

# JOURDANTON

★ TEXAS ★

CITY OF JOURDANTON, TEXAS

ANNUAL  
FINANCIAL REPORT

FISCAL YEAR ENDED  
SEPTEMBER 30, 2019

**JOURDANTON**  
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CITY OF JOURDANTON, TEXAS  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

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CITY OF JOURDANTON, TEXAS  
CITY OFFICIALS  
YEAR ENDED SEPTEMBER 30, 2019

**ELECTED OFFICIALS**

MAYOR

ROBERT A. WILLIAMS

MAYOR PRO-TEM

CHESTER GONZALES

CITY COUNCIL

RAUL MORALES

KAREN PESEK

JACK R. HARRISON

PATRICIA J. ELIZABETH TYMRAK-DAUGHTREY

**CITY OFFICIALS**

CITY MANAGER

LAMAR SCHULZ

CITY ATTORNEY

DENTON, NAVARRO, ROCHA, BERNAL & ZECH, P.C.

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Jourdanton, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Jourdanton, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise City of Jourdanton's basic financial statements as listed in the table of contents.

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

City of Jourdanton's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Jourdanton, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

### *Change in Accounting Estimate*

As discussed in Note 1L of the financial statements, the City of Jourdanton changed the estimated useful lives of the buildings from 50 years to 40 years. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to the City's net pension and total other postemployment benefit liabilities – TMRS, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Jourdanton's basic financial statements. The comparative financial statements and combining and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative financial statements and combining 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 it.



Armstrong, Vaughan & Associates, P.C.

March 30, 2020

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## MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the City of Jourdanton, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Jourdanton for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### Financial Highlights

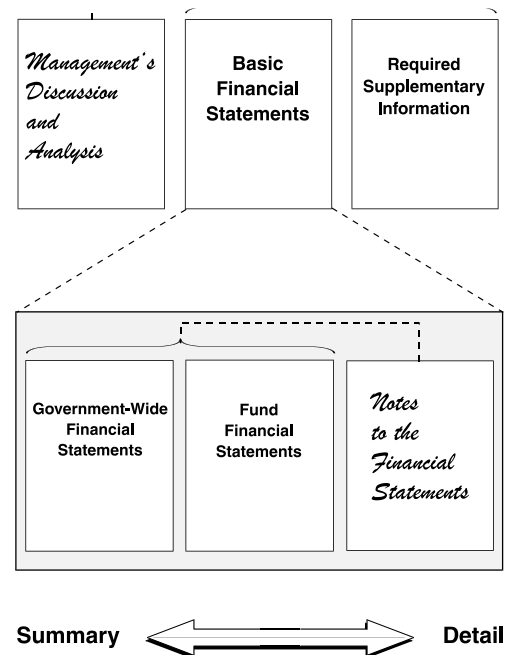
- The City's total net position was \$14.1 million at September 30, 2019.
- The City's total net position increased by \$1.6 million mainly due to settlement proceeds for the sports complex pool.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8.7 million, an increase of \$6.3 million in comparison with the prior year. The increase is due to settlement proceeds for the sports complex pool and proceeds from issuance of certificates of obligation.
- At the end of the fiscal year, the General Fund unassigned fund balance was \$2.0 million which is 66% of the general fund expenditures not including capital outlay.
- The City issued \$3,980,000 certificates of obligation bonds during the fiscal year ending September 30, 2019 for street repairs. The premium on those bonds was \$185,820.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the governments operates *like businesses*.

**Figure A-1, Required Components of the City's Annual Financial Report**



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

<b>Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements</b>			
<b>Fund Statements</b>			
<i>Type of Statements</i>	Government-wide	Governmental Funds	Proprietary Funds
<i>Scope</i>	Entire City's government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses: water and sewer.
<i>Required financial statements</i>	• Statement of Net Position	• Balance Sheet	• Statement of Net Position
	• Statement of Activities	• Statement of Revenues, Expenditures & Changes in Fund Balances	• Statement of Revenues, Expenses & Changes in Net Position • Statement of Cash Flows
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

### **Government-Wide Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

The government-wide financial statements of the City include the *Governmental activities*. Most of the City’s basic services are included here, such as administration, public safety, public works, parks and recreation, library and interest on long-term debt. Property taxes, sales taxes and grants finance most of these activities.

### **Fund Financial Statements**

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

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

The City has the following kinds of funds:

- *Governmental funds*—Most of the City’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

**Net Position:** The City's combined net position was \$14.1 million at September 30, 2019. See Table A-1.

**Table A-1**  
City of Jourdanton Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018*	2019	2018*	2019	2018*
<b>Assets</b>						
Current Assets	\$ 9,192,837	\$ 2,777,127	\$ 1,836,178	\$ 1,894,637	\$ 11,029,015	\$ 4,671,764
Capital Assets	10,726,994	11,039,077	11,568,977	12,087,501	22,295,971	23,126,578
Total Assets	<u>19,919,831</u>	<u>13,816,204</u>	<u>13,405,155</u>	<u>13,982,138</u>	<u>33,324,986</u>	<u>27,798,342</u>
<b>Deferred Outflows of Resources</b>						
	<u>131,080</u>	<u>80,537</u>	<u>76,905</u>	<u>42,921</u>	<u>207,985</u>	<u>123,458</u>
<b>Liabilities</b>						
Current Liabilities	794,476	539,047	432,850	343,887	1,227,326	882,934
Noncurrent Liabilities	10,650,289	6,884,579	7,451,568	7,517,202	18,101,857	14,401,781
Total Liabilities	<u>11,444,765</u>	<u>7,423,626</u>	<u>7,884,418</u>	<u>7,861,089</u>	<u>19,329,183</u>	<u>15,284,715</u>
<b>Deferred Inflows of Resources</b>						
	<u>55,053</u>	<u>107,320</u>	<u>47,806</u>	<u>57,193</u>	<u>102,859</u>	<u>164,513</u>
<b>Net Position</b>						
Net Investment in						
Capital Assets	5,950,352	3,870,872	4,073,988	4,935,146	10,024,340	8,806,018
Restricted	277,429	455,589	191,777	260,468	469,206	716,057
Unrestricted	2,323,312	2,039,334	1,284,071	911,163	3,607,383	2,950,497
Total Net Position	<u>\$ 8,551,093</u>	<u>\$ 6,365,795</u>	<u>\$ 5,549,836</u>	<u>\$ 6,106,777</u>	<u>\$ 14,100,929</u>	<u>\$ 12,472,572</u>

\*Note: Comparative information for 2018 has been restated to reflect the results of a prior period adjustment. See Note 10.

**Changes in net position:** Governmental activities net position increased by \$2.2 million, which is mainly attributable to settlement proceeds for the sports complex pool as well as other fluctuations in program revenues and expenditures. Business-type activities of the water and sewer funds decreased by \$557 thousand mainly due to repairs and maintenance expenditures.

**Table A-2**  
Changes in City of Jourdanton Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018*	2019	2018*	2019	2018*
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 941,096	\$ 942,473	\$ 1,743,128	\$ 1,844,189	\$ 2,684,224	\$ 2,786,662
Operating Grants and Contributions	30,318	-	-	-	30,318	-
General Revenues						
Property Taxes	1,088,052	994,367	-	-	1,088,052	994,367
Sales Taxes	1,054,698	1,024,810	-	-	1,054,698	1,024,810
Franchise Taxes	174,698	180,552	-	-	174,698	180,552
Occupancy Taxes	410,559	335,531	-	-	410,559	335,531
Investment Earnings	24,073	12,276	2,705	178	26,778	12,454
Miscellaneous	73,690	171,587	11,799	-	85,489	171,587
Settlement Proceeds	2,130,000	-	-	-	2,130,000	-
<b>Total Revenues</b>	<b>5,927,184</b>	<b>3,661,596</b>	<b>1,757,632</b>	<b>1,844,367</b>	<b>7,684,816</b>	<b>5,505,963</b>
<b>Expenses:</b>						
Administration	1,035,630	795,126	-	-	1,035,630	795,126
Public Safety	1,137,292	1,116,837	-	-	1,137,292	1,116,837
Public Works	334,204	330,305	-	-	334,204	330,305
Parks and Recreation	301,621	338,487	-	-	301,621	338,487
Library	620,713	685,452	-	-	620,713	685,452
Utilities	-	-	2,314,573	2,291,697	2,314,573	2,291,697
Interest and Fiscal Agent Fees	312,425	197,848	-	-	312,425	197,848
<b>Total Expenses</b>	<b>3,741,885</b>	<b>3,464,055</b>	<b>2,314,573</b>	<b>2,291,697</b>	<b>6,056,458</b>	<b>5,755,752</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 2,185,299</b>	<b>\$ 197,541</b>	<b>\$ (556,941)</b>	<b>\$ (447,330)</b>	<b>\$ 1,628,358</b>	<b>\$ (249,789)</b>

\*Note: Comparative information for 2018 has been restated for the effects of a prior period adjustment.

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

**Governmental Funds:** Activities of the primary government's general fund, capital projects funds, special revenue funds and debt service funds are considered general government functions. The general fund is the City's general operating fund. The capital projects fund is used to account for financial activity related to the acquisition and construction of major capital facilities. Special revenue funds are used to account for proceeds of specific sources that are legally restricted as to expenditures. The debt service fund is used to account for financial activity related to the City's general bonded indebtedness, as well as long-term obligations.

As of September 30, 2019, the City's governmental funds reported combined ending fund balances of \$8.7 million, an increase of \$6.3 million in comparison with fiscal year 2018.

For the fiscal year ended September 30, 2019, the fund balance of the City's general fund increased by \$640.5 thousand. Key factors in this increase are as follows:

- Settlement proceeds received and deposited to the general fund for sports complex construction

As of September 30, 2019, the fund balance of the hotel occupancy tax fund increased by \$47 thousand. The increase is mainly due to higher than expected occupancy tax revenues.

The City established a separate debt service fund in the current year. The fund balance at year end is \$2 which is restricted for debt service payments.

The City also issued a new bond for \$4.0 million which they also received a premium of \$185 thousand, resulting in proceeds of 4.2 million.

**Proprietary Funds:** The City's proprietary funds provide the same type of information found in the government-wide statements, but in more detail.

Unrestricted net position of the total water and sewer funds as of September 30, 2019 totaled \$5.5 million. The total decrease in the net position for the water and sewer funds was \$557 thousand. Most of the decrease is due to increased repair and maintenance expenditures.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The City has a legally adopted budget for the General Fund. Revenues \$135 thousand higher than budgeted revenues due to settlement proceeds and higher than expected ad valorem and sales tax collections. Expenditures were \$470 thousand less than budgeted expenditures due to lower than expected equipment purchases and repairs and maintenance expenditures.

## **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 totaled \$22.3 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, vehicles, and roads. More detailed information about the City's capital assets is presented in the notes to the financial statements.



**Table A-3**  
City of Jourdanton Capital Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018*	2019	2018*	2019	2018*
Land	\$ 342,593	\$ 342,593	\$ 66,424	\$ 66,424	\$ 409,017	\$ 409,017
Buildings & Improvements	10,802,564	11,281,314	-	-	10,802,564	11,281,314
Water/Wastewater System - Plant	-	-	17,653,185	17,653,185	17,653,185	17,653,185
Machinery, Equipment & Vehicles	1,047,050	967,301	617,336	543,002	1,664,386	1,510,303
Infrastructure	1,285,696	1,285,696	-	-	1,285,696	1,285,696
Construction in Progress	471,750	-	-	-	471,750	-
Less: Accumulated Depreciation	(3,222,659)	(2,837,827)	(6,767,968)	(6,175,110)	(9,990,627)	(9,012,937)
<b>TOTALS</b>	<b>\$ 10,726,994</b>	<b>\$ 11,039,077</b>	<b>\$ 11,568,977</b>	<b>\$ 12,087,501</b>	<b>\$ 22,295,971</b>	<b>\$ 23,126,578</b>

\*Note: Comparative information for 2018 has been restated to reflect the results of a prior period adjustment. See Note 10.

**Long-Term Debt** – As of September 30, 2019, the City had a total bonded debt outstanding of \$18.1 million. More detailed information about the City’s capital assets is presented in the notes to the financial statements.

**TABLE A-4**  
City of Jourdanton Long-Term Debt

	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 2,335,000	\$ 2,515,000	\$ -	\$ -	\$ 2,335,000	\$ -
Certificates of Obligation	8,170,000	4,400,000	4,192,000	4,264,000	12,362,000	8,664,000
Revenue Bonds	-	-	3,201,000	3,283,000	3,201,000	3,283,000
Capital Leases	110,073	86,874	101,990	42,938	212,063	129,812
<b>TOTALS</b>	<b>\$ 10,615,073</b>	<b>\$ 7,001,874</b>	<b>\$ 7,494,990</b>	<b>\$ 7,589,938</b>	<b>\$ 18,110,063</b>	<b>\$ 12,076,812</b>

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The City adopted a tax rate of \$0.53650 which was a 7.83% increase from the fiscal year 2018 tax rate. The tax components are as follows: \$0.438087 for Maintenance and Operations and \$0.098413 for Interest and Sinking.

Expenditures for the general fund are budgeted at \$3,984,957.

**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 government’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to City Hall at 1604 Hwy. 97 East, Suite A, Jourdanton, Texas 78026.

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## BASIC FINANCIAL STATEMENTS

CITY OF JOURDANTON  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<i>Current Assets:</i>			
Cash and Cash Equivalents:			
Unrestricted	\$ 2,380,454	\$ 1,130,449	\$ 3,510,903
Restricted	5,163,151	279,053	5,442,204
Investments			
Unrestricted	303,984	-	303,984
Restricted	200,900	108,216	309,116
Receivables (net of allowances):			
Property Taxes	216,076	-	216,076
Sales and Franchise Taxes	178,605	-	178,605
Occupancy Taxes	41,434	-	41,434
Garbage and Other	111,554	289,695	401,249
Municipal Court	96,679	-	96,679
Settlement Proceeds	500,000	-	500,000
Inventories	-	28,765	28,765
<i>Total Current Assets</i>	<u>9,192,837</u>	<u>1,836,178</u>	<u>11,029,015</u>
<i>Noncurrent Assets:</i>			
Capital Assets:			
Land	342,593	66,424	409,017
Buildings & Improvements	10,802,564	-	10,802,564
Water/Wastewater System - Plant	-	17,653,185	17,653,185
Machinery, Equipment & Vehicles	1,047,050	617,336	1,664,386
Infrastructure	1,285,696	-	1,285,696
Construction in Progress	471,750	-	471,750
Less: Accumulated Depreciation	<u>(3,222,659)</u>	<u>(6,767,968)</u>	<u>(9,990,627)</u>
<i>Total Noncurrent Assets:</i>	<u>10,726,994</u>	<u>11,568,977</u>	<u>22,295,971</u>
<b>TOTAL ASSETS</b>	<u>19,919,831</u>	<u>13,405,155</u>	<u>33,324,986</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Related Outflows	129,629	76,193	205,822
Deferred OPEB Related Outflows	<u>1,451</u>	<u>712</u>	<u>2,163</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 131,080</u>	<u>\$ 76,905</u>	<u>\$ 207,985</u>

See accompanying notes to basic financial statements.

CITY OF JOURDANTON  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 108,622	\$ 30,568	\$ 139,190
Accrued Expenses	40,463	16,832	57,295
Accrued Interest Payable	55,929	52,688	108,617
Compensated Absences	18,093	12,978	31,071
Current Portion of Long-Term Debt	543,483	195,689	739,172
Payable from Restricted Assets:			
Customer Deposits Payable	27,886	124,095	151,981
<i>Total Current Liabilities</i>	<u>794,476</u>	<u>432,850</u>	<u>1,227,326</u>
<i>Noncurrent Liabilities:</i>			
Net Pension Liability	180,105	122,234	302,339
OPEB Liability	57,025	30,034	87,059
Long-Term Debt	10,413,159	7,299,300	17,712,459
<i>Total Noncurrent Liabilities</i>	<u>10,650,289</u>	<u>7,451,568</u>	<u>18,101,857</u>
<b>TOTAL LIABILITIES</b>	<u>11,444,765</u>	<u>7,884,418</u>	<u>19,329,183</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Related Inflows	42,814	40,901	83,715
Deferred OPEB Related Inflows	12,239	6,905	19,144
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>55,053</u>	<u>47,806</u>	<u>102,859</u>
<b>NET POSITION</b>			
Net Investment In Capital Assets	5,950,352	4,073,988	10,024,340
Restricted For:			
Tourism Development	222,816	-	222,816
Debt Service	-	191,777	191,777
Municipal Court	19,385	-	19,385
Public Safety	12,505	-	12,505
Library	7,633	-	7,633
Culture and Recreation	8,902	-	8,902
Other	6,188	-	6,188
Unrestricted	2,323,312	1,284,071	3,607,383
<b>TOTAL NET POSITION</b>	<u>\$ 8,551,093</u>	<u>\$ 5,549,836</u>	<u>\$ 14,100,929</u>

See accompanying notes to basic financial statements.

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

<u>Functions and Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government:</b>				
<i>Governmental Activities:</i>				
Administration	\$ 1,035,630	\$ 77,338	\$ -	\$ -
Public Safety	1,137,292	103,641	30,318	-
Public Works	334,204	715,152	-	-
Parks and Recreation	301,621	44,965	-	-
Library	620,713	-	-	-
Interest and Fiscal Agent Fees	312,425	-	-	-
<i>Total Governmental Activities</i>	<u>3,741,885</u>	<u>941,096</u>	<u>30,318</u>	<u>-</u>
<i>Business-Type Activities</i>				
Water Utilities	1,322,382	950,784	-	-
Sewer Utilities	992,191	792,344	-	-
<i>Total Business-Type Activities</i>	<u>2,314,573</u>	<u>1,743,128</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u><u>\$ 6,056,458</u></u>	<u><u>\$ 2,684,224</u></u>	<u><u>\$ 30,318</u></u>	<u><u>\$ -</u></u>
<b>General Revenues:</b>				
Taxes:				
Property Taxes				
Sales Taxes				
Franchise Taxes				
Occupancy Taxes				
Settlement Proceeds				
Investment Earnings				
Miscellaneous				
<b>Total General Revenues</b>				
<b>Change in Net Position</b>				
<b>Net Position at Beginning of Year</b>				
Prior Period Adjustment				
<b>Net Position at End of Year</b>				

See accompanying notes to basic financial statements.

Net (Expense) Revenue and  
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (958,292)	\$ -	\$ (958,292)
(1,003,333)	-	(1,003,333)
380,948	-	380,948
(256,656)	-	(256,656)
(620,713)	-	(620,713)
(312,425)	-	(312,425)
<u>(2,770,471)</u>	<u>-</u>	<u>(2,770,471)</u>
-	(371,598)	(371,598)
<u>-</u>	<u>(199,847)</u>	<u>(199,847)</u>
-	(571,445)	(571,445)
<u>(2,770,471)</u>	<u>(571,445)</u>	<u>(3,341,916)</u>
1,088,052	-	1,088,052
1,054,698	-	1,054,698
174,698	-	174,698
410,559	-	410,559
2,130,000	-	2,130,000
24,073	2,705	26,778
73,690	11,799	85,489
<u>4,955,770</u>	<u>14,504</u>	<u>4,970,274</u>
2,185,299	(556,941)	1,628,358
6,151,177	6,472,761	12,623,938
<u>214,617</u>	<u>(365,984)</u>	<u>(151,367)</u>
<u>\$ 8,551,093</u>	<u>\$ 5,549,836</u>	<u>\$ 14,100,929</u>

CITY OF JOURDANTON  
BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019

	General Fund	Debt Service	Capital Projects Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,130,006	\$ 14,455	\$ -
Investments	303,984	-	-
Accounts Receivables (net of allowances):			
Property Taxes	176,440	39,636	-
Sales and Franchise Fees	178,605	-	-
Occupancy Taxes	-	-	-
Garbage and Other	111,554	-	-
Municipal Court	96,679	-	-
Settlement Proceeds	-	-	500,000
Restricted Assets:			
Cash and Cash Equivalents	-	-	5,163,151
Investments	-	-	200,900
<b>TOTAL ASSETS</b>	<b>\$ 2,997,268</b>	<b>\$ 54,091</b>	<b>\$ 5,864,051</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 108,622	\$ -	\$ -
Accrued Expenditures	40,463	-	-
Accrued Interest Payable	-	14,455	-
Deposits Payable	27,886	-	-
<i>Total Liabilities</i>	<u>176,971</u>	<u>14,455</u>	<u>-</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Revenues - Taxes	176,440	39,636	-
Unavailable Revenues - Municipal Court	96,679	-	-
<i>Total Deferred Inflows of Resources</i>	<u>273,119</u>	<u>39,636</u>	<u>-</u>
<i>Fund Balances:</i>			
Restricted for:			
Capital Projects	525,000	-	5,864,051
Tourism Development	-	-	-
Municipal Court	-	-	-
Public Safety	-	-	-
Library	-	-	-
Culture and Recreation	-	-	-
Other	-	-	-
Unassigned	2,022,178	-	-
<i>Total Fund Balances</i>	<u>2,547,178</u>	<u>-</u>	<u>5,864,051</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,997,268</b>	<b>\$ 54,091</b>	<b>\$ 5,864,051</b>



Hotel Occupancy Tax	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 181,382	\$ 54,613	\$ 2,380,456
-	-	303,984
-	-	216,076
-	-	178,605
41,434	-	41,434
-	-	111,554
-	-	96,679
-	-	500,000
-	-	5,163,151
-	-	200,900
<u>\$ 222,816</u>	<u>\$ 54,613</u>	<u>\$ 9,192,839</u>
\$ -	\$ -	\$ 108,622
-	-	40,463
-	-	14,455
-	-	27,886
<u>-</u>	<u>-</u>	<u>191,426</u>
-	-	216,076
-	-	96,679
<u>-</u>	<u>-</u>	<u>312,755</u>
-	-	6,389,051
222,816	-	222,816
-	19,385	19,385
-	12,505	12,505
-	7,633	7,633
-	8,902	8,902
-	6,188	6,188
-	-	2,022,178
<u>222,816</u>	<u>54,613</u>	<u>8,688,658</u>
<u>\$ 222,816</u>	<u>\$ 54,613</u>	<u>\$ 9,192,839</u>

**JOURDANTON**  
★ TEXAS ★

CITY OF JOURDANTON  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 8,688,658
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		10,726,994
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds.		312,753
Accrued vacation leave payable is not due and payable in the current period and, therefore, is not reported in the funds.		(18,093)
Long-term liabilities, including bonds payable and related premiums, are not due and payable in the current period and therefore, not reported in the funds:		
Long Term Debt	(10,956,642)	
Accrued Interest Payable	<u>(41,474)</u>	(10,998,116)
Net Pension Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:		
Net Pension Liability	(180,105)	
Pension Related Deferred Outflows	129,629	
Pension Related Deferred Inflows	<u>(42,814)</u>	(93,290)
OPEB Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:		
OPEB Liability	(57,025)	
OPEB Related Deferred Outflows	1,451	
OPEB Related Deferred Inflows	<u>(12,239)</u>	<u>(67,813)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 8,551,093</u>

See accompanying notes to basic financial statements.

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

	General Fund	Debt Service	Capital Projects Fund
<b>REVENUES</b>			
Property Taxes	\$ 885,596	\$ 202,941	\$ -
Sales Taxes	1,054,698	-	-
Franchise Taxes	174,698	-	-
Occupancy Taxes	-	-	-
Licenses and Permits	42,072	-	-
Charges for Service	774,578	-	-
Fines and Forfeitures	147,171	-	-
Grants	1,196	-	-
Investment Earnings	13,638	2	9,334
Miscellaneous	94,698	-	-
<b>TOTAL REVENUES</b>	<b>3,188,345</b>	<b>202,943</b>	<b>9,334</b>
<b>EXPENDITURES</b>			
<i>Current:</i>			
Administration	761,789	-	-
Public Safety	1,098,614	-	-
Streets	249,133	-	-
Culture and Recreation	257,978	-	-
Public Works	620,713	-	-
<i>Capital Outlay</i>	72,749	-	-
<i>Debt Service:</i>			
Principal	-	412,963	-
Interest and Fiscal Charges	-	201,854	113,490
<b>TOTAL EXPENDITURES</b>	<b>3,060,976</b>	<b>614,817</b>	<b>113,490</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>127,369</b>	<b>(411,874)</b>	<b>(104,156)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	334,375	392,503	18,201
Transfers Out	(392,503)	-	(8,460)
Proceeds from Capital Leases	46,287	-	-
Proceeds from Settlement	525,000	-	1,605,000
Issuance of Certificates of Obligation	-	-	3,980,000
Bond Premium	-	-	185,820
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>513,159</b>	<b>392,503</b>	<b>5,780,561</b>
<b>Net Change in Fund Balance</b>	<b>640,528</b>	<b>(19,371)</b>	<b>5,676,405</b>
<b>Fund Balances at Beginning of Year</b>	<b>1,684,108</b>	<b>19,371</b>	<b>187,646</b>
Prior Period Adjustment	222,542	-	-
<b>Fund Balances at End of Year</b>	<b>\$ 2,547,178</b>	<b>\$ -</b>	<b>\$ 5,864,051</b>

See accompanying notes to basic financial statements.

Hotel Occupancy Tax	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,088,537
-	-	1,054,698
-	-	174,698
410,559	-	410,559
-	-	42,072
-	-	774,578
-	-	147,171
-	-	1,196
-	1,099	24,073
-	30,099	124,797
<u>410,559</u>	<u>31,198</u>	<u>3,842,379</u>
11,266	37,885	810,940
-	1,542	1,100,156
-	-	249,133
-	-	257,978
-	-	620,713
-	-	72,749
-	-	412,963
-	-	315,344
<u>11,266</u>	<u>39,427</u>	<u>3,839,976</u>
<u>399,293</u>	<u>(8,229)</u>	<u>2,403</u>
-	8,460	753,539
(352,576)	-	(753,539)
-	-	46,287
-	-	2,130,000
-	-	3,980,000
-	-	185,820
<u>(352,576)</u>	<u>8,460</u>	<u>6,342,107</u>
46,717	231	6,344,510
176,099	54,382	2,121,606
-	-	222,542
<u>\$ 222,816</u>	<u>\$ 54,613</u>	<u>\$ 8,688,658</u>

**JOURDANTON**  
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CITY OF JOURDANTON  
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 - GOVERNMENTAL FUNDS \$ 6,344,510

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	72,749	
Depreciation Expense	(384,832)	(312,083)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (43,674)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Proceeds from Bonds Issued	(3,980,000)	
Premium on Bonds Issued	(185,820)	
Capital Lease Proceeds	(46,287)	
Principal Repayments	412,963	
Amortization of Premiums, Discounts, Losses	10,583	(3,788,561)

Governmental funds report required contributions to employee pensions as expenditures. However, in the Statement of Activities the cost of the pension is recorded based on the actuarially determined cost of the plan. This is the amount that contributions exceeded actuarially determined pension expense. 2,115

Governmental funds report required contributions to OPEB as expenditures. However, in the Statement of Activities the cost of the expense is recorded based on the actuarially determined cost of the plan. This is the amount that contributions exceeded actuarially determined OPEB expense. 2,868

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated Absences	2,242	
Accrued Interest	(22,118)	(19,876)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 2,185,299

CITY OF JOURDANTON  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
SEPTEMBER 30, 2019

	Business-Type Activities		
	Water Fund	Sewer Fund	Total
<b>ASSETS</b>			
<i>Current Assets:</i>			
Cash and Cash Equivalents:			
Unrestricted	\$ -	\$ 1,238,836	\$ 1,238,836
Restricted for Debt Service	154,958	-	154,958
Restricted for Customer Deposits	86,198	37,897	124,095
Restricted Investments for Water Well	108,216	-	108,216
Accounts Receivable, Net of Allowance:			
Customer Accounts	142,574	147,121	289,695
Inventory	28,765	-	28,765
<i>Total Current Assets</i>	<u>520,711</u>	<u>1,423,854</u>	<u>1,944,565</u>
<i>Noncurrent Assets:</i>			
Capital Assets:			
Land	45,442	20,982	66,424
Water/Wastewater System - Plant	7,373,504	10,279,681	17,653,185
Machinery, Equipment, & Vehicles	320,314	297,022	617,336
Less: Accumulated Depreciation	<u>(2,990,450)</u>	<u>(3,777,518)</u>	<u>(6,767,968)</u>
<i>Total Noncurrent Assets</i>	<u>4,748,810</u>	<u>6,820,167</u>	<u>11,568,977</u>
<b>TOTAL ASSETS</b>	<u>5,269,521</u>	<u>8,244,021</u>	<u>13,513,542</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Related Outflows	52,978	23,215	76,193
Deferred OPEB Related Outflows	482	230	712
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 53,460</u>	<u>\$ 23,445</u>	<u>\$ 76,905</u>

See accompanying notes to basic financial statements.



CITY OF JOURDANTON  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS (CONTINUED)  
SEPTEMBER 30, 2019

	Business-Type Activities		
	Water Fund	Sewer Fund	Total
<b>LIABILITIES</b>			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 21,084	\$ 9,484	\$ 30,568
Accrued Expenses	12,588	4,244	16,832
Withdraws in Excess of Deposits	108,387	-	108,387
Accrued Interest Payable	24,655	28,033	52,688
Compensated Absences	7,536	5,442	12,978
Current Portion of Long-Term Debt	69,568	126,121	195,689
Payable from Restricted Assets:			
Customer Deposits Payable	86,198	37,897	124,095
<i>Total Current Liabilities</i>	<u>330,016</u>	<u>211,221</u>	<u>541,237</u>
<i>Noncurrent Liabilities:</i>			
Net Pension Liability	80,813	41,421	122,234
OPEB Liability	20,626	9,408	30,034
Long-Term Debt	3,109,968	4,189,332	7,299,300
<i>Total Noncurrent Liabilities</i>	<u>3,211,407</u>	<u>4,240,161</u>	<u>7,451,568</u>
<b>TOTAL LIABILITIES</b>	<u>3,541,423</u>	<u>4,451,382</u>	<u>7,992,805</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Related Inflows	21,575	19,326	40,901
Deferred OPEB Related Inflows	4,801	2,104	6,905
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>26,376</u>	<u>21,430</u>	<u>47,806</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,569,274	2,504,714	4,073,988
Restricted - Debt Service	191,777	-	191,777
Unrestricted, (Deficit)	(5,869)	1,289,940	1,284,071
<b>TOTAL NET POSITION</b>	<u>\$ 1,755,182</u>	<u>\$ 3,794,654</u>	<u>\$ 5,549,836</u>

See accompanying notes to basic financial statements.

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

	Business-Type Activities		
	Water Fund	Sewer Fund	Total
<b>OPERATING REVENUES</b>			
Metered Water Sales	\$ 907,293	\$ -	\$ 907,293
Sewer Sales Charges	-	772,495	772,495
Tap and Reconnection Fees	29,392	4,350	33,742
Customer Penalties	14,099	15,499	29,598
<b>TOTAL OPERATING REVENUES</b>	<u>950,784</u>	<u>792,344</u>	<u>1,743,128</u>
<b>OPERATING EXPENSES</b>			
Personnel	517,499	226,968	744,467
Supplies	80,030	62,046	142,076
Other Services and Charges	335,903	199,641	535,544
Depreciation	286,315	347,119	633,434
<b>TOTAL OPERATING EXPENSES</b>	<u>1,219,747</u>	<u>835,774</u>	<u>2,055,521</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(268,963)</u>	<u>(43,430)</u>	<u>(312,393)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Gain on Sale of Equipment	4,695	-	4,695
Interest Revenue	2,705	-	2,705
Miscellaneous Revenues	5,176	1,928	7,104
Interest Expense	(102,635)	(156,417)	(259,052)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(90,059)</u>	<u>(154,489)</u>	<u>(244,548)</u>
<b>NET INCOME BEFORE TRANSFERS</b>	<u>(359,022)</u>	<u>(197,919)</u>	<u>(556,941)</u>
<b>TRANSFERS</b>			
Transfers In	-	153,189	153,189
Transfers Out	(153,189)	-	(153,189)
<b>TOTAL TRANSFERS</b>	<u>(153,189)</u>	<u>153,189</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	(512,211)	(44,730)	(556,941)
<b>NET POSITION AT BEGINNING OF YEAR</b>	2,265,146	4,207,615	6,472,761
Prior Period Adjustment	2,247	(368,231)	(365,984)
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 1,755,182</u>	<u>\$ 3,794,654</u>	<u>\$ 5,549,836</u>

See accompanying notes to basic financial statements.

CITY OF JOURDANTON  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities		
	Water Fund	Sewer Fund	Total
<b>Cash Flows From Operating Activities:</b>			
Cash Received From Customers	\$ 965,041	\$ 782,277	\$ 1,747,318
Cash Paid to Supplier for Goods & Services	(393,241)	(251,976)	(645,217)
Cash Paid for Employee Salaries and Benefits	(510,271)	(214,003)	(724,274)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>61,529</u>	<u>316,298</u>	<u>377,827</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Acquisition of Capital Assets	(37,453)	(8,215)	(45,668)
Impact, Grants and Misc. Fees	9,871	1,928	11,799
Interest Paid on Long-Term Debt	(93,046)	(147,771)	(240,817)
Principal Paid on Long-Term Debt	(58,483)	(105,707)	(164,190)
Interfund Payables (Receivables)	136,177	(136,177)	-
Transfers From (To) Other Funds	(153,189)	153,189	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(196,123)</u>	<u>(242,753)</u>	<u>(438,876)</u>
<b>Cash Flows From Investing Activities:</b>			
Reinvestment of Investment Earnings	(2,473)	-	(2,473)
Interest and Investment Earnings	2,705	-	2,705
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>232</u>	<u>-</u>	<u>232</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(134,362)</u>	<u>73,545</u>	<u>(60,817)</u>
<b>Cash and Cash Equivalents at Beginning of Year:</b>			
Cash and Cash Equivalents	30,284	1,165,291	1,195,575
Restricted Cash and Cash Equivalents	236,847	37,897	274,744
	<u>267,131</u>	<u>1,203,188</u>	<u>1,470,319</u>
<b>Cash and Cash Equivalents at End of Year:</b>			
Cash and Cash Equivalents	-	1,238,836	1,238,836
Restricted Cash and Cash Equivalents	241,156	37,897	279,053
	<u>\$ 241,156</u>	<u>\$ 1,276,733</u>	<u>\$ 1,517,889</u>

See accompanying notes to basic financial statements.

CITY OF JOURDANTON  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities		
	Water Fund	Sewer Fund	Total
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income	\$ (268,963)	\$ (43,430)	\$ (312,393)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	286,315	347,119	633,434
Decrease (Increase) in Assets:			
Accounts Receivable (net)	10,181	(10,067)	114
Deferred Pension Related Outflows	(24,713)	(10,413)	(35,126)
Deferred OPEB Related Outflows	794	348	1,142
Increase (Decrease) in Liabilities:			
Accounts Payable	19,662	9,227	28,889
Accrued Expenses	3,031	484	3,515
Compensated Absences	1,850	900	2,750
Customer Deposits Payable	4,076	-	4,076
Net Pension Liability	46,755	20,488	67,243
OPEB Liability	(4,471)	(1,959)	(6,430)
Deferred Pension Related Inflows	(17,789)	1,497	(16,292)
Deferred OPEB Related Inflows	4,801	2,104	6,905
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 61,529</b>	<b>\$ 316,298</b>	<b>\$ 377,827</b>
Noncash Capital and Related Financing Transactions:			
Developer Contributions of Capital Assets	\$ -	\$ -	\$ -
Contribution of Capital Asset from General Fund	\$ -	\$ -	\$ -
Assets Purchased through Capital Lease	\$ 27,697	\$ 41,545	\$ -

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Jourdanton, Texas, was incorporated in 1911. The City operates under a council- manager form of government and provides the following services as authorized by its charter: police and fire protection, maintenance of streets, planning and zoning, parks and recreation, general administrative services, water, and sewer services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Proprietary type funds apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and ARB pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below:

A. Reporting Entity

In evaluating how to define the government, for financial purposes, management has considered all potential component units and associated component units. The decision to include a potential component unit or associated component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14, *The Financial Reporting Entity* and GASB Statement 39 *Determining Whether Certain Organizations are Component Units*. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Based upon the application of these criteria, the City has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and statement of activities. Government-wide statements report information on all of the activities of the City. The effect of inter-fund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. The values of inter-fund services provided and used are not eliminated in the government-wide financial statements, as elimination of those charges would distort the direct costs reported for the various functions. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed whole or in part by fees charged to external parties for goods and services. The City has no fiduciary funds.

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (Continued)

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. The general fund and capital projects fund meet the criteria as major governmental funds. The combined amounts for all nonmajor funds are reflected in a single column in the fund balance sheet and statement of revenues, expenditures, and changes in fund balances. Detailed statements for nonmajor funds are presented within combining and individual fund statements and schedules.

D. 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. This measurement focus is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash revenue types, which have been accrued, revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as program revenues and general revenues. Program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs and investment earnings.

Governmental fund level financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred inflow of resources. Property taxes which are levied prior to September 30, 2018, and became due October 1, 2018 have been assessed to finance the budget of the fiscal year beginning October 1, 2018 and, accordingly, have been reflected as deferred inflow of resources and taxes receivable in the fund financial statement at September 30, 2019.

Sales taxes, franchise taxes, hotel occupancy taxes, and fees associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. All other revenue items received by the government are considered to be measurable and available only when the cash is received by the City.

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

The government reports the following major governmental funds:

**General Fund** is the general operating fund of the City and always classified as a major fund. The general fund is used to account for financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, public service and capital acquisition.

**Debt Service Fund** accounts for financial resources to use for the payment of long-term debt.

**Capital Projects Fund** accounts for street repairs to paid with proceeds from issuance of 2019 certificates of obligation.

**Hotel Occupancy Tax Fund** is used to administer hotel and motel taxes for the betterment of the Jourdanton business area.

Non-major funds include special revenue funds and capital projects funds.

**Proprietary fund** level financial statements are used to account for activities, which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The City's proprietary fund is the water and wastewater funds (used to account for the provisions of water and wastewater services to residents).

The proprietary fund is accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when liabilities are incurred.
- Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the enterprise fund (water and wastewater fund) considers all highly liquid investments including cash in banks, cash on hand, and savings accounts to be cash equivalents.



CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Investments

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d). Statutes allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

Investments are stated at fair value (plus accrued interest) except for money market investments, investments in TexPool and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. Those investments are stated at amortized cost. Likewise, certificates of deposit are stated at amortized cost. The investments in TexPool are reported at a share price of \$1 which approximates their fair value.

Fair Value Measurement is measured by the City using 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 the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the City's investments carried at fair value are valued using quoted markets prices (Level 1 inputs).

G. Receivables

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2018 and past due after January 31, 2019. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred inflows of resources in the fund statements. Receivables are shown net of allowances for uncollectible accounts.

CITY OF JOURDANTON  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Inventories and Prepaid Items

The City accounts for inventories using the consumption method. Inventories consist primarily of supplies and are valued at cost determined by the average cost method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid Items of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Budget

An operating budget is adopted each fiscal year for all City governmental funds. The budget is adopted on the GAAP basis of accounting.

J. Restricted Assets

Certain proceeds of Certificates of Obligation, enterprise fund revenues collected for a specific purpose by state law and city ordinances, as well as certain resources set aside for their repayment, are classified as restricted on the on the statement of net position and balance sheet because their use is limited by law.

Deposits of water and wastewater customers and performance bond deposits pending refund to the customer are considered restricted assets.

K. Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more. Infrastructure assets include city-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets, donated works of art and capital assets received in a service concession arrangement are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment.

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

Asset	Useful Lives (Years)
Buildings& Improvements	15 - 40
Water/Wastewater System - Plant	20 - 33
Machinery, Equipment & Vehicles	5 - 10
Infrastructure	30

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Change in Accounting Estimate

During the year ended September 30, 2019, the City of Jourdanton changed the useful lives of depreciable assets for buildings from 50 years to 40 years to be consistent with industry standards and IRS guidelines. The change in estimate increased 2019 depreciation expense by \$66,218 in the governmental activities.

M. Compensated Absences

Vested or accumulated vacation leave time that is expected to be liquidated with expendable available resources is reported as an expenditure and fund liability of the governmental fund that will pay for it. The City is responsible for payment of vested or accumulated vacation leave. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government wide statements. Vested or accumulated vacation leave of the proprietary funds are recorded as an expenditure and liability of that fund as the benefits accrue to employees. Accumulated vacation pay at September 30, 2019 of \$12,978 and \$18,093 has been recorded in accrued liabilities of the proprietary funds and government-wide statements, respectively. Compensated absences are reported in the governmental funds only if they have matured (i.e., unused reimbursable leave outstanding following an employee's resignation or retirement). The general fund is the governmental fund that has typically been used in prior years to liquidate the liability for compensated absences.

N. Deferred Inflows/Outflows 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, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has pension and OPEB related deferred outflows.

*Deferred inflows of resources* represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet under a modified basis of accounting. Unavailable revenues from property tax and court fines are deferred and recognized as an inflow of resources in the period the amounts become available. The City also has pension and OPEB related deferred inflows.

O. Pensions

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

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. OPEB Liability

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

Q. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premium and discounts are deferred and amortized over the life of the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

R. Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

S. Fund Balance Classification Policies

The City adopted Governmental Accounting Standards Board Statement Number 54 (GASB 54) *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement provides guidance for fund balance categories and classifications and governmental fund type definitions. GASB 54 changed the way we look at fund balances, specifically reporting what fund balances, by major governmental fund type, are or are not available for public purposes. Five categories of fund balances were created and defined by GASB 54. These five categories are as follows:

- **Non-spendable** - These funds are not available for expenditures based on legal or contractual requirements. An example might be inventories and prepaid expenditures.
- **Restricted** - These funds are governed by externally enforceable restrictions.

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Fund Balance Classification Policies (Continued)

- **Committed** - Fund balances in this category are limited by the government's highest level of decision making (in this case the City Council). Any changes of this designation must be done in the same manner that it was implemented. For example, if funds are committed by resolution, the commitment could only be released with another resolution.
- **Assigned** - For funds to be assigned, there must be an intended use which can be established by the City Council or an official delegated by the council, such as a City Manager or Finance Director. Assigned fund balance is delegated by the City Council to the City Manager.
- **Unassigned** - This classification is the default for all funds that do not fit into the other categories. The general fund is the only fund that reports a positive fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for a specific purposes, it may be necessary to report a negative unassigned fund balance in that particular fund.

Restricted amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. The City's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year.

T. Inter-fund Transactions

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of both governmental and proprietary funds.

U. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the City, those revenues are charges for water and wastewater services. Operating expenses are necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as non-operating.

V. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

W. Reclassifications

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 financial statement presentation. The reclassifications had no effect on the changes in financial position.

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

X. Adoption of Governmental Accounting Standards Board Statement

For the year ending September 30, 2019, the City implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement establishes new note disclosure requirements for long-term debt, including direct borrowing and placements. In addition, this statement requires that a government should disclose in the notes to the financial statements summarized information about the following items: (1) amount of unused lines of credit, (2) assets pledged as collateral for debt, (3) terms specified in debt agreements with finance-related consequences such as: (a) events of default, (b) termination events, and (c) subjective acceleration clauses. This Statement also requires that disclosures for direct borrowings and placements be distinct from other debt disclosures.

Y. New Accounting Pronouncements

The Government Accounting Standards Board has issued the following statements:

- **Statement No. 84, Fiduciary Activities** – The requirements of this Statement will take effect for reporting periods beginning after December 15, 2018. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting certain criteria will be reported in a fiduciary fund in the basic financial statements. The City has not early adopted this pronouncement.
- **Statement No. 87, Leases** – The requirements of this Statement will take effect for reporting periods beginning after December 15, 2019. A lessee will be required to recognize the assets and liabilities for leases with lease terms of more than 12 months. The City has not early adopted this pronouncement.
- **Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period** – The requirements of this Statement will take effect for financial statements starting with the fiscal year ended December 31, 2020. This statement no longer requires interest cost to be capitalized.
- **Statement No. 90, Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 67** – This Statement provides guidance for reporting a component unit if a government acquires a 100 percent equity interest of another legally separate entity. The objectives of the Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and improve the relevance of financial information for certain component units. This Statement is effective for the City’s financial period beginning October 1, 2019.

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash

At September 30, 2019, the carrying amount of the City’s cash on hand was \$350; deposits in the bank were \$9,011,012 and the book balance was \$8,952,757. The City had funds in excess of combined federal deposit insurance coverage (FDIC) and pledged collateral of \$1,734,102 at a banking institution as of September 30, 2019.

CITY OF JOURDANTON  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2019

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposits. The city did not adopt an investment policy for the fiscal year ended September 30, 2019.

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, U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investments pools, (9) guaranteed investment contracts, and (10) commercial paper.

The City's investments at September 30, 2019 are as shown below:

Investment Type	Fair Value	Weighted Average Maturity in Days	Ratings	
			MOODY'S	S&P
TexPool	\$ 613,100	34	Aaa	AAAM

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:

*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.

*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.

*Concentration of Credit Risk.* This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. All City funds are in the external investment pool as allowed by the City's investment policy, and the investment pool invests in hundreds of authorized securities that minimize concentrations of credit risk. At year end, the City was not exposed to concentration of credit risk.

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Analysis of Specific Deposit and Investment Risks (Continued)

*Interest Rate Risk.* This is the risk that changes in interest rates will adversely affect the fair market value of an investment. At year end, the City was not exposed to interest rate risk.

*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.

D. Public Funds Investment Pools

Public funds investment pools in Texas are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment 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.

NOTE 3 -- UNINSURED DEPOSITS

At September 30, 2019, the City's the bank balance at a financial institution exceeded the combined coverage provided by Federal Deposit Insurance Corporation (FDIC) and pledged collateral by \$1,734,012.

NOTE 4 – RECEIVABLES

Receivables consist of the following as of September 30, 2019:

	Governmental Funds				Proprietary Funds	
	General	Debt Service	Hotel Occupancy Tax	Capital Projects Fund	Water Fund	Wastewater Fund
<i>Receivables:</i>						
Property Taxes	\$ 189,720	\$ 42,619	\$ -	\$ -	\$ -	\$ -
Municipal Fines	241,696	-	-	-	-	-
Garbage	131,228	-	-	-	-	-
Sales Taxes	164,817	-	-	-	-	-
Franchise Taxes	13,788	-	-	-	-	-
Occupancy Taxes	-	-	41,434	-	-	-
Customers	-	-	-	-	183,412	177,849
Settlement Funds	-	-	-	500,000	-	-
Other	2,719	-	-	-	-	-
Gross Receivables	743,968	42,619	41,434	500,000	183,412	177,849
Less: Allowance for Uncollectibles	(180,690)	(2,983)	-	-	(40,838)	(30,728)
Net Total Receivables	\$ 563,278	\$ 39,636	\$ 41,434	\$ 500,000	\$ 142,574	\$ 147,121



CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 5 -- PROPERTY TAX CALENDAR

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Atascosa County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2018, upon which the fiscal 2019 levy was based, was \$197,801,885 (market value less exemptions).

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2019 was \$0.536500 per \$100 of assessed value, which means that the City has a tax margin of \$ 1.9635 for each \$100 value. The City may not, however, adopt a tax rate that exceeds the rollback rate or the effective rate, whichever is lower, without first having two public hearings. If the City adopts a tax rate that exceeds the rollback tax rate, registered voters may petition the City for an election on the tax increase. A successful election limits the City's current tax rate to the rollback rate.

Property taxes are recorded as receivables and deferred inflows of resources at the time the taxes are assessed. In governmental funds, revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in the time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue. In the government wide financial statements, the entire levy is recognized as revenue, net of estimated uncollectible amounts (if any), at the levy date.

NOTE 6 -- INTERFUND TRANSACTIONS

Transfers consist of the following:

Transfer From	Transfer To	Amount	Purpose
Hotel Occupancy Tax Fund	General Fund	\$ 334,375	Supplement Debt Payment
General Fund	Debt Service Fund	392,503	Debt Payment
Water Fund	Sewer Fund	153,189	Repayment of expenses
Capital Projects Fund	Nonmajor Governmental	8,460	Equipment Purchases
Hotel Occupancy Tax Fund	Capital Projects Fund	18,201	Professional Services

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 7 -- CAPITAL ASSETS

Governmental and Business-type capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance*	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 342,593	\$ -	\$ -	\$ 342,593
Construction in Progress	471,750	-	-	471,750
<i>Total Capital Assets Not Being Depreciated</i>	<u>814,343</u>	<u>-</u>	<u>-</u>	<u>814,343</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings & Improvements	10,802,564	-	-	10,802,564
Machinery, Equipment & Vehicles	974,301	72,749	-	1,047,050
Infrastructure	1,285,696	-	-	1,285,696
<i>Total Capital Assets Being Depreciated</i>	<u>13,062,561</u>	<u>72,749</u>	<u>-</u>	<u>13,135,310</u>
<i>Accumulated Depreciation:</i>				
Buildings & Improvements	(1,291,668)	(272,275)	-	(1,563,943)
Machinery, Equipment & Vehicles	(678,262)	(77,732)	-	(755,994)
Infrastructure	(867,897)	(34,825)	-	(902,722)
<i>Total Accumulated Depreciation</i>	<u>(2,837,827)</u>	<u>(384,832)</u>	<u>-</u>	<u>(3,222,659)</u>
Total Capital Assets Being Depreciated, Net	<u>10,224,734</u>	<u>(312,083)</u>	<u>-</u>	<u>9,912,651</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,039,077</u>	<u>\$ (312,083)</u>	<u>\$ -</u>	<u>\$ 10,726,994</u>
<b>Business-Type Activities:</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 66,424	\$ -	\$ -	\$ 66,424
<i>Total Assets Not Being Depreciated</i>	<u>66,424</u>	<u>-</u>	<u>-</u>	<u>66,424</u>
<i>Capital Assets, Being Depreciated:</i>				
Water/Wastewater System - Plant	17,653,185	-	-	17,653,185
Machinery, Equipment & Vehicles	543,002	114,910	(40,576)	617,336
<i>Total Capital Assets Being Depreciated</i>	<u>18,196,187</u>	<u>114,910</u>	<u>(40,576)</u>	<u>18,270,521</u>
<i>Accumulated Depreciation:</i>				
Water/Wastewater System - Plant	(5,703,146)	(599,564)	-	(6,302,710)
Machinery, Equipment & Vehicles	(471,964)	(33,870)	40,576	(465,258)
<i>Total Accumulated Depreciation</i>	<u>(6,175,110)</u>	<u>(633,434)</u>	<u>40,576</u>	<u>(6,767,968)</u>
Total Capital Assets Being Depreciated, Net	<u>12,021,077</u>	<u>(518,524)</u>	<u>-</u>	<u>11,502,553</u>
Business-Type Activities Capital Assets, Net	<u>\$ 12,087,501</u>	<u>\$ (518,524)</u>	<u>\$ -</u>	<u>\$ 11,568,977</u>

\*Beginning balances were restated to reflect the results of a prior period adjustment. See Note 10.

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 7 -- CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental functions as follows:

<i>Governmental Activities:</i>	
General Administration	\$ 97,620
Public Safety	23,696
Streets	84,992
Culture & Recreation	163,318
Public Works	8,843
<i>Total Depreciation Expense - Governmental Activities</i>	<u>\$ 378,469</u>
 <i>Business-Type Activities:</i>	
Water System	\$ 286,315
Sewer System	347,119
<i>Total Depreciation Expense - Business Type Activities</i>	<u>\$ 633,434</u>

NOTE 8 -- CAPITAL LEASES

The following lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

In December 2018, the City entered into a capital lease agreement for the acquisition of equipment (excavator and drum roller) in the amount of \$115,403 payable in annual payments of \$42,024 with an interest rate of 4.681%. The equipment is included in the Capital Assets at a cost of \$115,403 with accumulated depreciation of \$14,010 as of September 30, 2019. The debt, capital assets and accumulated depreciation are split between the governmental, water and wastewater funds.

The City entered into a capital lease agreement for the acquisition of equipment (loader) in the amount of \$115,403 payable in annual payments of \$26,544 with an interest rate of 4.681%. The equipment is included in the Capital Assets at a cost of \$124,140 with accumulated depreciation of \$49,656 as of September 30, 2019. The debt, capital assets and accumulated depreciation are split between the governmental, water and wastewater funds.

The City entered into a capital lease agreement for the acquisition of equipment (mower) in the amount of \$50,412 payable in annual payments of \$11,170 with an interest rate of 4.25%. The equipment is included in the Capital Assets at a cost of \$50,412 with accumulated depreciation of \$18,905 as of September 30, 2019. The debt, capital assets and accumulated depreciation are recorded in the governmental fund.

Future minimum payments under the capital leases are as follows:

Year Ending September 30,	Governmental Activities	Business-Type Activities
2020	\$ 42,850	\$ 36,898
2021	42,850	36,898
2022	32,615	36,900
Total Payments	118,315	110,696
Less: Amounts Representing Interest	(8,242)	(8,706)
Present Value of Minimum Lease Payments	<u>\$ 110,073</u>	<u>\$ 101,990</u>

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 9 -- LONG-TERM DEBT

Long-term debt and obligations payable at September 30, 2019 were comprised of the following individual issues:

	<u>Issue Amount</u>	<u>Maturity</u>	<u>Rate</u>	<u>Balance</u>	<u>Security</u>
<b><i>Primary Government</i></b>					
Governmental Activities:					
General Obligation Bonds					
2006 Series	\$ 700,000	2021	4.52%	\$ 100,000	Ad Valorem/Utility Revenues
2012 Series	2,975,000	2033	2.00% - 3.50%	2,235,000	Ad Valorem
Certificates of Obligation					
Series 2014	500,000	2035	2.00% - 3.50%	4,190,000	Occupancy Tax
Series 2019	3,980,000	2039	2.00% - 4.00%	3,980,000	Ad Valorem
<b>Total Governmental Long-Term Obligations</b>				<b><u><u>\$ 10,505,000</u></u></b>	
	<u>Issue Amount</u>	<u>Maturity</u>	<u>Rate</u>	<u>Balance</u>	
Business Type:					
Revenue Bonds					
Series 1982	\$ 506,000	2021	5.00%	\$ 70,000	Utility Revenue
Series 2008	401,000	2048	4.50%	350,000	Utility Revenue
Series 2012	3,037,000	2052	2.75%	2,781,000	Utility Revenue
Certificates of Obligation					
2011 Series	4,645,000	2051	3.375%	4,192,000	Ad Valorem/Utility Revenues
<b>Total Business-Type Long-Term Obligations</b>				<b><u><u>\$ 7,393,000</u></u></b>	

The 2006 Series General Obligation Bonds and 2011 Series Certificates of Obligation require a sinking fund of at least 2%. Additionally they are both Direct Borrowings from the USDA.

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 9 -- LONG-TERM DEBT (Continued)

The annual requirements to amortize all long-term bonded debt and obligations outstanding, excluding compensated absences, as of September 30, 2019, including interest payments, are as follows:

Governmental Activities - Direct Borrowings and Placements				Governmental Activities - Public Offering			
September 30,	Principal	Interest	Total	September 30,	Principal	Interest	Total
2020	\$ 50,000	\$ 3,390	\$ 53,390	2020	\$ 435,000	\$ 296,439	\$ 731,439
2021	50,000	1,130	51,130	2021	475,000	285,289	760,289
2022	-	-	-	2022	520,000	272,539	792,539
2023	-	-	-	2023	530,000	257,526	787,526
2024	-	-	-	2024	550,000	240,801	790,801
2025-2029	-	-	-	2025-2029	3,025,000	924,894	3,949,894
2030-2034	-	-	-	2030-2034	3,315,000	441,295	3,756,295
2035-2039	-	-	-	2035-2039	1,555,000	78,947	1,633,947
Total	<u>\$ 100,000</u>	<u>\$ 4,520</u>	<u>\$ 104,520</u>	Total	<u>\$ 10,405,000</u>	<u>\$ 2,797,730</u>	<u>\$ 13,202,730</u>

Business-Type Activities - Direct Borrowings and Placements				Business-Type Activities - Public Offering			
September 30,	Principal	Interest	Total	September 30,	Principal	Interest	Total
2020	\$ 74,000	\$ 140,622	\$ 214,622	2020	\$ 89,000	\$ 95,144	\$ 184,144
2021	77,000	137,694	214,694	2021	90,000	91,584	181,584
2022	79,000	135,062	214,062	2022	58,000	88,167	146,167
2023	82,000	132,345	214,345	2023	60,000	86,422	146,422
2024	84,000	129,895	213,895	2024	61,000	84,827	145,827
2025-2029	470,000	602,313	1,072,313	2025-2029	342,000	394,192	736,192
2030-2034	556,000	515,987	1,071,987	2030-2034	403,000	339,063	742,063
2035-2039	657,000	413,779	1,070,779	2035-2039	481,000	273,378	754,378
2040-2044	777,000	293,211	1,070,211	2040-2044	570,000	194,990	764,990
2025-2049	921,000	150,017	1,071,017	2025-2049	654,000	102,032	756,032
2050-2052	415,000	14,182	429,182	2050-2052	393,000	16,476	409,476
Total	<u>\$ 4,192,000</u>	<u>\$ 2,665,107</u>	<u>\$ 6,857,107</u>	Total	<u>\$ 3,201,000</u>	<u>\$ 1,766,275</u>	<u>\$ 4,967,275</u>

Total Governmental-Type Activities				Business-Type Activities			
September 30,	Principal	Interest	Total	September 30,	Principal	Interest	Total
2020	\$ 485,000	\$ 299,829	\$ 784,829	2020	\$ 163,000	\$ 235,766	\$ 398,766
2021	525,000	286,419	811,419	2021	167,000	229,278	396,278
2022	520,000	272,539	792,539	2022	137,000	223,229	360,229
2023	530,000	257,526	787,526	2023	142,000	218,767	360,767
2024	550,000	240,801	790,801	2024	145,000	214,722	359,722
2025-2029	3,025,000	924,894	3,949,894	2025-2029	812,000	996,505	1,808,505
2030-2034	3,315,000	441,295	3,756,295	2030-2034	959,000	855,050	1,814,050
2035-2039	1,555,000	78,947	1,633,947	2035-2039	1,138,000	687,157	1,825,157
Total	<u>\$ 10,505,000</u>	<u>\$ 2,802,250</u>	<u>\$ 13,307,250</u>	2040-2044	1,347,000	488,201	1,835,201
				2025-2049	1,575,000	252,049	1,827,049
				2050-2052	808,000	30,658	838,658
				Total	<u>\$ 7,393,000</u>	<u>\$ 4,431,382</u>	<u>\$ 11,824,382</u>

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 9 -- LONG-TERM DEBT (Continued)

The changes in long-term liabilities during the year ended September 30, 2019 are as follows:

	Balance 9/30/2018	Additions	Reductions	Balance 9/30/2019	Due Within One Year
<i>Governmental Activities:</i>					
Direct Borrowings and Placements:					
General Obligation Bonds, 2006	\$ 150,000	\$ -	\$ (50,000)	\$ 100,000	\$ 50,000
Non Direct Borrowings and Placements:					
General Obligation Bonds, 2012	2,365,000	-	(130,000)	2,235,000	135,000
Certificates of Obligation, 2014	4,400,000	-	(210,000)	4,190,000	215,000
Premium	166,332	-	(10,583)	155,749	10,583
Certificates of Obligation, 2019	-	3,980,000	-	3,980,000	85,000
Premium	-	185,820	-	185,820	9,291
Capital Leases	86,874	46,162	(22,963)	110,073	38,609
Compensated Absences	15,851	18,093	(15,851)	18,093	18,093
<i>Total Governmental Activities</i>	<u>\$ 7,184,057</u>	<u>\$ 4,230,075</u>	<u>\$ (439,397)</u>	<u>\$ 10,974,735</u>	<u>\$ 561,576</u>
<i>Business-Type Activities:</i>					
Revenue Bonds, Series 1982	\$ 100,000	\$ -	\$ (30,000)	\$ 70,000	\$ 35,000
Revenue Bonds, Series 2008	356,000	-	(6,000)	350,000	6,000
Revenue Bonds, 2012	2,827,000	-	(46,000)	2,781,000	48,000
Subtotal	<u>\$ 3,283,000</u>	<u>\$ -</u>	<u>\$ (82,000)</u>	<u>\$ 3,201,000</u>	<u>\$ 89,000</u>
Direct Borrowings and Placements:					
Certificates of Obligation, 2011	4,264,000	-	(72,000)	4,192,000	74,000
Capital Leases	42,938	69,242	(10,190)	101,990	32,689
Compensated Absences	10,228	12,978	(10,228)	12,978	12,978
<i>Total Business-Type Activities</i>	<u>\$ 7,600,166</u>	<u>\$ 82,220</u>	<u>\$ (174,418)</u>	<u>\$ 7,507,968</u>	<u>\$ 208,667</u>

NOTE 10 -- PRIOR PERIOD ADJUSTMENT

The financial statements for the fiscal year ended September 30, 2018 were restated to reflect the results of a prior period adjustment. The following tables summarize these adjustments to beginning fund balance and net position:

	Governmental Activities	Business-Type Activities
Beginning Net Position, as Previously Reported	\$ 6,151,177	\$ 6,472,761
Understated Accounts Receivable	222,542	71,599
Overstated (Understated) Capital Assets	21,539	(1,139,332)
Overstated (Understated) Accumulated Depreciation	(29,464)	701,749
Beginning Net Position, Restated	<u>\$ 6,365,794</u>	<u>\$ 6,106,777</u>

CITY OF JOURDANTON  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2019

NOTE 10 -- PRIOR PERIOD ADJUSTMENT (Continued)

	Governmental Fund	Proprietary Funds	
	General Fund	Water Fund	Sewer Fund
Beginning Fund Balance/Net Position, as Previously Reported	\$ 1,684,108	\$ 2,265,146	\$ 4,207,615
Understated Accounts Receivable	222,542	33,823	37,776
Overstated Capital Assets	-	-	(1,139,332)
Overstated (Understated) Accumulated Depreciation	-	(31,576)	733,325
Beginning Fund Balance/Net Position, Restated	<u>\$ 1,906,650</u>	<u>\$ 2,267,393</u>	<u>\$ 3,839,384</u>

NOTE 11 -- PENSION PLAN

Texas Municipal Retirement System

A. Plan Description

The City participates in one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (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, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined 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.tmr.com](http://www.tmr.com).

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

B. TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statues governing 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 deposit and interest.

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	30
Active Employees	39
	<u>88</u>

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 11 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the 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 for the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 6.21% and 6.04% for calendar years 2018 and 2019 respectively. The City's contributions to TMRS for the year ended September 30, 2019 were \$87,254, 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 (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

E. Actuarial Assumptions

The Total Pension Liability in the December 31, 2019 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%. 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 Disabled Retiree Mortality Table with Blue Collar Adjustment are used with males 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 through December 31, 2014, first used in the December 31, 2015 valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Morality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013.



CITY OF JOURDANTON  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2019

NOTE 11 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

F. Actuarial Assumptions (Continued)

In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal 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, GRS 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.50%	4.30%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.39%
Real Return	10.00%	3.78%
Real Estate	10.00%	4.44%
Absolute Return	10.00%	3.56%
Private Equity	5.00%	7.75%
	<u>100.00%</u>	

G. 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.

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 11 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

H. Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2017	\$ 2,881,376	\$ 2,765,471	\$ 115,905
Changes for the year:			
Service Cost	145,410	-	145,410
Interest (on Total Pension Liability)	193,670	-	193,670
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(76,938)	-	(76,938)
Changes of Assumptions	-	-	-
Contributions - Employer	-	88,790	(88,790)
Contributions - Employee	-	71,490	(71,490)
Net Investment Income	-	(82,888)	82,888
Benefit Payments, Including Refunds of Employee Contributions	(169,787)	(169,787)	-
Administrative Expense	-	(1,601)	1,601
Other Changes	-	(83)	83
Net Changes	<u>92,355</u>	<u>(94,079)</u>	<u>186,434</u>
Balance at December 31, 2018	<u>\$ 2,973,731</u>	<u>\$ 2,671,392</u>	<u>\$ 302,339</u>

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

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 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:

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability	\$ 699,710	\$ 302,339	\$ (24,054)

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 11 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

I. 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 on the Internet at [www.tmr.com](http://www.tmr.com).

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

For the year ended September 30, 2019, the City recognized pension expense of \$92,402.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ -	\$ 83,715
Changes in Actuarial Assumptions	118	-
Differences Between Projected and Actual Investment Earnings	143,229	-
Contributions Subsequent to the Measurement Date	62,475	-
	\$ 205,822	\$ 83,715

The City reported \$62,475 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (December 31, 2018) will be recognized as a reduction of the net pension liability for the year fiscal ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Plan Year Ended December 31,	
2019	\$ 10,295
2020	(10,672)
2021	6,096
2022	53,913
2023	-
Thereafter	-
	\$ 59,632

CITY OF JOURDANTON  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2019

NOTE 12 -- OTHER POST EMPLOYMENT BENEFIT (OPEB)

The City also participates in the cost sharing multiple-employer defined benefit group- term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

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); retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB. Membership in the plan at December 31, 2018, the valuation and measurement date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	16
Inactive Employees Entitled to but Not Yet Receiving Benefits	4
Active Employees	39
	59

The SDBF required contribution rates, based on these assumptions, are as follows:

For the Calendar Year Ended December 31,	Total SDBF Contribution Rate	Retiree Portion to SDBF Contribution Rate
2018	0.25%	0.06%
2019	0.26%	0.07%

These contribution rates are based on actuarial assumptions 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 actuarial cost method. These assumptions are summarized below:

Inflation	2.50%
Salary Increases	3.50% to 10.50% Including Inflation
Discount Rate	3.71% (Based on Fidelity Index's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GAST Statement No. 68
Mortality Rates - Service Retirees	RP 2000 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.
Mortality Rates - Disabled Retirees	RP 2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 12 -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2018 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2017	\$ 104,887
Changes for the year:	
Service Cost	6,577
Interest	3,566
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(23,669)
Changes of Assumptions or Other Inputs	(3,444)
Benefit Payments	(858)
Net Changes	(17,828)
Balance at December 31, 2018	\$ 87,059

There is no separate trust maintained to fund this Total OPEB Liability. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The following presents the TOL of the City, calculated using the discount rate of 3.31% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (2.71%) and 1-percentage point higher (4.71%) than the current rate:

	Discount Rate 2.71%	Discount Rate 3.31%	Discount Rate 4.71%
Total OPEB Liability	\$ 95,770	\$ 87,059	\$ 79,050

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 12 -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

For the year ended September 30, 2019, the City recognized OPEB expense of \$6,265. Also as of September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ -	\$ 19,143
Changes in Actuarial Assumptions	1,439	
Contributions Subsequent to the Measurement Date	725	-
	\$ 2,164	\$ 19,143

Deferred outflows of resources in the amount of \$725 is related to OPEB benefits resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the plan year ended December 31, 2019 (fiscal year ended September 30, 2020). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended December 31,		
2019	\$	(3,878)
2020		(3,878)
2021		(3,878)
2022		(4,882)
2023		(1,188)
	\$	(17,704)

NOTE 13 -- DEFICIT FUND BALANCE

At September 30, 2019, the Water Fund had a deficit unrestricted fund balance of \$(59,289). The City plans to reduce the deficit by reducing spending in the next fiscal year.

NOTE 14 -- CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF JOURDANTON  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 15 -- 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 contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability by the City is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2019 were \$56,159.

NOTE 16 -- LITIGATION

The City is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the city's liability in these cases, if decided adversely to the City will not have a material effect on the City's financial position. As of September 30, 2019 there were no outstanding claims against the City.

NOTE 17 -- SETTLEMENT PROCEEDS

During 2018, the City filed a lawsuit against a vendor for sports complex pool construction and a settlement agreement was reached in August 2019. The City received funds as a result of the settlement which are reported as settlement proceeds.

**JOURDANTON**  
★ TEXAS ★



## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the CASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - General Fund
- Budgetary Comparison Schedule - Hotel Occupancy Tax Fund
- Schedule of Changes in Net Pension Liability and Related Ratios - Last 10 Plan Years
- Schedule of Contributions - Last 10 Fiscal Years
- Schedule of Changes in Total Other Post-Employment Benefit Liability and Related Ratios

CITY OF JOURDANTON  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL  
 GENERAL FUND  
 YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		2019 Actual Amounts	Variance With Final Budget - Positive (Negative)	2018 Actual
	Original	Final			
<b>REVENUES</b>					
Property Taxes	\$ 836,819	\$ 836,819	\$ 885,596	\$ 48,777	\$ 958,469
Sales Taxes	1,000,000	1,000,000	1,054,698	54,698	1,024,810
Franchise Taxes	181,371	181,371	174,698	(6,673)	180,552
Other Taxes	1,000	1,000	-	(1,000)	908
Licenses and Permits	31,526	31,526	42,072	10,546	85,117
Charges for Service	750,800	750,800	774,578	23,778	744,632
Fines and Forfeitures	183,000	183,000	147,171	(35,829)	184,417
Grants	-	9,887	1,196	(8,691)	1,202
Investment Earnings	6,500	6,500	13,638	7,138	9,141
Miscellaneous	52,610	52,610	94,698	42,088	81,730
<b>TOTAL REVENUES</b>	<b>3,043,626</b>	<b>3,053,513</b>	<b>3,188,345</b>	<b>134,832</b>	<b>3,270,978</b>
<b>EXPENDITURES</b>					
<b>General Administration</b>					
<i>General Government:</i>					
Personnel	122,285	128,841	126,041	2,800	148,009
Supplies	41,812	46,202	49,442	(3,240)	52,720
Insurance	9,996	7,445	7,544	(99)	6,373
Contracted Services	320,760	420,696	385,665	35,031	137,200
Repairs and Maintenance	1,000	5,278	5,369	(91)	-
Miscellaneous	105,500	111,069	90,784	20,285	133,265
<i>Total General Government</i>	<b>601,353</b>	<b>719,531</b>	<b>664,845</b>	<b>54,686</b>	<b>477,567</b>
<i>Sports Complex:</i>					
Personnel Services	100,231	56,645	55,564	1,081	91,616
Supplies	11,563	13,800	12,087	1,713	9,074
Insurance	2,718	1,806	1,805	1	-
Contracted Services	360	360	360	-	270
Repairs and Maintenance	37,500	27,902	27,128	774	30,064
<i>Total Sports Complex</i>	<b>152,372</b>	<b>100,513</b>	<b>96,944</b>	<b>3,569</b>	<b>131,024</b>
<b>Total General Administration</b>	<b>\$ 753,725</b>	<b>\$ 820,044</b>	<b>\$ 761,789</b>	<b>\$ 58,255</b>	<b>\$ 608,591</b>

CITY OF JOURDANTON  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
GENERAL FUND (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		2019 Actual Amounts	Variance With Final Budget - Positive (Negative)	2018 Actual
	Original	Final			
<b>Public Safety</b>					
<i>Police:</i>					
Personnel	\$ 706,603	\$ 715,952	\$ 698,602	\$ 17,350	\$ 656,859
Supplies	31,664	37,101	37,506	(405)	35,790
Insurance	12,270	13,077	13,075	2	11,096
Contracted Services	27,988	27,988	25,367	2,621	42,774
Uniforms	7,000	7,000	7,000	-	7,350
Repairs and Maintenance	40,804	69,498	57,135	12,363	48,105
Miscellaneous	14,896	18,409	17,619	790	15,075
Capital Outlay	35,000	-	72,749	(72,749)	7,000
<i>Total Police</i>	<u>876,225</u>	<u>889,025</u>	<u>929,053</u>	<u>(40,028)</u>	<u>824,049</u>
<i>Fire Department:</i>					
Personnel	269	239	238	1	233
Supplies	1,100	1,100	1,154	(54)	1,050
Insurance	3,797	5,260	5,260	-	4,535
Repairs and Maintenance	17,000	22,121	20,904	1,217	18,557
Miscellaneous	6,600	7,660	4,843	2,817	7,224
<i>Total Fire Department</i>	<u>28,766</u>	<u>36,380</u>	<u>32,399</u>	<u>3,981</u>	<u>31,599</u>
<i>EMS Facility:</i>					
Supplies	7,000	9,750	8,163	1,587	5,024
Insurance	311	369	369	-	393
<i>Total EMS Facility</i>	<u>7,311</u>	<u>10,119</u>	<u>8,532</u>	<u>1,587</u>	<u>5,417</u>
<i>Municipal Court:</i>					
Personnel	102,187	109,223	106,509	2,714	101,771
Supplies	12,523	11,120	10,811	309	14,061
Insurance	122	309	309	-	231
Contracted Services	42,998	41,674	31,309	10,365	50,887
Repairs and Maintenance	1,000	1,000	8,565	(7,565)	1,050
Miscellaneous	61,500	61,057	43,876	17,181	55,309
<i>Total Municipal Court</i>	<u>220,330</u>	<u>224,383</u>	<u>201,379</u>	<u>23,004</u>	<u>223,309</u>
<b>Total Public Safety</b>	<u>\$ 1,132,632</u>	<u>\$ 1,159,907</u>	<u>\$ 1,171,363</u>	<u>\$ (11,456)</u>	<u>\$ 1,084,374</u>

CITY OF JOURDANTON  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL  
 GENERAL FUND (CONTINUED)  
 YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		2019 Actual Amounts	Variance With Final Budget - Positive (Negative)	2018 Actual
	Original	Final			
<b>Streets:</b>					
Personnel	\$ 124,847	\$ 78,017	\$ 76,666	\$ 1,351	\$ 92,277
Supplies	55,000	50,000	50,998	(998)	60,322
Insurance	5,196	7,104	3,786	3,318	6,299
Contractual	-	641	640	1	-
Uniforms	3,645	3,836	3,274	562	3,044
Repairs and Maintenance	265,000	279,635	79,397	200,238	10,422
Miscellaneous	15,000	49,619	34,372	15,247	9,192
Capital Outlay	40,000	40,000	-	40,000	81,251
<b>Total Streets</b>	<b>508,688</b>	<b>508,852</b>	<b>249,133</b>	<b>219,719</b>	<b>262,807</b>
<b>Culture and Recreation:</b>					
<i>Library:</i>					
Personnel	110,053	122,590	119,713	2,877	115,838
Supplies	27,400	24,976	24,663	313	25,687
Insurance	861	1,305	1,305	-	1,319
Contracted Services	4,500	4,500	3,828	672	5,241
Miscellaneous	1,900	11,429	996	10,433	745
<i>Total Library</i>	<b>144,714</b>	<b>164,800</b>	<b>150,505</b>	<b>14,295</b>	<b>148,830</b>
<i>Park:</i>					
Personnel	49,632	83,258	80,295	2,963	40,534
Supplies	1,350	862	577	285	1,211
Insurance	1,977	1,908	1,907	1	1,857
Uniforms	1,780	3,566	3,220	346	1,911
Repairs and Maintenance	13,875	12,779	8,263	4,516	2,939
<i>Total Park</i>	<b>68,614</b>	<b>102,373</b>	<b>94,262</b>	<b>8,111</b>	<b>48,452</b>
<i>Community Center:</i>					
Personnel	4,797	4,797	4,088	709	4,734
Supplies	11,650	6,046	5,958	88	9,876
Insurance	646	530	530	-	648
<i>Total Community Center</i>	<b>17,093</b>	<b>11,373</b>	<b>10,576</b>	<b>797</b>	<b>15,258</b>
<i>Senior Citizens:</i>					
Supplies	4,500	4,470	2,462	2,008	4,634
Insurance	143	173	173	-	185
<i>Total Senior Citizens</i>	<b>4,643</b>	<b>4,643</b>	<b>2,635</b>	<b>2,008</b>	<b>4,819</b>
<b>Total Culture and Recreation</b>	<b>\$ 235,064</b>	<b>\$ 283,189</b>	<b>\$ 257,978</b>	<b>\$ 25,211</b>	<b>217,359</b>

CITY OF JOURDANTON  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
GENERAL FUND (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		2019 Actual Amounts	Variance With Final Budget - Positive (Negative)	2018 Actual*
	Original	Final			
<b>Public Works:</b>					
Contracted Services	\$ 617,594	\$ 624,190	\$ 620,713	\$ 3,477	\$ 602,050
<b>Total Public Works</b>	<u>617,594</u>	<u>624,190</u>	<u>620,713</u>	<u>3,477</u>	<u>602,050</u>
<b>Total Expenditures</b>	<u>3,247,703</u>	<u>3,396,182</u>	<u>3,060,976</u>	<u>295,206</u>	<u>2,775,181</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(204,077)	(342,669)	<b>127,369</b>	470,038	495,797
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Capital Lease	46,287	46,287	<b>46,287</b>	-	-
Settlement Proceeds	-	-	<b>525,000</b>	525,000	-
Transfers In	334,375	334,375	<b>334,375</b>	-	343,366
Transfers Out	(588,775)	(588,775)	<b>(392,503)</b>	196,272	(629,910)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(208,113)</u>	<u>(208,113)</u>	<u>513,159</u>	<u>196,272</u>	<u>(286,544)</u>
<b>Net Change in Fund Balance</b>	(412,190)	(550,782)	<b>640,528</b>	666,310	209,253
<b>Fund Balances, Beginning</b>	1,684,108	1,684,108	<b>1,684,108</b>	-	1,474,855
Prior Period Adjustment	-	-	<b>222,542</b>	222,542	-
<b>Fund Balances, Ending</b>	<u>\$ 1,271,918</u>	<u>\$ 1,133,326</u>	<u>\$ 2,547,178</u>	<u>\$ 888,852</u>	<u>\$ 1,684,108</u>

CITY OF JOURDANTON  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL  
 HOTEL OCCUPANCY TAX FUND  
 YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		2019 Actual Amounts	Variance With Final Budget - Positive (Negative)	2018 Actual
	Original	Final			
<b>REVENUES</b>					
Occupancy Taxes	\$ 323,611	\$ 323,611	\$ 410,559	\$ 86,948	\$ 335,531
<b>TOTAL REVENUES</b>	<u>323,611</u>	<u>323,611</u>	<u>410,559</u>	<u>86,948</u>	<u>335,531</u>
<b>EXPENDITURES</b>					
<i>Current:</i>					
Administration	400	400	11,266	(10,866)	166,668
<b>TOTAL EXPENDITURES</b>	<u>400</u>	<u>400</u>	<u>11,266</u>	<u>(10,866)</u>	<u>166,668</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>323,211</u>	<u>323,211</u>	<u>399,293</u>	<u>97,814</u>	<u>168,863</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	(333,975)	(333,975)	(352,576)	(18,601)	(333,525)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(333,975)</u>	<u>(333,975)</u>	<u>(352,576)</u>	<u>(18,601)</u>	<u>(333,525)</u>
<b>Net Change in Fund Balance</b>	(10,764)	(10,764)	46,717	79,213	(164,662)
<b>FUND BALANCE - BEGINNING</b>	<u>176,099</u>	<u>176,099</u>	<u>176,099</u>	-	<u>340,761</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 165,335</u>	<u>\$ 165,335</u>	<u>\$ 222,816</u>	<u>\$ 79,213</u>	<u>\$ 176,099</u>

\*2018 has not been restated to reflect the results of the prior period adjustment.

CITY OF JOURDANTON  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2019

**Budgetary Information** – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriation budget approved by the City Council and as such is a good management control device. The following are the funds which have legally adopted annual budgets: general fund, debt service fund and hotel occupancy tax fund.

Budgetary preparation and control is exercised at the department level. The city manager is authorized to transfer budget amounts between accounts within a department. These transfers cannot increase the overall budgeted expenditures. Actual expenditures may not legally exceed appropriations at the fund level. As of September 30, 2019, the City expenditures did not exceed appropriations in total.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and do not constitute expenditures or liabilities because the commitments must be re-appropriated and honored during the subsequent year.

CITY OF JOURDANTON  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS  
LAST TEN PLAN YEARS\*

	Total Pension Liability				
	2014	2015	2016	2017	2018
Service Cost	\$ 106,550	\$ 128,550	\$ 133,998	\$ 144,925	\$ 145,410
Interest (on the Total Pension L	143,611	164,384	171,823	183,153	193,670
Changes of Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience	110,173	(33,767)	(40,691)	(39,312)	(76,938)
Change of Assumptions	-	24,082	-	-	-
Benefit Payments, Including Refunds of					
Employee Contributions	(80,509)	(68,665)	(108,896)	(96,602)	(169,787)
Net Change in Total Pension	279,825	214,584	156,234	192,164	92,355
Total Pension Liability - Begi	2,038,569	2,318,394	2,532,978	2,689,212	2,881,376
Total Pension Liability - E	<u>\$ 2,318,394</u>	<u>\$ 2,532,978</u>	<u>\$ 2,689,212</u>	<u>\$ 2,881,376</u>	<u>\$ 2,973,731</u>
	Plan Fiduciary Net Position				
	2014	2015	2016	2017	2018
Contributions - Employer	\$ 81,746	\$ 79,853	\$ 82,132	\$ 91,242	\$ 88,790
Contributions - Employee	73,658	65,453	66,666	71,959	71,490
Net Investment Income	110,103	3,110	147,735	328,823	(82,888)
Benefit Payments, Including Refunds of					
Employee Contributions	(80,509)	(68,665)	(108,896)	(96,602)	(169,787)
Administrative Expense	(1,149)	(1,895)	(1,668)	(1,704)	(1,601)
Other	(94)	(94)	(90)	(86)	(83)
Net Change in Plan Fiduciary	183,755	77,762	185,879	393,632	(94,079)
Plan Fiduciary Net Position -	1,924,443	2,108,198	2,185,960	2,371,839	2,765,471
Plan Fiduciary Net Position	<u>\$ 2,108,198</u>	<u>\$ 2,185,960</u>	<u>\$ 2,371,839</u>	<u>\$ 2,765,471</u>	<u>\$ 2,671,392</u>
Net Pension Liability - Ending	\$ 210,196	\$ 347,018	\$ 317,373	\$ 115,905	\$ 302,339
Plan Fiduciary Net Position as a Percentage of Total Pension Li	90.93%	86.30%	88.20%	95.98%	89.83%
Covered Payroll	\$ 1,266,197	\$ 1,309,063	\$ 1,333,313	\$ 1,439,179	\$ 1,429,797
Net Pension Liability as a Percentage of Covered Payroll	16.60%	26.51%	23.80%	8.05%	21.15%

\*GASB 68 requires 10 years of data to be provided in this schedule. This is the fifth year implementation of GASB68. The City will develop the schedule prospectively as data becomes available.



CITY OF JOURDANTON  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CITY CONTRIBUTIONS  
 LAST TEN FISCAL YEARS\*

**Schedule of Contributions:**

Fiscal Year Ending September 30,	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	\$ 87,254	\$ 87,254	\$ -	\$ 1,433,372	6.09%
2018*	-	-	-	-	-
2017*	-	-	-	-	-
2016*	-	-	-	-	-
2015*	-	-	-	-	-

\*Data for fiscal years 2015-2018 is not available.

GASB 68 requires 10 fiscal years of data to be provided in this schedule. This is the fifth year implementation of GASB68. The City will develop the schedule prospectively as data becomes available.

**Valuation Date:**

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen (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 10.5% 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.

CITY OF JOURDANTON  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY  
 AND RELATED RATIOS  
 LAST TEN CALENDAR YEARS\*

	Total OPEB Liability	
	2017	2018
Service Cost	\$ 5,901	\$ 6,577
Interest on Total OPEB Liability	3,480	3,566
Changes of Benefit Terms	-	-
Difference between Expected and Actual Experience	-	(23,669)
Change of Assumptions or Other Inputs	6,838	(3,444)
Benefit Payments	(864)	(858)
Net Change in Total OPEB Liability	15,355	(17,828)
Total OPEB Liability - Beginning	89,532	104,887
Total OPEB Liability - Ending	\$ 104,887	\$ 87,059
 Covered Payroll	\$ 1,439,179	\$ 1,429,797
 Total OPEB Liability as a Percentage of Covered Payroll	7.29%	6.09%

\*GASB Statement No. 75 requires 10 years of data to be provided in this schedule. This is the second year implementation of GASB75. The City will develop the schedule prospectively as data becomes available.

NOTES TO SCHEDULE OF CHANGES

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Inflation	2.50%
Salary Increases	3.50% to 10.50% Including Inflation
Discount Rate	3.71% (Based on Fidelity Index's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	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.
Mortality Rates - Disabled Retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

## SUPPLEMENTARY INFORMATION

Supplementary information includes combining nonmajor individual fund statements which are not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Comparative Statements – General Fund - Balance Sheet
- Comparative Statements – Hotel/Motel Fund – Balance Sheet
- Comparative Statements – Capital Projects Fund – Balance Sheet
- Comparative Statements – Capital Projects Fund – Statement of Revenues, Expenses and Changes in Fund Balance
- Comparative Statements – Debt Service Fund – Balance Sheet
- Comparative Statements – Debt Service Fund – Statement of Revenues, Expenses and Changes in Fund Balance – Budget to Actual
- Combining Statements – Nonmajor Special Revenue Funds
- Comparative Statements – Proprietary Water Fund
- Comparative Statements – Proprietary Sewer Fund

CITY OF JOURDANTON  
 COMPARATIVE BALANCE SHEETS  
 GENERAL FUND  
 SEPTEMBER 30, 2019 AND 2018

	2019	2018*
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,130,006	\$ 1,360,785
Investments	303,984	297,037
Accounts Receivables (net of allowances):		
Property Taxes	176,440	216,560
Sales and Franchise Fees	178,605	-
Garbage and Other	111,554	84,634
Municipal Court	96,679	-
Restricted Assets:		
Cash and Cash Equivalents	-	19,371
<b>TOTAL ASSETS</b>	<b>\$ 2,997,268</b>	<b>\$ 1,959,016</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 108,622	\$ 9,307
Accrued Expenditures	40,463	21,155
Deposits Payable	27,886	27,886
<i>Total Liabilities</i>	<b>176,971</b>	<b>58,348</b>
 <i>Deferred Inflows of Resources:</i>		
Unavailable Revenues - Taxes	176,440	216,560
Unavailable Revenues - Municipal Court	96,679	-
<i>Total Deferred Inflows of Resources</i>	<b>273,119</b>	<b>216,560</b>
 <i>Fund Balances:</i>		
Restricted	525,000	-
Unassigned	2,022,178	1,684,108
<i>Total Fund Balances</i>	<b>2,547,178</b>	<b>1,684,108</b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,997,268</b>	<b>\$ 1,959,016</b>

\*2018 has not been restated to reflect the results of the prior period adjustment.

CITY OF JOURDANTON  
 COMPARATIVE BALANCE SHEETS  
 HOTEL OCCUPANCY TAX FUND  
 SEPTEMBER 30, 2019 AND 2018

	<b>2019</b>	2018
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 181,382	\$ 149,204
Occupancy Taxes Receivable	<u>41,434</u>	<u>26,895</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 222,816</u></u>	<u><u>\$ 176,099</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>
 <i>Fund Balances:</i>		
Restricted for:		
Tourism Development	<u>222,816</u>	<u>176,099</u>
<i>Total Fund Balances</i>	<u><u>222,816</u></u>	<u><u>176,099</u></u>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 222,816</u></u>	<u><u>\$ 176,099</u></u>

CITY OF JOURDANTON  
 COMPARATIVE BALANCE SHEETS  
 CAPITAL PROJECTS FUND  
 SEPTEMBER 30, 2019 AND 2018

	2019	2018
<b>ASSETS</b>		
<b>Restricted Assets:</b>		
Cash and Cash Equivalents	\$ 5,163,151	\$ 205,848
Investments	200,900	-
Settlement Proceeds	500,000	
<b>TOTAL ASSETS</b>	<b>\$ 5,864,051</b>	<b>\$ 205,848</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ 18,201
<i>Total Liabilities</i>	-	18,201
 <i>Fund Balances:</i>		
Restricted for:		
Capital Projects	5,864,051	187,647
<i>Total Fund Balances</i>	5,864,051	187,647
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,864,051</b>	<b>\$ 205,848</b>

CITY OF JOURDANTON  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
 CAPITAL PROJECTS FUND  
 SEPTEMBER 30, 2019 AND 2018

	2019	2018
<b>REVENUES</b>		
Investment Earnings	\$ 9,334	\$ 3,117
<b>TOTAL REVENUES</b>	<b>9,334</b>	<b>3,117</b>
<b>EXPENDITURES</b>		
Current:		
Capital Outlay	113,490	18,220
<b>TOTAL EXPENDITURES</b>	<b>113,490</b>	<b>18,220</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(104,156)</b>	<b>(15,103)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from Settlement	1,605,000	-
Issuance of Certificates of Obligation	3,980,000	-
Bond Premium	185,820	-
Transfers In	18,201	-
Transfers Out	(8,460)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,780,561</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>5,676,405</b>	<b>(15,103)</b>
<b>Fund Balances, Beginning</b>	<b>187,646</b>	<b>202,750</b>
<b>Fund Balances, Ending</b>	<b>\$ 5,864,051</b>	<b>\$ 187,647</b>

CITY OF JOURDANTON  
 COMPARATIVE BALANCE SHEETS  
 DEBT SERVICE FUND  
 SEPTEMBER 30, 2019 AND 2018

	2019	2018
<b>ASSETS</b>		
<b>Restricted Assets:</b>		
Cash and Cash Equivalents	\$ 14,455	\$ 19,371
Accounts Receivables (net of allowances):		
Property Taxes	39,636	-
<b>TOTAL ASSETS</b>	<b>\$ 54,091</b>	<b>\$ 19,371</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accrued Interest Payable	\$ 14,455	\$ -
<i>Total Liabilities</i>	14,455	-
 <i>Deferred Inflows of Resources:</i>		
Unavailable Revenues - Taxes	39,636	-
<i>Total Deferred Inflows of Resources</i>	39,636	-
 <i>Fund Balances:</i>		
Restricted for:		
Debt Service	-	19,371
<i>Total Fund Balances</i>	-	19,371
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 54,091</b>	<b>\$ 19,371</b>



CITY OF JOURDANTON  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
DEBT SERVICE FUND  
YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		2019 Actual Amounts	Variance With Final Budget - Positive (Negative)	2018 Actual
	Original	Final			
<b>REVENUES</b>					
Property Taxes	\$ 222,446	\$ 222,446	\$ 202,941	\$ (19,505)	\$ -
Investment Earnings	-	-	2	(2)	-
<b>TOTAL REVENUES</b>	<u>222,446</u>	<u>222,446</u>	<u>202,943</u>	<u>(19,507)</u>	<u>-</u>
<b>EXPENDITURES</b>					
<i>Debt Service:</i>					
Principal	390,000	390,000	412,963	(22,963)	415,118
Interest and Fiscal Charges	198,775	198,775	201,854	(3,079)	209,908
<b>TOTAL EXPENDITURES</b>	<u>588,775</u>	<u>588,775</u>	<u>614,817</u>	<u>(26,042)</u>	<u>625,026</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(366,329)</u>	<u>(366,329)</u>	<u>(411,874)</u>	<u>(45,545)</u>	<u>(625,026)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	334,375	334,375	392,503	58,128	625,026
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>334,375</u>	<u>334,375</u>	<u>392,503</u>	<u>58,128</u>	<u>625,026</u>
<b>Net Change in Fund Balance</b>	(31,954)	(31,954)	(19,371)	12,583	-
<b>FUND BALANCE - BEGINNING</b>	<u>19,371</u>	<u>19,371</u>	<u>19,371</u>	<u>-</u>	<u>19,371</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ (12,583)</u>	<u>\$ (12,583)</u>	<u>\$ -</u>	<u>\$ 12,583</u>	<u>\$ 19,371</u>

**JOURDANTON**  
★ TEXAS ★

CITY OF JOURDANTON  
COMBINING FINANCIAL STATEMENTS  
NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Municipal Court Technology Fund** – To account for revenues from court fines restricted to improving municipal court technology.

**Property Tax Payment Fund** – To accumulate property tax.

**EMS Facility** – To account for revenues restricted for improving EMS facilities.

**Municipal Court Security** – To account for revenues from court fines restricted to improving municipal court security.

**Police Law Enforcement** – To account for revenues

**Library Special** – To account for revenues received for library improvements and supplies

**Police Forfeiture** – To account for revenues under federal cases that allow confiscation of money and property. All forfeited proceeds are to be spent on law enforcement.

**Sports Complex** – To account for revenues restricted to improve the sports complex

**Section 125** – To account for restricted revenues received for the Section 125 Cafeteria Plan

CITY OF JOURDANTON  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2019

	Special Revenue Funds			
	Municipal Court Technology	Property Tax Payment	EMS Facility	Municipal Court Security
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 6,750	\$ 100	\$ 5,802	\$ 12,635
<b>TOTAL ASSETS</b>	<u>\$ 6,750</u>	<u>\$ 100</u>	<u>\$ 5,802</u>	<u>\$ 12,635</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance:</i>				
Restricted	6,750	100	5,802	12,635
<i>Total Fund Balances</i>	<u>6,750</u>	<u>100</u>	<u>5,802</u>	<u>12,635</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 6,750</u>	<u>\$ 100</u>	<u>\$ 5,802</u>	<u>\$ 12,635</u>

Special Revenue Funds

<u>Police Law Enforcement</u>	<u>Library Special</u>	<u>Police Forfeiture</u>	<u>Sports Complex</u>	<u>Section 125</u>	<u>Total</u>
\$ 5,078	\$ 7,633	\$ 1,625	\$ 8,902	\$ 6,088	<b>\$ 54,613</b>
<u>\$ 5,078</u>	<u>\$ 7,633</u>	<u>\$ 1,625</u>	<u>\$ 8,902</u>	<u>\$ 6,088</u>	<u><b>\$ 54,613</b></u>
\$ -	\$ -	\$ -	\$ -	\$ -	<b>\$ -</b>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,078	7,633	1,625	8,902	6,088	<b>54,613</b>
<u>5,078</u>	<u>7,633</u>	<u>1,625</u>	<u>8,902</u>	<u>6,088</u>	<u><b>54,613</b></u>
<u>\$ 5,078</u>	<u>\$ 7,633</u>	<u>\$ 1,625</u>	<u>\$ 8,902</u>	<u>\$ 6,088</u>	<u><b>\$ 54,613</b></u>

CITY OF JOURDANTON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2019

	Special Revenue Funds			
	Municipal Court Technology	Property Tax Payment	EMS Facility	Municipal Court Security
<b>REVENUES</b>				
Investment Earnings	\$ 633	\$ -	\$ -	\$ 466
Miscellaneous	1,648	-	-	1,243
<b>TOTAL REVENUES</b>	<u>2,281</u>	<u>-</u>	<u>-</u>	<u>1,709</u>
<b>EXPENDITURES</b>				
Current:				
Administration	9,260	-	-	-
Public Safety	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>9,260</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(6,979)</u>	<u>-</u>	<u>-</u>	<u>1,709</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(6,979)	-	-	1,709
<b>Fund Balances, Beginning</b>	<u>13,729</u>	<u>100</u>	<u>5,802</u>	<u>10,926</u>
<b>Fund Balances, Ending</b>	<u>\$ 6,750</u>	<u>\$ 100</u>	<u>\$ 5,802</u>	<u>\$ 12,635</u>

Special Revenue Funds

Police Law Enforcement	Library Special	Police Forfeiture	Sports Complex	Section 125	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ -	<b>\$ 1,099</b>
-	2,928	-	-	24,280	<b>30,099</b>
-	2,928	-	-	24,280	<b>31,198</b>
-	10,433	-	-	18,192	<b>37,885</b>
-	-	1,542	-	-	<b>1,542</b>
-	10,433	1,542	-	18,192	<b>39,427</b>
-	(7,505)	(1,542)	-	6,088	<b>(8,229)</b>
-	8,460	-	-	-	<b>8,460</b>
-	8,460	-	-	-	<b>8,460</b>
-	955	(1,542)	-	6,088	<b>231</b>
5,078	6,678	3,167	8,902	-	<b>54,382</b>
<b>\$ 5,078</b>	<b>\$ 7,633</b>	<b>\$ 1,625</b>	<b>\$ 8,902</b>	<b>\$ 6,088</b>	<b>\$ 54,613</b>

CITY OF JOURDANTON  
 COMPARATIVE STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 WATER FUND  
 SEPTEMBER 30, 2019 AND 2018

	2019	2018*
<b>ASSETS</b>		
<i>Current Assets:</i>		
Cash and Cash Equivalents:		
Unrestricted	\$ -	\$ 30,284
Restricted for Debt Service	154,958	154,725
Restricted for Customer Deposits	86,198	82,122
Restricted Investments	108,216	105,743
Accounts Receivable, Net of Allowance:		
Customer Accounts	142,574	152,756
Inventory	28,765	28,765
Interfund Receivable	-	136,177
<i>Total Current Assets</i>	520,711	690,572
 <i>Noncurrent Assets:</i>		
Capital Assets:		
Land	45,442	45,442
Water/Wastewater System - Plant	7,373,504	7,373,504
Machinery, Equipment, & Vehicles	320,314	295,740
Less: Accumulated Depreciation	(2,990,450)	(2,744,710)
<i>Total Noncurrent Assets</i>	4,748,810	4,969,976
 <b>TOTAL ASSETS</b>	<b>5,269,521</b>	<b>5,660,548</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Pension Related Outflows	52,978	28,265
Deferred OPEB Related Outflows	482	1,276
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 53,460</b>	<b>\$ 29,541</b>

\*Comparative information restated for the results of a prior period adjustment. See Note 10.



CITY OF JOURDANTON  
 COMPARATIVE STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 WATER FUND (CONTINUED)  
 SEPTEMBER 30, 2019 AND 2018

	2019	2018*
<b>LIABILITIES</b>		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 21,084	\$ 1,422
Accrued Expenses	12,588	9,557
Withdraws in Excess of Deposits	108,387	-
Accrued Interest Payable	24,655	15,066
Compensated Absences	7,536	5,686
Current Portion of Long-Term Debt	69,568	58,485
Payable from Restricted Assets:		
Customer Deposits Payable	86,198	82,122
<i>Total Current Liabilities</i>	330,016	172,338
 <i>Noncurrent Liabilities:</i>		
Net Pension Liability	80,813	34,058
OPEB Liability	20,626	25,097
Long-Term Debt	3,109,968	3,151,839
<i>Total Noncurrent Liabilities</i>	3,211,407	3,210,994
<b>TOTAL LIABILITIES</b>	<b>3,541,423</b>	<b>3,383,332</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Pension Related Inflows	21,575	39,364
Deferred OPEB Related Inflows	4,801	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>26,376</b>	<b>39,364</b>
 <b>NET POSITION</b>		
Net Investment in Capital Assets	1,569,274	1,759,652
Restricted - Debt Service	191,777	260,468
Unrestricted, Deficit	(5,869)	247,273
<b>TOTAL NET POSITION</b>	<b>\$ 1,755,182</b>	<b>\$ 2,267,393</b>

\*Comparative information restated for the results of a prior period adjustment. See Note 10.

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CITY OF JOURDANTON  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
 AND CHANGES IN NET POSITION  
 PROPRIETARY FUND  
 WATER FUND  
 SEPTEMBER 30, 2019 AND 2018

	2019	2018*
<b>OPERATING REVENUES</b>		
Metered Water Sales	\$ 907,293	\$ 990,950
Tap and Reconnection Fees	29,392	29,835
Customer Penalties	14,099	19,505
<b>TOTAL OPERATING REVENUES</b>	<b>950,784</b>	1,040,290
<b>OPERATING EXPENSES</b>		
Personnel	517,499	473,486
Supplies	80,030	11,640
Other Services and Charges	335,903	478,104
Depreciation	286,316	285,856
<b>TOTAL OPERATING EXPENSES</b>	<b>1,219,748</b>	1,249,086
<b>OPERATING INCOME (LOSS)</b>	<b>(268,964)</b>	(208,796)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Gain/Loss on Sale	4,695	-
Interest Revenue	232	178
Miscellaneous Revenues	7,650	9,408
Interest Expense	(102,635)	(94,028)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(90,058)</b>	(84,442)
<b>Excess (Deficiency) of Revenues Over (Under) Expenses</b>	<b>(359,022)</b>	(293,238)
<b>TRANSFERS</b>		
Transfers Out	(153,189)	(18,250)
<b>TOTAL TRANSFERS</b>	<b>(153,189)</b>	(18,250)
<b>CHANGE IN NET POSITION</b>	<b>(512,211)</b>	(311,488)
<b>NET POSITION AT BEGINNING OF YEAR - RESTATED</b>	<b>2,267,393</b>	2,578,881
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 1,755,182</b>	\$ 2,267,393

\*Comparative information restated for the results of a prior period adjustment. See Note 10.

CITY OF JOURDANTON  
 COMPARATIVE STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 SEWER FUND  
 SEPTEMBER 30, 2019 AND 2018

	2019	2018*
<b>ASSETS</b>		
<i>Current Assets:</i>		
Cash and Cash Equivalents:		
Unrestricted	\$ 1,238,836	\$ 1,165,291
Restricted for Customer Deposits	37,897	37,897
Accounts Receivable, Net of Allowance:		
Customer Accounts	147,121	137,054
<i>Total Current Assets</i>	1,423,854	1,340,242
 <i>Noncurrent Assets:</i>		
Capital Assets:		
Land	20,982	20,982
Water/Wastewater System - Plant	10,279,681	10,279,681
Machinery, Equipment, & Vehicles	297,022	247,262
Less: Accumulated Depreciation	(3,777,518)	(3,430,400)
<i>Total Noncurrent Assets</i>	6,820,167	7,117,525
 <b>TOTAL ASSETS</b>	<b>8,244,021</b>	<b>8,457,767</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Pension Related Outflows	23,215	12,802
Deferred OPEB Related Outflows	230	578
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 23,445</b>	<b>\$ 13,380</b>

\*Comparative information restated for the results of a prior period adjustment. See Note 10.

CITY OF JOURDANTON  
 COMPARATIVE STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 SEWER FUND (CONTINUED)  
 SEPTEMBER 30, 2019 AND 2018

	2019	2018*
<b>LIABILITIES</b>		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 9,484	\$ 257
Accrued Expenditures	4,244	3,760
Accrued Interest Payable	28,033	19,387
Compensated Absences	5,442	4,542
Current Portion of Long-Term Debt	126,121	105,706
Payable from Restricted Assets:		
Customer Deposits Payable	37,897	37,897
Interfund Payable	-	136,177
<i>Total Current Liabilities</i>	211,221	307,726
 <i>Noncurrent Liabilities:</i>		
Net Pension Liability	41,421	20,933
OPEB Liability	9,408	11,367
Long-Term Debt	4,189,332	4,273,908
<i>Total Noncurrent Liabilities</i>	4,240,161	4,306,208
<b>TOTAL LIABILITIES</b>	<b>4,451,382</b>	<b>4,613,934</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Pension Related Inflows	19,326	17,829
Deferred OPEB Related Inflows	2,104	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>21,430</b>	<b>17,829</b>
 <b>NET POSITION</b>		
Net Investment in Capital Assets	2,504,714	2,737,911
Unrestricted	1,289,940	1,101,473
<b>TOTAL NET POSITION</b>	<b>\$ 3,794,654</b>	<b>\$ 3,839,384</b>

\*Comparative information restated for the results of a prior period adjustment. See Note 10.

**JOURDANTON**  
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CITY OF JOURDANTON  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
 AND CHANGES IN NET POSITION  
 PROPRIETARY FUND  
 SEWER FUND  
 SEPTEMBER 30, 2019 AND 2018

	2019	2018
<b>OPERATING REVENUES</b>		
Sewer Sales Charges	\$ 772,495	\$ 772,550
Tap and Reconnection Fees	4,350	3,400
Customer Penalties	15,499	18,541
<b>TOTAL OPERATING REVENUES</b>	<b>792,344</b>	<b>794,491</b>
<b>OPERATING EXPENSES</b>		
Personnel	226,968	185,165
Supplies	62,046	10,302
Other Services and Charges	199,641	221,130
Depreciation	347,119	381,080
<b>TOTAL OPERATING EXPENSES</b>	<b>835,774</b>	<b>797,677</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(43,430)</b>	<b>(3,186)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Miscellaneous Revenues	1,928	
Interest Expense	(156,417)	(150,906)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(154,489)</b>	<b>(150,906)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenses</b>	<b>(197,919)</b>	<b>(154,092)</b>
<b>TRANSFERS</b>		
Transfers In	153,189	18,250
<b>TOTAL TRANSFERS</b>	<b>153,189</b>	<b>18,250</b>
<b>CHANGE IN NET POSITION</b>	<b>(44,730)</b>	<b>(135,842)</b>
<b>NET POSITION AT BEGINNING OF YEAR - RESTATED*</b>	<b>3,839,384</b>	<b>3,975,226</b>
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 3,794,654</b>	<b>\$ 3,839,384</b>

\*Comparative information restated for the results of a prior period adjustment. See Note 10.

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