

JACKSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2007

Jackson County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2007

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Commissioner's Court
Jackson County, Texas

I 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, 2007, which collectively comprise Jackson County, Texas's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jackson County, Texas's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my 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, 2007, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund and the Road and Bridge Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, the non-major budgetary comparison information, and the schedule of funding progress for the Public Employees Retirement System on pages 3 through 10, 66 through 86, and 47, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jackson County, Texas's basic financial statements. The combining and individual non-major fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and schedules and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



WAYNE R. BEYER
Certified Public Accountant
Pleasanton, Texas
April 27, 2008

Management's Discussion and Analysis

As management of Jackson County, Texas, we offer readers of Jackson County, Texas's financial statements this narrative overview and analysis of the financial activities of Jackson County, Texas for the fiscal year ended September 30, 2007.

Financial Highlights

The assets of Jackson County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$16,135,291 (net assets). Of this amount, \$7,472,993 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets increased by \$1,105,707. This increase is attributable to revenues continuing to outpace expenses.

As of the close of the current fiscal year, Jackson County, Texas's governmental funds reported combined ending fund balances of \$7,910,582, an increase of \$966,059 in comparison with the prior year. Approximately 91% of this total amount, \$7,235,195, is available for spending at the government's discretion (unreserved fund balance).

At the end of the current fiscal year, the unreserved fund balance for the general fund was \$6,000,464, or 106 percent of total general fund expenditures, the unreserved fund balance for the road and bridge fund was \$540,387, or 26 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's basic financial statements. Jackson County, Texas's 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's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Jackson County, Texas's 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 a passport fund, 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 11-12 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 eight (28) 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, all of which are considered to be major funds. Data from the other twenty five (25) 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 13-20 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 27-46 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's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 47 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 48-65 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 66-86 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 \$16,135,291 at the close of the most recent fiscal year.

A large portion of Jackson County, Texas's net assets (49 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's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

JACKSON COUNTY, TEXAS NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other Assets	\$9,644,227	\$8,491,571	\$25,483	\$31,998	\$9,669,710	\$8,523,569
Capital Assets	6,793,033	6,557,483	634,060	593,157	7,427,093	7,150,640
Total Assets	16,437,260	15,049,054	659,543	625,155	17,096,803	15,674,209
Long-term liabilities	333,276	198,355	1,528	1,708	334,804	200,063
Other liabilities	624,542	443,264	2,166	1,298	626,708	444,562
Total Liabilities	957,818	641,619	3,694	3,006	961,512	644,625
Net Assets						
Invested in Capital Assets, Net of Related debt	7,352,851	6,467,808	634,060	593,157	7,986,911	7,060,965
Restricted	675,387	481,056	0		675,387	481,056
Unrestricted	7,451,204	7,458,571	21,789	28,992	7,472,993	7,487,563
Total Net Assets	\$15,479,442	\$14,407,435	\$655,849	\$622,149	\$16,135,291	\$15,029,584

An additional portion of Jackson County, Texas's net assets (4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$7,472,993) may be used to meet the governments on going 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 governments net assets increased by \$1,105,707 during the current fiscal year. This increase is attributable to revenues continuing to outpace expenses.

There was an increase of \$194,331 in restricted net assets reported in connection with Jackson County, Texas's government-type activities. This increase resulted from monies being transferred into the permanent improvement fund for future governmental improvement operations.

Governmental activities:

Governmental activities increased Jackson County, Texas's net assets by \$1,072,007, thereby accounting for 97 percent of the total growth in the net assets of Jackson County, Texas.

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program Revenues						
Charges for Services	\$1,926,654	\$2,018,378	\$39,154	\$49,670	\$1,965,808	\$2,068,048
Operating Grants and Contributions	470,632	492,828			470,632	492,828
Operating Grants and Contributions	203,998	0	39,553	30,000	243,551	30,000
General Revenues					0	0
Maintenance and Operations Taxes	5,202,062	4,987,898			5,202,062	4,987,898
Sales Tax	606,167	600,125			606,167	600,125
Other Taxes	4,221	16,555			4,221	16,555
Unrestricted investment earnings	463,396	373,867	3,304	5,049	466,700	378,916
Miscellaneous	518,178	187,771			518,178	187,771
Total Revenue	9,395,308	8,677,422	82,011	84,719	9,477,319	8,762,141
Expenses:						
General Administration	977,413	979,353	0	755	977,413	980,108
Judicial	851,968	714,475			851,968	714,475
Legal	62,406	23,530			62,406	23,530
Financial Administration	538,068	540,080			538,068	540,080
Public Facilities	454,115	467,581			454,115	467,581
Public Safety	2,450,302	2,146,790	12,623	10,710	2,462,925	2,157,500
Public Transportation	2,053,385	1,899,026			2,053,385	1,899,026
Environmental Protections	304,644	237,275			304,644	237,275
Culture and Recreation	173,307	147,760	103,025	99,031	276,332	246,791
Health and Welfare	278,831	282,833			278,831	282,833
Conservation - Agriculture	106,942	96,413			106,942	96,413
Interest and Fiscal Charges	4,583	7,938			4,583	7,938
Total Expenses	8,255,964	7,543,054	115,648	110,496	8,371,612	7,653,550
Increase in net assets before transfers and special items	1,139,344	1,134,368	(33,637)	(25,777)	1,105,707	1,108,591
Transfers	(67,337)	(60,941)	67,337	60,941	0	0
Increase in Net Assets	1,072,007	1,073,427	33,700	35,164	1,105,707	1,108,591
Net Assets at 9/30/2006	14,407,435	13,334,008	622,149	586,985	15,029,584	13,920,993
Net Assets at 9/30/2007	\$15,479,442	\$14,407,435	\$655,849	\$622,149	\$16,135,291	\$15,029,584

Business-Type Activities

Business-type activities (commissary, and airport fund) in Jackson County were immaterial representing 3 percent of the total growth in the net assets of Jackson County, Texas and therefore, no discussion regarding these will be forthcoming in this section.

Expenses and Program Revenues - Governmental Activities

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Government activities:				
General Administration	\$977,413	\$264,844	\$32,726	\$0
Judicial	851,968	640,162		
Legal	62,406			
Financial Administration	538,068	180,599		
Public Facilities	454,115			197,258
Public Safety	2,450,302	141,493	358,501	6,740
Public Transportation	2,053,385	553,854	21,192	
Environmental Protections	304,644	100,560		
Culture and Recreation	173,307	2,620	1,989	
Health and Welfare	278,831	42,522	56,224	
Conservation - Agriculture	106,942			
Interest and Fiscal Charges	4,583			
Total government activities	<u>\$8,255,964</u>	<u>\$1,926,654</u>	<u>\$470,632</u>	<u>\$203,998</u>

Revenues by source - Governmental Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$1,926,654	20.51%
Operating Grants and Contributions	470,632	5.01%
Operating Grants and Contributions	203,998	2.17%
Maintenance and Operations Taxes	5,202,062	55.37%
Sales Tax	606,167	6.45%
Other Taxes	4,221	0.04%
Unrestricted investment earnings	463,396	4.93%
Miscellaneous	518,178	5.52%
	<u>\$9,395,308</u>	<u>100.00%</u>

Business-type activities:

Business-type activities increased the County's net assets by \$33,700.

- Demand for services for business-type activities decreased by 21 percent. The Airport fund accounts for a significant portion of this decrease, which resulted from a decrease in demand (\$10,516 or 21%).
- The transfer from the general fund decreased by \$6,396.
- Total grant proceeds increased by \$9,553.
- Total expenses increased by \$5,152.

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	\$12,623	\$9,794	\$0	\$0
Airport	103,025	29,360		39,553
Total Business-type Activities:	<u>\$115,648</u>	<u>\$39,154</u>	<u>\$0</u>	<u>\$39,553</u>

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's 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's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Jackson County, Texas's governmental funds reported combined ending fund balances of \$7,910,582, an increase of \$966,059 in comparison with the prior year. Approximately 91 percent of this total amount (\$7,235,195) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) for Permanent Improvement (\$649,493) and 2) for Construction (\$25,894).

The general fund is the chief operating fund of Jackson County, Texas. At the end of the current fiscal year, unreserved fund balance of the general fund was \$6,000,464, while total fund balance reached \$6,649,957. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 106 percent of total general fund expenditures, while total fund balance represents 117 percent of that same amount.

The fund balance of Jackson County, Texas's general fund increased by \$735,306 during the current fiscal year. Key factors in this increase are as follows: Conservative and careful budget management.

The road and bridge fund had an unreserved fund balance of \$540,387, while total fund balance reached \$540,387. As a measure of the road and bridge fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 26 percent of total road and bridge fund expenditures, while total fund balance represents 26 percent of that same amount. The fund balance of the road and bridge fund increased by \$77,837 during the current year. Key factors in this increase are as

follows: Conservative and careful budget management.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund were \$210,601. This increase was distributed evenly amongst the functions and was financed by an increase in revenues. Differences between the original budget and the final amended budget for the road and bridge fund was a reduction of \$82,867.

Capital Asset and Debt Administration

Capital assets:

Jackson County, Texas's investment in capital assets for its governmental activities as of September 30, 2007, amounts to \$7,427,093 (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 increase in Jackson County, Texas's investment in capital assets for the current fiscal year was 4 percent (4 percent increase for governmental activities and 7 percent increase for business-type activities).

JACKSON COUNTY, TEXAS CAPITAL ASSETS (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$152,747	\$143,696	\$70,254	\$70,254	\$223,001	\$213,950
Building and improvements	2,581,243	2,682,301	221,070	154,425	2,802,313	2,836,726
Machinery and equipment	2,186,435	1,894,037	0	0	2,186,435	1,894,037
Infrastructure	1,723,744	1,787,951	336,436	368,478	2,060,180	2,156,429
Construction in Progress	148,864	20,980	6,300	0	155,164	20,980
Total	\$6,793,033	\$6,528,965	\$634,060	\$593,157	\$7,427,093	\$7,122,122

Additional information on Jackson County, Texas's capital assets can be found in note IV C on page 39 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, and 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

JACKSON COUNTY, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2007

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and Cash Equivalents	\$8,234,636	\$21,509	\$8,256,145
Receivables (net of allowance for uncollectibles)	1,341,605	3,150	1,344,755
Prepaid Expenses	67,986	824	68,810
Capital assets not being depreciated:			
Land	152,747	70,254	223,001
Construction in Progress	148,864	6,300	155,164
Total Capital assets being depreciated, net			
Building and Improvements	2,581,243	221,070	2,802,313
Machinery and Equipment	2,186,435	0	2,186,435
Infrastructure	1,723,744	336,436	2,060,180
Total Assets	\$16,437,260	\$659,543	\$17,096,803
LIABILITIES:			
Accounts Payable	\$297,250	\$1,776	\$299,026
Bank Overdraft	44,323		44,323
Due to others	213,767		213,767
Accrued Wages Payables	69,202	390	69,592
Noncurrent Liabilities:			
Due within one year	161,604	1,528	163,132
Due in more than one year	171,672		171,672
Total Liabilities	957,818	3,694	961,512
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	7,352,851	634,060	7,986,911
Restricted for:			
Permanent Improvement	649,493		649,493
Construction	25,894		25,894
Unrestricted	7,451,204	21,789	7,472,993
Total Net Assets	\$15,479,442	\$655,849	\$16,135,291

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary government							
Government activities:							
General Administration	\$977,413	\$264,844	\$32,726		(\$679,843)		(\$679,843)
Judicial	851,968	640,162			(211,806)		(211,806)
Legal	62,406				(62,406)		(62,406)
Financial Administration	538,068	180,599			(357,469)		(357,469)
Public Facilities	454,115			197,258	(256,857)		(256,857)
Public Safety	2,450,302	141,493	358,501	6,740	(1,943,568)		(1,943,568)
Public Transportation	2,053,385	553,854	21,192		(1,478,339)		(1,478,339)
Environmental Protection	304,644	100,560			(204,084)		(204,084)
Culture and Recreation	173,307	2,620	1,989		(168,698)		(168,698)
Health and Welfare	278,831	42,522	56,224		(180,085)		(180,085)
Conservation - Agriculture	106,942				(106,942)		(106,942)
Interest and Fiscal Charges	4,583				(4,583)		(4,583)
Total government activities	8,255,964	1,926,654	470,632	203,998	(5,654,680)	0	(5,654,680)
Business-type Activities:							
Jail Commissary	12,623	9,794				(2,829)	(2,829)
Airport	103,025	29,360		39,553		(34,112)	(34,112)
Total Business-type Activities:	115,648	39,154	0	39,553	0	(36,941)	(36,941)
Total Primary Government	\$8,371,612	\$1,965,808	\$470,632	\$243,551	(5,654,680)	(36,941)	(5,691,621)
General Revenues							
Property Taxes, Levies for General Purposes					5,202,062		5,202,062
Sales Taxes					606,167		606,167
Other Taxes					4,221		4,221
Unrestricted Investment Earnings					463,396	3,304	466,700
Miscellaneous					518,178		518,178
Transfers					(67,337)	67,337	0
Total General Revenues and Transfers					6,726,687	70,641	6,797,328
Change in Net assets					1,072,007	33,700	1,105,707
Net Assets - Beginning - Restated					14,407,435	622,149	15,029,584
Net Assets - Ending					\$15,479,442	\$655,849	\$16,135,291

The accompanying notes are an integral part of this statement.



FUND FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007

	General Fund	Road and Bridge	District Clerk Reserve	Community Development Grant	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$6,650,643	\$621,494	\$198,933	\$25,894	\$737,672	\$8,234,636
Receivables (net of allowance for uncollectibles)	461,637	3,569		112,500	31,826	609,532
Due from Other Funds					714	714
Prepaid insurance	53,759	12,508			1,719	67,986
Total Assets	\$7,166,039	\$637,571	\$198,933	\$138,394	\$771,931	\$8,912,868
LIABILITIES AND FUND BALANCES:						
Liabilities						
Accounts Payable	\$85,920	\$83,978		\$112,500	\$14,852	\$297,250
Bank Overdraft					44,323	44,323
Due to Others			198,933		14,834	213,767
Due to Other Funds	714					714
Accrued Wages Payable	52,418	13,206			3,578	69,202
Deferred Revenues	377,030					377,030
Total Liabilities	516,082	97,184	198,933	112,500	77,587	1,002,286
Fund Balances:						
Restricted For:						
Permanent Improvement - Expendable Construction	649,493			25,894		649,493
Unreserved, Reported in General Fund	6,000,464	540,387				6,540,851
Special Revenue Funds					694,344	694,344
Total Fund Balance	6,649,957	540,387	0	25,894	694,344	7,910,582
Total Liabilities and Fund Balances	\$7,166,039	\$637,571	\$198,933	\$138,394	\$771,931	\$8,912,868

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, 2007

Total Fund Balances - governmental funds balance sheet	\$7,910,582
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.	6,793,033
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	732,073
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	377,030
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(333,276)
Net assets of governmental activities - statement of net assets	<u>\$15,479,442</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, 2007

	General Fund	Road and Bridge	District Clerk Reserve	Community Develop- ment Grant	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$5,211,893					\$5,211,893
Sales	606,167					606,167
Other	4,221					4,221
Intergovernmental	305,443	21,192		197,258	142,767	666,660
Licenses and Permits		553,854				553,854
Charges for Services	620,324				206,598	826,922
Fines and Forfeitures	544,244					544,244
Interest	391,896	58,462			13,038	463,396
Miscellaneous	178,778	69,212		60,000	205,292	513,282
Total Revenues	7,862,966	702,720	0	257,258	567,695	9,390,639

EXPENDITURES

Current:

General Administration						
County Judge	123,804					123,804
Commissioner's Court	235,045					235,045
County Clerk	252,960					252,960
Elections	22,652				780	23,432
Records Management					26,531	26,531
Veterans Service	2,627					2,627
Non-Departmental	319,989					319,989
Legal						
Check Collection					43,210	43,210
Law Library					19,196	19,196
Judicial						
Court Reporter					3,757	3,757
Judicial					27,255	27,255
District Court	83,041					83,041
District Clerk	154,865					154,865
Justice of the Peace No. 1	117,988					117,988
Justice of the Peace No. 2	146,013					146,013
Criminal District Attorney	174,676					174,676
Court Expense	119,297					119,297
Jury	26,777					26,777
Financial Administration						
County Auditor	188,242					188,242
County Treasurer	104,649					104,649
Tax Assessor-Collector	238,569					238,569
Public Facilities						
Public Facilities	417,087					417,087

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Public Safety						
Adult Probation	1,775					1,775
Ambulance	136,218					136,218
Civil Defense	22,848					22,848
Constable No. 1	80,527					80,527
Constable No. 2	51,962					51,962
Corrections	791,604					791,604
Courthouse Security				17,470		17,470
D.P.S./License and Weight	5,445					5,445
D.P.S./Troopers	5,031					5,031
EMS/Jaws of Life	4,990					4,990
Fire	41,993					41,993
Flood Plain Permit	2,550					2,550
L.N.R.A.	45,287					45,287
Sheriff	1,093,692			34,406		1,128,098
T.J.P.C.	21,685			113,446		135,131
Public Transportation						
Road and Bridge		2,086,923				2,086,923
Environmental Protection						
Sanitation	284,364					284,364
Culture and Recreation						
County Library	114,825			15,750		130,575
Historical Commission				7,212		7,212
Parks	495					495
Fairgrounds	13,431					13,431
Health and Welfare						
Health				216,195		216,195
Child Welfare						0
Gulf Bend Mental Health	14,000					14,000
Senior Citizens Center	40,000					40,000
Conservation - Agriculture						
Agriculture Extension Service	103,289					103,289
U.S. Soil Conservation	2,000					2,000
Capital Outlay						
Capital Outlay				252,704		252,704
Debt Service						
Principal Retirement	66,970	15,685				82,655
Interest Retirement	4,286	297				4,583
Total Expenditures	<u>5,677,548</u>	<u>2,102,905</u>	<u>0</u>	<u>252,704</u>	<u>525,208</u>	<u>8,558,365</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures	<u>2,185,418</u>	<u>(1,400,185)</u>	<u>0</u>	<u>4,554</u>	<u>42,487</u>	<u>832,274</u>
OTHER FINANCING SOURCES (USES):						
Other Financing Sources - Capital Lease	0	201,122				201,122
Operating Transfers In	808,649	1,925,900			134,524	2,869,073
Operating Transfers Out	(2,258,761)	(649,000)			(28,649)	(2,936,410)
Total Other Financing Sources (Uses)	<u>(1,450,112)</u>	<u>1,478,022</u>	<u>0</u>	<u>0</u>	<u>105,875</u>	<u>133,785</u>
Net Changes in Fund Balances	735,306	77,837	0	4,554	148,362	966,059
Fund Balances - Beginning - Restated	5,914,651	462,550	0	21,340	545,982	6,944,523
Fund Balances - Ending	<u>\$6,649,957</u>	<u>\$540,387</u>	<u>\$0</u>	<u>\$25,894</u>	<u>\$694,344</u>	<u>\$7,910,582</u>

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, 2007

Net Changes in Fund Balances - total governmental funds	\$966,059
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.	235,549
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.	15,151
(Increase) decrease in Compensated absences from beginning of period to end of period.	(16,455)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(9,830)
Increase in loan principal are receipts in the funds but not revenue in the SOA.	(201,122)
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	82,655
Change in net assets of governmental activities - statement of activities	<u>\$1,072,007</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$5,094,076	\$5,094,076	\$5,219,876	\$125,800
Sales	500,000	500,000	604,338	104,338
Other	5,950	5,950	3,915	(2,035)
Intergovernmental	74,500	264,370	282,673	18,303
Charges for Services	549,100	549,100	625,180	76,080
Fines and Forfeitures	531,200	531,200	544,986	13,786
Interest	170,460	170,460	392,050	221,590
Miscellaneous	71,500	148,516	165,987	17,471
Total Revenues	6,996,786	7,263,672	7,839,005	575,333

EXPENDITURES

Current:

General Administration				
County Judge	125,265	125,265	123,755	1,510
Commissioner's Court	240,696	240,696	236,090	4,606
County Clerk	268,890	266,767	255,604	11,163
Elections	21,273	25,115	24,856	259
Veterans Service	2,650	2,650	2,614	36
Non-Departmental	403,699	386,562	313,371	73,191
Judicial				
District Court	55,179	89,179	84,137	5,042
District Clerk	160,692	160,692	156,840	3,852
Justice of the Peace No. 1	106,840	125,070	118,983	6,087
Justice of the Peace No. 2	150,799	153,107	146,212	6,895
Criminal District Attorney	278,686	238,686	173,291	65,395
Court Expense	76,600	113,749	106,495	7,254
Jury	45,580	45,580	26,682	18,898
Financial Administration				
County Auditor	190,026	190,026	188,119	1,907
County Treasurer	107,665	107,665	105,107	2,558
Tax Assessor-Collector	263,448	263,848	238,522	25,326
Public Facilities				
Public Facilities	764,239	771,758	419,729	352,029

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Public Safety				
Adult Probation	2,950	2,950	1,931	1,019
Ambulance	128,950	148,950	130,068	18,882
Civil defense	24,300	24,300	22,941	1,359
Constable No. 1	83,556	83,556	82,046	1,510
Constable No. 2	56,043	56,043	52,065	3,978
Corrections	794,527	820,685	783,094	37,591
D.P.S./License and Weight	5,450	5,884	5,361	523
D.P.S./Troopers	5,734	5,734	4,628	1,106
EMS/Jaws of Life	10,564	10,564	4,746	5,818
Fire	51,000	51,000	39,743	11,257
Flood Plain Permit	10,000	10,000	2,550	7,450
L.N.R.A.	45,434	45,434	45,262	172
Sheriff	1,061,191	1,166,841	1,109,120	57,721
T.J.P.C.	21,389	21,714	21,713	1
Environmental Protection				
Sanitation	272,331	281,931	281,085	846
Culture and Recreation				
County Library	116,390	120,636	113,377	7,259
Parks	1,500	1,500	606	894
Fairgrounds	20,000	20,000	14,287	5,713
Health and Welfare				
Gulf Bend Mental Health	14,000	14,000	14,000	0
Senior Citizens Center	40,000	40,000	40,000	0
Conservation - Agriculture				
Agriculture Extension Service	108,684	108,684	103,010	5,674
U.S. Soil Conservation	2,000	2,000	2,000	0
Capital Outlay				
Capital Outlay				0
Debt Service				
Principal Retirement	35,953	35,953	35,953	0
Interest Retirement	4,287	4,287	4,286	1
Total Expenditures	<u>6,178,460</u>	<u>6,389,061</u>	<u>5,634,279</u>	<u>754,782</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>818,326</u>	<u>874,611</u>	<u>2,204,726</u>	<u>1,330,115</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	780,000	780,000	808,649	28,649
Operating Transfers Out	<u>(2,246,556)</u>	<u>(2,258,761)</u>	<u>(2,258,761)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,466,556)</u>	<u>(1,478,761)</u>	<u>(1,450,112)</u>	<u>28,649</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$648,230)</u>	<u>(\$604,150)</u>	<u>754,614</u>	<u>\$1,358,764</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in officers fees and sales tax receivable			(6,936)	
Changes in Prepaid Insurance			(3,518)	
Changes in Accounts Payable			(4,902)	
Changes in Accrued Wages Payable			<u>(3,952)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			735,306	
Fund Balances - Beginning			<u>5,914,651</u>	
Fund Balances - Ending			<u>\$6,649,957</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, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$21,336	\$21,192	\$21,192	\$0
Licenses and Permits	513,899	513,899	554,197	40,298
Interest	26,000	26,000	58,462	32,462
Miscellaneous	1,200	43,477	69,212	25,735
Total Revenues	<u>562,435</u>	<u>604,568</u>	<u>703,063</u>	<u>98,495</u>
EXPENDITURES				
Current				
Public Transportation	2,319,846	2,238,958	1,864,922	374,036
Debt Service				
Principal Retirement	17,664	15,685	15,685	0
Interest Retirement	297	297	297	0
Total Expenditures	<u>2,337,807</u>	<u>2,254,940</u>	<u>1,880,904</u>	<u>374,036</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(1,775,372)</u>	<u>(1,650,372)</u>	<u>(1,177,841)</u>	<u>472,531</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	1,796,900	1,796,900	1,845,900	49,000
Operating Transfers Out	<u>(520,000)</u>	<u>(645,000)</u>	<u>(609,000)</u>	<u>36,000</u>
Total Other Financing Sources (Uses)	<u>1,276,900</u>	<u>1,151,900</u>	<u>1,236,900</u>	<u>85,000</u>
Net Changes in Fund Balances	<u>(\$498,472)</u>	<u>(\$498,472)</u>	<u>59,059</u>	<u>\$557,531</u>
Reconciliation from cash basis to modified accrual				
Changes in officers fees and sales tax receivable			607	
Changes in Prepaid Insurance			148	
Changes in Accounts Payable			18,814	
Changes in Accrued Wages Payable			<u>(791)</u>	
Net Changes in Fund Balances-Modified Accrual Basis			<u>77,837</u>	
Fund Balances - Beginning			<u>462,550</u>	
Fund Balances - Ending			<u>\$540,387</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, 2007

	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	\$6,176	\$14,706	\$15,333	\$16,555	\$21,509
Receivables (net of allowance for uncollectibles)	3,150	0			3,150
Prepaid Insurance	824	737	0	0	824
Total Current Assets	10,150	15,443	15,333	16,555	25,483
Noncurrent assets					
Capital Assets					
Land	70,254	70,254			70,254
Construction in Progress	6,300	0			6,300
Buildings and Improvements	345,036	269,046			345,036
Machinery and Equipment	6,709	6,709			6,709
Infrastructure	479,083	479,083			479,083
Total Capital assets	907,382	825,092	0	0	907,382
Less Accumulated Depreciation	(273,322)	(231,935)			(273,322)
Total Capital Assets (net of accumulated depreciation)	634,060	593,157	0	0	634,060
Total noncurrent assets	634,060	593,157	0	0	634,060
TOTAL ASSETS	\$644,210	\$608,600	\$15,333	\$16,555	\$659,543
LIABILITIES, FUND EQUITY AND OTHER CREDITS					
Liabilities					
Current Liabilities(Payable from Current Assets)					
Accounts Payable	\$751	\$585	\$1,025	\$323	\$1,776
Accrued Wages Payable	390	390	0	0	390
Compensated Absences	1,528	1,708	0	0	1,528
Total Current Liabilities	2,669	2,683	1,025	323	3,694
TOTAL LIABILITIES	2,669	2,683	1,025	323	3,694
Invested in Capital Assets, Net of Related debt Unrestricted	634,060 7,481	593,157 12,760		16,232	634,060 21,789
TOTAL NET ASSETS	\$641,541	\$605,917	\$14,308	\$16,232	\$655,849

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, 2007

	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	\$29,360	\$34,947	\$9,794	\$11,941	\$39,154
TOTAL OPERATING REVENUES	29,360	34,947	9,794	11,941	39,154
OPERATING EXPENSES					
Personal Services	34,484	33,965			34,484
Supplies	11,812	15,016	7,831		19,643
Other Services and Charges	15,342	11,714	4,792	10,710	20,134
Depreciation	41,387	38,336			41,387
TOTAL OPERATING EXPENSES	103,025	99,031	12,623	10,710	115,648
OPERATING INCOME (LOSS)	(73,665)	(64,084)	(2,829)	1,231	(76,494)
NON-OPERATING REVENUES (EXPENSES):					
Interest Income	2,399	3,921	905	672	3,304
State Grant	39,553	30,000	0	0	39,553
TOTAL NON-OPERATING REVENUES (EXPENSES)	41,952	33,921	905	672	42,857
Income Before Transfers	(31,713)	(30,163)	(1,924)	1,903	(33,637)
Transfers In	67,337	69,221	0	0	67,337
Change in Net Assets	35,624	39,058	(1,924)	1,903	33,700
Total Net Assets - Beginning	605,917	566,859	16,232	14,329	622,149
Total Net Assets - Ending	\$641,541	\$605,917	\$14,308	\$16,232	\$655,849

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, 2007

	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	\$26,210	\$34,947	\$9,794	\$11,941	\$36,004
Payments to Suppliers	(27,075)	(26,859)	(11,921)	(10,492)	(38,996)
Payments to Employees	(34,664)	(33,892)	0	(12)	(34,664)
Net Cash Provided(Used) By Operating Activities:	(35,529)	(25,804)	(2,127)	1,437	(37,656)
Cash Flows from Non-Capital and Related Financing Activities					
Transfers In	67,337	69,221	0	0	67,337
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	67,337	69,221	0	0	67,337
Cash Flows from Capital and Related Financing Activities					
State Grant	39,553	30,000	0	0	39,553
Net Cash Provided(Used) By Capital and Related Financing Activities	39,553	30,000	0	0	39,553
Cash Flows from Capital and Related Financing Activities					
Purchases of Capital Assets	(82,290)	(60,557)	0	0	(82,290)
Net Cash Provided (Used) By Capital and Related Financing Activities	(82,290)	(60,557)	0	0	(82,290)
Cash Flows from Investing Activities					
Interest Received	2,399	3,921	905	672	3,304
Net Cash Provided(Used) By Investing Activities	2,399	3,921	905	672	3,304
Net Increase (Decrease) in Cash Equivalents	(8,530)	16,781	(1,222)	2,109	(9,752)
Cash and Cash Equivalents at Beginning of Year	14,706	(2,075)	16,555	14,446	31,261
Cash and Cash Equivalents at End of Year	\$6,176	\$14,706	\$15,333	\$16,555	\$21,509

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Reconciliation of Operating Income to net cash provided(Used) By Operating Activities

Operating Income (Loss)	(\$73,665)	(\$64,084)	(\$2,829)	\$1,231	(\$76,494)
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Adjustments to Reconcile to Net Cash Flow

Non-Cash Items Included in Net Income

Depreciation	41,387	38,336	0	0	41,387
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Changes in Current Items

Decrease(Increase) in Accounts Receivable	(3,150)	0	0	0	(3,150)
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Decrease(Increase) in Prepaid Insurance	(87)	(55)	0	0	(87)
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Increase(Decrease) in Accounts Payable	166	(74)	702	218	868
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Increase(Decrease) in Accrued Wages Payable	0	11	0	(12)	0
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Increase(Decrease) in Compensated Absences Payable	(180)	62	0	0	(180)
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Net Cash Provided(Used) by Operating	(\$35,529)	(\$25,804)	(\$2,127)	\$1,437	(\$37,656)
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Activities

	0	0	0	0	0
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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, 2007

	Agency Funds	Trust Fund <u>Brackenridge School Fund</u>
ASSETS		
Cash and Cash Equivalents	\$802,007	\$50,000
Receivables (net of allowance for uncollectibles)	1,873	
Total Assets	<u>\$803,880</u>	<u>\$50,000</u>
LIABILITIES		
Accounts Payable	0	
Due to Others	803,880	0
Total Liabilities	<u>803,880</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, 2007

	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	<u>0</u>
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, 2007

I. Summary of Significant Accounting Policies

A. Reporting entity

Jackson County operates under a County Judge – Commissioner’s 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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.

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 the monies held by the district clerk for third parties.

The community grant fund accounts for grant monies received from the state for construction projects.

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, 2007 and 10 percent of the delinquent outstanding property taxes at September 30, 2007.

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, 2007. 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, 2007.

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. There was one major capital asset event during the current fiscal year which was a Texas Community Development Grant for the Jackson County Water Control District No. 1.

Property, plant, and equipment of the primary government, as well as the component units, is 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 Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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 \$333,276 difference are as follows:

Capital lease payable	\$208,141
Compensated absences	<u>125,135</u>
	<u>\$333,276</u>

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 \$6,793,033 difference are as follows:

Capital outlay	\$13,219,162
Depreciation expense	<u>(6,426,129)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$6,793,033</u>

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

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 \$377,030 difference are as follows:

Property taxes Receivable	\$408,373
Allowance for Doubtful Accounts	<u>(31,343)</u>
Net	<u>\$377,030</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 \$732,073 difference are as follows:

Fines and Fees Receivable	\$1,103,049
Allowance for Doubtful Accounts	<u>(370,976)</u>
Net	<u>\$732,073</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 \$235,549 difference are as follows:

Capital outlay - additions - deletions	\$1,003,247
Depreciation expense	<u>(767,698)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$235,549</u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

The original budget is adopted by the Commissioner's Court and filed with the County Clerk. Amendments are made during the year on approval by the Commissioner's 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 Commissioner's Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioner's Court.

The Commissioner's Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioner's 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 Commissioner's 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 Commissioner's 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 Commissioner's 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 2007 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, 2007, expenditures did not exceed appropriations in any fund except for the appellate judicial system fund whereby expenditures of \$1,435 exceeded the budgeted amount of \$1,300 by \$135.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2007 except for the Ron Howard Trust fund which had a negative fund balance of \$44,323 and the Juvenile Probation Discretion fund which had a negative fund balance of \$500. The negative fund balances are expected to be liquidated by future resources of the funds.

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, 2007, the government's bank balance of \$1,232,798 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 \$8,907,622 and the FDIC coverage is \$253,851.

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, 2007 the local investment pool Texpool (approximately 100% of portfolio) was rated AAAM by Standard and Poor's.

Concentration of credit risk: The County places no limit on the amount the County may invest in any one issuer. Approximately 100 percent of the County's investments are in Texpool.

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, 2007, the government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
Texpool	\$7,893,293	Less than 1 year	Less than 1 year
EdwardJones	2,998	Less than 1 year	Less than 1 year

The County participates in one Local Government Investment Pool: TexPool. The State Comptroller oversees TexPool, with a third party managing the daily operations of the pool under contract. The EdwardJones account is covered by insurance provided by EdwardJones.

A. Deposits and Investments (continued)

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 are 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, 2007 TexPool had a weighted average maturity of 34 and 28 days respectively. The County considers the holdings in these funds 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.

B. Receivables

Receivables as of year end 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:

	General Fund	Road and Bridge	Community Develop- ment Grant	Airport Fund	Other Governmental Funds	Total
<u>Receivables</u>						
Ad Valorem Taxes	\$408,373					\$408,373
Sales Tax	51,487					51,487
Fines	1,089,532					1,089,532
Other	46,637	3,569	112,500	3,150	31,826	197,682
Gross receivables	1,596,029	3,569	112,500	3,150	31,826	1,747,074
Less: Allowance for uncollectibles	402,319					402,319
Net total receivables	\$1,193,710	\$3,569	\$112,500	\$3,150	\$31,826	\$1,344,755

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	\$377,030
Total Deferred/Unearned Revenue for Governmental Funds	\$377,060

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, 2007 was as follows:

Governmental activities:	Beginning			Ending
	Balances	Increases	Decreases	Balances
Capital assets not being depreciated:				
Land	\$143,696	\$9,051	\$0	\$152,747
Construction in Progress	20,980	140,204	12,320	148,864
Total capital assets not being depreciated	164,676	149,255	12,320	301,611
Capital assets being depreciated:				
Building and improvements	4,812,134	20,575	0	4,832,709
Machinery and equipment	5,575,841	846,870	282,344	6,140,367
Infrastructure	1,923,023	21,452	0	1,944,475
Total capital assets being depreciated	12,310,998	888,897	282,344	12,917,551
Less accumulated depreciation for:				
Building and improvements	2,101,315	150,151	0	2,251,466
Machinery and equipment	3,681,804	531,888	259,760	3,953,932
Infrastructure	135,072	85,659	0	220,731
Total accumulated depreciation	5,918,191	767,698	259,760	6,426,129
Total Capital assets being depreciated, net	6,392,807	121,199	22,584	6,491,422
Governmental activities capital assets, net	\$6,557,483	\$270,454	\$34,904	\$6,793,033

Business-type activities:	Beginning			Ending
	Balances	Increases	Decreases	Balances
Capital assets not being depreciated:				
Land	\$70,254			\$70,254
Construction in Progress	0	6,300		6,300
Total capital assets not being depreciated	70,254	6,300	0	76,554
Capital assets being depreciated:				
Building and improvements	269,046	75,990	0	345,036
Machinery and equipment	6,709	0	0	6,709
Infrastructure	479,083	0	0	479,083
Total capital assets being depreciated	754,838	75,990	0	830,828
Less accumulated depreciation for:				
Building and improvements	114,621	9,345	0	123,966
Machinery and equipment	6,709	0	0	6,709
Infrastructure	110,605	32,042	0	142,647
Total accumulated depreciation	231,935	41,387	0	273,322
Total Capital assets being depreciated, net	522,903	34,603	0	557,506
Business-type activities capital assets, net	\$593,157	\$40,903	\$0	\$634,060

Construction commitments

There was one major capital asset event during the current fiscal year which was a Texas Community Development Grant for the Jackson County Water Control District No. 1.

D. Interfund Receivables, Payables, and Transfers

Due to/from other funds:

There were no interfund balances as of September 30, 2007 except for Abandoned Motor Vehicle fund owing \$714 to the general fund. This balance is expected to be liquidated in the 2007-2008 fiscal year.

There were no advances at September 30, 2007.

ACCOUNT	AMOUNT	REASON
<u>Governmental Activities</u>		
<u>GENERAL FUND</u>		
Transfer from Sales tax Fund	(500,000)	Fund Administration
Transfer to Road and Bridge	1,276,900	Fund Public Transportation
Transfer to Historical Commission	5,000	Fund Culture
Transfer from Abandoned Motor Vehicle	(28,649)	Fund Administration
Transfer to Permanent Improvement Fund	280,000	Fund Public Facilities
Transfer to Law library Fund	9,265	Fund Judicial
Transfer to Airport	67,337	Fund Recreation
Transfer to Health	120,259	Fund Health
<u>ROAD AND BRIDGE FUND</u>		
Transfer from General Fund	(1,276,900)	Fund Public Safety
<u>ABANDONED MOTOR VEHICLE</u>		
Transfer to General Fund	28,649	Fund Administration
<u>LAW LIBRARY</u>		
Transfer from General Fund	(9,265)	Fund Judicial
<u>PERMANENT IMPROVEMENT FUND</u>		
Transfer from General Fund	(280,000)	Fund Public Facilities
<u>HEALTH</u>		
Transfer from General Fund	(120,259)	Fund Health
<u>SALES TAX</u>		
Transfer to General Fund	500,000	Fund Administration
<u>HISTORICAL COMMISSION</u>		
Transfer from General Fund	(5,000)	Fund Culture
Total Governmental Activities	<u>67,337</u>	
<u>Business-type Activities</u>		
<u>AIRPORT</u>		
Transfer from General Fund	<u>(67,337)</u>	Fund Recreation

E. Leases

Operating Leases

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$25,564 for the year ended September 30, 2007. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30,	<u>Amount</u>
2008	\$24,300
2009	19,194
2010	8,978
2011	<u>2,690</u>
Total	<u>\$55,162</u>

F. Long-Term Debt

Capital Leases: The government has entered into a lease agreement as lessee for financing the acquisition of one (1) computer software system and one (1) excavator. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

ASSET	Governmental Activities		
	COMPUTER SOFTWARE	EXCAVATOR	TOTAL
COST	\$95,720	\$249,122	\$344,842
ACCUMULATED DEPRECIATION	<u>(57,432)</u>	<u>(12,830)</u>	<u>(70,262)</u>
NET ASSET	<u>\$38,288</u>	<u>\$236,292</u>	<u>\$274,580</u>

YEAR	Governmental	
	Activities	Total
2008	\$41,019	\$41,019
2009	34,000	34,000
2010	34,000	34,000
2011	34,000	34,000
2012	34,000	34,000
2013	34,000	34,000
2014	<u>34,000</u>	<u>34,000</u>
TOTAL MINIMUM LEASE PAYMENTS	<u>245,019</u>	<u>245,019</u>
LESS: AMOUNT REPRESENTING INTEREST	<u>(36,878)</u>	<u>(36,878)</u>
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$208,141</u>	<u>\$208,141</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, 2007, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
<u>Governmental activities:</u>					
Lease purchase payable	\$73,989	\$201,122	\$66,970	\$208,141	\$36,469
Notes Payable	15,685		15,685	0	0
Compensated Absences	108,680	125,135	108,680	125,135	125,135
	<u>\$198,354</u>	<u>\$326,257</u>	<u>\$191,335</u>	<u>\$333,276</u>	<u>\$161,604</u>
<u>Business-type activities:</u>					
Compensated Absences	1,708	1,528	1,708	\$1,528	1,528
	<u>1,708</u>	<u>1,528</u>	<u>1,708</u>	<u>1,528</u>	<u>1,528</u>
Grand Total	<u>\$200,062</u>	<u>\$327,785</u>	<u>\$193,043</u>	<u>\$334,804</u>	<u>\$163,132</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 2007-08 year is \$126,663.

The government-wide statement of activities includes \$163,132 as "noncurrent liabilities, due within one year".

The interest incurred on the above debt was \$4,583 and was governmental activities. There was no business-type activity interest incurred or capitalized.

G. Restricted Net Assets

The restricted net asset accounts at September 30, 2007 consisted of \$649,493 for permanent improvement and \$25,894 for construction.

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.

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. An excess coverage insurance policy covers individual claims in excess of \$50. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended September 30, 2007	Year Ended September 30, 2006
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 during the year.

C. Subsequent Events

The County awarded a construction contract for \$506,099 for the Jackson County courthouse and jail re-roofing and exterior wall repairs.

The County purchased thirty-three acres of land known as the "Mauritz Scout Reservation" for \$261,220.

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 government is not a defendant in any lawsuit.

E. Other Post Employment Benefits

There are no post employment benefits.

F. 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 573 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 7.61% for the 2006 and 7.74% for the 2007 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 2005 and 2007 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	12/31/2004	12/31/2005	12/31/2006
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, open	level percentage of payroll, open
Amortization period	20.0	20.0	15.0
Asset valuation method	Long-term appreciation with adjustment	Long-term appreciation with adjustment	Long-term appreciation with adjustment
Actuarial Assumptions			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.5%	5.5%	5.5%
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>
9-30-05	\$229,090	100%	-0-
9-30-06	239,686	100%	-0-
9-30-07	251,815	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)
2004	7,636,990	8,483,553	846,563	90.0	2,838,036	29.8
2005	8,205,322	9,069,732	864,410	90.5	2,922,460	29.6
2006	8,970,043	9,572,917	602,874	93.7	3,152,317	19.1

G. Prior Period Adjustments

The County has determined that certain transactions were not recorded in a prior year.

Governmental activities: In the governmental activities, accumulated depreciation on the capital assets was underrecorded by \$28,519 and the Abandoned Motor Vehicles fund of \$430 was not included in the prior year statement. This restatement had a corresponding effect on change in net assets.

	Net Assets, as Previously Reported	Capital Assets Restatement	Inclusion of Abandoned Motor Vehicle Fund	Net Assets As Restated
Governmental Activities:				
Net Assets	\$14,378,486	\$28,519	\$430	\$14,407,435
Total Governmental Activities	\$14,378,486	\$28,519	\$430	\$14,407,435
Governmental Funds:				
Fund Balances	\$6,944,093	\$0	\$430	\$6,944,523
Total Governmental Funds	\$6,944,093	\$0	\$430	\$6,944,523



REQUIRED SUPPLEMENTARY INFORMATION



JACKSON COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2007

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
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)
2004	7,636,990	8,483,553	846,563	90.0	2,838,036	29.8
2005	8,205,322	9,069,732	864,410	90.5	2,922,460	29.6
2006	8,970,043	9,572,917	602,874	93.7	3,152,317	19.1



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - GENERAL FUND
 SEPTEMBER 30, 2007

	General Fund	Sales Tax Fund	Permanent Improvement Funds	Total General Funds
ASSETS				
Cash and Cash Equivalents	\$5,168,822	\$832,328	\$649,493	\$6,650,643
Receivables (net of allowance for uncollectibles)	410,150	51,487		461,637
Prepaid insurance	53,759			53,759
Total Assets	\$5,632,731	\$883,815	\$649,493	\$7,166,039
LIABILITIES AND FUND BALANCES:				
Accounts Payable	\$85,920			\$85,920
Accrued Wages Payable	52,418			52,418
Due to Other Funds	714			714
Deferred Revenues	377,030			377,030
Total Liabilities	516,082	0	0	516,082
Fund Balances:				
Restricted For:				
Permanent Improvement Unreserved, Reported in General Fund	5,116,649	883,815	649,493	6,649,957
Total Fund Balance	5,116,649	883,815	649,493	6,649,957
Total Liabilities and Fund Balances	\$5,632,731	\$883,815	\$649,493	\$7,166,039

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, 2007

	General Fund	Sales Tax Fund	Permanent Improvement Funds	Total General Funds
<i>REVENUES</i>				
Taxes				\$5,211,893
Property	\$5,211,893			
Sales		606,167		606,167
Other	4,221			4,221
Intergovernmental	305,443			305,443
Charges for Services	620,324			620,324
Fines and Forfeitures	544,244			544,244
Interest	326,058	28,037	37,801	391,896
Miscellaneous	147,761		31,017	178,778
Total Revenues	7,159,944	634,204	68,818	7,862,966

EXPENDITURES

Current:

General Administration				
County Judge	123,804			123,804
Commissioners Court	235,045			235,045
County Clerk	252,960			252,960
Election	22,652			22,652
Veterans Service	2,627			2,627
Non-Departmental	319,989			319,989
Judicial				
District Court	83,041			83,041
District Clerk	154,865			154,865
Justice of the Peace No. 1	117,988			117,988
Justice of the Peace No. 2	146,013			146,013
Criminal District Attorney	174,676			174,676
Court Expense	119,297			119,297
Jury	26,777			26,777
Financial Administration				
County Auditor	188,242			188,242
County Treasurer	104,649			104,649
Tax Assessor-Collector	238,569			238,569
Public Facilities				
Public Facilities	307,962		109,125	417,087
County Services Building				0
Public Safety				
Adult Probation	1,775			1,775
Ambulance	136,218			136,218
Civil Defense	22,848			22,848
Constable No. 1	80,527			80,527
Constable No. 2	51,962			51,962
Corrections	791,604			791,604
D.P.S./License and Weight	5,445			5,445
D.P.S./Troopers	5,031			5,031
EMS/Jaws of Life	4,990			4,990
Fire	41,993			41,993
Flood Plain Permit	2,550			2,550
J.T.P.A.				0
L.N.R.A.	45,287			45,287
Sheriff	1,093,692			1,093,692
T.J.P.C.	21,685			21,685

(continued)

(continued)

Environmental Protection				
Sanitation	284,364			284,364
Culture and Recreation				
County Library	114,825			114,825
Parks	495			495
Fairgrounds	13,431			13,431
Health and Welfare				
Gulf Bend Mental Health	14,000			14,000
Senior Citizens Center	40,000			40,000
Conservation - Agriculture				
Agriculture Extension Service	103,289			103,289
U.S. Soil Conservation	2,000			2,000
Capital Outlay				
Capital Outlay				0
Debt Service				
Principal Retirement			66,970	66,970
Interest Retirement			4,286	4,286
Total Expenditures	<u>5,497,167</u>	<u>0</u>	<u>180,381</u>	<u>5,677,548</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>1,662,777</u>	<u>634,204</u>	<u>(111,563)</u>	<u>2,185,418</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	528,649		280,000	808,649
Operating Transfers Out	<u>(1,758,761)</u>	<u>(500,000)</u>		<u>(2,258,761)</u>
Total Other Financing Sources (Uses)	<u>(1,230,112)</u>	<u>(500,000)</u>	<u>280,000</u>	<u>(1,450,112)</u>
Net Changes in Fund Balances	432,665	134,204	168,437	735,306
Fund Balances - Beginning	4,683,984	749,611	481,056	5,914,651
Fund Balances - Ending	<u>\$5,116,649</u>	<u>\$883,815</u>	<u>\$649,493</u>	<u>\$6,649,957</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND
 SEPTEMBER 30, 2007

	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	Bridge Replacement No. 1	Bridge Replacement No. 2	Bridge Replacement No. 3
ASSETS												
Cash and Cash Equivalents	\$36,302	\$64,423	\$46,061	\$164,604	\$61,236	\$0	\$0	\$0	\$0	\$10,303	\$11,385	\$329
Receivables (net of allowance for uncollectibles)	800			150	2,619							
Prepaid Insurance	3,755	2,438	2,272	4,043								
Total Assets	\$40,857	\$66,861	\$48,333	\$168,797	\$63,855	\$0	\$0	\$0	\$0	\$10,303	\$11,385	\$329
LIABILITIES AND FUND BALANCES:												
Liabilities:												
Accounts Payable	\$23,995	\$11,645	\$26,656	\$21,682								
Accrued Wages Payable	3,404	3,385	2,417	4,000								
Total Liabilities	27,399	15,030	29,073	25,682	0	0	0	0	0	0	0	0
Fund Balances:												
Unreserved, Reported in Other Governmental Funds	13,458	51,831	19,260	143,115	63,855	0	0	0	0	10,303	11,385	329
Total Fund Balance	13,458	51,831	19,260	143,115	63,855	0	0	0	0	10,303	11,385	329
Total Liabilities and Fund Balances	\$40,857	\$66,861	\$48,333	\$168,797	\$63,855	\$0	\$0	\$0	\$0	\$10,303	\$11,385	\$329

The accompanying notes are an integral part of this statement.

Bridge Replacement No. 4	Equipment Replacement No. 1	Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
\$20,904	\$597	\$56,731	\$20,041	\$128,578	\$621,494
					3,569
\$20,904	\$597	\$56,731	\$20,041	\$128,578	\$637,571
					12,508
	0	0	0	0	\$83,978
					13,206
					97,184
20,904	597	56,731	20,041	128,578	540,387
20,904	597	56,731	20,041	128,578	540,387
\$20,904	\$597	\$56,731	\$20,041	\$128,578	\$637,571

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS
 YEAR ENDED SEPTEMBER 30, 2007

	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		Bridge Replacement No. 1		Bridge Replacement No. 2		Bridge Replacement No. 3	
	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	Fund	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 1	No. 2	No. 3	
REVENUES																								
Intergovernmental									553,854															
Licenses and Permits																								
Interest																								
Miscellaneous	9,536	11,193	7,808	20,707																				
Total Revenues	15,415	8,105	10,772	34,920																				
	24,951	19,298	18,580	55,627	553,854	5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	5,298	621	583	583	190	
EXPENDITURES																								
Current:																								
Public Transportation																								
Road and Bridge	621,271	428,539	298,576	605,869																				
Debt Service																								
Principal Retirement																								
Interest and Fiscal Charges																								
Total Expenditures	621,271	428,539	298,576	605,869																				
Excess (Deficiency) of Revenues Over (Under) Expenditures	(596,320)	(409,241)	(279,996)	(550,242)	553,854	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,382)	583	0	0	(7,329)
OTHER FINANCING SOURCES (USES):																								
Other Financing Sources - Capital Lease																								
Operating Transfers In	201,122																							
Operating Transfers Out	391,226	416,920	317,058	591,696																				4,000
Total Other Financing Sources (Uses)	(592,348)	(20,000)	(24,000)	(85,000)	(520,000)																			4,000
Net Changes in Fund Balances	(3,972)	(12,321)	13,062	(43,546)	33,854	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,382)	583	0	0	(3,329)
Fund Balances - Beginning	17,430	64,152	6,198	186,661	30,001																			3,658
Fund Balances - Ending	\$13,458	\$51,831	\$19,260	\$143,115	\$63,855	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,303	\$11,385	\$0	\$0	\$329

The accompanying notes are an integral part of this statement.

Bridge Replacement No. 4	Equipment Replacement No. 1	Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
					\$21,192
1,075	1,085	1,896	127	3,641	553,854
					58,462
1,075	1,085	1,896	127	3,641	69,212
					702,720
	31,021		4,233	65,700	2,086,923
			15,685		15,685
			297		297
0	31,021	0	20,215	65,700	2,102,905
1,075	(29,936)	1,896	(20,088)	(62,059)	(1,400,185)
	20,000	40,000	40,000	105,000	201,122
					1,925,900
					(649,000)
0	20,000	40,000	40,000	105,000	1,478,022
1,075	(9,936)	41,896	19,912	42,941	77,837
19,829	10,533	14,835	129	85,637	462,550
\$20,904	\$597	\$56,731	\$20,041	\$128,578	\$540,387

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2007

	SPECIAL REVENUE													DISTRICT CLERK RECORDS MANAGEMENT		
	ABANDONED MOTOR VEHICLES	HISTORICAL COMMISSION	CHILD WELFARE	MEDIATION FUND	JUVENILE PROBATION DISCRETION	COUNTY RECORDS MANAGEMENT	COUNTY CLERK RECORDS MANAGEMENT	COURT REPORTER SERVICES	APPELLATE JUDICIAL SYSTEMS	ELECTIONS ADMINIS- TRATION	DISTRICT ATTORNEY	CHILD ABUSE PREVEN- TION	SHERIFF FORFEITURE		DISTRICT ATTORNEY FORFEITURE	RON HOWARD TRUST
ASSETS																
Cash and Cash Equivalents	\$84,967	\$38,768	\$17,341	\$1,450	\$633	\$13,810	\$138,813	\$2,818	\$1,110	\$798	\$27,767	\$1,380	\$8,566	\$34,722	\$151,144	\$3,861
Receivables (net of allowance for uncollectibles)					10	415	1,970		35				1,095		492	
Due from Other Funds	714															
Prepaid Insurance																
		1,057														
TOTAL ASSETS	\$85,681	\$39,825	\$17,341	\$1,450	\$643	\$14,225	\$140,783	\$2,818	\$1,145	\$798	\$27,767	\$1,380	\$9,651	\$34,722	\$0	\$151,636
LIABILITIES AND FUND BALANCES																
Liabilities																
Accounts Payable					\$1,143			\$1,388		\$186	\$8		\$185	\$143	44,323	\$50
Bank Overdraft											14,834			149		40
Due to others							114									
Accrued Wages Payable																
Total Liabilities	0	0	0	0	1,143	0	114	1,388	0	186	14,842	0	185	292	44,323	90
Fund Balances																
Unreserved - Undesignated	85,681	39,825	17,341	1,450	(500)	14,225	140,669	1,430	1,145	612	12,925	1,380	9,466	34,430	(44,323)	151,546
Total Fund Balances	85,681	39,825	17,341	1,450	(500)	14,225	140,669	1,430	1,145	612	12,925	1,380	9,466	34,430	(44,323)	151,546
TOTAL LIABILITIES AND FUND BALANCES	\$85,681	\$39,825	\$17,341	\$1,450	\$643	\$14,225	\$140,783	\$2,818	\$1,145	\$798	\$27,767	\$1,380	\$9,651	\$34,722	\$0	\$151,636

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

SPECIAL REVENUE		LAW				NON-MAJOR			
JUSTICE	COMMISSARY	HEALTH	ENFORCEMENT	MAURITZ	MEMORIAL	JUVENILE	LAW	GOVERN-	MENTAL
TECH	TELEPHONE	FUND	ASSOCIATION	FUND	LIBRARY	PROBATION	LIBRARY	FUNDS	FUNDS
\$29,527	\$52,509	\$21,827	\$5,990	\$21,834	\$15,490	\$60,729	\$1,828	\$737,672	
	8,534	3,079				15,951	245	31,826	
			280			382		714	
								1,719	
\$29,527	\$61,043	\$25,186	\$5,990	\$21,834	\$15,490	\$77,062	\$2,073	\$771,931	
\$170	\$2,000	\$5,022		\$9	\$1,564	\$1,984		\$14,852	
								44,323	
	68	1,923			1,284			14,834	
170	2,068	7,945	0	0	9	2,848	1,984	77,587	
29,357	58,975	17,241	5,990	21,834	15,481	74,214	89	694,344	
29,357	58,975	17,241	5,990	21,834	15,481	74,214	89	694,344	
\$29,527	\$61,043	\$25,186	\$5,990	\$21,834	\$15,490	\$77,062	\$2,073	\$771,931	

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	SPECIAL REVENUE											DISTRICT CLERK RECORDS MANAGEMENT				
	ABANDONED MOTOR VEHICLES	HISTORICAL COMMISSION	CHILD WELFARE	MEDIATION FUND	JUVENILE PROBATION DISCRETION	COUNTY RECORDS MANAGEMENT	COUNTY CLERK RECORDS MANAGEMENT	COURT REPORTER SERVICES	APPELLATE JUDICIAL SYSTEMS	ELECTIONS ADMINIS- TRATION	DISTRICT ATTORNEY		CHILD ABUSE PREVEN- TION	SHERIFF FOREFEITURE	DISTRICT ATTORNEY FOREFEITURE	HOWARD TRUST
REVENUES																
Intergovernmental	20,210				3,144	7,484	24,565	2,040	1,105	627	7,924	690	480	1,559		22,592
Charges for Services	111	1,011	948				573									
Interest	97,755	28,183											8,953	21,064	23,620	
Miscellaneous	118,076	29,194	948	0	3,144	7,484	25,138	2,040	1,105	627	7,924	690	9,433	22,623	23,520	22,592
Total Revenues																
EXPENDITURES																
Current:																
General Administration							14,452									
Records Management																
Elections										780						
Judicial																
Court Reporter								3,757								
Judicial									1,435					12,782		
Legal																
Check Collection																
Law Library											43,210					
Public Safety																
Juvenile Probation																
Sheriff	4,176												4,970		17,470	
Courthouse Security																
Culture and Recreation																
Historical Commission		7,212														
Library																
Health and Welfare																
Health																
Child Welfare																
Total Expenditures	4,176	7,212	0	0	9,819	14,452	12,079	3,757	1,435	780	43,210	690	4,970	12,782	0	17,470
Excess (Deficiency) of Revenues Over (Under) Expenditures	113,900	21,982	948	0	(6,675)	(6,968)	13,059	(1,717)	(330)	(153)	(35,286)	690	4,463	9,841	23,620	5,122
OTHER FINANCING SOURCES (USES):																
Operating Transfers In																
Operating Transfers Out	(28,649)															
Total Other Financing Sources (Uses)	(28,649)															
Net Changes in Fund Balances	85,251	28,982	948	0	(6,675)	(6,968)	13,059	(1,717)	(330)	(153)	(35,286)	690	4,463	9,841	23,620	5,122
Fund Balances - Beginning	430	12,843	16,393	1,450	6,175	21,193	127,610	3,147	1,475	765	48,211	690	5,003	24,589	(67,943)	146,424
Fund Balances - Ending	\$85,681	\$39,825	\$17,341	\$1,450	(\$500)	\$14,225	\$140,669	\$1,430	\$1,145	\$612	\$12,925	\$1,380	\$9,466	\$34,430	(\$44,323)	\$151,546

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

SPECIAL REVENUE										
JUSTICE COURT TECH	COMMISSARY HEALTH FUND	TELEPHONE FUND	LAW			NON-MAJOR GOVERN- MENTAL FUNDS			LAW LIBRARY	LAW LIBRARY
			ENFORCEMENT OFFICERS ASSOCIATION	MAURITZ CAMP FUND	MEMORIAL LIBRARY	JUVENILE PROBATION	MENTAL LIBRARY			
14,700	46,544	42,522	3,524	934	3,615	3,807	7,822	103,239	7,822	142,767
				20,900	4,817					206,598
14,700	46,544	82,050	3,524	21,834	8,432	107,046	7,822			567,695
13,038										26,531
										780
										3,757
										27,255
										43,210
										19,196
	22,714		2,546			103,627				113,446
										34,406
										17,470
	216,195									7,212
					15,750					15,750
										216,195
										0
13,038	22,714	216,195	2,546	0	15,750	103,627	19,196	525,208		
1,662	23,830	(134,145)	978	21,834	(7,318)	3,419	(11,374)	42,487		
										9,265
										134,524
										(28,649)
										105,875
1,662	23,830	(13,886)	978	21,834	(7,318)	3,419	(2,109)	148,362		
27,695	35,145	31,127	5,012	22,799	70,795	2,198	545,982			
\$29,357	\$68,975	\$17,241	\$5,990	\$21,834	\$15,481	\$74,214	\$89	\$694,344		

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR PROPRIETARY FUNDS
 SEPTEMBER 30, 2007

	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	\$15,333	\$16,555	\$15,333	\$16,555
Total Current Assets	15,333	16,555	15,333	16,555
TOTAL ASSETS	\$15,333	\$16,555	\$15,333	\$16,555
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities				
Current Liabilities(Payable from Current Assets)				
Accounts Payable	1,025	323	1,025	323
Accrued Wages Payable		0	0	0
Total Current Liabilities	1,025	323	1,025	323
TOTAL LIABILITIES	1,025	323	1,025	323
Invested in Capital Assets, Net of Related debt				
Unrestricted	14,308	16,232	14,308	16,232
TOTAL NET ASSETS	\$14,308	\$16,232	\$14,308	\$16,232

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, 2007

	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	\$9,794	\$11,941	\$9,794	\$11,941
TOTAL OPERATING REVENUES	9,794	11,941	9,794	11,941
OPERATING EXPENSES				
Personal Services			0	0
Supplies	7,831		7,831	0
Other Services and Charges	4,792	10,710	4,792	10,710
Depreciation			0	0
TOTAL OPERATING EXPENSES	12,623	10,710	12,623	10,710
OPERATING INCOME (LOSS)	(2,829)	1,231	(2,829)	1,231
NON-OPERATING REVENUES (EXPENSES):				
Interest Income	905	672	905	672
TOTAL NON-OPERATING REVENUES (EXPENSES)	905	672	905	672
Income Before Transfers	(1,924)	1,903	(1,924)	1,903
Transfers In			0	0
Change in Net Assets	(1,924)	1,903	(1,924)	1,903
Total Net Assets - Beginning	16,232	14,329	16,232	14,329
Total Net Assets - Ending	\$14,308	\$16,232	\$14,308	\$16,232

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, 2007

	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	\$9,794	\$11,941	\$9,794	\$11,941
Payments to Suppliers	(11,921)	(10,492)	(11,921)	(10,492)
Payments to Employees	0	(12)	0	(12)
Net Cash Provided(Used) By Operating Activities:	(2,127)	1,437	(2,127)	1,437
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	905	672	905	672
Net Cash Provided(Used) By Investing Activities	905	672	905	672
Net Increase (Decrease) in Cash Equivelants	(1,222)	2,109	(1,222)	2,109
Cash and Cash Equivelants at Beginning of Year	16,555	14,446	16,555	14,446
Cash and Cash Equivelants at End of Year (continued)	\$15,333	\$16,555	\$15,333	\$16,555

(continued)

Reconciliation of Operating Income to net cash
provided(Used) By Operating Activities

Operating Income (Loss)	(\$2,829)	\$1,231	(\$2,829)	\$1,231
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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	702	218	702	218
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Increase(Decrease) in Accrued Wages Payable	0	(12)	0	(12)
---	---	------	---	------

Net Cash Provided(Used) by Operating

	<u>(\$2,127)</u>	<u>\$1,437</u>	<u>(\$2,127)</u>	<u>\$1,437</u>
--	------------------	----------------	------------------	----------------

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, 2007

	Agency Funds				Total
	Trust Investment	State Fees	County-Wide Drainage District	County Officer Accounts	
ASSETS					
Cash and Cash Equivalents	\$105,565	\$87,806	\$4,596	\$604,040	\$802,007
Receivables (net of allowance for uncollectibles)	0	0	1,873	0	1,873
Total Assets	\$105,565	\$87,806	\$6,469	\$604,040	\$803,880
LIABILITIES					
Accounts Payable			\$0		\$0
Due to Others	105,565	87,806	4,596	604,040	802,007
Total Liabilities	\$105,565	\$87,806	\$6,469	\$604,040	\$803,880

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	BALANCE			BALANCE
<u>TRUST INVESTMENT</u>	10/1/2006	ADDITIONS	DEDUCTIONS	9/30/2007
ASSETS				
Cash and Cash Equivalents	\$2,712,179	\$0	\$2,606,614	\$105,565
Receivables (net of allowance for uncollectibles)				0
Total Assets	<u>\$2,712,179</u>	<u>\$0</u>	<u>\$2,606,614</u>	<u>\$105,565</u>

LIABILITIES:				
Accounts Payable				
Due to Others	\$2,712,179	\$0	\$2,606,614	\$105,565
Total Liabilities	<u>\$2,712,179</u>	<u>\$0</u>	<u>\$2,606,614</u>	<u>\$105,565</u>

	BALANCE			BALANCE
<u>STATE FEES</u>	10/1/2006	ADDITIONS	DEDUCTIONS	9/30/2007
ASSETS				
Cash and Cash Equivalents	\$107,050	\$0	\$19,244	\$87,806
Receivables (net of allowance for uncollectibles)				0
Total Assets	<u>\$107,050</u>	<u>\$0</u>	<u>\$19,244</u>	<u>\$87,806</u>

LIABILITIES:				
Accounts Payable				
Due to Others	\$107,050	\$0	\$19,244	\$87,806
Total Liabilities	<u>\$107,050</u>	<u>\$0</u>	<u>\$19,244</u>	<u>\$87,806</u>

	BALANCE			BALANCE
<u>COUNTY-WIDE DRAINAGE DISTRICT</u>	10/1/2006	ADDITIONS	DEDUCTIONS	9/30/2007
ASSETS				
Cash and Cash Equivalents	\$0	\$1,029,813	\$1,025,217	\$4,596
Receivables (net of allowance for uncollectibles)		\$1,873		1,873
Total Assets	<u>\$0</u>	<u>\$1,031,686</u>	<u>\$1,025,217</u>	<u>\$6,469</u>

LIABILITIES:				
Accounts Payable	\$0	\$0	\$0	\$0
Due to Others	0	1,031,686	1,025,217	6,469
Total Liabilities	<u>\$0</u>	<u>\$1,031,686</u>	<u>\$1,025,217</u>	<u>\$6,469</u>

COUNTY OFFICER ACCOUNTS

	BALANCE 10/1/2006	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2007
ASSETS				
Cash and Cash Equivalents	\$443,459	\$160,581	\$0	\$604,040
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$443,459	\$160,581	\$0	\$604,040

LIABILITIES:

Accounts Payable				
Due to Others	\$443,459	\$160,581	\$0	\$604,040
Total Liabilities	\$443,459	\$160,581	\$0	\$604,040

TOTAL

	BALANCE 10/1/2006	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2007
ASSETS				
Cash and Cash Equivalents	\$3,262,688	\$1,190,394	\$3,651,075	\$802,007
Receivables (net of allowance for uncollectibles)	0	1,873	0	1,873
Total Assets	\$3,262,688	\$1,192,267	\$3,651,075	\$803,880

LIABILITIES:

Accounts Payable	\$0	\$0	\$0	\$0
Due to Others	3,262,688	1,192,267	3,651,075	803,880
Total Liabilities	\$3,262,688	\$1,192,267	\$3,651,075	\$803,880



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



JACKSON COUNTY, TEXAS
 COUNTY CLERK RECORDS MANAGEMENT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$21,000	\$21,000	\$24,555	\$3,555
Interest	0	0	573	573
Total Revenues	<u>21,000</u>	<u>21,000</u>	<u>25,128</u>	<u>4,128</u>
EXPENDITURES				
Current				
General Administration	146,363	146,363	12,071	134,292
Total Expenditures	<u>146,363</u>	<u>146,363</u>	<u>12,071</u>	<u>134,292</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(125,363)</u>	<u>(125,363)</u>	<u>13,057</u>	<u>138,420</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>(\$125,363)</u>	<u>(\$125,363)</u>	<u>\$13,057</u>	<u>\$138,420</u>
Reconciliation from cash basis to modified accrual:				
Changes in officers fees and sales tax receivable			10	
Changes in Accounts Payable			2	
Changes in Accrued Wages Payable			<u>(10)</u>	
Net Changes in Fund Balances-Modified Accrual Basis			13,059	
Fund Balances - Beginning			<u>127,610</u>	
Fund Balances - Ending			<u>\$140,669</u>	

JACKSON COUNTY, TEXAS
 COURTHOUSE SECURITY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$22,700	\$22,700	\$22,562	(\$138)
Total Revenues	<u>22,700</u>	<u>22,700</u>	<u>22,562</u>	<u>(138)</u>
EXPENDITURES				
Current				
Public Safety	84,788	84,788	17,519	67,269
Total Expenditures	<u>84,788</u>	<u>84,788</u>	<u>17,519</u>	<u>67,269</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(62,088)</u>	<u>(62,088)</u>	<u>5,043</u>	<u>67,131</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u><u>(\$62,088)</u></u>	<u><u>(\$62,088)</u></u>	<u><u>\$5,043</u></u>	<u><u>\$67,131</u></u>
Reconciliation from cash basis to modified accrual:				
Changes in officers fees and sales tax receivable			30	
Changes in Accounts Payable			89	
Changes in Accrued Wages Payable			<u>(40)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			5,122	
Fund Balances - Beginning			<u>146,424</u>	
Fund Balances - Ending			<u><u>151,546</u></u>	

JACKSON COUNTY, TEXAS
HEALTH

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$37,629	\$37,629	\$44,665	\$7,036
Charges for Services	42,000	42,000	41,887	(113)
Total Revenues	<u>79,629</u>	<u>79,629</u>	<u>86,552</u>	<u>6,923</u>
EXPENDITURES				
Current				
Health and Welfare	218,960	218,960	211,673	7,287
Total Expenditures	<u>218,960</u>	<u>218,960</u>	<u>211,673</u>	<u>7,287</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(139,331)</u>	<u>(139,331)</u>	<u>(125,121)</u>	<u>14,210</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	120,259	120,259	120,259	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>120,259</u>	<u>120,259</u>	<u>120,259</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$19,072)</u>	<u>(\$19,072)</u>	<u>(4,862)</u>	<u>\$14,210</u>
Reconciliation from cash basis to modified accrual:				
Changes in officers fees and sales tax receivable			635	
Changes in grants receivable			(5,137)	
Changes in Prepaid Insurance			280	
Changes in Accounts Payable			(4,728)	
Changes in Accrued Wages Payable			(74)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(13,886)</u>	
Fund Balances - Beginning			31,127	
Fund Balances - Ending			<u>\$17,241</u>	

JACKSON COUNTY, TEXAS
 LAW LIBRARY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$7,250	\$7,250	\$7,857	\$607
Total Revenues	<u>7,250</u>	<u>7,250</u>	<u>7,857</u>	<u>607</u>
EXPENDITURES				
Current				
Legal	18,000	19,696	19,695	1
Total Expenditures	<u>18,000</u>	<u>19,696</u>	<u>19,695</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,750)</u>	<u>(12,446)</u>	<u>(11,838)</u>	<u>608</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	7,065	8,761	9,265	504
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>7,065</u>	<u>8,761</u>	<u>9,265</u>	<u>504</u>
Net Changes in Fund Balances	<u>(\$3,685)</u>	<u>(\$3,685)</u>	<u>(\$2,573)</u>	<u>\$1,112</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(35)	
Changes in Accounts Payable			499	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(2,109)</u>	
Fund Balances - Beginning			2,198	
Fund Balances - Ending			<u>\$89</u>	

JACKSON COUNTY, TEXAS
 COUNTY RECORDS MANAGEMENT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$7,000	\$7,000	\$7,389	\$389
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>7,389</u>	<u>389</u>
EXPENDITURES				
Current				
General Administration	25,000	25,000	14,452	10,548
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>14,452</u>	<u>10,548</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(18,000)</u>	<u>(18,000)</u>	<u>(7,063)</u>	<u>10,937</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>(\$18,000)</u>	<u>(\$18,000)</u>	<u>(\$7,063)</u>	<u>\$10,937</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			95	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(6,968)</u>	
Fund Balances - Beginning			21,193	
Fund Balances - Ending			<u>\$14,225</u>	

JACKSON COUNTY, TEXAS
HISTORICAL COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$500	\$500	\$1,011	\$511
Miscellaneous	100	100	28,183	28,083
Total Revenues	600	600	29,194	28,594
EXPENDITURES				
Current				
Culture and Recreation	9,800	9,800	7,679	2,121
Total Expenditures	9,800	9,800	7,679	2,121
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,200)	(9,200)	21,515	30,715
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	5,000	5,000	5,000	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	5,000	5,000	5,000	0
Net Changes in Fund Balances	<u>(\$4,200)</u>	<u>(\$4,200)</u>	\$26,515	<u>\$30,715</u>
Reconciliation from cash basis to modified accrual:				
Changes in Prepaid Insurance			467	
Net Changes in Fund Balances - Modified Accrual Basis			26,982	
Fund Balances - Beginning			12,843	
Fund Balances - Ending			<u>\$39,825</u>	

JACKSON COUNTY, TEXAS
 CHILD WELFARE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$500	\$500	\$948	\$448
Miscellaneous				0
Total Revenues	500	500	948	448
EXPENDITURES				
Current				
Health and Welfare	6,500	6,500		6,500
Total Expenditures	6,500	6,500	0	6,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,000)	(6,000)	948	6,948
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	(6,000)	(6,000)	948	6,948
Fund Balances - Beginning	16,393	16,393	16,393	0
Fund Balances - Ending	\$10,393	\$10,393	\$17,341	\$6,948

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION DISCRETION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$2,000	\$2,000	3,134	\$1,134
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>3,134</u>	<u>1,134</u>
EXPENDITURES				
Current				
Public Safety	8,677	11,200	8,677	2,523
Total Expenditures	<u>8,677</u>	<u>11,200</u>	<u>8,677</u>	<u>2,523</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,677)</u>	<u>(9,200)</u>	<u>(5,543)</u>	<u>3,657</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>(\$6,677)</u>	<u>(\$9,200)</u>	<u>(\$5,543)</u>	<u>\$3,657</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			10	
Changes in Accounts Payable			(1,142)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(6,675)</u>	
Fund Balances - Beginning			<u>6,175</u>	
Fund Balances - Ending			<u>(\$500)</u>	

JACKSON COUNTY, TEXAS
 COURT REPORTER SERVICES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$2,100	\$2,100	\$2,040	(\$60)
Total Revenues	2,100	2,100	2,040	(60)
EXPENDITURES				
Current				
Judicial	4,200	4,200	2,369	1,831
Total Expenditures	4,200	4,200	2,369	1,831
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,100)	(2,100)	(329)	1,771
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	(\$2,100)	(\$2,100)	(\$329)	\$1,771
Reconciliation from cash basis to modified accrual basis:				
Changes in Accounts Payable			(1,388)	
Net Changes in Fund Balances - Modified Accrual Basis			(1,717)	
Fund Balances - Beginning			3,147	
Fund Balances - Ending			\$1,430	

JACKSON COUNTY, TEXAS
 APPELLATE JUDICIAL SYSTEM
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$1,100	\$1,100	\$1,110	\$10
Total Revenues	<u>1,100</u>	<u>1,100</u>	<u>1,110</u>	<u>10</u>
EXPENDITURES				
Current				
Judicial	1,300	1,300	1,435	(135)
Total Expenditures	<u>1,300</u>	<u>1,300</u>	<u>1,435</u>	<u>(135)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(200)</u>	<u>(200)</u>	<u>(325)</u>	<u>(125)</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>(\$200)</u>	<u>(\$200)</u>	<u>(\$325)</u>	<u>(\$125)</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(5)	
Net Changes in Fund Balances - Modified Accrual Basis			(330)	
Fund Balances - Beginning			1,475	
Fund Balances - Ending			<u>\$1,145</u>	

JACKSON COUNTY, TEXAS
DISTRICT ATTORNEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$10,000	\$10,000	\$8,693	(\$1,307)
Total Revenues	10,000	10,000	8,693	(1,307)
EXPENDITURES				
Current				
Judicial	23,636	51,069	43,202	7,867
Total Expenditures	23,636	51,069	43,202	7,867
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,636)	(41,069)	(34,509)	6,560
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>(\$13,636)</u>	<u>(\$41,069)</u>	<u>(\$34,509)</u>	<u>\$6,560</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			(769)	
Changes in Accounts Payable			(8)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(35,286)</u>	
Fund Balances - Beginning			48,211	
Fund Balances - Ending			<u>\$12,925</u>	

JACKSON COUNTY, TEXAS
 SHERIFF FORFEITURE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$100	\$100	\$480	\$380
Miscellaneous	0	0	9,139	9,139
Total Revenues	100	100	9,619	9,519
EXPENDITURES				
Current				
Public Safety	5,041	6,107	6,065	42
Total Expenditures	5,041	6,107	6,065	42
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,941)	(6,007)	3,554	9,561
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>(\$4,941)</u>	<u>(\$6,007)</u>	3,554	<u>\$9,561</u>
Reconciliation from cash basis to modified accrual:				
Changes in accounts receivable			(186)	
Changes in Accounts Payable			1,095	
Net Changes in Fund Balances - Modified Accrual Basis			4,463	
Fund Balances - Beginning			5,003	
Fund Balances - Ending			<u>\$9,466</u>	

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

JACKSON COUNTY, TEXAS
DISTRICT ATTORNEY FORFEITURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final		(Negative)
REVENUES				
Interest	\$600	\$600	\$1,559	\$959
Miscellaneous	5,000	5,000	21,064	16,064
Total Revenues	5,600	5,600	22,623	17,023
EXPENDITURES				
Current				
Judicial	17,403	17,403	12,551	4,852
Total Expenditures	17,403	17,403	12,551	4,852
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,803)	(11,803)	10,072	21,875
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>(\$11,803)</u>	<u>(\$11,803)</u>	\$10,072	<u>\$21,875</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			(142)	
Changes in Accrued Wages Payable			(89)	
Net Changes in Fund Balances - Modified Accrual Basis			9,841	
Fund Balances - Beginning			24,589	
Fund Balances - Ending			<u>\$34,430</u>	

JACKSON COUNTY, TEXAS
 JUSTICE COURT TECHNOLOGY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$0	\$0	\$0	\$0
Charges for Services	17,000	17,000	14,700	(2,300)
Miscellaneous	0	0	0	0
Total Revenues	<u>17,000</u>	<u>17,000</u>	<u>14,700</u>	<u>(2,300)</u>
EXPENDITURES				
Current				
Judicial	34,400	34,400	12,994	21,406
Total Expenditures	<u>34,400</u>	<u>34,400</u>	<u>12,994</u>	<u>21,406</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,400)</u>	<u>(17,400)</u>	<u>1,706</u>	<u>19,106</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>(\$17,400)</u>	<u>(\$17,400)</u>	<u>\$1,706</u>	<u>\$19,106</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			(44)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>1,662</u>	
Fund Balances - Beginning			<u>27,695</u>	
Fund Balances - Ending			<u>\$29,357</u>	

JACKSON COUNTY, TEXAS
 COMMISSARY TELEPHONE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$20,000	\$20,000	\$43,813	\$23,813
Total Revenues	20,000	20,000	43,813	23,813
EXPENDITURES				
Current				
Public Safety	46,104	46,104	24,259	21,845
Total Expenditures	46,104	46,104	24,259	21,845
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,104)	(26,104)	19,554	45,658
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>(\$26,104)</u>	<u>(\$26,104)</u>	19,554	<u>\$45,658</u>
Reconciliation from cash basis to modified accrual:				
Changes in officers fees and sales tax receivable			2,731	
Changes in Accounts Payable			1,551	
Changes in Accrued Wages Payable			(6)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>23,830</u>	
Fund Balances - Beginning			<u>35,145</u>	
Fund Balances - Ending			<u>\$58,975</u>	

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

JACKSON COUNTY, TEXAS
 LAW ENFORCEMENT OFFICERS EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$3,417	\$3,417	\$3,524	\$107
Total Revenues	3,417	3,417	3,524	107
EXPENDITURES				
Current				
Public Safety	8,428	8,428	2,546	5,882
Total Expenditures	8,428	8,428	2,546	5,882
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,011)	(5,011)	978	5,989
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	(5,011)	(5,011)	978	5,989
Fund Balances - Beginning	5,012	5,012	5,012	0
Fund Balances - Ending	\$1	\$1	\$5,990	\$5,989

JACKSON COUNTY, TEXAS
 MEMORIAL LIBRARY FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$3,000	\$3,000	\$3,615	\$615
Miscellaneous	3,500	4,500	4,817	317
Total Revenues	<u>6,500</u>	<u>7,500</u>	<u>8,432</u>	<u>932</u>
EXPENDITURES				
Current				
Culture and Recreation	16,994	17,994	15,832	2,162
Total Expenditures	<u>16,994</u>	<u>17,994</u>	<u>15,832</u>	<u>2,162</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,494)</u>	<u>(10,494)</u>	<u>(7,400)</u>	<u>3,094</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>(10,494)</u>	<u>(10,494)</u>	<u>(7,400)</u>	<u>3,094</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			82	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(7,318)</u>	
Fund Balances - Beginning			22,799	
Fund Balances - Ending			<u>\$15,481</u>	

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$105,385	\$105,385	\$88,864	(\$16,521)
Interest	1,000	1,000	3,807	2,807
Total Revenues	<u>106,385</u>	<u>106,385</u>	<u>92,671</u>	<u>(13,714)</u>
EXPENDITURES				
Current				
Public Safety	125,385	125,385	105,012	20,373
Total Expenditures	<u>125,385</u>	<u>125,385</u>	<u>105,012</u>	<u>20,373</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,000)</u>	<u>(19,000)</u>	<u>(12,341)</u>	<u>6,659</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>(\$19,000)</u>	<u>(\$19,000)</u>	<u>(12,341)</u>	<u>\$6,659</u>
Reconciliation from cash basis to modified accrual:				
Changes in officers fees and sales tax receivable			15,523	
Changes in Prepaid Insurance			382	
Changes in Accounts Payable			(89)	
Changes in Accrued Wages Payable			(56)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>3,419</u>	
Fund Balances - Beginning			<u>70,795</u>	
Fund Balances - Ending			<u>\$74,214</u>	

JACKSON COUNTY, TEXAS
 ELECTION ADMINISTRATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$1,000	\$1,000	\$627	(\$373)
Total Revenues	1,000	1,000	627	(373)
EXPENDITURES				
Current				
General Administration	1,764	1,764	594	1,170
Total Expenditures	1,764	1,764	594	1,170
Excess (Deficiency) of Revenues Over (Under) Expenditures	(764)	(764)	33	797
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	(764)	(764)	33	797
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			(186)	
Net Changes in Fund Balances - Modified Accrual Basis			(153)	
Fund Balances - Beginning			765	
Fund Balances - Ending			\$612	

JACKSON COUNTY, TEXAS
DISTRICT CLERK RECORDS MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$800	\$800	\$1,105	\$305
Total Revenues	800	800	1,105	305
EXPENDITURES				
Current				
General Administration	2,500	2,500	0	2,500
Total Expenditures	2,500	2,500	0	2,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,700)	(1,700)	1,105	2,805
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	(1,700)	(1,700)	1,105	2,805
Fund Balances - Beginning	2,756	2,756	2,756	0
Fund Balances - Ending	\$1,056	\$1,056	\$3,861	\$2,805

JACKSON COUNTY, TEXAS
 CHILD ABUSE PREVENTION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$600	\$600	\$690	\$90
Total Revenues	600	600	690	90
EXPENDITURES				
Current				
Public Safety	1,140	1,140	0	1,140
Total Expenditures	1,140	1,140	0	1,140
Excess (Deficiency) of Revenues Over (Under) Expenditures	(540)	(540)	690	1,230
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	(540)	(540)	690	1,230
Fund Balances - Beginning	690	690	690	0
Fund Balances - Ending	\$150	\$150	\$1,380	\$1,230

