



CITY OF JACKSBORO, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2019

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INTRODUCTORY SECTION



March 24, 2020

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, 2019, 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, 2019, 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, 2019, 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, 2019. 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 and will have a negative impact during renovations. 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.

Funding for this work began as a result of the development of the Community Advancement Foundation of the Chamber, a 501(c) 3 tax exempt organization. In 2009 the restoration project of the former Gulf Texas & Western Railroad Depot was taken over by the Jacksboro Economic Development Corporation, which issued debt to fund the additional \$350,000 needed to complete the project. These restoration efforts have spurred local interest in redevelopment of existing structures to provide additional space for new business and professional office services.

The City has also invested a great deal of time and effort in overhauling an outdated zoning ordinance that often times 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, 2018.

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

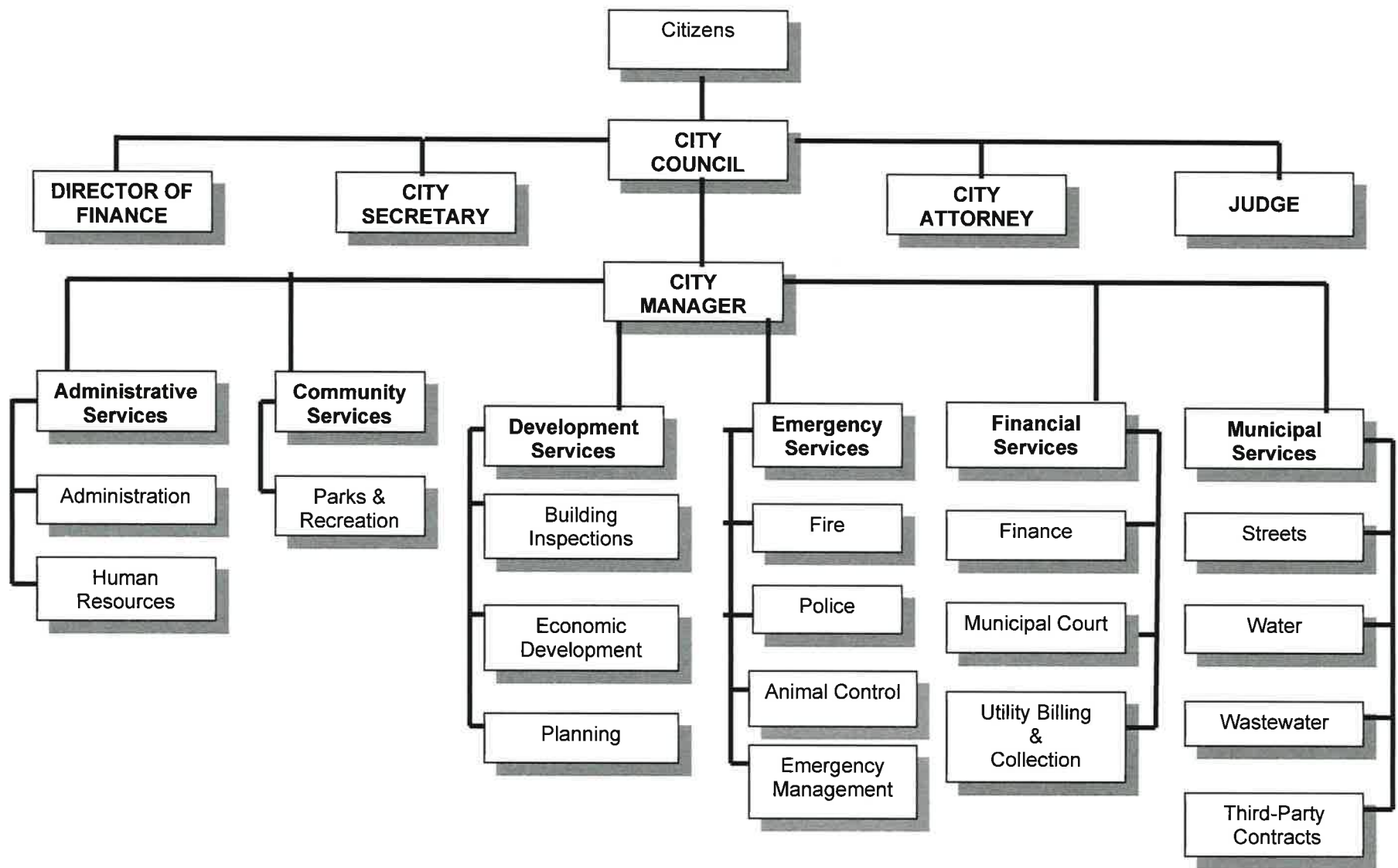
**City of Jacksboro
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO



City of Jacksboro
Organizational Chart

CITY OF JACKSBORO PRINCIPAL OFFICIALS

Elected Officials

Alton Morris	Mayor
Melanie Belcher	Alderman
Cade Cornish	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

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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, 2019, 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, 2019, 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 24, 2020



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, 2019. Please read it in conjunction with the transmittal letter on pages i to 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 \$10,904,570 (net position). Of this amount \$268,897 (unrestricted net position) may be used to meet the City's obligations.
- Net position decreased \$339,684. This decrease in net position is attributed to depreciation expense in excess of capital outlay for capital assets.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,242,404, a decrease of \$88,401 in comparison with the prior year. The decrease is primarily due to the increase in capital outlay.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$1,002,386, or 30.4% percent of total general fund expenditures.
- The City of Jacksboro's outstanding bonds payable decreased by \$385,000 in the governmental activities and \$315,000 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 38 to 41.

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 of 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 of the 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 \$10,904,570 at the close of the most recent fiscal year.

The largest portion (94.8%) 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, 2019 and 2018:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 1,692,340	\$ 2,323,273	\$ 420,683	\$ 728,155	\$ 2,113,023	\$ 3,051,428
Capital assets, net of accumulated depreciation	9,281,345	8,997,973	5,484,942	5,795,135	14,766,287	14,793,108
Total assets	<u>10,973,685</u>	<u>11,321,246</u>	<u>5,905,625</u>	<u>6,523,290</u>	<u>16,879,310</u>	<u>17,844,536</u>
Deferred outflow of resources	<u>363,555</u>	<u>211,615</u>	<u>168,390</u>	<u>126,575</u>	<u>531,945</u>	<u>338,190</u>
Current liabilities	119,534	143,272	159,406	162,941	278,940	306,213
Long-term liabilities outstanding	<u>4,396,527</u>	<u>4,473,906</u>	<u>1,826,581</u>	<u>2,020,021</u>	<u>6,223,108</u>	<u>6,493,927</u>
Total liabilities	<u>4,516,061</u>	<u>4,617,178</u>	<u>1,985,987</u>	<u>2,182,962</u>	<u>6,502,048</u>	<u>6,800,140</u>
Deferred inflows of resources	<u>3,239</u>	<u>94,621</u>	<u>1,398</u>	<u>43,711</u>	<u>4,637</u>	<u>138,332</u>
Net position						
Net investment in capital assets	6,142,822	5,930,883	4,195,398	4,203,304	10,338,220	10,134,187
Restricted net position						
Debt service	211,571	183,243	-	-	211,571	183,243
Specific purposes	85,882	95,156	-	-	85,882	95,156
Unrestricted	<u>377,665</u>	<u>611,780</u>	<u>(108,768)</u>	<u>219,888</u>	<u>268,897</u>	<u>831,668</u>
Total net position	<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>

An additional portion of the City's net position (2.7%) represents resources that are subject to external restrictions on how they may be used.

Governmental Activities

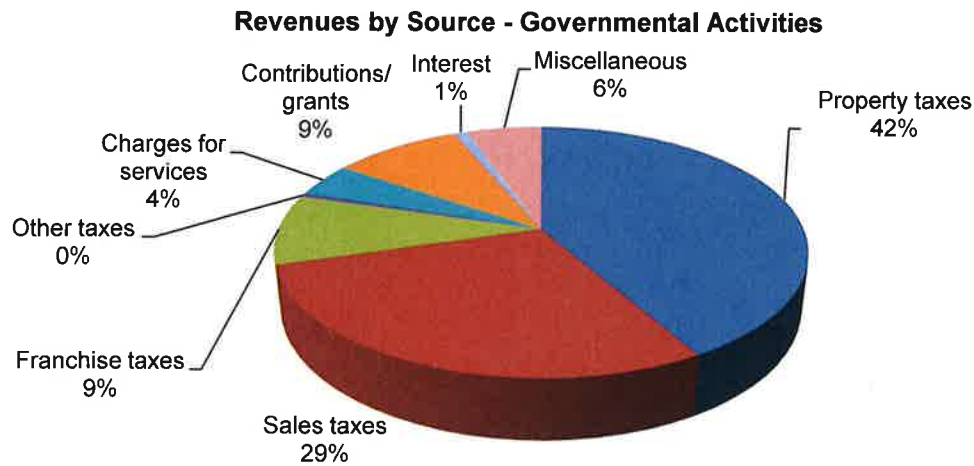
Governmental activities decreased net position by \$3,122, and business-type activities decreased net position by \$336,562, for a net total decrease in net position of \$339,684. The key elements of this City wide decrease are shown in the following table:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues						
Charges for services	\$ 159,719	\$ 186,321	\$ 2,913,610	\$ 2,980,857	\$ 3,073,329	\$ 3,167,178
Operating grants and contributions	333,245	354,716	-	-	333,245	354,716
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Property taxes	1,503,115	1,487,869	-	-	1,503,115	1,487,869
Sales taxes	1,038,005	905,428	-	-	1,038,005	905,428
Franchise taxes	326,672	308,005	-	-	326,672	308,005
Hotel / Motel taxes	17,328	2,534	-	-	17,328	2,534
Other taxes	5,334	2,774	-	-	5,334	2,774
Interest	35,321	29,705	12,972	12,819	48,293	42,524
Miscellaneous	198,762	174,251	-	-	198,762	174,251
Total revenues	3,617,501	3,451,603	2,926,582	2,993,676	6,544,083	6,445,279
Expenses:						
Legislative	17,007	17,085	-	-	17,007	17,085
General government	1,217,870	1,251,963	-	-	1,217,870	1,251,963
Public safety	1,540,584	1,378,385	-	-	1,540,584	1,378,385
Streets	425,377	470,082	-	-	425,377	470,082
Culture and recreation	747,886	733,187	-	-	747,886	733,187
Interest and fiscal charges	121,899	134,128	-	-	121,899	134,128
Water and sewer utilities	-	-	2,813,144	2,691,296	2,813,144	2,691,296
Total expenses	4,070,623	3,984,830	2,813,144	2,691,296	6,883,767	6,676,126
Change in net position before transfers	(453,122)	(533,227)	113,438	302,380	(339,684)	(230,847)
Net transfers	450,000	536,798	(450,000)	(536,798)	-	-
Change in net position	(3,122)	3,571	(336,562)	(234,418)	(339,684)	(230,847)
Net position - beginning	6,821,062	6,797,491	4,423,192	4,657,610	11,244,254	11,455,101
Net position - ending	\$ 6,817,940	\$ 6,801,062	\$ 4,086,630	\$ 4,423,192	\$ 10,904,570	\$ 11,224,254

In total, the City's revenues increased by 1.53 percent (\$98,804), mainly due to increased charges for services, sales taxes, and grants. The total cost of all programs and services was slightly higher (increasing by \$207,641 or 3.11 percent). The key factor in the \$339,684 decrease in net position for the City is depreciation in excess of capital outlay for capital assets.

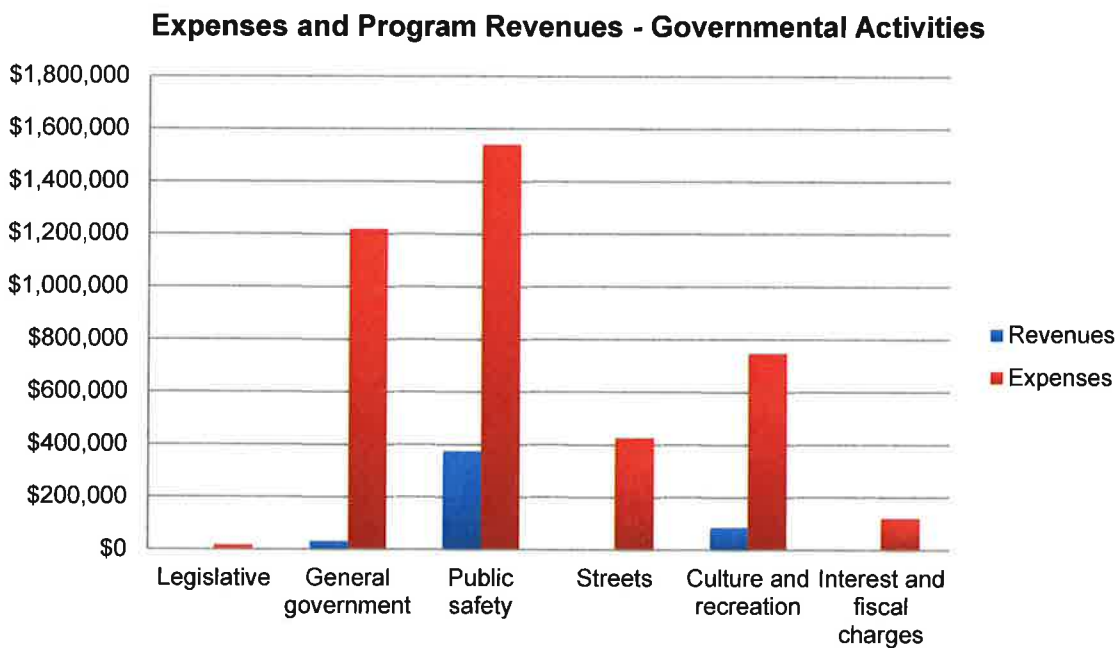
Revenues by source – governmental activities

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:



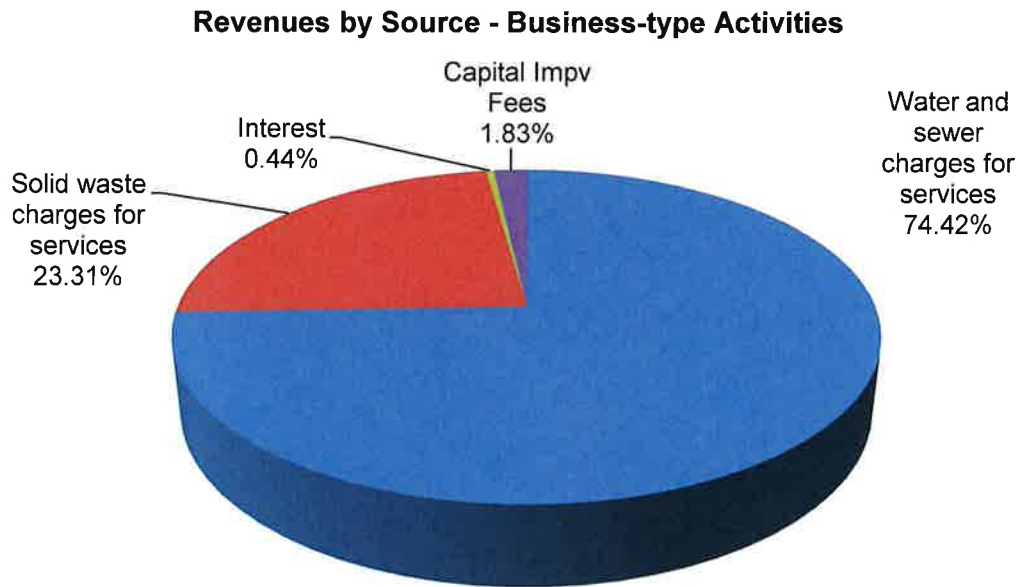
Expenses and program revenues – governmental activities

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 any directly related revenues by source.



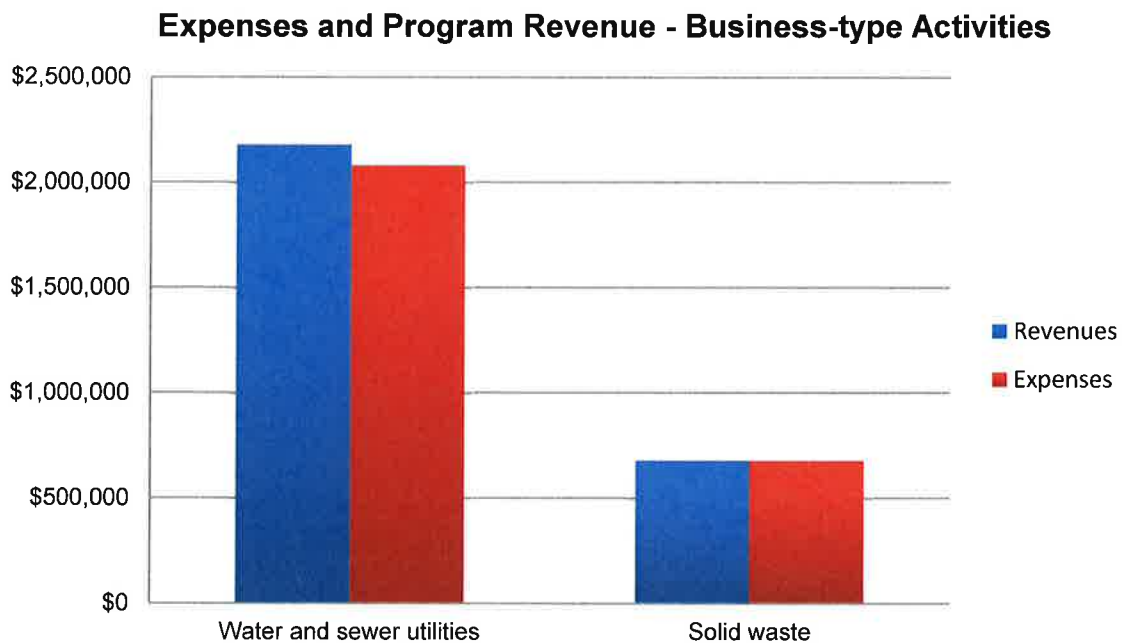
Revenues by source – business-type activities

Water, sewer, and solid waste charges for services account for 98% of the revenue for business-type activities. This is a 2.24% decrease from 2018 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 75% of operating expenses, and solid waste makes up the remaining 25%. The chart below provides a graphic representation of the City's business-type operating expenses and any directly 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. In particular, 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 \$1,242,404, a decrease of \$88,401 in comparison with the prior year. Approximately 80.6% of this total amount, \$1,002,386, 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 \$154,136, 2) tourism \$54,182, 3) court technology \$560, 4) court security \$4,905, 5) school safety \$8,844, 6) crossing guard fund \$14,461, and 7) other \$2,930.

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 \$1,002,386. 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 30.9% of total general fund expenditures. The fund balance of the general fund decreased \$112,889 during the current fiscal year.

The debt service fund has a total fund balance of \$154,136, 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 \$33,020.

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 \$108,768. Net position decreased \$336,562 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 \$163,304 higher than the City's budgeted projections, and expenditures were higher than the final budget by \$112,479. The positive revenue variance was primarily due to increased sales tax revenues. The negative expenditure variance was primarily due to the addition of capital assets, specifically city participation in street improvements.

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, 2019 amounts to \$14,766,287 (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	
	2019	2018	2019	2018	2019	2018
Land	\$ 483,168	\$ 483,168	\$ -	\$ -	\$ 483,168	\$ 483,168
Construction in progress	330,000	35,489	-	-	330,000	35,489
Buildings and improvements	2,400,932	2,640,271	-	-	2,400,932	2,640,271
Lost Creek Dam & Reservoir	4,185,905	4,353,341	-	-	4,185,905	4,353,341
Streets	1,045,884	1,076,895	-	-	1,045,884	1,076,895
Water and sewer system	-	-	5,224,545	5,547,663	5,224,545	5,547,663
Machinery and equipment	835,456	927,466	260,397	247,472	1,095,853	1,174,938
Total	\$ 9,281,345	\$ 9,516,630	\$ 5,484,942	\$ 5,795,135	\$ 14,766,287	\$ 15,311,765

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 2019 fiscal year, the City had total long-term liabilities of \$4,579,499.

CITY OF JACKSBORO OUTSTANDING LONG TERM LIABILITIES

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Bonds Payable, including premiums	\$ 2,801,053	\$ 3,189,266	\$ 1,301,948	\$ 1,622,840	\$ 4,103,001	\$ 4,812,106
Notes payable	339,436	399,758	-	-	339,436	399,758
Compensated absences	107,779	98,596	29,283	37,016	137,062	135,612
Total	\$ 3,248,268	\$ 3,687,620	\$ 1,331,231	\$ 1,659,856	\$ 4,579,499	\$ 5,347,476

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 2019 appraised net taxable value used for the FY 2019-20 budget preparation was \$120,867,942, which is a 1.935% increase from the 2018 appraised net taxable value of \$118,573,489.
- For the 2019-20 budget year, the City adopted a tax rate of \$1.20000 per one hundred dollars of assessed valuation.
- The FY 2019-20 adopted general operating fund budget decreases expenditures by 4.2% compared to the final FY 2018-19 actual amount, from \$3,292,036 actual in FY 2018-19 to a budgeted \$3,153,767 in FY 2019-20.

These indicators were taken into account when adopting the FY 2019-20 general fund budget. Beginning actual fund balance available for appropriation in the FY 2019-20 general fund budget is \$1,002,386. In total, the City's adopted FY 2019-20 general fund budget is projected to increase the ending fund balance by \$977.

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 \$1,548,740 September 30, 2019.
- Net position increased by \$150,881 in comparison with the prior year.

Jacksboro Economic Development Corporation Net Position

	Governmental Activities	
	2019	2018
Current and other assets	\$ 2,258,579	\$ 2,166,619
Capital assets, net of accumulated depreciation	5,075	-
Total assets	2,263,654	2,166,619
Deferred outflows of resources	22,576	13,150
Current liabilities	8,349	12,195
Long-term liabilities outstanding	728,939	763,295
Total liabilities	737,288	775,490
Deferred inflows of resources	202	6,420
Net position		
Net investment in capital assets	5,075	-
Unrestricted	1,543,665	1,397,859
Total net position	\$ 1,548,740	\$ 1,397,859

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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 249,636	\$ 4,072	\$ 253,708	\$ 490,692
Receivables (net):				
Property taxes	192,160	-	192,160	-
Sales taxes	157,115	-	157,115	52,372
Franchise fees	50,996	-	50,996	-
Municipal court fines	172,693	-	172,693	-
Customers	-	390,034	390,034	-
Intergovernmental	174,889	-	174,889	-
Other	19,899	-	19,899	826
Internal balances	435,200	(435,200)	-	-
Note receivable	-	-	-	213,476
Property held for sale	-	-	-	1,501,213
Restricted assets:				
Cash and cash equivalents	239,752	461,777	701,529	-
Capital assets not being depreciated:				
Land	483,168	-	483,168	-
Construction in progress	330,000	-	330,000	-
Capital assets:				
Buildings and improvements	5,214,880	-	5,214,880	-
Streets	1,893,883	-	1,893,883	-
Lost Creek Dam and Reservoir	8,355,568	-	8,355,568	-
Water and sewer system	-	12,341,424	12,341,424	-
Machinery and equipment	2,086,249	1,141,063	3,227,312	5,800
Furniture and fixtures	227,788	45,199	272,987	-
Accumulated depreciation	(9,310,191)	(8,042,744)	(17,352,935)	(725)
Total assets	10,973,685	5,905,625	16,879,310	2,263,654
Deferred Outflows of Resources				
Pension plan related	359,576	155,118	514,694	22,450
OPEB plan related	2,013	868	2,881	126
Deferred loss of bond refunding	1,966	12,404	14,370	-
Total deferred outflows of resources	363,555	168,390	531,945	22,576
Liabilities				
Accounts payable and other accrued liabilities	48,394	85,550	133,944	2,730
Wages payable	57,541	22,354	79,895	963
Accrued interest payable	13,599	4,367	17,966	4,656
Customer deposits	-	47,135	47,135	-
Long-term liabilities:				
Portion due or payable within one year	506,817	343,177	849,994	74,278
Portion due or payable after one year	2,741,451	988,054	3,729,505	582,971
Net pension liability	1,067,260	460,408	1,527,668	66,633
Net OPEB liability	80,999	34,942	115,941	5,057
Total liabilities	4,516,061	1,985,987	6,502,048	737,288
Deferred Inflows of Resources				
OPEB plan related	3,239	1,398	4,637	202
Total deferred inflows of resources	3,239	1,398	4,637	202
Net Position				
Net investment in capital assets	6,142,822	4,195,398	10,338,220	5,075
Restricted:				
Landfill capital projects	2,527	-	2,527	-
Park projects	403	-	403	-
Debt service	211,571	-	211,571	-
Tourism	54,182	-	54,182	-
Court technology	560	-	560	-
Court security	4,905	-	4,905	-
School safety	23,305	-	23,305	-
Unrestricted	377,665	(108,768)	268,897	1,543,665
Total net position	\$ 6,817,940	\$ 4,086,630	\$ 10,904,570	\$ 1,548,740

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
Legislative	\$ 17,007	\$ -	\$ -
General government	1,217,870	31,874	-
Public safety	1,540,584	104,052	270,746
Streets	425,377	-	-
Culture and recreation	747,886	23,793	62,499
Interest and fiscal charges	121,899	-	-
Total governmental activities	<u>4,070,623</u>	<u>159,719</u>	<u>333,245</u>
Business-type activities:			
Water, sewer, and solid waste utilities	<u>2,813,144</u>	<u>2,913,610</u>	<u>-</u>
Total primary government	<u>\$ 6,883,767</u>	<u>\$ 3,073,329</u>	<u>\$ 333,245</u>
Component unit:			
Jacksboro Economic Development Corporation	<u>\$ 234,089</u>	<u>\$ -</u>	<u>\$ 10,000</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			Component Unit
Governmental Activities	Business-type Activities	Total	
\$ (17,007)	\$ -	\$ (17,007)	\$ -
(1,185,996)	-	(1,185,996)	-
(1,165,786)	-	(1,165,786)	-
(425,377)	-	(425,377)	-
(661,594)	-	(661,594)	-
(121,899)	-	(121,899)	-
<u>(3,577,659)</u>	<u>-</u>	<u>(3,577,659)</u>	<u>-</u>
-	100,466	100,466	-
<u>(3,577,659)</u>	<u>100,466</u>	<u>(3,477,193)</u>	<u>-</u>
-	-	-	(224,089)
990,214	-	990,214	-
512,901	-	512,901	-
1,038,005	-	1,038,005	346,002
326,672	-	326,672	-
17,328	-	17,328	-
5,334	-	5,334	-
35,321	12,972	48,293	6,525
198,762	-	198,762	22,443
450,000	(450,000)	-	-
<u>3,574,537</u>	<u>(437,028)</u>	<u>3,137,509</u>	<u>374,970</u>
(3,122)	(336,562)	(339,684)	150,881
<u>6,821,062</u>	<u>4,423,192</u>	<u>11,244,254</u>	<u>1,397,859</u>
<u>\$ 6,817,940</u>	<u>\$ 4,086,630</u>	<u>\$ 10,904,570</u>	<u>\$ 1,548,740</u>

CITY OF JACKSBORO, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General Fund	Debt Service Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 239,525	\$ -	\$ 10,111	\$ -	\$ 249,636
Receivables (net):					
Property taxes	127,532	64,628	-	-	192,160
Sales taxes	157,115	-	-	-	157,115
Franchise fees	50,996	-	-	-	50,996
Municipal court fines	172,693	-	-	-	172,693
Intergovernmental	-	-	174,889	-	174,889
Other	13,550	2,449	-	3,900	19,899
Due from other funds	633,464	-	-	-	633,464
Restricted cash	2,930	157,758	-	79,064	239,752
Total assets	\$ 1,397,805	\$ 224,835	\$ 185,000	\$ 82,964	\$ 1,890,604
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable and other current liabilities	\$ 48,382	\$ -	\$ -	\$ 12	\$ 48,394
Wages payable	57,541	-	-	-	57,541
Due to other funds	-	13,264	185,000	-	198,264
Total liabilities	105,923	13,264	185,000	12	304,199
Deferred inflows of resources:					
Unavailable revenues	286,566	57,435	-	-	344,001
Fund balances:					
Restricted	2,930	154,136	-	82,952	240,018
Unassigned	1,002,386	-	-	-	1,002,386
Total fund balances	1,005,316	154,136	-	82,952	1,242,404
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,397,805	\$ 224,835	\$ 185,000	\$ 82,964	\$ 1,890,604

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, 2019

Total fund balances - governmental funds (Exhibit A-3) \$ 1,242,404

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	\$ 18,591,536	
Related accumulated depreciation	<u>9,310,191</u>	9,281,345

Property taxes receivable are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.		171,309
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Municipal court fees receivable are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.		172,693
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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	2,770,000	
Bond premiums	31,053	
Notes payable	339,436	
Compensated absences	<u>107,779</u>	(3,248,268)

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:		(13,599)
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Deferred loss on refunding of debt is not reflected in the governmental funds; however, the loss is capitalized as a deferred outflow of resources and amortized over the life of the bonds. The deferred loss on refunding at year end was:		1,966
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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	359,576	
Net pension liability	<u>(1,067,260)</u>	(707,684)

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	2,013	
Deferred inflows of resources - OPEB related	(3,240)	
Net OPEB liability	<u>(80,999)</u>	<u>(82,226)</u>

Total net position - governmental activities (Exhibit A-1)		<u><u>\$ 6,817,940</u></u>
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See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Debt Service Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 973,271	\$ 517,593	\$ -	\$ -	\$ 1,490,864
Sales taxes	1,038,005	-	-	-	1,038,005
Franchise fees	326,672	-	-	-	326,672
Hotel/Motel taxes	-	-	-	17,328	17,328
Other taxes	5,334	-	-	-	5,334
Charges for services	1,120	-	-	-	1,120
Licenses, permits, and fees	19,086	-	-	-	19,086
Recreation fees	23,793	-	-	-	23,793
Court fines and fees	111,611	-	-	6,390	118,001
Rentals	11,668	-	-	-	11,668
Contributions	62,499	-	-	-	62,499
Intergovernmental	13,347	-	257,399	-	270,746
Interest income	21,719	11,988	-	1,614	35,321
Miscellaneous	188,919	-	-	-	188,919
Total revenues	<u>2,797,044</u>	<u>529,581</u>	<u>257,399</u>	<u>25,332</u>	<u>3,609,356</u>
Expenditures					
Current:					
Legislative	17,007	-	-	-	17,007
General government	1,091,116	-	-	31,120	1,122,236
Public safety	1,207,740	-	51,800	3,544	1,263,084
Streets	282,024	-	-	-	282,024
Culture and recreation	463,049	-	-	-	463,049
Capital outlay	156,976	-	282,539	-	439,515
Debt service:					
Principal	60,142	385,000	-	-	445,142
Interest charges	13,982	110,061	-	-	124,043
Paying agent fees	-	1,500	-	-	1,500
Total expenditures	<u>3,292,036</u>	<u>496,561</u>	<u>334,339</u>	<u>34,664</u>	<u>4,157,600</u>
Excess of revenues over (under) expenditures	<u>(494,992)</u>	<u>33,020</u>	<u>(76,940)</u>	<u>(9,332)</u>	<u>(548,244)</u>
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	9,843	-	-	-	9,843
Transfers in	450,000	-	76,940	-	526,940
Transfers out	(76,940)	-	-	-	(76,940)
Total other financing sources (uses)	<u>382,903</u>	<u>-</u>	<u>76,940</u>	<u>-</u>	<u>459,843</u>
Net change in fund balance	(112,089)	33,020	-	(9,332)	(88,401)
Fund balances - beginning	<u>1,117,405</u>	<u>121,116</u>	<u>-</u>	<u>92,284</u>	<u>1,330,805</u>
Fund balances - ending	<u>\$ 1,005,316</u>	<u>\$ 154,136</u>	<u>\$ -</u>	<u>\$ 82,952</u>	<u>\$ 1,242,404</u>

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, 2019

Net change in fund balances - total governmental funds (Exhibit A-5) \$ (88,401)

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	\$ 439,515	
Depreciation expense for the year	<u>674,800</u>	(235,285)

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	12,251	
Municipal court fees	<u>(13,949)</u>	(1,698)

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	385,000	
Notes payable	<u>60,322</u>	445,322

Accrued interest payable from the beginning of the year to the end of the year changed by: 1,562

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: (9,183)

The amortization of the bond premiums and deferred loss on refunding in the current year was: 1,902

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 less than the actuarial expense in the current year. (109,845)

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 less than the actuarial expense in the current year. (7,496)

Change in net position of governmental activities (Exhibit A-2) \$ (3,122)

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 993,000	\$ 993,000	\$ 973,271	\$ (19,729)
Sales taxes	850,000	850,000	1,038,005	188,005
Franchise fees	387,000	387,000	326,672	(60,328)
Other taxes	4,000	4,000	5,334	1,334
Charges for services	3,000	3,000	1,120	(1,880)
Licenses, permits, and fees	21,000	21,000	19,086	(1,914)
Recreation fees	35,000	35,000	23,793	(11,207)
Court fines and fees	65,000	65,000	111,611	46,611
Rentals	8,000	8,000	11,668	3,668
Contributions	21,000	21,000	62,499	41,499
Intergovernmental	52,240	52,240	13,347	(38,893)
Interest income	8,000	8,000	21,719	13,719
Miscellaneous	186,500	186,500	188,919	2,419
Total revenues	<u>2,633,740</u>	<u>2,633,740</u>	<u>2,797,044</u>	<u>163,304</u>
Expenditures				
Current:				
Legislative	15,922	15,922	17,007	(1,085)
General government	1,016,850	1,016,850	1,091,116	(74,266)
Public safety	1,212,139	1,209,895	1,207,740	2,155
Streets	402,220	402,220	282,024	120,196
Culture and recreation	475,570	475,570	463,049	12,521
Capital outlay	-	-	156,976	(156,976)
Debt service:				
Principal	41,500	41,500	60,142	(18,642)
Interest charges	17,600	17,600	13,982	3,618
Total expenditures	<u>3,181,801</u>	<u>3,179,557</u>	<u>3,292,036</u>	<u>(112,479)</u>
Excess of revenues under expenditures	<u>(548,061)</u>	<u>(545,817)</u>	<u>(494,992)</u>	<u>50,825</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	8,000	8,000	9,843	1,843
Transfers in	450,000	450,000	450,000	-
Transfers out	(18,000)	(18,000)	(76,940)	(58,940)
Total other financing sources (uses)	<u>440,000</u>	<u>440,000</u>	<u>382,903</u>	<u>(57,097)</u>
Net change in fund balance	(108,061)	(105,817)	(112,089)	(6,272)
Fund balances - beginning	<u>1,117,405</u>	<u>1,117,405</u>	<u>1,117,405</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,009,344</u>	<u>\$ 1,011,588</u>	<u>\$ 1,005,316</u>	<u>\$ (6,272)</u>

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 315,000	\$ 317,244	\$ 257,399	\$ (59,845)
Total revenues	<u>315,000</u>	<u>317,244</u>	<u>257,399</u>	<u>(59,845)</u>
EXPENDITURES				
Current:				
Public safety	60,880	63,124	51,800	11,324
Capital outlay	-	-	282,539	(282,539)
Total expenditures	<u>60,880</u>	<u>63,124</u>	<u>334,339</u>	<u>(271,215)</u>
Excess of revenues over (under) expenditures	<u>254,120</u>	<u>254,120</u>	<u>(76,940)</u>	<u>(331,060)</u>
OTHER FINANCING SOURCE				
Transfers in	75,000	75,000	76,940	1,940
Total other financing source	<u>75,000</u>	<u>75,000</u>	<u>76,940</u>	<u>1,940</u>
Net change in fund balance	329,120	329,120	-	(329,120)
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ 329,120</u>	<u>\$ 329,120</u>	<u>\$ -</u>	<u>\$ (329,120)</u>

CITY OF JACKSBORO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2019

	<u>Utility Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 4,072
Receivables (net)	390,034
Restricted assets:	
Cash and cash equivalents	461,777
Total current assets	<u>855,883</u>
Long-term assets:	
Capital assets:	
Water and sewer system	12,341,424
Machinery and equipment	1,141,063
Furniture and fixtures	45,199
Less accumulated depreciation	(8,042,744)
Total long-term assets	<u>5,484,942</u>
Total assets	<u>6,340,825</u>
Deferred Outflows of Resources:	
Pension plan related	155,118
OPEB plan related	868
Deferred loss on bond refunding	12,404
Total deferred outflows of resources	<u>168,390</u>
Liabilities	
Current liabilities:	
Accounts payable and other current liabilities	85,550
Wages payable	22,354
Due to other funds	435,200
Accrued interest payable	4,367
Customer deposits	47,135
Compensated absences, current portion	13,177
Current maturities of long-term obligations	330,000
Total current liabilities	<u>937,783</u>
Long-term liabilities:	
Long-term obligations, less current maturities	971,948
Compensated absences, net of current portion	16,106
Net pension liability	460,408
Net OPEB liability	34,942
Total long-term liabilities	<u>1,483,404</u>
Total liabilities	<u>2,421,187</u>
Deferred Inflows of Resources:	
OPEB plan related	1,398
Total deferred inflows of resources	<u>1,398</u>
Net Position	
Net investment in capital assets	4,195,398
Unrestricted	(108,768)
Total net position	<u>\$ 4,086,630</u>

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Utility Fund
Operating revenues:	
Water revenues	\$ 1,284,294
Sewer revenues	829,711
Solid waste	680,129
Penalties	46,530
Tap fees	10,750
Miscellaneous	8,800
Total operating revenues	<u>2,860,214</u>
Operating expenses:	
Salaries and benefits	828,551
Supplies and maintenance	677,471
Contractual services	177,872
Sanitation contractual services	678,039
Depreciation	397,166
Total operating expenses	<u>2,759,099</u>
Operating income	<u>101,115</u>
Nonoperating revenues (expenses):	
Interest income	12,972
Interest expense	(54,045)
Capital improvement fees	53,396
Total nonoperating revenues (expenses)	<u>12,323</u>
Income before transfers	113,438
Transfers out	<u>(450,000)</u>
Change in net position	(336,562)
Net position - beginning	<u>4,423,192</u>
Net position - ending	<u><u>\$ 4,086,630</u></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, 2019

	Utility Fund
Cash flows from operating activities:	
Received from customers	\$ 2,842,198
Payments to employees	(787,144)
Payments to suppliers and professional contractors for services	(1,534,968)
Net cash provided by operating activities	<u>520,086</u>
Cash flows from noncapital financing activities:	
Due to other funds	325,000
Transfers to other funds	(450,000)
Net cash used by noncapital financing activities	<u>(125,000)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(86,973)
Principal paid on capital debt	(320,892)
Interest paid on capital debt	(51,937)
Capital improvement fees	53,396
Net cash used by capital and related financing activities	<u>(406,406)</u>
Cash flows from investing activities:	
Interest on investments	<u>12,972</u>
Net increase in Cash and Cash Equivalents	1,652
Cash and Cash Equivalents - Beginning	464,197
Cash and Cash Equivalents - Ending	<u><u>\$ 465,849</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	<u>\$ 101,115</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	397,166
(Increase) decrease in current assets and deferred outflows of resources:	
Accounts receivable	(15,876)
Deferred outflows of resources	(44,977)
Increase (decrease) in current liabilities and deferred inflows of resources:	
Accounts payable and other accrued liabilities	(1,586)
Wages payable	1,245
Customer deposits	(2,140)
Compensated absences	(7,733)
Net pension liability	137,752
Net OPEB liability	(2,567)
Deferred inflows of resources	(42,313)
Total adjustments	418,971
Net cash provided by operating activities	<u><u>\$ 520,086</u></u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:	
Unrestricted cash and cash equivalents	\$ 4,072
Restricted assets - cash and cash equivalents	461,777
Total cash and cash equivalents	<u><u>\$ 465,849</u></u>

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 Director 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, 2019

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, Debt Service Fund, and Grant 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, 2019

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 Grant Fund is supported by intergovernmental grants and used for the purpose specified in the grant contract.

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.

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, 2019

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 \$.815991 per \$100 in assessed valuation. Additionally, the City levied a tax for Debt Service of \$.429755 per \$100 in assessed valuation; therefore, the total tax rate was \$1.245746 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, 2019

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 (\$171,309) and municipal court fines receivable (\$172,693) 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, 2019

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 expensed 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, 2019, 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	\$2,527	\$ -	\$ -	\$ 2,527
Park projects	403	-	-	403
Debt service	-	154,136	-	154,136
Tourism	-	-	54,182	54,182
Court technology	-	-	560	560
Court security	-	-	4,905	4,905
School safety	-	-	23,305	23,305
Totals	\$2,930	\$154,136	\$82,952	\$240,018

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

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, 2019

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, 2019, the City overexpended the General Fund's budget in four functional areas and in total (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, 2019, 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, 2019

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, 2019, the carrying amount of the City's deposits (cash and interest-bearing savings accounts included in temporary investments) was \$955,237 and the bank balance was \$1,081,062. The City's cash deposits at September 30, 2019, and during the year ended September 30, 2019, 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, 2019, the carrying amount of the Corporation's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$490,692 and the bank balance was \$499,931. The Corporation's cash deposits at September 30, 2019, and during the year ended September 30, 2019, 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, 2019 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	\$ 435,032	\$ 435,032	AAA-m	31
JEDC:				
LOGIC	<u>251,927</u>	<u>251,927</u>	AAA-m	37
Total investments	<u>\$686,959</u>	<u>\$686,959</u>		

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

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, 2019

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, 2019

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, 2019, including the allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Grant Fund	Other Gov. Funds	Utility Fund	Totals Primary Government	JEDC – Component Unit	Totals Reporting Entity
Receivables:								
Property taxes	\$141,702	\$71,809	\$ -	\$ -	\$ -	\$ 213,511	\$ -	\$ 213,511
Sales taxes	157,115	-	-	-	-	157,115	52,372	209,487
Franchise fees	50,996	-	-	-	-	50,996	-	50,996
Municipal court fines	345,386	-	-	-	-	345,386	-	345,386
Intergovernmental	-	-	174,889	-	-	174,889	-	174,889
Other	<u>13,550</u>	<u>2,449</u>	<u>-</u>	<u>3,900</u>	<u>415,380</u>	<u>435,279</u>	<u>826</u>	<u>436,105</u>
Gross receivables	708,749	74,258	174,889	3,900	415,380	1,377,176	53,198	1,430,374
Less: Allowance for uncollectible accounts	<u>(186,863)</u>	<u>(7,181)</u>	<u>-</u>	<u>-</u>	<u>(25,346)</u>	<u>(219,390)</u>	<u>-</u>	<u>(219,390)</u>
Net total receivables	<u>\$521,886</u>	<u>\$67,077</u>	<u>\$174,889</u>	<u>\$3,900</u>	<u>\$390,034</u>	<u>\$1,157,786</u>	<u>\$53,198</u>	<u>\$1,210,984</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 \$50,000 of the \$213,511 total delinquent property taxes within a year and \$130,000 of the \$345,386 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. During 2018-19, JEDC reduced the payment to \$2,226 per month for February 2019 to July 2019, increasing the maturity date to February 2025. The agreement also allows for the grantee to occupy the facility without payment of rent, subject to the grantee paying for the

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

5. NOTE RECEIVABLE (CONT'D.)

following costs to operate and maintain the buildings, including 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>	
2020	\$ 42,940
2021	38,714
2022	38,714
2023	38,714
2024	38,714
2025	<u>15,680</u>
Total	<u>\$213,476</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, 2019, restricted cash is comprised of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Utility Fund</u>
Landfill capital projects	\$2,527	\$ -	\$ -	\$ 2,527	\$ -
Park projects	403	-	-	403	-
Debt service	-	157,758	-	157,758	-
Tourism	-	-	50,294	50,294	-
Court security	-	-	4,905	4,905	-
Court technology	-	-	560	560	-
School safety	-	-	23,305	23,305	-
Utility capital projects	-	-	-	-	414,642
Utility customer deposits	-	-	-	-	<u>47,135</u>
Totals	<u>\$2,930</u>	<u>\$157,758</u>	<u>\$79,064</u>	<u>\$239,752</u>	<u>\$461,777</u>

7. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended September 30, 2019 was as follows:

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

7. CAPITAL ASSETS (CONT'D.)

Governmental activities:

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
Capital assets not being depreciated:					
Land	\$ 483,168	\$ -	\$ -	\$ -	\$ 483,168
Construction in progress	35,489	282,538	-	11,973	330,000
Total capital assets not being depreciated	518,657	282,538	-	11,973	813,168
Capital assets being depreciated:					
Buildings and improvements	5,214,880	-	-	-	5,214,880
Streets	1,834,292	71,564	-	(11,973)	1,893,883
Lost Creek Dam and Reservoir	8,355,568	-	-	-	8,355,568
Machinery and equipment	2,134,535	85,413	133,699	-	2,086,249
Furniture and fixtures	227,788	-	-	-	227,788
Total capital assets being depreciated	17,767,063	156,977	133,699	(11,973)	17,778,368
Less accumulated depreciation for:					
Buildings and improvements	2,574,609	239,339	-	-	2,813,948
Streets	757,397	90,602	-	-	847,999
Lost Creek Dam and Reservoir	4,002,227	167,436	-	-	4,169,663
Machinery and equipment	1,207,069	177,423	133,699	-	1,250,793
Furniture and fixtures	227,788	-	-	-	227,788
Total accumulated depreciation	8,769,090	674,800	133,699	-	9,310,191
Total capital assets being depreciated, net	8,997,973	(517,823)	-	(11,973)	8,468,177
Governmental activities capital assets, net	\$ 9,516,630	(\$235,285)	\$ -	\$ -	\$ 9,281,345

Depreciation expense was charged to departments as follows:

General Government	\$ 68,247
Public Safety	209,148
Streets	127,619
Culture and Recreation	269,786
Total	\$ 674,800

Business-type activities:

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
Capital assets being depreciated:					
Water and sewer system	\$12,341,424	\$ -	\$ -	\$ -	\$12,341,424
Machinery and equipment	1,073,327	86,972	19,236	-	1,141,063
Furniture and fixtures	45,199	-	-	-	45,199
Total capital assets being depreciated	13,459,950	86,972	19,236	-	13,527,686
Less accumulated depreciation for:					
Water and sewer system	6,793,761	323,118	-	-	7,116,879
Machinery and equipment	825,855	74,047	19,236	-	880,666
Furniture and fixtures	45,199	-	-	-	45,199
Total accumulated depreciation	7,664,815	397,165	19,236	-	8,042,744
Business-type activities capital assets, net	\$ 5,795,135	(\$310,193)	\$ -	\$ -	\$ 5,484,942

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

8. INTERFUND BALANCES AND ACTIVITY

A. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2019 consisted of the following:

<u>Due to Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Debt Service	\$ 13,264	Short-term borrowings
General Fund	Grant Fund	185,000	Short-term borrowings
General Fund	Utility Fund	<u>435,200</u>	Short-term borrowings
Total		<u>\$633,464</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, 2019 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
Grant Fund	General Fund	<u>76,940</u>	Grant matching requirements
Total		<u>\$526,940</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, 2019, 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	\$3,155,000	\$ -	\$385,000	\$2,770,000	\$400,000
Premiums on bonds payable	34,266	-	3,213	31,053	-
Notes payable	399,758	-	60,322	339,436	62,449
Compensated absences *	<u>98,596</u>	<u>14,651</u>	<u>5,468</u>	<u>107,779</u>	<u>44,368</u>
Total governmental activities	<u>\$3,687,620</u>	<u>\$ 14,651</u>	<u>\$454,003</u>	<u>\$3,248,268</u>	<u>\$506,817</u>
<u>Business-type Activities:</u>					
Bonds payable	\$1,560,000	\$ -	\$315,000	\$1,245,000	\$330,000
Premiums on bonds payable	62,840	-	5,892	56,948	-
Compensated absences *	<u>37,016</u>	<u>8,053</u>	<u>15,786</u>	<u>29,283</u>	<u>13,177</u>
Total business-type activities	<u>\$1,659,856</u>	<u>\$ 8,053</u>	<u>\$336,678</u>	<u>\$1,331,231</u>	<u>\$343,177</u>
<u>JEDC</u>					
Note payable	<u>\$ 714,402</u>	<u>\$ -</u>	<u>\$ 57,153</u>	<u>\$ 657,249</u>	<u>\$ 74,278</u>

* - Other long-term liabilities

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

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, 2019, 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 9/30/19</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	\$ 190,000	\$ 100,000	\$ 90,000
Combination Tax & Revenue Certificates of Obligation, Series 2008	1,800,000	4.000%	2/15/2028	\$70,000 to \$115,000	900,000	810,000	90,000
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	1,535,000	1,535,000	-
General Obligation Refunding Bonds, Series 2015	4,095,000	2.00% to 4.000%	8/15/2029	\$45,000 to \$680,000	1,390,000	325,000	1,065,000
Plus bond premium					<u>88,001</u>	<u>31,053</u>	<u>56,948</u>
Total all bonds					<u>\$4,103,001</u>	<u>\$2,801,053</u>	<u>\$1,301,948</u>

Aggregate maturities of the bonds payable (principal and interest) for the years subsequent to September 30, 2019 are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 400,000	\$ 98,763	\$ 498,763
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
2025-2029	1,115,000	182,166	1,297,166
2030-2031	<u>320,000</u>	<u>19,400</u>	<u>339,400</u>
Totals	<u>\$2,770,000</u>	<u>\$604,940</u>	<u>\$3,374,940</u>

<u>Year Ending September 30,</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 330,000	\$ 36,571	\$ 366,571
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
2025-2029	<u>365,000</u>	<u>36,582</u>	<u>401,582</u>
Totals	<u>\$1,245,000</u>	<u>\$167,695</u>	<u>\$1,412,695</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

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

C. Notes Payable

The City has notes payable at September 30, 2019 as follows:

Governmental activities:

Note payable to LegacyTexas Bank to finance the purchase of an Asphalt Zipper. The note is due in annual principal and interest payments of \$27,471 at 2.50% per annum through January 2020. The note is collateralized by the Asphalt Zipper. \$ 27,155

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. 312,281

Total governmental activities and all notes payable \$339,436

The JEDC has a note payable at September 30, 2019 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. \$657,249

The debt service requirements on the notes payable at September 30, 2019 are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 62,449	\$11,675	\$ 74,124
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
2025-2027	<u>121,417</u>	<u>6,691</u>	<u>128,108</u>
Totals	<u>\$339,436</u>	<u>\$49,408</u>	<u>\$388,844</u>

<u>Year Ending September 30,</u>	<u>JEDC</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 74,278	\$ 26,359	\$100,637
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
2025-2027	<u>269,738</u>	<u>18,075</u>	<u>287,813</u>
Totals	<u>\$657,249</u>	<u>\$117,280</u>	<u>\$774,529</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

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, 2019 are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 462,449	\$110,438	\$ 572,887
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
2025-2029	1,236,417	188,857	1,425,274
2030-2031	<u>320,000</u>	<u>19,400</u>	<u>339,400</u>
Totals	<u>\$3,109,436</u>	<u>\$654,348</u>	<u>\$3,763,784</u>

<u>Year Ending September 30,</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 330,000	\$ 36,571	\$ 366,571
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
2025-2029	<u>365,000</u>	<u>36,582</u>	<u>401,582</u>
Totals	<u>\$1,245,000</u>	<u>\$167,695</u>	<u>\$1,412,695</u>

<u>Year Ending September 30,</u>	<u>JEDC</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 74,278	\$ 26,359	\$ 100,637
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
2025-2027	<u>269,738</u>	<u>18,075</u>	<u>287,813</u>
Totals	<u>\$ 657,249</u>	<u>\$ 117,280</u>	<u>\$ 774,529</u>

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, 2019

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.tmrs.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, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	46
Active employees	40

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 14.03% and 14.25% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019, were \$266,370, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, 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, 2019

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

Actuarial Assumptions

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the City, rates are multiplied by a factor of 85.0%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment is used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 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 weighting 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 2019 are summarized in the following table:

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

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>
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	<u>5.0%</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)

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Fiduciary Net Position (b)</u>	<u>Net Pension Liability / (Asset) (a) – (b)</u>
Balances as of December 31, 2017	\$6,977,203	\$5,906,236	\$1,070,968
Changes for the year:			
Service cost	305,023	-	305,023
Interest on total pension liability	469,119	-	469,119
Change of benefit terms	-	-	-
Difference between expected and actual experience	(51,000)	-	(51,000)
Change of assumptions	-	-	-
Contributions - employer	-	253,522	(253,522)
Contributions – employee	-	126,491	(126,491)
Net investment income	-	(176,608)	176,608
Benefit payments, including refunds of employee contributions	(359,597)	(359,597)	-
Administrative expense	-	(3,419)	3,419
Other changes	-	(179)	179
Balances as of December 31, 2018	<u>\$7,340,748</u>	<u>\$5,746,447</u>	<u>\$1,594,301</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

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

Net pension liability:	
Net pension liability associated with the primary government	\$1,527,668 ⁽¹⁾
Net pension liability associated with the component unit	<u>66,633</u>
Total	<u>\$1,594,301</u>

⁽¹⁾ Of this amount, \$1,067,260 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 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net pension liability	<u>\$2,732,061</u>	<u>\$1,594,301</u>	<u>\$687,440</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, 2019, the primary government recognized pension expense of \$397,061 and the component unit recognized \$17,317 for a total pension expense of \$414,378.

At September 30, 2019, 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	\$ 33,538	\$ -
Differences in assumption changes	-	-
Net difference between projected and actual earnings	308,812	-
Contributions made subsequent to measurement date	<u>194,794</u>	<u>-</u>
Total	<u>\$537,144</u>	<u>\$ -</u>
Deferred outflows of resources:		
Deferred outflows of resources associated with the primary government		\$514,694
Deferred outflows of resources associated with the component unit		<u>22,450</u>
Total		<u>\$537,144</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

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

Deferred inflows of resources:	
Deferred inflows of resources associated with the primary government	\$ -
Deferred inflows of resources associated with the component unit	<u>-</u>
Total	<u>\$ -</u>

\$194,794 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, 2019. 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>	
2019	\$142,799
2020	47,133
2021	37,363
2022	<u>115,055</u>
Total	<u>\$342,350</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, 2019

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

Employees Covered by Benefit Terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	19
Inactive employees entitled to but not yet receiving benefits	10
Active employees	40

C. Total OPEB Liability

The City's Total OPEB Liability is based on an actuarial valuation performed as of December 31, 2018 and a measurement date of December 31, 2018.

Actuarial Assumptions

1. General inflation – General inflation is assumed to be 2.5% 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 10.50%.
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 RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.
7. Disabled annuitant mortality rates – For calculating the OPEB liability and the OPEB contribution rates, the Gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% mortality rate will be applied to reflect the impairment of younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

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

8. Pre-retirement mortality - For calculating the OPEB liability and the OPEB contribution rates, the Gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males multiplied by 54.5% and female rates multiplied by 51.5%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances as of December 31, 2017	\$124,376
Changes for the year:	
Service cost	6,867
Interest on total OPEB liability	4,216
Change in benefit terms	-
Difference between expected and actual experience	(4,595)
Change in assumptions or other inputs	(8,962)
Benefit payments	(904)
Net changes	<u>(3,378)</u>
Balances as of December 31, 2018	<u>\$120,998</u>
Net OPEB Liability:	
Net OPEB liability associated with the primary government	\$115,941 ⁽¹⁾
Net OPEB liability associated with the component unit	<u>5,057</u>
Total	<u>\$120,998</u>

⁽¹⁾ Of this amount, \$80,999 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 3.71%, 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 (2.71%) or 1 percentage point higher (4.71%) than the current rate.

	1% Decrease <u>2.71%</u>	Current Discount Rate <u>3.71%</u>	1% Increase <u>4.71%</u>
Total OPEB liability	<u>\$145,306</u>	<u>\$120,998</u>	<u>\$102,404</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

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, 2019, the primary government recognized OPEB expense of \$9,950 and the component unit recognized \$434 for a total OPEB expense of \$10,384.

At September 30, 2019, 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	\$ -	\$3,708
Changes in assumptions	-	1,131
Contributions made subsequent to measurement date	<u>3,007</u>	<u>-</u>
Total	<u>\$3,007</u>	<u>\$4,839</u>
Deferred outflows of resources:		
Deferred outflows of resources associated with the primary government		\$2,881
Deferred outflows of resources associated with the component unit		<u>126</u>
Total		<u>\$3,007</u>
Deferred inflows of resources:		
Deferred inflows of resources associated with the primary government		\$4,637
Deferred inflows of resources associated with the component unit		<u>202</u>
Total		<u>\$4,839</u>

\$3,007 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, 2019. 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>	
2019	(\$ 699)
2020	(699)
2021	(699)
2022	(2,271)
2023	<u>(471)</u>
Total	<u>(\$4,839)</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

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.

Operating lease expenditures for the year ended September 30, 2019 were \$53,288.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

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.

Operating lease expenses for the year ended September 30, 2019 were \$31,461.

The following is a schedule of future minimum payments under the non-cancelable operating leases at September 30, 2019.

<u>Year Ended September 30:</u>	
2020	\$ 84,044
2021	73,633
2022	66,197
2023	66,700
2024	<u>1,716</u>
Total	<u>\$292,290</u>

13. SUBSEQUENT EVENTS

In March 2020, the City Council approved the issue of \$3.5 million in certificates of obligation for street renovations.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JACKSBORO, TEXAS

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

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 305,023	\$ 299,253	\$ 286,906	\$ 275,573	\$ 221,377
Interest on total pension liability	469,119	432,160	406,479	401,993	382,649
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(51,000)	154,536	37,097	(63,756)	(138)
Changes of assumptions	-	-	-	61,085	-
Benefit payments/refunds of contributions	(359,597)	(322,981)	(389,423)	(413,386)	(295,891)
Net change in total pension liability	363,545	562,968	341,059	261,509	307,997
Total pension liability, beginning	6,977,203	6,414,235	6,073,176	5,811,667	5,503,670
Total pension liability, ending (a)	<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	\$ 253,522	\$ 243,284	\$ 229,525	\$ 230,041	\$ 182,117
Contributions - employee	126,491	122,430	116,764	115,371	99,312
Net investment income	(176,608)	713,191	328,686	7,285	268,117
Benefit payments/refunds of contributions	(359,597)	(322,981)	(389,423)	(413,386)	(295,891)
Administrative expenses	(3,419)	(3,702)	(3,719)	(4,438)	(2,800)
Other	(178)	(188)	(200)	(219)	(230)
Net change in fiduciary net position	(159,789)	752,034	281,633	(65,346)	250,625
Fiduciary net position, beginning	5,906,236	5,154,202	4,872,569	4,937,915	4,687,290
Fiduciary net position, ending (b)	<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>\$ 1,594,301</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>78.28%</u>	<u>84.65%</u>	<u>80.36%</u>	<u>80.23%</u>	<u>84.97%</u>
Covered payroll	<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>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**

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

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	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% 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 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

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

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

	Hotel/Motel Tax Fund	Court Technology Fund	Court Security Fund
ASSETS			
Restricted cash and cash equivalents	\$ 50,294	\$ 560	\$ 4,905
Receivables (net):			
Other	3,900	-	-
Total assets	<u>\$ 54,194</u>	<u>\$ 560</u>	<u>\$ 4,905</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	54,182	560	4,905
Total fund balances	<u>54,182</u>	<u>560</u>	<u>4,905</u>
Total liabilities and fund balance	<u>\$ 54,194</u>	<u>\$ 560</u>	<u>\$ 4,905</u>

School Safety Fund	Crossing Guard Fund	Total Nonmajor Governmental Funds
\$ 8,844	\$ 14,461	\$ 79,064
-	-	3,900
<u>\$ 8,844</u>	<u>\$ 14,461</u>	<u>\$ 82,964</u>
\$ -	\$ -	\$ 12
-	-	12
8,844	14,461	82,952
<u>8,844</u>	<u>14,461</u>	<u>82,952</u>
<u>\$ 8,844</u>	<u>\$ 14,461</u>	<u>\$ 82,964</u>

CITY OF JACKSBORO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Hotel/Motel Tax Fund	Court Technology Fund	Court Security Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Hotel/Motel taxes	\$ 17,328	\$ -	\$ -
Court fines	-	2,335	1,581
Interest income	1,087	-	107
Total revenues	<u>18,415</u>	<u>2,335</u>	<u>1,688</u>
 EXPENDITURES			
Current:			
General government	31,120	-	-
Public safety	-	1,775	1,769
Total expenditures	<u>31,120</u>	<u>1,775</u>	<u>1,769</u>
 Net change in fund balances	(12,705)	560	(81)
 Fund balances - beginning	<u>66,887</u>	<u>-</u>	<u>4,986</u>
 Fund balances - ending	<u><u>\$ 54,182</u></u>	<u><u>\$ 560</u></u>	<u><u>\$ 4,905</u></u>

<u>School Safety Fund</u>	<u>Crossing Guard Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 17,328
1,149	1,325	6,390
158	262	1,614
<u>1,307</u>	<u>1,587</u>	<u>25,332</u>
-	-	31,120
-	-	3,544
<u>-</u>	<u>-</u>	<u>34,664</u>
1,307	1,587	(9,332)
<u>7,537</u>	<u>12,874</u>	<u>92,284</u>
<u>\$ 8,844</u>	<u>\$ 14,461</u>	<u>\$ 82,952</u>

CITY OF JACKSBORO, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 520,061	\$ 520,061	\$ 517,593	\$ (2,468)
Interest income	2,500	2,500	11,988	9,488
Total revenues	<u>522,561</u>	<u>522,561</u>	<u>529,581</u>	<u>7,020</u>
EXPENDITURES				
Debt service:				
Principal retirement	700,000	700,000	385,000	315,000
Interest	152,895	152,895	110,061	42,834
Paying agent fees	1,500	1,500	1,500	-
Total expenditures	<u>854,395</u>	<u>854,395</u>	<u>496,561</u>	<u>357,834</u>
Excess of revenues over (under) expenditures	<u>(331,834)</u>	<u>(331,834)</u>	<u>33,020</u>	<u>364,854</u>
OTHER FINANCING SOURCE				
Transfers in	358,469	358,469	-	(358,469)
Total other financing source	<u>358,469</u>	<u>358,469</u>	<u>-</u>	<u>(358,469)</u>
Net change in fund balance	26,635	26,635	33,020	6,385
Fund balance - beginning	<u>121,116</u>	<u>121,116</u>	<u>121,116</u>	<u>-</u>
Fund balance - ending	<u>\$ 147,751</u>	<u>\$ 147,751</u>	<u>\$ 154,136</u>	<u>\$ 6,385</u>

CITY OF JACKSBORO, TEXAS
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Hotel/Motel taxes	\$ 20,000	\$ 20,000	\$ 17,328	\$ (2,672)
Interest income	150	150	1,087	937
Total revenues	<u>20,150</u>	<u>20,150</u>	<u>18,415</u>	<u>(1,735)</u>
EXPENDITURES				
Current:				
General government	<u>20,000</u>	<u>20,000</u>	<u>31,120</u>	<u>(11,120)</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>31,120</u>	<u>(11,120)</u>
Net change in fund balance	150	150	(12,705)	(12,855)
Fund balance - beginning	<u>66,887</u>	<u>66,887</u>	<u>66,887</u>	<u>-</u>
Fund balance - ending	<u>\$ 67,037</u>	<u>\$ 67,037</u>	<u>\$ 54,182</u>	<u>\$ (12,855)</u>

CITY OF JACKSBORO, TEXAS
COURT TECHNOLOGY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Court fines	\$ 1,500	\$ 1,500	\$ 2,335	\$ 835
Total revenues	1,500	1,500	2,335	835
EXPENDITURES				
Current:				
Public safety	6,100	6,100	1,775	4,325
Total expenditures	6,100	6,100	1,775	4,325
Net change in fund balance	(4,600)	(4,600)	560	5,160
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ (4,600)	\$ (4,600)	\$ 560	\$ 5,160

CITY OF JACKSBORO, TEXAS
COURT SECURITY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Court fines	\$ 500	\$ 500	\$ 1,581	\$ 1,081
Interest income	10	10	107	97
Total revenues	510	510	1,688	1,178
EXPENDITURES				
Current:				
Public safety	-	-	1,769	(1,769)
Total expenditures	-	-	1,769	(1,769)
Net change in fund balance	510	510	(81)	(591)
Fund balance - beginning	4,986	4,986	4,986	-
Fund balance - ending	\$ 5,496	\$ 5,496	\$ 4,905	\$ (591)

CITY OF JACKSBORO, TEXAS
SCHOOL SAFETY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Court fines	\$ 500	\$ 500	\$ 1,149	\$ 649
Interest income	10	10	158	148
Total revenues	510	510	1,307	797
EXPENDITURES				
Current:				
General government	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	510	510	1,307	797
Fund balance - beginning	7,537	7,537	7,537	-
Fund balance - ending	\$ 8,047	\$ 8,047	\$ 8,844	\$ 797

CITY OF JACKSBORO, TEXAS
CROSSING GUARD SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Court fines	\$ 500	\$ 500	\$ 1,325	\$ 825
Interest income	10	10	262	252
Total revenues	510	510	1,587	1,077
EXPENDITURES				
Current:				
General government	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	510	510	1,587	1,077
Fund balance - beginning	12,874	12,874	12,874	-
Fund balance - ending	\$ 13,384	\$ 13,384	\$ 14,461	\$ 1,077

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)

	2009-2010	2010-2011	2011-2012	2012-2013
Governmental activities				
Net investment in capital assets	\$ 1,471,609	\$ 1,609,827	\$ 1,429,240	\$ 2,526,939
Restricted	289,507	437,343	457,186	251,849
Unrestricted	387,864	509,628	265,608	314,400
Total governmental activities net position	<u>\$ 2,148,980</u>	<u>\$ 2,556,798</u>	<u>\$ 2,152,034</u>	<u>\$ 3,093,188</u>
Business-type activities				
Net investment in capital assets	\$ 5,450,477	\$ 5,643,311	\$ 5,513,950	\$ 5,245,700
Unrestricted	569,396	434,647	436,728	638,797
Total business-type activities net position	<u>\$ 6,019,873</u>	<u>\$ 6,077,958</u>	<u>\$ 5,950,678</u>	<u>\$ 5,884,497</u>
Primary government				
Net investment in capital assets	\$ 6,922,086	\$ 7,253,138	\$ 6,943,190	\$ 7,772,639
Restricted	289,507	437,343	457,186	251,849
Unrestricted	957,260	944,275	702,336	953,197
Total primary government net position	<u>\$ 8,168,853</u>	<u>\$ 8,634,756</u>	<u>\$ 8,102,712</u>	<u>\$ 8,977,685</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					
2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
\$ 3,665,049	\$ 5,391,114	\$ 5,797,362	\$ 5,714,520	\$ 5,930,883	\$ 6,142,822
266,578	284,580	216,967	254,563	278,399	297,453
1,392,452	1,621,369	1,192,218	853,152	611,780	377,665
<u>\$ 5,324,079</u>	<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>
\$ 5,081,552	\$ 3,684,798	\$ 3,910,965	\$ 4,027,114	\$ 4,203,304	\$ 4,195,398
913,792	915,133	707,233	658,525	219,888	(108,768)
<u>\$ 5,995,344</u>	<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>
\$ 8,746,601	\$ 9,075,912	\$ 9,708,327	\$ 9,741,634	\$ 10,134,187	\$ 10,338,220
266,578	284,580	216,967	254,563	278,399	297,453
2,306,244	2,536,502	1,899,451	1,511,677	831,668	268,897
<u>\$ 11,319,423</u>	<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>

CITY OF JACKSBORO, TEXAS

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

	2009-2010	2010-2011	2011-2012	2012-2013
Expenses				
Governmental activities:				
Legislative	\$ 31,067	\$ 36,411	\$ 47,468	\$ 22,255
General government	912,723	894,444	924,629	1,013,319
Public safety	1,147,095	1,176,656	1,683,647	1,221,844
Streets	326,458	292,679	432,540	367,827
Culture and recreation	446,787	431,231	375,718	439,893
Interest and fiscal charges	439,792	412,300	409,610	357,818
Total governmental activities expenses	<u>3,303,922</u>	<u>3,243,721</u>	<u>3,873,612</u>	<u>3,422,956</u>
Business-type activities:				
Water, sewer, and solid waste utilities	2,180,110	2,331,081	2,366,898	2,450,529
Total business-type activities expenses	<u>2,180,110</u>	<u>2,331,081</u>	<u>2,366,898</u>	<u>2,450,529</u>
Total primary government expenses	<u>\$ 5,484,032</u>	<u>\$ 5,574,802</u>	<u>\$ 6,240,510</u>	<u>\$ 5,873,485</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 67,329	\$ 32,215	\$ 13,254	\$ 20,827
Public safety	111,657	127,553	51,855	114,107
Culture and recreation	20,261	26,971	24,414	28,558
Operating grants and contributions	27,720	42,557	59,143	66,111
Capital grants and contributions	512,687	-	-	490,000
Total governmental activities program revenues	<u>739,654</u>	<u>229,296</u>	<u>148,666</u>	<u>719,603</u>
Business-type activities:				
Charges for services:				
Water, sewer, and solid waste utilities	2,735,540	3,154,574	3,079,731	3,237,058
Operating grants and contributions	-	-	-	-
Capital grants and contributions	162,620	84,880	16,471	-
Total business-type activities program revenues	<u>2,898,160</u>	<u>3,239,454</u>	<u>3,096,202</u>	<u>3,237,058</u>
Total primary government program revenues	<u>\$ 3,637,814</u>	<u>\$ 3,468,750</u>	<u>\$ 3,244,868</u>	<u>\$ 3,956,661</u>
Net (Expense)/Revenue				
Governmental activities	\$ (2,564,268)	\$ (3,014,425)	\$ (3,724,946)	\$ (2,703,353)
Business-type activities	718,050	908,373	729,304	786,529
Total primary government net expense	<u>\$ (1,846,218)</u>	<u>\$ (2,106,052)</u>	<u>\$ (2,995,642)</u>	<u>\$ (1,916,824)</u>

Fiscal Year					
2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
\$ 48,662	\$ 46,898	\$ 46,617	\$ 16,740	\$ 17,085	\$ 17,007
918,091	1,050,967	1,036,283	1,004,252	1,251,963	1,217,870
1,287,930	1,254,748	1,287,085	1,363,190	1,378,385	1,540,584
367,113	348,773	503,702	541,326	470,082	425,377
472,599	506,138	726,902	748,874	733,187	747,886
314,621	240,131	152,393	147,882	134,128	121,899
3,409,016	3,447,655	3,752,982	3,822,264	3,984,830	4,070,623
2,412,894	2,323,608	2,419,918	2,470,651	2,691,296	2,813,144
2,412,894	2,323,608	2,419,918	2,470,651	2,691,296	2,813,144
\$ 5,821,910	\$ 5,771,263	\$ 6,172,900	\$ 6,292,915	\$ 6,676,126	\$ 6,883,767
\$ 148,687	\$ 304,671	\$ 68,391	\$ 27,721	\$ 33,158	\$ 31,874
83,311	83,777	61,969	45,685	126,537	104,052
31,766	42,989	32,002	24,193	26,626	23,793
54,256	133,693	61,587	99,816	354,716	333,245
837,048	-	3,300	-	-	-
1,155,068	565,130	227,249	197,415	541,037	492,964
3,122,515	2,930,300	2,825,099	2,923,764	2,980,857	2,913,610
-	-	2,750	-	-	-
181,070	91,356	-	-	-	-
3,303,585	3,021,656	2,827,849	2,923,764	2,980,857	2,913,610
\$ 4,458,653	\$ 3,586,786	\$ 3,055,098	\$ 3,121,179	\$ 3,521,894	\$ 3,406,574
\$ (2,253,948)	\$ (2,882,525)	\$ (3,525,733)	\$ (3,624,849)	\$ (3,443,793)	\$ (3,577,659)
890,691	698,048	407,931	453,113	289,561	100,466
\$ (1,363,257)	\$ (2,184,477)	\$ (3,117,802)	\$ (3,171,736)	\$ (3,154,232)	\$ (3,477,193)

CITY OF JACKSBORO, TEXAS

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

	2009-2010	2010-2011	2011-2012	2012-2013
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property tax	\$ 1,281,692	\$ 1,245,294	\$ 1,262,270	\$ 1,395,287
Sales tax	717,274	914,071	879,398	959,232
Franchise fees	353,473	384,189	370,339	368,177
Hotel occupancy tax	-	-	-	-
Other taxes	-	-	-	-
Investment earnings	4,679	4,362	3,461	3,006
Miscellaneous	51,013	7,953	36,401	41,747
Transfers	818,732	866,374	818,733	877,058
Total governmental activities	<u>3,226,863</u>	<u>3,422,243</u>	<u>3,370,602</u>	<u>3,644,507</u>
Business-type activities:				
Investment earnings	2,859	1,692	2,106	2,426
Miscellaneous	1,795	14,394	7,786	21,922
Gain (loss) on sale of capital assets	-	-	-	-
Transfers	(818,732)	(866,374)	(818,733)	(877,058)
Total business-type activities	<u>(814,078)</u>	<u>(850,288)</u>	<u>(808,841)</u>	<u>(852,710)</u>
Total primary government	<u>\$ 2,412,785</u>	<u>\$ 2,571,955</u>	<u>\$ 2,561,761</u>	<u>\$ 2,791,797</u>
Change in Net Position				
Governmental activities	\$ 662,595	\$ 407,818	\$ (354,344)	\$ 941,154
Business-type activities	(96,028)	58,085	(79,537)	(66,181)
Total primary government	<u>\$ 566,567</u>	<u>\$ 465,903</u>	<u>\$ (433,881)</u>	<u>\$ 874,973</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					
2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
\$ 1,387,122	\$ 1,464,291	\$ 1,458,820	\$ 1,514,785	\$ 1,487,869	\$ 1,503,115
1,380,733	1,100,538	700,297	699,433	905,428	1,038,005
347,857	398,688	400,158	347,271	308,005	326,672
-	-	21,310	22,877	22,534	17,328
-	-	1,408	2,409	2,774	5,334
4,025	6,079	9,998	21,472	29,705	35,321
550,702	422,937	242,860	238,843	174,251	198,762
798,340	1,901,412	392,815	393,447	536,798	450,000
<u>4,468,779</u>	<u>5,293,945</u>	<u>3,227,666</u>	<u>3,240,537</u>	<u>3,467,364</u>	<u>3,574,537</u>
2,024	2,231	3,151	7,775	12,819	12,972
16,473	14,037	-	-	-	-
-	-	-	-	-	-
(798,340)	(1,901,412)	(392,815)	(393,447)	(536,798)	(450,000)
(779,843)	(1,885,144)	(389,664)	(385,672)	(523,979)	(437,028)
<u>\$ 3,688,936</u>	<u>\$ 3,408,801</u>	<u>\$ 2,838,002</u>	<u>\$ 2,854,865</u>	<u>\$ 2,943,385</u>	<u>\$ 3,137,509</u>
\$ 2,214,831	\$ 2,411,420	\$ (298,067)	\$ (384,312)	\$ 23,571	\$ (3,122)
110,848	(1,187,096)	18,267	67,441	(234,418)	(336,562)
<u>\$ 2,325,679</u>	<u>\$ 1,224,324</u>	<u>\$ (279,800)</u>	<u>\$ (316,871)</u>	<u>\$ (210,847)</u>	<u>\$ (339,684)</u>

CITY OF JACKSBORO, TEXAS

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

	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>
General Fund				
Restricted	\$ 402	\$ 2,803	\$ 2,806	\$ 2,808
Assigned	-	-	-	-
Unassigned	225,823	321,196	159,196	213,131
Total general fund	<u>\$ 226,225</u>	<u>\$ 323,999</u>	<u>\$ 162,002</u>	<u>\$ 215,939</u>
All other Governmental Funds				
Restricted, reported in:				
Debt Service Fund	\$ 186,270	\$ 168,703	\$ 128,578	\$ 133,562
Capital Projects Fund	173,537	1,801,233	253,060	79,931
Special Revenue Funds	100,438	109,515	98,669	32,438
Unassigned	-	(8,238)	(3,197)	(2,505)
Total all other governmental funds	<u>\$ 460,245</u>	<u>\$ 2,071,213</u>	<u>\$ 477,110</u>	<u>\$ 243,426</u>

Source: Comprehensive Annual Financial Reports

Fiscal Year					
2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
\$ 2,809	\$ 2,810	\$ 2,817	\$ 2,834	\$ 2,872	\$ 2,930
-	-	96,370	96,238	108,057	-
1,260,330	1,977,772	1,522,282	1,267,108	1,006,476	1,002,386
<u>\$ 1,263,139</u>	<u>\$ 1,980,582</u>	<u>\$ 1,621,469</u>	<u>\$ 1,366,180</u>	<u>\$ 1,117,405</u>	<u>\$ 1,005,316</u>
\$ 135,149	\$ 171,880	\$ 77,463	\$ 102,456	\$ 121,116	\$ 154,136
60,938	-	-	-	-	-
42,040	64,342	74,857	89,146	92,284	82,952
(2,668)	(99,026)	(96,370)	(96,238)	-	-
<u>\$ 235,459</u>	<u>\$ 137,196</u>	<u>\$ 55,950</u>	<u>\$ 95,364</u>	<u>\$ 213,400</u>	<u>\$ 237,088</u>

CITY OF JACKSBORO, TEXAS

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

	2009-2010	2010-2011	2011-2012	2012-2013
Revenues				
Property taxes	\$ 1,268,649	\$ 1,238,815	\$ 1,244,372	\$ 1,385,117
Sales taxes	717,274	914,071	879,398	959,232
Franchise fees	353,473	384,189	370,339	368,177
Hotel/Motel taxes	-	-	-	-
Other taxes	-	-	-	-
Charges for services	1,707	1,920	2,034	977
Licenses, permits, and fees	63,608	29,095	10,020	18,650
Recreation fees	20,261	26,971	24,414	28,558
Court fines and fees	111,657	122,754	141,757	103,638
Rentals	2,015	1,200	1,200	1,200
Contributions	513,095	27,985	31,693	532,017
Intergovernmental	27,312	14,572	27,450	24,094
Interest income	4,679	4,362	3,461	3,006
Miscellaneous	43,667	7,953	36,401	41,747
Total revenues	3,127,397	2,773,887	2,772,539	3,466,413
Expenditures				
Current:				
Legislative	31,067	36,411	47,468	22,255
General government	884,208	812,353	859,788	946,037
Public safety	1,052,559	1,064,481	1,476,046	988,709
Streets	263,086	232,862	372,509	290,731
Culture and recreation	230,575	215,819	162,318	227,181
Capital outlay	537,182	478,815	1,287,086	845,339
Debt service:				
Principal	673,342	715,239	757,630	836,258
Interest charges	437,321	411,212	419,374	366,709
Debt issue costs	-	-	-	-
Paying agent fees	-	-	-	-
Total expenditures	4,109,340	3,967,192	5,382,219	4,523,219
Excess of revenues over (under) expenditures	(981,943)	(1,193,305)	(2,609,680)	(1,056,806)
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	818,732	866,374	818,733	877,058
Transfer out	-	-	-	-
Total other financing sources (uses)	818,732	2,902,047	853,580	877,058
Net change in fund balances	\$ (163,211)	\$ 1,708,742	\$ (1,756,100)	\$ (179,748)
Debt service as a percentage of noncapital expenditures	31.1%	32.3%	28.7%	32.7%

Source: Comprehensive Annual Financial Reports

Fiscal Year					
2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
\$ 1,387,122	\$ 1,460,087	\$ 1,456,297	\$ 1,499,194	\$ 1,481,195	\$ 1,490,864
1,380,733	1,100,538	700,297	699,433	905,428	1,038,005
347,857	398,688	400,158	347,271	308,005	326,672
-	-	21,310	22,877	22,534	17,328
-	-	1,408	2,409	2,774	5,334
9,677	3,476	4,375	4,745	3,160	1,120
142,348	291,895	45,023	23,010	24,440	19,086
24,168	42,189	32,002	24,193	26,626	23,793
44,145	83,777	59,266	68,432	92,238	118,001
4,260	10,100	9,531	9,428	5,558	11,668
747,931	106,974	32,886	63,375	25,964	62,499
143,373	26,719	28,701	36,441	328,752	270,746
4,025	6,079	9,998	21,472	29,705	35,321
550,702	440,711	180,160	188,189	166,720	188,919
4,786,341	3,971,233	2,981,412	3,010,469	3,423,099	3,609,356
48,662	46,898	46,617	16,740	17,085	17,007
866,875	1,012,967	1,009,581	961,556	1,178,657	1,122,236
1,088,348	1,024,512	1,009,448	1,057,885	1,104,831	1,263,084
282,083	239,924	377,778	398,517	336,118	282,024
212,584	230,610	438,726	459,473	456,531	463,049
966,210	664,132	717,017	159,177	456,880	439,515
761,711	740,000	534,349	487,330	418,213	445,142
318,975	220,340	151,181	149,175	136,052	124,043
-	35,143	110	40	-	-
-	1,570	1,500	1,500	1,500	1,500
4,545,448	4,216,096	4,286,307	3,691,393	4,105,867	4,157,600
240,893	(244,863)	(1,304,895)	(680,924)	(682,768)	(548,244)
-	1,445,000	-	-	-	-
-	-	-	-	-	-
-	44,973	-	-	-	-
-	(2,654,830)	-	-	-	-
-	-	65,000	71,602	15,231	9,843
-	127,490	387,160	-	-	-
807,067	1,910,348	418,702	450,822	576,629	526,940
(8,725)	(8,936)	(25,887)	(57,375)	(39,831)	(76,940)
798,342	864,045	844,975	465,049	552,029	459,843
\$ 1,039,235	\$ 619,182	\$ (459,920)	\$ (215,875)	\$ (130,739)	\$ (88,401)
30.2%	28.1%	19.3%	18.1%	15.2%	15.3%

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			
2009-2010	\$ 147,253,560	\$ 37,344,180	\$ 48,531,780	\$ 136,065,960	0.927330
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	1.245746

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

City Direct Rates				Overlapping Rates						
Fiscal Year	Operating/ General	General Obligation Debt Service	Total	Jack County	Jack County Special	Jacksboro ISD	Faith Community Hospital	Jack WCID #1	Total	Grand Total
2009-2010	0.447530	0.479800	0.927330	0.299419	0.062460	1.500000	0.106110	0.013094	1.981083	2.460883
2010-2011	0.527800	0.455900	0.983700	0.300813	0.067964	1.500000	0.129860	0.011829	2.010466	2.466366
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

Source: Jack County Appraisal District

CITY OF JACKSBORO, TEXAS

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
SEPTEMBER 30, 2019**

Taxpayer	2018-19 *			2009-10 *		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Hurd Oil Field Service	\$ 3,295,550	1	2.75%	\$ 4,385,360	2	4.03%
Oncor Electric	2,518,530	2	2.10%	1,856,740	5	1.71%
Jacksboro National Bank	2,131,830	3	1.78%	2,710,690	3	2.49%
Swan Real Estate Mgmt LP	1,057,710	4	0.88%	-	N/A	N/A
Jacksboro Assisted Living, Inc.	1,022,630	5	0.85%	1,081,620	7	0.99%
CGP Jacksboro LTD	968,510	6	0.81%	-	N/A	N/A
Legacy Texas	808,990	7	0.67%	-	N/A	N/A
RI Jacksboro LLC	800,680	8	0.67%	-	N/A	N/A
Emergency Operations Proving Ground	756,180	9	0.63%	-	N/A	N/A
Tractor Supply Company	735,420	10	0.61%	-	N/A	N/A
Bell Tubulars		N/A	0.00%	5,079,780	1	4.67%
EOG Resources		N/A	0.00%	2,419,150	4	2.22%
Key Energy Services		N/A	0.00%	1,667,940	6	1.02%
Halliburton Services		N/A	0.00%	966,280	8	0.89%
Geer Tank Trucks		N/A	0.00%	942,300	9	0.87%
First National Bank of Jacksboro		N/A	0.00%	890,760	10	0.82%
Totals	<u>\$ 14,096,030</u>		<u>11.76%</u>	<u>\$ 22,000,620</u>		<u>19.71%</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
2009-2010	\$ 1,263,697	\$ (886)	\$ 1,262,811	\$ 1,227,986	97.24%	\$ 30,127	\$ 1,258,113	99.63%
2010-2011	1,226,926	(1,030)	1,225,896	1,190,721	97.13%	29,631	1,220,352	99.55%
2011-2012	1,240,093	(1,443)	1,238,650	1,194,435	96.43%	36,805	1,231,240	99.40%
2012-2013	1,377,145	(2,775)	1,374,370	1,314,634	95.65%	47,263	1,361,897	99.09%
2013-2014	1,379,559	(2,982)	1,376,577	1,319,707	95.87%	42,014	1,361,721	98.92%
2014-2015	1,419,800	(2,145)	1,417,655	1,365,197	96.30%	32,157	1,397,354	98.57%
2015-2016	1,445,305	(4,492)	1,440,813	1,374,551	95.40%	26,151	1,400,702	97.22%
2016-2017	1,471,016	(1,971)	1,469,045	1,418,053	96.53%	35,652	1,453,705	98.96%
2017-2018	1,463,020	(3,641)	1,459,379	1,407,276	96.43%	51,639	1,458,915	99.97%
2018-2019	1,469,902	(1,883)	1,468,019	1,396,848	95.15%		1,396,848	95.15%

Source: Jack County Appraisal District

CITY OF JACKSBORO, TEXAS

WATER, SEWER AND SANITATION REVENUES - LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Water Revenues	Sewer Revenues	Sanitation Revenues	Other Revenues	Totals
2009-2010	\$ 1,269,904	\$ 840,704	\$ 513,702	\$ -	\$ 2,624,310
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

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
2009-2010	\$ 3,425,000	\$ 3,912,029	\$ 58,964
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

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)			Total Primary Government	Percentage of Personal Income	Per Capita (2)
General Obligation Bonds	Certificates of Obligation	Capital Leases Payable			
\$ -	\$ 2,120,000	\$ 62,763	\$ 9,578,756	*	\$ 2,206
-	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

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		
2009-2010	\$ 3,425,000	\$ 3,912,029	\$ 7,337,029	5.39%	\$ 1,690
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

- 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, 2019

	Gross Governmental Activities Debt (1)	Percentage Applicable to City of Jacksboro (2)	Amount Applicable to City of Jacksboro
Direct:			
City of Jacksboro	<u>\$ 3,140,489</u>	100.00%	<u>\$ 3,140,489</u>
Overlapping:			
Jack County	1,855,000	10.51%	194,961
Jacksboro Independent School District	<u>26,855,000</u>	13.91%	<u>3,735,531</u>
Total overlapping	<u>28,710,000</u>		<u>3,930,491</u>
Total direct and overlapping bonded debt	<u><u>\$ 31,850,489</u></u>		<u><u>\$ 7,070,980</u></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)

<u>Fiscal Year</u>	<u>City of Jacksboro Estimated Population (1)</u>	<u>City of Jacksboro Personal Income (2)</u>	<u>City of Jacksboro Per Capita Personal Income</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Jack County Unemployment Rate (4)</u>
2009-2010	4,342	N/A	N/A	N/A	945	5.3%
2010-2011	4,511	N/A	N/A	N/A	962	4.9%
2011-2012	4,511	N/A	N/A	N/A	953	5.0%
2012-2013	4,491	N/A	N/A	N/A	990	4.2%
2013-2014	4,523	N/A	N/A	N/A	992	3.8%
2014-2015	4,633	N/A	N/A	N/A	960	4.3%
2015-2016	4,633	N/A	N/A	N/A	1,008	4.2%
2016-2017	4,633	N/A	N/A	N/A	1,034	4.9%
2017-2018	4,511	N/A	N/A	N/A	1,032	3.1%
2018-2019	4,511	N/A	N/A	N/A	1,058	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, 2019

Employer	2018-2019			2009-2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Corrections Corp. of America	250	1	16.31%	250	1	6.49%
Crest Pumping Technologies	187	2	12.20%	-	N/A	-
Jacksboro Independent School District	175	3	11.42%	175	2	4.54%
County of Jack	80	4	5.22%	-	N/A	-
Faith Community Hospital	70	5	4.57%	70	3	1.82%
Jacksboro Health Care Center	41	6	2.67%	41	5	1.06%
City of Jacksboro	35	7	2.28%	35	6	0.91%
Geer Tank Trucks	33	8	2.15%	35	7	0.86%
Renewable Energy Services of America, Inc.	30	9	1.96%	30	8	0.78%
Jacksboro National Bank	25	10	1.63%	25	10	0.65%
Halliburton Resources				57	4	1.48%
First National Bank				25	9	0.65%
Totals	926		20.38%	743		19.24%

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)

	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>
General Government	10.25	10.25	11.00	12.00
Public Safety	14.00	15.00	12.00	13.00
Cultural and Recreational	3.00	3.00	2.00	3.00
Street Maintenance	3.50	3.50	3.00	2.00
Water and Sewer	<u>15.00</u>	<u>15.00</u>	<u>9.00</u>	<u>10.00</u>
Total	<u><u>45.75</u></u>	<u><u>46.75</u></u>	<u><u>37.00</u></u>	<u><u>40.00</u></u>

Source: City Budget Office

Fiscal Year					
2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
14.00	12.00	11.00	7.00	7.00	7.00
13.00	12.00	13.00	13.00	14.00	14.00
3.00	4.00	3.00	4.00	4.00	4.00
3.00	4.00	4.00	4.00	4.00	4.00
11.00	13.00	13.00	11.00	10.00	10.00
44.00	45.00	44.00	39.00	39.00	39.00

CITY OF JACKSBORO, TEXAS

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

	2009-2010	2010-2011	2011-2012	2012-2013
General government				
Council directed programs	6	5	5	5
Council meetings	36	36	35	23
Proclamations, ordinances, resolutions	48	46	25	33
Positions filled	8	4	5	4
GFOA CAFR Award	1	1	1	1
GFOA Distinguished Budget Award	1	1	1	1
Public Safety				
Municipal court				
New cases filed	909	1,025	938	725
Warrants cleared	128	208	731	94
Police				
Number of employees	10	10	10	10
Calls for service	3,786	3,918	3,564	1,520
Fire				
Number of employees	2	3	3	3
Number of fire runs	286	331	294	688
Animal control				
Calls for service	1,016	1,200	1,114	1,185
Animals impounded	223	254	231	164
Citations issued	33	55	55	18
Adoptions *	-	-	-	-
Development Services				
Building permits	125	177	177	174
Cultural and Recreational				
Parks and Recreation				
Aquatics daily admissions	-	-	-	-
Athletics / recreation participation	200	110	108	116
Activity center memberships	250	286	268	290
Camping permits *	-	-	-	-
Rentals *	-	-	-	-
Park acreage maintained	93	93	93	93
Water and Sewer				
Number of water consumers	1,600	1,572	1,648	1,638
Treated water (million gallons)	255	255	255	200
Treated effluent water (million gallons)	125	125	125	125

Source: City Departments

* Began tracking in 2015-16

Fiscal Year					
2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-19
5	5	5	5	5	5
27	27	23	27	20	21
30	30	20	29	27	26
14	14	25	12	6	6
1	1	1	1	1	1
-	-	-	-	-	-
346	635	425	503	609	724
63	124	65	40	63	110
10	5	10	10	10	10
1,597	1,383	1,539	1,777	1,828	1,736
6.5	5	3	3	3	3
1,485	1,136	958	1,028	1,089	1,023
1,175	310	237	174	113	189
158	133	286	330	228	199
31	41	25	20	5	8
-	-	47	109	39	63
194	228	309	289	332	325
-	2,505	3,219	3,439	2,919	2,042
130	120	123	155	120	80
290	169	147	80	68	77
-	-	56	50	27	25
-	-	37	20	25	29
93	93	94	94	94	94
1,638	1,638	1,656	1,650	1,695	1,688
200	202	214	225	257	245
17	130	139	116	130	122