



CITY OF JACKSBORO, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2020

CITY OF JACKSBORO, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2020

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INTRODUCTORY SECTION



March 10, 2021

The Honorable Mayor, Aldermen, and the Citizens of the City of Jacksboro

Chapter 103 of the Texas Municipal Code requires that a municipality shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. This statutory requirement is addressed in the City of Jacksboro (City) financial management plan, which includes the objective that a Comprehensive Annual Financial Report (CAFR) will be prepared by the Finance Department. The Comprehensive Annual Financial Report includes a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Accordingly, the Comprehensive Annual Financial Report for the City of Jacksboro, Texas for the fiscal year ended September 30, 2020, is hereby issued.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making representations, the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City'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 misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Edgin, Parkman, Fleming & Fleming, PC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2020, are free of material misstatements. 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 a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2020, 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.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis

(MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Profile of the City

The City of Jacksboro, the county seat of Jack County, was incorporated in 1875 and is a Type A General Law municipal corporation under Texas law. The City occupies approximately 5.8 square miles and serves an estimated population of 4,511. As a municipal corporation, the City is empowered by state statutes to levy a tax on real and business personal property located within the corporate boundaries.

The City of Jacksboro operates under the Aldermanic form of government where policymaking and legislative authority are vested in a governing council consisting of the Mayor and five (5) Aldermen (the "City Council"). The City Council is responsible for adopting the annual program of services (budget), appointing committees, employing the City Attorney, City Manager, City Secretary and Municipal Judge, as well as enacting ordinances and establishing the tax rate.

The City Manager is responsible for appointing the various department directors, implementing the policies and ordinances adopted by the City Council, and managing the day-to-day operations of the City. The City Manager also serves as liaison to the Jacksboro Economic Development Corporation. The Mayor and Council Members are elected at-large to serve two (2) year terms.

The basic financial statements of the City include all governmental activities, functions, and organizations for which it is financially accountable pursuant to and as defined by the Governmental Accounting Standards Board (GASB). The Economic Development Corporation (EDC) is a component unit of the City. In addition to appointing the EDC Board of Directors, the Council also approves the annual program of services for the EDC.

Services Provided

The City of Jacksboro is a full service city and provides the following: maintenance of streets and infrastructure; parks and recreation and cultural activities; public safety including emergency management, fire and police; solid waste services through a third party contract; and, water and wastewater distribution and collection systems.

Economic Conditions and Outlook

Although the City has experienced growth over the past few years with respect to businesses that are not directly tied to the oil and gas industry, the overall economic conditions did not significantly improve during the budget year ending on September 30, 2020. The COVID-19 Pandemic negatively impacted municipalities and businesses across the state and across the country. The City was not immune to those negative trends. During the 2019-2020 budget year, the City made conscious decisions to reduce expenditures across all departments, while also ensuring that no services were completely canceled or significantly reduced. Some projects were reduced in scope, or terminated pending the end of the pandemic. Despite the temporary closure of some businesses, sales tax revenues did slightly increase during that period. The economic

outlook, however, does show signs of improvement. Several new businesses have prepared plans for commercial development. Additionally, tourism related activities and events have sparked a significant interest in the City, leading to the potential growth of that industry.

An estimated 10,000 plus vehicles per day (Texas Department of Transportation) pass through the center of downtown. Jacksboro is equidistant to Fort Worth and Wichita Falls and is the transfer point for two (2) U.S. Highways (281, 380) and four (4) State Highways (59, 114, 148, 199). Ease of access is a contributing factor to new business growth.

Local Economy

The City currently enjoys a favorable economic outlook as a number of new tourism related businesses have made plans to locate here. Fort Richardson State Park hosts an estimated 180,000 visitors annually and contributes approximately \$900,000 to the local economy, however closure of camping areas for renovation did have a negative impact during renovations for part of the fiscal year. The City maintains two (2) lakes, Lake Jacksboro and Lost Creek Reservoir, which are primary contributors to an expanding recreation base.

Tourism is the third largest industry in the State of Texas and Jacksboro is the recipient of those dollars based upon hunting and fishing and enhanced recreation facilities. That includes adult and youth baseball facilities, a state grant funded playground (Texas Parks & Wildlife) and growth in league play due to increased interest countywide.

The City works closely with the Jacksboro Chamber of Commerce and the Jacksboro Economic Development Corporation to restore historic facilities to attract new business and tourism. This includes the restoration of the former Gulf Texas & Western Railroad Depot which is now a tourism/visitor center and houses the Jacksboro Economic Development Corporation and Chamber of Commerce.

The City also works closely with a local non-profit organization that contributes funds towards "quality of life" projects that have also enhanced tourism opportunities. Several of the projects funded by this organization include enhancements to local parks and community sports facilities.

The City has also invested a great deal of time and effort in overhauling an outdated zoning ordinance that oftentimes hampered commercial and residential growth. Following public hearings to garner community input and support, the City Council approved a number of zoning changes that will continue to protect property values, while at the same time improving the effectiveness of promoting commercial growth.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities incurred. Accounting records for the City's utilities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide

reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The annual program of services serves as the foundation of the City's financial planning and control. State law requires the annual program of services to be adopted by the City Council before the start of the fiscal year. The proposed budget must be submitted to the City Secretary no later than thirty (30) days before the date set for a public hearing by the City Council to consider adoption of the annual program of services.

Prior to adoption, the City Manager and city department directors prepare program expenditure estimates for the remainder of the current fiscal year and for the upcoming fiscal year, and these are compared to estimates of revenue for the same periods. Adjustments are made to the program expenditure and expense estimates as necessary to ensure that the proposed program of services is presented within total estimated income and available beginning fund resources.

The City Manager is authorized to transfer budgeted amounts between line items within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the fund level. Financial reports are produced showing budget and actual expenditures by line item and are distributed monthly to the departmental management and to others upon request.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at the position level and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly.

A budget-to-actual comparison for the General Fund is provided later in this report.

Debt Management. The City funds its capital program from a combination of current revenues and capital debt. Annual debt service requirements for general obligation debt are below the statutory legal limit of \$1.50 per \$100 assessed property value.

Cash Management. The City utilizes its investment policy in the management of all cash. The City's investment policy embraces current state regulations on the investment of public funds and authorizes the City to invest in certificates of deposit from the bank depository, direct obligations of the United States Government, obligations of an agency of the United States Government and local government investment pools. State law requires public funds deposits be collateralized. Collateral is monitored to ensure that the market value of the pledged securities equals or exceeds the related deposit or investment balance. All collateral shall be subject to

verification by the Finance Director and the City's independent auditors.

Tax Appraisal/Collection Responsibilities. Under Texas law enacted in 1979, and subsequent revisions of the State Property Tax Code, the appraised value of taxable property in Jacksboro is established by the Jack County Appraisal District. The City of Jacksboro and other taxing jurisdictions in Jack County provide a pro-rata share of the budgeted expenditures incurred by the Appraisal District, based on individual levy. The Jack County Tax Assessor-Collector provides tax collection services for the City and other taxing jurisdictions in Jack County.

Risk Management. A city government is constantly exposed to risk of all kinds, including damage to public property and liability resulting from injury to persons and damage to their property. As a means of providing reasonable protection against these risks, the City participates in the Texas Municipal League Intergovernmental Risk Pool for its property loss and liability coverage. As a member of the program, the City is provided the most extensive protection available to Texas cities in the areas of comprehensive general liability, auto liability, losses to municipal building and contents, and for law enforcement and public officials' liability coverage.

Awards. In accordance with the City's financial management plan, the City of Jacksboro was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019.

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. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The current comprehensive annual financial report was prepared with the objective of meeting the Certificate of Achievement Program's requirements and is being submitted to GFOA to determine its eligibility for the certificate.

Acknowledgements. The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the City. We would like to express our appreciation to all staff members who assisted and contributed to its preparation. We would also like to thank the Mayor and City Council members for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,



Michael R. Smith
City Manager



Hanna Reynolds
Finance Director



Government Finance Officers Association

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

Presented to

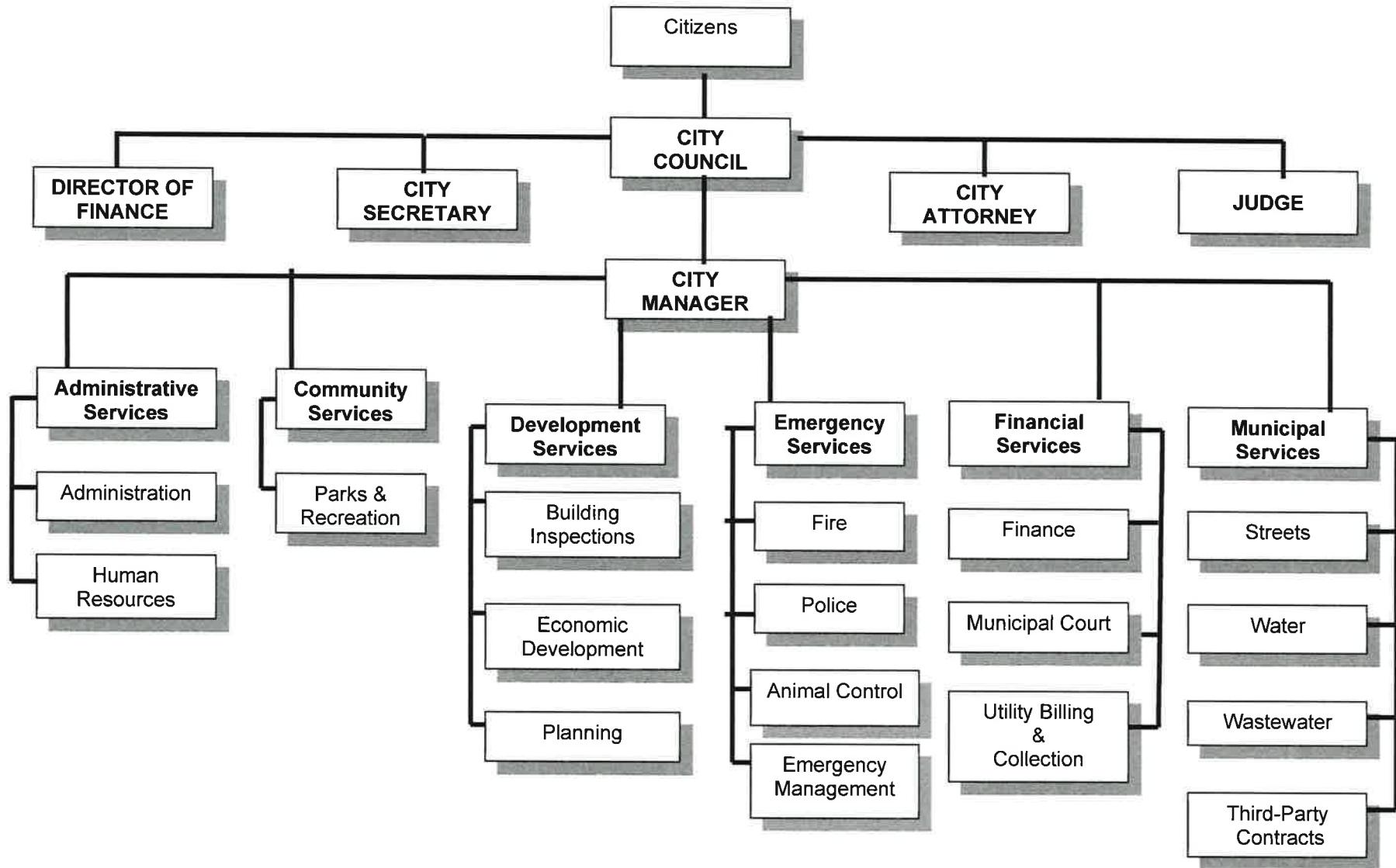
**City of Jacksboro
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO



City of Jacksboro
Organizational Chart

**CITY OF JACKSBORO
PRINCIPAL OFFICIALS**

Elected Officials

Alton Morris	Mayor
Melanie Belcher	Alderman
Olibia Gonzalez	Alderman
Greg Robinson	Alderman
Craig Fenter	Alderman
Joe Mitchell	Alderman

Appointed Officials

Michael R. Smith	City Manager
Brenda Tarpley	City Secretary
Scott Haynes	Chief of Police
Hanna Reynolds	Director of Finance

FINANCIAL SECTION



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR • P.O. Box 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 • FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

Independent Auditor's Report

Honorable Mayor and City Council
City of Jacksboro, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jacksboro, Texas (City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City'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 financial statement presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jacksboro, Texas as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System, the Schedule of Contributions – Texas Municipal Retirement System, and the Schedule of Changes in Total OPEB Liability and Related Ratios – Texas Municipal Retirement System identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a required 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 City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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.

Edgin, Parkman, Fleming & Fleming, PC

EDGIN, PARKMAN, FLEMING & FLEMING, PC

Wichita Falls, Texas
March 10, 2021



Management's Discussion and Analysis

Our discussion and analysis of the City of Jacksboro's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2020. Please read it in conjunction with the transmittal letter on pages i - v and the City's financial statements, which begin on page 12.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$10,421,314 (net position). Of this amount \$41,555 (unrestricted net position) may be used to meet the City's obligations.
- Net position decreased \$483,256. This decrease in net position is attributed to depreciation expense more than capital outlay for capital assets.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,356,743, an increase of \$114,339 in comparison with the prior year. The increase is primarily due to a budgeted transfer-in from the Utility Fund.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$1,077,276, or 36.12% percent of total general fund expenditures.
- The City of Jacksboro's outstanding bonds payable decreased by \$400,000 in the governmental activities and \$330,000 in the business-type activities. No new debt was issued in the current fiscal year and required debt service payments were made on time. More information about the City's bonds payable may be found on pages 37 to 40.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City of Jacksboro's basic financial statements are comprised of three components:

- 1) *Government-wide Financial Statements*
- 2) *Fund Financial Statements, and*
- 3) *Notes to the Financial Statements*

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the finances of the City of Jacksboro, Texas in a manner similar to a private-sector business.

The statement of net position presents information on all the City's assets, deferred outflows of resource and liabilities, deferred inflows of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing

how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include legislative, general government, public safety, streets, and culture, and recreation. The business-type activities of the City include the water, sewer, and solid waste utilities.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate component unit, Jacksboro Economic Development Corporation (JEDC), for which the City is financially accountable. Financial information for the JEDC is presented as a discrete component and is not included with the primary government. The JEDC is presented in a separate column in the government-wide financial statements. The government-wide financial statements and the JEDC fund financial statements can be found in the pages that follow this discussion.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains three major governmental funds and six nonmajor governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major general, debt service, and capital projects funds. The nonmajor funds are summarized in the other governmental funds column. The nonmajor funds combining schedules are included in the Combining and Individual Statements and Schedules section of this report.

The City adopts an annual appropriated budget for the general, capital projects, debt services, special revenue, and utility funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. This comparison can be found in the Fund Statements section of this report. The Notes to the Financial Statements are an integral part of this statement.

Proprietary funds

The City of Jacksboro, Texas maintains a single enterprise fund, the water, sewer, and solid waste utility fund.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its water, sewer, and solid waste operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the water and sewer enterprise fund which is a major fund of the City.

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. More detailed information on long-term debt activity and capital asset activity is presented in the relevant disclosures in the notes to the financial statements. The notes to the financial statements can be found on the pages immediately following the financial statements.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceed liabilities by \$10,421,314 at the close of the most recent fiscal year.

The largest portion (96.5%) of the City's net position reflects its net investment in capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table is a comparative summary of net position as of September 30, 2020 and 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 1,892,790	\$ 1,692,340	\$ 199,733	\$ 420,683	\$ 2,092,523	\$ 2,113,023
Capital assets, net of accumulated depreciation	8,574,226	9,281,345	5,119,043	5,484,942	13,693,269	14,766,287
Total assets	10,467,016	10,973,685	5,318,776	5,905,625	15,785,792	16,879,310
Deferred outflow of resources	151,372	363,555	99,317	168,390	250,689	531,945
Current liabilities	201,450	119,534	193,035	159,406	394,485	278,940
Long-term liabilities outstanding	3,488,119	4,396,527	1,486,567	1,826,581	4,974,686	6,223,108
Total liabilities	3,689,569	4,516,061	1,679,602	1,985,987	5,369,171	6,502,048
Deferred inflows of resources	148,538	3,239	97,458	1,398	245,996	4,637
Net position						
Net investment in capital assets	5,899,398	6,142,822	4,152,986	4,195,398	10,052,384	10,338,220
Restricted net position						
Debt service	241,240	211,571	-	-	241,240	211,571
Specific purposes	86,135	85,882	-	-	86,135	85,882
Unrestricted	553,508	377,665	(511,953)	(108,768)	41,555	268,897
Total net position	\$ 6,780,281	\$ 6,817,940	\$ 3,641,033	\$ 4,086,630	\$ 10,421,314	\$ 10,904,570

An additional portion of the City's net position (3.1%) represents resources that are subject to external restrictions on how they may be used.

Governmental Activities

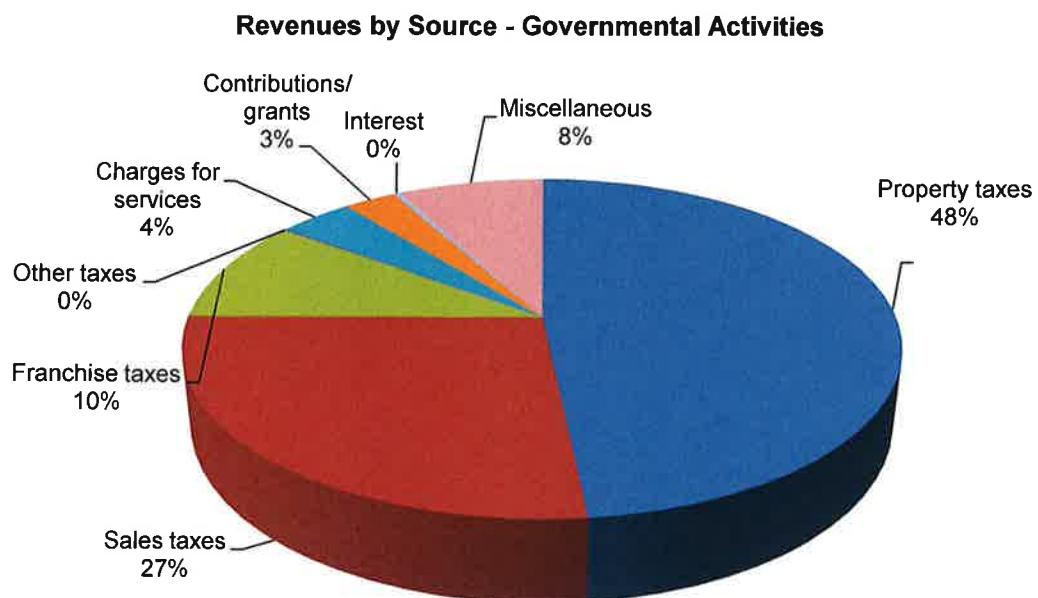
Governmental activities decreased net position by \$37,659, and business-type activities decreased net position by \$445,597, for a net total decrease in net position of \$483,256. The key elements of this City-wide decrease are shown in the following table:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues						
Charges for services	\$ 121,249	\$ 159,719	\$ 2,987,575	\$ 2,913,610	\$ 3,108,824	\$ 3,073,329
Operating grants and contributions	86,459	333,245	-	-	86,459	333,245
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Property taxes	1,494,349	1,503,115	-	-	1,494,349	1,503,115
Sales taxes	829,014	1,038,005	-	-	829,014	1,038,005
Franchise taxes	306,808	326,672	-	-	306,808	326,672
Hotel / Motel taxes	14,461	17,328	-	-	14,461	17,328
Other taxes	3,892	5,334	-	-	3,892	5,334
Interest	10,087	35,321	7,692	12,972	17,779	48,293
Miscellaneous	243,903	198,762	-	-	243,903	198,762
Total revenues	<u>3,110,222</u>	<u>3,617,501</u>	<u>2,995,267</u>	<u>2,926,582</u>	<u>6,105,489</u>	<u>6,544,083</u>
Expenses:						
Legislative	17,174	17,007	-	-	17,174	17,007
General government	1,009,521	1,217,870	-	-	1,009,521	1,217,870
Public safety	1,300,342	1,540,584	-	-	1,300,342	1,540,584
Streets	487,170	425,377	-	-	487,170	425,377
Culture and recreation	674,161	747,886	-	-	674,161	747,886
Interest and fiscal charges	109,513	121,899	-	-	109,513	121,899
Water and sewer utilities	-	-	2,990,864	2,813,144	2,990,864	2,813,144
Total expenses	<u>3,597,881</u>	<u>4,070,623</u>	<u>2,990,864</u>	<u>2,813,144</u>	<u>6,588,745</u>	<u>6,883,767</u>
Change in net position before transfers	(487,659)	(453,122)	4,403	113,438	(483,256)	(339,684)
Net transfers	<u>450,000</u>	<u>450,000</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>	<u>-</u>
Change in net position	(37,659)	(3,122)	(445,597)	(336,562)	(483,256)	(339,684)
Net position - beginning	<u>6,817,940</u>	<u>6,821,062</u>	<u>4,086,630</u>	<u>4,423,192</u>	<u>10,904,570</u>	<u>11,244,254</u>
Net position - ending	<u><u>\$ 6,780,281</u></u>	<u><u>\$ 6,817,940</u></u>	<u><u>\$ 3,641,033</u></u>	<u><u>\$ 4,086,630</u></u>	<u><u>\$ 10,421,314</u></u>	<u><u>\$ 10,904,570</u></u>

In total, the City's revenues decreased by 6.70 percent (\$438,594), mainly due to decreased operating grants and contributions and sales taxes. The total cost of all programs and services was slightly less (decreasing by \$295,022 or 4.5 percent). The key factor in the \$339,684 decrease in net position for the City is depreciation more than capital outlay for capital assets.

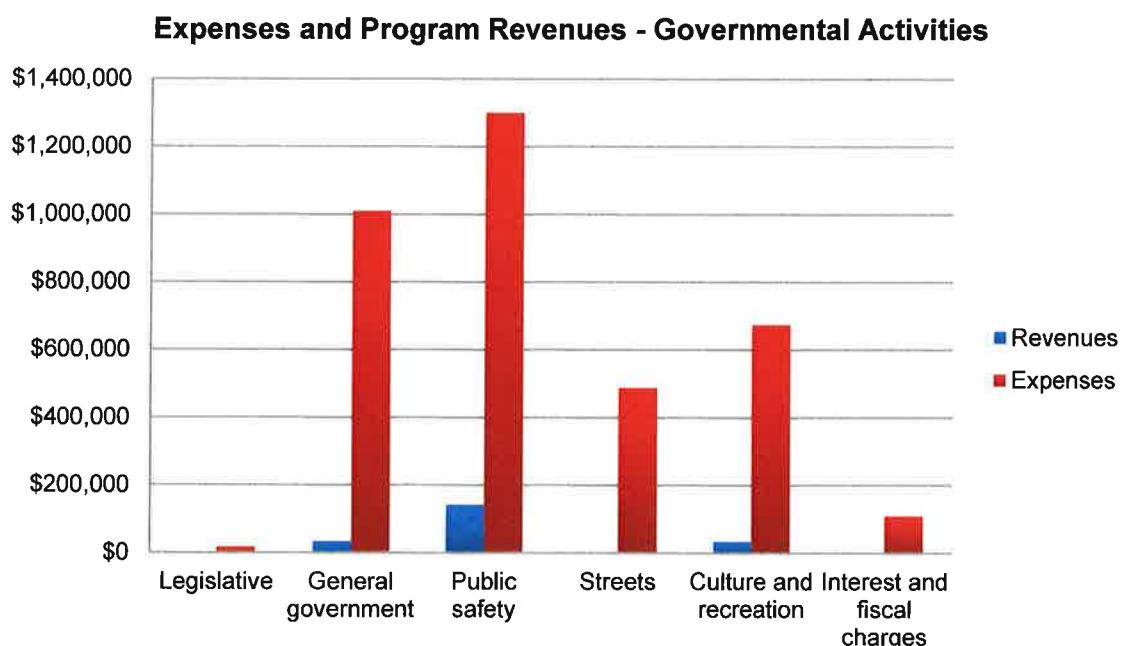
Revenues by source – governmental activities

Property taxes, sales taxes, franchise taxes, and charges for services provide 84% of the revenues for the governmental activities. The chart below provides a graphic representation of the City's revenues by source:



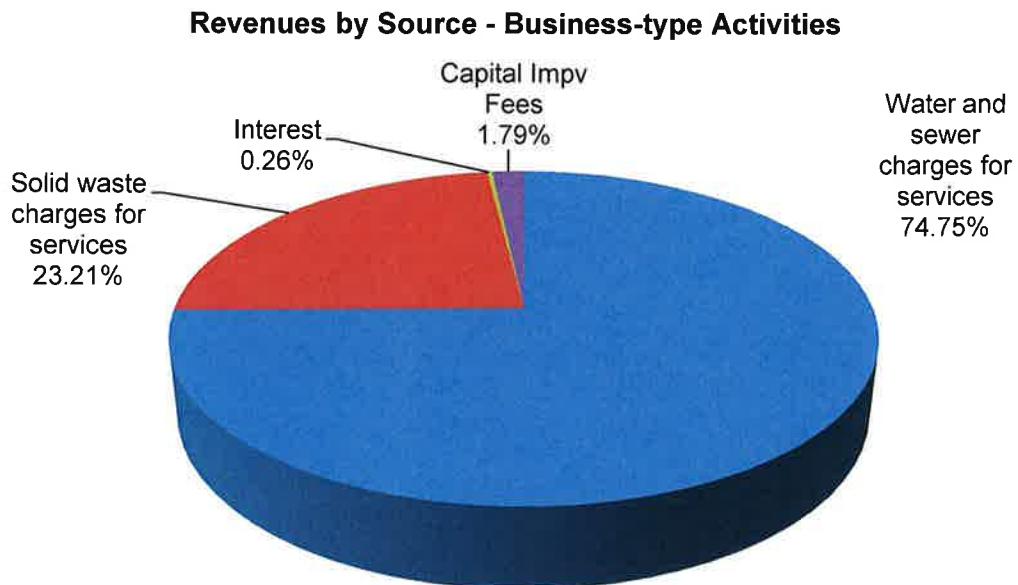
Expenses and program revenues – governmental activities

Public safety, general government, and culture and recreation make up 86% of the expenses for the governmental activities. The chart below provides a graphic representation of the City's governmental expenses and related revenues by source.



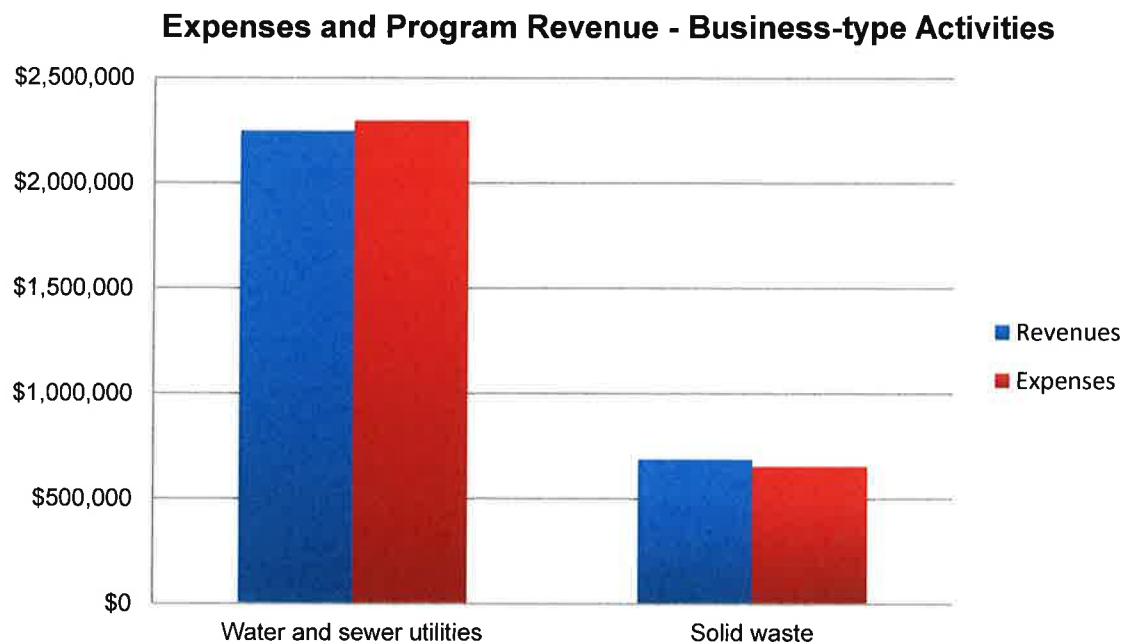
Revenues by source – business-type activities

Water, sewer, and solid waste charges for services account for 98% of the revenue for business-type activities. This is a 2.4% increase from 2019 revenues. The following chart provides a breakdown of all business-type revenues by source.



Expenses and program revenues – business-type activities

The City's business-type activities include water, sewer, and solid waste utilities. The City's water and sewer utilities make up 78% of operating expenses, and solid waste makes up the remaining 22%. The chart below provides a graphic representation of the City's business-type operating expenses and any related revenues by source.



Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,356,743, an increase of \$114,339 in comparison with the prior year. Approximately 79.4% of this total amount, \$1,077,276, constitutes unassigned fund balance in the general fund, which is available for spending at the City's discretion. The remainder of fund balance is restricted to indicate it is required to be set aside for specific purposes as follows: 1) debt service \$193,332, 2) tourism \$51,406, 3) court technology \$1,901, 4) court security \$6,384, 5) school safety \$8,915, 6) crossing guard fund \$14,576, and 7) other \$2,953.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,077,276. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 36.1% of total general fund expenditures. The fund balance of the general fund increased \$74,193 during the current fiscal year.

The debt service fund has a total fund balance of \$193,332, all of which is restricted for the payment of debt service. Debt service payments were made when due. The net increase in fund balance during the current year in the debt service fund was \$39,196.

Proprietary Funds

The City's proprietary fund provides the same type of information found in the government-wide statements, but in more detail.

Unrestricted net position of the utility fund at the end of the current fiscal year amounted to a deficit of \$511,953. Net position decreased \$445,597 from the prior year. Factors regarding the finances were addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Revenues were \$8,698 lower than the City's budgeted projections, and expenditures were lower than the final budget by \$171,495. The negative revenue variance was primarily due to decreased sales tax, franchise tax, and court fines revenues. The positive expenditure variance was primarily due to spending decreases in Public Safety Streets and Culture and Recreation.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to \$13,693,269 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, the Lost Creek Dam and Reservoir, streets, machinery and equipment, water and sewer system, and construction in progress.

CITY OF JACKSBORO CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2018
Land	\$ 295,178	\$ 483,168	\$ -	\$ -	\$ 295,178	\$ 483,168
Construction in progress	-	330,000	-	-	-	330,000
Buildings and improvements	1,839,003	2,400,932	-	-	1,839,003	2,400,932
Lost Creek Dam & Reservoir	4,018,469	4,185,905	-	-	4,018,469	4,185,905
Streets	1,686,237	1,045,884	-	-	1,686,237	1,045,884
Water and sewer system	-	-	4,911,368	5,224,545	4,911,368	5,224,545
Machinery and equipment	735,339	835,456	207,675	260,397	943,014	1,095,853
Total	\$ 8,574,226	\$ 9,281,345	\$ 5,119,043	\$ 5,484,942	\$ 13,693,269	\$ 14,766,287

Additional information on the City's capital assets can be found in note 7. CAPITAL ASSETS of this report.

Long-term Liabilities

At the end of the 2020 fiscal year, the City had total long-term liabilities of \$3,776,053.

CITY OF JACKSBORO OUTSTANDING LONG TERM LIABILITIES

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Bonds Payable, including premiums	\$ 2,397,841	\$ 2,801,053	\$ 966,057	\$ 1,301,948	\$ 3,363,898	\$ 4,103,001
Notes payable	276,987	339,436	-	-	276,987	339,436
Compensated absences	89,529	107,779	45,639	29,283	135,168	137,062
Total	\$ 2,764,357	\$ 3,248,268	\$ 1,011,696	\$ 1,331,231	\$ 3,776,053	\$ 4,579,499

Additional information on the City's long-term debt can be found in note 9. LONG TERM OBLIGATIONS of this report.

Economic Factors and Next Year's Program of Services (Budget) and Rates

- The 2020 appraised net taxable value used for the FY 2020-21 budget preparation was \$123,579,544, which is a 1.49% increase from the 2019 appraised net taxable value of \$121,764,192.
- For the 2020-21 budget year, the City adopted a tax rate of \$1.14167 per one hundred dollars of assessed valuation.
- The FY 2020-21 adopted general operating fund budget increases expenditures by 1.75% compared to the final FY 2019-20 actual amount, from \$2,982,272 actual in FY 2019-20 to a budgeted \$3,034,652 in FY 2020-21.

These indicators were considered when adopting the FY 2020-21 general fund budget. Beginning actual fund balance available for appropriation in the FY 2020-21 general fund budget is \$1,077,276. In total, the City's adopted FY 2020-21 general fund budget is projected to increase the ending fund balance by \$1,235.

Component Unit

The financial statements for the Jacksboro Economic Development Corporation (JEDC) , a component unit of the City of Jacksboro, are included in this report.

Component Unit Financial Highlights

- The assets and deferred outflows of resources of the JEDC exceeded its liabilities and deferred inflows of resources by \$1,554,838 September 30, 2020.
- Net position increased by \$6,098 in comparison with the prior year.

Jacksboro Economic Development Corporation Net Position

	Governmental Activities	
	2020	2019
Current and other assets	\$ 2,201,977	\$ 2,258,579
Capital assets, net of accumulated depreciation	3,625	5,075
Total assets	<u>2,205,602</u>	<u>2,263,654</u>
Deferred outflows of resources	13,005	22,576
Current liabilities	5,855	8,349
Long-term liabilities outstanding	645,152	728,939
Total liabilities	<u>651,007</u>	<u>737,288</u>
Deferred inflows of resources	12,762	202
Net position		
Net investment in capital assets	3,625	5,075
Unrestricted	<u>1,551,213</u>	<u>1,543,665</u>
Total net position	<u>\$ 1,554,838</u>	<u>\$ 1,548,740</u>

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City of Jacksboro's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Secretary, 112 West Belknap, Jacksboro, Texas, 76458.

BASIC FINANCIAL STATEMENTS

CITY OF JACKSBORO, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 416,559	\$ 4,476	\$ 421,035	\$ 444,690
Receivables (net):				
Property taxes	159,408	-	159,408	-
Sales taxes	134,685	-	134,685	44,895
Franchise fees	52,029	-	52,029	-
Municipal court fines	208,162	-	208,162	-
Customers	-	401,056	401,056	-
Other	15,950	-	15,950	826
Primary government	-	-	-	22,847
Internal balances	669,607	(669,607)	-	-
Note receivable	-	-	-	187,506
Property held for sale	-	-	-	1,501,213
Restricted assets:				
Cash and cash equivalents	236,390	463,808	700,198	-
Capital assets not being depreciated:				
Land	295,178	-	295,178	-
Capital assets:				
Buildings and improvements	4,825,246	-	4,825,246	-
Streets	2,709,430	-	2,709,430	-
Lost Creek Dam and Reservoir	8,355,568	-	8,355,568	-
Water and sewer system	-	12,346,424	12,346,424	-
Machinery and equipment	2,146,328	1,159,322	3,305,650	5,800
Furniture and fixtures	227,788	45,199	272,987	-
Accumulated depreciation	(9,985,312)	(8,431,902)	(18,417,214)	(2,175)
Total assets	<u>10,467,016</u>	<u>5,318,776</u>	<u>15,785,792</u>	<u>2,205,602</u>
Deferred Outflows of Resources				
Pension plan related	139,161	91,306	230,467	11,956
OPEB plan related	12,211	8,011	20,222	1,049
Total deferred outflows of resources	<u>151,372</u>	<u>99,317</u>	<u>250,689</u>	<u>13,005</u>
Liabilities				
Accounts payable and other accrued liabilities	133,099	122,599	255,698	762
Wages payable	33,344	21,996	55,340	963
Accrued interest payable	12,160	2,936	15,096	4,130
Customer deposits	-	45,504	45,504	-
Due to component unit	22,847	-	22,847	-
Long-term liabilities:				
Portion due or payable within one year	296,987	150,537	447,524	75,856
Portion due or payable after one year	2,467,370	861,159	3,328,529	507,115
Net pension liability (payable after one year)	638,600	418,995	1,057,595	54,864
Net OPEB liability (payable after one year)	85,162	55,876	141,038	7,317
Total liabilities	<u>3,689,569</u>	<u>1,679,602</u>	<u>5,369,171</u>	<u>651,007</u>
Deferred Inflows of Resources				
Pension plan related	143,945	94,444	238,389	12,367
OPEB plan related	4,593	3,014	7,607	395
Total deferred inflows of resources	<u>148,538</u>	<u>97,458</u>	<u>245,996</u>	<u>12,762</u>
Net Position				
Net investment in capital assets	5,899,398	4,152,986	10,052,384	3,625
Restricted:				
Landfill capital projects	2,548	-	2,548	-
Park projects	405	-	405	-
Debt service	241,240	-	241,240	-
Tourism	51,406	-	51,406	-
Court technology	1,901	-	1,901	-
Court security	6,384	-	6,384	-
School safety	23,491	-	23,491	-
Unrestricted	<u>553,508</u>	<u>(511,953)</u>	<u>41,555</u>	<u>1,551,213</u>
Total net position	<u>\$ 6,780,281</u>	<u>\$ 3,641,033</u>	<u>\$ 10,421,314</u>	<u>\$ 1,554,838</u>

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
Legislative	\$ 17,174	\$ -	\$ -
General government	1,009,521	33,393	-
Public safety	1,300,342	76,865	64,601
Streets	487,170	-	-
Culture and recreation	674,161	10,991	21,858
Interest and fiscal charges	109,513	-	-
Total governmental activities	<u>3,597,881</u>	<u>121,249</u>	<u>86,459</u>
Business-type activities:			
Water, sewer, and solid waste utilities	2,990,864	2,987,575	-
Total primary government	<u>\$ 6,588,745</u>	<u>\$ 3,108,824</u>	<u>\$ 86,459</u>
Component unit:			
Jacksboro Economic Development Corporation	<u>\$ 303,751</u>	<u>\$ -</u>	<u>\$ 3,500</u>
General revenues and transfers:			
Property taxes, levied for general purposes			
Property taxes, levied for debt service			
Sales taxes			
Franchise fees			
Hotel/Motel taxes			
Other taxes			
Interest			
Miscellaneous			
Transfers			
Total general revenues and transfers			
Change in net position			
Net position - beginning			
Net position - ending			

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government					
Governmental Activities	Business-type Activities	Total	Component Unit		
\$ (17,174)	\$ -	\$ (17,174)	\$ -		
(976,128)	-	(976,128)	-		
(1,158,876)	-	(1,158,876)	-		
(487,170)	-	(487,170)	-		
(641,312)	-	(641,312)	-		
(109,513)	-	(109,513)	-		
<u>(3,390,173)</u>	<u>-</u>	<u>(3,390,173)</u>	<u>-</u>		
-	(3,289)	(3,289)	-		
<u>(3,390,173)</u>	<u>(3,289)</u>	<u>(3,393,462)</u>	<u>-</u>		
			(300,251)		
969,976	-	969,976	-		
524,373	-	524,373	-		
829,014	-	829,014	277,693		
306,808	-	306,808	-		
14,461	-	14,461	-		
3,892	-	3,892	-		
10,087	7,692	17,779	4,246		
243,903	-	243,903	24,410		
450,000	(450,000)	-	-		
<u>3,352,514</u>	<u>(442,308)</u>	<u>2,910,206</u>	<u>306,349</u>		
(37,659)	(445,597)	(483,256)	6,098		
<u>6,817,940</u>	<u>4,086,630</u>	<u>10,904,570</u>	<u>1,548,740</u>		
<u>\$ 6,780,281</u>	<u>\$ 3,641,033</u>	<u>\$ 10,421,314</u>	<u>\$ 1,554,838</u>		

EXHIBIT A-3

CITY OF JACKSBORO, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 416,559	\$ -	\$ -	\$ 416,559
Receivables (net):				
Property taxes	104,241	55,167	-	159,408
Sales taxes	134,685	-	-	134,685
Franchise fees	52,029	-	-	52,029
Municipal court fines	208,162	-	-	208,162
Other	9,527	2,523	3,900	15,950
Due from other funds	640,200	29,407	-	669,607
Restricted cash	2,953	154,143	79,294	236,390
Total assets	<u>\$ 1,568,356</u>	<u>\$ 241,240</u>	<u>\$ 83,194</u>	<u>\$ 1,892,790</u>
Liabilities, deferred inflows of resources, and fund balances				
Liabilities:				
Accounts payable and other current liabilities	\$ 133,087	\$ -	\$ 12	\$ 133,099
Wages payable	33,344	-	-	33,344
Due to component unit	22,847	-	-	22,847
Total liabilities	<u>189,278</u>	<u>-</u>	<u>12</u>	<u>189,290</u>
Deferred inflows of resources:				
Unavailable revenues	298,849	47,908	-	346,757
Fund balances:				
Restricted	2,953	193,332	83,182	279,467
Unassigned	1,077,276	-	-	1,077,276
Total fund balances	<u>1,080,229</u>	<u>193,332</u>	<u>83,182</u>	<u>1,356,743</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,568,356</u>	<u>\$ 241,240</u>	<u>\$ 83,194</u>	<u>\$ 1,892,790</u>

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Total fund balances - governmental funds (Exhibit A-3) \$ 1,356,743

Amounts reported for *governmental activities* in the Statement of Net Position (Exhibit A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. Capital assets at year-end consist of:

Gross capital assets	\$ 18,559,538	
Related accumulated depreciation	<u>9,985,312</u>	8,574,226

Property taxes receivable are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds. 138,595

Municipal court fees receivable are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds. 208,162

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds payable	2,370,000	
Bond premiums	27,841	
Notes payable	276,987	
Compensated absences	<u>89,529</u>	(2,764,357)

Interest payable on long-term debt is not due and payable in the current period and therefore not reported as liabilities in the funds. Accrued interest at year-end was: (12,160)

The City's net pension liability and related deferred outflows and inflows related to its participation in the Texas Municipal Retirement System do not meet criteria to be reported in the governmental funds financial statements. These items consist of:

Deferred outflows of resources - pension plan related	139,161	
Deferred inflows of resources - pension plan related	(143,945)	
Net pension liability	<u>(638,600)</u>	(643,384)

The City's net OPEB (other post-employment benefit) liability and related deferred outflows and inflows related to the Supplemental Death Benefit Fund (SDBF) from the Texas Municipal Retirement System do not meet criteria to be reported in the governmental funds financial statements. These items consist of:

Deferred outflows of resources - OPEB related	12,211	
Deferred inflows of resources - OPEB related	(4,593)	
Net OPEB liability	<u>(85,162)</u>	(77,544)

Total net position - governmental activities (Exhibit A-1) \$ 6,780,281

See accompanying notes to the basic financial statements.

EXHIBIT A-5

CITY OF JACKSBORO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 993,163	\$ 533,900	\$ -	\$ 1,527,063
Sales taxes	829,014	-	-	829,014
Franchise fees	306,808	-	-	306,808
Hotel/Motel taxes	-	-	14,461	14,461
Other taxes	3,892	-	-	3,892
Charges for services	705	-	-	705
Licenses, permits, and fees	21,518	-	-	21,518
Recreation fees	10,991	-	-	10,991
Court fines and fees	38,501	-	2,895	41,396
Rentals	11,170	-	-	11,170
Contributions	21,858	-	-	21,858
Intergovernmental	50,851	-	13,750	64,601
Interest income	3,668	5,819	600	10,087
Miscellaneous	243,903	-	-	243,903
Total revenues	2,536,042	539,719	31,706	3,107,467
Expenditures				
Current:				
Legislative	17,174	-	-	17,174
General government	924,141	-	17,607	941,748
Public safety	1,166,328	-	119	1,166,447
Streets	352,028	-	-	352,028
Culture and recreation	369,604	-	-	369,604
Capital outlay	78,873	-	98,354	177,227
Debt service:				
Principal	62,086	400,000	-	462,086
Interest charges	12,038	99,788	-	111,826
Paying agent fees	-	735	-	735
Total expenditures	2,982,272	500,523	116,080	3,598,875
Excess of revenues over (under) expenditures	(446,230)	39,196	(84,374)	(491,408)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	155,747	-	-	155,747
Transfers in	450,000	-	84,604	534,604
Transfers out	(84,604)	-	-	(84,604)
Total other financing sources (uses)	521,143	-	84,604	605,747
Net change in fund balance	74,913	39,196	230	114,339
Fund balances - beginning	1,005,316	154,136	82,952	1,242,404
Fund balances - ending	\$ 1,080,229	\$ 193,332	\$ 83,182	\$ 1,356,743

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, 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 SEPTEMBER 30, 2020

Net change in fund balances - total governmental funds (Exhibit A-5) \$ 114,339

Amounts reported for *governmental activities* in the Statement of Activities (Exhibit A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. The net difference between the two is as follows:

Capital outlay during the year	\$ 177,227	
Depreciation expense for the year	<u>678,749</u>	(501,522)

The net book value of the capital assets disposed of during the year are not reported in the fund financial statements. However, in the Statement of Activities, the net book value of the capital assets disposed of during the year are recorded and were: (205,597)

Because certain receivables will not be collected for several months after the City's fiscal year ends, they are not considered 'available' revenues and are deferred in the governmental funds. The deferred inflow portions changed by these amounts this year:

Property taxes	(32,714)	
Municipal court fees	<u>35,469</u>	2,755

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Principal payments during the year were:

Bonds payable	400,000	
Notes payable	<u>62,449</u>	462,449

Accrued interest payable from the beginning of the year to the end of the year changed by: 1,439

Compensated absences are reported as the amount is earned in the Statement of Activities, but as paid in the governmental funds. During the year, the liability changed by: 18,250

The amortization of the bond premiums and deferred loss on refunding in the current year was: 1,246

The City participates in an agent multiple-employer defined benefit pension plan. Contributions to the plan are expenditures at the fund level when payments are due. At the government-wide level, pension expenses are recognized on an actuarial basis. Payments were more than the actuarial expense in the current year. 64,300

The City participates in a single-employer defined benefit OPEB plan. Contributions to the plan are expenditures at the fund level when payments are due. At the government-wide level, OPEB expenses are recognized on an actuarial basis. Payments were more than the actuarial expense in the current year. 4,682

Change in net position of governmental activities (Exhibit A-2) \$ (37,659)

See accompanying notes to the basic financial statements.

EXHIBIT A-7

CITY OF JACKSBORO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Property taxes	\$ 993,000	\$ 993,000	\$ 993,163	\$ 163
Sales taxes	850,000	850,000	829,014	(20,986)
Franchise fees	337,000	337,000	306,808	(30,192)
Other taxes	3,500	3,500	3,892	392
Charges for services	3,000	3,000	705	(2,295)
Licenses, permits, and fees	21,000	21,000	21,518	518
Recreation fees	28,000	28,000	10,991	(17,009)
Court fines and fees	85,000	85,000	38,501	(46,499)
Rentals	8,000	8,000	11,170	3,170
Contributions	21,000	21,000	21,858	858
Intergovernmental	12,240	12,240	50,851	38,611
Interest income	15,000	15,000	3,668	(11,332)
Miscellaneous	168,000	168,000	243,903	75,903
Total revenues	<u>2,544,740</u>	<u>2,544,740</u>	<u>2,536,042</u>	<u>(8,698)</u>
Expenditures				
Current:				
Legislative	15,922	15,922	17,174	(1,252)
General government	930,020	930,020	924,141	5,879
Public safety	1,246,475	1,246,475	1,166,328	80,147
Streets	424,950	424,950	352,028	72,922
Culture and recreation	477,700	477,700	369,604	108,096
Capital outlay	-	-	78,873	(78,873)
Debt service:				
Principal	42,700	42,700	62,086	(19,386)
Interest charges	16,000	16,000	12,038	3,962
Total expenditures	<u>3,153,767</u>	<u>3,153,767</u>	<u>2,982,272</u>	<u>171,495</u>
Excess of revenues under expenditures	<u>(609,027)</u>	<u>(609,027)</u>	<u>(446,230)</u>	<u>162,797</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	160,000	160,000	155,747	(4,253)
Transfers in	450,000	450,000	450,000	-
Transfers out	-	-	(84,604)	(84,604)
Total other financing sources (uses)	<u>610,000</u>	<u>610,000</u>	<u>521,143</u>	<u>(88,857)</u>
Net change in fund balance	973	973	74,913	73,940
Fund balances - beginning	<u>1,005,316</u>	<u>1,005,316</u>	<u>1,005,316</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,006,289</u>	<u>\$ 1,006,289</u>	<u>\$ 1,080,229</u>	<u>\$ 73,940</u>

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2020

	<u>Utility Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 4,476
Receivables (net)	401,056
Restricted assets:	
Cash and cash equivalents	463,808
Total current assets	<u>869,340</u>
Long-term assets:	
Capital assets:	
Water and sewer system	12,346,424
Machinery and equipment	1,159,322
Furniture and fixtures	45,199
Less accumulated depreciation	(8,431,902)
Total long-term assets	<u>5,119,043</u>
Total assets	<u>5,988,383</u>
Deferred Outflows of Resources:	
Pension plan related	91,306
OPEB plan related	8,011
Total deferred outflows of resources	<u>99,317</u>
Liabilities	
Current liabilities:	
Accounts payable and other current liabilities	122,599
Wages payable	21,996
Due to other funds	669,607
Accrued interest payable	2,936
Customer deposits	45,504
Compensated absences, current portion	20,537
Current maturities of long-term obligations	130,000
Total current liabilities	<u>1,013,179</u>
Long-term liabilities:	
Long-term obligations, less current maturities	836,057
Compensated absences, net of current portion	25,102
Net pension liability	418,995
Net OPEB liability	55,876
Total long-term liabilities	<u>1,336,030</u>
Total liabilities	<u>2,349,209</u>
Deferred Inflows of Resources:	
Pension plan related	94,444
OPEB plan related	3,014
Total deferred inflows of resources	<u>97,458</u>
Net Position	
Net investment in capital assets	4,152,986
Unrestricted	(511,953)
Total net position	<u>\$ 3,641,033</u>

See accompanying notes to the basic financial statements.

EXHIBIT A-9

CITY OF JACKSBORO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Utility Fund</u>
Operating revenues:	
Water revenues	\$ 1,334,602
Sewer revenues	831,740
Solid waste	687,830
Penalties	42,035
Tap fees	7,129
Miscellaneous	31,283
Total operating revenues	<u>2,934,619</u>
Operating expenses:	
Salaries and benefits	1,200,843
Supplies and maintenance	523,993
Contractual services	181,870
Sanitation contractual services	654,383
Depreciation	389,158
Total operating expenses	<u>2,950,247</u>
Operating loss	<u>(15,628)</u>
Nonoperating revenues (expenses):	
Interest income	7,692
Interest expense	(40,617)
Total nonoperating revenues (expenses)	<u>(32,925)</u>
Loss before capital contributions and transfers	<u>(48,553)</u>
Capital contributions	52,956
Transfers out	<u>(450,000)</u>
Change in net position	<u>(445,597)</u>
Net position - beginning	<u>4,086,630</u>
Net position - ending	<u>\$ 3,641,033</u>

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Utility Fund
Cash flows from operating activities:	
Received from customers	\$ 2,921,966
Payments to employees	(1,040,191)
Payments to suppliers and professional contractors for services	(1,323,197)
Net cash provided by operating activities	<u>558,578</u>
Cash flows from noncapital financing activities:	
Due to other funds	234,407
Transfers to other funds	(450,000)
Net cash used by noncapital financing activities	<u>(215,593)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(23,259)
Principal paid on capital debt	(335,891)
Interest paid on capital debt	(42,048)
Capital contributions	52,956
Net cash used by capital and related financing activities	<u>(348,242)</u>
Cash flows from investing activities:	
Interest on investments	<u>7,692</u>
Net Increase in Cash and Cash Equivalents	2,435
Cash and Cash Equivalents - Beginning	465,849
Cash and Cash Equivalents - Ending	<u>\$ 468,284</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating loss	\$ (15,628)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	389,158
(Increase) decrease in current assets and deferred outflows of resources:	
Accounts receivable	(11,022)
Deferred outflows of resources	69,073
Increase (decrease) in current liabilities and deferred inflows of resources:	
Accounts payable and other accrued liabilities	37,049
Wages payable	(358)
Customer deposits	(1,631)
Compensated absences	16,356
Net pension liability	(41,413)
Net OPEB liability	20,934
Deferred inflows of resources	96,060
Total adjustments	<u>574,206</u>
Net cash provided by operating activities	<u>\$ 558,578</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:	
Unrestricted cash and cash equivalents	\$ 4,476
Restricted assets - cash and cash equivalents	463,808
Total cash and cash equivalents	<u>\$ 468,284</u>

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of Jacksboro, Texas (City) conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. GAAP for local governments includes those principles prescribed by the Governmental Accounting Standards Board (GASB), which includes all statements and interpretations of the National Council on Governmental Accounting (NCGA) unless modified by the GASB, and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units. The following is a summary of the more significant policies and practices used by the City.

A. Reporting Entity

The City is incorporated as a general law municipal corporation under the laws of the State of Texas. The City operates under a Mayor / Alderman form of government and provides the following services: legislative, general administrative services, public safety (police and fire), streets, and culture and recreation. Other services include water, sewer, and solid waste operations. The City, for financial purposes, includes all of the funds relevant to the operations of the City of Jacksboro, Texas.

The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The component unit of the City includes the separately administered organization that is controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The Jacksboro Economic Development Corporation (JEDC) is a discretely-presented component unit which serves all of the citizens of the City and is governed by a board of directors that are appointed by and serve at the discretion of the City Council. The City Council has ultimate authority over the actions of the JEDC. The JEDC is reported as a governmental entity and its accounts are maintained on the accrual basis of accounting. Separate audited financial statements are not issued for the JEDC; however, complete financial statements for the JEDC may be obtained from the City's Finance Officer at 112 West Belknap, Jacksboro, Texas.

B. Basis of Presentation

Government-wide Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on activities of the primary government and its component unit.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (public works, public transportation, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate fund-based financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for governmental and enterprise) for the determination of major funds. The major governmental funds are the General Fund and Debt Service Fund. The major enterprise fund is the Utility Fund.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Government fund-level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes, franchise fees, and hotel/motel taxes associated with the current fiscal period are susceptible to accrual and have been recognized as revenues of the current fiscal period.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. This fund is used to account for all financial resources of the general government, except for those required to be accounted for in another fund.

The Debt Service Fund is used to account for the annual debt service requirements of the City.

The City reports the following major enterprise fund:

The Utility Fund is used to account for the water, wastewater, and sanitation services provided by the City.

In addition, the City reports the following nonmajor fund types:

The Special Revenue Funds account for proceeds for specific revenues that are legally restricted to expenditures for a specified purpose. The nonmajor governmental funds are as follows:

- Hotel/motel fund is supported by hotel/motel taxes and are used to promote tourism.
- Court technology fund is supported by court fines and are used for technology purchases.
- Court security, school safety, and crossing guard funds are supported by court fines and used for security and safety purposes.
- Grant Fund is supported by intergovernmental grants and used for the purpose specified in the grant contract.

GASB Statement No. 34 eliminates the presentation of account groups but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Utility Fund are charges to customers for services. Operating expenses for the Utility Fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

D. Budget Policies

The City Council adopts an annual budget for the General, Capital Projects, Special Revenue, Debt Service, and Utility Funds. The General Fund budget is legally adopted. The annual budgets for the General, Capital Projects, Debt Service, and Special Revenue Funds are adopted on a modified accrual basis. The budget for the Utility Fund is adopted under a basis consistent with GAAP, except that amortization and depreciation are not considered (working capital basis).

The City adheres to the following procedures in establishing the budget reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must have been given. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.
2. Once a budget is approved, it can only be amended by approval of a majority of the members of the City Council. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end. All budget appropriations lapse at year end.

E. Assets, Liabilities and Net Position or Equity

1. Cash, Investments, and Temporary Deposits

The City's cash, investments, and temporary deposits are pooled for investment. For purposes of the statement of cash flows, the City considers cash on hand, demand deposits, and investments with original maturities of three months or less to be cash equivalents.

2. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 of the prior year. Taxes are levied on October 1, and do not begin to accrue interest until February 1. The City is permitted by the Municipal Finance Law of the State of Texas to levy taxes (exclusive of those amounts levied to service long-term debt) up to \$2.25 per \$100 of assessed valuation. The City's tax rate for the current year was \$.781500 per \$100 in assessed valuation. Additionally, the City levied a tax for Debt Service of \$.418500 per \$100 in assessed valuation; therefore, the total tax rate was \$1.200000 per \$100 in assessed valuation.

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

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

3. Inventories and Prepaid Items

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

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

4. Property Held for Sale

Property held for sale consists of land and buildings that were purchased or donated to be sold to third parties. Those assets are carried at the lower of cost or fair market value.

5. Capital Assets

Capital assets which include land, buildings and improvements, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are reported in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets and capital assets received in a service concession arrangement are recorded at acquisition value at the time received.

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

Buildings and improvements	20-50 years
Streets	20-50 years
Machinery, equipment, furniture, and fixtures	5-15 years

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Certain amounts related to the City's participation in pension plans (see Note 10) are reported in this category, along with deferred losses on bond refunding.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. Property taxes receivable (\$138,595) and municipal court fines receivable (\$208,162) are unavailable and therefore cannot be recognized as revenue in the governmental funds until they are received. There are also certain items related to the City's participation in pension and OPEB plans (see Notes 10 and 11) that are reported in this category.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

7. Compensated Absences

Employees in permanent positions are eligible for vacation benefits, either as time off with pay or as terminal in cases of separation from City employment. Upon leaving the employment of the City, employees will be paid for unused vacation days which they have accrued.

Permanent employees accumulate sick leave indefinitely. However, no terminal pay is authorized for unused sick leave for terminating employees.

8. Long-Term Obligations

Long-term debt and other obligations for general government purposes are recorded in the government-wide statement of net position. Long-term debt and other obligations financed by the Utility Fund are reported as liabilities in that fund.

For the government-wide and Utility Fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expended when incurred. In the governmental fund-level financial statements, bond proceeds are reported as another financing source. Bond premiums and discounts in governmental funds are also recognized currently as other financing sources or uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

9. 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 in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation. At September 30, 2020, the restricted fund balances were as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
Landfill capital projects	\$ 2,548	\$ -	\$ -	\$ 2,548
Park projects	405	-	-	405
Debt service	-	193,332	-	193,332
Tourism	-	-	51,406	51,406
Court technology	-	-	1,901	1,901
Court security	-	-	6,384	6,384
School safety	-	-	<u>23,491</u>	<u>23,491</u>
 Totals	 <u>\$2,953</u>	 <u>\$193,332</u>	 <u>\$83,182</u>	 <u>\$279,467</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the City Council. Committed amounts cannot be used for any other purpose unless the governing board 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 governing board. 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 City 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 governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, or debt service 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 convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City 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.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

10. Transactions Between Funds

Outstanding balances between funds are reported as "due to/from other funds." Any residual balances between governmental activities and business-type activities are reported in the government-wide statements as "internal balances". Nonrecurring or non-routine transfers of equity between funds are accounted for as transfers.

11. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City participates in the Texas Municipal League Intergovernmental Risk Pool (TML). TML is a self-funded pool operating as a common risk management and insurance program. 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

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

of coverage has its own level of reinsurance. 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.

12. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Accordingly, actual results could differ from those estimates.

13. Pension Plan

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/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported to 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.

14. Other Post-Employment Benefits

The fiduciary net position of the TMRS Supplemental Death Benefit Fund (SDBF) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from the SDBF's fiduciary net position. 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.

2. COMPLIANCE AND ACCOUNTABILITY

A. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", a violation of finance-related legal and contractual provisions is reported below, along with the action taken to address the violation:

- For the year ended September 30, 2020, the City overexpended the General Fund's budget in three functional areas (see Exhibit A-7). The City will be more diligent in monitoring its actual expenditures compared to the City's adopted budget in future years.

B. Deficit Fund Balance or Net Position of Individual Funds

As of September 30, 2020, the City did not have any individual funds with deficit fund balances.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

3. DEPOSITS AND INVESTMENTS

A. Deposits

All of the City's demand and time depository accounts are held in local banking institutions. At September 30, 2020, the carrying amount of the City's deposits (cash and interest-bearing savings accounts included in temporary investments) was \$1,121,233 and the bank balance was \$993,263. The City's cash deposits at September 30, 2020, and during the year ended September 30, 2020, were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

All of the JEDC's demand and time depository accounts are held in local banking institutions. At September 30, 2020, the carrying amount of the Corporation's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$444,690 and the bank balance was \$457,937. The Corporation's cash deposits at September 30, 2020, and during the year ended September 30, 2020, were entirely covered by FDIC insurance.

B. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act (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, maturity and the quality and capability of investment management; 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 Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the City adhered to the requirements of the Act. Additionally, investment practices of the City were in accordance with local policies.

The Act determines the types of investments which are allowable for the City. 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.

Investments of the City and JEDC at September 30, 2020 are as follows and are reported as cash and cash equivalents on Exhibit A-1:

<u>Types of Investments</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Average Credit Quality Ratings</u>	<u>Weighted Average Days to Maturity</u>
Primary Government: TexSTAR	\$438,857	\$438,857	AAA-m	46
JEDC: LOGIC	<u>355,965</u>	<u>355,965</u>	AAA-m	37
Total investments	<u>\$794,822</u>	<u>\$794,822</u>		

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

3. DEPOSITS AND INVESTMENTS (CONT'D.)

The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

Public Funds Investment Pools

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. The City participates in the following public funds investment pools:

TexSTAR – Texas Short Term Asset Reserve Program (TexSTAR) is administered by J.P. Morgan Investment Management Inc. and First Southwest, a division of Hilltop Securities, Inc. J.P. Morgan Investment Management, Inc. provides investment management services and First Southwest provides participant and marketing services for TexSTAR. TexSTAR's governing body is a five-member board of directors comprised of three government officials and one member employed by each co-administrator or an affiliate. TexSTAR's investments are only those authorized by the Act governing pools for local governments.

Each participating government owns an undivided beneficial interest in the assets of the pool represented by units. Participants may terminate their participation in TexSTAR at any time by redeeming their units. TexSTAR is not registered with the Securities and Exchange Commission (SEC) as an investment company.

LOGIC – Local Government Investment Cooperative (LOGIC) is administered by J.P. Morgan Investment Management Inc. and First Southwest, a division of Hilltop Securities, Inc. J.P. Morgan Investment Management, Inc. provides investment management services and First Southwest provides participant and marketing services for LOGIC. LOGIC's governing body is a five-member board of directors comprised of three government officials and two other persons with expertise in public finance. LOGIC's investments are only those authorized by the Texas Public Funds Investment Act governing pools for local governments. LOGIC presently offers two investment pools, each of which is separately managed and has a different investment objective.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

3. DEPOSITS AND INVESTMENTS (CONT'D.)

Each participating government owns an undivided beneficial interest in the assets of the pool represented by units. Participants may terminate their participation in LOGIC at any time by redeeming their units. LOGIC is not registered with the Securities and Exchange Commission (SEC) as an investment company.

C. Analysis of Specific Deposit and Investment Risks

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

1. 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 City was not significantly exposed to credit risk.

2. 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 City'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 City's name.

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

3. 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 City was not exposed to concentration of credit risk.

4. 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 City was not exposed to interest rate risk.

5. Foreign Currency Risk

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

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

3. DEPOSITS AND INVESTMENTS (CONT'D.)

D. Investment Accounting Policy

The City'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.

4. RECEIVABLES

Receivables at September 30, 2020, including the allowances for uncollectible accounts, are as follows:

	Debt General Fund	Other Service Fund	Utility Gov. Funds	Totals Primary Government	JEDC – Component Unit	Totals Reporting Entity
Receivables:						
Property taxes	\$115,823	\$61,297	\$ -	\$ 177,120	\$ -	\$ 177,120
Sales taxes	134,685	-	-	134,685	44,895	179,580
Franchise fees	52,029	-	-	52,029	-	52,029
Municipal court fines	416,324	-	-	416,324	-	416,324
Utility services	-	-	-	425,839	425,839	425,839
Other	<u>6,843</u>	<u>2,523</u>	<u>3,900</u>	<u>13,266</u>	<u>826</u>	<u>14,092</u>
Gross receivables	725,704	63,820	3,900	1,219,263	45,721	1,264,984
Less: Allowance for uncollectible accounts	(217,060)	(6,130)	-	(24,783)	(247,973)	(247,973)
Net total receivables	<u>\$508,644</u>	<u>\$57,690</u>	<u>\$3,900</u>	<u>\$401,056</u>	<u>\$45,721</u>	<u>\$1,017,011</u>

There are no net receivables, other than delinquent property taxes and municipal court fines, that the City does not expect to collect within a year. The City expects to collect approximately \$40,000 of the \$177,120 total delinquent property taxes within a year and \$140,000 of the \$416,324 of the municipal court fines within a year. These amounts are similar to the amounts collected in previous years.

5. NOTE RECEIVABLE

On March 6, 2017, JEDC entered into an agreement with a grantee to fund the renovation of a facility the JEDC owns for use as a commercial restaurant by the grantee. The agreement is pursuant to Section 380.001 of the Texas Local Government Code. The agreement is for the JEDC to fund \$271,000 for the renovation to be repaid by the grantee monthly over 84 months starting January 1, 2018 at \$3,226 per month. In December 2020, JEDC reduced the payment to \$1,500 per month for October 2020 to June 2021, with the remaining monthly payments of \$3,226 due until the balance is paid in full. The agreement also allows for the grantee to occupy the facility without payment of rent, subject to the grantee paying for the following costs to operate and maintain the buildings, including

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

5. NOTE RECEIVABLE (CONT'D.)

ad valorem taxes, utilities, and maintenance costs. The agreement also allows the grantee to elect to exercise an option to purchase upon repaying the note or sooner if agreed to by both parties in writing. The purchase price shall be \$85,000 with the grantee making 24 monthly payments of \$3,542 unless earlier payment is agreed to by both parties. The City does not consider there to be any credit losses associated with the component unit note receivable and has not set an allowance for an uncollectible amount.

The note is scheduled to be repaid as follows:

<u>Year Ended September 30:</u>	
2021	\$ 23,179
2022	38,714
2023	38,714
2024	38,714
2025	38,714
2026	<u>9,471</u>
 Total	 <u>\$187,506</u>

6. RESTRICTED CASH

Restricted cash consists of cash held for specific purposes in accordance with bond covenants or other legal restrictions. At September 30, 2020, restricted cash is comprised of the following:

	Debt		Other		Total
	General Fund	Service Fund	Governmental Funds	Governmental Funds	
Landfill capital projects	\$2,548	\$ -	\$ -	\$ 2,548	\$ -
Park projects	405	-	-	405	-
Debt service	-	154,143	-	154,143	-
Tourism	-	-	47,518	47,518	-
Court security	-	-	6,384	6,384	-
Court technology	-	-	1,901	1,901	-
School safety	-	-	23,491	23,491	-
Utility capital projects	-	-	-	-	418,304
Utility customer deposits	-	-	-	-	45,504
 Totals	 <u>\$2,953</u>	 <u>\$154,143</u>	 <u>\$79,294</u>	 <u>\$236,390</u>	 <u>\$463,808</u>

7. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended September 30, 2020 was as follows:

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

7. CAPITAL ASSETS (CONT'D.)

Governmental activities:

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
Capital assets not being depreciated:					
Land	\$ 483,168	\$ -	\$ 187,990	\$ -	\$ 295,178
Construction in progress	330,000	98,354	-	(428,354)	-
Total capital assets not being depreciated	813,168	98,354	187,990	(428,354)	295,178
Capital assets being depreciated:					
Buildings and improvements	5,214,880	-	21,235	(368,399)	4,825,246
Streets	1,893,883	-	-	815,547	2,709,430
Lost Creek Dam and Reservoir	8,355,568	-	-	-	8,355,568
Machinery and equipment	2,086,249	78,873	-	(18,794)	2,146,328
Furniture and fixtures	227,788	-	-	-	227,788
Total capital assets being depreciated	17,778,368	78,873	21,235	428,354	18,264,360
Less accumulated depreciation for:					
Buildings and improvements	2,813,948	175,923	3,628	-	2,986,243
Streets	847,999	175,194	-	-	1,023,193
Lost Creek Dam and Reservoir	4,169,663	167,436	-	-	4,337,099
Machinery and equipment	1,250,793	160,196	-	-	1,410,989
Furniture and fixtures	227,788	-	-	-	227,788
Total accumulated depreciation	9,310,191	678,749	3,628	-	9,985,312
Total capital assets being depreciated, net	8,468,177	(599,876)	17,607	428,354	8,279,048
Governmental activities capital assets, net	\$ 9,281,345	(\$501,522)	\$205,597	\$ -	\$ 8,574,226

Depreciation expense was charged to departments as follows:

General Government	\$ 69,793
Public Safety	190,977
Streets	148,935
Culture and Recreation	<u>269,044</u>
Total	\$678,749

Business-type activities:

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
Capital assets being depreciated:					
Water and sewer system	\$12,341,424	\$ 8,859	\$ -	(\$ 3,859)	\$12,346,424
Machinery and equipment	1,141,063	14,400	-	3,859	1,159,322
Furniture and fixtures	45,199	-	-	-	45,199
Total capital assets being depreciated	13,527,686	23,259	-	-	13,550,945
Less accumulated depreciation for:					
Water and sewer system	7,116,879	318,177	-	-	7,435,056
Machinery and equipment	880,666	70,981	-	-	951,647
Furniture and fixtures	45,199	-	-	-	45,199
Total accumulated depreciation	8,042,744	389,158	-	-	8,431,902
Business-type activities capital assets, net	\$ 5,484,942	(\$365,899)	\$ -	\$ -	\$ 5,119,043

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

8. *INTERFUND BALANCES AND ACTIVITY*

A. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2020 consisted of the following:

<u>Due to Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Utility Fund	\$640,200	Short-term borrowings
Debt Service	Utility Fund	<u>29,407</u>	Short-term borrowings
Total		<u>\$669,607</u>	

All amounts are scheduled to be repaid within one year.

B. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2020 consisted of the following:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Utility Fund	\$450,000	Cover deficit operations
Other Gov't Funds	General Fund	<u>84,604</u>	Cover deficit operations
Total		<u>\$534,604</u>	

9. *LONG-TERM OBLIGATIONS*

A. Long-term Liabilities

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended September 30, 2020, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
<u>Governmental Activities:</u>					
Bonds payable	\$2,770,000	\$ -	\$400,000	\$2,370,000	\$220,000
Premiums on bonds payable	31,053	-	3,212	27,841	-
Note payable	339,436	-	62,449	276,987	36,699
Compensated absences *	107,779	38,914	57,164	89,529	40,288
Total governmental activities	<u>\$3,248,268</u>	<u>\$ 38,914</u>	<u>\$522,825</u>	<u>\$2,764,357</u>	<u>\$296,987</u>
<u>Business-type Activities:</u>					
Bonds payable	\$1,245,000	\$ -	\$330,000	\$ 915,000	\$130,000
Premiums on bonds payable	56,948	-	5,891	51,057	-
Compensated absences *	29,283	24,863	8,507	45,639	20,537
Total business-type activities	<u>\$1,331,231</u>	<u>\$ 24,863</u>	<u>\$344,398</u>	<u>\$1,011,696</u>	<u>\$150,537</u>
<u>JEDC</u>					
Note payable	<u>\$ 657,249</u>	<u>\$ -</u>	<u>\$ 74,278</u>	<u>\$ 582,971</u>	<u>\$ 75,856</u>

* - Other long-term liabilities

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

9. LONG-TERM OBLIGATIONS (CONT'D.)

For governmental activities, compensated absences are generally liquidated by the General Fund.

B. Bonds Payable

Bonds payable at September 30, 2020, including net unamortized premiums on the bonds, are comprised of the following individual issues:

<u>Description</u>	<u>Bonds Authorized</u>	<u>Range of Interest Rates</u>	<u>Final Maturity Date</u>	<u>Annual Serial Payments</u>	<u>Bonds Outstanding at 9/30/20</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Combination Tax & Surplus Water & Sewer System Revenue Certificates of Obligation, Series 2004	\$ 535,000	4.650%	2/15/2024	\$30,000 to \$40,000	\$ 155,000	\$ 80,000	\$ 75,000
Combination Tax & Revenue Certificates of Obligation, Series 2008	1,800,000	4.000%	2/15/2028	\$70,000 to \$115,000	815,000	735,000	80,000
Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2011	2,060,000	3.00% to 4.000%	8/15/2031	\$80,000 to \$165,000	1,435,000	1,435,000	-
General Obligation Refunding Bonds, Series 2015	4,095,000	2.00% to 4.000%	8/15/2029	\$45,000 to \$680,000	880,000	120,000	760,000
Plus bond premium					<u>78,988</u>	<u>27,841</u>	<u>51,057</u>
Total all bonds					<u><u>\$3,363,988</u></u>	<u><u>\$2,397,841</u></u>	<u><u>\$966,057</u></u>

Aggregate maturities of the bonds payable (principal and interest) for the years subsequent to September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 220,000	\$ 87,846	\$ 307,846
2022	230,000	80,385	310,385
2023	235,000	72,505	307,505
2024	250,000	63,875	313,875
2025	240,000	55,143	295,143
2026-2030	1,030,000	139,825	1,169,825
2031	<u>165,000</u>	<u>6,600</u>	<u>171,600</u>
Totals	<u><u>\$2,370,000</u></u>	<u><u>\$506,179</u></u>	<u><u>\$2,876,179</u></u>

<u>Year Ending September 30,</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 130,000	\$ 29,161	\$ 159,161
2022	140,000	25,678	165,678
2023	135,000	22,148	157,148
2024	145,000	17,555	162,555
2025	95,000	13,157	108,157
2026-2029	270,000	23,425	293,425
Totals	<u><u>\$ 915,000</u></u>	<u><u>\$131,124</u></u>	<u><u>\$1,046,124</u></u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

9. LONG-TERM OBLIGATIONS (CONT'D.)

C. Notes Payable

The City has a note payable at September 30, 2020 as follows:

Governmental activities:

Note payable to LegacyTexas Bank to finance the purchase of a used 2010 Ferra Fire Apparatus Pumper. The note is due in monthly principal and interest payments of \$3,888 at 3.77% per annum through June 2027. The note is collateralized by the Pumper.

\$276,987

The JEDC has a note payable at September 30, 2020 as follows:

Note payable to the Jacksboro National Bank to finance the purchase of land held for sale. The note is due in annual principal payments plus interest at 4.25% per annum through February 2027. The note is collateralized by 177 acres in Jacksboro, Texas.

\$582,971

The debt service requirements on the notes payable at September 30, 2020 are as follows:

<u>Year Ending September 30.</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 36,699	\$ 9,954	\$ 46,653
2022	38,126	8,527	46,653
2023	39,610	7,043	46,653
2024	41,135	5,518	46,653
2025	42,750	3,902	46,652
2026-2027	<u>78,667</u>	<u>2,788</u>	<u>81,455</u>
Totals	<u>\$276,987</u>	<u>\$37,732</u>	<u>\$314,719</u>

<u>Year Ending September 30.</u>	<u>JEDC</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 75,856	\$23,168	\$ 99,024
2022	77,468	19,910	97,378
2023	79,114	16,583	95,697
2024	80,795	13,185	93,980
2025	82,512	9,715	92,227
2026-2027	<u>187,226</u>	<u>8,360</u>	<u>195,586</u>
Totals	<u>\$582,971</u>	<u>\$90,921</u>	<u>\$673,892</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

9. LONG-TERM OBLIGATIONS (CONT'D.)

D. Aggregate Maturities of All Long-term Debt

Aggregate maturities of all long-term debt (principal and interest) for the years subsequent to September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 256,699	\$ 97,800	\$ 354,499
2022	268,126	88,912	357,038
2023	274,610	79,548	354,158
2024	291,135	69,393	360,528
2025	282,750	59,045	341,795
2026-2030	1,108,667	142,613	1,251,280
2031	<u>165,000</u>	<u>6,600</u>	<u>171,600</u>
Totals	\$2,646,987	\$543,911	\$3,190,898

<u>Year Ending September 30,</u>	Business-type Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 130,000	\$ 29,161	\$ 159,161
2022	140,000	25,678	165,678
2023	135,000	22,148	157,148
2024	145,000	17,555	162,555
2025	95,000	13,157	108,157
2026-2029	<u>270,000</u>	<u>23,425</u>	<u>293,425</u>
Totals	\$ 915,000	\$131,124	\$1,046,124

<u>Year Ending September 30,</u>	JEDC		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 75,856	\$ 23,168	\$ 99,024
2022	77,468	19,910	97,378
2023	79,114	16,583	95,697
2024	80,795	13,185	93,980
2025	82,512	9,715	92,227
2026-2027	<u>187,226</u>	<u>8,360</u>	<u>195,586</u>
Totals	\$ 582,971	\$ 90,921	\$ 673,892

10. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit plan administered by the TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate,

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

10. DEFINED BENEFIT PENSION PLAN (CONT'D.)

appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrss.com.

All eligible employees of the City are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the City Council, within the options available in the governing state statutes of TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Employees Covered by Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	50
Active employees	41

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the participating city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the participating city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees of the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.25% and 14.92% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$285,049, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

10. DEFINED BENEFIT PENSION PLAN (CONT'D.)

Actuarial Assumptions

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.50% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on the fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal (EAN) actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, TMRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

10. DEFINED BENEFIT PENSION PLAN (CONT'D.)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equities	30%	5.30%
Core Fixed Income	10%	1.25%
Non-Core Fixed Income	20%	4.14%
Real Return	10%	3.85%
Real Estate	10%	4.00%
Absolute Return	10%	3.48%
Private Equity	<u>10%</u>	7.75%
 Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

Changes in Net Pension Liability / (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) – (b)
Balances as of December 31, 2018	\$7,340,748	\$5,746,447	\$1,594,301
Changes for the year:			
Service cost	333,732	-	333,732
Interest on total pension liability	495,514	-	495,514
Change of benefit terms	-	-	-
Difference between expected and actual experience	(73,710)	-	(73,710)
Change of assumptions	49,481	-	49,481
Contributions - employer	-	271,908	(271,908)
Contributions – employee	-	133,569	(133,569)
Net investment income	-	886,553	(886,553)
Benefit payments, including refunds of employee contributions	(333,329)	(333,329)	-
Administrative expense	-	(5,020)	5,020
Other changes	-	(151)	151
Balances as of December 31, 2019	<u>\$7,812,436</u>	<u>\$6,699,977</u>	<u>\$1,112,459</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

10. DEFINED BENEFIT PENSION PLAN (CONT'D.)

Net pension liability:

Net pension liability associated with the primary government	\$1,057,595 ⁽¹⁾
Net pension liability associated with the component unit	<u>54,864</u>
Total	<u>\$1,112,459</u>

⁽¹⁾ Of this amount, \$638,600 is reported as Governmental Activities and is generally liquidated by the General Fund.

Sensitivity Analysis

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability / (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate.

	1% Decrease <u>5.75%</u>	Current Discount Rate <u>6.75%</u>	1% Increase <u>7.75%</u>
Net pension liability	<u>\$2,304,007</u>	<u>\$1,112,459</u>	<u>\$158,103</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained at www.tmrs.com.

E. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2020, the primary government recognized pension expense of \$331,490 and the component unit recognized \$17,196 for a total pension expense of \$348,686.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 50,920
Differences in assumption changes	34,487	-
Net difference between projected and actual earnings	-	199,836
Contributions made subsequent to measurement date	<u>207,936</u>	<u>-</u>
Total	<u>\$242,423</u>	<u>\$250,756</u>

Deferred outflows of resources:

Deferred outflows of resources associated with the primary government	\$230,467
Deferred outflows of resources associated with the component unit	<u>11,956</u>
Total	<u>\$242,423</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

10. DEFINED BENEFIT PENSION PLAN (CONT'D.)

Deferred inflows of resources:	
Deferred inflows of resources associated with the primary government	\$238,389
Deferred inflows of resources associated with the component unit	<u>12,367</u>
Total	<u><u>\$250,756</u></u>

\$207,936 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	
2020	(\$ 59,943)
2021	(69,713)
2022	13,118
2023	(99,731)
Total	<u><u>(\$216,269)</u></u>

11. DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN

A. Plan Description

The City participates in a defined benefit group-term life insurance plan administered by the TMRS known as the Supplemental Death Benefits Fund (SDBF). The plan is administered as a single-employer plan. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

B. Benefits Provided

The SDBF provides a death benefit for retirees which is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

11. DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D.)

Employees Covered by Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	18
Inactive employees entitled to but not yet receiving benefits	12
Active employees	41

C. Total OPEB Liability

The City's Total OPEB Liability is based on an actuarial valuation performed as of December 31, 2019 and a measurement date of December 31, 2019.

Actuarial Assumptions

1. General inflation – General inflation is assumed to be 2.50% per year.
2. Discount rates – Because the SDBF is considered to be an unfunded trust under GASB Statement No. 75, the relevant discount rate for calculating the Total OPEB liability is based on the Fidelity Index's "20-year Municipal GO AA Index" rate as of the measurement date.
3. Individual salary increases – Salary increases are assumed to occur once a year, on January 1. Therefore, the pay used for the period year following the valuation date is equal to the reported pay for the prior year, increased by the salary increase assumption. Salaries are assumed to increase on a graduated service-based scale ranging from 3.5% to 11.50%.
4. Termination rates – For the first 10 years of service, the base table rates vary by gender, entry age, and length of service. After 10 years of service, base termination rates vary by gender and by the number of years remaining until first retirement eligibility.
5. Forfeiture rates (withdrawal of member deposits from TMRS) – These rates for vested members vary by age and employer match, and they are expressed as a percentage of the termination rates.
6. Service retirees and beneficiary mortality rates – For calculating the OPEB liability and the OPEB contribution rates, the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%.
7. Disabled annuitant mortality rates – For calculating the OPEB liability and the OPEB contribution rates, the mortality tables for healthy retirees is used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

11. DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D.)

8. Pre-retirement mortality - For calculating the OPEB liability and the contribution rates, the PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements.

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances as of December 31, 2018	<u>\$120,998</u>
Changes for the year:	
Service cost	5,915
Interest on total OPEB liability	4,578
Change in benefit terms	-
Difference between expected and actual experience	(6,442)
Change in assumptions or other inputs	24,450
Benefit payments	(1,144)
Net changes	<u>27,357</u>
Balances as of December 31, 2019	<u>\$148,355</u>
Net OPEB Liability:	
Net OPEB liability associated with the primary government	\$141,038 ⁽¹⁾
Net OPEB liability associated with the component unit	<u>7,317</u>
Total	<u>\$148,355</u>

⁽¹⁾ Of this amount, \$85,162 is reported as Governmental Activities and is generally liquidated by the General Fund.

Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current rate.

	1% Decrease 1.75%	Current Discount Rate 2.75%	1% Increase 3.75%
Total OPEB liability	<u>\$180,389</u>	<u>\$148,354</u>	<u>\$124,218</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

11. DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D.)

D. OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the primary government recognized OPEB expense of \$12,661 and the component unit recognized \$657 for a total OPEB expense of \$13,318.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$8,002
Changes in assumptions	18,345	-
Contributions made subsequent to measurement date	<u>2,926</u>	-
Total	<u>\$21,271</u>	<u>\$8,002</u>

Deferred outflows of resources:

Deferred outflows of resources associated with the primary government	\$20,222
Deferred outflows of resources associated with the component unit	<u>1,049</u>
Total	<u>\$21,271</u>

Deferred inflows of resources:

Deferred inflows of resources associated with the primary government	\$7,607
Deferred inflows of resources associated with the component unit	<u>395</u>
Total	<u>\$8,002</u>

\$2,926 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 September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	
2020	\$ 2,825
2021	2,825
2022	1,253
2023	3,052
2024	<u>388</u>
Total	<u>\$10,343</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

12. COMMITMENTS AND CONTINGENCIES

A. Litigation

The City is subject to claims and lawsuits which arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position of the City.

B. Federal and State Grants

The City 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 City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, 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.

C. Operating Leases

Operating Leases – Governmental Fund

In March 2017, the City entered into an operating lease for two vehicles. The operating lease had a start date of March 2017 and ends February 2021. The monthly payment on this operating lease is \$901 or \$10,815 annually.

In November 2017, the City entered into an operating lease for one vehicle. The operating lease had a start date of November 2017 and ends October 2022. The monthly payment on this operating lease is \$424 or \$5,083 annually.

In February 2018, the City entered into an operating lease for one vehicle. The operating lease had a start date of February 2018 and ends January 2023. The monthly payment on this operating lease is \$779 or \$9,346 annually.

In April 2018, the City entered into an operating lease for one vehicle. The operating lease had a start date of April 2018 and ends March 2023. The monthly payment on this operating lease is \$897 or \$10,760 annually.

In May 2018, the City entered into an operating lease for one vehicle. The operating lease had a start date of May 2018 and ends April 2023. The monthly payment on this operating lease is \$816 or \$9,798 annually.

In December 2018, the City entered into an operating lease for one vehicle. The operating lease had a start date of December 2018 and ends November 2023. The monthly payment on this operating lease is \$858 or \$10,298 annually.

In June 2019, the City entered into an operating lease for one vehicle. The operating lease had a start date of June 2019 and ends May 2024. The monthly payment on this operating lease is \$711 or \$8,533 annually.

Operating lease expenditures for the year ended September 30, 2020 were \$66,257.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

12. COMMITMENTS AND CONTINGENCIES (CONT'D.)

Operating Leases – Proprietary Fund

In March 2017, the City entered into an operating lease for a vehicle. The operating lease had a start date of March 2017 and ends February 2021. The monthly payment on this operating lease is \$586 or \$7,032 annually.

In November 2017, the City entered into an operating lease for one piece of equipment. The operating lease had a start date of November 2017 and ends October 2022. The monthly payment on this operating lease is \$1,743 or \$20,912 annually.

In April 2019, the City entered into an operating lease for a vehicle. The operating lease had a start date of April 2019 and ends March 2024. The monthly payment on this operating lease is \$978 or \$11,739 annually.

Operating lease expenses for the year ended September 30, 2020 were \$38,059.

The following is a schedule of future minimum payments under the non-cancelable operating leases at September 30, 2020.

<u>Year Ended September 30:</u>	
2021	\$ 93,905
2022	86,469
2023	86,973
2024	<u>13,275</u>
 Total	 <u>\$280,622</u>

13. COVID-19 PANDEMIC

Beginning in December 2019, a novel coronavirus, now designated SAR-CoV2 which causes the disease COVID-19 was declared a global pandemic by the World Health Organization. The symptoms of COVID-19 can range from severe illness and can cause complications including death. On March 13, 2020, the Governor of the State of Texas issued a proclamation certifying that COVID-19 poses an imminent threat of disaster in Texas and declared a state of disaster for all counties in Texas. A state of disaster requires that certain emergency protective measures be taken pursuant to the Texas Disaster Act of 1975 relating to Emergency Management and Public Health, pursuant to Chapter 418 of the Texas Government Code.

State and local governments placed restrictions on the operations of businesses and public gatherings to promote health and slow the spread of the virus. The federal government passed several appropriations to address the negative economic impact caused by these restrictions. The City received \$49,665 in federal grant awards during the year ended September 30, 2020 and anticipates receiving another \$198,660 during the year ending September 30, 2021. However, the impact of the COVID-19 pandemic on the national, state, and local economies and, ultimately, the City's finances is not known at this time.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JACKSBORO, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 333,732	\$ 305,023	\$ 299,253	\$ 286,906	\$ 275,573	\$ 221,377
Interest on total pension liability	495,514	469,119	432,160	406,479	401,993	382,649
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(73,710)	(51,000)	154,536	37,097	(63,756)	(138)
Changes of assumptions	49,481	-	-	-	61,085	-
Benefit payments/refunds of contributions	(333,329)	(359,597)	(322,981)	(389,423)	(413,386)	(295,891)
Net change in total pension liability	471,688	363,545	562,968	341,059	261,509	307,997
Total pension liability, beginning	<u>7,340,748</u>	<u>6,977,203</u>	<u>6,414,235</u>	<u>6,073,176</u>	<u>5,811,667</u>	<u>5,503,670</u>
Total pension liability, ending (a)	<u>\$ 7,812,436</u>	<u>\$ 7,340,748</u>	<u>\$ 6,977,203</u>	<u>\$ 6,414,235</u>	<u>\$ 6,073,176</u>	<u>\$ 5,811,667</u>
Fiduciary Net Position						
Contributions - employer	\$ 271,908	\$ 253,522	\$ 243,284	\$ 229,525	\$ 230,041	\$ 182,117
Contributions - employee	133,569	126,491	122,430	116,764	115,371	99,312
Net investment income	886,553	(176,608)	713,191	328,686	7,285	268,117
Benefit payments/refunds of contributions	(333,329)	(359,597)	(322,981)	(389,423)	(413,386)	(295,891)
Administrative expenses	(5,020)	(3,419)	(3,702)	(3,719)	(4,438)	(2,800)
Other	(151)	(178)	(188)	(200)	(219)	(230)
Net change in fiduciary net position	953,530	(159,789)	752,034	281,633	(65,346)	250,625
Fiduciary net position, beginning	<u>5,746,447</u>	<u>5,906,236</u>	<u>5,154,202</u>	<u>4,872,569</u>	<u>4,937,915</u>	<u>4,687,290</u>
Fiduciary net position, ending (b)	<u>\$ 6,699,977</u>	<u>\$ 5,746,447</u>	<u>\$ 5,906,236</u>	<u>\$ 5,154,202</u>	<u>\$ 4,872,569</u>	<u>\$ 4,937,915</u>
Net pension liability, ending (a) - (b)	<u>\$ 1,112,459</u>	<u>\$ 1,594,301</u>	<u>\$ 1,070,967</u>	<u>\$ 1,260,033</u>	<u>\$ 1,200,607</u>	<u>\$ 873,752</u>
Fiduciary net position as a % of total pension liability	<u>85.76%</u>	<u>78.28%</u>	<u>84.65%</u>	<u>80.36%</u>	<u>80.23%</u>	<u>84.97%</u>
Covered payroll	<u>\$ 1,908,129</u>	<u>\$ 1,807,008</u>	<u>\$ 1,748,996</u>	<u>\$ 1,668,061</u>	<u>\$ 1,648,162</u>	<u>\$ 1,403,518</u>
Net pension liability as a % of covered payroll	<u>58.30%</u>	<u>88.23%</u>	<u>61.23%</u>	<u>75.54%</u>	<u>72.85%</u>	<u>62.25%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been prepared.

EXHIBIT B-2**CITY OF JACKSBORO, TEXAS****REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM**

	2020	2019	2018	2017	2016	2015
Actuarial determined contribution	\$ 285,049	\$ 266,370	\$ 254,155	\$ 234,544	\$ 230,625	\$ 210,963
Contributions in relation to the actuarially determined contribution	<u>(285,049)</u>	<u>(266,370)</u>	<u>(254,155)</u>	<u>(234,544)</u>	<u>(230,625)</u>	<u>(210,963)</u>
Contribution deficiency	<u>\$ -</u>					
Covered payroll	<u>\$ 1,934,816</u>	<u>\$ 1,877,141</u>	<u>\$ 1,815,954</u>	<u>\$ 1,691,128</u>	<u>\$ 1,669,333</u>	<u>\$ 1,538,210</u>
Contributions as a percentage of covered payroll	<u>14.73%</u>	<u>14.19%</u>	<u>14.00%</u>	<u>13.87%</u>	<u>13.82%</u>	<u>13.71%</u>

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method

Entry Age Normal

Amortization Method

Level Percentage of Payroll, Closed

Remaining Amortization Period

26 years

Asset Valuation Method

10 Year smoothed market; 12% soft corridor

Inflation

2.50%

Salary Increases

3.50% to 11.50% including inflation

Investment Rate of Return

6.75%

Retirement Age

Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018

Mortality

Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes

There were no benefit changes during the year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been prepared.

The data on this schedule is based on the City's fiscal year-end, not the valuation/measurement data as provided in other schedules of this report.

CITY OF JACKSBORO, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM

	2019	2018	2017
Total OPEB Liability			
Service cost	\$ 5,915	\$ 6,867	\$ 5,772
Interest on total OPEB liability	4,578	4,216	4,079
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(6,442)	(4,595)	-
Changes of assumptions or other inputs	24,450	(8,962)	9,936
Benefit payments	(1,144)	(904)	(874)
Net change in total pension liability	<u>27,357</u>	<u>(3,378)</u>	<u>18,913</u>
Total OPEB liability, beginning	120,998	124,376	105,463
Total OPEB liability, ending	<u>\$ 148,355</u>	<u>\$ 120,998</u>	<u>\$ 124,376</u>
Covered payroll	<u>\$ 1,908,129</u>	<u>\$ 1,807,008</u>	<u>\$ 1,748,996</u>
Total OPEB liability as a % of covered payroll	<u>7.77%</u>	<u>6.70%</u>	<u>7.11%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been prepared.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

CITY OF JACKSBORO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Hotel/Motel Tax Fund	Court Technology Fund	Court Security Fund
Assets			
Restricted cash and cash equivalents	\$ 47,518	\$ 1,901	\$ 6,384
Receivables (net):			
Other	<u>3,900</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 51,418</u></u>	<u><u>\$ 1,901</u></u>	<u><u>\$ 6,384</u></u>
 Liabilities and Fund Balance			
Liabilities:			
Accounts payable and other current liabilities	\$ 12	\$ -	\$ -
Total liabilities	<u>12</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted	51,406	1,901	6,384
Total fund balances	<u>51,406</u>	<u>1,901</u>	<u>6,384</u>
Total liabilities and fund balance	<u><u>\$ 51,418</u></u>	<u><u>\$ 1,901</u></u>	<u><u>\$ 6,384</u></u>

School Safety Fund	Crossing Guard Fund	Grant Fund	Total Nonmajor Governmental Funds
\$ 8,915	\$ 14,576	\$ -	\$ 79,294
<hr/>	<hr/>	<hr/>	<hr/>
			3,900
<hr/>	<hr/>	<hr/>	<hr/>
<u>\$ 8,915</u>	<u>\$ 14,576</u>	<u>\$ -</u>	<u>\$ 83,194</u>
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ 12
<hr/>	<hr/>	<hr/>	<hr/>
			12
<hr/>	<hr/>	<hr/>	<hr/>
<u>8,915</u>	<u>14,576</u>	<u>-</u>	<u>83,182</u>
<hr/>	<hr/>	<hr/>	<hr/>
<u>8,915</u>	<u>14,576</u>	<u>-</u>	<u>83,182</u>
<hr/>	<hr/>	<hr/>	<hr/>
<u>\$ 8,915</u>	<u>\$ 14,576</u>	<u>\$ -</u>	<u>\$ 83,194</u>
<hr/>	<hr/>	<hr/>	<hr/>

CITY OF JACKSBORO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Hotel/Motel Tax Fund	Court Technology Fund	Court Security Fund
Revenues			
Hotel/Motel taxes	\$ 14,461	\$ -	\$ -
Court fines	- -	1,455	1,440
Intergovernmental	- -	- -	- -
Interest income	370	5	39
Total revenues	14,831	1,460	1,479
Expenditures			
Current:			
General government	17,607	- -	- -
Public safety	- -	119	- -
Capital outlay	- -	- -	- -
Total expenditures	17,607	119	- -
Excess of revenues over (under) expenditures	(2,776)	1,341	1,479
Other Financing Sources			
Transfers in	- -	- -	- -
Net change in fund balances	(2,776)	1,341	1,479
Fund balances - beginning	54,182	560	4,905
Fund balances - ending	\$ 51,406	\$ 1,901	\$ 6,384

School Safety Fund	Crossing Guard Fund	Grant Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 14,461
-	-	-	2,895
-	-	13,750	13,750
71	115	-	600
<u>71</u>	<u>115</u>	<u>13,750</u>	<u>31,706</u>
-	-	-	17,607
-	-	-	119
-	-	98,354	98,354
-	-	98,354	116,080
71	115	(84,604)	(84,374)
<u>-</u>	<u>-</u>	<u>84,604</u>	<u>84,604</u>
71	115	-	230
<u>8,844</u>	<u>14,461</u>	<u>-</u>	<u>82,952</u>
<u>\$ 8,915</u>	<u>\$ 14,576</u>	<u>\$ -</u>	<u>\$ 83,182</u>

EXHIBIT C-3

CITY OF JACKSBORO, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property taxes	\$ 520,061	\$ 520,061	\$ 533,900	\$ 13,839
Interest income	2,500	2,500	5,819	3,319
Total revenues	<u>522,561</u>	<u>522,561</u>	<u>539,719</u>	<u>17,158</u>
Expenditures				
Debt service:				
Principal retirement	730,000	730,000	400,000	330,000
Interest	135,334	135,334	99,788	35,546
Paying agent fees	1,500	1,500	735	765
Total expenditures	<u>866,834</u>	<u>866,834</u>	<u>500,523</u>	<u>366,311</u>
Excess of revenues over (under) expenditures	<u>(344,273)</u>	<u>(344,273)</u>	<u>39,196</u>	<u>383,469</u>
Other Financing Source				
Transfers in	366,686	366,686	-	(366,686)
Total other financing source	<u>366,686</u>	<u>366,686</u>	<u>-</u>	<u>(366,686)</u>
Net change in fund balance	22,413	22,413	39,196	16,783
Fund balance - beginning	<u>154,136</u>	<u>154,136</u>	<u>154,136</u>	<u>-</u>
Fund balance - ending	<u>\$ 176,549</u>	<u>\$ 176,549</u>	<u>\$ 193,332</u>	<u>\$ 16,783</u>

CITY OF JACKSBORO, TEXAS
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance With Final Budget	
	Original	Final	Actual	Positive (Negative)	
Revenues					
Hotel/Motel taxes	\$ 20,000	\$ 20,000	\$ 14,461	\$ (5,539)	
Interest income	-	-	370	370	
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>14,831</u>	<u>(5,169)</u>	
Expenditures					
Current:					
General government	<u>20,000</u>	<u>20,000</u>	<u>17,607</u>	<u>2,393</u>	
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>17,607</u>	<u>2,393</u>	
Net change in fund balance	-	-	(2,776)	(2,776)	
Fund balance - beginning	<u>54,182</u>	<u>54,182</u>	<u>54,182</u>	<u>-</u>	
Fund balance - ending	<u>\$ 54,182</u>	<u>\$ 54,182</u>	<u>\$ 51,406</u>	<u>\$ (2,776)</u>	

CITY OF JACKSBORO, TEXAS
COURT TECHNOLOGY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance With Final Budget	
	Original	Final	Actual	Positive (Negative)	
Revenues					
Court fines	\$ 1,500	\$ 1,500	\$ 1,455	\$ (45)	
Interest income	-	-	5	5	
Total revenues	1,500	1,500	1,460	(40)	
Expenditures					
Current:					
Public safety	6,100	6,100	119	5,981	
Total expenditures	6,100	6,100	119	5,981	
Net change in fund balance	(4,600)	(4,600)	1,341	5,941	
Fund balance - beginning	560	560	560	-	
Fund balance - ending	\$ (4,040)	\$ (4,040)	\$ 1,901	\$ 5,941	

CITY OF JACKSBORO, TEXAS
COURT SECURITY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance With Final Budget	
	Original	Final	Actual	Positive (Negative)	
Revenues					
Court fines	\$ 500	\$ 500	\$ 1,440	\$ 940	
Interest income	10	10	39	29	
Total revenues	<u>510</u>	<u>510</u>	<u>1,479</u>	<u>969</u>	
Expenditures					
Current:					
Public safety	-	-	-	-	
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	510	510	1,479	969	
Fund balance - beginning	<u>4,905</u>	<u>4,905</u>	<u>4,905</u>	<u>-</u>	
Fund balance - ending	<u>\$ 5,415</u>	<u>\$ 5,415</u>	<u>\$ 6,384</u>	<u>\$ 969</u>	

CITY OF JACKSBORO, TEXAS
SCHOOL SAFETY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Court fines	\$ 500	\$ 500	\$ -	\$ (500)
Interest income	10	10	71	61
Total revenues	<u>510</u>	<u>510</u>	<u>71</u>	<u>(439)</u>
Expenditures				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	510	510	71	(439)
Fund balance - beginning	<u>8,844</u>	<u>8,844</u>	<u>8,844</u>	<u>-</u>
Fund balance - ending	<u>\$ 9,354</u>	<u>\$ 9,354</u>	<u>\$ 8,915</u>	<u>\$ (439)</u>

CITY OF JACKSBORO, TEXAS
CROSSING GUARD SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance With Final Budget	
	Original	Final	Actual		
				Positive (Negative)	
Revenues					
Court fines	\$ 500	\$ 500	\$ -	\$ (500)	
Interest income	10	10	115	105	
Total revenues	<u>510</u>	<u>510</u>	<u>115</u>	<u>(395)</u>	
Expenditures					
Current:					
General government	-	-	-	-	
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	510	510	115	(395)	
Fund balance - beginning	<u>14,461</u>	<u>14,461</u>	<u>14,461</u>	<u>-</u>	
Fund balance - ending	<u>\$ 14,971</u>	<u>\$ 14,971</u>	<u>\$ 14,576</u>	<u>\$ (395)</u>	

CITY OF JACKSBORO, TEXAS
GRANT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 42,244	\$ 42,244	\$ 13,750	\$ (28,494)
Interest income	-	-	-	-
Total revenues	<u>42,244</u>	<u>42,244</u>	<u>13,750</u>	<u>(28,494)</u>
Expenditures				
Current:				
Public safety	63,124	63,124	-	63,124
Capital outlay	-	-	98,354	(98,354)
Total expenditures	<u>63,124</u>	<u>63,124</u>	<u>98,354</u>	<u>(35,230)</u>
Excess of revenues under expenditures	<u>(20,880)</u>	<u>(20,880)</u>	<u>(84,604)</u>	<u>(63,724)</u>
Other Financing Source				
Transfers in	20,000	20,000	84,604	64,604
Total other financing source	<u>20,000</u>	<u>20,000</u>	<u>84,604</u>	<u>64,604</u>
Net change in fund balance	(880)	(880)	-	880
Fund balances - beginning	-	-	-	-
Fund balance - ending	<u>\$ (880)</u>	<u>\$ (880)</u>	<u>\$ -</u>	<u>\$ 880</u>

STATISTICAL SECTION (UNAUDITED)

Statistical Section

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	66 - 75
Revenue Capacity These schedules contain information to help the reader assess the significant local revenue sources.	76 - 80
Debt Capacity These schedules offer demographic and economic indicators to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	81 - 84
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	85 - 86
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	87 - 90

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

CITY OF JACKSBORO, TEXAS

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (UNAUDITED)

	2010-2011	2011-2012	2012-2013	2013-2014
Governmental activities				
Net investment in capital assets	\$ 1,609,827	\$ 1,429,240	\$ 2,526,939	\$ 3,665,049
Restricted	437,343	457,186	251,849	266,578
Unrestricted	509,628	265,608	314,400	1,392,452
Total governmental activities net position	<u><u>\$ 2,556,798</u></u>	<u><u>\$ 2,152,034</u></u>	<u><u>\$ 3,093,188</u></u>	<u><u>\$ 5,324,079</u></u>
Business-type activities				
Net investment in capital assets	\$ 5,643,311	\$ 5,513,950	\$ 5,245,700	\$ 5,081,552
Unrestricted	434,647	436,728	638,797	913,792
Total business-type activities net position	<u><u>\$ 6,077,958</u></u>	<u><u>\$ 5,950,678</u></u>	<u><u>\$ 5,884,497</u></u>	<u><u>\$ 5,995,344</u></u>
Primary government				
Net investment in capital assets	\$ 7,253,138	\$ 6,943,190	\$ 7,772,639	\$ 8,746,601
Restricted	437,343	457,186	251,849	266,578
Unrestricted	944,275	702,336	953,197	2,306,244
Total primary government net position	<u><u>\$ 8,634,756</u></u>	<u><u>\$ 8,102,712</u></u>	<u><u>\$ 8,977,685</u></u>	<u><u>\$ 11,319,423</u></u>

Source: Comprehensive Annual Financial Reports

Note: The fiscal year 2011-2012 governmental and business-type activities were restated with the implementation of GASB 65 and the elimination of deferred charges for issuance costs.

Fiscal Year						
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	
\$ 5,391,114	\$ 5,797,362	\$ 5,714,520	\$ 5,930,883	\$ 6,142,822	\$ 5,899,398	
284,580	216,967	254,563	278,399	297,453	327,375	
1,621,369	1,192,218	853,152	611,780	377,665	553,508	
<u>\$ 7,297,063</u>	<u>\$ 7,206,547</u>	<u>\$ 6,822,235</u>	<u>\$ 6,821,062</u>	<u>\$ 6,817,940</u>	<u>\$ 6,780,281</u>	
\$ 3,684,798	\$ 3,910,965	\$ 4,027,114	\$ 4,203,304	\$ 4,195,398	\$ 4,152,986	
915,133	707,233	658,525	219,888	(108,768)	(511,953)	
<u>\$ 4,599,931</u>	<u>\$ 4,618,198</u>	<u>\$ 4,685,639</u>	<u>\$ 4,423,192</u>	<u>\$ 4,086,630</u>	<u>\$ 3,641,033</u>	
\$ 9,075,912	\$ 9,708,327	\$ 9,741,634	\$ 10,134,187	\$ 10,338,220	\$ 10,052,384	
284,580	216,967	254,563	278,399	297,453	327,375	
2,536,502	1,899,451	1,511,677	831,668	268,897	41,555	
<u>\$ 11,896,994</u>	<u>\$ 11,824,745</u>	<u>\$ 11,507,874</u>	<u>\$ 11,244,254</u>	<u>\$ 10,904,570</u>	<u>\$ 10,421,314</u>	

CITY OF JACKSBORO, TEXAS

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

	2010-2011	2011-2012	2012-2013	2013-2014
Expenses				
Governmental activities:				
Legislative	\$ 36,411	\$ 47,468	\$ 22,255	\$ 48,662
General government	894,444	924,629	1,013,319	918,091
Public safety	1,176,656	1,683,647	1,221,844	1,287,930
Streets	292,679	432,540	367,827	367,113
Culture and recreation	431,231	375,718	439,893	472,599
Interest and fiscal charges	412,300	409,610	357,818	314,621
Total governmental activities expenses	<u>3,243,721</u>	<u>3,873,612</u>	<u>3,422,956</u>	<u>3,409,016</u>
Business-type activities:				
Water, sewer, and solid waste utilities	2,331,081	2,366,898	2,450,529	2,412,894
Total business-type activities expenses	<u>2,331,081</u>	<u>2,366,898</u>	<u>2,450,529</u>	<u>2,412,894</u>
Total primary government expenses	<u><u>\$ 5,574,802</u></u>	<u><u>\$ 6,240,510</u></u>	<u><u>\$ 5,873,485</u></u>	<u><u>\$ 5,821,910</u></u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 32,215	\$ 13,254	\$ 20,827	\$ 148,687
Public safety	127,553	51,855	114,107	83,311
Culture and recreation	26,971	24,414	28,558	31,766
Operating grants and contributions	42,557	59,143	66,111	54,256
Capital grants and contributions	-	-	490,000	837,048
Total governmental activities program revenues	<u>229,296</u>	<u>148,666</u>	<u>719,603</u>	<u>1,155,068</u>
Business-type activities:				
Charges for services:				
Water, sewer, and solid waste utilities	3,154,574	3,079,731	3,237,058	3,122,515
Operating grants and contributions	-	-	-	-
Capital grants and contributions	84,880	16,471	-	181,070
Total business-type activities program revenues	<u>3,239,454</u>	<u>3,096,202</u>	<u>3,237,058</u>	<u>3,303,585</u>
Total primary government program revenues	<u><u>\$ 3,468,750</u></u>	<u><u>\$ 3,244,868</u></u>	<u><u>\$ 3,956,661</u></u>	<u><u>\$ 4,458,653</u></u>
Net (Expense)/Revenue				
Governmental activities	\$ (3,014,425)	\$ (3,724,946)	\$ (2,703,353)	\$ (2,253,948)
Business-type activities	908,373	729,304	786,529	890,691
Total primary government net expense	<u><u>\$ (2,106,052)</u></u>	<u><u>\$ (2,995,642)</u></u>	<u><u>\$ (1,916,824)</u></u>	<u><u>\$ (1,363,257)</u></u>

Fiscal Year						
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	
\$ 46,898	\$ 46,617	\$ 16,740	\$ 17,085	\$ 17,007	\$ 17,174	
1,050,967	1,036,283	1,004,252	1,251,963	1,217,870	1,009,521	
1,254,748	1,287,085	1,363,190	1,378,385	1,540,584	1,300,342	
348,773	503,702	541,326	470,082	425,377	487,170	
506,138	726,902	748,874	733,187	747,886	674,161	
240,131	152,393	147,882	134,128	121,899	109,513	
<u>3,447,655</u>	<u>3,752,982</u>	<u>3,822,264</u>	<u>3,984,830</u>	<u>4,070,623</u>	<u>3,597,881</u>	
2,323,608	2,419,918	2,470,651	2,691,296	2,813,144	2,990,864	
2,323,608	2,419,918	2,470,651	2,691,296	2,813,144	2,990,864	
<u>\$ 5,771,263</u>	<u>\$ 6,172,900</u>	<u>\$ 6,292,915</u>	<u>\$ 6,676,126</u>	<u>\$ 6,883,767</u>	<u>\$ 6,588,745</u>	
\$ 304,671	\$ 68,391	\$ 27,721	\$ 33,158	\$ 31,874	\$ 33,393	
83,777	61,969	45,685	126,537	104,052	76,865	
42,989	32,002	24,193	26,626	23,793	10,991	
133,693	61,587	99,816	354,716	333,245	86,459	
3,300	-	-	-	-	-	
<u>565,130</u>	<u>227,249</u>	<u>197,415</u>	<u>541,037</u>	<u>492,964</u>	<u>207,708</u>	
2,930,300	2,825,099	2,923,764	2,980,857	2,913,610	2,987,575	
-	2,750	-	-	-	-	
91,356	-	-	-	-	-	
<u>3,021,656</u>	<u>2,827,849</u>	<u>2,923,764</u>	<u>2,980,857</u>	<u>2,913,610</u>	<u>2,987,575</u>	
\$ 3,586,786	\$ 3,055,098	\$ 3,121,179	\$ 3,521,894	\$ 3,406,574	\$ 3,195,283	
\$ (2,882,525)	\$ (3,525,733)	\$ (3,624,849)	\$ (3,443,793)	\$ (3,577,659)	\$ (3,390,173)	
698,048	407,931	453,113	289,561	100,466	(3,289)	
<u>\$ (2,184,477)</u>	<u>\$ (3,117,802)</u>	<u>\$ (3,171,736)</u>	<u>\$ (3,154,232)</u>	<u>\$ (3,477,193)</u>	<u>\$ (3,393,462)</u>	

CITY OF JACKSBORO, TEXAS

CHANGES IN NET POSITION (CONT'D.) LAST TEN FISCAL YEARS (UNAUDITED)

	2010-2011	2011-2012	2012-2013	2013-2014
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property tax	\$ 1,245,294	\$ 1,262,270	\$ 1,395,287	\$ 1,387,122
Sales tax	914,071	879,398	959,232	1,380,733
Franchise fees	384,189	370,339	368,177	347,857
Hotel occupancy tax	-	-	-	-
Other taxes	-	-	-	-
Investment earnings	4,362	3,461	3,006	4,025
Miscellaneous	7,953	36,401	41,747	550,702
Transfers	866,374	818,733	877,058	798,340
Total governmental activities	<u>3,422,243</u>	<u>3,370,602</u>	<u>3,644,507</u>	<u>4,468,779</u>
Business-type activities:				
Investment earnings	1,692	2,106	2,426	2,024
Miscellaneous	14,394	7,786	21,922	16,473
Transfers	(866,374)	(818,733)	(877,058)	(798,340)
Total business-type activities	<u>(850,288)</u>	<u>(808,841)</u>	<u>(852,710)</u>	<u>(779,843)</u>
Total primary government	<u>\$ 2,571,955</u>	<u>\$ 2,561,761</u>	<u>\$ 2,791,797</u>	<u>\$ 3,688,936</u>
Change in Net Position				
Governmental activities	\$ 407,818	\$ (354,344)	\$ 941,154	\$ 2,214,831
Business-type activities	58,085	(79,537)	(66,181)	110,848
Total primary government	<u>\$ 465,903</u>	<u>\$ (433,881)</u>	<u>\$ 874,973</u>	<u>\$ 2,325,679</u>

Source: Comprehensive Annual Financial Reports

Note: The fiscal year 2011-2012 governmental and business-type activities were restated with the implementation of GASB 65 and the elimination of deferred charges for issuance costs.

Fiscal Year		2014-2015	2015-2016	2016-2017	2017-2018	2017-2018	2019-2020
\$ 1,464,291	\$ 1,458,820	\$ 1,514,785	\$ 1,487,869	\$ 1,487,869	\$ 1,494,349		
1,100,538	700,297	699,433	905,428	905,428	829,014		
398,688	400,158	347,271	308,005	308,005	306,808		
-	21,310	22,877	22,534	22,534	14,461		
-	1,408	2,409	2,774	2,774	3,892		
6,079	9,998	21,472	29,705	29,705	10,087		
422,937	242,860	238,843	174,251	174,251	243,903		
1,901,412	392,815	393,447	536,798	536,798	450,000		
<u>5,293,945</u>	<u>3,227,666</u>	<u>3,240,537</u>	<u>3,467,364</u>	<u>3,467,364</u>	<u>3,352,514</u>		
2,231	3,151	7,775	12,819	12,819	7,692		
14,037	-	-	-	-	-		
(1,901,412)	(392,815)	(393,447)	(536,798)	(536,798)	(450,000)		
(1,885,144)	(389,664)	(385,672)	(523,979)	(523,979)	(442,308)		
<u>\$ 3,408,801</u>	<u>\$ 2,838,002</u>	<u>\$ 2,854,865</u>	<u>\$ 2,943,385</u>	<u>\$ 2,943,385</u>	<u>\$ 2,910,206</u>		
\$ 2,411,420	\$ (298,067)	\$ (384,312)	\$ 23,571	\$ (110,295)	\$ (37,659)		
(1,187,096)	18,267	67,441	(234,418)	(423,513)	(445,597)		
<u>\$ 1,224,324</u>	<u>\$ (279,800)</u>	<u>\$ (316,871)</u>	<u>\$ (210,847)</u>	<u>\$ (533,808)</u>	<u>\$ (483,256)</u>		

CITY OF JACKSBORO, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS (UNAUDITED)

	2010-2011	2011-2012	2012-2013	2013-2014
General Fund				
Restricted	\$ 2,803	\$ 2,806	\$ 2,808	\$ 2,809
Assigned	-	-	-	-
Unassigned	321,196	159,196	213,131	1,260,330
Total general fund	<u><u>\$ 323,999</u></u>	<u><u>\$ 162,002</u></u>	<u><u>\$ 215,939</u></u>	<u><u>\$ 1,263,139</u></u>
All other Governmental Funds				
Restricted, reported in:				
Debt Service Fund	\$ 168,703	\$ 128,578	\$ 133,562	\$ 135,149
Capital Projects Fund	1,801,233	253,060	79,931	60,938
Special Revenue Funds	109,515	98,669	32,438	42,040
Unassigned	(8,238)	(3,197)	(2,505)	(2,668)
Total all other governmental funds	<u><u>\$ 2,071,213</u></u>	<u><u>\$ 477,110</u></u>	<u><u>\$ 243,426</u></u>	<u><u>\$ 235,459</u></u>

Source: Comprehensive Annual Financial Reports

Fiscal Year						
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	
\$ 2,810	\$ 2,817	\$ 2,834	\$ 2,872	\$ 2,930	\$ 2,953	
-	96,370	96,238	108,057	-	-	
<u>1,977,772</u>	<u>1,522,282</u>	<u>1,267,108</u>	<u>1,006,476</u>	<u>1,002,386</u>	<u>1,077,276</u>	
<u><u>\$ 1,980,582</u></u>	<u><u>\$ 1,621,469</u></u>	<u><u>\$ 1,366,180</u></u>	<u><u>\$ 1,117,405</u></u>	<u><u>\$ 1,005,316</u></u>	<u><u>\$ 1,080,229</u></u>	
\$ 171,880	\$ 77,463	\$ 102,456	\$ 121,116	\$ 154,136	\$ 193,332	
-	-	-	-	-	-	
64,342	74,857	89,146	92,284	82,952	83,182	
(99,026)	(96,370)	(96,238)	-	-	-	
<u><u>\$ 137,196</u></u>	<u><u>\$ 55,950</u></u>	<u><u>\$ 95,364</u></u>	<u><u>\$ 213,400</u></u>	<u><u>\$ 237,088</u></u>	<u><u>\$ 276,514</u></u>	

CITY OF JACKSBORO, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS (UNAUDITED)

	2010-2011	2011-2012	2012-2013	2013-2014
Revenues				
Property taxes	\$ 1,238,815	\$ 1,244,372	\$ 1,385,117	\$ 1,387,122
Sales taxes	914,071	879,398	959,232	1,380,733
Franchise fees	384,189	370,339	368,177	347,857
Hotel/Motel taxes	-	-	-	-
Other taxes	-	-	-	-
Charges for services	1,920	2,034	977	9,677
Licenses, permits, and fees	29,095	10,020	18,650	142,348
Recreation fees	26,971	24,414	28,558	24,168
Court fines and fees	122,754	141,757	103,638	44,145
Rentals	1,200	1,200	1,200	4,260
Contributions	27,985	31,693	532,017	747,931
Intergovernmental	14,572	27,450	24,094	143,373
Interest income	4,362	3,461	3,006	4,025
Miscellaneous	7,953	36,401	41,747	550,702
Total revenues	2,773,887	2,772,539	3,466,413	4,786,341
Expenditures				
Current:				
Legislative	36,411	47,468	22,255	48,662
General government	812,353	859,788	946,037	866,875
Public safety	1,064,481	1,476,046	988,709	1,088,348
Streets	232,862	372,509	290,731	282,083
Culture and recreation	215,819	162,318	227,181	212,584
Capital outlay	478,815	1,287,086	845,339	966,210
Debt service:				
Principal	715,239	757,630	836,258	761,711
Interest charges	411,212	419,374	366,709	318,975
Debt issue costs	-	-	-	-
Paying agent fees	-	-	-	-
Total expenditures	3,967,192	5,382,219	4,523,219	4,545,448
Excess of revenues over (under) expenditures	(1,193,305)	(2,609,680)	(1,056,806)	240,893
Other Financing Sources (Uses)				
Proceeds from bond issuance	2,060,000	-	-	-
Bond issuance costs	(24,327)	-	-	-
Premium on refunding bonds issued	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from issuance of note payable	-	34,847	-	-
Transfers in	866,374	818,733	877,058	807,067
Transfer out	-	-	-	(8,725)
Total other financing sources (uses)	2,902,047	853,580	877,058	798,342
Net change in fund balances	\$ 1,708,742	\$ (1,756,100)	\$ (179,748)	\$ 1,039,235
Debt service as a percentage of noncapital expenditures	32.3%	28.7%	32.7%	30.2%

Fiscal Year						
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	
\$ 1,460,087	\$ 1,456,297	\$ 1,499,194	\$ 1,481,195	\$ 1,490,864	\$ 1,527,063	
1,100,538	700,297	699,433	905,428	1,038,005	829,014	
398,688	400,158	347,271	308,005	326,672	306,808	
-	21,310	22,877	22,534	17,328	14,461	
-	1,408	2,409	2,774	5,334	3,892	
3,476	4,375	4,745	3,160	1,120	705	
291,895	45,023	23,010	24,440	19,086	21,518	
42,189	32,002	24,193	26,626	23,793	10,991	
83,777	59,266	68,432	92,238	118,001	41,396	
10,100	9,531	9,428	5,558	11,668	11,170	
106,974	32,886	63,375	25,964	62,499	21,858	
26,719	28,701	36,441	328,752	270,746	64,601	
6,079	9,998	21,472	29,705	35,321	10,087	
<u>440,711</u>	<u>180,160</u>	<u>188,189</u>	<u>166,720</u>	<u>188,919</u>	<u>243,903</u>	
<u>3,971,233</u>	<u>2,981,412</u>	<u>3,010,469</u>	<u>3,423,099</u>	<u>3,609,356</u>	<u>3,107,467</u>	
46,898	46,617	16,740	17,085	17,007	17,174	
1,012,967	1,009,581	961,556	1,178,657	1,122,236	941,748	
1,024,512	1,009,448	1,057,885	1,104,831	1,263,084	1,166,447	
239,924	377,778	398,517	336,118	282,024	352,028	
230,610	438,726	459,473	456,531	463,049	369,604	
664,132	717,017	159,177	456,880	439,515	177,227	
740,000	534,349	487,330	418,213	445,142	462,086	
220,340	151,181	149,175	136,052	124,043	111,826	
35,143	110	40	-	-	-	
<u>1,570</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>735</u>	
<u>4,216,096</u>	<u>4,286,307</u>	<u>3,691,393</u>	<u>4,105,867</u>	<u>4,157,600</u>	<u>3,598,875</u>	
<u>(244,863)</u>	<u>(1,304,895)</u>	<u>(680,924)</u>	<u>(682,768)</u>	<u>(548,244)</u>	<u>(491,408)</u>	
1,445,000	-	-	-	-	-	
-	-	-	-	-	-	
44,973	-	-	-	-	-	
(2,654,830)	-	-	-	-	-	
-	65,000	71,602	15,231	9,843	155,747	
127,490	387,160	-	-	-	-	
1,910,348	418,702	450,822	576,629	526,940	534,604	
(8,936)	(25,887)	(57,375)	(39,831)	(76,940)	(84,604)	
<u>864,045</u>	<u>844,975</u>	<u>465,049</u>	<u>552,029</u>	<u>459,843</u>	<u>605,747</u>	
<u>\$ 619,182</u>	<u>\$ (459,920)</u>	<u>\$ (215,875)</u>	<u>\$ (130,739)</u>	<u>\$ (88,401)</u>	<u>\$ 114,339</u>	
<u>28.1%</u>	<u>19.3%</u>	<u>18.1%</u>	<u>15.2%</u>	<u>15.3%</u>	<u>16.8%</u>	

CITY OF JACKSBORO, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY - LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year *	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (per \$100 val.)
	Real Property	Mineral/Utility Property			
2010-2011	\$ 159,953,280	\$ 24,408,510	\$ 59,316,600	\$ 125,045,190	\$ 0.983700
2011-2012	158,903,760	22,960,520	59,345,000	122,519,280	1.012000
2012-2013	155,829,680	20,217,390	59,414,980	116,632,090	1.180000
2013-2014	154,367,590	21,739,310	59,220,010	116,886,890	1.180000
2014-2015	157,884,990	24,503,800	61,997,830	120,390,960	1.180000
2015-2016	161,451,620	24,667,140	63,628,210	122,490,550	1.180000
2016-2017	168,572,460	15,470,600	67,677,670	116,365,390	1.263505
2017-2018	174,220,899	14,161,930	68,402,200	119,980,629	1.219039
2018-2019	173,693,995	12,241,590	67,941,890	117,993,695	1.219039
2019-2020	177,019,290	21,942,220	70,325,790	128,635,720	1.200000

Source: Jack County Appraisal District

* Note: The information received from the Jack County Appraisal District relates to the next fiscal year of the City as property values are assessed in one calendar year and payable in the next.

CITY OF JACKSBORO, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES -
LAST TEN FISCAL YEARS (UNAUDITED)Tax Rates Per \$100 Valuation

Fiscal Year	City Direct Rates			Overlapping Rates							Grand Total	
	Operating/ General	General Obligation		Jack County Total	County Special	Jack County ISD	Jacksboro ISD	Community Hospital	Jack WCID #1	Total		
		Debt Service	Total									
2010-2011	0.527800	0.455900	0.983700	0.300813	0.067964	1.500000	0.129860	0.011829	2.010466	2.466386		
2011-2012	0.493300	0.518700	1,012000	0.357788	0.092112	1.500000	0.125468	0.011829	2,087197	2.605897		
2012-2013	0.591800	0.588200	1,180000	0.332809	0.086094	1.500000	0.315000	0.011584	2,245487	2.833687		
2013-2014	0.598040	0.581960	1,180000	0.441100	0.086875	1.500000	0.304920	0.009695	2,342590	2.924550		
2014-2015	0.617879	0.562121	1,180000	0.323584	0.068527	1.500000	0.312757	0.010234	2,215102	2,777223		
2015-2016	0.722250	0.457750	1,180000	0.304474	0.064386	1.500000	0.312757	0.010234	2,191851	2.649601		
2016-2017	0.743630	0.519875	1,263505	0.359503	0.091941	1.500000	0.312757	0.011146	2,275347	2.795222		
2017-2018	0.814423	0.404616	1,219039	0.386792	0.108522	1.500000	0.295000	0.012069	2,302383	2.706999		
2018-2019	0.815991	0.429755	1,245746	0.428547	0.110306	1.500000	0.315000	0.012946	2,366799	2.796554		
2019-2020	0.781500	0.418500	1,200000	0.435130	0.113045	1.430000	0.315000	0.012491	2,305666	2,724166		

Source: Jack County Appraisal District

CITY OF JACKSBORO, TEXAS

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
SEPTEMBER 30, 2020

Taxpayer	2019-20 *			2010-11 *		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Hurd Crane LLC	\$ 3,318,080	1	2.77%	\$ 5,549,590	2	5.10%
Oncor Electric	3,168,410	2	2.64%	1,823,760	10	1.68%
Jacksboro National Bank	2,015,980	3	1.68%	2,580,180	5	2.37%
ARG Lumar LLC	1,158,810	4	0.97%	-	N/A	N/A
Grable Oil Co	1,083,940	5	0.90%	-	N/A	N/A
Jacksboro Assisted Living Inc	1,017,660	6	0.85%	-	N/A	N/A
Crombie Properties LLC	934,390	7	0.78%	-	N/A	N/A
Legacy Texas	857,779	8	0.72%	-	N/A	N/A
Briar Oaks Estates LP	815,010	9	0.68%	-	N/A	N/A
RI Jacksboro LLC	756,620	10	0.63%	-	N/A	N/A
Texas Department of Criminal Justice		N/A	0.00%	16,478,660	1	15.14%
EOG Resources		N/A	0.00%	2,448,250	7	2.25%
Key Energy Services LLC		N/A	0.00%	4,630,000	3	4.25%
Halliburton Energy Services		N/A	0.00%	2,321,430	8	2.13%
Bell Tublers		N/A	0.00%	4,495,060	4	4.13%
Bank of America Lease & Cap		N/A	0.00%	1,823,760	9	2.00%
Key Energy Services			0.00%	2,464,570	6	2.26%
	<u>\$ 15,126,679</u>		<u>12.62%</u>	<u>\$ 44,615,260</u>		<u>41.31%</u>

Source: Jack County Appraisal District

* Note: The information received from the Jack County Appraisal District relates to the next fiscal year of the City as property values are assessed in one calendar year and payable in the next.

CITY OF JACKSBORO, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS -
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Taxes Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted 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
2010-2011	\$ 1,226,926	\$ (1,030)	\$ 1,225,896	\$ 1,190,721	97.13%	\$ 30,565	\$ 1,221,286	99.62%
2011-2012	1,240,093	(1,443)	1,238,650	1,194,435	96.43%	38,063	1,232,498	99.50%
2012-2013	1,377,145	(2,775)	1,374,370	1,314,634	95.65%	50,557	1,365,191	99.33%
2013-2014	1,379,559	(2,982)	1,376,577	1,319,707	95.87%	46,174	1,365,881	99.22%
2014-2015	1,419,800	(2,145)	1,417,655	1,365,197	96.30%	38,209	1,403,406	98.99%
2015-2016	1,445,305	(4,492)	1,440,813	1,374,551	95.40%	49,450	1,424,001	98.83%
2016-2017	1,471,016	(1,971)	1,469,045	1,418,053	96.53%	47,512	1,465,565	99.76%
2017-2018	1,463,020	(3,641)	1,459,379	1,407,276	96.43%	38,093	1,445,369	99.04%
2018-2019	1,469,902	(1,883)	1,468,019	1,396,848	95.15%	35,653	1,432,501	97.58%
2019-2020	1,461,499	(13,482)	1,448,017	1,396,596	96.45%	-	1,396,596	96.45%

Source: Jack County Appraisal District

CITY OF JACKSBORO, TEXAS**WATER, SEWER AND SANITATION REVENUES -
LAST TEN FISCAL YEARS (UNAUDITED)**

<u>Fiscal Year</u>	<u>Water Revenues</u>	<u>Sewer Revenues</u>	<u>Sanitation Revenues</u>	<u>Other Revenues</u>	<u>Totals</u>
2010-2011	\$ 1,549,633	\$ 953,638	\$ 532,586	\$ -	\$ 3,035,857
2011-2012	1,495,579	898,046	553,486	-	2,947,111
2012-2013	1,590,885	929,221	596,265	-	3,116,371
2013-2014	1,488,602	876,665	633,415	-	2,998,682
2014-2015	1,344,403	851,336	626,085	68,114	2,889,938
2015-2016	1,282,968	822,452	604,059	61,769	2,771,248
2016-2017	1,319,658	846,664	638,816	64,955	2,870,093
2017-2018	1,366,245	856,841	645,122	59,090	2,927,298
2018-2019	1,284,294	829,711	680,129	66,080	2,860,214
2019-2020	1,334,602	831,740	687,830	80,447	2,934,619

Source: City records

CITY OF JACKSBORO, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE - LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Governmental Activities (1)		
	General Obligation Bonds	Certificates of Obligation	Notes Payable
2010-2011	\$ 3,425,000	\$ 5,274,968	\$ 40,786
2011-2012	3,425,000	4,543,742	49,227
2012-2013	3,425,000	3,755,000	1,711
2013-2014	2,840,000	3,580,000	-
2014-2015	1,383,903	3,140,000	127,490
2015-2016	1,045,690	2,965,000	490,301
2016-2017	752,478	2,800,000	457,971
2017-2018	559,266	2,630,000	399,758
2018-2019	356,053	2,445,000	339,436
2019-2020	147,841	2,250,000	276,987

Notes:

- (1) Debt information is from the City's accounting records and are detailed in the notes to the financial statements
- (2) See Exhibit D-13 for population data
 - * Information is not available.

Business-type Activities (1)						Percentage of Personal Income	Per Capita (2)
General Obligation Bonds	Certificates of Obligation	Capital Leases Payable	Total Primary Government				
\$ -	\$ 2,030,000	\$ 37,354	\$ 10,808,108	*	*	\$ 2,396	
-	1,935,000	15,833	9,968,802	*	*	\$ 2,210	
-	1,840,000	-	9,021,711	*	*	\$ 2,009	
-	1,730,000	-	8,150,000	*	*	\$ 1,802	
2,545,513	305,000	-	7,501,906	*	*	\$ 1,619	
2,099,622	255,000	-	6,855,613	*	*	\$ 1,480	
1,703,731	230,000	-	5,944,180	*	*	\$ 1,283	
1,417,840	205,000	-	5,211,864	*	*	\$ 1,155	
1,121,948	180,000	-	4,442,437	*	*	\$ 985	
811,057	155,000	-	3,640,885	*	*	\$ 807	

CITY OF JACKSBORO, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING -
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	General Bonded Debt Outstanding (1)			Percentage of Actual Taxable Value of Property (2)	Per Capita (3)
	General Obligation Bonds	Certificates of Obligation	Total		
2010-2011	\$ 3,425,000	\$ 5,274,968	\$ 8,699,968	6.96%	\$ 1,929
2011-2012	3,425,000	4,543,742	7,968,742	6.50%	\$ 1,767
2012-2013	3,425,000	3,755,000	7,180,000	6.16%	\$ 1,599
2013-2014	2,840,000	3,580,000	6,420,000	5.49%	\$ 1,419
2014-2015	3,929,416	3,445,000	7,374,416	6.13%	\$ 1,592
2015-2016	3,145,312	3,220,000	6,365,312	5.20%	\$ 1,374
2016-2017	2,456,209	3,030,000	5,486,209	4.71%	\$ 1,184
2017-2018	1,977,106	2,835,000	4,812,106	4.01%	\$ 1,067
2018-2019	1,478,001	2,625,000	4,103,001	3.48%	\$ 910
2019-2020	958,898	2,405,000	3,363,898	2.62%	\$ 746

Notes: (1) Includes general bonded debt for both Governmental Activities and Business-Type Activities and includes bond premiums
 (2) See Exhibit D-2 for property tax data
 (3) See Exhibit D-13 for population data

CITY OF JACKSBORO, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)
SEPTEMBER 30, 2020

	Gross Governmental Activities Debt (1)	Percentage Applicable to City of Jacksboro (2)	Amount Applicable to City of Jacksboro
Direct:			
City of Jacksboro	<u>\$ 2,674,828</u>	100.00%	<u>\$ 2,674,828</u>
Overlapping:			
Jack County	1,415,000	9.69%	137,114
Jacksboro Independent School District	<u>25,495,000</u>	15.13%	<u>3,857,394</u>
Total overlapping	<u>26,910,000</u>		<u>3,994,507</u>
Total direct and overlapping bonded debt	<u>\$ 29,584,828</u>		<u>\$ 6,669,335</u>

Sources:

(1) Municipal Advisory Council of Texas
 (2) The estimated percentage is based on a formula using assessed values of property.

CITY OF JACKSBORO, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS -
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	City of Jacksboro	City of Jacksboro	City of Jacksboro	Per Capita Personal Income	Median Age (1)	School Enrollment (3)	Jack County
	Estimated Population (1)	Personal Income (2)	Personal Income	Personal Income	Age (1)	Enrollment (3)	Unemployment Rate (4)
2010-2011	4,511	N/A	N/A	N/A	N/A	962	4.9%
2011-2012	4,511	N/A	N/A	N/A	N/A	953	5.0%
2012-2013	4,491	N/A	N/A	N/A	N/A	990	4.2%
2013-2014	4,523	N/A	N/A	N/A	N/A	992	3.8%
2014-2015	4,633	N/A	N/A	N/A	N/A	960	4.3%
2015-2016	4,633	N/A	N/A	N/A	N/A	1,008	4.2%
2016-2017	4,633	N/A	N/A	N/A	N/A	1,034	4.9%
2017-2018	4,511	N/A	N/A	N/A	N/A	1,032	3.1%
2018-2019	4,511	N/A	N/A	N/A	N/A	1,058	3.7%
2019-2020	4,328	N/A	N/A	N/A	N/A	1,063	3.7%

Source: (1) Jacksboro Economic Development Corporation
 (2) Information not readily available
 (3) Jacksboro Independent School District
 (4) Texas Association of Counties

CITY OF JACKSBORO, TEXAS

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)
SEPTEMBER 30, 2020

Employer	2019-20			2010-2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Corrections Corp. of America	250	1	5.78%	250	1	6.49%
Nine Energy Services	187	2	4.32%	-	N/A	-
Jacksboro Independent School District	175	3	4.04%	175	2	4.54%
County of Jack	80	4	1.84%	80	3	2.08%
Faith Community Hospital	70	5	1.61%	70	4	1.82%
Jacksboro Health Care Center	41	6	0.95%	41	5	1.06%
City of Jacksboro	41	7	0.95%	35	6	0.91%
Jacksboro National Bank	30	8	0.69%	25	9	0.65%
Lowes	25	9	0.58%	-	N/A	-
Oakridge Oil & Gas	15	10	0.35%	-	N/A	-
Geer Tank Trucks				33	7	0.86%
Renewable Energy Services of America, Inc.				30	8	0.78%
First National Bank				25	10	0.65%
Totals	914		21.11%	764		19.84%

Sources: Jacksboro Economic Development Corporation and Oncor Economic Development Department

CITY OF JACKSBORO, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (UNAUDITED)

	2010-2011	2011-2012	2012-2013	2013-2014
General Government	10.25	11.00	12.00	14.00
Public Safety	15.00	12.00	13.00	13.00
Cultural and Recreational	3.00	2.00	3.00	3.00
Street Maintenance	3.50	3.00	2.00	3.00
Water and Sewer	15.00	9.00	10.00	11.00
Total	<u>46.75</u>	<u>37.00</u>	<u>40.00</u>	<u>44.00</u>

Source: City Budget Office

Fiscal Year					
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
12.00	11.00	7.00	7.00	7.00	8.00
12.00	13.00	13.00	14.00	14.00	15.00
4.00	3.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	4.00	4.00	4.00
<u>13.00</u>	<u>13.00</u>	<u>11.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>
<u>45.00</u>	<u>44.00</u>	<u>39.00</u>	<u>39.00</u>	<u>39.00</u>	<u>41.00</u>

CITY OF JACKSBORO, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (UNAUDITED)

	2010-2011	2011-2012	2012-2013	2013-2014
General government				
Council directed programs	5	5	5	5
Council meetings	36	35	23	27
Proclamations, ordinances, resolutions	46	25	33	30
Positions filled	4	5	4	14
GFOA CAFR Award	1	1	1	1
GFOA Distinguished Budget Award	1	1	1	-
Public Safety				
Municipal court				
New cases filed	1,025	938	725	346
Warrants cleared	208	731	94	63
Police				
Number of employees	10	10	10	10
Calls for service	3,918	3,564	1,520	1,597
Fire				
Number of employees	3	3	3	6.5
Number of fire runs	331	294	688	1,485
Animal control				
Calls for service	1,200	1,114	1,185	1,175
Animals impounded	254	231	164	158
Citations issued	55	55	18	31
Adoptions *	-	-	-	-
Development Services				
Building permits	177	177	174	194
Cultural and Recreational				
Parks and Recreation				
Aquatics daily admissions	-	-	-	-
Athletics / recreation participation	110	108	116	130
Activity center memberships	286	268	290	290
Camping permits *	-	-	-	-
Rentals *	-	-	-	-
Park acreage maintained	93	93	93	93
Water and Sewer				
Number of water consumers	1,572	1,648	1,638	1,638
Treated water (million gallons)	255	255	200	200
Treated effluent water (million gallons)	125	125	125	17

Source: City Departments

* Began tracking in 2015-16

Fiscal Year					
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
5	5	5	5	5	5
27	23	27	20	21	19
30	20	29	27	26	29
14	25	12	6	6	6
1	1	1	1	1	1
-	-	-	-	-	-
635	425	503	609	724	722
124	65	40	63	110	117
5	10	10	10	10	10
1,383	1,539	1,777	1,828	1,736	2,854
5	3	3	3	3	3
1,136	958	1,028	1,089	1,023	1,149
310	237	174	113	189	183
133	286	330	228	199	216
41	25	20	5	8	8
-	47	109	39	63	30
228	309	289	332	325	524
2,505	3,219	3,439	2,919	2,042	622
120	123	155	120	80	85
169	147	80	68	77	61
-	56	50	27	25	72
-	37	20	25	29	21
93	94	94	94	94	94
1,638	1,656	1,650	1,695	1,688	1,725
202	214	225	257	245	220
130	139	116	130	122	148