

JACKSON COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2012

Jackson County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2012

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners' Court
Jackson County, Texas

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 Jackson County, Texas, as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jackson County, Texas' management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

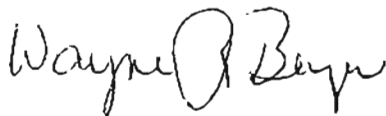
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2013, on our consideration of Jackson County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedule of funding progress for the Public Employees Retirement System, and budgetary comparison information on pages 3 through 11, 51, and 69 through 91, respectively, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jackson County, Texas' financial statements as a whole. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

A handwritten signature in cursive script that reads "Wayne O. Beyer".

BEYER & COMPANY
Certified Public Accountants
Pleasanton, Texas
April 18, 2013

Management's Discussion and Analysis

As management of Jackson County, Texas, we offer readers of Jackson County, Texas' financial statements this narrative overview and analysis of the financial activities of Jackson County, Texas for the fiscal year ended September 30, 2012.

Financial Highlights

- . The assets of Jackson County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$16,333,130 (net assets). Of this amount, \$7,796,908 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total net assets decreased by \$336,924. This increase is attributable to an increase in capital grants and sales taxes of \$449,300 and \$371,408, respectively, being offset by a dedication of assets to the Jackson County Water Control District No. 2.
- . As of the close of the current fiscal year, Jackson County, Texas' governmental funds reported combined ending fund balances of \$8,207,422, an increase of \$509,978 in comparison with the prior year. Approximately 85% of this total amount, \$7,013,351 is available for spending at the government's discretion (unassigned fund balance).
- . At the end of the current fiscal year, the unassigned fund balance for the general fund was \$7,013,351, or 112 percent of total general fund expenditures, the fund balance for the road and bridge fund was \$372,845, or 18 percent of total road and bridge fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Jackson County, Texas' basic financial statements. Jackson County, Texas' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of Jackson County, Texas' finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Jackson County, Texas' assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Jackson County, Texas is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements distinguish functions of Jackson County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Jackson County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation. The business-type activities of Jackson County, Texas include an airport fund, and a commissary fund.

The government-wide financial statements include only Jackson County, Texas itself (known as the primary government).

The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Jackson County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

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

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

Jackson County, Texas maintains twenty nine (29) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road and bridge funds, the district Clerk reserve fund, and the Community Development Grant fund, all of which are considered to be major funds. Data from the other twenty four (24) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Jackson County, Texas adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund, road and bridge fund, and all the other special revenue funds for which budgets were adopted.

The basic governmental fund financial statements can be found on pages 14-20 of this report. The basic proprietary fund financial statements can be found on pages 21-24 of this report.

Jackson County, Texas also has four agency funds and one trust fund presented in this report. Such funds are not included in the county wide statement but are shown separately on pages 25-26.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-50 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Jackson County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 51 and 52 of this report.

The combining statements referred to earlier in connection with the general fund, the major road and bridge funds, the non-major governmental funds, and the non-major proprietary funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 52-68 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 69-91 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Jackson County, Texas, assets exceeded liabilities by \$16,333,130 at the close of the most recent fiscal year.

A large portion of Jackson County, Texas' net assets (46 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that are still outstanding. Jackson County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Jackson County, Texas' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

JACKSON COUNTY, TEXAS

NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$9,848,126	\$9,073,811	\$65,016	\$27,126	\$9,913,142	\$9,100,937
Capital Assets	7,021,831	7,869,657	558,677	573,765	7,580,508	8,443,422
Total Assets	16,869,957	16,943,468	623,693	600,891	17,493,650	17,544,359
Long-Term Liabilities	513,893	555,375	0	0	513,893	555,375
Other Liabilities	636,397	310,601	10,230	8,329	646,627	318,930
Total Liabilities	1,150,290	865,976	10,230	8,329	1,160,520	874,305
Net Assets						
Invested in Capital Assets, Net of Related Debt	6,958,374	7,776,605	558,677	573,765	7,517,051	8,350,370
Restricted	1,019,171	951,824	0	0	1,019,171	951,824
Unrestricted	7,742,122	7,349,063	54,786	18,797	7,796,908	7,367,860
Total Net Assets	\$15,719,667	\$16,077,492	\$613,463	\$592,562	\$16,333,130	\$16,670,054

An additional portion of Jackson County, Texas' net assets (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$7,796,908) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, Jackson County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Jackson County, Texas reported positive balances in net assets, both for the government as a whole, as well as for its separate governmental activities. At the end of the current fiscal year, Jackson County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Jackson County, Texas reported positive balances in all three categories of net assets for its governmental activities.

The government's total net assets decreased by \$336,924. This decrease is attributable to an increase in capital grants and sales taxes of \$449,300 and \$371,408, respectively, being offset by a dedication of assets to the Jackson County Water Control District No. 2.

There was an increase of \$67,347 in restricted net assets reported in connection with Jackson County, Texas' government-type activities. This increase resulted from monies being set aside for future projects and functions of the County.

Governmental activities:

Governmental activities decreased Jackson County, Texas' net assets by \$357,825, thereby accounting for 00 percent of the total growth in the net assets of Jackson County, Texas. The discussion above regarding the governments 2011-2012 activities is valid for the governmental activities because the activity for the business-type activities is immaterial.

**JACKSON COUNTY, TEXAS
CHANGE IN NET ASSETS**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues						
Charges for Services	\$1,779,070	\$1,942,613	\$22,271	\$49,662	\$1,801,341	\$1,992,275
Operating Grants and Contributions	681,806	746,203	0	0	681,806	746,203
Capital Grants and Contributions	1,240,857	748,038	33,334	76,853	1,274,191	824,891
General Revenues						
Maintenance and Operations Taxes	5,478,821	5,404,641			5,478,821	5,404,641
Sales Tax	1,110,996	739,588			1,110,996	739,588
Other Taxes	49,490	20,428			49,490	20,428
Unrestricted Investment Earnings	93,124	87,818	307	58	93,431	87,876
Miscellaneous	224,724	266,598			224,724	266,598
Total Revenue	10,658,888	9,955,927	55,912	126,573	10,714,800	10,082,500
Expenses:						
General Administration	1,128,318	1,144,871	0	0	1,128,318	1,144,871
Judicial	1,028,206	915,575			1,028,206	915,575
Legal	21,324	23,559			21,324	23,559
Financial Administration	674,208	661,919			674,208	661,919
Public Facilities	2,476,203	515,890			2,476,203	515,890
Public Safety	2,834,472	2,821,758	8,980	8,589	2,843,452	2,830,347
Public Transportation	2,212,895	1,966,579			2,212,895	1,966,579
Environmental Protections	251,711	248,994			251,711	248,994
Culture and Recreation	199,612	180,944	60,758	91,463	260,370	272,407
Health and Welfare	78,383	239,479			78,383	239,479
Conservation - Agriculture	72,249	83,039			72,249	83,039
Interest and Fiscal Charges	4,405	5,742			4,405	5,742
Total Expenses	10,981,986	8,808,349	69,738	100,052	11,051,724	8,908,401
Increase in Net Assets Before Transfers and Special Items	(323,098)	1,147,578	(13,826)	26,521	(336,924)	1,174,099
Transfers	(34,727)		34,727		0	0
Increase in Net Assets	(357,825)	1,147,578	20,901	26,521	(336,924)	1,174,099
Net Assets at 9/30/2011	16,077,492	14,929,914	592,562	566,041	16,670,054	15,495,955
Net Assets at 9/30/2012	\$15,719,667	\$16,077,492	\$613,463	\$592,562	\$16,333,130	\$16,670,054

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$1,128,318	\$357,436	\$40,016	\$0
Judicial	1,028,206	411,924	10,392	
Legal	21,324	8,050		
Financial Administration	674,208	194,434		
Public Facilities	2,476,203			1,240,857
Public Safety	2,834,472	99,804	292,576	
Public Transportation	2,212,895	552,370	21,204	
Environmental Protections	251,711	149,104	2,280	
Culture and Recreation	199,612	3,824	304,823	
Health and Welfare	78,383	2,124	10,515	
Conservation - Agriculture	72,249			
Interest and Fiscal Charges	4,405			
Total Government Activities	\$10,981,986	\$1,779,070	\$681,806	\$1,240,857

Revenues by Source - Governmental Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$1,779,070	16.69%
Operating Grants and Contributions	681,806	6.40%
Capital Grants and Contributions	1,240,857	11.64%
Maintenance and Operations Taxes	5,478,821	51.40%
Sales Tax	1,110,996	10.42%
Other Taxes	49,490	0.46%
Unrestricted Investment Earnings	93,124	0.87%
Miscellaneous	224,724	2.11%
	\$10,658,888	100.00%

Business-Type Activities:

Business-type activities (commissary and airport fund) in Jackson County represented 100 percent of the total growth in the net assets of Jackson County, Texas. A discussion regarding these is below.

Expenses and Program Revenues - Business Activities

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government Business-Type Activities:				
Jail Commissary	\$8,980	\$10,897	\$0	\$0
Airport	60,758	11,374		33,334
Total Business-Type Activities:	<u>\$69,738</u>	<u>\$22,271</u>	<u>\$0</u>	<u>\$33,334</u>

Revenues by Source - Business-Type Activities

	REVENUES	%
Unrestricted Investment Earnings	\$307	100.00%
	<u>\$307</u>	<u>100.00%</u>

Business-type activities:

Business-type activities increased the County's net assets by \$20,901.

- . Demand for services for business-type activities decreased by \$27,391.
- . Transfers in increased by \$34,727.
- . Total grant proceeds decreased by \$43,519.
- . Total expenses decreased by \$30,314.

Financial Analysis of the Government's Funds

As noted earlier, Jackson County, Texas uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

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

As of the end of the current fiscal year, Jackson County, Texas' governmental funds reported combined ending fund balances of \$8,207,422, an increase of \$509,978 in comparison with the prior year. Approximately 85 percent of this total amount (\$7,013,351) constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of Jackson County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,013,351, while total fund balance reached \$7,355,631. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 112 percent of total general fund expenditures, while total fund balance represents 118 percent of that same amount.

The fund balance of Jackson County, Texas' general fund increased by \$542,852 during the current fiscal year. Key factors in this increase are as follows: This increase is attributable to an increase in capital grants and sales taxes of \$449,300 and \$371,408, respectively.

The road and bridge fund had a fund balance of \$372,845. As a measure of the road and bridge fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total fund balance represents 18 percent of that same amount. The fund balance of the road and bridge fund increased by \$24,283 during the current year. Key factors in this increase are as follows: Decrease in transportation expenditures.

The district clerk reserve fund had no fund balance. It is not useful to compare both unassigned fund balance and total fund balance to total fund expenditures because there were no expenditures in the 2011-2012 year. The district clerk reserve fund had only assets and liabilities.

The community development grant fund had no fund balance. It is not useful to compare both unassigned fund balance and total fund balance to total fund expenditures because this fund is a grant fund thus it is set up merely to administer grants.

Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund were an increase of \$103,628. This increase was applied ratably except for the sheriff department which increased by \$35,139. The difference between the original budget and the final amended budget for the road and bridge fund was an increase of \$12,300. This increase is immaterial. The total general fund expenditures of \$6,211,075 were less than the budgeted expenditures of \$7,367,680 by \$1,156,605. The total road and bridge expenditures of \$1,942,741 were less than the budgeted expenditures of \$2,364,499 by \$421,758.

Capital Asset and Debt Administration

Capital assets:

Jackson County, Texas' investment in capital assets for its governmental activities and business-type activities as of September 30, 2012, amounts to \$7,580,408 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total decrease in Jackson County, Texas' investment in capital assets for the current fiscal year was 10.22 percent (10.77 percent decrease for governmental activities and 2.65 percent decrease for business-type activities). The County had a disaster mitigation project during the year ended September 30, 2012.

JACKSON COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$429,877	\$429,877	\$70,254	\$70,254	\$500,131	\$500,131
Construction in Progress	269,660	774,268	117,581	87,546	387,241	861,814
Building and Improvements	2,434,718	2,557,731	132,816	147,532	2,567,534	2,705,263
Machinery and Equipment	2,052,802	2,165,969	61,698	60,163	2,114,500	2,226,132
Infrastructure	1,834,774	1,941,812	176,228	208,270	2,011,002	2,150,082
Total	<u>\$7,021,831</u>	<u>\$7,869,657</u>	<u>\$558,577</u>	<u>\$573,765</u>	<u>\$7,580,408</u>	<u>\$8,443,422</u>

Additional information on Jackson County, Texas' capital assets can be found in note IV C on page 40 and 41 of this report.

Long-term debt:

At the end of the current fiscal year, Jackson County, Texas had no bonded debt.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's business office, at Jackson County, Texas, 115 W. Main, Room 209B, Edna, Texas 77957.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
 STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2012

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$8,435,242	\$50,781	\$8,486,023
Receivables (net of allowance for uncollectibles)	1,343,045	12,734	1,355,779
Prepaid Expenses	89,839	1,501	71,340
Capital assets not being depreciated:			
Land	429,877	70,254	500,131
Construction in Progress	269,660	117,581	387,241
Total Capital assets being depreciated, net			
Building and Improvements	2,434,718	132,916	2,567,634
Machinery and Equipment	2,052,802	61,698	2,114,500
Infrastructure	1,834,774	176,228	2,011,002
Total Assets	\$16,869,957	\$623,693	\$17,493,650
LIABILITIES:			
Accounts Payable	\$346,545	\$10,230	\$356,775
Due to Others	130,237		130,237
Accrued Wages Payables	158,790		158,790
Deferred Revenues	825		825
Noncurrent Liabilities:			
Due within one year	151,705		151,705
Due in more than one year	362,188		362,188
Total Liabilities	1,150,290	10,230	1,160,520
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	6,958,374	558,677	7,517,051
Restricted			
General Administration	89,437		89,437
Culture and Recreation	9,398		9,398
Judicial	86,522		86,522
Legal	17,535		17,535
Permanent Improvement	285,341		285,341
Public Safety	169,945		169,945
Public Transportation	360,993		360,993
Unrestricted	7,742,122	54,786	7,796,908
Total Net Assets	\$15,719,667	\$613,463	\$16,333,130

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 STATEMENT OF ACTIVITIES
 YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Expenses	Program Revenues		Governmental Activities	Net (Expense) Revenue and Changes in Net Assets	Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions				
Primary government							
Government Activities:							
General Administration	\$1,128,318	\$357,436	\$40,016	\$0	(\$730,866)		(\$730,866)
Judicial	1,028,206	411,924	10,392		(605,890)		(605,890)
Legal	21,324	8,050			(13,274)		(13,274)
Financial Administration	674,208	194,434			(479,774)		(479,774)
Public Facilities	2,476,203			1,240,857	(1,235,346)		(1,235,346)
Public Safety	2,834,472	99,804	292,576		(2,442,092)		(2,442,092)
Public Transportation	2,212,895	552,370	21,204		(1,639,321)		(1,639,321)
Environmental Protection	251,711	149,104	2,280		(100,327)		(100,327)
Culture and Recreation	199,612	3,824	304,823		109,035		109,035
Health and Welfare	78,383	2,124	10,515		(65,744)		(65,744)
Conservation - Agriculture	72,249				(72,249)		(72,249)
Interest and Fiscal Charges	4,405				(4,405)		(4,405)
Total Government Activities	10,981,986	1,779,070	681,806	1,240,857	(7,280,253)	0	(7,280,253)
Business-Type Activities:							
Jail Commissary	8,980	10,897				1,917	1,917
Airport	60,758	11,374		33,334		(16,050)	(16,050)
Total Business-Type Activities:	69,738	22,271	0	33,334	0	(14,133)	(14,133)
Total Primary Government	\$11,051,724	\$1,801,341	\$681,806	\$1,274,191	(7,280,253)	(14,133)	(7,294,386)
General Revenues							
Property Taxes, Levies for General Purposes					5,478,821		5,478,821
Sales Taxes					1,110,996		1,110,996
Other Taxes					49,490		49,490
Unrestricted Investment Earnings					93,124	307	93,431
Miscellaneous					224,724		224,724
Transfers					(34,727)	34,727	0
Total General Revenues					6,922,428	35,034	6,957,462
Change in Net Assets					(357,825)	20,901	(336,924)
Net Assets - Beginning					16,077,492	592,562	16,670,054
Net Assets - Ending					\$15,719,667	\$613,463	\$16,333,130

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	General Fund	Road and Bridge	District Clerk Reserve	Community Development Grant	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$7,334,928	\$488,903	\$123,824	\$0	\$487,587	\$8,435,242
Receivables (net of allowance for uncollectibles)	593,183	2,959		111,530	49,806	757,478
Prepaid Insurance	56,939	11,852			1,048	69,839
Total Assets	\$7,985,050	\$503,714	\$123,824	\$111,530	\$538,441	\$9,262,559
LIABILITIES AND FUND BALANCES:						
Liabilities						
Accounts Payable	\$82,099	\$103,909		\$111,530	\$49,007	\$346,545
Due to Others			123,824		6,413	130,237
Accrued Wages Payable	127,755	26,960			4,075	158,790
Deferred Revenues	419,565					419,565
Total Liabilities	629,419	130,869	123,824	111,530	59,495	1,055,137
Fund Balances:						
Non-Spendable						
Prepaid Items	56,939	11,852			1,048	69,839
Restricted						
General Administration					89,437	89,437
Culture and Recreation					9,398	9,398
Judicial					86,522	86,522
Legal					17,535	17,535
Permanent Improvement	285,341					285,341
Public Safety					169,945	169,945
Public Transportation		360,993				360,993
Committed						
Culture and Recreation					52,568	52,568
Health and Welfare					12,006	12,006
Public Safety					40,487	40,487
Unassigned	7,013,351					7,013,351
Total Fund Balance	7,355,631	372,845	0	0	478,946	8,207,422
Total Liabilities and Fund Balances	\$7,985,050	\$503,714	\$123,824	\$111,530	\$538,441	\$9,262,559

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2012

Total Fund Balances - governmental funds balance sheet	\$8,207,422
Amounts reported for governmental activities in the statement of net assets ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	7,021,831
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	585,567
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	418,740
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(513,893)
Net assets of governmental activities - statement of net assets	<u>\$15,719,667</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2012

	General Fund	Road and Bridge	District Clerk Reserve	Community Development Grant	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$5,469,466					\$5,469,466
Sales	1,110,996					1,110,996
Other	49,490					49,490
Intergovernmental	291,953	21,204		1,240,857	397,976	1,951,990
Licenses and Permits		552,370				552,370
Charges for Services	621,350				147,610	768,960
Fines and Forfeitures	499,227					499,227
Interest	83,276	7,793			2,055	93,124
Miscellaneous	90,587	75,119			59,018	224,724
Total Revenues	8,216,345	656,486	0	1,240,857	606,659	10,720,347
EXPENDITURES						
Current:						
General Administration	1,091,694				94,668	1,186,362
Judicial	971,515				31,395	1,002,910
Legal					29,437	29,437
Financial Administration	658,826					658,826
Public Facilities	420,474					420,474
Public Safety	2,544,088				252,425	2,796,513
Public Transportation		1,991,381				1,991,381
Environmental Protection	237,190					237,190
Culture and Recreation	191,321				272,995	464,316
Health and Welfare	56,000				24,002	80,002
Conservation - Agriculture	71,347					71,347
Capital Outlay						
Capital Outlay				1,202,884		1,202,884
Debt Service						
Principal Retirement		29,595				29,595
Interest Retirement		4,405				4,405
Total Expenditures	6,242,455	2,025,381	0	1,202,884	704,922	10,175,642
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,973,890	(1,368,895)	0	37,973	(98,263)	544,705
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	2,479,698	1,950,899			17,150	4,447,747
Operating Transfers Out	(3,910,736)	(557,721)			(14,017)	(4,482,474)
Total Other Financing Sources (Uses)	(1,431,038)	1,393,178	0	0	3,133	(34,727)
Net Changes in Fund Balances	542,852	24,283	0	37,973	(95,130)	509,978
Fund Balances - Beginning	6,812,779	348,562	0	(37,973)	574,076	7,697,444
Fund Balances - Ending	\$7,355,631	\$372,845	\$0	\$0	\$478,946	\$8,207,422

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 SEPTEMBER 30, 2012

Net Changes in Fund Balances - total governmental funds \$509,978

Amounts reported for governmental activities in the statement of net assets
 ("SNA") 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. This is the amount by which capital outlays exceeded depreciation in the current period.	(847,826)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	(70,814)
(Increase) decrease in Compensated absences from beginning of period to end of period.	11,887
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	9,355
Increase in debt due to the implementation of GASB 45 - Other Post Employment Benefits.	0
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	29,595
Change in net assets of governmental activities - statement of activities	<u><u>(\$357,825)</u></u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$5,460,369	\$5,460,369	\$5,478,379	\$18,010
Sales	555,000	555,000	1,044,201	489,201
Other	24,780	25,740	45,989	20,249
Intergovernmental	590,183	686,523	383,944	(302,579)
Charges for Services	507,200	507,200	616,249	109,049
Fines and Forfeitures	466,500	466,500	499,227	32,727
Interest	63,825	63,825	83,321	19,496
Miscellaneous	34,560	37,960	92,844	54,884
Total Revenues	7,702,417	7,803,117	8,244,154	441,037
EXPENDITURES				
Current:				
General Administration				
Commissioner's Court	282,547	282,547	280,826	1,721
County Clerk	327,194	327,194	286,538	40,656
County Judge	145,282	145,282	144,244	1,038
Elections	14,983	15,512	15,398	114
Non-Departmental	513,114	444,674	351,699	92,975
Judicial				
Court Expense	149,653	149,653	125,084	24,569
Criminal District Attorney	352,940	361,672	345,883	15,789
District Clerk	185,006	185,006	174,508	10,498
District Court	57,132	69,132	64,429	4,703
Jury	25,625	25,625	21,968	3,657
Justice of the Peace No. 1	141,971	141,971	139,089	2,882
Justice of the Peace No. 2	137,196	137,196	127,267	9,929
Financial Administration				
County Auditor	228,595	228,595	227,664	931
County Treasurer	128,125	128,125	123,963	4,162
Tax Assessor-Collector	322,235	323,520	299,908	23,612
Public Facilities				
Public Facilities	686,292	717,858	416,514	301,344

(continued)

(continued)

Public Safety				
Adult Probation	3,100	3,100	2,269	831
Ambulance	40,000	40,000	40,000	0
Civil Defense	64,768	86,700	86,229	471
Constable No. 1	65,975	66,375	65,037	1,338
Constable No. 2	65,429	65,429	63,126	2,303
Corrections	1,026,411	1,028,940	1,004,579	24,361
D.P.S./License and Weight	37,085	37,085	1,311	35,774
D.P.S./Troopers	4,355	4,355	2,885	1,470
EMS/Jaws of Life	21,760	34,973	23,764	11,209
Fire	36,500	36,500	34,250	2,250
Flood Plain Permit	3,000	3,475	3,475	0
J.T.P.A.	0	0	0	0
L.N.R.A.	54,634	54,634	54,388	236
Marine Rescue	0	0	0	0
Sheriff	1,568,479	1,603,618	1,113,035	490,583
T.J.P.C.	21,830	21,830	17,766	4,064
Environmental Protection				
Sanitation	256,778	256,778	236,701	20,077
Culture and Recreation				
County Library	155,578	197,846	189,050	8,796
Fairgrounds				0
Parks	1,875	1,875	1,536	339
Health and Welfare				
Gulf Bend Mental Health	14,000	16,000	16,000	0
Senior Citizens Center	40,000	40,000	40,000	0
Conservation - Agriculture				
Agriculture Extension Service	82,605	82,605	68,682	13,923
U.S. Soil Conservation	2,000	2,000	2,000	0
Total Expenditures	<u>7,264,052</u>	<u>7,367,680</u>	<u>6,211,075</u>	<u>1,156,605</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>438,365</u>	<u>435,437</u>	<u>2,033,079</u>	<u>1,597,642</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	716,247	719,176	719,176	0
Operating Transfers Out	<u>(2,161,302)</u>	<u>(2,161,302)</u>	<u>(2,161,302)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,445,055)</u>	<u>(1,442,126)</u>	<u>(1,442,126)</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$1,006,690)</u>	<u>(\$1,006,689)</u>	<u>590,953</u>	<u>\$1,597,642</u>
Reconciliation from cash basis to modified accrual basis:				
Residual Equity Transfer			11,088	
Changes in Officers Fees and Sales Tax Receivable			(27,849)	
Changes in Prepaid Insurance			1,292	
Changes in Accounts Payable			11,192	
Changes in Accrued Wages Payable			(43,824)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>542,852</u>	
Fund Balances - Beginning			<u>6,812,779</u>	
Fund Balances - Ending			<u>\$7,355,631</u>	

The notes to the financial statements are an integral part of this statement.

JACKSON COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$45,170	\$45,170	\$21,204	(\$23,966)
Licenses and Permits	525,201	525,201	552,457	27,256
Interest	7,050	7,050	7,793	743
Miscellaneous	19,067	31,367	77,647	46,280
Total Revenues	596,488	608,788	658,101	50,313
EXPENDITURES				
Current				
Public Transportation	2,318,199	2,330,499	1,908,741	421,758
Debt Service				
Principal Retirement	27,575	27,575	29,595	(2,020)
Interest Retirement	6,425	6,425	4,405	2,020
Total Expenditures	2,352,198	2,364,499	1,942,741	421,758
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,755,711)	(1,755,711)	(1,283,640)	472,071
OTHER FINANCING SOURCES (USES):				
Sale of Capital Assets				0
Operating Transfers In	1,900,889	1,900,889	1,950,899	50,010
Operating Transfers Out	(507,721)	(507,721)	(557,721)	(50,000)
Total Other Financing Sources (Uses)	1,393,168	1,393,168	1,393,178	10
Net Changes in Fund Balances	(\$362,543)	(\$362,543)	109,538	\$472,081
Reconciliation from cash basis to modified accrual				
Changes in Officers Fees and Sales Tax Receivable			(2,610)	
Changes in Prepaid Insurance			(4,936)	
Changes in Accounts Payable			(67,077)	
Changes in Accrued Wages Payable			(10,632)	
Net Changes in Fund Balances-Modified Accrual Basis			24,283	
Fund Balances - Beginning			<u>348,562</u>	
Fund Balances - Ending			<u>\$372,845</u>	

The notes to the financial statements are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Airport Fund Current Year	Airport Fund Prior Year	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$48,076	\$16,808	\$2,705	\$966	\$50,781
Receivables (net of allowance for uncollectibles)	12,734	7,893			12,734
Prepaid Insurance	1,501	1,459	0	0	1,501
Total Current Assets	62,311	26,160	2,705	966	65,016
Noncurrent Assets					
Capital Assets					
Land	70,254	70,254			70,254
Construction in Progress	117,581	87,546			117,581
Buildings and Improvements	345,036	345,036			345,036
Machinery and Equipment	85,607	79,732			85,607
Infrastructure	479,083	479,083			479,083
Total Capital Assets	1,097,561	1,061,651	0	0	1,097,561
Less Accumulated Depreciation	(538,884)	(487,886)			(538,884)
Total Capital Assets (net of accumulated depreciation)	558,677	573,765	0	0	558,677
Total Noncurrent Assets	558,677	573,765	0	0	558,677
TOTAL ASSETS	\$620,988	\$599,925	\$2,705	\$966	\$623,693
LIABILITIES, FUND EQUITY AND OTHER CREDITS					
Liabilities					
Current Liabilities(Payable from Current Assets)					
Accounts Payable	\$10,047	\$7,968	\$183	\$361	\$10,230
Accrued Wages Payable					0
Compensated Absences					0
Total Current Liabilities	10,047	7,968	183	361	10,230
TOTAL LIABILITIES	10,047	7,968	183	361	10,230
Invested in Capital Assets, Net of Related Debt	558,677	573,765			558,677
Unrestricted	52,264	18,192	2,522	605	54,786
TOTAL NET ASSETS	\$610,941	\$591,957	\$2,522	\$605	\$613,463

The notes to the financial statements are an integral part of this statement

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Airport Fund Current Year	Airport Fund Prior Year	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
OPERATING REVENUES:					
Charges for Services	\$11,374	\$43,035	\$10,897	\$6,627	\$22,271
TOTAL OPERATING REVENUES	11,374	43,035	10,897	6,627	22,271
OPERATING EXPENSES					
Personal Services	0	0			0
Supplies	220	25,249	7,595	6,675	7,815
Other Services and Charges	9,540	11,639	1,385	1,914	10,925
Depreciation	50,998	54,575			50,998
TOTAL OPERATING EXPENSES	60,758	91,463	8,980	8,589	69,738
OPERATING INCOME (LOSS)	(49,384)	(48,428)	1,917	(1,962)	(47,467)
NON-OPERATING REVENUES (EXPENSES):					
Interest Income	307	53		5	307
Federal Grant	33,334	76,853			33,334
TOTAL NON-OPERATING REVENUES (EXPENSES)	33,641	76,906	0	5	33,641
Income Before Transfers	(15,743)	28,478	1,917	(1,957)	(13,826)
Transfers In	34,727	0	0	0	34,727
Change in Net Assels	18,984	28,478	1,917	(1,957)	20,901
Total Net Assets - Beginning	591,957	563,479	605	2,562	592,562
Total Net Assets - Ending	\$610,941	\$591,957	\$2,522	\$605	\$613,463

The notes to the financial statements are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Airport Fund Current Year	Airport Fund Prior Year	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
Cash flows from Operating Activities					
Receipts from Customers and Users	\$6,533	\$35,142	\$10,897	\$6,627	\$17,430
Payments to Suppliers	(7,723)	(29,148)	(9,158)	(8,483)	(16,881)
Payments to Employees	0	(4,500)	0	0	0
Net Cash Provided(Used) By Operating Activities:	(1,190)	1,494	1,739	(1,856)	549
Cash Flows from Non-Capital and Related Financing Activities					
Transfers In	34,727	0	0	0	34,727
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	34,727	0	0	0	34,727
Cash Flows from Capital and Related Financing Activities					
State Grant	33,334	76,853	0	0	33,334
Net Cash Provided(Used) By Capital and Related Financing Activities	33,334	76,853	0	0	33,334
Cash Flows from Capital and Related Financing Activities					
Purchases of Capital Assets	(35,910)	(88,236)	0	0	(35,910)
Net Cash Provided (Used) By Capital and Related Financing Activities	(35,910)	(88,236)	0	0	(35,910)
Cash Flows from Investing Activities					
Interest Received	307	53	0	5	307
Net Cash Provided(Used) By Investing Activities	307	53	0	5	307
Net Increase (Decrease) in Cash Equivalents	31,268	(9,836)	1,739	(1,851)	33,007
Cash and Cash Equivalents at Beginning of Year	16,808	26,644	966	2,817	17,774
Cash and Cash Equivalents at End of Year (continued)	\$48,076	\$16,808	\$2,705	\$966	\$50,781

(continued)

Reconciliation of Operating Income to Net Cash
Provided(Used) By Operating Activities

Operating Income (Loss)	(\$49,384)	(\$48,428)	\$1,917	(\$1,962)	(\$47,467)
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Adjustments to Reconcile to Net Cash Flow

Non-Cash Items Included in Net Income

Depreciation	50,998	54,575	0	0	50,998
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Changes in Current Items

Decrease(Increase) in Accounts Receivable	(4,841)	(7,893)	0	0	(4,841)
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Decrease(Increase) in Prepaid Insurance	(42)	70	0	0	(42)
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Increase(Decrease) in Accounts Payable	2,079	7,670	(178)	106	1,901
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Increase(Decrease) in Accrued Wages Payable	0	(2,235)	0	0	0
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Increase(Decrease) in Compensated Absences Payable	0	(2,265)	0	0	0
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Net Cash Provided(Used) by Operating	(\$1,190)	\$1,494	\$1,739	(\$1,856)	\$549
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Activities

Noncash Investing, Capital and Financing Activities:

Borrowing from Capital Debt	\$0	\$0	\$0	\$0	\$0
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Note: The above funds are all Enterprise Funds

The notes to the financial statements are an integral part of this statement.

JACKSON COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Agency Funds	Trust Fund <u>Brackenridge</u> School Fund
ASSETS		
Cash and Cash Equivalents	\$1,327,610	\$50,000
Receivables (net of allowance for uncollectibles)	2,025	
Total Assets	<u>\$1,329,635</u>	<u>\$50,000</u>
LIABILITIES		
Accounts Payable	0	0
Due to Others	1,329,635	0
Total Liabilities	<u>1,329,635</u>	<u>0</u>
NET ASSETS		
Held in Trust-Unexpendable	0	50,000
Held in Trust-Educational Purposes	0	0
Total Net Assets	<u>\$0</u>	<u>\$50,000</u>

The notes to the financial statements are an integral part of this statement.

JACKSON COUNTY, TEXAS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Trust Fund
	<u>Brackenridge School Fund</u>
ADDITIONS	
Contributions:	
Private Donations	\$0
Total Contributions	<u>0</u>
Investment Earnings:	
Interest Received	0
Total Investment Earnings	<u>0</u>
Less Investment Expense	0
Net Investment Earnings	<u>0</u>
TOTAL ADDITIONS	<u>0</u>
DEDUCTIONS	
Culture and Recreation-Libraries	0
Total Deductions	<u>0</u>
Change in Net Assets	0
Net Assets-Beginning	50,000
Net Assets-Ending	<u><u>\$50,000</u></u>

The notes to the financial statements are an integral part of this statement.

JACKSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

I. Summary of Significant Accounting Policies

A. Reporting entity

Jackson County operates under a County Judge – Commissioners’ Court type of government and provides the following services throughout the County: public safety (fire, ambulance, and law enforcement), environmental protections (sanitation), public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment 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 among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The road and bridge fund accounts for the activities of the government's road and bridge operations.

The district clerk reserve fund accounts for monies held by the district clerk.

The community development grant fund accounts for monies used for capital grants.

The airport fund accounts for airport activities.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as 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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

D. Assets, Liabilities, and Net Assets or Equity (continued)

2. Receivables and Payables (continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 1 percent of the current outstanding property taxes at September 30, 2012 and 10 percent of the delinquent outstanding property taxes at September 30, 2012.

Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

3. Inventories and Prepaid Items

Inventories of materials and supplies held by the General Fund are considered immaterial and thus are not accounted for in the Balance Sheet. In the General Fund, disbursements for supplies and materials are considered to be expenditures at the time of purchase. There were no inventory items at September 30, 2012. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Restricted Assets

There were no restricted assets at September 30, 2012.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure items such as roads, highways, and bridges are not included.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The County had a disaster mitigation project during the year ended September 30, 2012.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<i>Assets</i>	<i>Years</i>
Buildings	40
Building Improvements	20
System Infrastructure	15-35
Vehicles	5
Office Equipment	5
Computer Equipment	5

6. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in government-wide financial statements.

7. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

8. Fund Balances – Governmental Funds

As of September 30, 2012, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — amounts that can be used only for specific purposes determined by a formal action of Commissioners’ Court. Commissioners’ Court is the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Commissioners’ Court.

Unassigned — all other spendable amounts.

As of September 30, 2012, fund balances are composed of the following:

Fund Balances:	
Non-Spendable	
Prepaid Items	\$69,839
Restricted	
General Administration	89,437
Culture and Recreation	9,398
Judicial	86,522
Legal	17,535
Permanent Improvement	285,341
Public Safety	169,945
Public Transportation	360,993
Committed	
Culture and Recreation	52,568
Health and Welfare	12,006
Public Safety	40,487
Unassigned	7,013,351
Total Fund Balance	<u>\$8,207,422</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Commissioners' Court or the finance committee has provided otherwise in its commitment or assignment actions.

In fiscal year 2011, the Commissioners' Court adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year end to be at least equal to 25 percent of the subsequent year's budgeted General Fund expenditures.

9. Comparative data/reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$513,893 difference are as follows:

Capital Lease Payable	\$63,457
Other Post Employment Benefits	329,727
Compensated Absences	120,709
	<u>\$513,893</u>

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets. (continued)

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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. The details of this \$7,021,831 difference are as follows:

Capital Assets Not Being Depreciated	\$699,537
Capital Assets Being Depreciated	15,863,170
Depreciation Expense	(9,540,876)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$7,021,831</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectible.)" The details of this \$418,740 difference are as follows:

Property Taxes Receivable	\$455,706
Allowance for Doubtful Accounts	<u>(36,966)</u>
Net	<u>\$418,740</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$585,567 difference are as follows:

Fines and Fees Receivable	\$844,354
Grants Receivable	13,159
Allowance for Doubtful Accounts	<u>(271,946)</u>
Net	<u>\$585,567</u>

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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."

The details of this \$847,826 difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$458,116
Capital Outlay - Additions - Being Depreciated	460,955
Capital Outlay - Deletions	(963,143)
Depreciation Expense	(803,754)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>(847,826)</u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

The original budget is adopted by the Commissioners' Court and filed with the County Clerk. Amendments are made during the year on approval by the Commissioners' Court.

The final amended budget is used in this report.

The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year.

The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court.

The Commissioners' Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and available cash. The final budget can be legally amended by the Commissioners' Court to whatever extent the Court desires as long as the amended figures do not exceed the County Auditor's estimate of revenues and available cash.

When the Budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the line item. Budgets for all budgeted General and Special Revenue Funds are adopted on a budgetary basis which is not in conformity with generally accepted accounting principles (GAAP). Budgets for the 2012 fiscal year were adopted for the General Fund, the Road and Bridge Funds, and other applicable non-major governmental funds.

B. Excess of Expenditures over Appropriations

For the year ended September 30, 2012, expenditures did not exceed appropriations in any fund.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2012.

IV. Detailed Notes on All Funds

A. Deposits and Investments

Legal and Contractual Provisions Governing Deposits and Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County 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 for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in compliance with the requirements of the Act and with local policies.

Policies Governing Deposits and Investments:

The County has adopted a deposit and investment policy and the county addresses the following risks:

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit policy for custodial credit risk. As of September 30, 2012, the government's bank balance of \$9,424,713 was not exposed to custodial credit risk because it was fully insured by the U.S. Government and/or the State of Texas and/or is collateralized with securities held by the pledging financial institution's trust department or agent, in the government's name. The fair market value of the securities pledged is \$20,923,435 and the FDIC coverage is \$424,052.

Interest rate risk. In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twelve months.

Credit risk: State law limits investments in commercial paper and corporate bonds to the top two rating issued by nationally recognized statistical rating organizations (NRSROs). It is the government's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of September 30, 2012 the local investment pool Texpool (approximately 47% of portfolio) was rated AAAM by Standard and Poor's and Texas CLASS (approximately 53% of portfolio) was rated AAAM by Standard and Poor's.

A. Deposits and Investments (continued)

Concentration of credit risk: The County places no limit on the amount the County may invest in any one issuer. Approximately 47 percent of the County's investments are in Texpool and 52 percent of the County's investments are in Texas CLASS.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of September 30, 2012, the government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
Texpool	\$ 444,875	Less than 1 year	Less than 1 year
Texas Class	503,928	Less than 1 year	Less than 1 year

The County participates in two Local Government Investment Pools:

The State Comptroller oversees TexPool, with a third party managing the daily operations of the pool under contract. The Texas Class account is covered by insurance provided by Texas Class. The County invests in TexPool to provide its liquidity needs. TexPool is a local government investment pool established in conformity with the Inter-local Cooperation Act Chapter 791 of the Texas Government Code and the Public Investment Act Chapter 2256 of the Code. TexPool is a 2(a) 7 like funds meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily and the fund seeks to maintain a constant net asset value of \$1.00, although this cannot be guaranteed. TexPool is rated AAAM and must maintain a weighted average maturity not to exceed 60 days. At September 30, 2012 TexPool had a weighted average maturity of 34 and 28 days respectively. The County considers the holdings in this fund to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder short of a significant change in value. The TexPool fund is within the Governmental Activities.

The County also invests in Texas Class. Texas CLASS is a local government investment pool emphasizing safety, liquidity, convenience and competitive yield. Since 1996, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. Texas CLASS invests only in securities allowed by the Texas Public Funds Investment Act. Texas CLASS carries a letter of credit that ensures the integrity of the fund, making it the only investment pool in Texas backed by a letter of credit. The pool is governed by a board of trustees, elected annually by its participants. Texas CLASS is rated 'AAAM' by Standard and Poor's Ratings Services. The 'AAAM' principal stability fund rating is the highest assigned to principal stability government investment pools and is a direct reflection of Texas CLASS's outstanding credit quality and management.

B. Receivables

Receivables as of September 30, 2012 for the government's individual major funds and non-major, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities					Total
	General Fund	Road and Bridge	Community Development Grant	Other Governmental Funds	Proprietary Funds	
<u>Receivables</u>						
Ad Valorem Taxes	455,706	\$0	\$0	\$0	\$0	\$455,706
Sales Tax	137,330					137,330
Fines	844,354					844,354
Intergovernmental	13,159		111,530	56,369		181,058
Other	23,954	2,959		6,596	12,734	46,243
Gross Receivables	1,474,503	2,959	111,530	62,965	12,734	1,664,691
Less: Allowance for Uncollectibles	308,912					308,912
Net Total Receivables	\$1,165,591	\$2,959	\$111,530	\$62,965	\$12,734	\$1,355,779

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent Property Taxes Receivable (General Fund)-Net	\$418,740
Other	<u>825</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$419,565</u>

There was no unearned revenue reported in the governmental funds during the year.

C. Capital Assets

Capital asset activity for the year ended September 30, 2012 was as follows:

Governmental Activities:	Beginning			Ending
	Balances	Increases	Decreases	Balances
Capital Assets Not Being Depreciated:				
Land	\$429,877	\$0	\$0	\$429,877
Construction in Progress	774,268	458,116	962,724	269,660
Total Capital Assets Not Being Depreciated	1,204,145	458,116	962,724	699,537
Capital Assets Being Depreciated:				
Building and Improvements	5,478,598	52,619	0	5,531,217
Machinery and Equipment	7,477,150	398,325	115,470	7,760,005
Infrastructure	2,561,937	10,011	0	2,571,948
Total Capital Assets Being Depreciated	15,517,685	460,955	115,470	15,863,170
Less Accumulated Depreciation for:				
Building and Improvements	2,922,050	175,632	0	3,097,682
Machinery and Equipment	5,309,998	511,073	115,051	5,706,020
Infrastructure	620,125	117,049	0	737,174
Total Accumulated Depreciation	8,852,173	803,754	115,051	9,540,876
Total Capital Assets Being Depreciated, Net	6,665,512	(342,799)	419	6,322,294
Governmental Activities Capital Assets, Net	\$7,869,657	\$115,317	\$963,143	\$7,021,831

Business-Type Activities:	Beginning			Ending
	Balances	Increases	Decreases	Balances
Capital Assets Not Being Depreciated:				
Land	\$70,254	\$0	\$0	\$70,254
Construction in Progress	87,546	30,035	0	117,581
Total Capital Assets Not Being Depreciated	157,800	30,035	0	187,835
Capital Assets Being Depreciated:				
Building and Improvements	345,036	0	0	345,036
Machinery and Equipment	79,732	5,875	0	85,607
Infrastructure	479,083	0	0	479,083
Total Capital Assets Being Depreciated	903,851	5,875	0	909,726
Less Accumulated Depreciation for:				
Building and Improvements	196,662	14,616	0	211,278
Machinery and Equipment	20,410	4,340	0	24,750
Infrastructure	270,814	32,042	0	302,856
Total Accumulated Depreciation	487,886	50,998	0	538,884
Total Capital Assets Being Depreciated, Net	415,965	(45,123)	0	370,842
Business-Type Activities Capital Assets, Net	\$573,765	(\$15,088)	\$0	\$558,677

Construction commitments

The County had a disaster mitigation project during the year ended September 30, 2012.

Capital asset depreciation for the year ended September 30, 2012 was as follows:

Governmental Activities	
General Administration	\$26,001
Legal	288
Judicial	17,396
Financial Administration	22,429
Public Facilities	152,622
Public Safety	222,446
Public Transportation	303,396
Environmental Protection	23,408
Culture and Recreation	34,753
Health and Welfare	51
Conservation - Agriculture	964
Total Depreciation Expense – Governmental Activities	<u>\$803,754</u>
Business-Type Activities	
Culture and Recreation	<u>\$50,998</u>
Total Depreciation Expense – Business-Type Activities	<u>\$50,998</u>

D. Interfund Receivables, Payables, and Transfers

Due to/from other funds:

There were no interfund balances as of September 30, 2012.

There were no advances at September 30, 2012.

The following are transfers for the year ended September 30, 2012.

TRANSFER OUT	TRANSFER IN				TOTAL
	GENERAL FUND	ROAD AND BRIDGE FUND	NON-MAJOR GOVERNMENTAL FUNDS	PROPRIETARY FUNDS	
GENERAL FUND	\$2,465,681	\$1,393,178	\$17,150	\$34,727	\$3,910,736
ROAD AND BRIDGE FUNDS		557,721			557,721
NON-MAJOR GOVERNMENTAL FUNDS	14,017				14,017
TOTALS	\$2,479,698	\$1,950,899	\$17,150	\$34,727	\$4,482,474

The transfer from the general to the road and bridge fund is for road and bridge operations. These transfers are all recurring.

E. Leases

Operating Leases:

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$24,586 for the year ended September 30, 2012. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30,	<u>Amount</u>
2013	\$21,834
2014	18,096
2015	<u>5,770</u>
Total	<u>\$45,700</u>

F. Long-Term Debt

Capital Leases: The government has entered into a lease agreement as lessee for financing the acquisition of one (1) excavator. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	
<u>ASSET</u>	<u>EXCAVATOR</u>	<u>TOTAL</u>
COST	\$249,122	\$249,122
ACCUMULATED DEPRECIATION	<u>(249,122)</u>	<u>(249,122)</u>
NET ASSET	<u>\$0</u>	<u>\$0</u>

	<u>Governmental</u>	
<u>YEAR</u>	<u>Activities</u>	<u>Total</u>
2013	\$34,000	\$34,000
2014	34,000	34,000
TOTAL MINIMUM LEASE PAYMENTS	<u>68,000</u>	<u>68,000</u>
LESS: AMOUNT REPRESENTING INTEREST	4,543	4,543
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$63,457</u>	<u>\$63,457</u>

The above debt is to be serviced by the General Fund and the Road and Bridge funds.

F. Long-Term Debt (continued)

The activity for the year ended September 30, 2012, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<u>Governmental Activities:</u>						
Lease Purchase Payable	\$93,052		\$29,594	\$63,458	\$30,995	\$32,463
GASB 45 Payable	329,727		0	329,727	0	329,727
Compensated Absences	132,596	120,709	132,596	120,709	120,709	0
	<u>\$555,375</u>	<u>\$120,709</u>	<u>\$162,190</u>	<u>\$513,894</u>	<u>\$151,704</u>	<u>\$362,190</u>
<u>Business-Type Activities:</u>						
Compensated Absences	0	0		\$0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Grand Total	<u>\$555,375</u>	<u>\$120,709</u>	<u>\$162,190</u>	<u>\$513,894</u>	<u>\$151,704</u>	<u>\$362,190</u>

The general fund, the road and bridge fund, and the airport fund are used to service the compensated absences. The estimated amount due in the 2012-13 year is \$120,709.

The government-wide statement of activities includes \$151,704 as "noncurrent liabilities, due within one year".

The interest incurred on the above debt was \$4,405 and was governmental activities. There was no business-type activity interest incurred or capitalized.

V. Other Information

A. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no instances where settlements exceeded insurance coverage in any of the three previous years.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

	Year Ended September 30, 2012	Year Ended September 30, 2011
Unpaid claims, beginning of fiscal year	\$0	\$0
Incurred claims (including IBNRs)	0	0
Claim payments	0	0
Unpaid claims, end of fiscal year	<u>\$0</u>	<u>\$0</u>

B. Related Party Transaction

There were no related party transactions requiring disclosure.

C. Subsequent Events

The county released a claim against Michels Corporation for 4.3 miles of damage on County Road 284, for the sum of \$330,000.

D. Contingent Liabilities

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

The County was not a defendant in any lawsuit at September 30, 2012.

E. Retirement Plan

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 602 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually.

The governing body elected to pay a rate of 8.57% for the 2011 and 9.39% for the 2012 year that did not exceed the actuarially determined rate as allowed by the provisions of the TCDRS Act.

The contribution rate payable by the employee members for calendar year 2011 and 2012 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS

Act.

Actuarial Valuation Information

Actuarial valuation date	12/31/2009	12/31/2010	12/31/2011
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period	20.0	20.0	20.0
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value
Actuarial Assumptions			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.00%	0.00%	0.00%

Annual Pension Cost

Trend Information for the Retirement Plan for the Employees of Jackson County, Texas

Accounting Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
9-30-10	319,059	100%	-0-
9-30-11	316,245	100%	-0-
9-30-12	337,408	100%	-0-

ANALYSIS OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
2011	\$10,679,326	\$12,467,658	\$1,788,332	85.66%	\$3,641,428	49.11%

The schedule of funding progress presented as required supplementary information (RSI) immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

F. Post Employment Benefits Other than Pension Benefits

In order to receive health insurance funding through Jackson County an employee must be a full time employee covered under the County's group insurance shall be eligible for continued group insurance coverage only upon retirement from the County.

Effective January 1, 2005, in order to be eligible for the insurance retirement benefit, a person must be a regular full time employee of Jackson County for the last eight (8) consecutive years, and must be eligible to retire from County service by meeting the County's and TCDRS's eligibility requirement for retirement benefits. Those eligible shall include regular, full time employees who are paid from the general fund of the County, from a special fund of the County, or from special grants paid through the County.

Jackson County will pay a percentage of the retired employee's premium until the retired employee reaches the age of sixty five (65) and/or becomes eligible for Medicare benefits due to a Medicare eligibility such as a disability, based upon years of service to Jackson County, as follows:

YEARS OF SERVICE	COUNTY PORTION
8 to 19	50%
20 to 24	75%
25 to 30	80%
30 or more	100%

The County's group insurance will be the primary insurance until a retiree is eligible for Medicare and will cease when a retiree becomes Medicare eligible. At that time, Medicare will become the primary insurance for the retiree.

If dependent coverage is desired, the retiree will be responsible for one hundred percent (100%) of the premium.

The County elected to implement prospectively.

The County also will have an actuarial review done every two years.

Funding Policy and Annual OPEB Cost

The County's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008 as required by GASB. The annual OPEB cost for the fiscal year ending September 30, 2011, is as follows:

Annual required contribution	\$168,531
OPEB Retiree Costs	(109,132)
Net estimated employer contributions	<u>35,762</u>
Increase in net OPEB obligation	95,161
Net OPEB obligation - as of beginning of the year	<u>234,566</u>
Net OPEB obligation (asset) - as of end of year	<u>\$329,727</u>

Accounting Year <u>Ending</u>	Annual OPEB <u>Cost</u>	Percentage of OPEB <u>Contributed</u>	Net OPEB <u>Obligation</u>
9-30-09	\$264,529	11.33%	\$234,566
9-30-10	264,529	11.33	234,566
9-30-11	168,531	27.74	329,727

Funding status and funding progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
9/30/2011	\$0	\$1,800,244	\$1,800,244	00.0%	\$3,200,000	55.39%

Under the reporting parameters, the County's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$1,800,244 at September 30, 2011.

Actuarial methods and assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions

Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of payroll
Growth Rate	3.0% per annum

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

REQUIRED SUPPLEMENTARY INFORMATION

JACKSON COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2012

ANALYSIS OF FUNDING PROGRESS

EMPLOYEE RETIREMENT PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
2009	\$10,997,706	\$12,429,515	\$1,431,809	88.50%	\$3,949,998	36.30%
2010	10,496,802	12,069,711	1,572,909	86.97	3,719,799	42.28
2011	10,679,326	12,467,658	1,788,332	85.66	3,641,428	49.11

ANALYSIS OF FUNDING PROGRESS

OTHER POST EMPLOYMENT RETIREMENT PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
9/30/2009	\$0	\$2,681,225	\$2,681,225	00.0%	\$000,000	00.0%
9/30/2010	N/A					
9/30/2011	\$0	\$1,800,244	\$1,800,244	00.0%	\$3,250,000	55.39%
9/30/2012	N/A					

JACKSON COUNTY, TEXAS
 COMMUNITY DEVELOPMENT GRANT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$133,163	\$1,129,327	\$1,129,327	\$0
Total Revenues	133,163	1,129,327	1,129,327	0
EXPENDITURES				
Capital Outlay				
Capital Outlay	133,163	1,129,327	1,129,327	0
Total Expenditures	133,163	1,129,327	1,129,327	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	\$0	\$0	0	\$0
Reconciliation from cash basis to modified accrual basis:				
Changes in Grants Receivable			111,530	
Changes in Accounts Payable			(73,557)	
Net Changes in Fund Balances - Modified Accrual Basis			37,973	
Fund Balances - Beginning			(37,973)	
Fund Balances - Ending			\$0	

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - GENERAL FUND
 SEPTEMBER 30, 2012

	General Fund	Sales Tax Fund	Permanent Improvement Funds	Total General Funds
ASSETS				
Cash and Cash Equivalents	\$7,049,587	\$0	\$285,341	\$7,334,928
Receivables (net of allowance for uncollectibles)	455,853	137,330		593,183
Prepaid Insurance	56,939			56,939
Due from Other Funds				0
Total Assets	\$7,562,379	\$137,330	\$285,341	\$7,985,050
LIABILITIES AND FUND BALANCES:				
Accounts Payable	\$82,099		\$0	\$82,099
Accrued Wages Payable	127,755			127,755
Deferred Revenues	419,565			419,565
Total Liabilities	629,419	0	0	629,419
Fund Balances:				
Non-Spendable				
Prepaid Items	56,939			56,939
Restricted				
Permanent Improvement			285,341	285,341
Unassigned	6,876,021	137,330		7,013,351
Total Fund Balance	6,932,960	137,330	285,341	7,355,631
Total Liabilities and Fund Balances	\$7,562,379	\$137,330	\$285,341	\$7,985,050

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GENERAL FUND
 YEAR ENDED SEPTEMBER 30, 2012

	General Fund	Sales Tax Fund	Permanent Improvement Funds	Total General Funds
REVENUES				
Taxes				
Property	\$5,469,466	\$0	\$0	\$5,469,466
Sales		1,110,996		1,110,996
Other	49,490			49,490
Intergovernmental	291,953			291,953
Charges for Services	621,350			621,350
Fines and Forfeitures	499,227			499,227
Interest	71,338	9,772	2,166	83,276
Miscellaneous	90,587			90,587
Total Revenues	7,093,411	1,120,768	2,166	8,216,345
EXPENDITURES				
Current:				
General Administration				
County Judge	145,503			145,503
Commissioner's Court	283,687			283,687
County Clerk	290,421			290,421
Election	15,918			15,918
Non-Departmental	356,165			356,165
Judicial				
District Court	64,199			64,199
District Clerk	175,664			175,664
Justice of the Peace No. 1	134,069			134,069
Justice of the Peace No. 2	128,579			128,579
Criminal District Attorney	325,335			325,335
Court Expense	121,611			121,611
Jury	22,058			22,058
Financial Administration				
County Auditor	229,899			229,899
County Treasurer	125,181			125,181
Tax Assessor-Collector	303,746			303,746
Public Facilities				
Public Facilities	359,978		60,496	420,474
Public Safety				
Adult Probation	2,458			2,458
Ambulance	29,650			29,650
Civil Defense	85,914			85,914
Constable No. 1	66,329			66,329
Constable No. 2	63,928			63,928
Corrections	1,018,703			1,018,703
D.P.S./License and Weight	1,385			1,385
D.P.S./Troopers	2,885			2,885
EMS/Jaws of Life	23,785			23,785
Fire	31,750			31,750
Flood Plain Permit	4,447			4,447
L.N.R.A.	55,190			55,190
Sheriff	1,140,053			1,140,053
T.J.P.C.	17,611			17,611

(continued)

(continued)

Environmental Protection				
Sanitation	237,190			237,190
Culture and Recreation				
County Library	190,334			190,334
Parks	987			987
Fairgrounds				0
Health and Welfare				
Gulf Bend Mental Health	16,000			16,000
Senior Citizens Center	40,000			40,000
Conservation - Agriculture				
Agriculture Extension Service	69,347			69,347
U.S. Soil Conservation	2,000			2,000
Total Expenditures	<u>6,181,959</u>	<u>0</u>	<u>60,496</u>	<u>6,242,455</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>911,452</u>	<u>1,120,768</u>	<u>(58,330)</u>	<u>1,973,890</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	2,313,451		166,247	2,479,698
Operating Transfers Out	(1,611,302)	(2,299,434)		(3,910,736)
Total Other Financing Sources (Uses)	<u>702,149</u>	<u>(2,299,434)</u>	<u>166,247</u>	<u>(1,431,038)</u>
Net Changes in Fund Balances	<u>1,613,601</u>	<u>(1,178,666)</u>	<u>107,917</u>	<u>542,852</u>
Fund Balances - Beginning	<u>5,319,359</u>	<u>1,315,996</u>	<u>177,424</u>	<u>6,812,779</u>
Fund Balances - Ending	<u>\$6,932,960</u>	<u>\$137,330</u>	<u>\$285,341</u>	<u>\$7,355,631</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND
 SEPTEMBER 30, 2012

	Road and Bridge No. 1		Road and Bridge No. 2		Road and Bridge No. 3		Road and Bridge No. 4		Highway Fund	Lateral Road No. 1		Lateral Road No. 2		Lateral Road No. 3		Lateral Road No. 4		Equipment Replacement No. 1		Equipment Replacement No. 2		Equipment Replacement No. 3		Equipment Replacement No. 4		Total Road and Bridge		
	No. 1	No. 2	No. 2	No. 3	No. 3	No. 4	No. 1	No. 2		No. 2	No. 3	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2		No. 3	No. 4
ASSETS																												
Cash and Cash Equivalents	\$64,663	\$57,201	\$45,337	\$178,783	\$26,173	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$22,780	\$15,657	\$78,308	\$488,903					
Receivables (net of allowance for uncollectibles)	3,582	2,262	2,392	3,616	2,959																						2,959	
Prepaid Insurance	\$58,245	\$59,463	\$47,729	\$182,399	\$29,132	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$22,780	\$15,657	\$78,308	\$503,714					11,852
Total Assets																												\$503,714
LIABILITIES AND FUND BALANCES:																												
Liabilities:																												
Accounts Payable	\$15,440	\$28,893	\$51,972	\$7,604																								\$103,909
Accrued Wages Payable	5,914	6,753	5,594	8,699																								26,960
Total Liabilities	21,354	35,646	57,566	16,303	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	130,869
Fund Balances:																												
Non-Spendable	3,582	2,262	2,392	3,616																								11,852
Prepaid Items																												
Restricted																												
Public Transportation	43,308	21,555	(12,229)	162,480	29,132	0	0	0	0	0	0	0	0	0	0	0	0	0	1	22,780	15,657	78,308	360,993					
Total Fund Balance	46,891	23,817	(9,837)	166,096	29,132	0	0	0	0	0	0	0	0	0	0	0	0	0	1	22,780	15,657	78,308	372,845					
Total Liabilities and Fund Balances	\$68,245	\$59,463	\$47,729	\$182,399	\$29,132	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$22,780	\$15,657	\$78,308	\$503,714					

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS
 YEAR ENDED SEPTEMBER 30, 2012

	Road and Bridge No. 1		Road and Bridge No. 2		Road and Bridge No. 3		Road and Bridge No. 4		Highway Fund	Lateral Road No. 1		Lateral Road No. 2		Lateral Road No. 3		Lateral Road No. 4		Equipment Replacement No. 1		Equipment Replacement No. 2		Equipment Replacement No. 3		Equipment Replacement No. 4		Total Road and Bridge
	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4		No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	
REVENUES																										
Intergovernmental	\$0	\$0	\$0	\$0	\$5,301	\$5,301	\$5,301	\$5,301	\$5,301	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,204
Licenses and Permits									552,370																	552,370
Interest	1,738	1,236	980	2,954																		191			548	7,793
Miscellaneous	7,035	26,381	3,081	34,615																		4,007				75,119
Total Revenues	8,773	27,617	4,061	37,569	5,301	5,301	5,301	5,301	5,301	0	0	0	0	0	0	0	0	0	0	0	4,198	4,198	0	548	656,486	
EXPENDITURES																										
Current:																										
Public Transportation																										
Road and Bridge	427,936	503,474	344,661	643,727	5,301	5,301	5,301	5,301	5,301																	1,991,381
Debt Service																										
Principal Retirement	9,595																									29,595
Interest and Fiscal Charges	4,405																									4,405
Total Expenditures	441,936	503,474	344,661	643,727	5,301	5,301	5,301	5,301	5,301	0	0	0	0	0	0	0	0	0	0	0	4,198	4,198	0	548	2,025,381	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(433,163)	(475,857)	(340,600)	(606,158)	552,370	552,370	552,370	552,370	552,370	(547,721)	(547,721)	(547,721)	(547,721)	(547,721)	(547,721)	(547,721)	(547,721)	(547,721)	(547,721)	(547,721)	(547,721)	(547,721)	(547,721)	(547,721)	(1,368,895)	
OTHER FINANCING SOURCES (USES):																										
Operating Transfers In	421,680	459,456	342,033	637,730																						1,950,899
Operating Transfers Out	(10,000)																									(557,721)
Total Other Financing Sources (Uses)	421,680	449,456	342,033	637,730																						1,393,178
Net Changes in Fund Balances	(11,483)	(26,401)	1,433	31,572	4,649	4,649	4,649	4,649	4,649	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24,283	
Fund Balances - Beginning	56,374	50,218	(11,270)	134,524	24,483	24,483	24,483	24,483	24,483																	348,562
Fund Balances - Ending	\$46,891	\$23,817	(\$9,837)	\$166,096	\$29,132	\$29,132	\$29,132	\$29,132	\$29,132	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$15,657	\$15,657	\$78,308	\$78,308	\$372,845	

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2012

	SPECIAL REVENUE																									
	CHILD ABUSE PREVENTION VEHICLES		CHILD WELFARE		COASTAL IMPACT ASSISTANCE		COMMISSARY TELEPHONE		COUNTY RECORDS MANAGEMENT		COURT REPORTER SERVICES		DISTRICT ATTORNEY FORFEITURE		DISTRICT ATTORNEY HOT CHECK		DISTRICT CLERK RECORDS MANAGEMENT		ELECTIONS ADMINISTRATION		HEALTHY HISTORICAL FUND COMMISSION					
ASSETS	\$14,386	\$2,389	\$12,006	\$9,593	\$33,881	\$59,669	\$28,534	\$0	\$84,316	\$77,842	\$20,924	\$3,531	\$198	\$0	\$34,567											
Cash and Cash Equivalents																										
Receivables (net of allowance for uncollectibles)																										
Prepaid Insurance				37,903	6,596																					
TOTAL ASSETS	\$14,386	\$2,389	\$12,006	\$47,496	\$40,487	\$59,669	\$28,534	\$0	\$84,316	\$77,842	\$20,924	\$3,531	\$198	\$0	\$34,567											
LIABILITIES AND FUND BALANCES																										
Liabilities																										
Accounts Payable				\$38,098	\$1																					
Due to Others					413																					
Accrued Wages Payable						414	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Total Liabilities	0	0	0	38,098	413	414	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Fund Balances																										
Non-Spendable																										
Prepaid Insurance				9,398																						
Restricted																										
General Administration						59,255	28,534																			
Culture and Recreation																										
Health and Welfare																										
Judicial																										
Legal																										
Public Safety																										
Committed																										
Culture and Recreation																										
Health and Welfare																										
Public Safety																										
Unassigned																										
Total Fund Balances	14,386	2,389	12,006	9,398	40,487	59,255	28,534	0	83,115	77,492	11,560	3,531	198	0	35,378											
TOTAL LIABILITIES AND FUND BALANCES	\$14,386	\$2,389	\$12,006	\$47,496	\$40,487	\$59,669	\$28,534	\$0	\$84,316	\$77,842	\$20,924	\$3,531	\$198	\$0	\$34,567											

The notes to the financial statements are an integral part of this statement.

SPECIAL REVENUE

		LAW				MAURITZ			NON-MAJOR GOVERN- MENTAL FUNDS	
JUSTICE COURT TECH	JUVENILE PROBATION DISCRETION	JUVENILE PROBATION	ENFORCEMENT OFFICERS ASSOCIATION	LAW LIBRARY	CAMP FUND	MEDIATION FUND	MEMORIAL LIBRARY	SHERIFF FORFEITURE		
\$5,499	\$5,756	\$15,153	\$4,136	\$7,219	\$11,303	\$1,450	\$7,125	\$48,100	\$487,587	
	5,307								49,806	
	237								1,048	
\$5,499	\$5,756	\$20,697	\$4,136	\$7,219	\$11,303	\$1,450	\$7,125	\$48,100	\$538,441	
0	0	7,753	0	1,244	0	0	427	644	59,495	
	237	\$5,461		\$1,244			\$427	\$644	\$49,007	
		2,292							6,413	
									4,075	
										1,048
						1,450			89,437	
									9,398	
									0	
5,499				5,975					86,522	
	5,756	12,707	4,136					47,456	17,535	
					11,303		6,698		169,945	
									52,568	
									12,006	
									40,487	
									0	
5,499	5,756	12,944	4,136	5,975	11,303	1,450	6,698	47,456	478,946	
\$5,499	\$5,756	\$20,697	\$4,136	\$7,219	\$11,303	\$1,450	\$7,125	\$48,100	\$538,441	

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	SPECIAL REVENUE													
	CHILD ABANDONED MOTOR VEHICLES	CHILD ABUSE PREVENTION	CHILD WELFARE	COASTAL IMPACT ASSISTANCE	COMMISSARY TELEPHONE	COUNTY CLERK RECORDS MANAGEMENT	COUNTY RECORDS MANAGEMENT	COURT REPORTER SERVICES	COURTHOUSE SECURITY	DISTRICT ATTORNEY FORFEITURE	DISTRICT ATTORNEY HOT CHECK	DISTRICT CLERK RECORDS MANAGEMENT	ELECTIONS ADMINISTRATION	HEALTH FUND COMMISSION
REVENUES				\$277,311										\$10,515
Intergovernmental	4,883	1,480			42,243	39,295	9,060	2,235	15,503		4,068	4,506	686	2,124
Charges for Services	86		64							568				
Interest										11,385				
Miscellaneous														
Total Revenues	4,969	1,480	64	277,311	42,243	39,295	9,060	2,235	15,503	11,953	4,068	4,506	686	12,072
EXPENDITURES														
Current														
General Administration						87,368	4,216					2,549	535	
Records Management														
Elections														
Judicial														
Court Reporter								236						
Judicial										17,933				
Legal														
Check Collection										9,714				
Law Library														
Public Safety														
Courthouse Security									18,154					
Juvenile Probation														
Sheriff	13,696	2,000				85,291								
Culture and Recreation														
Historical Commission														1,192
Library														
Mauritz Camp														
Parks														
Health and Welfare														
Child Welfare			250											23,752
Health														
Capital Outlay														
Capital Outlay														
Total Expenditures	13,696	2,000	250	266,328	85,291	87,368	4,216	235	18,154	17,933	9,714	2,549	535	23,752
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,727)	(520)	(186)	10,983	(43,048)	(48,073)	4,844	2,000	(2,651)	(5,980)	(5,646)	1,957	151	(11,113)
OTHER FINANCING SOURCES (USES):														
Operating Transfers In														
Operating Transfers Out	(2,929)							(7,044)						(4,044)
Total Other Financing Sources (Uses)	(2,929)	0	0	0	0	0	0	(7,044)	0	0	0	0	0	(4,044)
Net Changes in Fund Balances	(11,656)	(520)	(186)	10,983	(43,048)	(48,073)	4,844	(5,044)	(2,651)	(5,980)	(5,646)	1,957	151	(15,157)
Fund Balances - Beginning	26,042	2,909	12,192	(1,585)	83,536	107,328	23,680	5,044	86,766	83,472	17,206	1,574	47	15,157
Fund Balances - Ending	\$14,386	\$2,389	\$12,006	\$9,398	\$40,487	\$59,255	\$28,534	\$0	\$83,115	\$77,492	\$11,560	\$3,531	\$198	\$0

The notes to the financial statements are an integral part of this statement.

SPECIAL REVENUE										
LAW										NON-MAJOR
JUSTICE	JUVENILE	ENFORCEMENT	MAURITZ	MEMORIAL	SHERIFF	MENTAL	LIBRARY	FORFEITURE	FUNDS	
COURT	PROBATION	ASSOCIATION	CAMP	LIBRARY	MEMORIAL	LIBRARY	LIBRARY	LIBRARY	LIBRARY	
TECH	DISCRETION	OFFICERS	FUND	FUND	FUND	FUND	FUND	FUND	FUND	
9,656	3,821		8,050		549	207				\$397,976
	297		77		6,070	29,696				147,610
9,656	3,821	0	8,050	77	0	5,619	29,905			2,065
										59,018
										606,659
13,227			19,723							94,133
										336
										235
										31,160
										9,714
										19,723
										18,154
										121,408
										112,863
										1,192
										5,475
										0
										266,328
										250
										23,752
										0
13,227	6,200	1,866	19,723	0	0	5,475	10,020			704,922
(3,571)	(2,379)	(4,761)	(1,866)	(11,873)	77	0	1,144	19,885		(98,263)
										17,150
										(14,017)
										3,133
(3,571)	(2,379)	(4,761)	(1,866)	4,077	77	0	1,144	19,885		(95,130)
9,070	8,136	17,705	5,992	1,898	11,226	1,450	5,554	27,571		574,076
\$5,499	\$5,756	\$12,944	\$4,136	\$5,975	\$11,303	\$1,450	\$6,608	\$47,456		\$478,946

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR PROPRIETARY FUNDS
 SEPTEMBER 30, 2012

	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY PRIOR YEAR	TOTALS NON-MAJOR PROPRIETARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY PRIOR YEAR
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$2,705	\$966	\$2,705	\$966
Total Current Assets	2,705	966	2,705	966
TOTAL ASSETS	\$2,705	\$966	\$2,705	\$966
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities				
Current Liabilities(Payable from Current Assets)				
Accounts Payable	183	361	183	361
Accrued Wages Payable			0	0
Total Current Liabilities	183	361	183	361
TOTAL LIABILITIES	183	361	183	361
Invested in Capital Assets, Net of Related debt Unrestricted	2,522	605	2,522	605
TOTAL NET ASSETS	\$2,522	\$605	\$2,522	\$605

The notes to the financial statements are an integral part of this statement

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NON-MAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY PRIOR YEAR	TOTALS NON-MAJOR PROPRIETARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY PRIOR YEAR
OPERATING REVENUES:				
Charges for Services	\$10,897	\$6,627	\$10,897	\$6,627
TOTAL OPERATING REVENUES	10,897	6,627	10,897	6,627
OPERATING EXPENSES				
Personal Services			0	0
Supplies	7,595	6,675	7,595	6,675
Other Services and Charges	1,385	1,914	1,385	1,914
Depreciation			0	0
TOTAL OPERATING EXPENSES	8,980	8,589	8,980	8,589
OPERATING INCOME (LOSS)	1,917	(1,962)	1,917	(1,962)
NON-OPERATING REVENUES (EXPENSES):				
Interest Income		5	0	5
TOTAL NON-OPERATING REVENUES (EXPENSES)	0	5	0	5
Income Before Transfers	1,917	(1,957)	1,917	(1,957)
Transfers In			0	0
Change in Net Assets	1,917	(1,957)	1,917	(1,957)
Total Net Assets - Beginning	605	2,562	605	2,562
Total Net Assets - Ending	\$2,522	\$605	\$2,522	\$605

The notes to the financial statements are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY PRIOR YEAR	TOTALS NON-MAJOR PROPRIETARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY PRIOR YEAR
Cash flows from Operating Activities				
Receipts from Customers and Users	\$10,897	\$6,627	\$10,897	\$6,627
Payments to Suppliers	(9,158)	(8,483)	(9,158)	(8,483)
Payments to Employees	0	0	0	0
Net Cash Provided(Used) By Operating Activities:	1,739	(1,856)	1,739	(1,856)
Cash Flows from Non-Capital and Related Financing Activities				
Transfers In			0	0
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	0	0	0	0
Cash Flows from Investing Activities				
Interest Received	0	5	0	5
Net Cash Provided(Used) By Investing Activities	0	5	0	5
Net Increase (Decrease) in Cash Equivalents	1,739	(1,851)	1,739	(1,851)
Cash and Cash Equivalents at Beginning of Year	966	2,817	966	2,817
Cash and Cash Equivalents at End of Year (continued)	\$2,705	\$966	\$2,705	\$966

(continued)

Reconciliation of Operating Income to Net Cash

Provided(Used) By Operating Activities

Operating Income (Loss)	\$1,917	(\$1,962)	\$1,917	(\$1,962)
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Adjustments to Reconcile to Net Cash Flow

Non-Cash Items Included in Net Income

Depreciation			0	0
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Changes in Current Items

Increase(Decrease) in Accounts Payable	(178)	106	(178)	106
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Increase(Decrease) in Accrued Wages Payable	0	0	0	0
---	---	---	---	---

Net Cash Provided(Used) by Operating	<u>\$1,739</u>	<u>(\$1,856)</u>	<u>\$1,739</u>	<u>(\$1,856)</u>
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Activities

Noncash Investing, Capital and Financing Activities:

Borrowing from Capital Debt	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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Note: The above funds are all Enterprise Funds

The notes to the financial statements are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Agency Funds				Total
	Trust Investment	State Fees	County-Wide Drainage District	County Officer Accounts	
ASSETS					
Cash and Cash Equivalents	\$686,426	\$61,835	\$0	\$579,349	\$1,327,610
Receivables (net of allowance for uncollectibles)	0	0	2,025	0	2,025
Total Assets	\$686,426	\$61,835	\$2,025	\$579,349	\$1,329,635
LIABILITIES					
Accounts Payable			\$0		\$0
Due to Others	686,426	61,835	2,025	579,349	1,329,635
Total Liabilities	\$686,426	\$61,835	\$2,025	\$579,349	\$1,329,635

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>TRUST INVESTMENT</u>			
	BALANCE 10/1/2011	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2012
ASSETS				
Cash and Cash Equivalents	\$76,315	\$610,111	\$0	\$686,426
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$76,315	\$610,111	\$0	\$686,426

LIABILITIES:				
Accounts Payable				
Due to Others	\$76,315	\$610,111	\$0	\$686,426
Total Liabilities	\$76,315	\$610,111	\$0	\$686,426

	<u>STATE FEES</u>			
	BALANCE 10/1/2011	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2012
ASSETS				
Cash and Cash Equivalents	\$74,770	\$0	\$12,935	\$61,835
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$74,770	\$0	\$12,935	\$61,835

LIABILITIES:				
Accounts Payable				
Due to Others	\$74,770	\$0	\$12,935	\$61,835
Total Liabilities	\$74,770	\$0	\$12,935	\$61,835

	<u>COUNTY-WIDE DRAINAGE DISTRICT</u>			
	BALANCE 10/1/2011	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2012
ASSETS				
Cash and Cash Equivalents	\$0			\$0
Receivables (net of allowance for uncollectibles)	\$3,754	\$2,025	\$3,754	2,025
Total Assets	\$3,754	\$2,025	\$3,754	\$2,025

LIABILITIES:				
Accounts Payable		2,025		2,025
Due to Others	\$3,754	0	3,754	0
Total Liabilities	\$3,754	\$2,025	\$3,754	\$2,025

<u>COUNTY OFFICER ACCOUNTS</u>	BALANCE 10/1/2011	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2012
ASSETS				
Cash and Cash Equivalents	\$468,016	\$111,333	\$0	\$579,349
Receivables (net of allowance for uncollectibles)				0
Total Assets	<u>\$468,016</u>	<u>\$111,333</u>	<u>\$0</u>	<u>\$579,349</u>

LIABILITIES:				
Accounts Payable				
Due to Others	\$468,016	\$111,333	\$0	\$579,349
Total Liabilities	<u>\$468,016</u>	<u>\$111,333</u>	<u>\$0</u>	<u>\$579,349</u>

<u>TOTAL</u>	BALANCE 10/1/2011	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2012
ASSETS				
Cash and Cash Equivalents	\$619,101	\$721,444	\$12,935	\$1,327,610
Receivables (net of allowance for uncollectibles)	3,754	2,025	3,754	2,025
Total Assets	<u>\$622,855</u>	<u>\$723,469</u>	<u>\$16,689</u>	<u>\$1,329,635</u>

LIABILITIES:				
Accounts Payable	\$0	\$2,025	\$0	\$2,025
Due to Others	622,855	721,444	16,689	1,327,610
Total Liabilities	<u>\$622,855</u>	<u>\$723,469</u>	<u>\$16,689</u>	<u>\$1,329,635</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- BUDGET AND ACTUAL

JACKSON COUNTY, TEXAS
 ABANDONED MOTOR VEHICLES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$2,000	\$2,000	\$4,883	\$2,883
Interest	0	0	86	86
Miscellaneous	20,000	20,000	0	(20,000)
Total Revenues	22,000	22,000	4,969	(17,031)
EXPENDITURES				
Current				
Public Safety	48,220	45,291	13,696	31,595
Total Expenditures	48,220	45,291	13,696	31,595
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,220)	(23,291)	(8,727)	14,564
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out	0	(2,929)	(2,929)	0
Total Other Financing Sources (Uses)	0	(2,929)	(2,929)	0
Net Changes in Fund Balances - Cash Basis	(\$26,220)	(\$26,220)	(\$11,656)	\$14,564
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable				
Net Changes in Fund Balances-Modified Accrual Basis			(11,656)	
Fund Balances - Beginning			26,042	
Fund Balances - Ending			\$14,386	

JACKSON COUNTY, TEXAS
 CHILD ABUSE PREVENTION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$1,200	\$1,200	\$1,480	\$280
Total Revenues	1,200	1,200	1,480	280
EXPENDITURES				
Current				
Public Safety	3,000	3,000	2,000	1,000
Total Expenditures	3,000	3,000	2,000	1,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,800)	(1,800)	(520)	1,280
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(1,800)	(1,800)	(520)	1,280
Fund Balances - Beginning	2,909	2,909	2,909	0
Fund Balances - Ending	\$1,109	\$1,109	\$2,389	\$1,280

JACKSON COUNTY, TEXAS
 CHILD WELFARE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$50	\$50	\$64	\$14
Miscellaneous				0
Total Revenues	50	50	64	14
EXPENDITURES				
Current				
Health and Welfare	5,000	5,000	250	4,750
Total Expenditures	5,000	5,000	250	4,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,950)	(4,950)	(186)	4,764
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(4,950)	(4,950)	(186)	4,764
Fund Balances - Beginning	12,192	12,192	12,192	0
Fund Balances - Ending	\$7,242	\$7,242	\$12,006	\$4,764

JACKSON COUNTY, TEXAS
 COASTAL IMPACT ASSISTANCE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$603,723	\$603,723	\$239,218	(\$364,505)
Interest	0	0	190	190
Total Revenues	<u>603,723</u>	<u>603,723</u>	<u>239,408</u>	<u>(364,315)</u>
EXPENDITURES				
Current				
Culture and Recreation	608,137	608,137	234,230	373,907
Total Expenditures	<u>608,137</u>	<u>608,137</u>	<u>234,230</u>	<u>373,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,414)</u>	<u>(4,414)</u>	<u>5,178</u>	<u>9,592</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(4,414)</u>	<u>(4,414)</u>	<u>5,178</u>	<u>9,592</u>
Reconciliation from cash basis to modified accrual:				
Changes in Grants Receivable			37,903	
Changes in Accounts Payable			<u>(32,098)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			10,983	
Fund Balances - Beginning			<u>(1,585)</u>	
Fund Balances - Ending			<u>\$9,398</u>	

JACKSON COUNTY, TEXAS
 COMMISSARY TELEPHONE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$28,000	\$28,000	\$35,647	\$7,647
Total Revenues	28,000	28,000	35,647	7,647
EXPENDITURES				
Current				
Public Safety	108,828	108,828	85,291	23,537
Total Expenditures	108,828	108,828	85,291	23,537
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80,828)	(80,828)	(49,644)	31,184
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(\$80,828)	(\$80,828)	(49,644)	\$31,184
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			6,596	
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			(43,048)	
Fund Balances - Beginning			83,535	
Fund Balances - Ending			\$40,487	

JACKSON COUNTY, TEXAS
 COUNTY CLERK RECORDS MANAGEMENT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$30,900	\$30,900	\$39,295	\$8,395
Interest				0
Total Revenues	<u>30,900</u>	<u>30,900</u>	<u>39,295</u>	<u>8,395</u>
EXPENDITURES				
Current				
General Administration	135,916	135,916	86,985	48,931
Total Expenditures	<u>135,916</u>	<u>135,916</u>	<u>86,985</u>	<u>48,931</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(105,016)</u>	<u>(105,016)</u>	<u>(47,690)</u>	<u>57,326</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$105,016)</u>	<u>(\$105,016)</u>	<u>(\$47,690)</u>	<u>\$57,326</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable			30	
Changes in Accrued Wages Payable			(413)	
Net Changes in Fund Balances-Modified Accrual Basis			<u>(48,073)</u>	
Fund Balances - Beginning			<u>107,328</u>	
Fund Balances - Ending			<u>\$59,255</u>	

JACKSON COUNTY, TEXAS
 COUNTY RECORDS MANAGEMENT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$7,800	\$7,800	\$9,055	\$1,255
Total Revenues	7,800	7,800	9,055	1,255
EXPENDITURES				
Current				
General Administration	27,643	27,643	4,216	23,427
Total Expenditures	27,643	27,643	4,216	23,427
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,843)	(19,843)	4,839	24,682
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(\$19,843)	(\$19,843)	\$4,839	\$24,682
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			5	
Net Changes in Fund Balances - Modified Accrual Basis			4,844	
Fund Balances - Beginning			23,690	
Fund Balances - Ending			\$28,534	

JACKSON COUNTY, TEXAS
 COURT REPORTER SERVICES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$2,000	\$2,000	\$2,235	\$235
Total Revenues	2,000	2,000	2,235	235
EXPENDITURES				
Current				
Judicial	6,000	6,000	250	5,750
Total Expenditures	6,000	6,000	250	5,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	(4,000)	1,985	5,985
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out			(7,044)	(7,044)
Total Other Financing Sources (Uses)	0	0	(7,044)	(7,044)
Net Changes in Fund Balances	(\$4,000)	(\$4,000)	(\$5,059)	(\$1,059)
Reconciliation from cash basis to modified accrual basis:				
Changes in Accounts Payable			15	
Net Changes in Fund Balances - Modified Accrual Basis			(5,044)	
Fund Balances - Beginning			5,044	
Fund Balances - Ending			\$0	

JACKSON COUNTY, TEXAS
 COURTHOUSE SECURITY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$14,000	\$14,000	\$15,498	\$1,498
Total Revenues	14,000	14,000	15,498	1,498
EXPENDITURES				
Current				
Public Safety	50,685	50,685	18,240	32,445
Total Expenditures	50,685	50,685	18,240	32,445
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,685)	(36,685)	(2,742)	33,943
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$36,685)</u>	<u>(\$36,685)</u>	<u>(\$2,742)</u>	<u>\$33,943</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable			73	
Changes in Accrued Wages Payable			18	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(2,651)</u>	
Fund Balances - Beginning			85,766	
Fund Balances - Ending			<u>83,115</u>	

JACKSON COUNTY, TEXAS
DISTRICT ATTORNEY FORFEITURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$500	\$500	\$559	\$59
Miscellaneous	3,500	3,500	11,395	7,895
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>11,954</u>	<u>7,954</u>
EXPENDITURES				
Current				
Judicial	21,557	21,557	17,829	3,728
Total Expenditures	<u>21,557</u>	<u>21,557</u>	<u>17,829</u>	<u>3,728</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,557)</u>	<u>(17,557)</u>	<u>(5,875)</u>	<u>11,682</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$17,557)</u>	<u>(\$17,557)</u>	<u>(\$5,875)</u>	<u>\$11,682</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			(130)	
Changes in Accrued Wages Payable			25	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(5,980)</u>	
Fund Balances - Beginning			83,472	
Fund Balances - Ending			<u>\$77,492</u>	

JACKSON COUNTY, TEXAS
DISTRICT ATTORNEY HOT CHECK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$3,500	\$3,500	\$4,068	\$568
Total Revenues	3,500	3,500	4,068	568
EXPENDITURES				
Current				
Judicial	15,368	15,368	9,714	5,654
Total Expenditures	15,368	15,368	9,714	5,654
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,868)	(11,868)	(5,646)	6,222
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$11,868)</u>	<u>(\$11,868)</u>	(5,646)	<u>\$6,222</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			0	
Changes in Accounts Payable			0	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(5,646)</u>	
Fund Balances - Beginning			17,206	
Fund Balances - Ending			<u>\$11,560</u>	

JACKSON COUNTY, TEXAS
DISTRICT CLERK RECORDS MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$3,450	\$3,450	\$4,486	\$1,036
Total Revenues	<u>3,450</u>	<u>3,450</u>	<u>4,486</u>	<u>1,036</u>
EXPENDITURES				
Current				
General Administration	4,600	4,600	2,549	2,051
Total Expenditures	<u>4,600</u>	<u>4,600</u>	<u>2,549</u>	<u>2,051</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,150)</u>	<u>(1,150)</u>	<u>1,937</u>	<u>3,087</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(1,150)</u>	<u>(1,150)</u>	<u>1,937</u>	<u>3,087</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			<u>20</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>1,957</u>	
Fund Balances - Beginning			<u>1,574</u>	
Fund Balances - Ending			<u>\$3,531</u>	

JACKSON COUNTY, TEXAS
 ELECTION ADMINISTRATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$1,300	\$1,300	\$686	(\$614)
Total Revenues	1,300	1,300	686	(614)
EXPENDITURES				
Current				
General Administration	1,400	1,400	535	865
Total Expenditures	1,400	1,400	535	865
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100)	(100)	151	251
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(100)	(100)	151	251
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			0	
Net Changes in Fund Balances - Modified Accrual Basis			151	
Fund Balances - Beginning			47	
Fund Balances - Ending			\$198	

JACKSON COUNTY, TEXAS

HEALTH

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$0	\$1,165	\$2,124	\$959
Charges for Services	14,000	14,000	10,665	(3,335)
Total Revenues	14,000	15,165	12,789	(2,376)
EXPENDITURES				
Current				
Health and Welfare	29,145	30,310	30,295	15
Total Expenditures	29,145	30,310	30,295	15
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,145)	(15,145)	(17,506)	(2,361)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				\$0
Operating Transfers Out	0	0	(4,044)	(4,044)
Total Other Financing Sources (Uses)	0	0	(4,044)	(4,044)
Net Changes in Fund Balances	<u>(\$15,145)</u>	<u>(\$15,145)</u>	(21,550)	<u>(\$6,405)</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Grants Receivable			(270)	
Changes in Prepaid Insurance				
Changes in Accounts Payable			4,301	
Changes in Accrued Wages Payable			2,362	
Net Changes in Fund Balances - Modified Accrual Basis			(15,157)	
Fund Balances - Beginning			15,157	
Fund Balances - Ending			<u>\$0</u>	

JACKSON COUNTY, TEXAS
HISTORICAL COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final		(Negative)
REVENUES				
Interest	\$100	\$100	\$217	\$117
Miscellaneous	500	500	11,855	11,355
Total Revenues	600	600	12,072	11,472
EXPENDITURES				
Current				
Culture and Recreation	14,400	14,400	1,082	13,318
Total Expenditures	14,400	14,400	1,082	13,318
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,800)	(13,800)	10,990	24,790
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	1,400	1,400	1,400	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	1,400	1,400	1,400	0
Net Changes in Fund Balances	<u>(\$12,400)</u>	<u>(\$12,400)</u>	\$12,390	<u>\$24,790</u>
Reconciliation from cash basis to modified accrual:				
Changes in Prepaid Insurance			(110)	
Changes in Accounts Payable			0	
Net Changes in Fund Balances - Modified Accrual Basis			12,280	
Fund Balances - Beginning			23,098	
Fund Balances - Ending			<u>\$35,378</u>	

JACKSON COUNTY, TEXAS
 JUSTICE COURT TECHNOLOGY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental				\$0
Charges for Services	8,950	8,950	9,656	706
Miscellaneous				0
Total Revenues	8,950	8,950	9,656	706
EXPENDITURES				
Current				
Judicial	17,100	17,100	13,411	3,689
Total Expenditures	17,100	17,100	13,411	3,689
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,150)	(8,150)	(3,755)	4,395
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(\$8,150)	(\$8,150)	(\$3,755)	\$4,395
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			184	
Net Changes in Fund Balances - Modified Accrual Basis			(3,571)	
Fund Balances - Beginning			9,070	
Fund Balances - Ending			<u>\$5,499</u>	

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION DISCRETION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$2,000	\$2,000	3,821	\$1,821
Total Revenues	2,000	2,000	3,821	1,821
EXPENDITURES				
Current				
Public Safety	9,501	9,501	6,200	3,301
Total Expenditures	9,501	9,501	6,200	3,301
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,501)	(7,501)	(2,379)	5,122
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$7,501)</u>	<u>(\$7,501)</u>	<u>(\$2,379)</u>	<u>\$5,122</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			0	
Changes in Accounts Payable			0	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(2,379)</u>	
Fund Balances - Beginning			8,135	
Fund Balances - Ending			<u>\$5,756</u>	

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$122,389	\$122,389	\$110,666	(\$11,723)
Interest	200	200	297	97
Total Revenues	122,589	122,589	110,963	(11,626)
EXPENDITURES				
Current				
Public Safety	122,589	122,589	111,443	11,146
Total Expenditures	122,589	122,589	111,443	11,146
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(480)	(480)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	\$0	\$0	(480)	(\$480)
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(516)	
Changes in Prepaid Insurance			(106)	
Changes in Accounts Payable			(2,880)	
Changes in Accrued Wages Payable			(779)	
Net Changes in Fund Balances - Modified Accrual Basis			(4,761)	
Fund Balances - Beginning			17,705	
Fund Balances - Ending			\$12,944	

JACKSON COUNTY, TEXAS
 LAW ENFORCEMENT OFFICERS EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
EXPENDITURES				
Current				
Public Safety	5,992	5,992	1,856	4,136
Total Expenditures	5,992	5,992	1,856	4,136
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,992)	(5,992)	(1,856)	4,136
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(5,992)	(5,992)	(1,856)	4,136
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			0	
Net Changes in Fund Balances - Modified Accrual Basis			(1,856)	
Fund Balances - Beginning			5,992	
Fund Balances - Ending			\$4,136	

JACKSON COUNTY, TEXAS

LAW LIBRARY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$7,800	\$7,800	\$8,015	\$215
Total Revenues	7,800	7,800	8,015	215
EXPENDITURES				
Current				
Legal	22,000	22,000	18,981	3,019
Total Expenditures	22,000	22,000	18,981	3,019
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,200)	(14,200)	(10,966)	3,234
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	15,750	15,750	15,750	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	15,750	15,750	15,750	0
Net Changes in Fund Balances	\$1,550	\$1,550	\$4,784	\$3,234
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable			(707)	
Net Changes in Fund Balances - Modified Accrual Basis			4,077	
Fund Balances - Beginning			1,898	
Fund Balances - Ending			\$5,975	

JACKSON COUNTY, TEXAS
 MAURITZ CAMP
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$50	\$50	\$77	\$27
Miscellaneous				0
Total Revenues	50	50	77	27
EXPENDITURES				
Current				
Public Safety	11,200	11,200		11,200
Total Expenditures	11,200	11,200	0	11,200
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,150)	(11,150)	77	11,227
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(11,150)	(11,150)	77	11,227
Fund Balances - Beginning	11,226	11,226	11,226	0
Fund Balances - Ending	\$76	\$76	\$11,303	\$11,227

JACKSON COUNTY, TEXAS
 MEMORIAL LIBRARY FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$300	\$300	\$549	\$249
Miscellaneous	3,400	3,400	6,070	2,670
Total Revenues	<u>3,700</u>	<u>3,700</u>	<u>6,619</u>	<u>2,919</u>
EXPENDITURES				
Current				
Culture and Recreation	5,650	5,650	5,058	592
Total Expenditures	<u>5,650</u>	<u>5,650</u>	<u>5,058</u>	<u>592</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,950)</u>	<u>(1,950)</u>	<u>1,561</u>	<u>3,511</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(1,950)</u>	<u>(1,950)</u>	<u>1,561</u>	<u>3,511</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			<u>(417)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>1,144</u>	
Fund Balances - Beginning			<u>5,554</u>	
Fund Balances - Ending			<u>\$6,698</u>	

JACKSON COUNTY, TEXAS
 SHERIFF FORFEITURE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$80	\$80	\$207	\$127
Miscellaneous	0	0	29,853	29,853
Total Revenues	80	80	30,060	29,980
EXPENDITURES				
Current				
Public Safety	11,000	15,200	9,859	5,341
Total Expenditures	11,000	15,200	9,859	5,341
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,920)	(15,120)	20,201	35,321
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(\$10,920)	(\$15,120)	20,201	\$35,321
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Receivable			(155)	
Changes in Accounts Payable			(161)	
Net Changes in Fund Balances - Modified Accrual Basis			19,885	
Fund Balances - Beginning			27,571	
Fund Balances - Ending			\$47,456	

SINGLE AUDIT SECTION



JACKSON COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

SOURCE AND TITLE OF GRANT	FEDERAL CFDA NUMBER	GRANTOR'S/ PASS-THROUGH GRANTOR'S NUMBER	AWARD AMOUNT	PROGRAM EXPENDI- TURES
FEDERAL ASSISTANCE				
NON-STIMULUS PROGRAMS				
U.S. Department of Justice				
Passed Through				
Texas SAVINS				
Statewide Automated Victim Information Notification (SAVIN) Program (NM)	16.740			
		1224658	\$5,843	\$5,843
		1337013	5,551	
Total U.S. Department of Justice				<u>5,843</u>
U.S. Department of Homeland Security				
Passed Through				
Texas Department of Public Safety				
Homeland Security Grant Program (NM)				
Fiscal Year 2010	97.067			
		SR48239-02	213,605	64,365
				<u>64,365</u>
Passed Through				
Texas Department of Public Safety -				
Division of Emergency Management				
Hazard Mitigation Grant (M)				
Fiscal Year 2012	97.039			
		DR1780-027	53,102	0
Fiscal Year 2012 - Community Safe Room		DR1791-311	1,720,170	898,179
				<u>898,179</u>
Passed Through				
Texa Department of Public Safety				
State Homeland Security Program (NM)				
Fiscal Year 2010	97.073			
		SR48239-01	34,393	0
Fiscal Year 2010		SR48239-03	500,000	0
Fiscal Year 2010		SR48239-01	43,500	0
Fiscal Year 2010		SR48239-07	12,735	12,404
Fiscal Year 2011		SR48239-01	19,784	19,459
Fiscal Year 2012		SR48239-01	20,916	0
Fiscal Year 2012		SR48239-02	27,888	0
				<u>31,863</u>
Total U.S. Department of Homeland Security				<u>994,407</u>

U.S. General Services Administration (GSA)				
Passed Through				
Texas Facilities Commission/Federal Surplus Program				
Donation of Federal Surplus Personal Property (NM)	39.003			
Fiscal Year 2012		15425	None	<u>34,211</u>
Total U.S. General Services Administration (GSA)				<u>34,211</u>
U.S. Election Assistance Commission				
Passed Through				
Texas Secretary of State - Elections Division				
Help America Vote Act of 2002 (HAVA) (NM)				
General HAVA Compliance	90.401		21,906	15,398
Polling Place Accessibility			2,431	<u>0</u>
Total U.S. Election Assistance Commission				<u>15,398</u>
U.S. Department of the Interior				
Bureau of Ocean Energy Management, Regulations and Enforcement (BOEMRE)				
Direct				
Coastal Impact Assistance Program (NM)				
Bennett Park	15.426			
Administrative		F12AF70258	323,000	257,803
		F12AF01290	45,000	8,525
Total U.S. Department of the Interior				<u>266,328</u>
U.S. Department of Transportation				
Passed Through				
Texas Department of Transportation-Aviation Division				
Airport Improvement Program (NM)				
Engineering	20.106			
Routine Airport Maintenance Program		3-48-SBGP-67-2010	106,924	12,626
			50,000	11,948
Total U.S. Department of Transportation				<u>24,574</u>
U.S. Department of Health and Human Services				
Passed Through				
Office of the Attorney General				
Child Support Enforcement-Title IV-D (NM)				
Fiscal Year 2012	93.563			
		None		4,137
Total U.S. Department of Health and Human Services				<u>4,137</u>
TOTAL NON-STIMULUS PROGRAMS				
				<u>1,344,898</u>

STIMULUS PROGRAMS**U.S. Department of Housing and Urban Development**

Passed Through

Texas Department of Rural Affairs

State-Administered Small Cities Program (NM)

14.255

Fiscal Year 2012

R-729300

443,592

212,372

Total U.S. Department of Housing and Urban Development

212,372**U.S. Department of Energy**

Passed Through

Texas Comptroller of Public Accounts

Energy Efficiency and Conservation Block Grant Program (EECBG) (NM)

81.128

Fiscal Year 2012

57,576

2,280

Total U.S. Department of Energy

2,280**TOTAL STIMULUS PROGRAMS**214,652

Total Federal Assistance

\$1,559,550

CFDA=CATALOGUE OF FEDERAL DOMESTIC ASSISTANCE NUMBER

M=MAJOR PROGRAM

NM=NONMAJOR PROGRAM

See Accompanying Notes to Schedule of Federal Financial Assistance

JACKSON COUNTY, TEXAS
 COMMUNITY DEVELOPMENT BLOCK GRANTS/STATES PROGRAM
 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012

Federal Financial Assistance

Federal Grantor: U.S. Department of Housing and Urban Development

Pass Through Grantor: Texas Department of Rural Affairs (TDRA)

CFDA Number: 14.255

Project Number: R-729300

Contract Period: 10/17/2010 to 10/16/2012

	FEDERAL		LOCAL MATCH		VARIANCE
	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	
BUDGET					
REVENUE					
Federal	\$443,592	\$231,220	\$212,372		\$0
TOTAL REVENUE:	443,592	231,220	212,372	0	0
EXPENSES					
Federal					
Sewer Facilities	443,592	231,220	212,372	0	0
TOTAL EXPENSES	443,592	231,220	212,372	0	0
Excess Revenue over Expenditures	\$0	\$0	\$0	\$0	\$0

BEYER & CO.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

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P.O. BOX 366 830/569-8781 FAX 830/569-6776
PLEASANTON, TEXAS 78064

111 NORTH ODEM
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SINTON, TEXAS 78387

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Commissioners' Court
Jackson County, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of and for the year ended September 30, 2012, which collectively comprise Jackson County, Texas 's basic financial statements and have issued our report thereon dated April 18, 2013. 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.

Internal Control over Financial Reporting

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jackson County, Texas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to the management of Jackson County, Texas in a separate letter dated April 18, 2013.

This report is intended solely for the information and use of management, Commissioners' Court, others within the entity, and Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Wayne R. Beyer". The signature is written in a cursive style with a large, stylized initial "B" at the end.

BEYER & COMPANY
Certified Public Accountants
Pleasanton, Texas
April 18, 2013

BEYER & CO.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Commissioners' Court
Jackson County, Texas

Compliance

We have audited Jackson County, Texas' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Jackson County, Texas' major federal programs for the year ended September 30, 2012. Jackson County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Jackson County, Texas' management. Our responsibility is to express an opinion on Jackson County, Texas' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jackson County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Jackson County, Texas' compliance with those requirements.

In our opinion, Jackson County, Texas, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

Internal Control over Compliance

Management of Jackson County, Texas, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Jackson County, Texas' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jackson County, Texas' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Commissioners' Court, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BEYER & COMPANY
Certified Public Accountants
Pleasanton, Texas
April 18, 2013

JACKSON COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

General

The accompanying Schedule of Expenditure of Federal Awards presents the activity of all the Jackson County, Texas's Federal grants for the year ended September 30, 2012. This report is intended for the information of the Jackson County, Texas, and Federal awarding agencies, and is not intended to be used and should not be used by anyone other than these specified parties.

Basis of Accounting

The Schedule of Expenditure of Federal Awards is presented using the modified accrual basis of accounting.

Non Cash Grants

Jackson County received non-cash grants of \$33,334 for the year ended September 30, 2012 for the TxDOT Aviation Grant.

JACKSON COUNTY, TEXAS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Federal

There were no prior audit findings for Federal Awards.

JACKSON COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Jackson County, Texas.
2. There were no significant deficiencies disclosed during the audit. There was no material weakness disclosed during the audit.
3. There were no instances of noncompliance material to the financial statements of the Jackson County, Texas, which would be required to be reported in accordance with Government Auditing Standards and the Uniform Grant Management Standards (UGMS), disclosed during the audit.
4. There were no significant deficiencies over major Federal award programs disclosed during the audit. There was no material weakness over major Federal award programs disclosed during the audit.
5. The auditor's report on compliance for the major Federal award programs for the Jackson County, Texas expresses an unqualified opinion on all major Federal programs.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs: Hazard Mitigation Grant - CFDA 97.039.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Jackson County did not qualify as a low-risk auditee.
10. Material Weaknesses
 - a. There were no material weakness disclosed during the audit.

Findings relating to the Financial Statements

None

Findings and Questioned Costs for Federal Awards

None

Sheriff's Office

Finding:

1. We noted that the Commissary / Inmate Trust Fund bank account is not correctly reconciled each month; therefore, we were unable to determine the source of inmate monies being held.

Recommendation:

We recommend all bank accounts be reconciled monthly.

CORRECTIVE ACTION

The Commissary / Inmate Trust Fund will be reconciled every month.

Finding:

2. We were unable to obtain a true and correct year-end Resident Balance Report; therefore, we were unable to determine actual amounts owed to inmates.

Recommendation:

We recommend that correct inmate balances be entered into the computer software system routinely; and that the Resident Balance Report remain current; and be reconciled to the bank statement(s).

CORRECTIVE ACTION

All recommendations will be applied.

BEYER & CO.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

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Honorable County Judge
and Commissioners' Court
Jackson County
Edna, Texas

As a result of our observations concerning the accounting and financial aspects of the records of Jackson County, Texas, during our audit for the year ended September 30, 2012, we submit the following recommendations for your consideration:

Sheriff's Office

Finding:

1. We noted that the Commissary / Inmate Trust Fund bank account is not correctly reconciled each month; therefore, we were unable to determine the source of inmate monies being held.

Recommendation:

We recommend all bank accounts be reconciled monthly.

Finding:

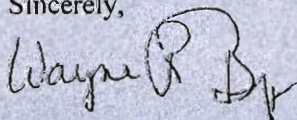
2. We were unable to obtain a true and correct year-end Resident Balance Report; therefore, we were unable to determine actual amounts owed to inmates.

Recommendation:

We recommend that correct inmate balances be entered into the computer software system routinely; and that the Resident Balance Report remain current; and be reconciled to the bank statement(s).

These comments and recommendations are made in a constructive spirit and in the best interest of the Jackson County, Texas. We will be glad to review and discuss them in more detail with the County personnel at your request.

Sincerely,



BEYER & CO.
Certified Public Accountants
April 18, 2013

County of Jackson

411 North Wells, Room 201
Edna, Texas. 77957

Michelle Darilek, CPA
Jackson County Auditor

Phone: 361.782.2072
Fax: 361.782.0856
E-mail: m.darilek@co.jackson.tx.us

May 28, 2013

Honorable Stephen Williams
District Judge
135th Judicial District
115 N Bridge
Victoria, Texas 77901

Honorable Judge Williams:

Enclosed is a copy of Jackson County's audited Comprehensive Annual Financial Report for the year ended September 30, 2012 as well as a management letter dated April 18, 2013. There are several findings listed in the report all pertaining to the Commissary/Inmate Trust Fund. The bank account has not been reconciled since July 2010 when the new Keefe kiosk system ("system") for tracking inmate transactions was installed and many of the issues stem from the omission of this vital procedure.

The Auditor's Office concurs with all the management letter's recommendations and will again discuss the importance of recordkeeping, reconciling and reporting with the Jail Administration and the Sheriff's Office. The Auditor's Office has contacted the Jail Administrator numerous times concerning the non-reconciliation of the Commissary/Inmate Trust Fund bank account. The Auditor's Office is now receiving monthly reports, but the reports do not balance. The Auditor's Office has diligently reconstructed the outstanding check list, which is extensive, since outstanding checks were not input in the current system and/or were input incorrectly. The Auditor's Office spent numerous hours tracing items from the system to the bank statement but to date has not resolved all the issues.

After discussions with Keefe technicians, the Sheriff's Department and the outside auditors, the Auditor's Office recommends that a new bank account be opened as of October 1, 2013 with appropriate inmate balances and other liability balances, leaving the previous transactions in the old bank account. Opening a new account will allow the inmate trust/commissary account to be reconciled on a monthly basis from that point forward. The amounts remaining in the old bank account will continue to be researched until all issues are resolved. We also strongly suggested that Keefe be contacted and a representative be sent to retrain the appropriate jail personnel and to train an administrative employee of the Sheriff's Department and Auditor staff. The Sheriff Department concurs and has already contacted Keefe to schedule a training day.

The Auditor, Sheriff and Jail Administration plan to continue to work together to resolve the numerous issues of the Commissary/Inmate Trust Fund. If you have any questions or need additional information, please do not hesitate to contact me at the number or address above.

Sincerely



Michelle Darilek, CPA
Jackson County Auditor

Enclosures

Cc: County Judge
Commissioners
Audit File