

JACKSON COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2008



Jackson County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2008

TABLE OF CONTENTS

FINANCIAL SECTION

1. Independent Auditor's Report
3. Management's Discussion and Analysis

Basic Financial Statements:

Government-wide Financial Statements:

12. Statement of Net Assets
13. Statement of Activities

Fund Financial Statements:

14. Balance Sheet - Governmental Funds
15. Reconciliation of the Government Funds
16. Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
18. Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
19. Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
21. Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Road and Bridge Fund
22. Statement of Net Assets – Proprietary Funds
23. Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds
24. Statement of Cash Flows – Proprietary Funds
26. Statement of Fiduciary Net Assets - Fiduciary Funds
27. Statement of Changes in Fiduciary Net Assets - Fiduciary Funds
28. Notes to the Financial Statements

Required Supplementary Information:

48. Schedule of Funding Progress - Public Employees Retirement System

Combining and Individual Fund Statements and Schedules:

- 49. Combining Balance Sheet General Funds
- 50. Combining Statement of Revenues, Expenditures and Changes in Fund Balances - General Funds
- 52. Combining Balance Sheet Road and Bridge Funds
- 54. Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Road and Bridge Funds
- 56. Combining Balance Sheet - Non-major Governmental Funds
- 58. Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds
- 60. Combining Statement of Net Assets – Non-major Proprietary Funds
- 61. Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Proprietary Funds
- 61. Combining Statement of Cash Flows – Non-major Proprietary Funds
- 64. Combining Statement of Fiduciary Net Assets
- 65. Combining Statement of Changes in Assets and Liabilities

Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:

- 67. County Clerk Records Management
- 68. Courthouse Security
- 69. Health
- 70. Law Library
- 71. County Records Management
- 72. Historical Commission
- 73. Child Welfare
- 74. Juvenile Probation Discretion
- 75. Court Reporter Services
- 76. Appellate Judicial System
- 77. District Attorney
- 78. Sheriff Forfeiture
- 79. District Attorney Forfeiture
- 80. Justice Court Technology
- 81. Commissary Telephone
- 82. Law Enforcement Officers Education
- 83. Memorial Library Fund
- 84. Juvenile Probation Fund
- 85. Election Administration
- 86. District Clerk Records Management
- 87. Child Abuse Prevention
- 88. Mauritz Camp

Single Audit Section:

- 89. Schedule of Expenditures of Federal Awards
- 91. Community Development Block Grants/States Program - Budget-Award No. 729289
- 92. Report on Internal Control over Financial Reporting and on Compliance and Other Matters and Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards
- 94. Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance With OMB Circular A-133
- 96. Notes to Schedule of Expenditures of Federal Awards
- 96. Schedule of Prior Audit Findings
- 97. Schedule of Findings and Questioned Costs



FINANCIAL SECTION

WAYNE R. BEYER
CERTIFIED PUBLIC ACCOUNTANT

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

111 NORTH ODEM
830/569-8781 FAX 830/569-6776
SINTON, TEXAS 78387

INDEPENDENT AUDITOR'S REPORT

To the Commissioner's Court
Jackson County, Texas

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of and for the year ended September 30, 2008, 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that 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 opinions.

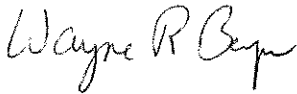
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of September 30, 2008, 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.

In accordance with Government Auditing Standards, I have also issued my report dated April 29, 2009, on my consideration of Jackson County, Texas's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of my audit.

The management's discussion and analysis, the non-major budgetary comparison information, and the schedule of funding progress for the Public Employees Retirement System on pages 3 through 11, 67 through 88, and 48, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jackson County, Texas's basic financial statements. The combining and individual non-major fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Jackson County, Texas. The combining and individual non-major fund financial statements and schedules of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and schedules and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



WAYNE R. BEYER
Certified Public Accountant
Pleasanton, Texas
April 29, 2009



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, 2008.

Financial Highlights

- . The assets of Jackson County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$16,303,393 (net assets). Of this amount, \$8,466,526 (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 \$168,102. This increase is attributable to revenues continuing to outpace expenses.
- . As of the close of the current fiscal year, Jackson County, Texas's governmental funds reported combined ending fund balances of \$7,447,670, a decrease of \$462,912 in comparison with the prior year. Approximately 99% of this total amount, \$7,355,085, is available for spending at the government's discretion (unreserved fund balance).
- . At the end of the current fiscal year, the unreserved fund balance for the general fund was \$6,219,483, or 96 percent of total general fund expenditures, the unreserved fund balance for the road and bridge fund was \$615,555, or 32 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 an airport fund, and a commissary fund.

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

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

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

Governmental funds:

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

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

Jackson County, Texas maintains thirty (30) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road and bridge funds, all of which are considered to be major funds. Data from the other twenty five (25) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 14-21 of this report. The basic proprietary fund financial statements can be found on pages 22-25 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 26-27.

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 28-47 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 48 of this report.

The combining statements referred to earlier in connection with the general fund, the major road and bridge funds, the non-major governmental funds, and the non-major proprietary funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 49-66 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 67-88 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Jackson County, Texas, assets exceeded liabilities by \$16,303,393 at the close of the most recent fiscal year.

A large portion of Jackson County, Texas's net assets (48 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	
	2008	2007	2008	2007	2008	2007
Current and other Assets	\$9,192,719	\$9,644,227	\$42,310	\$25,483	\$9,235,029	\$9,669,710
Capital Assets	7,271,732	6,793,033	642,966	634,060	7,914,698	7,427,093
Total Assets	16,464,451	16,437,260	685,276	659,543	17,149,727	17,096,803
Long-term liabilities	309,051	333,276	2,288	1,528	311,339	334,804
Other Liabilities	526,266	624,542	8,729	2,166	534,995	626,708
Total Liabilities	835,317	957,818	11,017	3,694	846,334	961,512
Net Assets						
Invested in Capital Assets, Net of Related debt	7,101,316	7,352,851	642,966	634,060	7,744,282	7,986,911
Restricted	92,585	675,387	0	0	92,585	675,387
Unrestricted	8,435,233	7,451,204	31,293	21,789	8,466,526	7,472,993
Total Net Assets	\$15,629,134	\$15,479,442	\$674,259	\$655,849	\$16,303,393	\$16,135,291

An additional portion of Jackson County, Texas's net assets (1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$8,466,526) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, Jackson County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Jackson County, Texas reported positive balances in net assets, both for the government as a whole, as well as for its separate governmental activities. At the end of the current fiscal year, Jackson County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Jackson County, Texas reported positive balances in all three categories of net assets for its governmental activities.

The government's net assets increased by \$168,102 during the current fiscal year. This increase is attributable to revenues continuing to outpace expenses. The overall expenses increased by \$1,096,163 while the total revenues increased by \$158,558. The largest increase in expenses was in public facilities which increased by \$658,549 as a result of the various courthouse renovation projects performed during the year. The second largest increase was public safety (IE. fire, law enforcement) which increased by \$213,413 or 9%.

There was a decrease of \$582,802 in restricted net assets reported in connection with Jackson County, Texas's government-type activities. This decrease resulted from monies being spent on certain courthouse renovation projects.

Governmental activities:

Governmental activities increased Jackson County, Texas's net assets by \$149,692, thereby accounting for 89 percent of the total growth in the net assets of Jackson County, Texas.

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues						
Charges for Services	\$1,766,176	\$1,926,654	\$55,923	\$39,154	\$1,822,099	\$1,965,808
Operating Grants and Contributions	517,256	470,632	2,213		519,469	470,632
Capital Grants and Contributions	318,652	203,998		39,553	318,652	243,551
General Revenues						
Maintenance and Operations Taxes	5,253,747	5,202,062			5,253,747	5,202,062
Sales Tax	644,289	606,167			644,289	606,167
Other Taxes	37,278	4,221			37,278	4,221
Unrestricted Investment Earnings	295,780	463,396	2,603	3,304	298,383	466,700
Miscellaneous	741,960	518,178			741,960	518,178
Total Revenue	9,575,138	9,395,308	60,739	82,011	9,635,877	9,477,319
Expenses:						
General Administration	1,050,617	977,413	0	0	1,050,617	977,413
Judicial	1,022,743	851,968			1,022,743	851,968
Legal	35,419	62,406			35,419	62,406
Financial Administration	593,944	538,068			593,944	538,068
Public Facilities	1,112,664	454,115			1,112,664	454,115
Public Safety	2,663,624	2,450,302	12,714	12,623	2,676,338	2,462,925
Public Transportation	2,012,705	2,053,385			2,012,705	2,053,385
Environmental Protections	283,046	304,644			283,046	304,644
Culture and Recreation	167,885	173,307	125,247	103,025	293,132	276,332
Health and Welfare	280,086	278,831			280,086	278,831
Conservation - Agriculture	102,583	106,942			102,583	106,942
Interest and Fiscal Charges	4,498	4,583			4,498	4,583
Total Expenses	9,329,814	8,255,964	137,961	115,648	9,467,775	8,371,612
Increase in net assets before transfers and special items	245,324	1,139,344	(77,222)	(33,637)	168,102	1,105,707
Transfers	(95,632)	(67,337)	95,632	67,337	0	0
Increase in Net Assets	149,692	1,072,007	18,410	33,700	168,102	1,105,707
Net Assets at 9/30/2007	15,479,442	14,407,435	655,849	622,149	16,135,291	15,029,584
Net Assets at 9/30/2008	\$15,629,134	\$15,479,442	\$674,259	\$655,849	\$16,303,393	\$16,135,291

Business-Type Activities:

Business-type activities (commissary, and airport fund) in Jackson County represented 11 percent of the total growth in the net assets of Jackson County, Texas. A discussion regarding these is below.

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Government activities:				
General Administration	\$1,050,617	\$222,955	\$91,113	\$0
Judicial	1,022,743	470,920	27,940	
Legal	35,419			
Financial Administration	593,944	176,827		
Public Facilities	1,112,664			52,742
Public Safety	2,663,624	152,854	274,590	
Public Transportation	2,012,705	556,776	51,549	3,565
Environmental Protections	283,046	116,385		262,345
Culture and Recreation	167,885	2,776	41,591	
Health and Welfare	280,086	66,683	30,473	
Conservation - Agriculture	102,583			
Interest and Fiscal Charges	4,498			
Total government activities	<u>\$9,329,814</u>	<u>\$1,766,176</u>	<u>\$517,256</u>	<u>\$318,652</u>

Revenues by source - Governmental Activities

	REVENUES	%
Charges for Services	\$1,766,176	18.45%
Operating Grants and Contributions	517,256	5.40%
Capital Grants and Contributions	318,652	3.33%
Maintenance and Operations Taxes	5,253,747	54.87%
Sales Tax	644,289	6.73%
Other Taxes	37,278	0.39%
Unrestricted Investment Earnings	295,780	3.09%
Miscellaneous	741,960	7.75%
	<u>\$9,575,138</u>	<u>100.00%</u>

Business-type activities:

Business-type activities increased the County's net assets by \$18,410.

- . Demand for services for business-type activities increased by 43 percent. The Airport fund accounts for a significant portion of this increase, which resulted from an increase in demand (\$17,350 or 59%).
- . The transfer from the general fund increased by \$28,295.
- . Total grant proceeds decreased by \$37,340.
- . Total expenses increased by \$22,313.

Expenses and Program Revenues - Business Activities

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Business-type Activities:				
Jail Commissary	\$12,714	\$9,213		\$0
Airport	125,247	46,710	2,213	
Total Business-type Activities:	<u>\$137,961</u>	<u>\$55,923</u>	<u>\$2,213</u>	<u>\$0</u>

Revenues by source - Business-type Activities

	REVENUES	%
Unrestricted Investment Earnings	\$2,603	100.00%
	<u>\$2,603</u>	<u>100.00%</u>

Financial Analysis of the Government's Funds

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

Governmental funds:

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

As of the end of the current fiscal year, Jackson County, Texas's governmental funds reported combined ending fund balances of \$7,447,670, a decrease of \$462,912 in comparison with the prior year. Approximately 99 percent of this total amount (\$7,355,085) 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 (\$92,585).

The general fund is the chief operating fund of Jackson County, Texas. At the end of the current fiscal year, unreserved fund balance of the general fund was \$6,219,483, while total fund balance reached \$6,312,068. 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 96 percent of total general fund expenditures, while total fund balance represents 97 percent of that same amount.

The fund balance of Jackson County, Texas's general fund decreased by \$337,889 during the current fiscal year. Key factors in this decrease are as follows: The county expended \$570,686 out of permanent improvement for various courthouse restoration projects.

The road and bridge fund had an unreserved fund balance of \$615,555, while total fund balance reached \$615,555. 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 32 percent of total road and bridge fund expenditures, while total fund balance represents 32 percent of that same amount. The fund balance of the road and bridge fund increased by \$75,168 during the current year. Key factors in this increase are as follows: Conservative and careful budget management.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund were an increase of \$299,894. This increase was mainly in public facilities where the budget was increased by \$203,000 for various courthouse renovation projects. The difference between the original budget and the final amended budget for the road and bridge fund was an increase of \$18,655. This increase is immaterial.

Capital Asset and Debt Administration

Capital assets:

Jackson County, Texas's investment in capital assets for its governmental activities and business-type activities as of September 30, 2008, amounts to \$7,914,698 (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 7 percent (7 percent increase for governmental activities and 1 percent increase for business-type activities).

JACKSON COUNTY, TEXAS CAPITAL ASSETS (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$416,592	\$152,747	\$70,254	\$70,254	\$486,846	\$223,001
Building and improvements	3,214,345	2,581,243	202,686	221,070	3,417,031	2,802,313
Machinery and equipment	1,971,395	2,186,435	65,631	0	2,037,026	2,186,435
Infrastructure	1,657,270	1,723,744	304,395	336,436	1,961,665	2,060,180
Construction in Progress	12,130	148,864	0	6,300	12,130	155,164
Total	\$7,271,732	\$6,793,033	\$642,966	\$634,060	\$7,914,698	\$7,427,093

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

Long-term debt:

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

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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



BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2008

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and Cash Equivalents	\$8,021,373	\$41,370	\$8,062,743
Receivables (net of allowance for uncollectibles)	1,105,209		1,105,209
Prepaid Expenses	66,137	940	67,077
Capital assets not being depreciated:			
Land	416,592	70,254	486,846
Construction in Progress	12,130		12,130
Total Capital assets being depreciated, net			
Building and Improvements	3,070,139	202,686	3,272,825
Machinery and Equipment	2,115,601	65,631	2,181,232
Infrastructure	1,657,270	304,395	1,961,665
Total Assets	\$16,464,451	\$685,276	\$17,149,727
LIABILITIES:			
Accounts Payable	\$208,860	\$8,183	\$217,043
Bank Overdraft	21		21
Due to Others	209,802		209,802
Accrued Wages Payables	107,583	546	108,129
Noncurrent Liabilities:			
Due within one year	165,615	2,288	167,903
Due in more than one year	143,436		143,436
Total Liabilities	835,317	11,017	846,334
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	7,101,316	642,966	7,744,282
Restricted for:			
Permanent Improvement	92,585		92,585
Construction			0
Unrestricted	8,435,233	31,293	8,466,526
Total Net Assets	\$15,629,134	\$674,259	\$16,303,393

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 STATEMENT OF ACTIVITIES
 YEAR ENDED SEPTEMBER 30, 2008

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	Capital Grants and Contributions	Governmental Activities	
Primary government						
Government activities:						
General Administration	\$1,050,617	\$222,955	\$91,113	\$0	(\$736,549)	(\$736,549)
Judicial	1,022,743	470,920	27,940		(523,883)	(523,883)
Legal	35,419				(35,419)	(35,419)
Financial Administration	593,944	176,827			(417,117)	(417,117)
Public Facilities	1,112,664			52,742	(1,059,922)	(1,059,922)
Public Safety	2,663,624	152,854	274,590		(2,236,180)	(2,236,180)
Public Transportation	2,012,705	556,776	51,549	3,565	(1,400,815)	(1,400,815)
Environmental Protection	283,046	116,385		262,345	95,684	95,684
Culture and Recreation	167,885	2,776	41,591		(123,518)	(123,518)
Health and Welfare	280,086	66,683	30,473		(182,930)	(182,930)
Conservation - Agriculture	102,583				(102,583)	(102,583)
Interest and Fiscal Charges	4,498				(4,498)	(4,498)
Total government activities	9,329,814	1,766,176	517,256	318,652	(6,727,730)	0
Business-type Activities:						
Jail Commissary	12,714	9,213				(3,501)
Airport	125,247	46,710	2,213			(76,324)
Total Business-type Activities:	137,961	55,923	2,213	0	0	(79,825)
Total Primary Government	\$9,467,775	\$1,822,099	\$519,469	\$318,652	(6,727,730)	(79,825)
General Revenues						
Property Taxes, Levies for General Purposes					5,253,747	5,253,747
Sales Taxes					644,289	644,289
Other Taxes					37,278	37,278
Unrestricted Investment Earnings					295,780	2,603
Miscellaneous					741,960	741,960
Transfers					(95,632)	95,632
Total General Revenues and Transfers					6,877,422	98,235
Change in Net assets					149,692	18,410
Net Assets - Beginning					15,479,442	655,849
Net Assets - Ending					\$15,629,134	\$674,259

The accompanying notes are an integral part of this statement.



FUND FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
 BALANCE SHEET - GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2008

	General Fund	Road and Bridge	District Clerk Reserve	Community Develop- ment Grant	Coastal Impact Assis- tance	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$6,338,788	\$685,041	\$193,223	\$0	\$0	\$804,321	\$8,021,373
Receivables (net of allowance for uncollectibles)	507,040	1,765				18,945	527,750
Prepaid insurance	51,820	12,979				1,338	66,137
Total Assets	\$6,897,648	\$699,785	\$193,223	\$0	\$0	\$824,604	\$8,615,260
LIABILITIES AND FUND BALANCES:							
Liabilities							
Accounts Payable	\$123,198	\$65,346				\$20,316	\$208,860
Bank Overdraft					262,345	21	262,366
Due to Others			193,223			16,579	209,802
Accrued Wages Payable	83,403	18,884				5,296	107,583
Deferred Revenues	378,979						378,979
Total Liabilities	585,580	84,230	193,223	0	262,345	42,212	1,167,590
Fund Balances:							
Restricted For:							
Permanent Improvement - Expendable Unreserved, Reported in	92,585						92,585
General Fund	6,219,483						6,219,483
Special Revenue Funds		615,555			(262,345)	782,392	1,135,602
Total Fund Balance	6,312,068	615,555	0	0	(262,345)	782,392	7,447,670
Total Liabilities and Fund Balances	\$6,897,648	\$699,785	\$193,223	\$0	\$0	\$824,604	\$8,615,260

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, 2008

Total Fund Balances - governmental funds balance sheet	\$7,447,670
Amounts reported for governmental activities in the statement of net assets ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	7,271,732
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	839,804
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	378,979
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(309,051)
Net assets of governmental activities - statement of net assets	<u>\$15,629,134</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, 2008

	General Fund	Road and Bridge	District Clerk Reserve	Community Develop- ment Grant	Coastal Impact Assis- tance	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes							
Property	\$5,251,798						\$5,251,798
Sales	644,289						644,289
Other	37,278						37,278
Intergovernmental	254,378	51,549		52,742		133,277	491,946
Licenses and Permits		556,776					556,776
Charges for Services	699,220					236,840	936,060
Fines and Forfeitures	504,375						504,375
Interest	240,866	46,770				8,144	295,780
Miscellaneous	85,038	34,402		449,627		177,439	746,506
Total Revenues	<u>7,717,242</u>	<u>689,497</u>	<u>0</u>	<u>502,369</u>	<u>0</u>	<u>555,700</u>	<u>9,464,808</u>

EXPENDITURES

Current:

General Administration							
County Judge	130,217						130,217
Commissioner's Court	252,539						252,539
County Clerk	292,714						292,714
Elections	17,284					1,310	18,594
Records Management						23,464	23,464
Veterans Service	1,332						1,332
Non-Departmental	307,085						307,085
Legal							
Check Collection						4,852	4,852
Law Library						30,279	30,279
Judicial							
Court Reporter						2,615	2,615
Judicial						19,847	19,847
District Court	48,431						48,431
District Clerk	161,721						161,721
Justice of the Peace No. 1	151,914						151,914
Justice of the Peace No. 2	147,628						147,628
Criminal District Attorney	257,546						257,546
Court Expense	213,593						213,593
Jury	21,032						21,032
Financial Administration							
County Auditor	199,454						199,454
County Treasurer	117,071						117,071
Tax Assessor-Collector	263,039						263,039
Public Facilities							
Public Facilities	886,051						886,051

(continued)

(continued)

Public Safety							
Adult Probation	2,695						2,695
Ambulance	100,982						100,982
Civil Defense	28,337						28,337
Constable No. 1	60,280						60,280
Constable No. 2	49,624						49,624
Corrections	889,619						889,619
Courthouse Security					21,819		21,819
D.P.S./License and Weight	2,273						2,273
D.P.S./Troopers	4,688						4,688
EMS/Jaws of Life	45,781						45,781
Fire	67,557						67,557
Flood Plain Permit	4,025						4,025
L.N.R.A.	47,817						47,817
Sheriff	1,053,543				114,131		1,167,674
T.J.P.C.	25,787				131,661		157,448
Public Transportation							
Road and Bridge		1,888,229					1,888,229
Environmental Protection							
Coastal Impact				262,345			262,345
Sanitation	320,988						320,988
Culture and Recreation							
County Library	138,102				13,097		151,199
Historical Commission					35,350		35,350
Mauritz Camp					274		274
Parks	5,509						5,509
Fairgrounds	18,554						18,554
Health and Welfare							
Health					216,312		216,312
Child Welfare					1,250		1,250
Gulf Bend Mental Health	14,000						14,000
Senior Citizens Center	44,000						44,000
Conservation - Agriculture							
Agriculture Extension Service	99,955						99,955
U.S. Soil Conservation	2,000						2,000
Capital Outlay							
Capital Outlay				528,263			528,263
Debt Service							
Principal Retirement	7,019	30,706					37,725
Interest Retirement	1,204	3,294					4,498
Total Expenditures	6,502,990	1,922,229	0	528,263	262,345	616,261	9,832,088
Excess (Deficiency) of Revenues Over (Under)							
Expenditures	1,214,252	(1,232,732)	0	(25,894)	(262,345)	(60,561)	(367,280)
OTHER FINANCING SOURCES (USES):							
Operating Transfers In	507,187	1,866,278				148,609	2,522,074
Operating Transfers Out	(2,059,328)	(558,378)					(2,617,706)
Total Other Financing Sources (Uses)	(1,552,141)	1,307,900	0	0	0	148,609	(95,632)
Net Changes in Fund Balances	(337,889)	75,168	0	(25,894)	(262,345)	88,048	(462,912)
Fund Balances - Beginning	6,649,957	540,387	0	25,894	0	694,344	7,910,582
Fund Balances - Ending	\$6,312,068	\$615,555	\$0	\$0	(\$262,345)	\$782,392	\$7,447,670

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, 2008

Net Changes in Fund Balances - total governmental funds (462,912)

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. 478,699

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. 107,731

(Increase) decrease in Compensated absences from beginning of period to end of period. (13,500)

Certain property tax revenues are deferred in the funds. This is the change in these amounts this year. 1,949

Increase in loan principal are receipts in the funds but not revenue in the SOA.

Repayment of loan principal is an expenditure in the funds but not an expense in the SOA. 37,725

Change in net assets of governmental activities - statement of activities \$149,692

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, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<i>REVENUES</i>				
Taxes				
Property	\$5,250,802	\$5,250,802	\$5,245,591	(\$5,211)
Sales	550,000	550,000	645,779	95,779
Other	11,700	11,700	34,467	22,787
Intergovernmental	71,900	194,007	235,688	41,681
Charges for Services	594,800	594,800	692,863	98,063
Fines and Forfeitures	524,400	524,400	494,874	(29,526)
Interest	235,600	235,600	240,616	5,016
Miscellaneous	18,500	34,500	85,038	50,538
Total Revenues	<u>7,257,702</u>	<u>7,395,809</u>	<u>7,674,936</u>	<u>279,127</u>

EXPENDITURES

Current:

General Administration				
County Judge	129,520	129,629	129,450	179
Commissioner's Court	250,583	250,583	248,609	1,974
County Clerk	304,507	304,507	287,989	16,518
Elections	1,500	30,619	17,630	12,989
Veterans Service	2,875	2,875	1,344	1,531
Non-Departmental	404,040	313,530	303,137	10,393
Judicial				
District Court	58,457	51,105	47,660	3,445
District Clerk	163,091	163,091	158,750	4,341
Justice of the Peace No. 1	151,946	151,946	150,082	1,864
Justice of the Peace No. 2	149,616	149,616	146,884	2,732
Criminal District Attorney	313,424	263,424	254,644	8,780
Court Expense	93,500	218,364	212,901	5,463
Jury	43,880	22,080	21,118	962
Financial Administration				
County Auditor	200,830	200,830	198,194	2,636
County Treasurer	123,536	123,536	116,138	7,398
Tax Assessor-Collector	275,842	279,679	262,099	17,580
Public Facilities				
Public Facilities	791,393	994,393	887,984	106,409

(continued)

(continued)

Public Safety				
Adult Probation	3,900	3,900	2,695	1,205
Ambulance	145,150	140,400	98,882	41,518
Civil Defense	28,900	28,900	28,262	638
Constable No. 1	61,165	61,165	59,389	1,776
Constable No. 2	53,966	53,966	49,365	4,601
Corrections	916,647	920,010	891,810	28,200
D.P.S./License and Weight	5,580	5,580	2,262	3,318
D.P.S./Troopers	5,724	5,724	5,051	673
EMS/Jaws of Life	8,850	10,551	8,920	1,631
Fire	49,000	69,898	64,980	4,918
Flood Plain Permit	5,000	5,000	4,025	975
L.N.R.A.	47,517	47,517	47,353	164
Sheriff	1,024,075	1,097,632	1,039,507	58,125
T.J.P.C.	26,099	26,099	26,071	28
Environmental Protection				
Sanitation	335,192	335,192	327,552	7,640
Culture and Recreation				
County Library	133,432	147,215	139,565	7,650
Parks	6,500	6,575	5,795	780
Fairgrounds	22,000	22,000	18,554	3,446
Health and Welfare				
Gulf Bend Mental Health	14,000	14,000	14,000	0
Senior Citizens Center	44,000	44,000	44,000	0
Conservation - Agriculture				
Agriculture Extension Service	111,600	111,600	99,529	12,071
U.S. Soil Conservation	2,000	2,000	2,000	0
Capital Outlay				
Capital Outlay				0
Debt Service				
Principal Retirement	7,250	7,250	7,019	231
Interest Retirement	1,250	1,250	1,204	46
Total Expenditures	<u>6,517,337</u>	<u>6,817,231</u>	<u>6,432,403</u>	<u>384,828</u>

Excess (Deficiency) of Revenues Over (Under)

Expenditures	<u>740,365</u>	<u>578,578</u>	<u>1,242,533</u>	<u>663,955</u>
--------------	----------------	----------------	------------------	----------------

OTHER FINANCING SOURCES (USES):

Operating Transfers In	500,000	507,187	507,187	0
Operating Transfers Out	(2,034,541)	(2,059,328)	(2,059,328)	0
Total Other Financing Sources (Uses)	<u>(1,534,541)</u>	<u>(1,552,141)</u>	<u>(1,552,141)</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$794,176)</u>	<u>(\$973,563)</u>	<u>(309,608)</u>	<u>\$663,955</u>

Reconciliation from cash basis to modified accrual basis:

Changes in officers fees and sales tax receivable	42,115
Changes in Prepaid Insurance	(1,939)
Changes in Accounts Payable	(37,472)
Changes in Accrued Wages Payable	(30,985)
Net Changes in Fund Balances - Modified Accrual Basis	<u>(337,889)</u>
Fund Balances - Beginning	<u>6,649,957</u>
Fund Balances - Ending	<u>\$6,312,068</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, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$21,268	\$21,268	\$21,268	\$0
Licenses and Permits	527,542	527,542	557,630	30,088
Interest	34,410	34,410	46,769	12,359
Miscellaneous	800	5,003	34,402	29,399
Total Revenues	<u>584,020</u>	<u>588,223</u>	<u>660,069</u>	<u>71,846</u>
EXPENDITURES				
Current				
Public Transportation	2,404,594	2,423,197	1,870,422	552,775
Debt Service				
Principal Retirement	30,758	30,758	30,706	52
Interest Retirement	3,242	3,294	3,294	0
Total Expenditures	<u>2,438,594</u>	<u>2,457,249</u>	<u>1,904,422</u>	<u>552,827</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(1,854,574)</u>	<u>(1,869,026)</u>	<u>(1,244,353)</u>	<u>624,673</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	1,827,900	1,842,352	1,866,278	23,926
Operating Transfers Out	<u>(520,000)</u>	<u>(520,000)</u>	<u>(558,378)</u>	<u>(38,378)</u>
Total Other Financing Sources (Uses)	<u>1,307,900</u>	<u>1,322,352</u>	<u>1,307,900</u>	<u>(14,452)</u>
Net Changes in Fund Balances	<u>(\$546,674)</u>	<u>(\$546,674)</u>	63,547	<u>\$610,221</u>
Reconciliation from cash basis to modified accrual				
Changes in officers fees and sales tax receivable			(1,804)	
Changes in Prepaid Insurance			471	
Changes in Accounts Payable			18,632	
Changes in Accrued Wages Payable			<u>(5,678)</u>	
Net Changes in Fund Balances-Modified Accrual Basis			75,168	
Fund Balances - Beginning			<u>540,387</u>	
Fund Balances - Ending			<u>\$615,555</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, 2008

	Airport Fund Current Year	Airport Fund Prior Year	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$29,995	\$6,176	\$11,375	\$15,333	\$41,370
Receivables (net of allowance for uncollectibles)		3,150			0
Prepaid Insurance	940	824	0	0	940
Total Current Assets	30,935	10,150	11,375	15,333	42,310
Noncurrent assets					
Capital Assets					
Land	70,254	70,254			70,254
Construction in Progress	0	6,300			0
Buildings and Improvements	345,036	345,036			345,036
Machinery and Equipment	73,443	6,709			73,443
Infrastructure	479,083	479,083			479,083
Total Capital assets	967,816	907,382	0	0	967,816
Less Accumulated Depreciation	(324,850)	(273,322)			(324,850)
Total Capital Assets (net of accumulated depreciation)	642,966	634,060	0	0	642,966
Total noncurrent assets	642,966	634,060	0	0	642,966
TOTAL ASSETS	\$673,901	\$644,210	\$11,375	\$15,333	\$685,276
LIABILITIES, FUND EQUITY AND OTHER CREDITS					
Liabilities					
Current Liabilities(Payable from Current Assets)					
Accounts Payable	\$8,064	\$751	\$119	\$1,025	\$8,183
Accrued Wages Payable	546	390		0	546
Compensated Absences	2,288	1,528		0	2,288
Total Current Liabilities	10,898	2,669	119	1,025	11,017
TOTAL LIABILITIES	10,898	2,669	119	1,025	11,017
Invested in Capital Assets, Net of Related debt	642,966	634,060			642,966
Unrestricted	20,037	7,481	11,256	14,308	31,293
TOTAL NET ASSETS	\$663,003	\$641,541	\$11,256	\$14,308	\$674,259

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, 2008

	Airport Fund Current Year	Airport Fund Prior Year	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
OPERATING REVENUES:					
Charges for Services	\$46,710	\$29,360	\$9,213	\$9,794	\$55,923
TOTAL OPERATING REVENUES	46,710	29,360	9,213	9,794	55,923
OPERATING EXPENSES					
Personal Services	36,668	34,484			36,668
Supplies	25,200	11,812	8,291	7,831	33,491
Other Services and Charges	11,853	15,342	4,423	4,792	16,276
Depreciation	51,526	41,387			51,526
TOTAL OPERATING EXPENSES	125,247	103,025	12,714	12,623	137,961
OPERATING INCOME (LOSS)	(78,537)	(73,665)	(3,501)	(2,829)	(82,038)
NON-OPERATING REVENUES (EXPENSES):					
Interest Income	2,154	2,399	449	905	2,603
State Grant	2,213	39,553		0	2,213
TOTAL NON-OPERATING REVENUES (EXPENSES)	4,367	41,952	449	905	4,816
Income Before Transfers	(74,170)	(31,713)	(3,052)	(1,924)	(77,222)
Transfers In	95,632	67,337	0	0	95,632
Change in Net Assets	21,462	35,624	(3,052)	(1,924)	18,410
Total Net Assets - Beginning	641,541	605,917	14,308	16,232	655,849
Total Net Assets - Ending	\$663,003	\$641,541	\$11,256	\$14,308	\$674,259

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, 2008

	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	\$49,860	\$26,210	\$9,213	\$9,794	\$59,073
Payments to Suppliers	(29,856)	(27,075)	(13,620)	(11,921)	(43,476)
Payments to Employees	(35,752)	(34,664)	0	0	(35,752)
Net Cash Provided(Used) By Operating Activities:	(15,748)	(35,529)	(4,407)	(2,127)	(20,155)
Cash Flows from Non-Capital and Related Financing Activities					
Transfers In	95,632	67,337	0	0	95,632
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	95,632	67,337	0	0	95,632
Cash Flows from Capital and Related Financing Activities					
State Grant	2,213	39,553	0	0	2,213
Net Cash Provided(Used) By Capital and Related Financing Activities	2,213	39,553	0	0	2,213
Cash Flows from Capital and Related Financing Activities					
Purchases of Capital Assets	(60,432)	(82,290)	0	0	(60,432)
Net Cash Provided (Used) By Capital and Related Financing Activities	(60,432)	(82,290)	0	0	(60,432)
Cash Flows from Investing Activities					
Interest Received	2,154	2,399	449	905	2,603
Net Cash Provided(Used) By Investing Activities	2,154	2,399	449	905	2,603
Net Increase (Decrease) in Cash Equivalents	23,819	(8,530)	(3,958)	(1,222)	19,861
Cash and Cash Equivalents at Beginning of Year	6,176	14,706	15,333	16,555	21,509
Cash and Cash Equivalents at End of Year	\$29,995	\$6,176	\$11,375	\$15,333	\$41,370

(continued)

(continued)

Reconciliation of Operating Income to net cash

provided(Used) By Operating Activities

Operating Income (Loss)	(\$78,537)	(\$73,665)	(\$3,501)	(\$2,829)	(\$82,038)
-------------------------	------------	------------	-----------	-----------	------------

Adjustments to Reconcile to Net Cash Flow

Non-Cash Items Included in Net Income

Depreciation	51,526	41,387	0	0	51,526
--------------	--------	--------	---	---	--------

Changes in Current Items

Decrease(Increase) in Accounts Receivable	3,150	(3,150)	0	0	3,150
---	-------	---------	---	---	-------

Decrease(Increase) in Prepaid Insurance	(116)	(87)	0	0	(116)
---	-------	------	---	---	-------

Increase(Decrease) in Accounts Payable	7,313	166	(906)	702	6,407
--	-------	-----	-------	-----	-------

Increase(Decrease) in Accrued Wages Payable	156	0	0	0	156
---	-----	---	---	---	-----

Increase(Decrease) in Compensated Absences Payable	760	(180)	0	0	760
--	-----	-------	---	---	-----

Net Cash Provided(Used) by Operating	<u>(\$15,748)</u>	<u>(\$35,529)</u>	<u>(\$4,407)</u>	<u>(\$2,127)</u>	<u>(\$20,155)</u>
--------------------------------------	-------------------	-------------------	------------------	------------------	-------------------

Activities

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, 2008

	Agency Funds	Trust Fund Brackenridge School Fund
ASSETS		
Cash and Cash Equivalents	\$729,534	\$50,000
Receivables (net of allowance for uncollectibles)	3,191	
Total Assets	<u>\$732,725</u>	<u>\$50,000</u>
LIABILITIES		
Accounts Payable	0	
Due to Others	732,725	0
Total Liabilities	<u>732,725</u>	<u>0</u>
NET ASSETS		
Held in Trust-unexpendable	0	50,000
Held in Trust-Educational Purposes	0	0
Total Net Assets	<u>\$0</u>	<u>\$50,000</u>

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

JACKSON COUNTY, TEXAS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

Trust Fund
Brackenridge School Fund
<u> </u>
\$0
<u>0</u>
0
<u>0</u>
0
<u>0</u>
0
<u>0</u>
0
<u>0</u>
0
<u>0</u>
50,000
<u>50,000</u>
<u>50,000</u>

ADDITIONS

Contributions:

Private Donations
 Total Contributions
 Investment Earnings:
 Interest Received
 Total Investment Earnings
 Less investment Expense
 Net Investment Earnings
 TOTAL ADDITIONS

DEDUCTIONS

Culture and Recreation-Libraries
 Total Deductions
 Change in net assets
 Net Assets-Beginning
 Net Assets-Ending

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

JACKSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

I. Summary of Significant Accounting Policies

A. Reporting entity

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

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

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

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

The government reports the following major governmental funds:

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

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

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

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

The Coastal Impact Assistance Program (CIAP) accounts for funds distributed to Outer Continental Shelf (OCS) oil and gas producing States to mitigate the impacts of OCS oil and gas activities.

The airport fund accounts for airport activities.

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

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

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

2. Receivables and Payables

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

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

2. Receivables and Payables (continued)

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

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 1 percent of the current outstanding property taxes at September 30, 2008 and 10 percent of the delinquent outstanding property taxes at September 30, 2008.

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, 2008. 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, 2008.

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 major capital asset events during the current fiscal year which was a Texas Community Development Grant for the Jackson County Water Control District No. 1 and certain courthouse renovation projects.

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

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

6. Compensated Absences

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

7. Long-Term Obligations

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

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

8. Fund 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 \$309,051 difference are as follows:

Capital Lease Payable	\$170,416
Compensated absences	<u>138,635</u>
	<u>\$309,051</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 \$7,271,732 difference are as follows:

Capital outlay	\$14,357,300
Depreciation expense	(7,085,568)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$7,271,732</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 \$378,979 difference are as follows:

Property Taxes Receivable	\$411,593
Allowance for Doubtful Accounts	<u>(32,614)</u>
Net	<u>\$378,979</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 \$839,804 difference are as follows:

Fines and Fees Receivable	\$795,071
Grants Receivable	352,282
Allowance for Doubtful Accounts	<u>(307,549)</u>
Net	<u>\$839,804</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 \$478,699 difference are as follows:

Capital outlay - additions - deletions	\$1,282,410
Depreciation expense	(803,711)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$478,699</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 2008 fiscal year were adopted for the General Fund, the Road and Bridge Funds, and other applicable non-major governmental funds.

B. Excess of Expenditures over Appropriations

For the year ended September 30, 2008, expenditures did not exceed appropriations in any fund.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2008 except for the Juvenile Probation Discretion fund which had a negative fund balance of \$21. The negative fund balances are expected to be liquidated by future resources of the funds.

IV. Detailed Notes on All Funds

A. Deposits and Investments

Legal and Contractual Provisions Governing Deposits and Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in compliance with the requirements of the Act and with local policies.

Policies Governing Deposits and Investments:

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

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit policy for custodial credit risk. As of September 30, 2008, the government's bank balance of \$972,821 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 \$10,495,172 and the FDIC coverage is \$252,683.

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

Credit risk: State law limits investments in commercial paper and corporate bonds to the top two rating issued by nationally recognized statistical rating organizations (NRSROs). It is the government's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of September 30, 2008 the local investment pool Texpool (approximately 100% of portfolio) was rated AAAM by Standard and Poor's.

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

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

As of September 30, 2008, the government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
Texpool	\$7,872,679	Less than 1 year	Less than 1 year
EdwardJones	3,008	Less than 1 year	Less than 1 year

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

A. Deposits and Investments (continued)

The County invests in TexPool to provide its liquidity needs. TexPool is a local government investment pool established in conformity with the Inter-local Cooperation Act Chapter 791 of the Texas Government Code and the Public Investment Act Chapter 2256 of the Code. TexPool are 2(a) 7 like funds meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily and the fund seeks to maintain a constant net asset value of \$1.00, although this cannot be guaranteed. TexPool is rated AAAM and must maintain a weighted average maturity not to exceed 60 days. At September 30, 2008 TexPool had a weighted average maturity of 34 and 28 days respectively. The County considers the holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder short of a significant change in value. The TexPool fund is within the Governmental Activities.

B. Receivables

Receivables as of September 30, 2008 for the government's individual major funds and non-major, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Road and Bridge	Other Governmental Funds	Total
<u>Receivables</u>				
Ad Valorem Taxes	\$411,593	\$0	\$0	\$411,593
Sales Tax	49,996			49,996
Fines	795,071			795,071
Intergovernmental	89,587			89,587
Other	78,415	1,765	18,945	99,125
Gross Receivables	1,424,662	1,765	18,945	1,445,372
Less: Allowance for Uncollectibles	340,163			340,163
Net Total Receivables	\$1,084,499	\$1,765	\$18,945	\$1,105,209

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	\$378,979
Total Deferred/Unearned Revenue for Governmental Funds	\$378,979

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, 2008 was as follows:

	Beginning			Ending
	Balances	Increases	Decreases	Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$152,747	\$263,845	\$0	\$416,592
Construction in Progress	148,864	12,130	148,864	12,130
Total capital assets not being depreciated	301,611	275,975	148,864	428,722
Capital assets being depreciated:				
Building and improvements	4,832,709	641,026	66	5,473,669
Machinery and equipment	6,140,367	511,914	161,609	6,490,672
Infrastructure	1,944,475	19,762	0	1,964,237
Total capital assets being depreciated	12,917,551	1,172,702	161,675	13,928,578
Less accumulated depreciation for:				
Building and improvements	2,251,466	152,130	0	2,403,596
Machinery and equipment	3,954,064	565,213	144,272	4,375,005
Infrastructure	220,599	86,368	0	306,967
Total accumulated depreciation	6,426,129	803,711	144,272	7,085,568
Total Capital assets being depreciated, net	6,491,422	368,991	17,403	6,843,010
Governmental activities capital assets, net	\$6,793,033	\$644,966	\$166,267	\$7,271,732

	Beginning			Ending
	Balances	Increases	Decreases	Balances
Business-type activities:				
Capital assets not being depreciated:				
Land	\$70,254	\$0	\$0	\$70,254
Construction in Progress	6,300	0	6,300	0
Total capital assets not being depreciated	76,554	0	6,300	70,254
Capital assets being depreciated:				
Building and improvements	345,036	0	0	345,036
Machinery and equipment	6,709	66,759	25	73,443
Infrastructure	479,083	0	0	479,083
Total capital assets being depreciated	830,828	66,759	25	897,562
Less accumulated depreciation for:				
Building and improvements	123,966	18,384	0	142,350
Machinery and equipment	6,709	1,103	0	7,812
Infrastructure	142,647	32,041	0	174,688
Total accumulated depreciation	273,322	51,528	0	324,850
Total Capital assets being depreciated, net	557,506	15,231	25	572,712
Business-type activities capital assets, net	\$634,060	\$15,231	\$6,325	\$642,966

Construction commitments

There was a Community Development Grant for the Jackson County Water Control District No. 1 and the County performed several renovation projects on the courthouse during the year.

Capital asset depreciation for the year ended September 30, 2008 was as follows:

Governmental Activities	
General Administration	\$48,575
Judicial	14,531
Legal	288
Financial Administration	33,743
Public Facilities	143,514
Public Safety	194,804
Public Transportation	309,916
Environmental Protection	19,203
Culture and Recreation	29,709
Health and Welfare	5,750
Conservation - Agriculture	3,678
Total Depreciation Expense – Governmental Activities	<u>\$803,711</u>
Business-type Activities	
Culture and Recreation	\$51,526
Total Depreciation Expense – Business-type Activities	<u>\$51,526</u>

D. Interfund Receivables, Payables, and Transfers

Due to/from other funds:

There were no interfund balances as of September 30, 2008

There were no advances at September 30, 2008.

The following are transfers for the year ended September 30, 2008.

ACCOUNT	AMOUNT	REASON
<u>Governmental Activities</u>		
<u>GENERAL FUND</u>		
Transfer from Sales Tax Fund	(500,000)	Fund Administration
Transfer to Road and Bridge	1,307,900	Fund Public Transportation
Transfer to Historical Commission	5,000	Fund Culture
Transfer to Law Library Fund	23,350	Fund Judicial
Transfer to Airport	95,632	Fund Recreation
Transfer to Health	120,259	Fund Health

<u>ROAD AND BRIDGE FUND</u>		
Transfer from General Fund	(1,307,900)	Fund Public Safety
<u>LAW LIBRARY</u>		
Transfer from General Fund	(23,350)	Fund Judicial
<u>HEALTH</u>		
Transfer from General Fund	(120,259)	Fund Health
<u>SALES TAX</u>		
Transfer to General Fund	500,000	Fund Administration
<u>HISTORICAL COMMISSION</u>		
Transfer from General Fund	(5,000)	Fund Culture
Total Governmental Activities	<u>95,632</u>	
<u>Business-type Activities</u>		
<u>AIRPORT</u>		
Transfer from General Fund	<u>(95,632)</u>	Fund Recreation

E. Leases

Operating Leases:

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$23,514 for the year ended September 30, 2008. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30,	<u>Amount</u>
2009	\$20,461
2010	11,410
2011	5,131
2012	<u>1,216</u>
Total	<u>\$38,218</u>

F. Long-Term Debt

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

F. Long-Term Debt (continued)

The assets acquired through capital leases are as follows:

ASSET	Governmental Activities	
	EXCAVATOR	TOTAL
COST	\$249,122	\$249,122
ACCUMULATED DEPRECIATION	(49,219)	(49,219)
NET ASSET	<u>\$199,903</u>	<u>\$199,903</u>

YEAR	Governmental	
	Activities	Total
2009	34,000	34,000
2010	34,000	34,000
2011	34,000	34,000
2012	34,000	34,000
2013	34,000	34,000
2014	34,000	34,000
TOTAL MINIMUM LEASE PAYMENTS	<u>204,000</u>	<u>204,000</u>
LESS: AMOUNT REPRESENTING INTEREST	(33,584)	(33,584)
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$170,416</u>	<u>\$170,416</u>

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

The activity for the year ended September 30, 2008, were as follows:

	Beginning			Ending Balance	Due within one year
	Balance	Additions	Reductions		
<u>Governmental activities:</u>					
Lease purchase payable	\$208,141		\$37,725	\$170,416	\$26,980
Compensated Absences	125,135	138,635	125,135	138,635	138,635
	<u>\$333,276</u>	<u>\$138,635</u>	<u>\$162,860</u>	<u>\$309,051</u>	<u>\$165,615</u>
<u>Business-type activities:</u>					
Compensated Absences	1,528	2,288	1,528	\$2,288	2,288
	<u>1,528</u>	<u>2,288</u>	<u>1,528</u>	<u>2,288</u>	<u>2,288</u>
Grand Total	<u>\$334,804</u>	<u>\$140,923</u>	<u>\$164,388</u>	<u>\$311,339</u>	<u>\$167,903</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 2008-09 year is \$140,923.

The government-wide statement of activities includes \$167,903 as "noncurrent liabilities, due within one year".

The interest incurred on the above debt was \$4,498 and was governmental activities. There was no business-type activity interest incurred or capitalized.

G. Restricted Net Assets

The restricted net asset accounts at September 30, 2008 consisted of \$92,585 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.

	Year Ended September 30, 2008	Year Ended September 30, 2007
Unpaid claims, beginning of fiscal year	\$0	\$0
Incurred claims (including IBNRs)	0	0
Claim payments	0	0
Unpaid claims, end of fiscal year	\$0	\$0

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. 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 574 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 7.74% for the 2007 and 7.22% for the 2008 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 2007 and 2008 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	12/31/2005	12/31/2006	12/31/2007
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	15.0	15.0
Asset valuation method	Long-term appreciation with adjustment	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value
Actuarial Assumptions			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.00%	0.00%	0.00%

Annual Pension Cost

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

Accounting Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
9-30-06	239,686	100%	-0-
9-30-07	251,815	100%	-0-
9-30-08	257,781	100%	-0-

ANALYSIS OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
2005	8,205,322	9,069,732	864,410	90.5	2,922,460	29.6
2006	8,970,043	9,572,917	602,874	93.7	3,152,317	19.1
2007	9,724,724	10,324,375	599,651	94.2	3,334,193	18.0



REQUIRED SUPPLEMENTARY INFORMATION



JACKSON COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2008

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)
2005	8,205,322	9,069,732	864,410	90.5	2,922,460	29.6
2006	8,970,043	9,572,917	602,874	93.7	3,152,317	19.1
2007	9,724,724	10,324,375	599,651	94.2	3,334,193	18.0



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - GENERAL FUND
 SEPTEMBER 30, 2008

	General Fund	Sales Tax Fund	Permanent Improvement Funds	Total General Funds
ASSETS				
Cash and Cash Equivalents	\$5,246,022	\$999,916	\$92,850	\$6,338,788
Receivables (net of allowance for uncollectibles)	457,044	49,996		507,040
Prepaid Insurance	51,820			51,820
Total Assets	<u>\$5,754,886</u>	<u>\$1,049,912</u>	<u>\$92,850</u>	<u>\$6,897,648</u>
LIABILITIES AND FUND BALANCES:				
Accounts Payable	\$122,933		\$265	\$123,198
Accrued Wages Payable	83,403			83,403
Due to Other Funds				0
Deferred Revenues	378,979			378,979
Total Liabilities	<u>585,315</u>	<u>0</u>	<u>265</u>	<u>585,580</u>
Fund Balances:				
Restricted For:				
Permanent Improvement			92,585	92,585
Unreserved, Reported in				
General Fund	5,169,571	1,049,912		6,219,483
Total Fund Balance	<u>5,169,571</u>	<u>1,049,912</u>	<u>92,585</u>	<u>6,312,068</u>
Total Liabilities and Fund Balances	<u>\$5,754,886</u>	<u>\$1,049,912</u>	<u>\$92,850</u>	<u>\$6,897,648</u>

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, 2008

	General Fund	Sales Tax Fund	Permanent Improvement Funds	Total General Funds
<i>REVENUES</i>				
Taxes				
Property	\$5,251,798			\$5,251,798
Sales		644,289		644,289
Other	37,278			37,278
Intergovernmental	254,378			254,378
Charges for Services	699,220			699,220
Fines and Forfeitures	504,375			504,375
Interest	204,244	21,808	14,814	240,866
Miscellaneous	85,038			85,038
Total Revenues	7,036,331	666,097	14,814	7,717,242
<i>EXPENDITURES</i>				
Current:				
General Administration				
County Judge	130,217			130,217
Commissioners Court	252,539			252,539
County Clerk	292,714			292,714
Election	17,284			17,284
Veterans Service	1,332			1,332
Non-Departmental	307,085			307,085
Judicial				
District Court	48,431			48,431
District Clerk	161,721			161,721
Justice of the Peace No. 1	151,914			151,914
Justice of the Peace No. 2	147,628			147,628
Criminal District Attorney	257,546			257,546
Court Expense	213,593			213,593
Jury	21,032			21,032
Financial Administration				
County Auditor	199,454			199,454
County Treasurer	117,071			117,071
Tax Assessor-Collector	263,039			263,039
Public Facilities				
Public Facilities	315,365		570,686	886,051
Public Safety				
Adult Probation	2,695			2,695
Ambulance	100,982			100,982
Civil Defense	28,337			28,337
Constable No. 1	60,280			60,280
Constable No. 2	49,624			49,624
Corrections	889,619			889,619
D.P.S./License and Weight	2,273			2,273
D.P.S./Troopers	4,688			4,688
EMS/Jaws of Life	45,781			45,781
Fire	67,557			67,557
Flood Plain Permit	4,025			4,025
L.N.R.A.	47,817			47,817
Sheriff	1,053,543			1,053,543
T.J.P.C.	25,787			25,787

(continued)

(continued)

Environmental Protection Sanitation	320,988			320,988
Culture and Recreation				
County Library	138,102			138,102
Parks	5,509			5,509
Fairgrounds	18,554			18,554
Health and Welfare				
Gulf Bend Mental Health	14,000			14,000
Senior Citizens Center	44,000			44,000
Conservation - Agriculture				
Agriculture Extension Service	99,955			99,955
U.S. Soil Conservation	2,000			2,000
Debt Service			7,019	7,019
Principal Retirement			1,204	1,204
Interest Retirement				
Total Expenditures	<u>5,924,081</u>	<u>0</u>	<u>578,909</u>	<u>6,502,990</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,112,250</u>	<u>666,097</u>	<u>(564,095)</u>	<u>1,214,252</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	500,000		7,187	507,187
Operating Transfers Out	(1,559,328)	(500,000)		(2,059,328)
Total Other Financing Sources (Uses)	<u>(1,059,328)</u>	<u>(500,000)</u>	<u>7,187</u>	<u>(1,552,141)</u>
Net Changes in Fund Balances	52,922	166,097	(556,908)	(337,889)
Fund Balances - Beginning	5,116,649	883,815	649,493	6,649,957
Fund Balances - Ending	<u>\$5,169,571</u>	<u>\$1,049,912</u>	<u>\$92,585</u>	<u>\$6,312,068</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND
 SEPTEMBER 30, 2008

	Road and Bridge No. 1		Road and Bridge No. 2		Road and Bridge No. 3		Road and Bridge No. 4		Highway Fund		Lateral Road No. 1		Lateral Road No. 2		Lateral Road No. 3		Lateral Road No. 4		Bridge Replacement No. 1		Bridge Replacement No. 2		Bridge Replacement No. 3		Bridge Replacement No. 4		
ASSETS																											
Cash and Cash Equivalents	\$52,496	\$120,765	\$23,863	\$255,907	\$98,866	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Receivables (net of allowance for uncollectibles)	3,977	2,395	2,419	4,188	1,765																						
Prepaid Insurance																											
Total Assets	\$56,473	\$123,160	\$26,282	\$260,095	\$100,631	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LIABILITIES AND FUND BALANCES:																											
Liabilities:																											
Accounts Payable	\$7,197	\$22,912	\$17,876	\$17,361																							
Accrued Wages Payable	3,778	4,539	4,529	6,038																							
Total Liabilities	10,975	27,451	22,405	23,399	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fund Balances:																											
Unreserved, Reported in Other Governmental Funds	45,498	95,709	3,877	236,696	100,631	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Balance	45,498	95,709	3,877	236,696	100,631	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities and Fund Balances	\$56,473	\$123,160	\$26,282	\$260,095	\$100,631	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The accompanying notes are an integral part of this statement.

Equipment Replacement No. 1	Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
\$1	\$79,174	\$39,052	\$14,917	\$685,041
				1,765
\$1	\$79,174	\$39,052	\$14,917	\$699,785

				\$65,346
				18,884
0	0	0	0	84,230

1	79,174	39,052	14,917	615,555
1	79,174	39,052	14,917	615,555
\$1	\$79,174	\$39,052	\$14,917	\$699,785

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS
 YEAR ENDED SEPTEMBER 30, 2008

	Road and Bridge No. 1		Road and Bridge No. 2		Road and Bridge No. 3		Road and Bridge No. 4		Highway Fund	Lateral Road No. 1		Lateral Road No. 2		Lateral Road No. 3		Lateral Road No. 4		Bridge Replacement No. 1		Bridge Replacement No. 2		Bridge Replacement No. 3		Bridge Replacement No. 4		
	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4		No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	
REVENUES																										
Intergovernmental	\$7,571	\$7,568	\$7,574	\$7,568	\$5,317	\$5,317	\$5,317	\$5,317	556,776																	
Licenses and Permits																										
Interest	7,258	9,022	6,371	15,531																						
Miscellaneous	21,451			1,600																						
Total Revenues	36,280	16,590	13,945	24,699	556,776	5,317	5,317	5,317	556,776																	
EXPENDITURES																										
Current:																										
Public Transportation	405,078	407,052	354,252	543,935																						
Road and Bridge																										
Debt Service																										
Principal Retirement	10,065																									
Interest and Fiscal Charges	3,294																									
Total Expenditures	418,437	407,052	354,252	543,935	0	5,317	5,317	5,317	543,935	0	5,317	5,317	5,317	5,317	5,317	5,317	5,317	5,317	5,317	5,317	5,317	5,317	5,317	5,317	5,317	5,317
Excess (Deficiency) of Revenues Over (Under) Expenditures	(382,157)	(390,462)	(340,307)	(519,236)	556,776	0	0	0	556,776	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER FINANCING SOURCES (USES):																										
Other Financing Sources - Capital Lease																										
Operating Transfers In	414,197	434,340	324,924	612,817	(520,000)																					
Operating Transfers Out																										
Total Other Financing Sources (Uses)	414,197	434,340	324,924	612,817	(520,000)																					
Net Changes in Fund Balances	32,040	43,878	(15,383)	93,581	36,776																					
Fund Balances - Beginning	13,458	51,831	19,260	143,115	63,855																					
Fund Balances - Ending	\$45,498	\$95,709	\$3,877	\$236,696	\$100,631	\$0	\$0	\$0	\$100,631	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The accompanying notes are an integral part of

	Equipment Replacement	Equipment Replacement	Equipment Replacement	Equipment Replacement	Equipment Replacement	Total
No. 1	No. 2	No. 3	No. 4	No. 4	Bridge	
						\$51,549
						556,776
45	2,443	1,211	3,777			46,770
						34,402
45	2,443	1,211	3,777			689,497
20,641			2,200	137,438		1,888,229
						30,706
						3,294
20,641	0	2,200	137,438			1,922,229
(20,596)	2,443	(989)	(133,661)			(1,232,732)
20,000	20,000	20,000	20,000	20,000		1,866,278
						(558,378)
20,000	20,000	20,000	20,000	20,000		1,307,900
(596)	22,443	19,011	(113,661)			75,168
597	56,731	20,041	128,578			540,387
\$1	\$79,174	\$39,052	\$14,917			\$615,555

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2008

	SPECIAL REVENUE										DISTRICT						
	ABANDONED MOTOR VEHICLES COMMISSION	HISTORICAL	CHILD WELFARE	MEDIATION FUND	JUVENILE PROBATION DISCRETION	COUNTY RECORDS MANAGEMENT	COUNTY CLERK RECORDS MANAGEMENT	COURT REPORTER SERVICES	APPELLATE JUDICIAL SYSTEMS	ELECTIONS ADMINISTRATION		DISTRICT ATTORNEY	CHILD ABUSE PREVENTION	SHERIFF FORFEITURE	DISTRICT ATTORNEY FORFEITURE	RON HOWARD TRUST	COURTHOUSE SECURITY
ASSETS	\$143,719	\$20,784	\$16,627	\$1,450		\$21,696	\$139,917	\$1,333	\$1,230	\$1,073	\$33,000	\$2,550	\$6,634	\$62,572	\$0	\$149,943	\$5,192
Cash and Cash Equivalents																	
Receivables (net of allowance for uncollectibles)																	
Due from Other Funds																	
Prepaid Insurance																	
TOTAL ASSETS	\$143,719	\$21,537	\$16,627	\$1,450	\$0	\$21,696	\$139,917	\$1,333	\$1,230	\$1,073	\$33,000	\$2,550	\$6,634	\$62,572	\$0	\$149,943	\$5,192
		753															
LIABILITIES AND FUND BALANCES																	
Liabilities																	
Accounts Payable	\$3,016	\$2,000						\$103									\$2,524
Bank Overdraft																	
Due to Others	319				21						16,260			120	0		
Accrued Wages Payable																	
Total Liabilities	3,335	2,000	0	0	21	0	0	103	0	0	16,260	0	0	120	0	0	2,524
Fund Balances																	
Unreserved - Undesignated	140,384	19,537	16,627	1,450	(21)	21,696	139,917	1,230	1,230	1,073	16,740	2,550	6,634	62,452		147,419	5,192
Total Fund Balances	140,384	19,537	16,627	1,450	(21)	21,696	139,917	1,230	1,230	1,073	16,740	2,550	6,634	62,452	0	147,419	5,192
TOTAL LIABILITIES AND FUND BALANCES	\$143,719	\$21,537	\$16,627	\$1,450	\$0	\$21,696	\$139,917	\$1,333	\$1,230	\$1,073	\$33,000	\$2,550	\$6,634	\$62,572	\$0	\$149,943	\$5,192

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

SPECIAL REVENUE		LAW				NON-MAJOR GOVERNMENTAL FUNDS			
		JUSTICE	ENFORCEMENT OFFICERS ASSOCIATION	MAURITZ CAMP FUND	MEMORIAL LIBRARY	JUVENILE PROBATION	LAW LIBRARY	MENTAL FUNDS	
\$30,237	\$57,216	\$17,521	\$6,806	\$22,298	\$7,879	\$51,462	\$3,182	\$804,321	
	3,571	7,332				5,273	2,769	18,945	0
		350				235		1,338	
<u>\$30,237</u>	<u>\$60,787</u>	<u>\$25,203</u>	<u>\$6,806</u>	<u>\$22,298</u>	<u>\$7,879</u>	<u>\$55,970</u>	<u>\$5,951</u>	<u>\$824,604</u>	
\$130	\$819	\$4,046	\$23	\$5,784	\$1,871	\$20,316	21	16,579	5,296
		2,813			2,363				
<u>130</u>	<u>819</u>	<u>6,859</u>	<u>0</u>	<u>0</u>	<u>23</u>	<u>8,147</u>	<u>1,871</u>	<u>42,212</u>	
30,107	59,968	18,344	6,806	22,298	7,856	48,823	4,080	782,392	
<u>30,107</u>	<u>59,968</u>	<u>18,344</u>	<u>6,806</u>	<u>22,298</u>	<u>7,856</u>	<u>48,823</u>	<u>4,080</u>	<u>782,392</u>	
<u>\$30,237</u>	<u>\$60,787</u>	<u>\$25,203</u>	<u>\$6,806</u>	<u>\$22,298</u>	<u>\$7,879</u>	<u>\$55,970</u>	<u>\$5,951</u>	<u>\$824,604</u>	

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	SPECIAL REVENUE											DISTRICT CLERK RECURSUS MANAGEMENT				
	ABANDONED MOTOR VEHICLES	HISTORICAL COMMISSION	CHILD WELFARE	MEDIATION FUND	JUVENILE PROBATION DISCRETION	COUNTY RECORDS MANAGEMENT	COUNTY RECORDS MANAGEMENT	COURT REPORTER SERVICES	APPELLATE JUDICIAL SYSTEMS	ELECTIONS ADMINISTRATION	DISTRICT ATTORNEY		CHILD ABUSE PREVENTION	SHERIFF FORFEITURE	DISTRICT ATTORNEY FORFEITURE	FOR HOWARD TRUST
REVENUES																
Intergovernmental	30,079				1,336	7,513	22,670	2,415	1,195	1,771	8,667	1,170				17,692
Charges for Services		1,221		536									233	1,096		
Interest	85,855	8,841												34,659	44,323	
Miscellaneous	115,934	10,062		536	1,336	7,513	22,670	2,415	1,195	1,771	8,667	1,170	233	35,755	44,323	17,692
Total Revenues																
EXPENDITURES																
Current:																
General Administration							42	23,422		1,310						
Records Management																
Elections																
Judicial																
Court Reporter								2,615	1,110					7,733		
Judicial																
Legal																
Check Collection																
Law Library																
Public Safety																
Juvenile Probation																
Sheriff																
Courthouse Security																21,819
Culture and Recreation																
Historical Commission																
Mauritz Camp																
Library																
Health and Welfare																
Health																
Child Welfare																
Total Expenditures	61,231	35,350	1,250	1,250	857	42	23,422	2,615	1,110	1,310	4,852	0	3,065	7,733	0	21,819
Excess (Deficiency) of Revenues Over (Under) Expenditures	54,703	(25,288)	(714)	0	479	7,471	(752)	(200)	85	461	3,815	1,170	(2,832)	28,022	44,323	(4,127)
OTHER FINANCING SOURCES (USES):																
Operating Transfers In																
Operating Transfers Out																
Total Other Financing Sources (Uses)	0	5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Changes in Fund Balances	54,703	(20,288)	(714)	0	479	7,471	(752)	(200)	85	461	3,815	1,170	(2,832)	28,022	44,323	(4,127)
Fund Balances - Beginning	85,681	39,825	17,343	1,450	(500)	14,225	140,669	1,430	1,145	612	12,925	1,380	9,465	34,430	(44,323)	151,546
Fund Balances - Ending	\$140,384	\$19,537	\$16,627	\$1,450	(\$21)	\$21,696	\$139,917	\$1,230	\$1,230	\$1,073	\$16,740	\$2,550	\$6,634	\$62,452	\$0	\$147,419

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

SPECIAL REVENUE		LAW				NONMAJOR GOVERNMENTAL FUNDS		
JUSTICE	COMMISSARY	HEALTH	ENFORCEMENT	MAGRITZ	MEMORIAL	JUVENILE	LAW	
TECH	TELEPHONE	FUND	ASSOCIATION	FUND	LIBRARY	PROBATION	LIBRARY	
		\$30,473	2,940			\$102,804	10,920	\$133,277
11,754	48,704	66,683		717	2,046	2,295		236,840
				21	3,426	314		8,144
11,754	48,704	97,166	2,940	738	5,472	105,413	10,920	177,439
								555,700
11,004								23,464
								1,310
								2,615
								19,847
								4,852
							30,279	30,279
								131,661
								114,131
								21,819
								35,350
								274
								13,097
								216,312
11,004	47,711	216,312	2,124	274	13,097	130,804	30,279	616,261
750	993	(119,156)	816	464	(7,625)	(25,391)	(19,359)	(60,561)
								120,259
								23,350
								148,609
								88,048
								694,344
								\$782,392

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR PROPRIETARY FUNDS
 SEPTEMBER 30, 2008

	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY PRIOR YEAR	TOTALS NON-MAJOR PROPRIETARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY PRIOR YEAR
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$11,375	\$15,333	\$11,375	\$15,333
Total Current Assets	11,375	15,333	11,375	15,333
TOTAL ASSETS	\$11,375	\$15,333	\$11,375	\$15,333
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities				
Current Liabilities(Payable from Current Assets)				
Accounts Payable	119	1,025	119	1,025
Accrued Wages Payable			0	0
Total Current Liabilities	119	1,025	119	1,025
TOTAL LIABILITIES	119	1,025	119	1,025
Invested in Capital Assets, Net of Related debt				
Unrestricted	11,256	14,308	11,256	14,308
TOTAL NET ASSETS	\$11,256	\$14,308	\$11,256	\$14,308

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NON-MAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY PRIOR YEAR	TOTALS NON-MAJOR PROPRIETARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY PRIOR YEAR
OPERATING REVENUES:				
Charges for Services	\$9,213	\$9,794	\$9,213	\$9,794
TOTAL OPERATING REVENUES	9,213	9,794	9,213	9,794
OPERATING EXPENSES				
Personal Services			0	0
Supplies	8,291	7,831	8,291	7,831
Other Services and Charges	4,423	4,792	4,423	4,792
Depreciation			0	0
TOTAL OPERATING EXPENSES	12,714	12,623	12,714	12,623
OPERATING INCOME (LOSS)	(3,501)	(2,829)	(3,501)	(2,829)
NON-OPERATING REVENUES (EXPENSES):				
Interest Income	449	905	449	905
TOTAL NON-OPERATING REVENUES (EXPENSES)	449	905	449	905
Income Before Transfers	(3,052)	(1,924)	(3,052)	(1,924)
Transfers In			0	0
Change in Net Assets	(3,052)	(1,924)	(3,052)	(1,924)
Total Net Assets - Beginning	14,308	16,232	14,308	16,232
Total Net Assets - Ending	\$11,256	\$14,308	\$11,256	\$14,308

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY PRIOR YEAR	TOTALS NON-MAJOR PROPRIETARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY PRIOR YEAR
Cash flows from Operating Activities				
Receipts from Customers and Users	\$9,213	\$9,794	\$9,213	\$9,794
Payments to Suppliers	(13,620)	(11,921)	(13,620)	(11,921)
Payments to Employees	0	0	0	0
Net Cash Provided(Used) By Operating Activities:	(4,407)	(2,127)	(4,407)	(2,127)
Cash Flows from Non-Capital and Related Financing Activities				
Transfers In			0	0
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	0	0	0	0
Cash Flows from Investing Activities				
Interest Received	449	905	449	905
Net Cash Provided(Used) By Investing Activities	449	905	449	905
Net Increase (Decrease) in Cash Equivalents	(3,958)	(1,222)	(3,958)	(1,222)
Cash and Cash Equivalents at Beginning of Year	15,333	16,555	15,333	16,555
Cash and Cash Equivalents at End of Year	\$11,375	\$15,333	\$11,375	\$15,333

(continued)

(continued)

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

Operating Income (Loss)	(\$3,501)	(\$2,829)	(\$3,501)	(\$2,829)
-------------------------	-----------	-----------	-----------	-----------

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	(906)	702	(906)	702
--	-------	-----	-------	-----

Increase(Decrease) in Accrued Wages Payable	0	0	0	0
---	---	---	---	---

Net Cash Provided(Used) by Operating Activities

	<u>(\$4,407)</u>	<u>(\$2,127)</u>	<u>(\$4,407)</u>	<u>(\$2,127)</u>
--	------------------	------------------	------------------	------------------

Noncash Investing, Capital and Financing Activities:

Borrowing from capital debt	<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
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Agency Funds				Total
	Trust Investment	State Fees	County-Wide Drainage District	County Officer Accounts	
ASSETS					
Cash and Cash Equivalents	\$131,905	\$63,537	\$0	\$534,092	\$729,534
Receivables (net of allowance for uncollectibles)	0	0	3,191	0	3,191
Total Assets	\$131,905	\$63,537	\$3,191	\$534,092	\$732,725
LIABILITIES					
Accounts Payable			\$0		\$0
Due to Others	131,905	63,537	0	534,092	729,534
Total Liabilities	\$131,905	\$63,537	\$3,191	\$534,092	\$732,725

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	BALANCE			BALANCE
	10/1/2007	ADDITIONS	DEDUCTIONS	9/30/2008
<u>TRUST INVESTMENT</u>				
ASSETS				
Cash and Cash Equivalents	\$105,565	\$26,340	\$0	\$131,905
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$105,565	\$26,340	\$0	\$131,905

LIABILITIES:				
Accounts Payable				
Due to Others	\$105,565	\$26,340	\$0	\$131,905
Total Liabilities	\$105,565	\$26,340	\$0	\$131,905

	BALANCE			BALANCE
	10/1/2007	ADDITIONS	DEDUCTIONS	9/30/2008
<u>STATE FEES</u>				
ASSETS				
Cash and Cash Equivalents	\$87,806	\$0	\$24,269	\$63,537
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$87,806	\$0	\$24,269	\$63,537

LIABILITIES:				
Accounts Payable				
Due to Others	\$87,806	\$0	\$24,269	\$63,537
Total Liabilities	\$87,806	\$0	\$24,269	\$63,537

	BALANCE			BALANCE
	10/1/2007	ADDITIONS	DEDUCTIONS	9/30/2008
<u>COUNTY-WIDE DRAINAGE DISTRICT</u>				
ASSETS				
Cash and Cash Equivalents	\$4,596		\$4,596	\$0
Receivables (net of allowance for uncollectibles)	\$1,873	\$3,191	\$1,873	3,191
Total Assets	\$6,469	\$3,191	\$6,469	\$3,191

LIABILITIES:				
Accounts Payable		3,191	0	3,191
Due to Others	\$6,469	0	6,469	0
Total Liabilities	\$6,469	\$3,191	\$6,469	\$3,191

<u>COUNTY OFFICER ACCOUNTS</u>	BALANCE 10/1/2007	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2008
ASSETS				
Cash and Cash Equivalents	\$604,040	\$0	\$69,948	\$534,092
Receivables (net of allowance for uncollectibles)				0
Total Assets	<u>\$604,040</u>	<u>\$0</u>	<u>\$69,948</u>	<u>\$534,092</u>

LIABILITIES:				
Accounts Payable				
Due to Others	\$604,040	\$0	\$69,948	\$534,092
Total Liabilities	<u>\$604,040</u>	<u>\$0</u>	<u>\$69,948</u>	<u>\$534,092</u>

<u>TOTAL</u>	BALANCE 10/1/2007	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2008
ASSETS				
Cash and Cash Equivalents	\$802,007	\$26,340	\$98,813	\$729,534
Receivables (net of allowance for uncollectibles)	1,873	3,191	1,873	3,191
Total Assets	<u>\$803,880</u>	<u>\$29,531</u>	<u>\$100,686</u>	<u>\$732,725</u>

LIABILITIES:				
Accounts Payable	\$0	\$3,191	\$0	\$3,191
Due to Others	803,880	26,340	100,686	729,534
Total Liabilities	<u>\$803,880</u>	<u>\$29,531</u>	<u>\$100,686</u>	<u>\$732,725</u>



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

JACKSON COUNTY, TEXAS
 COUNTY CLERK RECORDS MANAGEMENT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$21,500	\$21,500	\$24,640	\$3,140
Interest				0
Total Revenues	<u>21,500</u>	<u>21,500</u>	<u>24,640</u>	<u>3,140</u>
EXPENDITURES				
Current				
General Administration	135,245	135,245	23,536	111,709
Total Expenditures	<u>135,245</u>	<u>135,245</u>	<u>23,536</u>	<u>111,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(113,745)</u>	<u>(113,745)</u>	<u>1,104</u>	<u>114,849</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$113,745)</u>	<u>(\$113,745)</u>	<u>\$1,104</u>	<u>\$114,849</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(1,970)	
Changes in Accounts Payable				
Changes in Accrued Wages Payable			114	
Net Changes in Fund Balances-Modified Accrual Basis			<u>(752)</u>	
Fund Balances - Beginning			140,669	
Fund Balances - Ending			<u>\$139,917</u>	

JACKSON COUNTY, TEXAS
 COURTHOUSE SECURITY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$22,700	\$22,700	\$18,184	(\$4,516)
Total Revenues	<u>22,700</u>	<u>22,700</u>	<u>18,184</u>	<u>(4,516)</u>
EXPENDITURES				
Current				
Public Safety	92,516	92,516	19,386	73,130
Total Expenditures	<u>92,516</u>	<u>92,516</u>	<u>19,386</u>	<u>73,130</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(69,816)</u>	<u>(69,816)</u>	<u>(1,202)</u>	<u>68,614</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$69,816)</u>	<u>(\$69,816)</u>	<u>(\$1,202)</u>	<u>\$68,614</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(492)	
Changes in Accounts Payable			(2,473)	
Changes in Accrued Wages Payable			40	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(4,127)</u>	
Fund Balances - Beginning			151,546	
Fund Balances - Ending			<u>147,419</u>	

JACKSON COUNTY, TEXAS

HEALTH

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$28,129	\$28,129	\$25,785	(\$2,344)
Charges for Services	50,500	50,500	67,338	16,838
Total Revenues	<u>78,629</u>	<u>78,629</u>	<u>93,123</u>	<u>14,494</u>
EXPENDITURES				
Current				
Health and Welfare	223,332	222,612	217,687	4,925
Total Expenditures	<u>223,332</u>	<u>222,612</u>	<u>217,687</u>	<u>4,925</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(144,703)</u>	<u>(143,983)</u>	<u>(124,564)</u>	<u>19,419</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	120,259	120,259	120,259	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>120,259</u>	<u>120,259</u>	<u>120,259</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$24,444)</u>	<u>(\$23,724)</u>	<u>(4,305)</u>	<u>\$19,419</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			4,253	
Changes in grants receivable			70	
Changes in Prepaid Insurance			1,975	
Changes in Accounts Payable			(890)	
Changes in Accrued Wages Payable			<u>1,103</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>17,241</u>	
Fund Balances - Beginning			<u>\$18,344</u>	
Fund Balances - Ending			<u>\$18,344</u>	

JACKSON COUNTY, TEXAS

LAW LIBRARY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$7,250	\$7,250	\$8,396	\$1,146
Total Revenues	<u>7,250</u>	<u>7,250</u>	<u>8,396</u>	<u>1,146</u>
EXPENDITURES				
Current				
Legal	20,000	30,600	30,392	208
Total Expenditures	<u>20,000</u>	<u>30,600</u>	<u>30,392</u>	<u>208</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,750)</u>	<u>(23,350)</u>	<u>(21,996)</u>	<u>1,354</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	12,750	23,350	23,350	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>12,750</u>	<u>23,350</u>	<u>23,350</u>	<u>0</u>
Net Changes in Fund Balances	<u>\$0</u>	<u>\$0</u>	<u>\$1,354</u>	<u>\$1,354</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			2,524	
Changes in Accounts Payable			<u>113</u>	
Net Changes in Fund Balances - Modified Accrual Basis			3,991	
Fund Balances - Beginning			<u>89</u>	
Fund Balances - Ending			<u>\$4,080</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$7,000	\$7,000	\$7,928	\$928
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>7,928</u>	<u>928</u>
EXPENDITURES				
Current				
General Administration	20,500	20,500	42	20,458
Total Expenditures	<u>20,500</u>	<u>20,500</u>	<u>42</u>	<u>20,458</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,500)</u>	<u>(13,500)</u>	<u>7,886</u>	<u>21,386</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$13,500)</u>	<u>(\$13,500)</u>	<u>\$7,886</u>	<u>\$21,386</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			<u>(415)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>7,471</u>	
Fund Balances - Beginning			<u>14,225</u>	
Fund Balances - Ending			<u>\$21,696</u>	

JACKSON COUNTY, TEXAS
HISTORICAL COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$1,000	\$1,000	\$1,221	\$221
Miscellaneous	100	100	8,841	8,741
Total Revenues	<u>1,100</u>	<u>1,100</u>	<u>10,062</u>	<u>8,962</u>
EXPENDITURES				
Current				
Culture and Recreation	34,000	34,000	33,046	954
Total Expenditures	<u>34,000</u>	<u>34,000</u>	<u>33,046</u>	<u>954</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(32,900)</u>	<u>(32,900)</u>	<u>(22,984)</u>	<u>9,916</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	5,000	5,000	5,000	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$27,900)</u>	<u>(\$27,900)</u>	<u>(\$17,984)</u>	<u>\$9,916</u>
Reconciliation from cash basis to modified accrual:				
Changes in Prepaid Insurance			(304)	
Changes in Accounts Payable			<u>(2,000)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(20,288)</u>	
Fund Balances - Beginning			<u>39,825</u>	
Fund Balances - Ending			<u>\$19,537</u>	

JACKSON COUNTY, TEXAS
 CHILD WELFARE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$800	\$800	\$536	(\$264)
Miscellaneous				0
Total Revenues	800	800	536	(264)
EXPENDITURES				
Current				
Health and Welfare	9,000	9,000	1,250	7,750
Total Expenditures	9,000	9,000	1,250	7,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,200)	(8,200)	(714)	7,486
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(8,200)	(8,200)	(714)	7,486
Fund Balances - Beginning	17,341	17,341	17,341	0
Fund Balances - Ending	\$9,141	\$9,141	\$16,627	\$7,486

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION DISCRETION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$2,000	\$2,000	1,346	(\$654)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>1,346</u>	<u>(654)</u>
EXPENDITURES				
Current				
Public Safety	2,000	2,000	2,000	0
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>(654)</u>	<u>(654)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>\$0</u>	<u>\$0</u>	<u>(\$654)</u>	<u>(\$654)</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(10)	
Changes in Accounts Payable			1,143	
Net Changes in Fund Balances - Modified Accrual Basis			<u>479</u>	
Fund Balances - Beginning			(500)	
Fund Balances - Ending			<u>(\$21)</u>	

JACKSON COUNTY, TEXAS
 COURT REPORTER SERVICES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$2,000	\$2,000	\$2,415	\$415
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,415</u>	<u>415</u>
EXPENDITURES				
Current				
Judicial	3,900	3,900	3,900	0
Total Expenditures	<u>3,900</u>	<u>3,900</u>	<u>3,900</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,900)</u>	<u>(1,900)</u>	<u>(1,485)</u>	<u>415</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$1,900)</u>	<u>(\$1,900)</u>	<u>(\$1,485)</u>	<u>\$415</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Accounts Payable			1,285	
Net Changes in Fund Balances - Modified Accrual Basis			(200)	
Fund Balances - Beginning			1,430	
Fund Balances - Ending			<u>\$1,230</u>	

JACKSON COUNTY, TEXAS
 APPELLATE JUDICIAL SYSTEM
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$1,000	\$1,000	\$1,230	\$230
Total Revenues	1,000	1,000	1,230	230
EXPENDITURES				
Current				
Judicial	1,110	1,110	1,110	0
Total Expenditures	1,110	1,110	1,110	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(110)	(110)	120	230
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(\$110)	(\$110)	\$120	\$230
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(35)	
Net Changes in Fund Balances - Modified Accrual Basis			85	
Fund Balances - Beginning			1,145	
Fund Balances - Ending			\$1,230	

JACKSON COUNTY, TEXAS
DISTRICT ATTORNEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$8,000	\$8,000	\$8,667	\$667
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>8,667</u>	<u>667</u>
EXPENDITURES				
Current				
Judicial	14,456	14,456	4,860	9,596
Total Expenditures	<u>14,456</u>	<u>14,456</u>	<u>4,860</u>	<u>9,596</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,456)</u>	<u>(6,456)</u>	<u>3,807</u>	<u>10,263</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$6,456)</u>	<u>(\$6,456)</u>	<u>\$3,807</u>	<u>\$10,263</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable			8	
Net Changes in Fund Balances - Modified Accrual Basis			<u>3,815</u>	
Fund Balances - Beginning			<u>12,925</u>	
Fund Balances - Ending			<u>\$16,740</u>	

JACKSON COUNTY, TEXAS
 SHERIFF FORFEITURE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$200	\$200	\$233	\$33
Miscellaneous				0
Total Revenues	<u>200</u>	<u>200</u>	<u>233</u>	<u>33</u>
EXPENDITURES				
Current				
Public Safety	5,041	5,041	2,156	2,885
Total Expenditures	<u>5,041</u>	<u>5,041</u>	<u>2,156</u>	<u>2,885</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,841)</u>	<u>(4,841)</u>	<u>(1,923)</u>	<u>2,918</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$4,841)</u>	<u>(\$4,841)</u>	<u>(1,923)</u>	<u>\$2,918</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Receivable			(1,095)	
Changes in Accounts Payable			186	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(2,832)</u>	
Fund Balances - Beginning			9,466	
Fund Balances - Ending			<u>\$6,634</u>	

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

JACKSON COUNTY, TEXAS
DISTRICT ATTORNEY FORFEITURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$800	\$800	\$1,096	\$296
Miscellaneous	5,000	5,000	34,659	29,659
Total Revenues	<u>5,800</u>	<u>5,800</u>	<u>35,755</u>	<u>29,955</u>
EXPENDITURES				
Current				
Judicial	17,765	17,765	7,906	9,859
Total Expenditures	<u>17,765</u>	<u>17,765</u>	<u>7,906</u>	<u>9,859</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,965)</u>	<u>(11,965)</u>	<u>27,849</u>	<u>39,814</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$11,965)</u>	<u>(\$11,965)</u>	<u>\$27,849</u>	<u>\$39,814</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			144	
Changes in Accrued Wages Payable			29	
Net Changes in Fund Balances - Modified Accrual Basis			<u>28,022</u>	
Fund Balances - Beginning			34,430	
Fund Balances - Ending			<u>\$62,452</u>	

JACKSON COUNTY, TEXAS
 JUSTICE COURT TECHNOLOGY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental				\$0
Charges for Services	14,000	14,000	11,754	(2,246)
Miscellaneous				0
Total Revenues	<u>14,000</u>	<u>14,000</u>	<u>11,754</u>	<u>(2,246)</u>
EXPENDITURES				
Current				
Judicial	34,400	34,400	11,044	23,356
Total Expenditures	<u>34,400</u>	<u>34,400</u>	<u>11,044</u>	<u>23,356</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(20,400)</u>	<u>(20,400)</u>	<u>710</u>	<u>21,110</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$20,400)</u>	<u>(\$20,400)</u>	<u>\$710</u>	<u>\$21,110</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			40	
Net Changes in Fund Balances - Modified Accrual Basis			<u>750</u>	
Fund Balances - Beginning			<u>29,357</u>	
Fund Balances - Ending			<u>\$30,107</u>	

JACKSON COUNTY, TEXAS
 COMMISSARY TELEPHONE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$30,000	\$30,000	\$53,668	\$23,668
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>53,668</u>	<u>23,668</u>
EXPENDITURES				
Current				
Public Safety	72,930	72,930	48,961	23,969
Total Expenditures	<u>72,930</u>	<u>72,930</u>	<u>48,961</u>	<u>23,969</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(42,930)</u>	<u>(42,930)</u>	<u>4,707</u>	<u>47,637</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$42,930)</u>	<u>(\$42,930)</u>	<u>4,707</u>	<u>\$47,637</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(4,963)	
Changes in Accounts Payable			1,181	
Changes in Accrued Wages Payable			68	
Net Changes in Fund Balances - Modified Accrual Basis			<u>993</u>	
Fund Balances - Beginning			<u>58,975</u>	
Fund Balances - Ending			<u>\$59,968</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$3,524	\$3,034	\$2,940	(\$94)
Total Revenues	3,524	3,034	2,940	(94)
EXPENDITURES				
Current				
Public Safety	9,143	8,653	2,124	6,529
Total Expenditures	9,143	8,653	2,124	6,529
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,619)	(5,619)	816	6,435
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(5,619)	(5,619)	816	6,435
Fund Balances - Beginning	5,990	5,990	5,990	0
Fund Balances - Ending	\$371	\$371	\$6,806	\$6,435

JACKSON COUNTY, TEXAS
 MEMORIAL LIBRARY FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$3,000	\$3,000	\$2,046	(\$954)
Miscellaneous	4,000	5,580	3,426	(2,154)
Total Revenues	<u>7,000</u>	<u>8,580</u>	<u>5,472</u>	<u>(3,108)</u>
EXPENDITURES				
Current				
Culture and Recreation	13,650	15,230	13,084	2,146
Total Expenditures	<u>13,650</u>	<u>15,230</u>	<u>13,084</u>	<u>2,146</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,650)</u>	<u>(6,650)</u>	<u>(7,612)</u>	<u>(962)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(6,650)</u>	<u>(6,650)</u>	<u>(7,612)</u>	<u>(962)</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			(13)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(7,625)</u>	
Fund Balances - Beginning			15,481	
Fund Balances - Ending			<u>\$7,856</u>	

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$105,385	\$112,661	\$111,906	(\$755)
Interest	2,000	2,000	2,295	295
Miscellaneous	0	0	314	314
Total Revenues	<u>107,385</u>	<u>114,661</u>	<u>114,515</u>	<u>(146)</u>
EXPENDITURES				
Current				
Public Safety	137,260	144,537	123,782	20,755
Total Expenditures	<u>137,260</u>	<u>144,537</u>	<u>123,782</u>	<u>20,755</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(29,875)</u>	<u>(29,876)</u>	<u>(9,267)</u>	<u>20,609</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$29,875)</u>	<u>(\$29,876)</u>	<u>(9,267)</u>	<u>\$20,609</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(10,678)	
Changes in Prepaid Insurance			(147)	
Changes in Accounts Payable			(4,220)	
Changes in Accrued Wages Payable			(1,079)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(25,391)</u>	
Fund Balances - Beginning			74,214	
Fund Balances - Ending			<u>\$48,823</u>	

JACKSON COUNTY, TEXAS
 ELECTION ADMINISTRATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$600	\$600	\$1,771	\$1,171
Total Revenues	600	600	1,771	1,171
EXPENDITURES				
Current				
General Administration	1,500	1,500	1,496	4
Total Expenditures	1,500	1,500	1,496	4
Excess (Deficiency) of Revenues Over (Under) Expenditures	(900)	(900)	275	1,175
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	(900)	(900)	275	1,175
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			186	
Net Changes in Fund Balances - Modified Accrual Basis			461	
Fund Balances - Beginning			612	
Fund Balances - Ending			\$1,073	

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$800	\$800	\$1,331	\$531
Total Revenues	800	800	1,331	531
EXPENDITURES				
Current				
General Administration	2,500	2,500	0	2,500
Total Expenditures	2,500	2,500	0	2,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,700)	(1,700)	1,331	3,031
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(1,700)	(1,700)	1,331	3,031
Fund Balances - Beginning	3,861	3,861	3,861	0
Fund Balances - Ending	\$2,161	\$2,161	\$5,192	\$3,031

JACKSON COUNTY, TEXAS
 CHILD ABUSE PREVENTION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$600	\$600	\$1,170	\$570
Total Revenues	600	600	1,170	570
EXPENDITURES				
Current				
Public Safety	1,140	1,140	0	1,140
Total Expenditures	1,140	1,140	0	1,140
Excess (Deficiency) of Revenues Over (Under) Expenditures	(540)	(540)	1,170	1,710
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(540)	(540)	1,170	1,710
Fund Balances - Beginning	1,380	1,380	1,380	0
Fund Balances - Ending	\$840	\$840	\$2,550	\$1,710

JACKSON COUNTY, TEXAS
 MAURITZ CAMP
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$200	\$200	\$717	\$517
Miscellaneous	0	0	21	21
Total Revenues	200	200	738	538
EXPENDITURES				
Current				
Public Safety	21,942	21,942	274	21,668
Total Expenditures	21,942	21,942	274	21,668
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,742)	(21,742)	464	22,206
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	(21,742)	(21,742)	464	22,206
Fund Balances - Beginning	21,834	21,834	21,834	0
Fund Balances - Ending	\$92	\$92	\$22,298	\$22,206



SINGLE AUDIT SECTION

JACKSON COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

SOURCE AND TITLE OF GRANT	FEDERAL CFDA NUMBER	GRANTOR'S/ PASS-THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	PROGRAM EXPEN- TURES
FEDERAL ASSISTANCE				
U.S. Department of the Interior				
Passed Through				
Texas General Land Office				
Coastal Impact Assistance Program (CIAP) (M)	15.426			
Year 2008		None	\$433,034	\$262,345
Total U.S. Department of the Interior				<u>262,345</u>
U.S. Department of Health and Human services				
Passed Through				
Texas Juvenile Probation Commission				
Title IV-E Foster Care (NM)	93.658			
Fiscal Year 2008		None		40,648
Fiscal Year 2009		None		2,127
				<u>42,775</u>
Voting Access for Individuals with Disabilities (NM)	93.617			
Polling Place Accessibility		None	6,500	300
Oppurtunity for Access		None	2,500	0
				<u>300</u>
Preventive Health and Health Services Block Grant (NM)	93.991			
RLSS - Local Public Health - Fiscal Year 2007		None	28,129	0
RLSS - Local Public Health - Fiscal Year 2008		None	28,129	25,785
RLSS - Local Public Health - Fiscal Year 2009		None	28,129	2,344
Vaccines - Fiscal Year 2008		None	39,234	39,234
Vaccines - Fiscal Year 2009		None	6,933	6,933
				<u>74,296</u>
Total U.S. Department of Health and Human Services				<u>117,371</u>
Election Assistance Commission				
Passed Through				
Texas Secretary of State				
Help America Vote Act of 2002 (HAVA) (NM)	90.401			
Voting System Accessibility			39,000	0
General HAVA Compliance			119,756	8,907
Total Election Assistance Commission				<u>8,907</u>
General Services Administration				
Passed Through				
Texas Secretary of State				
Election Reform Payments (NM)	39.011			
County Education Fund		None	7,000	2,680
TEAMS		None	8,000	4,541
Total General Services Administration				<u>7,221</u>

U.S. Department of Housing and Urban Development

Office of Rural Community Affairs				
Community Development Block Grants/ States Program (M)	14.228			
Sewer Facilities		726289	250,000	<u>52,742</u>
Total U.S. Department of Housing and Urban Development				<u>52,742</u>

U.S. Department of Justice

Bulletproof Vest Partnership Program (NM)	16.607			
Fiscal Year 2008		None	1,212	<u>635</u>
Total U.S. Department of Justice				<u>635</u>

U.S. Department of Homeland Security

SHSP (NM)	97.073			
Fiscal Year 2006		#06-SR48239-01	17,738	17,738
Fiscal Year 2007		#07-SR48239-01	41,833	<u>41,072</u>
				<u>58,810</u>
Emergency Management Performance Grants (NM)	97.042			
Fiscal Year 2007		None	6,741	0
Fiscal Year 2008		None		<u>7,523</u>
				<u>7,523</u>
Hazard Mitigation Grant (NM)	97.039			
Reverse 911 Warning System		FEMA-1606-DR-TX	63,750	<u>1,580</u>
Law Enforcement Terrorism Prevention Program (LETPP) (NM)	97.074			
LETPP - Fiscal Year 2006		None	15,135	<u>14,617</u>
Total U.S. Department of Homeland Security				<u>82,530</u>

U.S. Department of Health and Human Services

Passed Through				
Office of the Attorney General				
Child Support Enforcement-Title IV-D (NM)	93.563	None		
Fiscal Year 2008				<u>17,046</u>
U.S. Department of Health and Human Services				<u>17,046</u>
Total Federal Assistance				<u>\$548,797</u>

CFDA=CATALOGUE OF FEDERAL DOMESTIC ASSISTANCE NUMBER

M=MAJOR PROGRAM

NM=NONMAJOR PROGRAM

See Accompanying Notes to Schedule of Federal Financial Assistance



JACKSON COUNTY, TEXAS
 COMMUNITY DEVELOPMENT BLOCK GRANTS/STATES PROGRAM
 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2008

Federal Financial Assistance
 Federal Grantor: U.S. Department of Housing and Urban Development
 Pass Through Grantor: Texas Department of Housing and Community Affairs
 CFDA Number: 14.228
 Project Number: 726289
 Contract Period: 07/27/2006 to 07/26/2008

	FEDERAL		LOCAL MATCH		VARIANCE
	BUDGET	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR	
REVENUE					
Federal	\$250,000	\$197,258	\$52,742		\$0
Local					0
TOTAL REVENUE:	250,000	197,258	52,742	0	0
EXPENSES					
Federal					
Sewer Facilities	250,000	197,258	52,742		0
TOTAL EXPENSES	250,000	197,258	52,742	0	0
Excess Revenue over Expenditures	\$0	\$0	\$0	\$0	\$0

WAYNE R. BEYER
CERTIFIED PUBLIC ACCOUNTANT

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

111 NORTH ODEM
830/569-8781 FAX 830/569-6776
SINTON, TEXAS 78387

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

To the Commissioner's Court
Jackson County, Texas

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas as of and for the year ended September 30, 2008, which collectively comprise Jackson County, Texas's basic financial statements and have issued my report thereon dated April 29, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Jackson County, Texas's internal control over financial reporting as a basis for designing my audit procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jackson County, Texas's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Jackson County, Texas's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Jackson County, Texas's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Jackson County, Texas's financial statements that is more than inconsequential will not be prevented or detected by Jackson County, Texas's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Jackson County, Texas's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. I did not identify and deficiencies in the internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I noted certain matters that I reported to the management of Jackson County, Texas in a separate letter dated April 29, 2009.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jackson County, Texas's financial statements are free of material misstatements, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amount. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, I noted certain matters that I reported to the management of Jackson County, Texas in a separate letter dated April 29, 2009.

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

Very truly yours,



Wayne R. Beyer
Certified Public Accountant
April 29, 2009

WAYNE R. BEYER
CERTIFIED PUBLIC ACCOUNTANT

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

111 NORTH ODEM
830/569-8781 FAX 830/569-6776
SINTON, TEXAS 78387

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

To the Commissioner's Court
Jackson County, Texas

Compliance

I have audited the compliance of Jackson County, Texas with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2008. Jackson County, Texas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of finds and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Jackson County, Texas's management. My responsibility is to express an opinion on Jackson County, Texas's compliance based on my audit.

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

In my opinion, Jackson County, Texas complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the ended September 30, 2008.

Internal Control over Compliance

The management of Jackson County, Texas is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Jackson County, Texas's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, I do not express an opinion of the effectiveness of Jackson County, Texas's internal control over compliance.

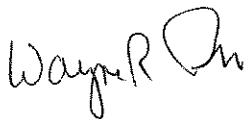
A *control deficiency* in an entity's internal control over compliance exists when the design operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

Sincerely,



Wayne R. Beyer
Certified Public Accountant
April 29, 2009

JACKSON COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

General

The accompanying Schedule of Expenditure of Federal Awards presents the activity of all the Jackson County, Texas's federal grants for the year ended September 30, 2008. This report is intended for the information of the Jackson County, Texas, state and federal awarding agencies, and is not intended to be used and should not be used by anyone other than these specified parties.

Basis of Accounting

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

Non Cash Grants

The Jackson County received non-cash grants for vaccines for \$46,167 for the year ended September 30, 2008.

JACKSON COUNTY, TEXAS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Federal

There were no prior audit findings for Federal Awards.

JACKSON COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Jackson County, Texas.
2. There were no significant deficiencies disclosed during the audit. There was no material weakness disclosed during the audit.
3. There were no instances of noncompliance material to the financial statements of Jackson County, Texas, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. There were no significant deficiencies over major federal award programs disclosed during the audit. There was no material weakness over major federal award programs disclosed during the audit.
5. The auditor's report on compliance for the major federal award programs for Jackson County, Texas expresses an unqualified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs: Coastal Impact Assistance Program (CIAP) – CFDA 15.426 and Office of Rural Community Affairs States Program – CFDA 14.228.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Jackson County did not qualify as a low-risk auditee.
10. Material Weaknesses
 - a. None

Findings relating to the Financial Statements

None

Findings and Questioned Costs for Federal Awards

None

