

JACKSON COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2013

Jackson County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2013

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FINANCIAL SECTION

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

P.O. Box 366 / 442 West Oaklawn
Pleasanton, Texas 78064
Phone: (830) 569-8781 ~ Fax: (830) 569-6776

111 North Odem
Sinton, Texas 78387
Phone: (830) 569-8781 ~ Fax: (830) 569-6776

INDEPENDENT AUDITOR'S REPORT

To the Commissioners' Court
Jackson County, Texas

We have audited the accompanying financial statements of the governmental activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion, the schedule of funding progress for the Public Employees Retirement System, and analysis and budgetary comparison information on pages 3-11, 51-52, and 69-89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson County, Texas' basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



BEYER & CO.
Certified Public Accountants
Pleasanton, Texas
May 6, 2014

Management's Discussion and Analysis

As management of Jackson County, Texas, we offer readers of Jackson County, Texas' financial statements this narrative overview and analysis of the financial activities of Jackson County, Texas for the fiscal year ended September 30, 2013.

Financial Highlights

- . The assets of Jackson County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$18,427,521 (net assets). Of this amount, \$7,814,192 (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 \$2,094,391. This increase is attributable to capital grants of \$1,353,551 and an increase in sales taxes of \$146,920 and road damage reimbursements.
- . As of the close of the current fiscal year, Jackson County, Texas' governmental funds reported combined ending fund balances of \$8,991,555, an increase of \$784,133 in comparison with the prior year. Approximately 81% of this total amount, \$7,290,452 is available for spending at the government's discretion (unassigned fund balance).
- . At the end of the current fiscal year, the unassigned fund balance for the general fund was \$7,295,103, or 101 percent of total general fund expenditures, the fund balance for the road and bridge fund was \$740,478, or 30 percent of total road and bridge fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

Governmental funds:

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

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

Jackson County, Texas maintains twenty-six (26) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road and bridge funds, the district Clerk reserve fund, and the Community Development Grant fund, all of which are considered to be major funds. Data from the other twenty-two (22) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

Notes to the financial statements:

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

Other information:

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

The combining statements referred to earlier in connection with the general fund, the major road and bridge funds, the non-major governmental funds, and the non-major proprietary funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 52-68 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 69-89 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 \$18,427,521 at the close of the most recent fiscal year.

A large portion of Jackson County, Texas' net assets (49 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that are still outstanding. Jackson County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Jackson County, Texas' 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	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$10,493,073	\$9,848,126	\$138,846	\$65,016	\$10,631,919	\$9,913,142
Capital Assets	7,804,742	7,021,831	1,305,424	558,677	9,110,166	7,580,508
Total Assets	18,297,815	16,869,957	1,444,270	623,693	19,742,085	17,493,650
Long-Term Liabilities	649,856	513,893	0	0	649,856	513,893
Other Liabilities	546,205	636,397	118,503	10,230	664,708	646,627
Total Liabilities	1,196,061	1,150,290	118,503	10,230	1,314,564	1,160,520
Net Assets						
Invested in Capital Assets, Net of Related Debt	7,772,280	6,958,374	1,305,424	558,677	9,077,704	7,517,051
Restricted	1,535,625	1,019,171	0	0	1,535,625	1,019,171
Unrestricted	7,793,849	7,742,122	20,343	54,786	7,814,192	7,796,908
Total Net Assets	\$17,101,754	\$15,719,667	\$1,325,767	\$613,463	\$18,427,521	\$16,333,130

An additional portion of Jackson County, Texas' net assets (8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$7,814,192) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, Jackson County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Jackson County, Texas reported positive balances in net assets, both for the government as a whole, as well as for its separate governmental activities. At the end of the current fiscal year, Jackson County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Jackson County, Texas reported positive balances in all three categories of net assets for its governmental activities.

The government's total net assets increased by \$2,094,391. This increase is attributable to capital grants of \$1,353,551 and an increase in sales taxes of \$146,920 and road damage reimbursements.

There was an increase of \$516,454 in restricted net assets reported in connection with Jackson County, Texas' government-type activities. This increase resulted from monies being set aside for future projects and functions of the County.

Governmental activities:

Governmental activities increased Jackson County, Texas' net assets by \$1,382,087, thereby accounting for 66 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	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for Services	\$1,715,214	\$1,779,070	\$12,754	\$22,271	\$1,727,968	\$1,801,341
Operating Grants and Contributions	1,345,903	681,806	0	0	1,345,903	681,806
Capital Grants and Contributions	649,974	1,240,857	703,577	33,334	1,353,551	1,274,191
General Revenues						
Maintenance and Operations Taxes	5,501,908	5,478,821			5,501,908	5,478,821
Sales Tax	1,257,916	1,110,996			1,257,916	1,110,996
Other Taxes	40,887	49,490			40,887	49,490
Unrestricted Investment Earnings	108,208	93,124	11	307	108,219	93,431
Miscellaneous	1,068,183	224,724			1,068,183	224,724
Total Revenue	11,688,193	10,658,888	716,342	55,912	12,404,535	10,714,800
Expenses:						
General Administration	1,267,069	1,128,318	0	0	1,267,069	1,128,318
Judicial	1,097,460	1,028,206			1,097,460	1,028,206
Legal	29,362	21,324			29,362	21,324
Financial Administration	731,597	674,208			731,597	674,208
Public Facilities	497,927	2,476,203			497,927	2,476,203
Public Safety	3,634,092	2,834,472	8,931	8,980	3,643,023	2,843,452
Public Transportation	2,260,802	2,212,895			2,260,802	2,212,895
Environmental Protections	309,326	251,711			309,326	251,711
Culture and Recreation	260,647	199,612	56,443	60,758	317,090	260,370
Health and Welfare	78,793	78,383			78,793	78,383
Conservation - Agriculture	74,690	72,249			74,690	72,249
Interest and Fiscal Charges	3,005	4,405			3,005	4,405
Total Expenses	10,244,770	10,981,986	65,374	69,738	10,310,144	11,051,724
Increase in Net Assets Before Transfers and Special Items	1,443,423	(323,098)	650,968	(13,826)	2,094,391	(336,924)
Transfers	(61,336)	(34,727)	61,336	34,727	0	0
Increase in Net Assets	1,382,087	(357,825)	712,304	20,901	2,094,391	(336,924)
Net Assets at 9/30/2012	15,719,667	16,077,492	613,463	592,562	16,333,130	16,670,054
Net Assets at 9/30/2013	\$17,101,754	\$15,719,667	\$1,325,767	\$613,463	\$18,427,521	\$16,333,130

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$1,267,069	\$356,853	\$160,959	\$0
Judicial	1,097,460	283,685	30,217	
Legal	29,362	12,310		
Financial Administration	731,597	206,813		
Public Facilities	497,927			649,974
Public Safety	3,634,092	90,825	932,321	
Public Transportation	2,260,802	614,908	55,624	
Environmental Protections	309,326	145,780		
Culture and Recreation	260,647	4,040	166,782	
Health and Welfare	78,793			
Conservation - Agriculture	74,690			
Interest and Fiscal Charges	3,005			
Total Government Activities	\$10,244,770	\$1,715,214	\$1,345,903	\$649,974

Revenues by Source - Governmental Activities

	REVENUES	%
Charges for Services	\$1,715,214	14.67%
Operating Grants and Contributions	1,345,903	11.52%
Capital Grants and Contributions	649,974	5.56%
Maintenance and Operations Taxes	5,501,908	47.07%
Sales Tax	1,257,916	10.76%
Other Taxes	40,887	0.35%
Unrestricted Investment Earnings	108,208	0.93%
Miscellaneous	1,068,183	9.14%
	\$11,688,193	100.00%

The increase in governmental activities total net assets is attributable to capital grants of \$649,974 and an increase in sales taxes of \$146,920 and road damage reimbursements.

Business-Type Activities:

Business-type activities (commissary and airport fund) in Jackson County represented 34 percent of the total growth in the net assets of Jackson County, Texas. A discussion regarding these is below.

Expenses and Program Revenues - Business Activities

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Business-Type Activities:				
Jail Commissary	\$8,931	\$9,089	\$0	\$0
Airport	56,443	3,665	0	703,577
Total Business-Type Activities:	<u>\$65,374</u>	<u>\$12,754</u>	<u>\$0</u>	<u>\$703,577</u>

Revenues by Source - Business-Type Activities

	REVENUES	%
Charges for Services	\$12,754	1.78%
Capital Grants and Contributions	703,577	98.22%
Unrestricted Investment Earnings	11	0.00%
	<u>\$716,342</u>	<u>100.00%</u>

Business-type activities:

Business-type activities increased the County's net assets by \$712,304.

- . Demand for services for business-type activities decreased by \$9,517.
- . Transfers in increased by \$26,609.
- . Total grant proceeds increased by \$670,243.
- . Total expenses decreased by \$4,364.

Financial Analysis of the Government's Funds

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

Governmental funds:

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

As of the end of the current fiscal year, Jackson County, Texas' governmental funds reported combined ending fund balances of \$8,991,555, an increase of \$784,133 in comparison with the prior year. Approximately 81 percent of this total amount (\$7,290,452) constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of Jackson County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,295,103, while total fund balance reached \$7,569,322. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 101 percent of total general fund expenditures, while total fund balance represents 105 percent of that same amount.

The fund balance of Jackson County, Texas' general fund increased by \$213,691 during the current fiscal year. Key factors in this increase are as follows: This increase is attributable to an increase in sales taxes of \$146,920 and careful budget monitoring.

The road and bridge fund had a total fund balance of \$740,478. As a measure of the road and bridge fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 30 percent of that same amount. The fund balance of the road and bridge fund increased by \$367,633 during the current year. Key factors in this increase are as follows: The County received road damage reimbursement monies.

The district clerk reserve fund and the community development grant fund had no fund balances. It is not useful to compare both unassigned fund balance and total fund balance to total fund expenditures because there was no fund balance at September 30, 2013 year. The funds had only assets and liabilities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund were an increase of \$112,305. This increase was applied ratably except for the sheriff department which increased by \$86,036. The total general fund actual expenditures of \$7,236,917 were less than the budgeted expenditures of \$7,643,608 by \$406,691.

Capital Asset and Debt Administration

Capital assets:

Jackson County, Texas' investment in capital assets for its governmental activities and business-type activities as of September 30, 2013, amounts to \$9,110,166 (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' investment in capital assets for the current fiscal year was 20.18 percent (11.15 percent increase for governmental activities and 133.71 percent increase for business-type activities). The County had a disaster mitigation project, and airport project, and a homeland security project during the year ended September 30, 2013.

JACKSON COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$429,877	\$429,877	\$70,254	\$70,254	\$500,131	\$500,131
Construction in Progress	651,480	269,660	893,626	117,581	1,545,106	387,241
Building and Improvements	2,492,080	2,434,718	140,326	132,816	2,632,406	2,567,534
Machinery and Equipment	2,112,569	2,052,802	57,032	61,698	2,169,601	2,114,500
Infrastructure	2,118,736	1,834,774	144,186	176,228	2,262,922	2,011,002
Total	<u>\$7,804,742</u>	<u>\$7,021,831</u>	<u>\$1,305,424</u>	<u>\$558,577</u>	<u>\$9,110,166</u>	<u>\$7,580,408</u>

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

Long-term debt:

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

Future Outlook

The County expects its finances to remain approximately the same as in the past. Inflation will play a factor but will affect both revenues and expenditures equally. There are no major events planned in the future.

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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and Cash Equivalents	\$9,277,705	\$27,189	\$9,304,894
Receivables (net of allowance for uncollectibles)	1,146,449	110,304	1,256,753
Prepaid Expenses	68,919	1,353	70,272
Capital assets not being depreciated:			
Land	429,877	70,254	500,131
Construction in Progress	651,480	893,626	1,545,106
Total Capital assets being depreciated, net			
Building and Improvements	2,492,080	140,326	2,632,406
Machinery and Equipment	2,112,569	57,032	2,169,601
Infrastructure	2,118,736	144,186	2,262,922
Total Assets	\$18,297,815	\$1,444,270	\$19,742,085
LIABILITIES:			
Accounts Payable	\$215,882	\$118,503	\$334,385
Due to Others	163,207		163,207
Accrued Wages Payables	167,116		167,116
Noncurrent Liabilities:			
Due within one year	162,167		162,167
Due in more than one year	487,689		487,689
Total Liabilities	1,196,061	118,503	1,314,564
NET POSITION			
Invested in Capital Assets, Net of Related Debt	7,772,280	1,305,424	9,077,704
Restricted			
General Administration	93,150		93,150
Culture and Recreation			0
Judicial	305,190		305,190
Legal	8,326		8,326
Permanent Improvement	216,910		216,910
Public Safety	182,240		182,240
Public Transportation	729,809		729,809
Unrestricted	7,793,849	20,343	7,814,192
Total Net Position	\$17,101,754	\$1,325,767	\$18,427,521

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Net (Expense) Revenue and Changes in Net Position Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary government							
Government Activities:							
General Administration	\$1,267,069	\$356,853	\$160,959	\$0	(\$749,257)		(\$749,257)
Judicial	1,097,460	283,685	30,217		(783,558)		(783,558)
Legal	29,362	12,310			(17,052)		(17,052)
Financial Administration	731,597	206,813			(524,784)		(524,784)
Public Facilities	497,927			649,974	152,047		152,047
Public Safety	3,634,092	90,825	932,321		(2,610,946)		(2,610,946)
Public Transportation	2,260,802	614,908	55,624		(1,590,270)		(1,590,270)
Environmental Protection	309,326	145,780			(163,546)		(163,546)
Culture and Recreation	260,647	4,040	166,782		(89,825)		(89,825)
Health and Welfare	78,793				(78,793)		(78,793)
Conservation - Agriculture	74,690				(74,690)		(74,690)
Interest and Fiscal Charges	3,005				(3,005)		(3,005)
Total Government Activities	10,244,770	1,715,214	1,345,903	649,974	(6,533,679)	0	(6,533,679)
Business-Type Activities:							
Jail Commissary	8,931	9,089				158	158
Airport	56,443	3,665		703,577		650,799	650,799
Total Business-Type Activities:	65,374	12,754	0	703,577	0	650,957	650,957
Total Primary Government	\$10,310,144	\$1,727,968	\$1,345,903	\$1,353,551	(6,533,679)	650,957	(5,882,722)
General Revenues							
Property Taxes, Levies for General Purposes					5,501,908		5,501,908
Sales Taxes					1,257,916		1,257,916
Other Taxes					40,887		40,887
Unrestricted Investment Earnings					108,208	11	108,219
Miscellaneous					1,068,183		1,068,183
Transfers					(61,336)	61,336	0
Total General Revenues					7,915,766	61,347	7,977,113
Change in Net Position					1,382,087	712,304	2,094,391
Net Position - Beginning					15,719,667	613,463	16,333,130
Net Position - Ending					\$17,101,754	\$1,325,767	\$18,427,521

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	General Fund	Road and Bridge	District Clerk Reserve	Community Development Grant	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$7,550,171	\$854,316	\$139,488	\$0	\$733,730	\$9,277,705
Receivables (net of allowance for uncollectibles)	501,812	46,115			7,704	555,631
Prepaid Insurance	57,309	10,669			941	68,919
Due from Other Funds	45,218					45,218
Due from Others					2,000	2,000
Total Assets	\$8,154,510	\$911,100	\$139,488	\$0	\$744,375	\$9,949,473
LIABILITIES AND FUND BALANCES:						
Liabilities						
Accounts Payable	\$85,617	\$96,674			\$33,591	\$215,882
Due to Other Funds		45,218				45,218
Due to Others			139,488		25,719	165,207
Accrued Wages Payable	135,076	28,730			3,310	167,116
Deferred Revenues	364,495					364,495
Total Liabilities	585,188	170,622	139,488	0	62,620	957,918
Fund Balances:						
Non-Spendable						
Prepaid Items	57,309	10,669			941	68,919
Restricted						
General Administration					93,150	93,150
Judicial					305,190	305,190
Legal					8,326	8,326
Permanent Improvement	216,910					216,910
Public Safety					182,208	182,208
Public Transportation		729,809				729,809
Committed						
Culture and Recreation					53,745	53,745
Health and Welfare					9,594	9,594
Public Safety					33,252	33,252
Unassigned	7,295,103				(4,651)	7,290,452
Total Fund Balance	7,569,322	740,478	0	0	681,755	8,991,555
Total Liabilities and Fund Balances	\$8,154,510	\$911,100	\$139,488	\$0	\$744,375	\$9,949,473

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 POSITION
 SEPTEMBER 30, 2013

Total Fund Balances - governmental funds balance sheet	\$8,991,555
Amounts reported for governmental activities in the statement of Net Position ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	7,804,742
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	590,818
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	364,495
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(649,856)
Net Position of governmental activities - statement of Net Position	<u>\$17,101,754</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, 2013

	General Fund	Road and Bridge	District Clerk Reserve	Community Development Grant	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$5,556,153	\$0	\$0	\$0		\$5,556,153
Sales	1,257,916					1,257,916
Other	40,887					40,887
Intergovernmental	834,446	55,624		649,974	261,987	1,802,031
Licenses and Permits		614,908				614,908
Charges for Services	650,222				154,588	804,810
Fines and Forfeitures	484,091					484,091
Interest	100,185	6,640			1,383	108,208
Miscellaneous	74,005	683,054			311,124	1,068,183
Total Revenues	8,997,905	1,360,226	0	649,974	729,082	11,737,187
EXPENDITURES						
Current:						
General Administration	1,155,311				49,476	1,204,787
Judicial	1,014,280				41,369	1,055,649
Legal					29,075	29,075
Financial Administration	706,392					706,392
Public Facilities	424,117					424,117
Public Safety	3,310,085				246,031	3,556,116
Public Transportation		2,448,618				2,448,618
Environmental Protection	287,001					287,001
Culture and Recreation	174,591				166,572	341,163
Health and Welfare	78,000				2,450	80,450
Conservation - Agriculture	74,376					74,376
Capital Outlay						
Capital Outlay				649,974		649,974
Debt Service						
Principal Retirement		30,996				30,996
Interest Retirement		3,004				3,004
Total Expenditures	7,224,153	2,482,618	0	649,974	534,973	10,891,718
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,773,752	(1,122,392)	0	0	194,109	845,469
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	0	2,044,625			8,700	2,053,325
Operating Transfers Out	(1,560,061)	(554,600)				(2,114,661)
Total Other Financing Sources (Uses)	(1,560,061)	1,490,025	0	0	8,700	(61,336)
Net Changes in Fund Balances	213,691	367,633	0	0	202,809	784,133
Fund Balances - Beginning	7,355,631	372,845			478,946	8,207,422
Fund Balances - Ending	\$7,569,322	\$740,478	\$0	\$0	\$681,755	\$8,991,555

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, 2013

Net Changes in Fund Balances - total governmental funds	\$784,133
Amounts reported for governmental activities in the statement of Net Position ("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.	782,911
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.	5,251
(Increase) decrease in Compensated absences from beginning of period to end of period.	(8,996)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(54,245)
Increase in debt due to the implementation of GASB 45 - Other Post Employment Benefits.	(157,962)
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	30,995
Change in Net Position of governmental activities - statement of activities	<u>\$1,382,087</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$5,523,427	\$5,523,427	\$5,546,200	\$22,773
Sales	825,000	825,000	1,316,056	491,056
Other	30,460	30,460	40,062	9,602
Intergovernmental	591,500	710,109	835,192	125,083
Charges for Services	527,150	527,150	660,652	133,502
Fines and Forfeitures	471,750	471,750	484,091	12,341
Interest	68,010	68,010	100,259	32,249
Miscellaneous	38,820	39,337	71,735	32,398
Total Revenues	8,076,117	8,195,243	9,054,247	859,004
EXPENDITURES				
Current:				
General Administration				
Commissioners Court	290,968	293,512	292,077	1,435
County Clerk	332,814	332,814	310,948	21,866
County Judge	153,099	153,099	152,047	1,052
Election	0	2,320	2,320	0
Non-Departmental	458,250	430,824	400,452	30,372
Veterans Service	0	0	0	0
Judicial				
Court Expense	138,638	138,638	121,834	16,804
Criminal District Attorney	375,536	375,536	342,867	32,669
District Clerk	188,782	189,982	184,356	5,626
District Court	70,309	70,309	60,709	9,600
Jury	25,075	25,075	19,531	5,544
Justice of the Peace No. 1	147,834	147,834	145,188	2,646
Justice of the Peace No. 2	143,074	143,959	142,212	1,747
Financial Administration				
County Auditor	253,402	253,402	246,777	6,625
County Treasurer	134,006	134,006	132,018	1,988
Tax Assessor-Collector	331,490	344,662	327,352	17,310
Public Facilities				
County Services Building	193,193	193,193	70,413	122,780
Public Facilities	385,216	385,216	346,810	38,406

(continued)

(continued)

Public Safety				
Adult Probation	5,000	5,000	3,733	1,267
Ambulance	0	0	0	0
Civil Defense	35,018	61,153	59,230	1,923
Constable No. 1	68,432	68,432	67,025	1,407
Constable No. 2	67,473	67,473	66,562	911
Corrections	1,086,768	1,076,768	1,040,930	35,838
D.P.S./License and Weight	37,085	37,085	34,182	2,903
D.P.S./Troopers	4,155	4,155	2,876	1,279
EMS/Jaws of Life	21,206	21,206	18,739	2,467
Fire	46,750	46,750	38,700	8,050
Flood Plain Permit	43,637	44,387	42,561	1,826
J.T.P.A.	0	0	0	0
L.N.R.A.	56,365	56,365	56,357	8
Marine Rescue	0	0	0	0
Sheriff	1,786,261	1,872,297	1,872,102	195
T.J.P.C.	23,007	23,041	24,138	(1,097)
Environmental Protection				
Sanitation	302,201	302,201	286,099	16,102
Culture and Recreation				
County Library	158,981	175,636	173,138	2,498
Fairgrounds	0	0	0	0
Parks	2,000	2,000	1,207	793
Health and Welfare				
Gulf Bend Mental Health	38,000	38,000	38,000	0
Senior Citizens Center	40,000	40,000	40,000	0
Conservation - Agriculture				
Agriculture Extension Service	85,278	85,278	71,427	13,851
U.S. Soil Conservation	2,000	2,000	2,000	0
Total Expenditures	<u>7,531,303</u>	<u>7,643,608</u>	<u>7,236,917</u>	<u>406,691</u>

Excess (Deficiency) of Revenues Over (Under)

Expenditures	<u>544,814</u>	<u>551,635</u>	<u>1,817,330</u>	<u>1,265,695</u>
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OTHER FINANCING SOURCES (USES):

Operating Transfers In	0	0	0	0
Operating Transfers Out	<u>(1,555,461)</u>	<u>(1,560,061)</u>	<u>(1,560,061)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,555,461)</u>	<u>(1,560,061)</u>	<u>(1,560,061)</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$1,010,647)</u>	<u>(\$1,008,426)</u>	<u>257,269</u>	<u>\$1,265,695</u>

Reconciliation from cash basis to modified accrual basis:

Changes in Officers Fees and Sales Tax Receivable	(36,972)
Changes in Prepaid Insurance	370
Changes in Accounts Payable	345
Changes in Accrued Wages Payable	<u>(7,321)</u>
Net Changes in Fund Balances - Modified Accrual Basis	213,691
Fund Balances - Beginning	<u>7,355,631</u>
Fund Balances - Ending	<u>\$7,569,322</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$53,076	\$53,076	\$55,624	\$2,548
Licenses and Permits	530,195	530,195	575,976	45,781
Interest	6,750	6,750	6,640	(110)
Miscellaneous	1,950	537,148	679,049	141,901
Total Revenues	591,971	1,127,169	1,317,289	190,120
EXPENDITURES				
Current				
Public Transportation	2,569,714	3,150,370	2,453,119	697,251
Debt Service				
Principal Retirement	30,996	30,996	30,996	0
Interest Retirement	3,004	3,004	3,004	0
Total Expenditures	2,603,714	3,184,370	2,487,119	697,251
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,011,743)	(2,057,201)	(1,169,830)	887,371
OTHER FINANCING SOURCES (USES):				
Sale of Capital Assets				0
Operating Transfers In	2,044,625	2,044,625	2,044,625	0
Operating Transfers Out	(530,195)	(530,195)	(554,600)	(24,405)
Total Other Financing Sources (Uses)	1,514,430	1,514,430	1,490,025	(24,405)
Net Changes in Fund Balances	(\$497,313)	(\$542,771)	320,195	\$862,966
Reconciliation from cash basis to modified accrual				
Changes in Officers Fees and Sales Tax Receivable			43,157	
Changes in Prepaid Insurance			(1,183)	
Changes in Accounts Payable			7,235	
Changes in Accrued Wages Payable			(1,771)	
Net Changes in Fund Balances-Modified Accrual Basis			367,633	
Fund Balances - Beginning			372,845	
Fund Balances - Ending			\$740,478	

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	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	\$23,038	\$48,076	\$4,151	\$2,705	\$27,189
Receivables (net of allowance for uncollectibles)	110,304	12,734			110,304
Prepaid Insurance	1,353	1,501	0	0	1,353
Total Current Assets	134,695	62,311	4,151	2,705	138,846
Noncurrent Assets					
Capital Assets					
Land	70,254	70,254			70,254
Construction in Progress	893,626	117,581			893,626
Buildings and Improvements	362,446	345,036			362,446
Machinery and Equipment	85,607	85,607			85,607
Infrastructure	479,083	479,083			479,083
Total Capital Assets	1,891,016	1,097,561	0	0	1,891,016
Less Accumulated Depreciation	(585,592)	(538,884)			(585,592)
Total Capital Assets (net of accumulated depreciation)	1,305,424	558,677	0	0	1,305,424
Total Noncurrent Assets	1,305,424	558,677	0	0	1,305,424
TOTAL ASSETS	\$1,440,119	\$620,988	\$4,151	\$2,705	\$1,444,270
LIABILITIES, FUND EQUITY AND OTHER CREDITS					
Liabilities					
Current Liabilities(Payable from Current Assets)					
Accounts Payable	\$117,043	\$10,047	\$1,460	\$183	\$118,503
Accrued Wages Payable					0
Compensated Absences					0
Total Current Liabilities	117,043	10,047	1,460	183	118,503
TOTAL LIABILITIES	117,043	10,047	1,460	183	118,503
Invested in Capital Assets, Net of Related Debt Unrestricted	1,305,424 17,652	558,677 52,264			1,305,424 20,343
TOTAL NET POSITION	\$1,323,076	\$610,941	\$2,691	\$2,522	\$1,325,767

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 POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	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	\$3,665	\$11,374	\$9,089	\$10,897	\$12,754
TOTAL OPERATING REVENUES	3,665	11,374	9,089	10,897	12,754
OPERATING EXPENSES					
Personal Services	0	0			0
Supplies	210	220	7,750	7,595	7,960
Other Services and Charges	9,525	9,540	1,181	1,385	10,706
Depreciation	46,708	50,998			46,708
TOTAL OPERATING EXPENSES	56,443	60,758	8,931	8,980	65,374
OPERATING INCOME (LOSS)	(52,778)	(49,384)	158	1,917	(52,620)
NON-OPERATING REVENUES (EXPENSES):					
Interest Income	0	307	11		11
Federal Grant	703,577	33,334			703,577
TOTAL NON-OPERATING REVENUES (EXPENSES)	703,577	33,641	11	0	703,588
Income Before Transfers	650,799	(15,743)	169	1,917	650,968
Transfers In	61,336	34,727	0	0	61,336
Change in Net Position	712,135	18,984	169	1,917	712,304
Total Net Position - Beginning	610,941	591,957	2,522	605	613,463
Total Net Position - Ending	\$1,323,076	\$610,941	\$2,691	\$2,522	\$1,325,767

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, 2013

	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	(\$93,905)	\$6,533	\$9,089	\$10,897	(\$84,816)
Payments to Suppliers	97,409	(7,723)	(7,654)	(9,158)	89,755
Payments to Employees	0	0	0	0	0
Net Cash Provided(Used) By Operating Activities:	3,504	(1,190)	1,435	1,739	4,939
Cash Flows from Non-Capital and Related Financing Activities					
Transfers In	61,336	34,727	0	0	61,336
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	61,336	34,727	0	0	61,336
Cash Flows from Capital and Related Financing Activities					
State Grant	703,577	33,334	0	0	703,577
Net Cash Provided(Used) By Capital and Related Financing Activities	703,577	33,334	0	0	703,577
Cash Flows from Capital and Related Financing Activities					
Purchases of Capital Assets	(793,455)	(35,910)	0	0	(793,455)
Net Cash Provided (Used) By Capital and Related Financing Activities	(793,455)	(35,910)	0	0	(793,455)
Cash Flows from Investing Activities					
Interest Received	0	307	11	0	11
Net Cash Provided(Used) By Investing Activities	0	307	11	0	11
Net Increase (Decrease) in Cash Equivalents	(25,038)	31,268	1,446	1,739	(23,592)
Cash and Cash Equivalents at Beginning of Year	48,076	16,808	2,705	966	50,781
Cash and Cash Equivalents at End of Year (continued)	\$23,038	\$48,076	\$4,151	\$2,705	\$27,189

(continued)

Reconciliation of Operating Income to Net Cash

Provided(Used) By Operating Activities					
Operating Income (Loss)	(\$52,778)	(\$49,384)	\$158	\$1,917	(\$52,620)
Adjustments to Reconcile to Net Cash Flow					
Non-Cash Items Included in Net Income					
Depreciation	46,708	50,998	0	0	46,708
Changes in Current Items					
Decrease(Increase) in Accounts Receivable	(97,570)	(4,841)	0	0	(97,570)
Decrease(Increase) in Prepaid Insurance	148	(42)	0	0	148
Increase(Decrease) in Accounts Payable	106,996	2,079	1,277	(178)	108,273
Increase(Decrease) in Accrued Wages Payable	0	0	0	0	0
Increase(Decrease) in Compensated Absences Payable	0	0	0	0	0
Net Cash Provided(Used) by Operating Activities	<u>\$3,504</u>	<u>(\$1,190)</u>	<u>\$1,435</u>	<u>\$1,739</u>	<u>\$4,939</u>
Noncash Investing, Capital and Financing Activities:					
State Grant	<u>\$703,577</u>	<u>\$33,334</u>	<u>\$0</u>	<u>\$0</u>	<u>\$703,577</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 POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Agency Funds	Trust Fund <u>Brackenridge</u> School Fund
ASSETS		
Cash and Cash Equivalents	\$777,900	\$50,000
Receivables (net of allowance for uncollectibles)	3,969	
Total Assets	<u>\$781,869</u>	<u>\$50,000</u>
LIABILITIES		
Accounts Payable	0	0
Due to Others	781,869	0
Total Liabilities	<u>781,869</u>	<u>0</u>
NET POSITION		
Held in Trust-Unexpendable	0	50,000
Held in Trust-Educational Purposes	0	0
Total Net Position	<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 POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

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

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

JACKSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

I. Summary of Significant Accounting Policies

A. Reporting entity

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

B. Government-Wide and Fund Financial Statements

The County’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the County accompanied by a total column.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the County’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities, which are presented as internal balances and eliminated in the total primary government column.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The County has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The government reports the following major governmental funds:

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

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

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

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

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The government reports the following major proprietary funds:

The airport fund accounts for airport activities.

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."

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 2 percent of the current outstanding property taxes at September 30, 2013 and 10 percent of the delinquent outstanding property taxes at September 30, 2013.

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, 2013. 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.

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

4. Restricted Assets

There were no restricted assets at September 30, 2013.

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 as follows and an estimated useful life in excess of one year. 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. Property and Equipment with a dollar value greater or equal to \$500 but less than \$1,000 are considered inventoried assets. These assets are inventoried for security purposes in the Fixed Asset System but not capitalized for depreciation purposes.

Buildings/building improvements	\$5,000
Improvements other than buildings	\$5,000
Infrastructure	\$50,000
Machinery, Equipment, and Other Assets	\$1,000
Leasehold Improvements	\$5,000

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The County had a disaster mitigation project, and airport project, and a homeland security project during the year ended September 30, 2013.

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

<i>Assets</i>	<i>Years</i>
Buildings	30-40
Building Improvements	20-40
System Infrastructure	15-45
Vehicles	5-10
Office Equipment	5-10
Computer Equipment	5

6. Compensated Absences

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

7. Long-Term Obligations

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

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

8. Fund Balances – Governmental Funds

As of September 30, 2013, fund balances of the governmental funds are classified as follows:

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

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

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

Unassigned — all other spendable amounts.

As of September 30, 2013, fund balances are composed of the following:

Fund Balances:	
Non-Spendable	
Prepaid Items	\$68,919
Restricted	
General Administration	93,150
Judicial	305,190
Legal	8,326
Permanent Improvement	216,910
Public Safety	182,208
Public Transportation	729,809
Committed	
Culture and Recreation	53,745
Health and Welfare	9,594
Public Safety	33,252
Unassigned	7,290,452
Total Fund Balance	<u>\$8,991,555</u>

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

In fiscal year 2011, the Commissioners' Court adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year end to be at least equal to 18 to 25 percent of the subsequent year's budgeted General Fund expenditures.

9. Comparative data/reclassifications

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

10. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet.

11. Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

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 \$649,857 difference are as follows:

Capital Lease Payable	\$32,463
Other Post Employment Benefits	487,689
Compensated Absences	129,705
	<u>\$649,857</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 \$7,804,742 difference are as follows:

Capital Assets Not Being Depreciated	\$1,081,357
Capital Assets Being Depreciated	16,952,816
Depreciation Expense	(10,229,431)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u><u>\$7,804,742</u></u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectible.*)" The details of this \$364,495 difference are as follows:

Property Taxes Receivable	\$397,891
Allowance for Doubtful Accounts	(33,396)
Net	<u><u>\$364,495</u></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 "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$590,818 difference are as follows:

Fines and Fees Receivable	\$728,716
Grants Receivable	207,005
Allowance for Doubtful Accounts	(344,903)
Net	<u><u>\$590,818</u></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 \$782,911 difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$651,145
Capital Outlay - Additions - Being Depreciated	1,252,570
Capital Outlay - Deletions	(273,204)
Depreciation Expense	(847,600)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$782,911</u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

The final amended budget is used in this report.

The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year. The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court. The Commissioners' Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and available cash. The final budget can be legally amended by the Commissioners' Court to whatever extent the Court desires as long as the amended figures do not exceed the County Auditor's estimate of revenues and available cash. When the Budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the line item. Budgets for all budgeted General and Special Revenue Funds are adopted on a budgetary basis which is not in conformity with generally accepted accounting principles (GAAP). Budgets for the 2013 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, 2013, expenditures did not exceed appropriations in any fund.

C. Deficit fund equity

The county had deficit fund balances in the law library fund of \$256, the coastal impact assistance fund of \$4,395, the road and bridge fund No 3 of \$1,932, and the equipment replacement fund No. 3 of \$45,218. These deficits 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, 2013, the government's bank balance of \$9,641,739 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 \$23,916,612 and the FDIC coverage is \$419,970.

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, 2013 the local investment pool, Texpool, (approximately 44% of portfolio) was rated AAAM by Standard and Poor's and Texas CLASS (approximately 56% of portfolio) was rated AAAM by Standard and Poor's.

A. Deposits and Investments (continued)

Concentration of credit risk: The County places no limit on the amount the County may invest in any one issuer. Approximately 44 percent of the County's investments are in Texpool and 56 percent of the County's investments are in Texas CLASS.

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

As of September 30, 2013, the government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
Texpool	\$390,604	Less than 1 year	Less than 1 year
Texas Class	\$504,745	Less than 1 year	Less than 1 year

The County participates in two Local Government Investment Pools:

The State Comptroller oversees TexPool, with a third party managing the daily operations of the pool under contract. The Texas Class account is covered by insurance provided by Texas Class. The County invests in TexPool to provide its liquidity needs. TexPool is a local government investment pool established in conformity with the Inter-local Cooperation Act Chapter 791 of the Texas Government Code and the Public Investment Act Chapter 2256 of the Code. TexPool is a 2(a) 7 like funds meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily and the fund seeks to maintain a constant net asset value of \$1.00, although this cannot be guaranteed. TexPool is rated AAAM and must maintain a weighted average maturity not to exceed 60 days. At September 30, 2013 TexPool had a weighted average maturity of 34 and 28 days respectively. The County considers the holdings in this fund to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder short of a significant change in value. The TexPool fund is within the Governmental Activities.

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

B. Receivables

Receivables as of September 30, 2013 for the government's individual major funds and non-major, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities				Total
	General Fund	Road and Bridge	Other Governmental Funds	Proprietary Funds	
<u>Receivables</u>					
Ad Valorem Taxes	\$397,891	\$0	\$0	\$0	\$397,891
Sales Tax	79,190				79,190
Fines	728,716				728,716
Intergovernmental	207,005		1,035		208,040
Other	58,127	46,115	6,669	110,304	221,215
Gross Receivables	1,470,929	46,115	7,704	110,304	1,635,052
Less: Allowance for Uncollectibles	378,299				378,299
Net Total Receivables	\$1,092,630	\$46,115	\$7,704	\$110,304	\$1,256,753

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	\$364,495
Other	<u>0</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$364,495</u>

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

C. Capital Assets

Capital asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$429,877	\$0	\$0	\$429,877
Construction in Progress	269,660	651,145	269,325	651,480
Total Capital Assets Not Being Depreciated	699,537	651,145	269,325	1,081,357
Capital Assets Being Depreciated:				
Building and Improvements	5,532,400	271,066	0	5,803,466
Machinery and Equipment	7,758,822	568,555	162,924	8,164,453
Infrastructure	2,571,948	412,949	0	2,984,897
Total Capital Assets Being Depreciated	15,863,170	1,252,570	162,924	16,952,816
Less Accumulated Depreciation for:				
Building and Improvements	3,097,682	213,704	0	3,311,386
Machinery and Equipment	5,706,020	504,909	159,045	6,051,884
Infrastructure	737,174	128,987	0	866,161
Total Accumulated Depreciation	9,540,876	847,600	159,045	10,229,431
Total Capital Assets Being Depreciated, Net	6,322,294	404,970	3,879	6,723,385
Governmental Activities Capital Assets, Net	\$7,021,831	\$1,056,115	\$273,204	\$7,804,742
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$70,254	\$0	\$0	\$70,254
Construction in Progress	117,581	793,455	17,410	893,626
Total Capital Assets Not Being Depreciated	187,835	793,455	17,410	963,880
Capital Assets Being Depreciated:				
Building and Improvements	345,036	17,410	0	362,446
Machinery and Equipment	85,607	0	0	85,607
Infrastructure	479,083	0	0	479,083
Total Capital Assets Being Depreciated	909,726	17,410	0	927,136
Less Accumulated Depreciation for:				
Building and Improvements	212,120	10,000	0	222,120
Machinery and Equipment	23,909	4,666	0	28,575
Infrastructure	302,855	32,042	0	334,897
Total Accumulated Depreciation	538,884	46,708	0	585,592
Total Capital Assets Being Depreciated, Net	370,842	(29,298)	0	341,544
Business-Type Activities Capital Assets, Net	\$558,677	\$764,157	\$17,410	\$1,305,424

Construction commitments

The County had a disaster mitigation project, and airport project, and a homeland security project during the year ended September 30, 2013.

Capital asset depreciation for the year ended September 30, 2013 was as follows:

Governmental Activities	
General Administration	\$37,833
Legal	288
Judicial	15,480
Financial Administration	8,286
Public Facilities	177,834
Public Safety	214,153
Public Transportation	321,125
Environmental Protection	24,163
Culture and Recreation	47,800
Health and Welfare	9
Conservation - Agriculture	629
Total Depreciation Expense – Governmental Activities	<u>\$847,600</u>
Business-Type Activities	
Culture and Recreation	<u>\$46,708</u>
Total Depreciation Expense – Business-Type Activities	<u>\$46,708</u>

D. Interfund Receivables, Payables, and Transfers

Due to/from other funds:

There were no interfund balances as of September 30, 2013.

There were no advances at September 30, 2013.

The following are transfers for the year ended September 30, 2013.

TRANSFER OUT	TRANSFER IN			TOTAL
	ROAD AND BRIDGE FUND	NON-MAJOR GOVERN- MENTAL FUNDS	PROPRIETARY FUNDS	
GENERAL FUND	\$1,490,025	\$8,700	\$61,336	\$1,560,061
ROAD AND BRIDGE FUNDS	554,600			554,600
TOTALS	<u>\$2,044,625</u>	<u>\$8,700</u>	<u>\$61,336</u>	<u>\$2,114,661</u>

The transfer from the general to the road and bridge fund is for road and bridge operations. The transfer from the road and bridge funds to the road and bridge funds is for road and bridge operations. The transfer from the general fund to the proprietary fund is for airport operations.

These transfers are all recurring.

E. Leases

Operating Leases:

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$25,208 for the year ended September 30, 2013. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30,	<u>Amount</u>
2014	\$25,208
2015	22,889
2016	10,562
2017	4,792
2018	<u>3,222</u>
Total	<u>\$66,673</u>

F. Long-Term Debt

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

The assets acquired through capital leases are as follows:

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

	<u>Governmental</u>	
<u>YEAR</u>	<u>Activities</u>	<u>Total</u>
2014	\$34,000	\$34,000
TOTAL MINIMUM LEASE PAYMENTS	<u>34,000</u>	<u>34,000</u>
LESS: AMOUNT REPRESENTING INTEREST	1,537	1,537
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$32,463</u>	<u>\$32,463</u>

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

F. Long-Term Debt (continued)

The activity for the year ended September 30, 2013, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<u>Governmental Activities:</u>						
Lease Purchase Payable	\$63,457		\$30,994	\$32,463	\$32,463	\$0
GASB 45 Payable	329,727	157,962		487,689	0	487,689
Compensated Absences	120,709	129,705	120,709	129,705	129,705	0
	<u>\$513,893</u>	<u>\$287,667</u>	<u>\$151,703</u>	<u>\$649,857</u>	<u>\$162,168</u>	<u>\$487,689</u>
<u>Business-Type Activities:</u>						
Compensated Absences	0	0		\$0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Grand Total	<u>\$513,893</u>	<u>\$287,667</u>	<u>\$151,703</u>	<u>\$649,857</u>	<u>\$162,168</u>	<u>\$487,689</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 2013-14 year is \$129,705.

The government-wide statement of activities includes \$162,168 as "noncurrent liabilities, due within one year".

The interest incurred on the above debt was \$3,005 and was governmental activities. There was no business-type activity interest incurred or capitalized.

V. Other Information

A. Risk Management

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

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), 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, 2013	Year Ended September 30, 2012
Unpaid claims, beginning of fiscal year	\$0	\$0
Incurred claims (including IBNRs)	0	0
Claim payments	0	0
Unpaid claims, end of fiscal year	<u>\$0</u>	<u>\$0</u>

B. Related Party Transaction

There were no related party transactions requiring disclosure.

C. Subsequent Events

None

D. Contingent Liabilities

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

The County was not a defendant in any lawsuit at September 30, 2013.

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 641 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 9.39% for the 2012 and 9.77% for the 2013 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 2012 and 2013 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	12/31/2010	12/31/2011	12/31/2012
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period	20.0	20.0	20.0
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value
Actuarial Assumptions			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.00%	0.00%	0.00%

Annual Pension Cost

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

Accounting Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
9-30-11	316,245	100%	-0-
9-30-12	337,408	100%	-0-
9-30-13	378,746	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)
2012	\$11,518,935	\$13,484,339	\$1,965,404	85.42%	\$3,743,664	52.50%

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

F. Post Employment Benefits Other than Pension Benefits

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

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

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

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

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

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

The County elected to implement prospectively.

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

Funding Policy and Annual OPEB Cost

The County's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008 as required by GASB. The annual OPEB cost for the fiscal year ending September 30, 2013, is as follows:

Annual Required Contribution (ARC):	\$187,242
Interest on Net OPEB Obligation	19,120
Adjustment to Annual Required Contribution	<u>(25,517)</u>
Annual OPEB Cost (expense)	<u>180,845</u>
Contributions Made	<u>118,044</u>
Increase in Net OPEB	<u>62,801</u>
Net OPEB Obligation, Beginning of Year - 9/30/2012	<u>424,888</u>
Net OPEB Obligation, End of Year - 9/30/2013	<u><u>\$487,689</u></u>
Net OPEB Obligation Reported by Governmental Funds	<u>\$487,689</u>
Total Net OPEB Obligation	<u><u>\$487,689</u></u>

Accounting Year <u>Ending</u>	Annual OPEB <u>Cost</u>	Percentage of OPEB <u>Contributed</u>	Net OPEB <u>Obligation</u>
9-30-09	\$264,529	11.33%	\$234,566
9-30-10	264,529	11.33	234,566
9-30-11	168,531	27.74	329,727
9-30-12	168,531	27.74	424,888
9-30-13	180,845	65.27	487,689

Funding status and funding progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
9/30/2012	\$0	\$2,051,704	\$2,051,704	00.0%	\$3,568,438	57.50%

Under the reporting parameters, the County's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$2,051,704 at September 30, 2013.

Actuarial methods and assumptions

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

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

Actuarial Methods and Assumptions

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

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

REQUIRED SUPPLEMENTARY INFORMATION

JACKSON COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2013

ANALYSIS OF FUNDING PROGRESS

EMPLOYEE RETIREMENT PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
2009	\$10,997,706	\$12,429,515	\$1,431,809	88.50%	\$3,949,998	36.30%
2010	10,496,802	12,069,711	1,572,909	86.97	3,719,799	42.28
2011	10,679,326	12,467,658	1,788,332	85.66	3,641,428	49.11
2012	11,518,935	13,484,339	1,965,404	85.42	3,743,664	52.50

ANALYSIS OF FUNDING PROGRESS

OTHER POST EMPLOYMENT RETIREMENT PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
9/30/2009	\$0	\$2,681,225	\$2,681,225	00.0%	\$000,000	00.0%
9/30/2010	N/A					
9/30/2011	\$0	\$1,800,244	\$1,800,244	00.0%	\$3,250,000	55.39%
9/30/2012	N/A					
9/30/2013	\$0	\$2,051,704	\$2,051,704	00.0%	\$3,568,438	57.50%

JACKSON COUNTY, TEXAS
COMMUNITY DEVELOPMENT GRANT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final		(Negative)
REVENUES				
Intergovernmental	\$933,523	\$933,523	\$649,074	(\$284,449)
Total Revenues	933,523	933,523	649,074	(284,449)
EXPENDITURES				
Capital Outlay				
Capital Outlay	933,523	933,523	649,074	284,449
Total Expenditures	933,523	933,523	649,074	284,449
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	\$0	\$0	0	\$0
Reconciliation from cash basis to modified accrual basis:				
Changes in Grants Receivable				
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			0	
Fund Balances - Beginning			0	
Fund Balances - Ending			\$0	

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - GENERAL FUND
 SEPTEMBER 30, 2013

	General Fund	Permanent Improvement Funds	Total General Funds
ASSETS			
Cash and Cash Equivalents	\$7,333,261	\$216,910	\$7,550,171
Receivables (net of allowance for uncollectibles)	502,612		502,612
Prepaid Insurance	57,309		57,309
Due from Other Funds	45,218		45,218
Total Assets	\$7,938,400	\$216,910	\$8,155,310
LIABILITIES AND FUND BALANCES:			
Accounts Payable	\$85,617		\$85,617
Accrued Wages Payable	135,076		135,076
Deferred Revenues	365,295		365,295
Total Liabilities	585,988	0	585,988
Fund Balances:			
Non-Spendable			
Prepaid Items	57,309		57,309
Restricted			
Permanent Improvement		216,910	216,910
Unassigned	7,295,103		7,295,103
Total Fund Balance	7,352,412	216,910	7,569,322
Total Liabilities and Fund Balances	\$7,938,400	\$216,910	\$8,155,310

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, 2013

	General Fund	Permanent Improvement Funds	Total General Funds
<i>REVENUES</i>			
Taxes			
Property	\$5,556,153	\$0	\$5,556,153
Sales	1,257,916		1,257,916
Other	40,887		40,887
Intergovernmental	834,446		834,446
Charges for Services	650,222		650,222
Fines and Forfeitures	484,091		484,091
Interest	98,725	1,460	100,185
Miscellaneous	73,483	522	74,005
Total Revenues	<u>8,995,923</u>	<u>1,982</u>	<u>8,997,905</u>
<i>EXPENDITURES</i>			
Current:			
General Administration			
Commissioner's Court	292,349		292,349
County Clerk	312,139		312,139
County Judge	152,553		152,553
Election	2,320		2,320
Non-Departmental	395,950		395,950
Judicial			
Court Expense	112,691		112,691
Criminal District Attorney	347,253		347,253
District Clerk	186,586		186,586
District Court	58,239		58,239
Jury	19,931		19,931
Justice of the Peace No. 1	147,660		147,660
Justice of the Peace No. 2	141,920		141,920
Financial Administration			
County Auditor	247,410		247,410
County Treasurer	132,566		132,566
Tax Assessor-Collector	326,416		326,416
Public Facilities			
Public Facilities	353,704	70,413	424,117
Public Safety			
Adult Probation	4,023		4,023
Ambulance			0
Civil Defense	59,261		59,261
Constable No. 1	66,664		66,664
Constable No. 2	66,267		66,267
Corrections	1,040,694		1,040,694
D.P.S./License and Weight	34,198		34,198
D.P.S./Troopers	3,054		3,054
EMS/Jaws of Life	18,677		18,677
Fire	38,250		38,250
Flood Plain Permit	43,436		43,436
L.N.R.A.	56,422		56,422
Sheriff	1,855,153		1,855,153
T.J.P.C.	23,986		23,986

(continued)

(continued)

Environmental Protection			
Sanitation	287,001		287,001
Culture and Recreation			
County Library	173,344		173,344
Fairgrounds			0
Parks	1,247		1,247
Health and Welfare			
Gulf Bend Mental Health	38,000		38,000
Senior Citizens Center	40,000		40,000
Conservation - Agriculture			
Agriculture Extension Service	72,376		72,376
U.S. Soil Conservation	2,000		2,000
Total Expenditures	<u>7,153,740</u>	<u>70,413</u>	<u>7,224,153</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	<u>1,842,183</u>	<u>(68,431)</u>	<u>1,773,752</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In			0
Operating Transfers Out	(1,560,061)		(1,560,061)
Total Other Financing Sources (Uses)	<u>(1,560,061)</u>	<u>0</u>	<u>(1,560,061)</u>
Net Changes in Fund Balances	282,122	(68,431)	213,691
Fund Balances - Beginning	7,070,290	285,341	7,355,631
Fund Balances - Ending	<u>\$7,352,412</u>	<u>\$216,910</u>	<u>\$7,569,322</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND
 SEPTEMBER 30, 2013

	Road and Bridge No. 1		Road and Bridge No. 2		Road and Bridge No. 3		Road and Bridge No. 4		Highway Fund	Lateral Road No. 1		Lateral Road No. 2		Lateral Road No. 3		Lateral Road No. 4		Equipment Replacement No. 1		Equipment Replacement No. 2		Equipment Replacement No. 3		Equipment Replacement No. 4		Total Road and Bridge	
	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4		No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4		
ASSETS																											
Cash and Cash Equivalents	\$190,992	\$323,407	\$14,739	\$201,928	\$47,550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$854,316	
Receivables (net of allowance for uncollectibles)	4,000		225		41,890																					46,115	
Prepaid Insurance	3,447	2,068	2,355	2,799																						10,669	
Total Assets	\$198,439	\$325,475	\$17,319	\$204,727	\$89,440	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$911,100	
LIABILITIES AND FUND BALANCES:																											
Liabilities:																											
Accounts Payable	\$26,754	\$11,329	\$13,572	\$45,019																						\$96,674	
Due to Other Funds																										45,218	
Accrued Wages Payable	6,150	7,854	5,679	9,047																						28,730	
Total Liabilities	32,904	19,183	19,251	54,066	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	170,622	
Fund Balances:																											
Non-Spendable																											
Prepaid Items	3,447	2,068	2,355	2,799																						10,669	
Restricted																											
Public Transportation	162,088	304,224	(4,287)	147,862	89,440	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	729,809	
Total Fund Balance	165,535	306,292	(1,932)	150,661	89,440	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	740,478	
Total Liabilities and Fund Balances	\$198,439	\$325,475	\$17,319	\$204,727	\$89,440	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$911,100	

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS
 YEAR ENDED SEPTEMBER 30, 2013

	Road and Bridge No. 1		Road and Bridge No. 2		Road and Bridge No. 3		Road and Bridge No. 4		Highway Fund		Lateral Road No. 1		Lateral Road No. 2		Lateral Road No. 3		Lateral Road No. 4		Equipment Replacement No. 1		Equipment Replacement No. 2		Equipment Replacement No. 3		Equipment Replacement No. 4		Total Road and Bridge	
	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2	No. 3	No. 4	No. 1	No. 2		No. 3
REVENUES																												
Intergovernmental Licenses and Permits	\$8,665	\$8,665	\$8,665	\$8,665	\$8,665	\$8,665	\$8,665	\$8,665	614,908			\$5,241	\$5,241	\$5,241	\$5,241	\$5,241	\$5,241	\$5,241	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55,624
Interest	1,927	1,400	650	2,139										18	115													614,908
Miscellaneous	385,012	290,084	4,945	3,013																								6,640
Total Revenues	395,604	300,149	14,260	13,817	614,908	5,241	5,241	5,241	5,241	5,241	5,241	5,241	5,241	5,241	5,241	5,241	5,241	5,241	0	18	115	115	391	391	391	391	683,054	1,360,226
EXPENDITURES																												
Current:																												
Public Transportation Road and Bridge	709,670	503,362	396,307	671,527								5,241	5,241	5,241	5,241	5,241	5,241	5,241										2,448,618
Debt Service																				20,000								30,996
Principal Retirement Interest and Fiscal Charges	10,996																											3,004
Total Expenditures	723,670	503,362	396,307	671,527	0	5,241	5,241	5,241	5,241	5,241	5,241	5,241	5,241	5,241	5,241	5,241	5,241	5,241	20,000	20,000	42,798	80,990	80,990	23,000	23,000	23,000	2,482,618	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(328,066)	(203,213)	(382,047)	(657,710)	614,908	0	0	0	0	0	0	0	0	0	0	0	0	0	(20,000)	(20,000)	(42,780)	(80,875)	(80,875)	(22,609)	(22,609)	(22,609)	(1,122,392)	
OTHER FINANCING SOURCES (USES):																												
Operating Transfers In	446,710	485,688	389,952	642,275															20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	2,044,625	
Operating Transfers Out																												(554,600)
Total Other Financing Sources (Uses)	446,710	485,688	389,952	642,275	(554,600)	0	0	0	0	0	0	0	0	0	0	0	0	0	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	1,490,025	
Net Changes in Fund Balances	118,644	282,475	7,905	(15,435)	60,308	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(22,780)	(60,875)	(60,875)	(2,609)	(2,609)	367,633	
Fund Balances - Beginning	46,891	23,817	(9,837)	166,096	29,132	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	22,780	15,657	15,657	78,308	78,308	78,308	372,845	
Fund Balances - Ending	\$165,535	\$306,292	(\$1,932)	\$150,661	\$89,440	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$1	\$0	(\$45,218)	(\$45,218)	\$75,699	\$75,699	\$75,699	\$740,478	

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2013

		SPECIAL REVENUE														
ABANDONED MOTOR VEHICLES	CHILD ABUSE PREVENTION	CHILD WELFARE	COASTAL IMPACT ASSISTANCE	COMMISSARY TELEPHONE	COUNTY				DISTRICT				ELECTIONS ADMINISTRATION	HISTORICAL COMMISSION	JUSTICE COURT TECH	JUVENILE PROBATION DISCRETION
					CLERK RECORDS	MANAGEMENT	COURTHOUSE SECURITY	ATTORNEY FORFEITURE	ATTORNEY HOT CHECK	CLERK RECORDS MANAGEMENT	CLERK RECORDS MANAGEMENT	CLERK RECORDS MANAGEMENT				
\$48,170	\$2,154	\$9,594	\$5,034	\$26,583	\$58,702	\$33,095	\$73,840	\$298,686	\$16,666	\$4,214	\$139	\$33,128	\$2,901	\$3,885	\$37,805	
			1,035	6,669								753			188	
ASSETS																
Cash and Cash Equivalents																
Receivables (net of allowance for uncollectibles)																
Due from Others																
Prepaid Insurance																
\$48,170	\$2,154	\$9,594	\$6,069	\$33,252	\$58,702	\$33,095	\$73,840	\$298,686	\$16,666	\$4,214	\$139	\$33,881	\$2,901	\$3,885	\$37,993	
TOTAL ASSETS																

LIABILITIES AND FUND BALANCES

Liabilities																
Accounts Payable	\$3,356		\$10,464	\$1		\$10,577	\$316					\$54		\$1,850	\$4,895	
Due to Others				235		330	295								17,379	
Accrued Wages Payable															2,450	
Total Liabilities	3,356	0	10,464	0	236	10,907	611	8,340	0	0	0	54	0	1,850	24,724	
Fund Balances																
Non-Spendable												753			188	
Prepaid Insurance																
Restricted					58,466	33,095	298,075	4,214	139				2,901			
General Administration																
Judicial																
Legal								8,326								
Public Safety	44,814	2,154				62,933								2,035	13,081	
Committed												33,074				
Culture and Recreation																
Health and Welfare			9,594													
Public Safety				33,252												
Unassigned			(4,395)													
Total Fund Balances	44,814	2,154	9,594	33,252	58,466	33,095	62,933	8,326	4,214	139	33,827	2,901	2,035	13,269		
TOTAL LIABILITIES AND FUND BALANCES	\$48,170	\$2,154	\$9,594	\$6,069	\$33,252	\$58,702	\$73,840	\$298,686	\$16,666	\$4,214	\$139	\$33,881	\$2,901	\$3,885	\$37,993	

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

SPECIAL REVENUE

LAW		MAURITZ				NON-MAJOR GOVERN-	
ENFORCEMENT OFFICERS ASSOCIATION	LAW LIBRARY	LAW CAMP FUND	MEDIATION FUND	MEMORIAL LIBRARY	SHERIFF FORFEITURE	MENTAL FUNDS	
\$2,990	\$1,415	\$11,357	\$1,450	\$7,721	\$54,201	\$733,730	
						7,704	
				2,000		2,000	
						941	
\$2,990	\$1,415	\$11,357	\$1,450	\$9,721	\$54,201	\$744,375	
	\$1,671		\$407	\$0	\$33,591	25,719	
						3,310	
0	1,671	0	0	407	0	62,620	
							941
			1,450			93,150	
						305,190	
						8,326	
2,990					54,201	182,208	
		11,357		9,314		53,745	
						9,594	
						33,252	
	(256)					(4,651)	
2,990	(256)	11,357	1,450	9,314	54,201	681,755	
\$2,990	\$1,415	\$11,357	\$1,450	\$9,721	\$54,201	\$744,375	

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	SPECIAL REVENUE															
	CHILD					COUNTY					DISTRICT					
	ABANDONED MOTOR VEHICLES	CHILD WELFARE	CONSTAL IMPACT ASSISTANCE	COMMISSARY TELEPHONE	CLERK RECORDS MANAGEMENT	COUNTY RECORDS MANAGEMENT	COURTHOUSE SECURITY	DISTRICT ATTORNEY FORFEITURE	DISTRICT ATTORNEY HOT CHECK	CLERK RECORDS MANAGEMENT	ELECTIONS ADMINISTRATION	HISTORICAL COMMISSION	JUSTICE COURT TECH	JUVENILE PROBATION DISCRETION	JUVENILE PROBATION	
REVENUES																
Intergovernmental																
Charges for Services	6,680	1,265	\$142,409	53,116	39,374	9,208	14,921	3,540	5,290				9,335	3,089	\$119,578	
Interest	66	38					445					165			117	
Miscellaneous	35,235						249,574					710				
Total Revenues	41,981	1,265	142,409	53,116	39,374	9,208	14,921	3,540	5,290	0	875	9,335	3,089	3,089	119,695	
EXPENDITURES																
Current:																
General Administration																
Records Management					40,163	4,647			4,607							
Elections										59						
Judicial																
Judicial																
Legal																
Check Collection																
Law Library																
Public Safety																
Courthouse Security																
Juvenile Probation																
Sheriff	11,553	1,500		60,351			35,103							6,810	119,370	
Culture and Recreation																
Historical Commission																
Library																
Parks																
Health and Welfare																
Child Welfare																
Total Expenditures	11,553	1,500	156,202	60,351	40,163	4,647	35,103	6,774	4,607	59	3,826	11,933	6,810	119,370		
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,428	(235)	(2,412)	(13,793)	(789)	4,561	(20,182)	(3,234)	683	(59)	(2,951)	(2,598)	(3,721)	325		
OTHER FINANCING SOURCES (USES):																
Operating Transfers In																
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0	0	1,400	0	0	0	0	
Net Changes in Fund Balances	30,428	(235)	(2,412)	(13,793)	(789)	4,561	(20,182)	(3,234)	683	(59)	(1,551)	(2,598)	(3,721)	325		
Fund Balances - Beginning	14,386	2,389	12,006	9,398	40,487	28,534	83,115	77,492	11,560	3,531	198	35,378	5,499	5,766	12,944	
Fund Balances - Ending	\$44,814	\$2,154	\$9,594	\$33,252	\$68,466	\$33,095	\$62,933	\$81,326	\$4,214	\$139	\$33,827	\$2,901	\$2,035	\$13,269		

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

SPECIAL REVENUE

LAW						NON-MAJOR GOVERN-	
ENFORCEMENT OFFICERS ASSOCIATION	LAW LIBRARY	MAURITZ CAMP FUND	MEDIATION FUND	MEMORIAL LIBRARY	SHERIFF FORFEITURE	MENTAL FUNDS	
	8,770			286	212		\$261,987
		54		8,874	16,731	1,383	154,588
	0	8,770	54	0	9,160	311,124	729,082
<hr/>							
							49,417
							59
							41,369
	22,301						6,774
							22,301
							35,103
							126,180
1,146					10,198		84,748
							3,826
				6,544			6,544
							156,202
							2,450
1,146	22,301	0	0	6,544	10,198		534,973
<hr/>							
(1,146)	(13,531)	54	0	2,616	6,745		194,109
<hr/>							
	7,300						8,700
0	7,300	0	0	0	0	0	8,700
(1,146)	(6,231)	54	0	2,616	6,745		202,809
4,136	5,975	11,303	1,450	6,698	47,456		478,946
\$2,980	(\$256)	\$11,357	\$1,450	\$9,314	\$54,201		\$681,755

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 SEPTEMBER 30, 2013

	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	\$4,151	\$2,705	\$4,151	\$2,705
Total Current Assets	4,151	2,705	4,151	2,705
TOTAL ASSETS	4,151	2,705	4,151	2,705
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities				
Current Liabilities(Payable from Current Assets)				
Accounts Payable	1,460	183	1,460	183
Accrued Wages Payable			0	0
Total Current Liabilities	1,460	183	1,460	183
TOTAL LIABILITIES	1,460	183	1,460	183
Invested in Capital Assets, Net of Related debt				
Unrestricted	2,691	2,522	2,691	2,522
TOTAL NET POSITION	\$2,691	\$2,522	\$2,691	\$2,522

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 POSITION
 NON-MAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	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	\$9,089	\$10,897	\$9,089	\$10,897
TOTAL OPERATING REVENUES	9,089	10,897	9,089	10,897
OPERATING EXPENSES				
Personal Services			0	0
Supplies	7,750	7,595	7,750	7,595
Other Services and Charges	1,181	1,385	1,181	1,385
Depreciation			0	0
TOTAL OPERATING EXPENSES	8,931	8,980	8,931	8,980
OPERATING INCOME (LOSS)	158	1,917	158	1,917
NON-OPERATING REVENUES (EXPENSES):				
Interest Income	11		11	0
TOTAL NON-OPERATING REVENUES (EXPENSES)	11	0	11	0
Income Before Transfers	169	1,917	169	1,917
Transfers In			0	0
Change in Net Position	169	1,917	169	1,917
Total Net Position - Beginning	2,522	605	2,522	605
Total Net Position - Ending	\$2,691	\$2,522	\$2,691	\$2,522

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, 2013

	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	\$9,089	\$10,897	\$9,089	\$10,897
Payments to Suppliers	(7,654)	(9,158)	(7,654)	(9,158)
Payments to Employees	0	0	0	0
Net Cash Provided(Used) By Operating Activities:	1,435	1,739	1,435	1,739
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	11	0	11	0
Net Cash Provided(Used) By Investing Activities	11	0	11	0
Net Increase (Decrease) in Cash Equivalents	1,446	1,739	1,446	1,739
Cash and Cash Equivalents at Beginning of Year	2,705	966	2,705	966
Cash and Cash Equivalents at End of Year	\$4,151	\$2,705	\$4,151	\$2,705

(continued)

(continued)

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

Operating Income (Loss)	\$158	\$1,917	\$158	\$1,917
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	1,277	(178)	1,277	(178)
Increase(Decrease) in Accrued Wages Payable	0	0	0	0
Net Cash Provided(Used) by Operating Activities	<u>\$1,435</u>	<u>\$1,739</u>	<u>\$1,435</u>	<u>\$1,739</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 POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Agency Funds				Total
	Trust Investment	State Fees	County-Wide Drainage District	County Officer Accounts	
ASSETS					
Cash and Cash Equivalents	\$82,687	\$70,586	\$0	\$624,627	\$777,900
Receivables (net of allowance for uncollectibles)	0	0	3,969	0	3,969
Total Assets	\$82,687	\$70,586	\$3,969	\$624,627	\$781,869
LIABILITIES					
Accounts Payable			\$0		\$0
Due to Others	82,687	70,586	3,969	624,627	781,869
Total Liabilities	\$82,687	\$70,586	\$3,969	\$624,627	\$781,869

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2013
<u>TRUST INVESTMENT</u>				
ASSETS				
Cash and Cash Equivalents	\$686,426	\$0	\$603,739	\$82,687
Receivables (net of allowance for uncollectibles)				0
Total Assets	<u>\$686,426</u>	<u>\$0</u>	<u>\$603,739</u>	<u>\$82,687</u>

LIABILITIES:				
Accounts Payable				
Due to Others	\$686,426	\$0	\$603,739	\$82,687
Total Liabilities	<u>\$686,426</u>	<u>\$0</u>	<u>\$603,739</u>	<u>\$82,687</u>

	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2013
<u>STATE FEES</u>				
ASSETS				
Cash and Cash Equivalents	\$61,835	\$8,751	\$0	\$70,586
Receivables (net of allowance for uncollectibles)				0
Total Assets	<u>\$61,835</u>	<u>\$8,751</u>	<u>\$0</u>	<u>\$70,586</u>

LIABILITIES:				
Accounts Payable				
Due to Others	\$61,835	\$8,751	\$0	\$70,586
Total Liabilities	<u>\$61,835</u>	<u>\$8,751</u>	<u>\$0</u>	<u>\$70,586</u>

	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2013
<u>COUNTY-WIDE DRAINAGE DISTRICT</u>				
ASSETS				
Cash and Cash Equivalents	\$0	\$1,090,418	\$1,090,418	\$0
Receivables (net of allowance for uncollectibles)	\$2,025	\$3,969	\$2,025	3,969
Total Assets	<u>\$2,025</u>	<u>\$1,094,387</u>	<u>\$1,092,443</u>	<u>\$3,969</u>

LIABILITIES:				
Accounts Payable	2,025		2,025	0
Due to Others	0	1,094,387	1,090,418	3,969
Total Liabilities	<u>\$2,025</u>	<u>\$1,094,387</u>	<u>\$1,092,443</u>	<u>\$3,969</u>

<u>COUNTY OFFICER ACCOUNTS</u>	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2013
ASSETS				
Cash and Cash Equivalents	\$579,349	\$45,278	\$0	\$624,627
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$579,349	\$45,278	\$0	\$624,627

LIABILITIES:				
Accounts Payable				
Due to Others	\$579,349	\$45,278	\$0	\$624,627
Total Liabilities	\$579,349	\$45,278	\$0	\$624,627

<u>TOTAL</u>	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2013
ASSETS				
Cash and Cash Equivalents	\$1,327,610	\$1,144,447	\$1,694,157	\$777,900
Receivables (net of allowance for uncollectibles)	2,025	3,969	2,025	3,969
Total Assets	\$1,329,635	\$1,148,416	\$1,696,182	\$781,869

LIABILITIES:				
Accounts Payable	\$2,025	\$0	\$2,025	\$0
Due to Others	1,327,610	1,148,416	1,694,157	781,869
Total Liabilities	\$1,329,635	\$1,148,416	\$1,696,182	\$781,869

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

JACKSON COUNTY, TEXAS
 ABANDONED MOTOR VEHICLES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$2,000	\$2,000	\$6,680	\$4,680
Interest	0	0	66	66
Miscellaneous	10,000	10,000	35,235	25,235
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>41,981</u>	<u>29,981</u>
EXPENDITURES				
Current				
Public Safety	22,286	22,286	8,197	14,089
Total Expenditures	<u>22,286</u>	<u>22,286</u>	<u>8,197</u>	<u>14,089</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,286)</u>	<u>(10,286)</u>	<u>33,784</u>	<u>44,070</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 - Cash Basis	<u>(\$10,286)</u>	<u>(\$10,286)</u>	<u>\$33,784</u>	<u>\$44,070</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			<u>(3,356)</u>	
Net Changes in Fund Balances-Modified Accrual Basis			<u>30,428</u>	
Fund Balances - Beginning			<u>14,386</u>	
Fund Balances - Ending			<u>\$44,814</u>	

JACKSON COUNTY, TEXAS
CHILD ABUSE PREVENTION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$1,300	\$1,300	\$1,265	(\$35)
Total Revenues	1,300	1,300	1,265	(35)
EXPENDITURES				
Current				
Public Safety	3,000	3,000	1,500	1,500
Total Expenditures	3,000	3,000	1,500	1,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,700)	(1,700)	(235)	1,465
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)	(235)	1,465
Fund Balances - Beginning	2,389	2,389	2,389	0
Fund Balances - Ending	\$689	\$689	\$2,154	\$1,465

JACKSON COUNTY, TEXAS
 CHILD WELFARE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$60	\$60	\$38	(\$22)
Miscellaneous				0
Total Revenues	60	60	38	(22)
EXPENDITURES				
Current				
Health and Welfare	5,000	5,000	2,450	2,550
Total Expenditures	5,000	5,000	2,450	2,550
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,940)	(4,940)	(2,412)	2,528
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(4,940)	(4,940)	(2,412)	2,528
Fund Balances - Beginning	12,006	12,006	12,006	0
Fund Balances - Ending	\$7,066	\$7,066	\$9,594	\$2,528

JACKSON COUNTY, TEXAS
 COASTAL IMPACT ASSISTANCE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$1,007,396	\$1,007,396	\$179,277	(\$828,119)
Interest				0
Total Revenues	<u>1,007,396</u>	<u>1,007,396</u>	<u>179,277</u>	<u>(828,119)</u>
EXPENDITURES				
Current				
Culture and Recreation	1,013,244	1,013,244	183,836	829,408
Total Expenditures	<u>1,013,244</u>	<u>1,013,244</u>	<u>183,836</u>	<u>829,408</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,848)</u>	<u>(5,848)</u>	<u>(4,559)</u>	<u>1,289</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>(5,848)</u>	<u>(5,848)</u>	<u>(4,559)</u>	<u>1,289</u>
Reconciliation from cash basis to modified accrual:				
Changes in Grants Receivable			(36,868)	
Changes in Accounts Payable			27,634	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(13,793)</u>	
Fund Balances - Beginning			9,398	
Fund Balances - Ending			<u>(\$4,395)</u>	

JACKSON COUNTY, TEXAS
 COMMISSARY TELEPHONE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$33,000	\$33,000	\$53,043	\$20,043
Total Revenues	<u>33,000</u>	<u>33,000</u>	<u>53,043</u>	<u>20,043</u>
EXPENDITURES				
Current				
Public Safety	69,438	69,438	60,351	9,087
Total Expenditures	<u>69,438</u>	<u>69,438</u>	<u>60,351</u>	<u>9,087</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(36,438)</u>	<u>(36,438)</u>	<u>(7,308)</u>	<u>29,130</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>(\$36,438)</u>	<u>(\$36,438)</u>	<u>(7,308)</u>	<u>\$29,130</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			73	
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			<u>(7,235)</u>	
Fund Balances - Beginning			<u>40,487</u>	
Fund Balances - Ending			<u>\$33,252</u>	

JACKSON COUNTY, TEXAS
COUNTY CLERK RECORDS MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$34,175	\$34,175	\$39,374	\$5,199
Interest				0
Total Revenues	<u>34,175</u>	<u>34,175</u>	<u>39,374</u>	<u>5,199</u>
EXPENDITURES				
Current				
General Administration	65,689	65,689	40,340	25,349
Total Expenditures	<u>65,689</u>	<u>65,689</u>	<u>40,340</u>	<u>25,349</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(31,514)</u>	<u>(31,514)</u>	<u>(966)</u>	<u>30,548</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><u>(\$31,514)</u></u>	<u><u>(\$31,514)</u></u>	<u><u>(\$966)</u></u>	<u><u>\$30,548</u></u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			0	
Changes in Accounts Payable			177	
Changes in Accrued Wages Payable			(789)	
Net Changes in Fund Balances-Modified Accrual Basis			<u>59,255</u>	
Fund Balances - Beginning			<u>\$58,466</u>	
Fund Balances - Ending			<u><u>\$58,466</u></u>	

JACKSON COUNTY, TEXAS
 COUNTY RECORDS MANAGEMENT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$8,000	\$8,000	\$9,208	\$1,208
Total Revenues	8,000	8,000	9,208	1,208
EXPENDITURES				
Current				
General Administration	24,422	24,422	4,647	19,775
Total Expenditures	24,422	24,422	4,647	19,775
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,422)	(16,422)	4,561	20,983
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$16,422)</u>	<u>(\$16,422)</u>	\$4,561	<u>\$20,983</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			4,561	
Fund Balances - Beginning			28,534	
Fund Balances - Ending			<u>\$33,095</u>	

JACKSON COUNTY, TEXAS
 COURTHOUSE SECURITY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$14,320	\$14,320	\$14,921	\$601
Total Revenues	14,320	14,320	14,921	601
EXPENDITURES				
Current				
Public Safety	50,580	50,580	25,397	25,183
Total Expenditures	50,580	50,580	25,397	25,183
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,260)	(36,260)	(10,476)	25,784
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$36,260)</u>	<u>(\$36,260)</u>	<u>(\$10,476)</u>	<u>\$25,784</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable			(10,527)	
Changes in Accrued Wages Payable			821	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(20,182)</u>	
Fund Balances - Beginning			<u>83,115</u>	
Fund Balances - Ending			<u>62,933</u>	

JACKSON COUNTY, TEXAS
DISTRICT ATTORNEY FORFEITURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$500	\$500	\$445	(\$55)
Miscellaneous	3,500	3,500	249,574	246,074
Total Revenues	4,000	4,000	250,019	246,019
EXPENDITURES				
Current				
Judicial	23,610	30,664	29,174	1,490
Total Expenditures	23,610	30,664	29,174	1,490
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,610)	(26,664)	220,845	247,509
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(\$19,610)	(\$26,664)	\$220,845	\$247,509
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			(185)	
Changes in Accrued Wages Payable			(77)	
Net Changes in Fund Balances - Modified Accrual Basis			220,583	
Fund Balances - Beginning			77,492	
Fund Balances - Ending			\$298,075	

JACKSON COUNTY, TEXAS
DISTRICT ATTORNEY HOT CHECK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$3,500	\$3,500	\$3,540	\$40
Total Revenues	3,500	3,500	3,540	40
EXPENDITURES				
Current				
Judicial	11,595	11,595	6,774	4,821
Total Expenditures	11,595	11,595	6,774	4,821
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,095)	(8,095)	(3,234)	4,861
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$8,095)</u>	<u>(\$8,095)</u>	<u>(3,234)</u>	<u>\$4,861</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			0	
Changes in Accounts Payable			0	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(3,234)</u>	
Fund Balances - Beginning			11,560	
Fund Balances - Ending			<u>\$8,326</u>	

JACKSON COUNTY, TEXAS
DISTRICT CLERK RECORDS MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$3,750	\$3,750	\$5,290	\$1,540
Total Revenues	<u>3,750</u>	<u>3,750</u>	<u>5,290</u>	<u>1,540</u>
EXPENDITURES				
Current				
General Administration	6,822	6,822	4,607	2,215
Total Expenditures	<u>6,822</u>	<u>6,822</u>	<u>4,607</u>	<u>2,215</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,072)</u>	<u>(3,072)</u>	<u>683</u>	<u>3,755</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>(3,072)</u>	<u>(3,072)</u>	<u>683</u>	<u>3,755</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			<u>683</u>	
Fund Balances - Beginning			<u>3,531</u>	
Fund Balances - Ending			<u>\$4,214</u>	

JACKSON COUNTY, TEXAS
 ELECTION ADMINISTRATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
EXPENDITURES				
Current				
General Administration	199	199	59	140
Total Expenditures	199	199	59	140
Excess (Deficiency) of Revenues Over (Under) Expenditures	(199)	(199)	(59)	140
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	(199)	(199)	(59)	140
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			0	
Net Changes in Fund Balances - Modified Accrual Basis			(59)	
Fund Balances - Beginning			198	
Fund Balances - Ending			\$139	

JACKSON COUNTY, TEXAS
HISTORICAL COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$150	\$150	\$165	\$15
Miscellaneous	0	0	710	710
Total Revenues	150	150	875	725
EXPENDITURES				
Current				
Culture and Recreation	16,400	16,400	3,714	12,686
Total Expenditures	16,400	16,400	3,714	12,686
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,250)	(16,250)	(2,839)	13,411
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	1,400	1,400	1,400	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	1,400	1,400	1,400	0
Net Changes in Fund Balances	<u>(\$14,850)</u>	<u>(\$14,850)</u>	<u>(\$1,439)</u>	<u>\$13,411</u>
Reconciliation from cash basis to modified accrual:				
Changes in Prepaid Insurance			(58)	
Changes in Accounts Payable			(54)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(1,551)</u>	
Fund Balances - Beginning			35,378	
Fund Balances - Ending			<u>\$33,827</u>	

JACKSON COUNTY, TEXAS
 JUSTICE COURT TECHNOLOGY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$9,150	\$9,150	\$9,335	\$185
Total Revenues	9,150	9,150	9,335	185
EXPENDITURES				
Current				
Judicial	15,263	15,263	11,933	3,330
Total Expenditures	15,263	15,263	11,933	3,330
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,113)	(6,113)	(2,598)	3,515
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$6,113)</u>	<u>(\$6,113)</u>	<u>(\$2,598)</u>	<u>\$3,515</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			(2,598)	
Fund Balances - Beginning			5,499	
Fund Balances - Ending			<u>\$2,901</u>	

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION DISCRETION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$2,750	\$2,750	3,089	\$339
Total Revenues	2,750	2,750	3,089	339
EXPENDITURES				
Current				
Public Safety	5,000	5,000	4,960	40
Total Expenditures	5,000	5,000	4,960	40
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,250)	(2,250)	(1,871)	379
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$2,250)</u>	<u>(\$2,250)</u>	<u>(\$1,871)</u>	<u>\$379</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			0	
Changes in Accounts Payable			(1,850)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(3,721)</u>	
Fund Balances - Beginning			5,756	
Fund Balances - Ending			<u>\$2,035</u>	

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final		(Negative)
REVENUES				
Intergovernmental	\$122,389	\$122,389	\$143,960	\$21,571
Interest	200	200	117	(83)
Total Revenues	<u>122,589</u>	<u>122,589</u>	<u>144,077</u>	<u>21,488</u>
EXPENDITURES				
Current				
Public Safety	125,089	125,089	121,425	3,664
Total Expenditures	<u>125,089</u>	<u>125,089</u>	<u>121,425</u>	<u>3,664</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,500)</u>	<u>(2,500)</u>	<u>22,652</u>	<u>25,152</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>(\$2,500)</u>	<u>(\$2,500)</u>	<u>22,652</u>	<u>\$25,152</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(22,686)	
Changes in Prepaid Insurance			(49)	
Changes in Accounts Payable			566	
Changes in Accrued Wages Payable			(158)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>325</u>	
Fund Balances - Beginning			12,944	
Fund Balances - Ending			<u>\$13,269</u>	

JACKSON COUNTY, TEXAS
 LAW ENFORCEMENT OFFICERS EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
EXPENDITURES				
Current				
Public Safety	4,136	4,136	1,146	2,990
Total Expenditures	4,136	4,136	1,146	2,990
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,136)	(4,136)	(1,146)	2,990
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(4,136)	(4,136)	(1,146)	2,990
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			0	
Net Changes in Fund Balances - Modified Accrual Basis			(1,146)	
Fund Balances - Beginning			4,136	
Fund Balances - Ending			\$2,990	

JACKSON COUNTY, TEXAS

LAW LIBRARY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$7,700	\$7,700	\$8,770	\$1,070
Total Revenues	7,700	7,700	8,770	1,070
EXPENDITURES				
Current				
Legal	17,500	22,000	21,875	125
Total Expenditures	17,500	22,000	21,875	125
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,800)	(14,300)	(13,105)	1,195
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	2,800	7,300	7,300	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	2,800	7,300	7,300	0
Net Changes in Fund Balances	(\$7,000)	(\$7,000)	(\$5,805)	\$1,195
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable			(428)	
Net Changes in Fund Balances - Modified Accrual Basis			(6,233)	
Fund Balances - Beginning			5,975	
Fund Balances - Ending			(\$258)	

JACKSON COUNTY, TEXAS
 MAURITZ CAMP
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$50	\$50	\$54	\$4
Miscellaneous				0
Total Revenues	50	50	54	4
EXPENDITURES				
Current				
Public Safety	11,352	11,352	0	11,352
Total Expenditures	11,352	11,352	0	11,352
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,302)	(11,302)	54	11,356
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(11,302)	(11,302)	54	11,356
Fund Balances - Beginning	11,303	11,303	11,303	0
Fund Balances - Ending	\$1	\$1	\$11,357	\$11,356

JACKSON COUNTY, TEXAS
 MEMORIAL LIBRARY FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$500	\$500	\$287	(\$213)
Miscellaneous	4,000	5,000	8,874	3,874
Total Revenues	4,500	5,500	9,161	3,661
EXPENDITURES				
Current				
Culture and Recreation	5,950	6,950	6,565	385
Total Expenditures	5,950	6,950	6,565	385
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(1,450)	(1,450)	2,596	4,046
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	(1,450)	(1,450)	2,596	4,046
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			20	
Net Changes in Fund Balances - Modified Accrual Basis			2,616	
Fund Balances - Beginning			6,698	
Fund Balances - Ending			\$9,314	

JACKSON COUNTY, TEXAS
 SHERIFF FORFEITURE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$100	\$100	\$212	\$112
Miscellaneous	0	0	16,731	16,731
Total Revenues	100	100	16,943	16,843
EXPENDITURES				
Current				
Public Safety	12,163	12,163	10,842	1,321
Total Expenditures	12,163	12,163	10,842	1,321
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(12,063)	(12,063)	6,101	18,164
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	(\$12,063)	(\$12,063)	6,101	\$18,164
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Receivable				
Changes in Accounts Payable			644	
Net Changes in Fund Balances - Modified Accrual Basis			6,745	
Fund Balances - Beginning			47,456	
Fund Balances - Ending			\$54,201	

SINGLE AUDIT SECTION

JACKSON COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

SOURCE AND TITLE OF GRANT	FEDERAL CFDA NUMBER	GRANTOR'S/ PASS-THROUGH GRANTOR'S NUMBER	AWARD AMOUNT	PROGRAM EXPENDI- TURES
FEDERAL ASSISTANCE				
NON-STIMULUS PROGRAMS				
U.S. Department of Justice				
Passed Through				
Texas SAVINS				
Statewide Automated Victim Information Notification (SAVIN) Program (NM)	16.740			
		1337013 1337014	\$5,551	\$5,551
Passed Through				
Direct				
Bulletproof Vest Partnership Program (NM)	16.607		1,875	1,306
Passed Through				
Direct				
State Criminal Alien Assistance Program (NM)	16.606		4,705	4,705
Total U.S. Department of Justice				<u>11,562</u>
U.S. Department of Homeland Security				
Passed Through				
Texas Department of Public Safety				
Homeland Security Grant Program (NM)	97.067			
Fiscal Year 2013		12-GA48239-.05	24,149	<u>1,198</u>
				<u>1,198</u>
Passed Through				
Texas Department of Public Safety -				
Division of Emergency Management				
Hazard Mitigation Grant (M)	97.039			
Fiscal Year 2013		DR1780-027	53,102	0
Fiscal Year 2013 - Community Safe Room		DR1791-311	1,720,170	<u>821,991</u>
				<u>821,991</u>
Passed Through				
Texa Department of Public Safety				
State Homeland Security Program (M)	97.073			
Fiscal Year 2013		SR48239-01	34,393	1,017
Fiscal Year 2013		SR48239-03	500,000	500,000
Fiscal Year 2013		SR48239-07	12,735	331
Fiscal Year 2013		SR48239-01	19,459	0
Fiscal Year 2013		SR48239-01	20,916	19,601
Fiscal Year 2013		SR48239-02	27,888	26,135
Fiscal Year 2013		SR48239-01	15,140	0
				<u>547,084</u>
Total U.S. Department of Homeland Security				<u>1,370,273</u>

U.S. General Services Administration (GSA)

Passed Through

Texas Facilities Commission/Federal Surplus Program				
Donation of Federal Surplus Personal Property (NM)	39.003			
Fiscal Year 2012		15425	None	5,554
Total U.S. General Services Administration (GSA)				<u>5,554</u>

U.S. Election Assistance Commission

Passed Through

Texas Secretary of State - Elections Division				
Help America Vote Act of 2002 (HAVA) (NM)	90.401			
General HAVA Compliance			21,906	115
Polling Place Accessibility			2,431	2,320
Total U.S. Election Assistance Commission				<u>2,435</u>

U.S. Department of the Interior

Bureau of Ocean Energy Management, Regulations and Enforcement (BOEMRE)

Direct

Coastal Impact Assistance Program (NM)	15.426			
Bennett Park		F12AF70258	306,882	39,079
Administrative		F12AF01290	45,000	5,567
Carancahua		F12AF00472	612,543	88,878
Mauritz Wastewater		F12AF01294	284,901	
Mauritz Wastewater		F12AF01290-02	16,118	8,500

Total U.S. Department of the Interior

142,024**U.S. Department of Transportation**

Passed Through

Texas Department of Transportation-Aviation Division

Airport Improvement Program (M)

Engineering	20.106	3-48-SBGP-67-2010	106,924	6,752
Routine Airport Maintenance Program			50,000	
Ramp		AM 2013EDDNA	50,000	990
Engineering - Construction		3X1SAV008	120,099	99,520
Construction		1XXAV007	1,055,000	687,183
Repairs				1,067

Total U.S. Department of Transportation

795,512**U.S. Department of Health and Human Services**

Passed Through

Office of the Attorney General

Child Support Enforcement-Title IV-D (NM)

Fiscal Year 2012	93.563	None		9,080
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Total U.S. Department of Health and Human Services

9,080**TOTAL NON-STIMULUS PROGRAMS**2,336,440**TOTAL STIMULUS PROGRAMS**0

Total Federal Assistance

\$2,336,440

CFDA=CATALOGUE OF FEDERAL DOMESTIC ASSISTANCE NUMBER

M=MAJOR PROGRAM

NM=NONMAJOR PROGRAM

See Accompanying Notes to Schedule of Federal Financial Assistance

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

P.O. Box 366 / 442 West Oaklawn
Pleasanton, Texas 78064
Phone: (830) 569-8781 ~ Fax: (830) 569-6776

111 North Odem
Sinton, Texas 78387
Phone: (830) 569-8781 ~ Fax: (830) 569-6776

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

To the Commissioners' Court
Jackson County, Texas

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Jackson County, Texas' basic financial statements and have issued our report thereon dated May 6, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jackson County, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jackson County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Jackson County, Texas' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BEYER & CO.
Certified Public Accountants
Pleasanton, Texas
May 6, 2014

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

P.O. Box 366 / 442 West Oaklawn
Pleasanton, Texas 78064
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111 North Odem
Sinton, Texas 78387
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Commissioners' Court
Jackson County, Texas

Report on Compliance for Each Major Federal Program

We have audited Jackson County, Texas' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Jackson County, Texas' major federal programs for the year ended September 30, 2013. Jackson County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Jackson County, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jackson County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jackson County, Texas' compliance.

Opinion on Each Major Federal Program

In our opinion, Jackson County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

Other Matters

The results of our auditing procedures did not disclose any instances of noncompliance.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



BEYER & CO.
Certified Public Accountants
Pleasanton, Texas
May 6, 2014

JACKSON COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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, 2013. This report is intended for the information of the Jackson County, Texas, and Federal awarding agencies, and is not intended to be used and should not be used by anyone other than these specified parties.

Basis of Accounting

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

Non Cash Grants

Jackson County received non-cash grants of \$795,512 for the year ended September 30, 2013 for the TxDOT Aviation Grant and \$5,554 for the U.S. General Services Administration grant.

JACKSON COUNTY, TEXAS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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, 2013

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Jackson County, Texas.
2. There were no significant deficiencies disclosed during the audit. There was no material weakness disclosed during the audit.
3. There were no instances of noncompliance material to the financial statements of the Jackson County, Texas, which would be required to be reported in accordance with Government Auditing Standards and the Uniform Grant Management Standards (UGMS), disclosed during the audit.
4. There were no significant deficiencies over major Federal award programs disclosed during the audit. There was no material weakness over major Federal award programs disclosed during the audit.
5. The auditor's report on compliance for the major Federal award programs for the Jackson County, Texas expresses an unqualified opinion on all major Federal programs.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs: Hazard Mitigation Grant - CFDA 97.039, the State Homeland Security Program – CFDA 97.073, and the Airport Improvement Program – CFDA 20.106.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Jackson County did not qualify as a low-risk auditee.
10. Material Weaknesses
 - a. There were no material weakness disclosed during the audit.

Findings relating to the Financial Statements

None

Findings and Questioned Costs for Federal Awards

None

