20	21	21	21
Judicial	38	35	35	37	36	37	37	34	34	34
Legal	27	26	20	24	23	27	26	25	25	25
Other	--	--	--	--	--	--	--	--	--	--
Public Safety	136	133	142	130	129	119	113	112	112	112
Public Transportation	119	107	117	91	91	96	92	82	82	82
Public Facilities	3	2	2	2	4	4	5	5	5	5
Health & Welfare										
Conservation & Agriculture	4	4	4	5	4	4	4	3	3	3
Civilians	3	3	2	2	2	2	2	2	2	2
<b>Total</b>	<b>372</b>	<b>352</b>	<b>360</b>	<b>332</b>	<b>334</b>	<b>333</b>	<b>322</b>	<b>308</b>	<b>308</b>	<b>308</b>

Source: County Auditor Office

TABLE E-20

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

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government										
Building Permits Issued	224	208	208	242	35	29	24	20	20	20
Public Safety										
Serious Crimes	1,906	2,001	2,560	2,342	2,422	2,526	2,358	2,242	2,568	2,654
Parking/Traffic Violations	6,546	4,435	5,566	5,687	5,823	6,019	5,823	6,227	6,547	6,235
Judicial										
Number of Cases Heard	1,858	2,080	2,165	2,131	2,122	2,122	2,369	2,462	2,584	2,135
Culture & Recreation										
Number of Events	14	12	15	15	17	17	17	17	17	17
Annual Number of Patrons Assisted	120,816	145,316	155,216	156,233	157,288	158,244	159,632	161,239	162,368	161,789
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

TABLE E-21

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	10	10
Number of Vehicles	50	48	48	55	65	68	74	82	86	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	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617
Number of Bridges	12	12	12	12	12	12	12	12	12	12
Health and Welfare										
Number of Buildings	5	5	5	5	5	5	5	5	5	5
Economic Development and Assistance										
Number of Buildings	2	2	2	2	2	2	2	2	2	2

Sources: Various city departments

### *Other Supplementary Information*

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

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**RAUL HERNANDEZ & COMPANY, P.C.**  
Certified Public Accountants  
5402 Holly Road, Suite 102  
Corpus Christi, Texas 78411  
Office (361) 980-0428 Fax (361) 980-1002

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

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

Members of the County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jim Wells County, Texas, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Jim Wells County, Texas' basic financial statements, and have issued our report thereon dated July 10, 2019.

**Internal Control Over Financial Reporting**

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

## **Purpose of this Report**

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

Respectfully submitted,

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

Raul Hernandez & Company, P.C.

Corpus Christi, Texas  
July 10, 2019

**JIM WELLS COUNTY, TEXAS**  
*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*  
*FOR THE YEAR ENDED DECEMBER 31, 2018*

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 - N/A

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>
N/A	

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, 2018*

<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, 2018*

N/A

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