

JACKSON COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended  
September 30, 2006

Jackson County, Texas  
Annual Financial Report  
For the Fiscal Year Ended September 30, 2006

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WAYNE R. BEYER  
CERTIFIED PUBLIC ACCOUNTANT

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Honorable Judge  
and Commissioner's Court  
Jackson County  
Edna, Texas

As a result of my observations concerning the accounting and financial aspects of the records of Jackson County, Texas, during my audit for the year ended September 30, 2006, I submit the following recommendations for your consideration:

County Clerk

*Finding:*

1. The County Clerk has manual monthly reports that do not tie to the computer generated reports.

*Recommendation:*

I recommend that the County Clerk stop preparing manual reports, since the information is on the computer reports. Otherwise, the manual reports need to be reconciled to the computer reports monthly to ensure that they are the same.

Administration

*Finding:*

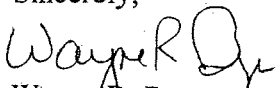
1. The County does not have an Organizational flowchart.

*Recommendation:*

I recommend that the County prepare an Organizational flowchart for future audits.

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

Sincerely,



Wayne R. Beyer  
Certified Public Accountant  
April 20, 2007



FINANCIAL SECTION

WAYNE R. BEYER  
CERTIFIED PUBLIC ACCOUNTANT

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## INDEPENDENT AUDITOR'S REPORT

To the Commissioner's Ct  
Jackson County, Texas

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of and for the year ended September 30, 2006, 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, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of September 30, 2006, 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 and the schedule of funding progress for the Public Employees Retirement System on pages 3 through 10 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 nonmajor 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 nonmajor 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,

A handwritten signature in black ink, appearing to read "Wayne R. Beyer". The signature is fluid and cursive, with a large initial "W" and "B".

WAYNE R. BEYER  
Certified Public Accountant  
Pleasanton, Texas  
April 16, 2007

## 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, 2006.

### Financial Highlights

- . The assets of Jackson County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$15,000,635 (net assets). Of this amount, \$7,487,132 (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 \$1,108,591. 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 \$6,944,093, an increase of \$492,185 in comparison with the prior year. Approximately 93% of this total amount, \$6,463,037, 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 \$5,433,595, or 98 percent of total general fund expenditures, the unreserved fund balance for the road and bridge fund was \$462,550, or 23 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, and 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 seven (27) 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 four (24) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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, district clerk reserve 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 major road and bridge funds and nonmajor governmental funds and internal service fund 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 nonmajor 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 \$15,000,635 at the close of the most recent fiscal year.

A large portion of Jackson County, Texas's net assets (47 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	
	2006	2005	2006	2005	2006	2005
Current and other Assets	\$8,491,140	\$7,821,411	\$31,998	\$20,925	\$8,523,138	\$7,842,336
Capital Assets	6,528,965	6,071,009	593,157	570,936	7,122,122	6,641,945
Total Assets	15,020,105	13,892,420	625,155	591,861	15,645,260	14,484,281
Long-term liabilities	198,355	256,333	1,708	1,646	200,063	257,979
Other liabilities	443,264	331,028	1,298	3,230	444,562	334,258
Total Liabilities	641,619	587,361	3,006	4,876	644,625	592,237
Net Assets						
Invested in Capital Assets, Net of Related debt	6,439,290	5,931,072	593,157	570,936	7,032,447	6,502,008
Restricted	481,056	628,642			481,056	628,642
Unrestricted	7,458,140	6,745,345	28,992	16,049	7,487,132	6,761,394
Total Net Assets	\$14,378,486	\$13,305,059	\$622,149	\$586,985	\$15,000,635	\$13,892,044

An additional portion of Jackson County, Texas's net assets (3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$7,487,132) 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 \$1,108,591 during the current fiscal year. This increase is attributable to revenues continuing to outpace expenses.

## Expenses and Program Revenues - Business Activities

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government Business-type Activities:			
Passport	\$755	\$2,782	\$0
Jail Commissary	10,710	11,941	
Airport	99,031	34,947	30,000
Total Business-type Activities:	\$10,496	\$49,670	\$30,000

### 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 \$6,944,093, an increase of \$492,185 in comparison with the prior year. Approximately 93 percent of this total amount (\$6,463,037) 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 (\$481,056).

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 \$5,433,595, while total fund balance reached \$5,914,651. 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 98 percent of total general fund expenditures, while total fund balance represents 107 percent of that same amount.

The fund balance of Jackson County, Texas's general fund increased by \$454,632 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 \$462,550, while total fund balance reached \$462,550. 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 23 percent of total road and bridge fund expenditures, while total fund balance represents 23 percent of that same amount. The fund balance of the road and bridge fund decreased by \$80,813 during the current year. The fund balance decreased by \$21,793 in the prior year. Key factors in this decrease are as follows: The increase in revenues was outpaced by an increase in expenditures by \$59,020.

## General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund were \$157,008. 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 were \$31,986. This is immaterial.

### Capital Asset and Debt Administration

#### *Capital assets:*

Jackson County, Texas's investment in capital assets for its governmental activities as of September 30, 2006, amounts to \$7,122,122 (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 55 percent (a 64 percent increase for governmental activities and a 01 percent increase for business-type activities).

#### JACKSON COUNTY, TEXAS CAPITAL ASSETS (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$143,696	\$143,696	\$70,254	\$70,254	\$213,950	\$213,950
Building and improvements	2,682,301	2,424,078	154,425	100,265	2,836,726	2,524,343
Machinery and equipment	1,894,037	1,966,397	0	0	1,894,037	1,966,397
Infrastructure	1,787,951	1,504,325	368,478	400,417	2,156,429	1,904,742
Construction in Progress	20,980	32,513			20,980	32,513
<b>Total</b>	<b>\$6,528,965</b>	<b>\$6,071,009</b>	<b>\$593,157</b>	<b>\$570,936</b>	<b>\$7,122,122</b>	<b>\$6,641,945</b>

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.





GOVERNMENT-WIDE FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2006

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$7,204,909	\$31,261	\$7,236,170
Receivables (net of allowance for uncollectibles)	1,216,004		1,216,004
Prepaid Expenses	70,227	737	70,964
Capital assets not being depreciated:			
Land	143,696	70,254	213,950
Construction in Progress	20,980		20,980
Total Capital assets being depreciated, net			
Building and Improvements	2,682,301	154,425	2,836,726
Machinery and Equipment	1,894,037		1,894,037
Infrastructure	1,787,951	368,478	2,156,429
<b>Total Assets</b>	<b>\$15,020,105</b>	<b>\$625,155</b>	<b>\$15,645,260</b>
<b>LIABILITIES:</b>			
Accounts Payable	\$151,137	\$908	\$152,045
Bank Overdraft	67,943		67,943
Due to others	159,998		159,998
Accrued Wages Payables	64,186	390	64,576
Noncurrent Liabilities:			
Due within one year	160,318	1,708	162,026
Due in more than one year	38,037		38,037
<b>Total Liabilities</b>	<b>641,619</b>	<b>3,006</b>	<b>644,625</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	6,439,290	593,157	7,032,447
Restricted for:			
Permanent Improvement	481,056		481,056
Unrestricted	7,458,140	28,992	7,487,132
<b>Total Net Assets</b>	<b>\$14,378,486</b>	<b>\$622,149</b>	<b>\$15,000,635</b>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS  
 STATEMENT OF ACTIVITIES  
 YEAR ENDED SEPTEMBER 30, 2006

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Net (Expense) Revenue and Changes in Net Assets Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary government						
Government activities:						
General Administration	\$979,353	\$409,334	\$143,744	(\$426,275)		(\$426,275)
Judicial	714,475	624,401	32,112	(57,962)		(57,962)
Legal	23,530			(23,530)		(23,530)
Financial Administration	540,080	188,455		(351,625)		(351,625)
Public Facilities	467,581		30,000	(437,581)		(437,581)
Public Safety	2,146,790	117,107	121,987	(1,907,696)		(1,907,696)
Public Transportation	1,899,026	533,922	94,289	(1,270,815)		(1,270,815)
Environmental Protections	237,275	91,204		(146,071)		(146,071)
Culture and Recreation	147,760	2,642	1,944	(143,174)		(143,174)
Health and Welfare	282,833	51,313	68,752	(162,768)		(162,768)
Conservation - Agriculture	96,413			(96,413)		(96,413)
Interest and Fiscal Charges	7,938			(7,938)		(7,938)
Total government activities	<u>7,543,054</u>	<u>2,018,378</u>	<u>492,828</u>	<u>(5,031,848)</u>	<u>0</u>	<u>(5,031,848)</u>
Business-type Activities:						
Passport	755	2,782			2,027	2,027
Jail Commissary	10,710	11,941			1,231	1,231
Airport	99,031	34,947	30,000		(34,084)	(34,084)
Total Business-type Activities:	<u>110,496</u>	<u>49,670</u>	<u>30,000</u>	<u>0</u>	<u>(30,826)</u>	<u>(30,826)</u>
Total Primary Government	<u>\$7,653,550</u>	<u>\$2,068,048</u>	<u>\$522,828</u>	<u>(5,031,848)</u>	<u>(30,826)</u>	<u>(5,062,674)</u>
General Revenues						
Property Taxes, Levies for General Purposes				4,987,898		4,987,898
Sales Taxes				600,125		600,125
Other Taxes				16,555		16,555
Unrestricted Investment Earnings				373,867	5,049	378,916
Miscellaneous				187,771		187,771
Transfers				(60,941)	60,941	0
Total General Revenues and Transfers				<u>6,105,275</u>	<u>65,990</u>	<u>6,171,265</u>
Change in Net assets				1,073,427	35,164	1,108,591
Net Assets - Beginning				13,305,059	586,985	13,892,044
Net Assets - Ending				<u>\$14,378,486</u>	<u>\$622,149</u>	<u>\$15,000,635</u>

The accompanying notes are an integral part of this statement.



FUND FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS  
 BALANCE SHEET - GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2006

	General Fund	Road and Bridge	District Clerk Reserve	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$5,893,404	\$522,436	\$147,071	\$641,998	\$7,204,909
Receivables (net of allowance for uncollectibles)	478,402	3,037		17,642	499,081
Prepaid insurance	57,277	12,360		590	70,227
<b>Total Assets</b>	<b>\$6,429,083</b>	<b>\$537,833</b>	<b>\$147,071</b>	<b>\$660,230</b>	<b>\$7,774,217</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities</b>					
Accounts Payable	\$79,106	\$62,868		\$9,163	\$151,137
Bank Overdraft				67,943	67,943
Due to others			147,071	12,927	159,998
Accrued Wages Payable	48,466	12,415		3,305	64,186
Deferred Revenues	386,860				386,860
<b>Total Liabilities</b>	<b>514,432</b>	<b>75,283</b>	<b>147,071</b>	<b>93,338</b>	<b>830,124</b>
<b>Fund Balances:</b>					
<b>Restricted For:</b>					
Permanent Improvement	481,056				481,056
<b>Unreserved, Reported in</b>					
General Fund	5,433,595				5,433,595
Special Revenue Funds		462,550	0	566,892	1,029,442
<b>Total Fund Balance</b>	<b>5,914,651</b>	<b>462,550</b>	<b>0</b>	<b>566,892</b>	<b>6,944,093</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$6,429,083</b>	<b>\$537,833</b>	<b>\$147,071</b>	<b>\$660,230</b>	<b>\$7,774,217</b>

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, 2006

Total Fund Balances - governmental funds balance sheet	\$6,944,093
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.	6,528,965
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	716,923
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	386,860
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(198,355)
Net assets of governmental activities - statement of net assets	<u>\$14,378,486</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, 2006

	General Fund	Road and Bridge	District Clerk Reserve	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes					
Property	\$4,989,188				\$4,989,188
Sales	600,125				600,125
Other	16,555				16,555
Intergovernmental	173,949	94,289		224,590	492,828
Licenses and Permits		533,922			533,922
Charges for Services	625,481			200,370	825,851
Fines and Forfeitures	592,007				592,007
Interest	331,351	35,050		7,466	373,867
Miscellaneous	124,259	20,716		42,797	187,772
Total Revenues	<u>7,452,915</u>	<u>683,977</u>	<u>0</u>	<u>475,223</u>	<u>8,612,115</u>

**EXPENDITURES**

Current:

General Administration					
County Judge	118,670				118,670
Commissioner's Court	229,598				229,598
County Clerk	244,113				244,113
Elections	147,031			422	147,453
Records Management				15,721	15,721
Veterans Service	2,489				2,489
Non-Departmental	320,805				320,805
Legal					
Check Collection				5,605	5,605
Law Library				17,925	17,925
Judicial					
Court Reporter				4,216	4,216
Judicial				57,270	57,270
District Court	37,821				37,821
District Clerk	151,277				151,277
Justice of the Peace No. 1	102,164				102,164
Justice of the Peace No. 2	150,176				150,176
Criminal District Attorney	146,071				146,071
Court Expense	65,293				65,293
Financial Administration					
County Auditor	182,909				182,909
County Treasurer	99,722				99,722
Tax Assessor-Collector	239,225				239,225
Public Facilities					
Public Facilities	293,503				293,503
County Services Building	2,701				2,701

(continued)



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Public Safety					
Adult Probation	1,958			1,958	
Ambulance	79,058			79,058	
Civil Defense	21,934			21,934	
Constable No. 1	53,662			53,662	
Constable No. 2	49,717			49,717	
Corrections	720,322			720,322	
Courthouse Security			17,543	17,543	
D.P.S./License and Weight	3,344			3,344	
D.P.S./Troopers	6,618			6,618	
EMS/Jaws of Life	4,116			4,116	
Fire	40,925			40,925	
Flood Plain Permit	3,550			3,550	
J.T.P.A.	73			73	
Juvenile Probation			104,355	104,355	
L.N.R.A.	43,868			43,868	
Sheriff	938,158		36,602	974,760	
T.J.P.C.	21,092			21,092	
Public Transportation					
Road and Bridge		1,999,728		1,999,728	
Environmental Protection					
Sanitation	234,158			234,158	
Culture and Recreation					
County Library	122,189		12,111	134,300	
Historical Commission			3,235	3,235	
Parks	1,128			1,128	
Fairgrounds	8,942			8,942	
Health and Welfare					
Health			222,443	222,443	
Child Welfare			232	232	
Gulf Bend Mental Health	10,540			10,540	
Senior Citizens Center	40,000			40,000	
Conservation - Agriculture					
Agriculture Extension Service	94,343			94,343	
U.S. Soil Conservation	2,000			2,000	
Capital Outlay					
Capital Outlay	459,458		8,660	468,118	
Debt Service					
Principal Retirement	33,984	16,278		50,262	
Interest Retirement	6,255	1,683		7,938	
Total Expenditures	<u>5,534,960</u>	<u>2,017,689</u>	<u>0</u>	<u>506,340</u>	<u>8,058,989</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,917,955</u>	<u>(1,333,712)</u>	<u>0</u>	<u>(31,117)</u>	<u>553,126</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	990,586	1,832,899		151,189	2,974,674
Operating Transfers Out	(2,453,909)	(580,000)		(1,706)	(3,035,615)
Total Other Financing Sources (Uses)	<u>(1,463,323)</u>	<u>1,252,899</u>	<u>0</u>	<u>149,483</u>	<u>(60,941)</u>
Net Changes in Fund Balances	454,632	(80,813)	0	118,366	492,185
Fund Balances - Beginning	5,460,019	543,363	0	448,526	6,451,908
Fund Balances - Ending	<u>\$5,914,651</u>	<u>\$462,550</u>	<u>\$0</u>	<u>\$566,892</u>	<u>\$6,944,093</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, 2006

Net Changes in Fund Balances - total governmental funds	\$492,185
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.	457,956
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.	66,598
(Increase) decrease in Compensated absences from beginning of period to end of period.	7,716
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(1,290)
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	50,262
Change in net assets of governmental activities - statement of activities	<u>\$1,073,427</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Property	\$4,806,372	\$4,806,372	\$4,981,064	\$174,692
Sales	460,000	460,000	607,446	147,446
Other	4,600	4,600	16,555	11,955
Intergovernmental	75,000	215,657	238,742	23,085
Charges for Services	518,400	518,400	624,230	105,830
Fines and Forfeitures	516,000	516,000	598,331	82,331
Interest	106,450	106,450	331,212	224,762
Miscellaneous	83,000	88,476	120,268	31,792
Total Revenues	<u>6,569,822</u>	<u>6,715,955</u>	<u>7,517,848</u>	<u>801,893</u>

**EXPENDITURES**

Current:

General Administration				
County Judge	122,589	122,486	118,765	3,721
Commissioner's Court	234,346	234,346	228,290	6,056
County Clerk	263,925	263,668	245,525	18,143
Elections	15,000	152,592	145,181	7,411
Veterans Service	2,650	2,650	2,625	25
Non-Departmental	369,555	340,749	316,118	24,631
Judicial				
District Court	52,880	51,780	36,826	14,954
District Clerk	153,987	153,730	152,008	1,722
Justice of the Peace No. 1	98,996	103,146	100,369	2,777
Justice of the Peace No. 2	178,835	178,835	150,678	28,157
Criminal District Attorney	149,208	149,208	145,709	3,499
Court Expense	72,500	72,500	66,342	6,158
Financial Administration				
County Auditor	185,501	185,347	182,883	2,464
County Treasurer	101,503	101,400	99,685	1,715
Tax Assessor-Collector	256,370	257,491	239,999	17,492
Public Facilities				
Public Facilities	303,707	311,050	294,367	16,683
County Services Building	0	3,000	2,963	37

(continued)

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Public Safety				
Adult Probation	4,800	4,800	2,064	2,736
Ambulance	72,000	82,058	80,783	1,275
Civil defense	25,300	25,300	21,989	3,311
Constable No. 1	55,550	55,500	52,512	2,988
Constable No. 2	50,872	50,872	49,788	1,084
Corrections	774,074	773,731	720,125	53,606
D.P.S./License and Weight	5,950	5,950	3,320	2,630
D.P.S./Troopers	7,334	7,334	6,984	350
EMS/Jaws of Life	9,764	9,764	4,257	5,507
Fire	50,000	49,942	46,935	3,007
Flood Plain Permit	10,000	10,000	3,550	6,450
L.N.R.A.	44,229	44,229	43,847	382
Sheriff	972,260	995,915	924,798	71,117
T.J.P.C.	21,389	21,389	20,776	613
Environmental Protection				
Sanitation	262,662	262,662	237,736	24,926
Culture and Recreation				
County Library	117,420	121,840	121,518	322
Parks	1,500	1,500	964	536
Fairgrounds	10,000	10,000	8,087	1,913
Health and Welfare				
Gulf Bend Mental Health	10,540	10,540	10,540	0
Senior Citizens Center	40,000	40,000	40,000	0
Conservation - Agriculture				
Agriculture Extension Service	103,724	103,724	94,238	9,486
U.S. Soil Conservation	2,000	2,000	2,000	0
Capital Outlay				
Capital Outlay	655,900	652,800	507,441	145,359
Debt Service				
Principal Retirement	33,984	33,984	33,984	0
Interest Retirement	6,255	6,255	6,255	0
Total Expenditures	<u>5,909,059</u>	<u>6,066,067</u>	<u>5,572,824</u>	<u>493,243</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>660,763</u>	<u>649,888</u>	<u>1,945,024</u>	<u>1,295,136</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	981,700	982,900	990,586	7,686
Operating Transfers Out	(2,476,146)	(2,466,420)	(2,453,909)	12,511
Total Other Financing Sources (Uses)	<u>(1,494,446)</u>	<u>(1,483,520)</u>	<u>(1,463,323)</u>	<u>20,197</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$833,683)</u>	<u>(\$833,632)</u>	<u>481,701</u>	<u>\$1,315,333</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in officers fees and sales tax receivable			(64,734)	
Changes in Prepaid Insurance			(360)	
Changes in Accounts Payable			40,058	
Changes in Accrued Wages Payable			(2,033)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>454,632</u>	
Fund Balances - Beginning			<u>5,460,019</u>	
Fund Balances - Ending			<u>\$5,914,651</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, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Licenses and Permits	\$513,677	\$513,677	\$533,822	\$20,145
Intergovernmental	21,380	21,336	94,289	72,953
Interest	25,200	25,200	35,050	9,850
Miscellaneous	1,200	1,200	20,717	19,517
Total Revenues	<u>561,457</u>	<u>561,413</u>	<u>683,878</u>	<u>122,465</u>
<b>EXPENDITURES</b>				
Current				
Public Transportation	2,349,697	2,381,653	1,961,172	420,481
Debt Service				
Principal Retirement	16,424	16,424	16,278	146
Interest Retirement	1,683	1,683	1,683	0
Total Expenditures	<u>2,367,804</u>	<u>2,399,760</u>	<u>1,979,133</u>	<u>420,627</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,806,347)</u>	<u>(1,838,347)</u>	<u>(1,295,255)</u>	<u>543,092</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	1,772,899	1,818,899	1,832,899	14,000
Operating Transfers Out	(520,000)	(580,000)	(580,000)	0
Total Other Financing Sources (Uses)	<u>1,252,899</u>	<u>1,238,899</u>	<u>1,252,899</u>	<u>14,000</u>
Net Changes in Fund Balances	<u>(\$553,448)</u>	<u>(\$599,448)</u>	<u>(42,356)</u>	<u>\$557,092</u>
Reconciliation from cash basis to modified accrual				
Changes in officers fees and sales tax receivable			(13,871)	
Changes in Prepaid Insurance			468	
Changes in Accounts Payable			(25,245)	
Changes in Accrued Wages Payable			191	
Net Changes in Fund Balances-Modified Accrual Basis			<u>(80,813)</u>	
Fund Balances - Beginning			543,363	
Fund Balances - Ending			<u>\$462,550</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, 2006

	Airport Fund Current Year	Airport Fund Prior Year	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	\$14,706	\$0	\$16,555	\$20,243	\$31,261
Prepaid Insurance	737	682	0	0	737
<b>Total Current Assets</b>	<b>15,443</b>	<b>682</b>	<b>16,555</b>	<b>20,243</b>	<b>31,998</b>
<b>Noncurrent assets</b>					
<b>Capital Assets</b>					
Land	70,254	70,254			70,254
Buildings and Improvements	269,046	208,489			269,046
Machinery and Equipment	6,709	6,709			6,709
Infrastructure	479,083	479,083			479,083
<b>Total Capital assets</b>	<b>825,092</b>	<b>764,535</b>	<b>0</b>	<b>0</b>	<b>825,092</b>
Less Accumulated Depreciation	(231,935)	(193,599)			(231,935)
<b>Total Capital Assets (net of accumulated depreciation)</b>	<b>593,157</b>	<b>570,936</b>	<b>0</b>	<b>0</b>	<b>593,157</b>
<b>Total noncurrent assets</b>	<b>593,157</b>	<b>570,936</b>	<b>0</b>	<b>0</b>	<b>593,157</b>
<b>TOTAL ASSETS</b>	<b>\$608,600</b>	<b>\$571,618</b>	<b>\$16,555</b>	<b>\$20,243</b>	<b>\$625,155</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>					
<b>Liabilities</b>					
<b>Current Liabilities(Payable from Current Assets)</b>					
Bank Overdraft	\$0	\$2,075	\$0	\$0	\$0
Accounts Payable	\$585	659	323	105	908
Accrued Wages Payable	\$390	379	0	12	390
Compensated Absences	1,708	1,646			1,708
<b>Total Current Liabilities</b>	<b>2,683</b>	<b>4,759</b>	<b>323</b>	<b>117</b>	<b>3,006</b>
<b>TOTAL LIABILITIES</b>	<b>2,683</b>	<b>4,759</b>	<b>323</b>	<b>117</b>	<b>3,006</b>
Invested in Capital Assets, Net of Related debt	593,157	570,936			593,157
Unrestricted	12,760	(4,077)	16,232	20,126	28,992
<b>TOTAL NET ASSETS</b>	<b>\$605,917</b>	<b>\$566,859</b>	<b>\$16,232</b>	<b>\$20,126</b>	<b>\$622,149</b>

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, 2006

	Airport Fund Current Year	Airport Fund Prior Year	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
<b>OPERATING REVENUES:</b>					
Charges for Services	\$34,947	\$13,853	\$14,723	\$10,750	\$49,670
<b>TOTAL OPERATING REVENUES</b>	<b>34,947</b>	<b>13,853</b>	<b>14,723</b>	<b>10,750</b>	<b>49,670</b>
<b>OPERATING EXPENSES</b>					
Personal Services	33,965	32,526			33,965
Supplies	15,016	0	755	129	15,771
Other Services and Charges	11,714	10,987	10,710	14,177	22,424
Depreciation	38,336	36,969			38,336
<b>TOTAL OPERATING EXPENSES</b>	<b>99,031</b>	<b>80,482</b>	<b>11,465</b>	<b>14,306</b>	<b>110,496</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(64,084)</b>	<b>(66,629)</b>	<b>3,258</b>	<b>(3,556)</b>	<b>(60,826)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Interest Income	3,921	498	1,128	544	5,049
State Grant	30,000	20,656	0	0	30,000
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>33,921</b>	<b>21,154</b>	<b>1,128</b>	<b>544</b>	<b>35,049</b>
Income Before Transfers	(30,163)	(45,475)	4,386	(3,012)	(25,777)
Transfers In	69,221	26,066	(8,280)	0	60,941
Change in Net Assets	39,058	(19,409)	(3,894)	(3,012)	35,164
Total Net Assets - Beginning	566,859	586,268	20,126	23,138	586,985
Total Net Assets - Ending	\$605,917	\$566,859	\$16,232	\$20,126	\$622,149

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, 2006

	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	\$34,947	\$13,853	\$14,723	\$10,750	\$49,670
Payments to Suppliers	(26,859)	(10,561)	(11,247)	(14,201)	(38,106)
Payments to Employees	(33,892)	(33,018)	(12)	12	(33,904)
Net Cash Provided(Used) By Operating Activities:	(25,804)	(29,726)	3,464	(3,439)	(22,340)
Cash Flows from Non-Capital and Related Financing Activities					
Transfers In	69,221	26,066	(8,280)		60,941
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	69,221	26,066	(8,280)	0	60,941
Cash Flows from Capital and Related Financing Activities					
State Grant	30,000	20,656			30,000
Net Cash Provided(Used) By Capital and Related Financing Activities	30,000	20,656	0	0	30,000
Cash Flows from Capital and Related Financing Activities					
Purchases of Capital Assets	(60,557)	(41,310)	0	0	(60,557)
Net Cash Provided (Used) By Capital and Related Financing Activities	(60,557)	(41,310)	0	0	(60,557)
Cash Flows from Investing Activities					
Interest Received	3,921	498	1,128	544	5,049
Net Cash Provided(Used) By Investing Activities	3,921	498	1,128	544	5,049
Net Increase (Decrease) in Cash Equivalents	16,781	(23,816)	(3,688)	(2,895)	13,093
Cash and Cash Equivalents at Beginning of Year	(2,075)	21,741	20,243	23,138	18,168
Cash and Cash Equivalents at End of Year (continued)	\$14,706	(\$2,075)	\$16,555	\$20,243	\$31,261

(continued)

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

Operating Income (Loss)	(\$64,084)	(\$66,629)	\$3,258	(\$3,556)	(\$60,826)
Adjustments to Reconcile to Net Cash Flow					
Non-Cash Items Included in Net Income					
Depreciation	38,336	36,969	0	0	38,336
Changes in Current Items					
Decrease(Increase) in Prepaid Insurance	(55)	(232)	0	0	(55)
Increase(Decrease) in Accounts Payable	(74)	658	218	105	144
Increase(Decrease) in Accrued Wages Payable	11	(496)	(12)	12	(1)
Increase(Decrease) in Compensated Absences Payable	62	4	0	0	62
Net Cash Provided(Used) by Operating Activities	<u>(\$25,804)</u>	<u>(\$29,726)</u>	<u>\$3,464</u>	<u>(\$3,439)</u>	<u>(\$22,340)</u>
Noncash Investing, Capital and Financing Activities:					
Borrowing from capital debt	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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, 2006

	Agency Funds	Trust Fund <u>Brackenridge</u> School Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$3,262,688	\$50,000
Total Assets	<u>\$3,262,688</u>	<u>\$50,000</u>
<b>LIABILITIES</b>		
Accounts Payable	0	
Due to Others	3,262,688	0
Total Liabilities	<u>3,262,688</u>	<u>0</u>
<b>NET ASSETS</b>		
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, 2006

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

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

JACKSON COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006

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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment 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.

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 activities on government-wide financial statements is not reported.

COMMISSION COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS

COMMISSION COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL  
ENDED SEPTEMBER 30, 2006

Governmental  
for Services  
and Forfeitures

Intergovernmental  
Revenues

EXPENDITURES

General Administration  
County Judge  
Commissioner's Court  
County Clerk  
Elections  
Veterans Service  
Non-Departmental  
Judicial  
District Court  
District Clerk  
Justice of the Peace No. 1  
Justice of the Peace No. 2  
District Attorney

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
	\$4,806,372	\$4,806,372	\$4,981,064	\$174,692
	460,000	460,000	607,446	147,446
	4,600	4,600	16,555	11,955
	75,000	215,657	238,742	23,085
	518,400	518,400	624,230	105,830
	516,000	516,000	598,331	82,331
	106,450	106,450	331,212	224,762
	83,000	88,476	120,268	31,792
	6,569,822	6,715,955	7,517,848	801,893
		122,589	122,486	3,721
		234,346	234,346	6,056
		263,925	263,668	18,143
		15,000	152,592	7,411
		2,650	2,650	25
		369,555	340,749	24,631
		52,880	51,780	14,954
		153,987	153,730	1,722
		98,996	103,146	2,777
		178,835	178,835	28,157
		149,208	149,208	3,499
		72,500	72,500	6,158
		185,347	185,347	2,464
		101,400	101,400	1,715
			229,999	17,492



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, 2006 and 10 percent of the delinquent outstanding property taxes at September 30, 2006.

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, 2006. 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, 2006.

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 no such construction during the current fiscal year.

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 \$198,355 difference are as follows:

Capital lease payable	\$73,990
Notes payable	15,685
Compensated absences	<u>108,680</u>
	<u>\$198,355</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 \$6,528,965 difference are as follows:

Capital outlay	\$12,475,674
Depreciation expense	(5,946,709)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$6,528,965</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 \$386,859 difference are as follows:

Property taxes Receivable	\$421,764
Allowance for Doubtful Accounts	<u>(34,905)</u>
Net	<u>\$386,859</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 \$716,922 difference are as follows:

Fines and Fees Receivable	\$1,066,330
Allowance for Doubtful Accounts	<u>(349,408)</u>
Net	<u>\$716,922</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 \$457,956 difference are as follows:

Capital outlay - additions - deletions	\$1,133,741
Depreciation expense	<u>(675,785)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$457,956</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 2006 fiscal year were adopted for the General Fund, the Road and Bridge Funds, and other applicable nonmajor governmental funds.

B. Excess of Expenditures over Appropriations

For the year ended September 30, 2006, expenditures did not exceed appropriations in any fund except for the health fund whereby expenditures of \$222,083 exceeded the budgeted amount of \$217,441 by \$4,642.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2006 except for the Ron Howard Trust fund which had a negative fund balance of \$67,943 at September 30, 2006. The negative fund balance is expected to be liquidated by future resources of the fund.

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, 2006, the government's bank balance of \$4,119,000 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 \$11,118,761 and the FDIC coverage is \$225,948.

*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.

*Concentration of credit risk.* The County places no limit on the amount the County may invest in any one issuer. 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, 2006, the government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
Texpool	\$6,733,384	Less than 1 year	Less than 1 year



B. Receivables

Receivables as of year end for the government's individual major funds and nonmajor, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Other Governmental Funds	Total
<u>Receivables</u>			
Ad Valorem Taxes	\$421,764		\$421,764
Sales Tax	49,658		49,658
Fines	1,086,330		1,086,330
Other	21,886	20,679	42,565
Gross receivables	<u>1,579,638</u>	<u>20,679</u>	<u>1,600,317</u>
Less: Allowance for uncollectibles	384,313		384,313
Net total receivables	<u>\$1,195,325</u>	<u>\$20,679</u>	<u>\$1,216,004</u>

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	<u>\$386,860</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$386,860</u>

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

## C. Capital Assets

Capital asset activity for the year ended September 30, 2006 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$143,696			\$143,696
Construction in Progress	32,513	20,980	32,513	20,980
<b>Total capital assets not being depreciated</b>	<b>176,209</b>	<b>20,980</b>	<b>32,513</b>	<b>164,676</b>
Capital assets being depreciated:				
Building and improvements	4,421,869	418,837	28,572	4,812,134
Machinery and equipment	5,300,317	398,764	123,240	5,575,841
Infrastructure	1,563,771	359,252		1,923,023
<b>Total capital assets being depreciated</b>	<b>11,285,957</b>	<b>1,176,853</b>	<b>151,812</b>	<b>12,310,998</b>
Less accumulated depreciation for:				
Building and improvements	1,997,791	132,042	0	2,129,833
Machinery and equipment	3,333,920	468,117	120,233	3,681,804
Infrastructure	59,446	75,626	0	135,072
<b>Total accumulated depreciation</b>	<b>5,391,157</b>	<b>675,785</b>	<b>120,233</b>	<b>5,946,709</b>
<b>Total Capital assets being depreciated, net</b>	<b>5,894,800</b>	<b>501,068</b>	<b>31,579</b>	<b>6,364,289</b>
<b>Governmental activities capital assets, net</b>	<b>\$6,071,009</b>	<b>\$522,048</b>	<b>\$64,092</b>	<b>\$6,528,965</b>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciated:				
Land	\$70,254	\$0	\$0	\$70,254
<b>Total capital assets not being depreciated</b>	<b>70,254</b>	<b>0</b>	<b>0</b>	<b>70,254</b>
Capital assets being depreciated:				
Building and improvements	208,489	60,557	0	269,046
Machinery and equipment	6,709	0	0	6,709
Infrastructure	479,083	0	0	479,083
<b>Total capital assets being depreciated</b>	<b>694,281</b>	<b>60,557</b>	<b>0</b>	<b>754,838</b>
Less accumulated depreciation for:				
Building and improvements	108,224	6,397	0	114,621
Machinery and equipment	6,709	0	0	6,709
Infrastructure	78,666	31,939	0	110,605
<b>Total accumulated depreciation</b>	<b>193,599</b>	<b>38,336</b>	<b>0</b>	<b>231,935</b>
<b>Total Capital assets being depreciated, net</b>	<b>500,682</b>	<b>22,221</b>	<b>0</b>	<b>522,903</b>
<b>Business-type activities capital assets, net</b>	<b>\$570,936</b>	<b>\$22,221</b>	<b>\$0</b>	<b>\$593,157</b>

### Construction commitments

There was no major capital asset event during the current fiscal year.

D. Interfund Receivables, Payables, and Transfers

Due to/from other funds:

There were no interfund balances as of September 30, 2006.

There were no advances at September 30, 2006.

ACCOUNT	AMOUNT	REASON
<u>Governmental Activities</u>		
<u>GENERAL FUND</u>		
Transfer from Sales Tax Fund	(500,000)	Fund Administration
Transfer from Passport Fund	(8,280)	Close out Fund
Transfer to Road and Bridge	1,252,899	Fund Public Transportation
Transfer to Historical Commission	5,000	Fund Culture
Transfer to Jury	16,357	Fund Judicial
Transfer to Permanent Improvement Fund	480,600	Fund Public Facilities
Transfer to Law library Fund	5,936	Fund Judicial
Transfer to Airport	69,221	Fund Recreation
Transfer to Health	122,190	Fund Health
 <u>ROAD AND BRIDGE FUND</u>		
Transfer from General Fund	(1,252,899)	Fund Public Safety
 <u>JURY</u>		
Transfer from General Fund	(16,357)	Fund Judicial
 <u>PASSPORT FUND</u>		
Transfer to General Fund	8,280	Close out Fund
 <u>LAW LIBRARY</u>		
Transfer from General Fund	(5,936)	Fund Judicial
 <u>PERMANENT IMPROVEMENT FUND</u>		
Transfer from General Fund	(480,600)	Fund Public Facilities
 <u>HEALTH</u>		
Transfer from General Fund	(122,190)	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>69,221</u>	
 <u>Business-type Activities</u>		
<u>AIRPORT</u>		
Transfer from General Fund	<u>(69,221)</u>	Fund Recreation

E. Leases

Operating Leases

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$26,697 for the year ended September 30, 2006. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30,	<u>Amount</u>
2007	\$25,321
2008	22,841
2009	17,735
2010	<u>7,519</u>
Total	<u>\$73,416</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. 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:

	Governmental Activities	
	<u>COMPUTER</u>	
ASSET	SOFTWARE	TOTAL
COST	\$95,720	\$95,720
ACCUMULATED DEPRECIATION	<u>(38,288)</u>	<u>(38,288)</u>
NET ASSET	<u>\$57,432</u>	<u>\$57,432</u>

	Governmental Activities	Total
YEAR		
2007	\$40,239	\$40,239
2008	40,239	40,239
TOTAL MINIMUM LEASE PAYMENTS	<u>80,478</u>	<u>80,478</u>
LESS: AMOUNT REPRESENTING INTEREST	6,488	6,488
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$73,990</u>	<u>\$73,990</u>

The above debt is to be serviced by the General Fund.

F. Long-Term Debt (continued)

Notes Payables:

Original amount - \$80,797, payable to Prosperity Bank in Edna, Texas, Principal due in four annual installments of \$16,578 and one installment of \$14,485 through January 20, 2007; interest variable and is paid quarterly and is equal to the Wall Street Journal prime rate not to exceed 18%. Amount outstanding - \$15,685:

The above debt is to be serviced by the Road and Bridge Funds.

The activity for the year ended September 30, 2006, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
<u>Governmental activities:</u>					
Lease purchase payable	\$107,973	\$0	\$33,984	\$73,989	\$35,953
Notes Payable	31,963	0	16,278	15,685	15,685
Compensated Absences	116,396	108,680	116,396	108,680	108,680
	<u>\$256,332</u>	<u>\$108,680</u>	<u>\$166,658</u>	<u>\$198,354</u>	<u>\$160,318</u>
<u>Business-type activities:</u>					
Compensated Absences	1,641	1,708	1,641	\$1,708	1,708
	<u>1,641</u>	<u>1,708</u>	<u>1,641</u>	<u>1,708</u>	<u>1,708</u>
Grand Total	<u>\$257,973</u>	<u>\$110,388</u>	<u>\$168,299</u>	<u>\$200,062</u>	<u>\$162,026</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 2006-07 year is \$110,388.

The government-wide statement of activities includes \$162,026 as "noncurrent liabilities, due within one year".

The interest incurred on the above debt for the current year was not capitalized but rather was expensed.

G. Restricted Net Assets

The restricted net asset accounts at September 30, 2006 consisted of \$481,056 for permanent improvement.

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, 2006	Year Ended September 30, 2005
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

There were no subsequent events requiring disclosure.

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 575 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 7.63% for the 2005 and 7.78% for the 2006 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 2006 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	12/31/2003	12/31/2004	12/31/2005
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	20.0
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

<u>Accounting Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
9-30-04	213,183	100%	-0-
9-30-05	229,090	100%	-0-
9-30-06	239,686	100%	-0-

ANALYSIS OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage of Payroll ((b-a)/c)</u>
2003	7,019,043	7,788,961	769,918	90.1	2,748,508	28.0
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



REQUIRED SUPPLEMENTARY INFORMATION



JACKSON COUNTY, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SEPTEMBER 30, 2006

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)
2003	7,019,043	7,788,961	769,918	90.1	2,748,508	28.0
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



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES





JACKSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET - GENERAL FUND  
 SEPTEMBER 30, 2006

	General Fund	Sales Tax Fund	Permanent Improvement Funds	Total General Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$4,710,819	\$699,953	\$482,632	\$5,893,404
Receivables (net of allowance for uncollectibles)	428,744	49,658		478,402
Prepaid insurance	57,277			57,277
<b>Total Assets</b>	<b>\$5,196,840</b>	<b>\$749,611</b>	<b>\$482,632</b>	<b>\$6,429,083</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
Accounts Payable	\$77,530		\$1,576	\$79,106
Accrued Wages Payable	48,466			48,466
Deferred Revenues	386,860			386,860
<b>Total Liabilities</b>	<b>512,856</b>	<b>0</b>	<b>1,576</b>	<b>514,432</b>
<b>Fund Balances:</b>				
<b>Restricted For:</b>				
Permanent Improvement			481,056	481,056
Unreserved, Reported in General Fund	4,683,984	749,611		5,433,595
<b>Total Fund Balance</b>	<b>4,683,984</b>	<b>749,611</b>	<b>481,056</b>	<b>5,914,651</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$5,196,840</b>	<b>\$749,611</b>	<b>\$482,632</b>	<b>\$6,429,083</b>

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, 2006

	General Fund	Sales Tax Fund	Permanent Improvement Funds	Total General Funds
<i>REVENUES</i>				
Taxes				\$4,989,188
Property	\$4,989,188			
Sales		600,125		600,125
Other	16,555			16,555
Intergovernmental	173,949			173,949
Charges for Services	625,481			625,481
Fines and Forfeitures	592,007			592,007
Interest	276,640	20,844	33,867	331,351
Miscellaneous	124,259			124,259
<b>Total Revenues</b>	<b>6,798,079</b>	<b>620,969</b>	<b>33,867</b>	<b>7,452,915</b>

*EXPENDITURES*

Current:

General Administration				118,670
County Judge	118,670			118,670
Commissioners Court	229,598			229,598
County Clerk	244,113			244,113
Election	147,031			147,031
Veterans Service	2,489			2,489
Non-Departmental	320,805			320,805
Judicial				37,821
District Court	37,821			37,821
District Clerk	151,277			151,277
Justice of the Peace No. 1	102,164			102,164
Justice of the Peace No. 2	150,176			150,176
Criminal District Attorney	146,071			146,071
Court Expense	65,293			65,293
Financial Administration				182,909
County Auditor	182,909			182,909
County Treasurer	99,722			99,722
Tax Assessor-Collector	239,225			239,225
Public Facilities			2,738	293,503
Public Facilities	290,765			290,765
County Services Building	2,701			2,701
Public Safety				1,958
Adult Probation	1,958			1,958
Ambulance	79,058			79,058
Civil Defense	21,934			21,934
Constable No. 1	53,662			53,662
Constable No. 2	49,717			49,717
Corrections	720,322			720,322
D.P.S./License and Weight	3,344			3,344
D.P.S./Troopers	6,618			6,618
EMS/Jaws of Life	4,116			4,116
Fire	40,925			40,925
Flood Plain Permit	3,550			3,550
J.T.P.A.	73			73
L.N.R.A.	43,868			43,868
Sheriff	938,158			938,158
T.J.P.C.	21,092			21,092

(continued)

(continued)

Environmental Protection				
Sanitation	234,158			234,158
Culture and Recreation				
County Library	122,189			122,189
Parks	1,128			1,128
Fairgrounds	8,942			8,942
Health and Welfare				
Gulf Bend Mental Health	10,540			10,540
Senior Citizens Center	40,000			40,000
Conservation - Agriculture				
Agriculture Extension Service	94,343			94,343
U.S. Soil Conservation	2,000			2,000
Capital Outlay				
Capital Outlay			459,458	459,458
Debt Service				
Principal Retirement			33,984	33,984
Interest Retirement			6,255	6,255
Total Expenditures	<u>5,032,525</u>	<u>0</u>	<u>502,435</u>	<u>5,534,960</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,765,554</u>	<u>620,969</u>	<u>(468,568)</u>	<u>1,917,955</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	509,986		480,600	990,586
Operating Transfers Out	(1,953,909)	(500,000)		(2,453,909)
Total Other Financing Sources (Uses)	<u>(1,443,923)</u>	<u>(500,000)</u>	<u>480,600</u>	<u>(1,463,323)</u>
Net Changes in Fund Balances	321,631	120,969	12,032	454,632
Fund Balances - Beginning	4,362,353	628,642	469,024	5,460,019
Fund Balances - Ending	<u>\$4,683,984</u>	<u>\$749,611</u>	<u>\$481,056</u>	<u>\$5,914,651</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND  
 SEPTEMBER 30, 2006

	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
ASSETS										
Cash and Cash Equivalents	\$47,356	\$73,817	\$24,456	\$191,660	\$27,039	\$0	\$0	\$0	\$0	\$12,685
Receivables (net of allowance for uncollectibles)				75	2,962					
Prepaid insurance	2,997	2,679	2,527	4,157						
Total Assets	\$50,353	\$76,496	\$26,983	\$195,892	\$30,001	\$0	\$0	\$0	\$0	\$12,685

LIABILITIES AND FUND BALANCES:

Liabilities:

Accounts Payable	\$29,668	\$9,105	\$18,700	\$5,395						
Accrued Wages Payable	3,255	3,239	2,085	3,836						
Total Liabilities	32,923	12,344	20,785	9,231	0	0	0	0	0	0

Fund Balances:

Unreserved, Reported in Other Governmental Funds	17,430	64,152	6,198	186,661	30,001	0	0	0	0	12,685
Total Fund Balance	17,430	64,152	6,198	186,661	30,001	0	0	0	0	12,685
Total Liabilities and Fund Balances	\$50,353	\$76,496	\$26,983	\$195,892	\$30,001	\$0	\$0	\$0	\$0	\$12,685

The accompanying notes are an integral part of this statement.

Bridge Replacement No. 2	Bridge Replacement No. 3	Bridge Replacement No. 4	Equipment Replacement No. 1	Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
\$10,802	\$3,658	\$19,829	\$10,533	\$14,835	\$129	\$85,637	\$522,436
\$10,802	\$3,658	\$19,829	\$10,533	\$14,835	\$129	\$85,637	3,037 12,360 \$537,833
0	0	0	0	0	0	0	\$62,868 12,415 75,283
10,802	3,658	19,829	10,533	14,835	129	85,637	462,550
10,802	3,658	19,829	10,533	14,835	129	85,637	462,550
\$10,802	\$3,658	\$19,829	\$10,533	\$14,835	\$129	\$85,637	\$537,833

JACKSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS  
 YEAR ENDED SEPTEMBER 30, 2006

	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
<b>REVENUES</b>										
Intergovernmental	\$18,226	\$18,240	\$18,240	\$18,247		\$5,334	\$5,334	\$5,334	\$5,334	
Licenses and Permits					533,922					
Interest	5,097	5,616	2,761	11,761						612
Miscellaneous	126		475	10,030						
<b>Total Revenues</b>	<b>23,449</b>	<b>23,856</b>	<b>21,476</b>	<b>40,038</b>	<b>533,922</b>	<b>5,334</b>	<b>5,334</b>	<b>5,334</b>	<b>5,334</b>	<b>612</b>
<b>EXPENDITURES</b>										
Current:										
Public Transportation										
Road and Bridge	484,098	410,477	352,446	603,809		5,334	5,334	5,334	5,334	
Debt Service										
Principal Retirement										
Interest and Fiscal Charges										
<b>Total Expenditures</b>	<b>484,098</b>	<b>410,477</b>	<b>352,446</b>	<b>603,809</b>	<b>0</b>	<b>5,334</b>	<b>5,334</b>	<b>5,334</b>	<b>5,334</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(460,649)</b>	<b>(386,621)</b>	<b>(333,924)</b>	<b>(563,771)</b>	<b>533,922</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>612</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Operating Transfers In	394,422	415,630	318,009	588,838						
Operating Transfers Out	(10,000)	(4,000)	(46,000)	(46,000)	(520,000)					
<b>Total Other Financing Sources (Uses)</b>	<b>394,422</b>	<b>405,630</b>	<b>314,009</b>	<b>542,838</b>	<b>(520,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Changes in Fund Balances</b>	<b>(66,227)</b>	<b>19,009</b>	<b>(19,915)</b>	<b>(20,933)</b>	<b>13,922</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>612</b>
Fund Balances - Beginning	83,657	45,143	26,113	207,594	16,079	0	0	0	0	12,073
Fund Balances - Ending	\$17,430	\$64,152	\$6,198	\$186,661	\$30,001	\$0	\$0	\$0	\$0	\$12,685

The accompanying notes are an integral part of this statement.

Bridge Replacement No. 2	Bridge Replacement No. 3	Bridge Replacement No. 4	Equipment Replacement No. 1	Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
975	202	776	978	2,306	129	3,837	\$94,289
975	202	10,085					533,922
		10,861	978	2,306	129	3,837	35,050
		10,861	978	2,306	129	3,837	20,716
							683,977
12,876	2,375	47,166	19,600	45,545			1,999,728
12,876	2,375	47,166	19,600	45,545	13,324	0	16,278
					1,683		1,683
					15,007		2,017,689
(11,901)	(2,173)	(36,305)	(18,622)	(43,239)	(14,878)	3,837	(1,333,712)
0	0	46,000	15,000	25,000	15,000	15,000	1,832,899
		46,000	15,000	25,000	15,000	15,000	(580,000)
(11,901)	(2,173)	9,695	(3,622)	(18,239)	122	18,837	1,252,899
22,703	5,831	10,134	14,155	33,074	7	66,800	(80,813)
\$10,802	\$3,658	\$19,829	\$10,533	\$14,835	\$129	\$85,637	543,363
							\$462,550

JACKSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2006

SPECIAL REVENUE		COUNTY										CHILD				DISTRICT			
		JUVENILE	COUNTY	COUNTY	COURT	APPELLATE	JURY	ELECTIONS	DISTRICT	ABUSE	SHERIFF	DISTRICT	RON	COURTHOUSE	CLERK	JUSTICE			
		PROBATION	RECORDS	RECORDS	REPORTER	JUDICIAL		ADMINIS-	ATTORNEY	PREVEN-	ATTORNEY	ATTORNEY	HOWARD	SECURITY	RECORDS	COURT			
		FUND	MANAGEMENT	MANAGEMENT	SERVICES	SYSTEMS		TRATION	FORFEITURE	TION	FORFEITURE	FORFEITURE	TRUST	MANAGEMENT	TECH				
HISTORICAL	COMMISSION	\$16,393	\$1,450	\$6,175	\$20,873	\$125,756	\$3,147	\$1,435	\$0	\$765	\$60,369	\$690	\$5,003	\$24,651	\$146,103	\$2,756	\$27,821		
590					320	1,960	40			769					462				
<b>TOTAL ASSETS</b>		<b>\$12,843</b>	<b>\$16,393</b>	<b>\$1,450</b>	<b>\$6,175</b>	<b>\$21,193</b>	<b>\$127,716</b>	<b>\$3,147</b>	<b>\$1,475</b>	<b>\$0</b>	<b>\$765</b>	<b>\$61,138</b>	<b>\$690</b>	<b>\$5,003</b>	<b>\$24,651</b>	<b>\$0</b>	<b>\$146,565</b>		

LIABILITIES AND FUND BALANCES

Liabilities																	
Accounts Payable																	\$141
Bank Overdraft																	
Due to others																	
Accrued Wages Payable																	67,943
Total Liabilities																	62
Fund Balances																	
Unreserved - Undesignated																	
Total Fund Balances																	62
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<b>\$12,843</b>	<b>\$16,393</b>	<b>\$1,450</b>	<b>\$6,175</b>	<b>\$21,193</b>	<b>\$127,716</b>	<b>\$3,147</b>	<b>\$1,475</b>	<b>\$0</b>	<b>\$765</b>	<b>\$61,138</b>	<b>\$690</b>	<b>\$5,003</b>	<b>\$24,651</b>	<b>\$0</b>	<b>\$146,565</b>

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



SPECIAL REVENUE									
LAW ENFORCEMENT OFFICERS ASSOCIATION							CAPITAL PROJECTS	NON-MAJOR GOVERNMENTAL FUNDS	
COMMISSARY TELEPHONE	HEALTH FUND	MEMORIAL LIBRARY	JUVENILE PROBATION LIBRARY	LAW LIBRARY	COMMUNITY DEVELOPMENT	COMMIT			
\$32,956	\$26,689	\$5,012	\$22,889	\$73,071	\$4,401	\$21,340			\$641,998
5,803	7,581		427	280					17,642
									590
<u>\$38,759</u>	<u>\$34,270</u>	<u>\$5,012</u>	<u>\$22,889</u>	<u>\$73,498</u>	<u>\$4,681</u>	<u>\$21,340</u>			<u>\$660,230</u>
\$3,552	\$1,294	\$90	\$1,475	\$2,483					\$9,163
62	1,849		1,228						67,943
									12,927
3,514	3,143	0	90	2,703	2,483	0			3,305
									93,338
35,145	31,127	5,012	22,799	70,795	2,198	21,340			566,892
35,145	31,127	5,012	22,799	70,795	2,198	21,340			566,892
<u>\$38,759</u>	<u>\$34,270</u>	<u>\$5,012</u>	<u>\$22,889</u>	<u>\$73,498</u>	<u>\$4,681</u>	<u>\$21,340</u>			<u>\$660,230</u>

JACKSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	SPECIAL REVENUE																	
	HISTORICAL COMMISSION	CHILD WELFARE	CHILD MEDIATION FUND	JUVENILE PROBATION DISCRETION	COUNTY RECORDS MANAGEMENT	COUNTY CLERK RECORDS	COURT REPORTER SERVICES	APPELLATE JUDICIAL SYSTEMS	JURY	ELECTIONS ADMINISTRATION	DISTRICT ATTORNEY	CHILD ABUSE PREVENTION	SHERIFF FORFEITURE	DISTRICT ATTORNEY FORFEITURE	RON HOWARD TRUST	COURTHOUSE SECURITY	DISTRICT CLERK RECORDS MANAGEMENT	JUSTICE COURT TECH
Intergovernmental																		
Charges for Services	654	759		4,204	8,517	23,655	2,850	1,450	9,630	671	11,420	690	293	13,175	17,958	25,767	1,245	\$13,879
Interest	510	430												974				15,681
Miscellaneous																		1,500
Total Revenues	1,164	1,189	0	4,204	8,517	23,655	2,850	1,450	9,630	671	11,420	690	293	14,099	17,958	25,767	1,245	31,060
EXPENDITURES																		
Current:																		
General Administration																		
Records Management					6,970	8,751												
Elections										422								
Non Departmental																		
Judicial																		
Court Reporter							3,023	1,193	27,527									26,981
Judicial														2,762				
Legal																		
Check Collection																		
Law Library																		
Public Safety																		
Juvenile Probation																		
Sheriff																		
Courthouse Security																		
Culture and Recreation																		
Historical Commission																		
Library																		
Health and Welfare																		
Health																		
Child Welfare																		
Capital Outlay																		
Capital Outlay and Other																		
Total Expenditures	3,235	232	0	7,288	6,970	8,751	3,023	1,193	27,527	422	5,605	0	2,818	2,762	0	17,543	0	26,981
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,071)	957	0	(3,084)	1,547	14,904	(173)	257	(17,897)	249	5,815	690	(2,525)	11,337	17,958	8,224	1,245	4,079
OTHER FINANCING SOURCES (USES):																		
Operating Transfers In									18,063									
Operating Transfers Out									(1,706)									
Total Other Financing Sources (Uses)	5,000	0	0	0	0	0	0	0	16,357	0	0	0	0	0	0	0	0	0
Net Changes in Fund Balances	2,929	957	0	(3,084)	1,547	14,904	(173)	257	(1,540)	249	5,815	690	(2,525)	11,337	17,958	8,224	1,245	4,079
Fund Balances - Beginning	9,914	15,436	1,450	9,259	19,646	112,706	3,320	1,218	1,540	516	42,396	0	7,528	13,252	(85,901)	138,200	1,511	23,616
Fund Balances - Ending	\$12,843	\$15,393	\$1,450	\$6,175	\$21,193	\$127,610	\$3,147	\$1,475	\$0	\$765	\$48,211	\$690	\$5,003	\$24,569	(\$67,943)	\$146,424	\$2,756	\$27,695

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

SPECIAL REVENUE		LAW ENFORCEMENT OFFICERS ASSOCIATION				MEMORIAL LIBRARY		JUVENILE PROBATION LIBRARY		LAW LIBRARY		CAPITAL PROJECTS		NONMAJOR GOVERNMENTAL FUNDS	
COMMISSARY TELEPHONE	HEALTH FUND	ASSOCIATION	OFFICERS	ASSOCIATION	LIBRARY	LIBRARY	PROBATION	LIBRARY	LIBRARY	LIBRARY	DEVELOPMENT GRANT	DEVELOPMENT GRANT	GOVERNMENTAL FUNDS	GOVERNMENTAL FUNDS	
33,458	\$58,728	\$3,417	\$118,566	9,820	3,505	1,331	9,820	3,505	1,331	9,820	3,505	1,331	200,370	7,466	
33,458	51,312	3,417	118,566	9,820	9,224	9,224	119,897	9,820	9,224	9,820	30,000	30,000	42,797	475,223	
30,359	222,443	3,425	12,111	17,925	17,925	17,925	97,067	17,925	17,925	17,925	15,721	15,721	422	422	
3,099	(112,403)	(8)	618	22,830	(8,105)	21,340	(31,117)	21,340	(31,117)	21,340	8,660	8,660	0	0	
122,190	122,190	0	0	5,936	5,936	5,936	151,189	5,936	151,189	5,936	151,189	151,189	(1,706)	(1,706)	
3,099	9,787	(8)	618	22,830	(2,169)	21,340	149,483	21,340	149,483	21,340	118,366	118,366	0	0	
32,046	21,340	5,020	22,181	47,965	4,367	448,526	448,526	4,367	448,526	4,367	448,526	448,526	0	0	
\$15,145	\$31,127	\$5,012	\$22,799	\$70,795	\$2,198	\$566,692	\$566,692	\$2,198	\$566,692	\$2,198	\$566,692	\$566,692	0	0	

JACKSON COUNTY, TEXAS  
 COMBINING STATEMENT OF NET ASSETS  
 NONMAJOR PROPRIETARY FUNDS  
 SEPTEMBER 30, 2006

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS						TOTALS		TOTALS	
	PASSPORT CURRENT YEAR	PICTURE PRIOR YEAR	JAIL CURRENT YEAR	COMMISSARY CURRENT YEAR	JAIL PRIOR YEAR	COMMISSARY PRIOR YEAR	NONMAJOR CURRENT YEAR	NONMAJOR CURRENT YEAR	NONMAJOR PRIOR YEAR	NONMAJOR PRIOR YEAR
ASSETS										
Current Assets										
Cash and Cash Equivalents	\$0	\$5,797	\$16,555	\$14,446	\$14,446	\$16,555	\$16,555	\$16,555	\$20,243	\$20,243
Total Current Assets	0	5,797	16,555	14,446	14,446	16,555	16,555	16,555	20,243	20,243
TOTAL ASSETS	\$0	\$5,797	\$16,555	\$14,446	\$14,446	\$16,555	\$16,555	\$16,555	\$20,243	\$20,243
LIABILITIES, FUND EQUITY AND OTHER CREDITS										
Liabilities										
Current Liabilities(Payable from Current Assets)										
Accounts Payable	0	0	323	105	105	323	323	323	105	105
Accrued Wages Payable	0	0	0	12	12	0	0	0	12	12
Total Current Liabilities	0	0	323	117	117	323	323	323	117	117
TOTAL LIABILITIES	0	0	323	117	117	323	323	323	117	117
Invested in Capital Assets, Net of Related debt Unrestricted	0	5,797	16,232	14,329	14,329	16,232	16,232	16,232	20,126	20,126
TOTAL NET ASSETS	\$0	\$5,797	\$16,232	\$14,329	\$14,329	\$16,232	\$16,232	\$16,232	\$20,126	\$20,126

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  
 NONMAJOR PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS						TOTALS	
	PASSPORT PICTURE CURRENT YEAR	PICTURE PRIOR YEAR	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY PRIOR YEAR	TOTALS NONMAJOR CURRENT YEAR	TOTALS NONMAJOR PRIOR YEAR		
OPERATING REVENUES:								
Charges for Services	\$2,782	\$2,024	\$11,941	\$8,726	\$14,723	\$10,750		
TOTAL OPERATING REVENUES	2,782	2,024	11,941	8,726	14,723	10,750		
OPERATING EXPENSES								
Personal Services								
Supplies	755	129			0	0		
Other Services and Charges			10,710	14,177	10,710	14,177		
Depreciation								
TOTAL OPERATING EXPENSES	755	129	10,710	14,177	11,465	14,306		
OPERATING INCOME (LOSS)	2,027	1,895	1,231	(5,451)	3,258	(3,556)		
NON-OPERATING REVENUES (EXPENSES):								
Interest Income	456	102	672	442	1,128	544		
TOTAL NON-OPERATING REVENUES (EXPENSES)	456	102	672	442	1,128	544		
Income Before Transfers	2,483	1,997	1,903	(5,009)	4,386	(3,012)		
Transfers In	(8,280)				(8,280)	0		
Change in Net Assets	(5,797)	1,997	1,903	(5,009)	(3,894)	(3,012)		
Total Net Assets - Beginning	5,797	3,800	14,329	19,338	20,126	23,138		
Total Net Assets - Ending	\$0	\$5,797	\$16,232	\$14,329	\$16,232	\$20,126		

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

JACKSON COUNTY, TEXAS  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS						TOTALS	
	PASSPORT CURRENT YEAR	PICTURE PRIOR YEAR	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY PRIOR YEAR	NONMAJOR PROPRIETARY CURRENT YEAR	NONMAJOR PROPRIETARY PRIOR YEAR	TOTALS	
Cash flows from Operating Activities								
Receipts from Customers and Users	\$2,782	\$2,024	\$11,941	\$8,726	\$14,723	\$10,750		
Payments to Suppliers	(755)	(129)	(10,492)	(14,072)	(11,247)	(14,201)		
Payments to Employees	0	0	(12)	12	(12)	12		
<b>Net Cash Provided(Used) By Operating Activities:</b>	<b>2,027</b>	<b>1,895</b>	<b>1,437</b>	<b>(5,334)</b>	<b>3,464</b>	<b>(3,439)</b>		
Cash Flows from Non-Capital and Related Financing Activities								
Transfers In	(8,280)				(8,280)	0		
<b>Net Cash Provided(Used) By Non-Capital and Related Financing Activities</b>	<b>(8,280)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,280)</b>	<b>0</b>		
Cash Flows from Investing Activities								
Interest Received	456	102	672	442	1,128	544		
<b>Net Cash Provided(Used) By Investing Activities</b>	<b>456</b>	<b>102</b>	<b>672</b>	<b>442</b>	<b>1,128</b>	<b>544</b>		
<b>Net Increase (Decrease) in Cash Equivalents</b>	<b>(5,797)</b>	<b>1,997</b>	<b>2,109</b>	<b>(4,892)</b>	<b>(3,688)</b>	<b>(2,895)</b>		
Cash and Cash Equivalents at Beginning of Year	5,797	3,800	14,446	19,338	20,243	23,138		
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$0</b>	<b>\$5,797</b>	<b>\$16,555</b>	<b>\$14,446</b>	<b>\$16,555</b>	<b>\$20,243</b>		

(continued)

(continued)							
Reconciliation of Operating Income to net cash provided(Used) By Operating Activities							
Operating Income (Loss)	\$2,027	\$1,895	\$1,231	(\$5,451)	\$3,258		(\$3,556)
Adjustments to Reconcile to Net Cash Flow							
Non-Cash Items Included in Net Income							
Depreciation					0		0
Changes in Current Items							
Increase(Decrease) in Accounts Payable		0	218	105	218		105
Increase(Decrease) in Accrued Wages Payable		0	(12)	12	(12)		12
Net Cash Provided(Used) by Operating Activities	\$2,027	\$1,895	\$1,437	(\$5,334)	\$3,464		(\$3,439)
Noncash Investing, Capital and Financing Activities:							
Borrowing from capital debt	\$0	\$0	\$0	\$0	\$0		\$0

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, 2006

	Agency Funds				Total
	Trust Investment	State Fees	County-Wide Drainage District	County Officer Accounts	
<b>ASSETS</b>					
Cash and Cash Equivalents	\$2,712,179	\$107,050	\$0	\$443,459	\$3,262,688
Total Assets	\$2,712,179	\$107,050	\$0	\$443,459	\$3,262,688
<b>LIABILITIES</b>					
Accounts Payable			0		0
Due to Others	2,712,179	107,050	0	\$443,459	\$3,262,688
Total Liabilities	\$2,712,179	\$107,050	\$0	\$443,459	\$3,262,688

JACKSON COUNTY, TEXAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	BALANCE 10/1/2005	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2006
<u>TRUST INVESTMENT</u>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$141,892	\$2,570,287	\$0	\$2,712,179
Total Assets	\$141,892	\$2,570,287	\$0	\$2,712,179

<b>LIABILITIES:</b>				
Accounts Payable	\$141,892	\$2,570,287	\$0	\$2,712,179
Due to Others	\$141,892	\$2,570,287	\$0	\$2,712,179
Total Liabilities	\$141,892	\$2,570,287	\$0	\$2,712,179

	BALANCE 10/1/2005	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2006
<u>STATE FEES</u>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$91,256	\$15,794	\$0	\$107,050
Total Assets	\$91,256	\$15,794	\$0	\$107,050

<b>LIABILITIES:</b>				
Accounts Payable	\$91,256	\$15,794	\$0	\$107,050
Due to Others	\$91,256	\$15,794	\$0	\$107,050
Total Liabilities	\$91,256	\$15,794	\$0	\$107,050

	BALANCE 10/1/2005	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2006
<u>COUNTY-WIDE DRAINAGE DISTRICT</u>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$3,665	\$1,004,368	\$1,008,033	\$0
Total Assets	\$3,665	\$1,004,368	\$1,008,033	\$0

<b>LIABILITIES:</b>				
Accounts Payable	\$2,687	\$0	\$2,687	\$0
Due to Others	978	1,004,368	1,005,346	0
Total Liabilities	\$3,665	\$1,004,368	\$1,008,033	\$0

<u>COUNTY OFFICER ACCOUNTS</u>		BALANCE		BALANCE	
		10/1/2005	ADDITIONS	DEDUCTIONS	9/30/2006
<b>ASSETS</b>					
Cash and Cash Equivalents		\$434,449	\$9,010	\$0	\$443,459
Total Assets		\$434,449	\$9,010	\$0	\$443,459

<b>LIABILITIES:</b>					
Accounts Payable					
Due to Others		\$434,449	\$9,010	\$0	\$443,459
Total Liabilities		\$434,449	\$9,010	\$0	\$443,459

<u>TOTAL</u>		BALANCE		BALANCE	
		10/1/2005	ADDITIONS	DEDUCTIONS	9/30/2006
<b>ASSETS</b>					
Cash and Cash Equivalents		\$671,262	\$3,599,459	\$1,008,033	\$3,262,688
Total Assets		\$671,262	\$3,599,459	\$1,008,033	\$3,262,688

<b>LIABILITIES:</b>					
Accounts Payable		\$2,687	\$0	\$2,687	\$0
Due to Others		668,575	3,599,459	1,005,346	3,262,688
Total Liabilities		\$671,262	\$3,599,459	\$1,008,033	\$3,262,688



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, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$20,000	\$20,000	\$23,235	\$3,235
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>23,235</u>	<u>3,235</u>
<b>EXPENDITURES</b>				
Current				
General Administration	131,004	131,004	8,674	122,330
Total Expenditures	<u>131,004</u>	<u>131,004</u>	<u>8,674</u>	<u>122,330</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(111,004)</u>	<u>(111,004)</u>	<u>14,561</u>	<u>125,565</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
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>(\$111,004)</u>	<u>(\$111,004)</u>	<u>\$14,561</u>	<u>\$125,565</u>
Reconciliation from cash basis to modified accrual:				
Changes in officers fees and sales tax receivable			420	
Changes in Accounts Payable			(1)	
Changes in Accrued Wages Payable			(76)	
Net Changes in Fund Balances-Modified Accrual Basis			<u>14,904</u>	
Fund Balances - Beginning			112,706	
Fund Balances - Ending			<u>\$127,610</u>	

JACKSON COUNTY, TEXAS  
 COURTHOUSE SECURITY  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$19,500	\$19,500	\$25,716	\$6,216
Total Revenues	<u>19,500</u>	<u>19,500</u>	<u>25,716</u>	<u>6,216</u>
<b>EXPENDITURES</b>				
Current				
Public Safety	100,000	99,900	17,550	82,350
Total Expenditures	<u>100,000</u>	<u>99,900</u>	<u>17,550</u>	<u>82,350</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(80,500)</u>	<u>(80,400)</u>	<u>8,166</u>	<u>88,566</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
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	<u><u>(\$80,500)</u></u>	<u><u>(\$80,400)</u></u>	<u><u>\$8,166</u></u>	<u><u>\$88,566</u></u>
Reconciliation from cash basis to modified accrual:				
Changes in officers fees and sales tax receivable			51	
Changes in Accounts Payable			(93)	
Changes in Accrued Wages Payable			<u>100</u>	
Net Changes in Fund Balances - Modified Accrual Basis			8,224	
Fund Balances - Beginning			<u>138,200</u>	
Fund Balances - Ending			<u><u>146,424</u></u>	

JACKSON COUNTY, TEXAS  
HEALTH  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$28,900	\$41,619	\$56,383	\$14,764
Charges for Services	40,000	40,000	52,012	12,012
Total Revenues	68,900	81,619	108,395	26,776
<b>EXPENDITURES</b>				
Current				
Health and Welfare	220,132	217,441	222,083	(4,642)
Total Expenditures	220,132	217,441	222,083	(4,642)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(151,232)	(135,822)	(113,688)	22,134
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	137,600	122,190	122,190	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	137,600	122,190	122,190	0
Net Changes in Fund Balances	(13,632)	(13,632)	8,502	22,134
Reconciliation from cash basis to modified accrual:				
Changes in officers fees and sales tax receivable			1,644	
Changes in Accounts Payable			(317)	
Changes in Accrued Wages Payable			(42)	
Net Changes in Fund Balances - Modified Accrual Basis			9,787	
Fund Balances - Beginning			21,340	
Fund Balances - Ending			\$31,127	

JACKSON COUNTY, TEXAS  
LAW LIBRARY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$7,550	\$7,550	\$9,715	\$2,165
Total Revenues	<u>7,550</u>	<u>7,550</u>	<u>9,715</u>	<u>2,165</u>
<b>EXPENDITURES</b>				
Current				
Legal	17,000	17,000	16,993	7
Total Expenditures	<u>17,000</u>	<u>17,000</u>	<u>16,993</u>	<u>7</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,450)</u>	<u>(9,450)</u>	<u>(7,278)</u>	<u>2,172</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	5,936	5,936	5,936	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>5,936</u>	<u>5,936</u>	<u>5,936</u>	<u>0</u>
Net Changes in Fund Balances	<u><u>(\$3,514)</u></u>	<u><u>(\$3,514)</u></u>	<u><u>(\$1,342)</u></u>	<u><u>\$2,172</u></u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			105	
Changes in Accounts Payable			<u>(932)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(2,169)</u>	
Fund Balances - Beginning			<u>4,367</u>	
Fund Balances - Ending			<u><u>\$2,198</u></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, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$7,800	\$7,800	\$8,622	\$822
Total Revenues	<u>7,800</u>	<u>7,800</u>	<u>8,622</u>	<u>822</u>
<b>EXPENDITURES</b>				
Current				
General Administration	21,500	21,500	6,970	14,530
Total Expenditures	<u>21,500</u>	<u>21,500</u>	<u>6,970</u>	<u>14,530</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,700)</u>	<u>(13,700)</u>	<u>1,652</u>	<u>15,352</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
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>(\$13,700)</u>	<u>(\$13,700)</u>	<u>\$1,652</u>	<u>\$15,352</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(105)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>1,547</u>	
Fund Balances - Beginning			<u>19,646</u>	
Fund Balances - Ending			<u>\$21,193</u>	

JACKSON COUNTY, TEXAS  
HISTORICAL COMMISSION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest	\$260	\$260	\$654	\$394
Miscellaneous	0	0	510	510
Total Revenues	260	260	1,164	904
<b>EXPENDITURES</b>				
Current				
Culture and Recreation	11,000	11,000	3,255	7,745
Total Expenditures	11,000	11,000	3,255	7,745
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,740)	(10,740)	(2,091)	8,649
<b>OTHER FINANCING SOURCES (USES):</b>				
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>(\$5,740)</u>	<u>(\$5,740)</u>	\$2,909	<u>\$8,649</u>
Reconciliation from cash basis to modified accrual:				
Changes in Prepaid Insurance			20	
Net Changes in Fund Balances - Modified Accrual Basis			2,929	
Fund Balances - Beginning			9,914	
Fund Balances - Ending			<u>\$12,843</u>	

JACKSON COUNTY, TEXAS  
CHILD WELFARE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final		(Negative)
<b>REVENUES</b>				
Interest	\$400	\$400	\$759	\$359
Miscellaneous	1,600	1,600	430	(1,170)
Total Revenues	2,000	2,000	1,189	(811)
<b>EXPENDITURES</b>				
Current				
Health and Welfare	6,500	6,500	232	6,268
Total Expenditures	6,500	6,500	232	6,268
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,500)	(4,500)	957	5,457
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(4,500)	(4,500)	957	5,457
Fund Balances - Beginning	15,436	15,436	15,436	0
Fund Balances - Ending	\$10,936	\$10,936	\$16,393	\$5,457

JACKSON COUNTY, TEXAS  
 JUVENILE PROBATION DISCRETION  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$1,200	\$1,200	4,204	\$3,004
Total Revenues	1,200	1,200	4,204	3,004
<b>EXPENDITURES</b>				
Current				
Public Safety	11,200	11,200	7,288	3,912
Total Expenditures	11,200	11,200	7,288	3,912
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(10,000)	(3,084)	6,916
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(10,000)	(10,000)	(3,084)	6,916
Fund Balances - Beginning	9,259	9,259	9,259	0
Fund Balances - Ending	(\$741)	(\$741)	\$6,175	\$6,916

JACKSON COUNTY, TEXAS  
 COURT REPORTER SERVICES  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$2,000	\$2,000	\$2,850	\$850
Total Revenues	2,000	2,000	2,850	850
<b>EXPENDITURES</b>				
Current				
Judicial	5,000	5,000	3,023	1,977
Total Expenditures	5,000	5,000	3,023	1,977
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,000)	(3,000)	(173)	2,827
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(3,000)	(3,000)	(173)	2,827
Fund Balances - Beginning	3,320	3,320	3,320	0
Fund Balances - Ending	\$320	\$320	\$3,147	\$2,827

JACKSON COUNTY, TEXAS  
 APPELLATE JUDICIAL SYSTEM  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$1,150	\$1,150	\$1,435	\$285
Total Revenues	1,150	1,150	1,435	285
<b>EXPENDITURES</b>				
Current				
Judicial	1,210	1,210	1,193	17
Total Expenditures	1,210	1,210	1,193	17
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60)	(60)	242	302
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(\$60)	(\$60)	\$242	\$302
Reconciliation from cash basis to modified accrual:			15	
Changes in Officers Fees and Sales Tax Receivable			257	
Net Changes in Fund Balances - Modified Accrual Basis			1,218	
Fund Balances - Beginning			\$1,475	
Fund Balances - Ending				

JACKSON COUNTY, TEXAS

JURY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$1,340	\$1,340	\$9,630	\$8,290
Total Revenues	1,340	1,340	9,630	8,290
<b>EXPENDITURES</b>				
Current				
Judicial	29,680	30,473	27,570	2,903
Total Expenditures	29,680	30,473	27,570	2,903
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,340)	(29,133)	(17,940)	11,193
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	27,900	30,400	18,063	(12,337)
Operating Transfers Out	0	(1,707)	(1,706)	1
Total Other Financing Sources (Uses)	27,900	28,693	16,357	(12,336)
Net Changes in Fund Balances	(\$440)	(\$440)	(\$1,583)	(\$1,143)
Reconciliation from cash basis to modified accrual basis:				
Changes in Accounts Payable			43	
Net Changes in Fund Balances - Modified Accrual Basis			(1,540)	
Fund Balances - Beginning			1,540	
Fund Balances - Ending			\$0	

JACKSON COUNTY, TEXAS  
DISTRICT ATTORNEY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$11,000	\$11,000	\$11,339	\$339
Total Revenues	11,000	11,000	11,339	339
<b>EXPENDITURES</b>				
Current	23,810	23,810	5,605	18,205
Judicial	23,810	23,810	5,605	18,205
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,810)	(12,810)	5,734	18,544
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$12,810)</u>	<u>(\$12,810)</u>	\$5,734	<u>\$18,544</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			81	
Net Changes in Fund Balances - Modified Accrual Basis			5,815	
Fund Balances - Beginning			42,396	
Fund Balances - Ending			<u>\$48,211</u>	



JACKSON COUNTY, TEXAS  
 SHERIFF FORFEITURE  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Interest	\$40	\$40	\$293	\$253
Total Revenues	40	40	293	253
<b>EXPENDITURES</b>				
Current				
Public Safety	7,500	7,500	2,818	4,682
Total Expenditures	7,500	7,500	2,818	4,682
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,460)	(7,460)	(2,525)	4,935
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	(7,460)	(7,460)	(2,525)	4,935
Fund Balances - Beginning	7,528	7,528	7,528	0
Fund Balances - Ending	\$68	\$68	\$5,003	\$4,935

JACKSON COUNTY, TEXAS  
DISTRICT ATTORNEY FORFEITURE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final		(Negative)
<b>REVENUES</b>				
Interest	\$450	\$450	\$924	\$474
Miscellaneous	5,000	5,000	13,175	8,175
Total Revenues	<u>5,450</u>	<u>5,450</u>	<u>14,099</u>	<u>8,649</u>
<b>EXPENDITURES</b>				
Current				
Judicial	17,784	17,784	2,710	15,074
Total Expenditures	<u>17,784</u>	<u>17,784</u>	<u>2,710</u>	<u>15,074</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,334)</u>	<u>(12,334)</u>	<u>11,389</u>	<u>23,723</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
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>(\$12,334)</u>	<u>(\$12,334)</u>	<u>\$11,389</u>	<u>\$23,723</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			(52)	
Changes in Accrued Wages Payable			11,337	
Net Changes in Fund Balances - Modified Accrual Basis			<u>13,252</u>	
Fund Balances - Beginning			<u>\$24,589</u>	
Fund Balances - Ending				

JACKSON COUNTY, TEXAS  
 JUSTICE COURT TECHNOLOGY  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$0	\$13,879	\$13,879	\$0
Charges for Services	16,500	16,500	15,681	(819)
Miscellaneous	0	0	1,500	1,500
Total Revenues	16,500	30,379	31,060	681
<b>EXPENDITURES</b>				
Current				
Judicial	23,400	37,279	26,876	10,403
Total Expenditures	23,400	37,279	26,876	10,403
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,900)	(6,900)	4,184	11,084
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(\$6,900)	(\$6,900)	\$4,184	\$11,084
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			(105)	
Net Changes in Fund Balances - Modified Accrual Basis			4,079	
Fund Balances - Beginning			23,616	
Fund Balances - Ending			\$27,695	



JACKSON COUNTY, TEXAS  
 COMMISSARY TELEPHONE  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$16,800	\$16,800	\$33,171	\$16,371
Total Revenues	16,800	16,800	33,171	16,371
<b>EXPENDITURES</b>				
Current				
Public Safety	45,000	45,000	31,016	13,984
Total Expenditures	45,000	45,000	31,016	13,984
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,200)	(28,200)	2,155	30,355
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$28,200)</u>	<u>(\$28,200)</u>	2,155	<u>\$30,355</u>
Reconciliation from cash basis to modified accrual:				
Changes in officers fees and sales tax receivable			286	
Changes in Accounts Payable			664	
Changes in Accrued Wages Payable			(6)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>3,099</u>	
Fund Balances - Beginning			<u>32,046</u>	
Fund Balances - Ending			<u>\$35,145</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, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$3,619	\$3,417	\$3,417	\$0
Total Revenues	3,619	3,417	3,417	0
<b>EXPENDITURES</b>				
Current				
Public Safety	5,939	8,437	3,425	5,012
Total Expenditures	5,939	8,437	3,425	5,012
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,320)	(5,020)	(8)	5,012
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(2,320)	(5,020)	(8)	5,012
Fund Balances - Beginning	5,020	5,020	5,020	0
Fund Balances - Ending	\$2,700	\$0	\$5,012	\$5,012

JACKSON COUNTY, TEXAS  
 MEMORIAL LIBRARY FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Interest	\$1,250	\$1,250	\$3,505	\$2,255
Miscellaneous	3,200	9,156	9,224	68
Total Revenues	4,450	10,406	12,729	2,323
<b>EXPENDITURES</b>				
Current				
Culture and Recreation	8,950	14,906	12,038	2,868
Total Expenditures	8,950	14,906	12,038	2,868
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,500)	(4,500)	691	5,191
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(4,500)	(4,500)	691	5,191
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			(73)	
Net Changes in Fund Balances - Modified Accrual Basis			618	
Fund Balances - Beginning			22,181	
Fund Balances - Ending			\$22,799	

JACKSON COUNTY, TEXAS  
 JUVENILE PROBATION FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$109,385	\$109,385	\$118,566	\$9,181
Interest	300	300	1,331	1,031
Total Revenues	<u>109,685</u>	<u>109,685</u>	<u>119,897</u>	<u>10,212</u>
<b>EXPENDITURES</b>				
Current				
Public Safety	111,386	111,386	97,641	13,745
Total Expenditures	<u>111,386</u>	<u>111,386</u>	<u>97,641</u>	<u>13,745</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,701)</u>	<u>(1,701)</u>	<u>22,256</u>	<u>23,957</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$1,701)</u>	<u>(\$1,701)</u>	<u>22,256</u>	<u>\$23,957</u>
Reconciliation from cash basis to modified accrual:				
Changes in officers fees and sales tax receivable			427	
Changes in Accounts Payable			(326)	
Changes in Accrued Wages Payable			473	
Net Changes in Fund Balances - Modified Accrual Basis			<u>22,830</u>	
Fund Balances - Beginning			47,965	
Fund Balances - Ending			<u>\$70,795</u>	



JACKSON COUNTY, TEXAS  
 ELECTION ADMINISTRATION  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services				
Total Revenues	\$600	\$600	\$671	\$71
	600	600	671	71
<b>EXPENDITURES</b>				
Current				
General Administration	1,200	1,200	422	778
Total Expenditures	1,200	1,200	422	778
Excess (Deficiency) of Revenues Over (Under) Expenditures	(600)	(600)	249	849
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(600)	(600)	249	849
Fund Balances - Beginning	516	516	516	0
Fund Balances - Ending	(\$84)	(\$84)	\$765	\$849

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, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$600	\$600	\$1,245	\$645
Total Revenues	600	600	1,245	645
<b>EXPENDITURES</b>				
Current				
General Administration	2,000	2,000	0	2,000
Total Expenditures	2,000	2,000	0	2,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,400)	(1,400)	1,245	2,645
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(1,400)	(1,400)	1,245	2,645
Fund Balances - Beginning	1,511	1,511	1,511	0
Fund Balances - Ending	\$111	\$111	\$2,756	\$2,645