

JACKSON COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2005

Jackson County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2005

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WAYNE R. BEYER
CERTIFIED PUBLIC ACCOUNTANT

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

As a result of our observations concerning the accounting and financial aspects of the records of Jackson County, Texas, during our audit for the year ended September 30, 2005, we submit the following recommendations for your consideration:

County Clerk

Finding:

1. The County Clerk's computer software does not keep up with criminal cases. They do a manual spreadsheet for this.

Recommendation:

We recommend that the County Clerk get new software that can keep track of criminal and civil cases.

Finding:

2. The County Clerk has excess money in their bank account. It should tie to zero after all check are written.

Recommendation:

We recommend that the County Clerk tie all accounts to zero at the end of each month.

Administration

Finding:

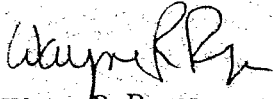
1. The County does not have an Organizational flowchart.

Recommendation:

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne R. Beyer". The signature is fluid and cursive, with the first name being the most prominent.

Wayne R. Beyer
Certified Public Accountant
February 20, 2006

FINANCIAL SECTION

WAYNE R. BEYER
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INDEPENDENT AUDITOR'S REPORT

To the Commissioner's Court
Jackson County, Texas

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of and for the year ended September 30, 2005, which collectively comprise Jackson County, Texas's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jackson County, Texas's management. My responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that our audit provides a reasonable basis for our opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund and the Road and Bridge fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Wayne R. Beyer". The signature is written in a cursive style with a large, prominent initial "W".

WAYNE R. BEYER
Certified Public Accountant
Pleasanton, Texas
April 28, 2006

Management's Discussion and Analysis

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of Jackson County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Jackson County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation. The business-type activities of Jackson County, Texas include a passport fund, and airport fund, and a commissary fund.

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

The government-wide financial statements can be found on pages 11-12 of this report.

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

Governmental funds.

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

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

Jackson County, Texas maintains twenty seven (27) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road and bridge funds, all of which are considered to be major funds. Data from the other twenty five (25) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 13-20 of this report. The basic proprietary fund financial statements can be found on pages 21-24 of this report.

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

Notes to the financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-46 of this report.

Other information.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Jackson County, Texas's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 47 of this report.

The combining statements referred to earlier in connection with major road and bridge funds and nonmajor governmental funds and internal service fund are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 48-65 of this report. The budget comparison schedules in connection with the nonmajor governmental funds can be found on pages 66-87 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 \$13,892,044 at the close of the most recent fiscal year.

By far the largest portion of Jackson County, Texas's net assets (47 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that are still outstanding. Jackson County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Jackson County, Texas's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

JACKSON COUNTY, TEXAS NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
	Current and other Assets	\$7,821,411	\$6,326,175	\$20,925	\$45,329	\$7,842,336
Capital Assets	6,071,009	3,709,355	570,936	566,593	6,641,945	4,275,948
Total Assets	13,892,420	10,035,530	591,861	611,922	14,484,281	10,647,452
Long-term liabilities	256,333	370,165			256,333	370,165
Other liabilities	331,028	735,463	4,876	2,516	335,904	737,979
Total Liabilities	587,361	1,105,628	4,876	2,516	592,237	1,108,144
Net Assets						
Invested in Capital Assets, Net of Related debt	5,931,072	3,482,209	570,936	566,593	6,502,008	4,048,802
Restricted	628,642	155,090			628,642	155,090
Unrestricted	6,745,345	5,292,603	16,049	42,813	6,761,394	5,335,416
Total Net Assets	\$13,305,059	\$8,929,902	\$586,985	\$609,406	\$13,892,044	\$9,539,308

An additional portion of Jackson County, Texas's net assets (5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$6,761,394) may be used to meet the governments on going obligations to citizens and creditors. At the end of the current fiscal year, Jackson County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Jackson County, Texas reported positive balances in net assets, both for the government as a whole, as well as for its separate governmental activities.

At the end of the current fiscal year, Jackson County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Jackson County, Texas reported positive balances in all three categories of net assets for its governmental activities.

There was an increase of \$473,552 in restricted net assets reported in connection with Jackson County, Texas's government-type activities. This increase resulted from monies being transferred from the general fund to finance governmental operations.

The governments net assets increased by \$4,352,736 during the current fiscal year. This increase is attributable to increased across the board income of \$843,455 and careful budget management resulting in a drop in expenses of \$2,385,997.

Governmental activities:

Governmental activities increased Jackson County, Texas's net assets by \$4,352,736, thereby accounting for 100 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	
	2005	2004	2005	2004	2005	2004
Revenues						
Program Revenues						
Charges for Services	\$1,491,005	\$1,644,695	\$24,603	\$33,524	\$1,515,608	\$1,678,219
Operating Grants and Contributions	515,826	324,524			515,826	324,524
General Revenues					0	0
Maintenance and Operations Taxes	5,486,778	5,309,831			5,486,778	5,309,831
Sales Tax	550,919	483,980			550,919	483,980
Other Taxes	7,372	4,467			7,372	4,467
License and Permits	523,743	519,228			523,743	519,228
Unrestricted investment earnings	187,586	126,058	1,042	942	188,628	127,000
Grants and Contributions not Restricted to specific Programs	13,095	9,561	20,656	2,529	33,751	12,090
Miscellaneous	1,103,214	623,045			1,103,214	623,045
Total Revenue	9,879,538	9,045,389	46,301	36,995	9,925,839	9,082,384
Expenses:						
General Administration	872,603	741,344	129	228	872,732	741,572
Judicial	704,646	726,657			704,646	726,657
Legal	19,001	35,198			19,001	35,198
Financial Administration	509,203	581,760			509,203	581,760
Public Facilities	0	1,048,311			0	1,048,311
Public Safety	1,810,498	1,998,888	14,177	1,297	1,824,675	2,000,185
Public Transportation	769,764	1,905,117			769,764	1,905,117
Environmental Protections	269,310	242,556			269,310	242,556
Culture and Recreation	126,723	113,131	80,482	84,796	207,205	197,927
Health and Welfare	290,791	273,622			290,791	273,622
Conservation - Agriculture	93,666	191,978			93,666	191,978
Interest and Fiscal Charges	12,110	14,217			12,110	14,217
Total Expenses	5,478,315	7,872,779	94,788	86,321	5,573,103	7,959,100
Increase in net assets before transfers and special items	4,401,223	1,172,610	(48,487)	(49,326)	4,352,736	1,123,284
Transfers	(26,066)	(33,878)	26,066	33,878	0	0
Increase in Net Assets	4,375,157	1,138,732	(22,421)	(15,448)	4,352,736	1,123,284
Net Assets at 9/30/2004	8,929,902	7,791,170	609,406	624,854	9,539,308	8,416,024
Net Assets at 9/30/2005	\$13,305,059	\$8,929,902	\$586,985	\$609,406	\$13,892,044	\$9,539,308

Revenues increased by \$843,455 (9 percent) during the year while expenses decreased by \$2,385,997 (30 percent) during the year. Most of the revenue increase was from an increase in property and sales taxes and miscellaneous incomes. Most of the expense decrease was from careful budget management.

Business-Type Activities

Business-type activities (passport, commissary, and airport fund) in Jackson County were immaterial representing 0 percent of the total growth in the net assets of Jackson County, Texas and therefore, no discussion regarding these will be forthcoming in this section.

Expenses and Program Revenues - Governmental Activities

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>
General Administration	\$872,603	\$391,247	\$5,788
Judicial	704,646	717,106	
Legal	19,001		
Financial Administration	509,203	177,238	
Public Facilities	1,810,498	56,377	302,547
Public Safety	769,764		21,380
Public Transportation	269,310	92,116	
Environmental Protections	126,723	10,232	1,929
Culture and Recreation	290,791	46,689	184,182
Health and Welfare	93,666		
Conservation - Agriculture	12,110		
	<u>\$5,478,315</u>	<u>\$1,491,005</u>	<u>\$515,826</u>

Revenues by source - Governmental Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$1,491,005	15.09%
Operating Grants and Contributions	515,826	5.22%
Maintenance and Operations Taxes	5,486,778	55.54%
Sales Tax	550,919	5.58%
Other Taxes	7,372	0.07%
License and Permits	523,743	5.30%
Unrestricted investment earnings	187,586	1.90%
Grants and Contributions not Restricted to Specific Programs	13,095	0.11%
Miscellaneous	1,103,214	11.17%
	<u>\$9,879,538</u>	<u>100.00%</u>

For the most part, expenses remained stable or declined during the year.

Business-type activities:

Business-type activities decreased the County's net assets by \$22,421.

- . Demand for services for business-type activities decreased by 27 percent. The Airport fund accounts for a significant portion of this decrease, which resulted from a significant decrease in demand (\$7,642 or 36%). This factor accounts for the \$8,921 decrease in charges for services for the business-type activities.
- . The amount of transfer from the general fund decreased by \$7,812.
- . Total grant proceeds increased by \$18,127.
- . Total expenses increased by \$8,467.

Expenses and Program Revenues - Business Activities

<u>PROGRAM</u>	<u>EXPENSES</u>	<u>REVENUES</u>
Airport	\$94,788	\$24,603

Financial Analysis of the Government's Funds

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

Governmental funds:

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

As of the end of the current fiscal year, Jackson County, Texas's governmental funds reported combined ending fund balances of \$6,451,908, an increase of \$1,694,233 in comparison with the prior year. Approximately 90 percent of this total amount (\$5,823,266) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) for Permanent Improvement (\$628,642).

The general fund is the chief operating fund of Jackson County, Texas. At the end of the current fiscal year, unreserved fund balance of the general fund was \$4,831,377, while total fund balance reached \$5,460,019. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 87 percent of total general fund expenditures, while total fund balance represents 98 percent of that same amount.

The fund balance of Jackson County, Texas's general fund increased by \$1,654,219 during the current fiscal year. Key factors in this increase are as follows:

- . An increase in taxes and fines and careful budget management.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$156,966. This decrease was distributed evenly amongst the functions and was financed by an increase in revenues.

Capital Asset and Debt Administration

Capital assets:

Jackson County, Texas's investment in capital assets for its governmental activities as of September 30, 2004, amounts to \$6,641,945 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total increase in Jackson County, Texas's investment in capital assets for the current fiscal year was 55 percent (a 64 percent increase for governmental activities and a 01 percent increase for business-type activities).

There was on major capital asset event during the current fiscal year: A multi-purpose building was destroyed by fire and the county started rebuilding the structure in the 2003-2004 fiscal year and finished the structure in the 2004-2005 year.

JACKSON COUNTY, TEXAS CAPITAL ASSETS (net of depreciation)

	Governmental Activities		Business- type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$143,696	\$143,696	\$70,254	\$70,254	\$213,950	\$213,950
Building and improvements	2,424,078	1,346,742	100,265	63,982	2,524,343	1,410,724
Machinery and equipment	1,966,397	1,686,842	0	0	1,966,397	1,686,842
Infrastructure	1,504,325	441,407	400,417	432,357	1,904,742	873,764
Construction in Progress	32,513	90,667		0	32,513	90,667
Total	<u>\$6,071,009</u>	<u>\$3,709,354</u>	<u>\$570,936</u>	<u>\$566,593</u>	<u>\$6,641,945</u>	<u>\$4,275,947</u>

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

Long-term debt:

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

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
 STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2005

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$6,524,616	\$20,243	\$6,544,859
Receivables (net of allowance for uncollectibles)	1,226,697		1,226,697
Other Receivables		682	70,780
Prepaid Expenses	70,098		
Capital Assets:			
Land	143,696	70,254	213,950
Buildings, Furniture, and Equipment, Net	5,927,313	500,682	6,427,995
Total Assets	<u>\$13,892,420</u>	<u>\$591,861</u>	<u>\$14,484,281</u>
LIABILITIES:			
Accounts Payable	\$162,912	\$764	\$163,676
Other Payables	19,474		19,474
Bank Overdraft	85,901	2,075	87,976
Accrued Wages Payables	62,741	391	63,132
Noncurrent Liabilities:			
Compensated Absences	116,396	1,646	118,042
Due within one year	35,502		35,502
Due in more than one year	104,435		104,435
Total Liabilities	<u>587,361</u>	<u>4,876</u>	<u>592,237</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	5,931,072	570,936	6,502,008
Restricted for:			
Permanent Improvement	628,642		628,642
Unrestricted	6,745,345	16,049	6,761,394
Total Net Assets	<u>\$13,305,059</u>	<u>\$586,985</u>	<u>\$13,892,044</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2005

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Net (Expense) Revenue and Changes in Net Assets Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary government						
Government activities:						
General Administration	\$872,603	\$391,247	\$5,788	(\$475,568)		(\$475,568)
Judicial	704,646	717,106		12,460		12,460
Legal	19,001			(19,001)		(19,001)
Financial Administration	509,203	177,238		(331,965)		(331,965)
Public Safety	1,810,498	56,377	302,547	(1,451,574)		(1,451,574)
Public Transportation	769,764		21,380	(748,384)		(748,384)
Environmental Protections	269,310	92,116		(177,194)		(177,194)
Culture and Recreation	126,723	10,232	1,929	(114,562)		(114,562)
Health and Welfare	290,791	46,689	184,182	(59,920)		(59,920)
Conservation - Agriculture	93,666			(93,666)		(93,666)
Interest and Fiscal Charges	12,110			(12,110)		(12,110)
Total government activities	<u>5,478,315</u>	<u>1,491,005</u>	<u>515,826</u>	<u>(3,471,484)</u>	<u>0</u>	<u>(3,471,484)</u>
Business-type Activities:						
Passport	129	2,024			1,895	1,895
Jail Administration	14,177	8,726			(5,451)	(5,451)
Airport	80,482	13,853	20,656		(45,973)	(45,973)
Total Business-type Activities:	<u>94,788</u>	<u>24,603</u>	<u>20,656</u>	<u>0</u>	<u>(49,529)</u>	<u>(49,529)</u>
Total Primary Government	<u>\$5,573,103</u>	<u>\$1,515,608</u>	<u>\$536,482</u>	<u>(3,471,484)</u>	<u>(49,529)</u>	<u>(3,521,013)</u>
General Revenues						
Property Taxes, Levies for General Purposes				5,486,778		5,486,778
Sales Taxes				550,919		550,919
Other Taxes				7,372		7,372
License and Permits				523,743		523,743
Unrestricted Investment Earnings				187,586	1,042	188,628
Grants and Contributions not Restricted to Specific Programs				13,095		13,095
Miscellaneous				1,103,214		1,103,214
Transfers				(26,066)	26,066	0
Total General Revenues and Transfers				<u>7,846,641</u>	<u>27,108</u>	<u>7,873,749</u>
Change in Net assets				4,375,157	(22,421)	4,352,736
Net Assets - Beginning				8,929,902	609,406	9,539,308
Net Assets - Ending				<u>\$13,305,059</u>	<u>\$586,985</u>	<u>\$13,892,044</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
 BALANCE SHEET - GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2005

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$5,409,807	\$564,793	\$550,016	\$6,524,616
Receivables (net of allowance for uncollectibles)	544,428	16,908	15,037	576,373
Prepaid insurance	57,636	11,891	570	70,097
Total Assets	\$6,011,871	\$593,592	\$565,623	\$7,171,086
LIABILITIES AND FUND BALANCES:				
Liabilities				
Accounts Payable	\$117,269	\$37,623	\$8,020	\$162,912
Other Payables			19,474	19,474
Bank Overdraft			85,901	85,901
Accrued Wages Payable	46,433	12,606	3,702	62,741
Deferred Revenues	388,150			388,150
Total Liabilities	551,852	50,229	117,097	719,178
Fund Balances:				
Restricted For:				
Permanent Improvement	628,642			628,642
Unreserved, Reported in General Fund	4,831,377			4,831,377
Special Revenue Funds		543,363	448,526	991,889
Total Fund Balance	5,460,019	543,363	448,526	6,451,908
Total Liabilities and Fund Balances	\$6,011,871	\$593,592	\$565,623	\$7,171,086

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2005

Total Fund Balances - governmental funds balance sheet	\$6,451,908
Amounts reported for governmental activities in the statement of net assets ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	6,071,009
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	650,324
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	388,150
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(256,332)
Net assets of governmental activities - statement of net assets	<u>\$13,305,059</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, 2005

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<i>REVENUES</i>				
Taxes				
Property	\$5,472,080			\$5,472,080
Sales	550,919			550,919
Other	7,372			7,372
Intergovernmental	254,795	21,380	252,746	528,921
Licenses and Permits		523,743		523,743
Charges for Services	546,488		166,036	712,524
Fines and Forfeitures	587,741			587,741
Interest	155,103	28,234	4,249	187,586
Miscellaneous	1,005,938	18,650	78,626	1,103,214
Total Revenues	<u>8,580,436</u>	<u>592,007</u>	<u>501,657</u>	<u>9,674,100</u>

EXPENDITURES

Current:

General Administration				
County Judge	112,753			112,753
Commissioners Court	219,622			219,622
County Clerk	226,611			226,611
Records Management			37,294	37,294
Veterans Service	2,136			2,136
Non-Departmental	267,098		61,549	328,647
Legal				
Check Collection			3,285	3,285
Law Library			15,716	15,716
Judicial				
Court Reporter			1,232	1,232
Judicial			43,746	43,746
District Court	38,058			38,058
District Clerk	150,381			150,381
Justice of the Peace No. 1	92,959			92,959
Justice of the Peace No. 2	184,808			184,808
Criminal District Attorney	135,935			135,935
Court Expense	58,884			58,884
Financial Administration				
County Auditor	172,808			172,808
County Treasurer	94,626			94,626
Tax Assessor-Collector	280,963			280,963
Public Facilities				
Public Facilities	273,699			273,699
County Services Building	859,368			859,368

(continued)

(continued)

Public Safety				
Adult Probation	2,095			2,095
Ambulance	73,083			73,083
Constable No. 1	50,698			50,698
Constable No. 2	47,688			47,688
Corrections	625,367			625,367
Courthouse Security			14,487	14,487
D.P.S./License and Weight	3,952			3,952
D.P.S./Troopers	6,568			6,568
Emergency Management	36,279			36,279
EMS/Jaws of Life	4,520			4,520
Fire	52,615			52,615
Flood Plain Permit	3,816			3,816
Juvenile Probation	18,292		107,094	125,386
L.N.R.A.	43,001			43,001
Sheriff	845,271		7,606	852,877
Workforce Center	2,410			2,410
Public Transportation				
Road and Bridge		1,789,621		1,789,621
Environmental Protection				
Sanitation	269,678			269,678
Culture and Recreation				
County Library	112,443		8,785	121,228
Historical Commission			3,398	3,398
Parks	1,147			1,147
Fairgrounds	14,974			14,974
Health and Welfare				
Health			230,960	230,960
Child Welfare			862	862
Gulf Bend Mental Health	10,540			10,540
Senior Citizens Center	40,000			40,000
Conservation - Agriculture				
Agriculture Extension Service	91,702			91,702
U.S. Soil Conservation	2,000			2,000
Debt Service				
Principal Retirement	11,124	55,084	21,000	87,208
Interest Retirement	8,116	3,994		12,110
Total Expenditures	<u>5,548,088</u>	<u>1,848,699</u>	<u>557,014</u>	<u>7,953,801</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>3,032,348</u>	<u>(1,256,692)</u>	<u>(55,357)</u>	<u>1,720,299</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	918,220	1,754,899	117,884	2,791,003
Operating Transfers Out	(2,296,349)	(520,000)	(720)	(2,817,069)
Total Other Financing Sources (Uses)	<u>(1,378,129)</u>	<u>1,234,899</u>	<u>117,164</u>	<u>(26,066)</u>
Net Changes in Fund Balances	1,654,219	(21,793)	61,807	1,694,233
Fund Balances - Beginning	3,805,800	565,156	386,719	4,757,675
Fund Balances - Ending	<u>\$5,460,019</u>	<u>\$543,363</u>	<u>\$448,526</u>	<u>\$6,451,908</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 SEPTEMBER 30, 2005

Net Changes in Fund Balances - total governmental funds \$1,694,233

Amounts reported for governmental activities in the statement of net assets
 ("SNA") are different because:

Governmental funds report capital outlays as expenditures. However, in the statement
 of activities the cost of those assets is allocated over their estimated useful lives
 and reported as depreciation expense. This is the amount by which capital outlays
 exceeded depreciation in the current period. 2,361,653

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. 190,741

(Increase) decrease in Compensated absences from beginning of period to end of period. 26,625

Certain property tax revenues are deferred in the funds. This is the change in these amounts this year. 14,698

Repayment of loan principal is an expenditure in the funds but not an expense in the SOA. 87,207

Change in net assets of governmental activities - statement of activities \$4,375,157

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$4,656,200	\$4,656,200	\$5,476,007	\$819,807
Sales	425,000	425,000	533,538	108,538
Other	4,350	4,350	7,372	3,022
Intergovernmental	63,000	221,234	214,082	(7,152)
Charges for Services	490,700	490,700	537,508	46,808
Fines and Forfeitures	476,000	476,000	590,108	114,108
Interest	67,200	67,200	154,983	87,783
Miscellaneous	1,009,000	1,011,744	996,345	(15,399)
Total Revenues	<u>7,191,450</u>	<u>7,352,428</u>	<u>8,509,943</u>	<u>1,157,515</u>

EXPENDITURES

Current:				
General Administration				
County Judge	117,476	117,476	115,663	1,813
Commissioners Court	234,009	234,009	225,720	8,289
County Clerk	237,981	242,128	232,069	10,059
Veterans Service	2,650	2,650	2,000	650
Non-Departmental	316,625	286,111	269,247	16,864
Judicial				
District Court	53,507	53,507	38,076	15,431
District Clerk	154,035	154,035	152,020	2,015
Justice of the Peace No. 1	101,301	97,364	94,785	2,579
Justice of the Peace No. 2	181,601	188,138	187,587	551
Criminal District Attorney	144,096	144,096	137,726	6,370
Court Expense	79,300	79,300	56,514	22,786
Financial Administration				
County Auditor	178,238	178,238	176,930	1,308
County Treasurer	98,622	98,622	95,439	3,183
Tax Assessor-Collector	301,216	301,216	283,027	18,189
Public Facilities				
Public Facilities	285,137	289,637	277,702	11,935
County Services Building	1,262,810	1,279,997	1,142,678	137,319

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Public Safety				
Adult Probation	2,800	2,800	1,833	967
Ambulance	69,000	78,150	70,458	7,692
Constable No. 1	54,577	54,577	51,258	3,319
Constable No. 2	50,424	50,424	48,382	2,042
Corrections	678,480	678,480	630,199	48,281
D.P.S./License and Weight	5,950	5,950	4,161	1,789
D.P.S./Troopers	6,986	6,986	6,325	661
Emergency Management	24,650	39,650	36,261	3,389
EMS/Jaws of Life	10,450	10,450	4,416	6,034
Fire	52,000	53,000	48,605	4,395
Flood Plain Permit	10,000	10,000	4,859	5,141
Juvenile Probation	20,048	20,048	19,568	480
L.N.R.A.	55,192	55,192	44,833	10,359
Marine Rescue	3,700	0	0	0
Sheriff	845,640	952,047	855,405	96,642
Workforce Center	6,400	6,400	2,438	3,962
Environmental Protection				
Sanitation	255,713	282,229	271,185	11,044
Culture and Recreation				
County Library	111,814	116,487	113,930	2,557
Parks	1,500	1,500	1,119	381
Fairgrounds	22,490	22,490	14,974	7,516
Health and Welfare				
Gulf Bend Mental Health	10,540	10,540	10,540	0
Child Welfare	40,000	40,000	40,000	0
Conservation - Agriculture				
Agriculture Extension Service	102,531	102,531	92,229	10,302
U.S. Soil Conservation	2,000	2,000	2,000	0
Debt Service				
Principal Retirement	11,500	11,500	11,124	376
Interest Retirement	8,500	8,500	8,116	384
Total Expenditures	<u>6,211,489</u>	<u>6,368,455</u>	<u>5,881,401</u>	<u>487,054</u>

Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>979,961</u>	<u>983,973</u>	<u>2,628,542</u>	<u>1,644,569</u>

OTHER FINANCING SOURCES (USES):

Operating Transfers In	917,500	917,500	918,220	720
Operating Transfers Out	<u>(2,303,849)</u>	<u>(2,303,849)</u>	<u>(2,296,349)</u>	<u>7,500</u>
Total Other Financing Sources (Uses)	<u>(1,386,349)</u>	<u>(1,386,349)</u>	<u>(1,378,129)</u>	<u>8,220</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$406,388)</u>	<u>(\$402,376)</u>	<u>1,250,413</u>	<u>\$1,652,789</u>

Reconciliation from cash basis to modified accrual basis:

Changes in officers fees and sales tax receivable	67,538
Changes in Prepaid Insurance	5,953
Changes in Accounts Payable	269,528
Changes in Accrued Wages Payable	60,787
Net Changes in Fund Balances - Modified Accrual Basis	<u>1,654,219</u>
Fund Balances - Beginning	<u>3,805,800</u>
Fund Balances - Ending	<u>\$5,460,019</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, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Licenses and Permits	\$517,466	\$517,466	\$520,881	\$3,415
Intergovernmental	21,328	21,328	21,380	52
Interest	19,250	19,250	28,234	8,984
Miscellaneous	1,200	1,200	18,650	17,450
Total Revenues	<u>559,244</u>	<u>559,244</u>	<u>589,145</u>	<u>29,901</u>
EXPENDITURES				
Current				
Public Transportation	2,298,402	2,298,402	1,850,905	447,497
Debt Service				
Principal Retirement	55,105	55,105	55,084	21
Interest Retirement	8,625	8,625	3,994	4,631
Total Expenditures	<u>2,362,132</u>	<u>2,362,132</u>	<u>1,909,983</u>	<u>452,149</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(1,802,888)</u>	<u>(1,802,888)</u>	<u>(1,320,838)</u>	<u>482,050</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	1,754,899	1,754,899	1,754,899	0
Operating Transfers Out	<u>(520,000)</u>	<u>(520,000)</u>	<u>(520,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,234,899</u>	<u>1,234,899</u>	<u>1,234,899</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$567,989)</u>	<u>(\$567,989)</u>	<u>(85,939)</u>	<u>\$482,050</u>
Reconciliation from cash basis to modified accrual				
Changes in officers fees and sales tax receivable			16,908	
Changes in Prepaid Insurance			1,850	
Changes in Accounts Payable			31,502	
Changes in Accrued Wages Payable			13,886	
Net Changes in Fund Balances-Modified Accrual Basis			<u>(21,793)</u>	
Fund Balances - Beginning			565,156	
Fund Balances - Ending			<u>\$543,363</u>	

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$20,243	\$44,879	\$20,243
Prepaid Insurance	682	450	682
Total Current Assets	<u>20,925</u>	<u>45,329</u>	<u>20,925</u>
Noncurrent assets			
Capital Assets			
Land	70,254	70,254	70,254
Buildings and Improvements	208,489	167,178	208,489
Machinery and Equipment	6,709	6,709	6,709
Infrastructure	479,083	479,084	479,083
Total Capital assets	<u>764,535</u>	<u>723,225</u>	<u>764,535</u>
Less Accumulated Depreciation	(193,599)	(156,632)	(193,599)
Total Capital Assets (net of accumulated depreciation)	<u>570,936</u>	<u>566,593</u>	<u>570,936</u>
Total noncurrent assets	<u>570,936</u>	<u>566,593</u>	<u>570,936</u>
TOTAL ASSETS	<u>\$591,861</u>	<u>\$611,922</u>	<u>\$591,861</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS			
Liabilities			
Current Liabilities(Payable from Current Assets)			
Bank Overdraft	\$2,075	\$875	\$2,075
Accounts Payable	\$764		\$764
Accrued Wages Payable	\$391		\$391
Compensated Absences	1,646	1,641	1,646
Total Current Liabilities	<u>4,876</u>	<u>2,516</u>	<u>4,876</u>
TOTAL LIABILITIES	<u>4,876</u>	<u>2,516</u>	<u>4,876</u>
Unrestricted	<u>586,985</u>	<u>609,406</u>	<u>586,985</u>
TOTAL NET ASSETS	<u>\$591,861</u>	<u>\$611,922</u>	<u>\$591,861</u>

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
OPERATING REVENUES:			
Charges for Services	\$24,603	\$33,524	\$24,603
TOTAL OPERATING REVENUES	24,603	33,524	24,603
OPERATING EXPENSES			
Personal Services	32,526	35,715	32,526
Supplies	129	228	129
Other Services and Charges	25,164	13,756	25,164
Other Services and Charges	36,969	36,622	36,969
TOTAL OPERATING EXPENSES	94,788	86,321	94,788
OPERATING INCOME (LOSS)	(70,185)	(52,797)	(70,185)
NON-OPERATING REVENUES (EXPENSES):			
Interest Income	1,042	942	1,042
State Grant	20,656	2,529	20,656
TOTAL NON-OPERATING REVENUES (EXPENSES)	21,698	3,471	21,698
Income Before Transfers	(48,487)	(49,326)	(48,487)
Transfers In	26,066	33,878	26,066
Change in Net Assets	(22,421)	(15,448)	(22,421)
Total Net Assets - Beginning	609,406	624,854	609,406
Total Net Assets - Ending	\$586,985	\$609,406	\$586,985

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, 2005

	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
Cash flows from Operating Activities	\$24,603	\$33,524	\$24,603
Receipts from Customers and Users	(24,762)	(13,559)	(24,762)
Payments to Suppliers	(33,006)	(34,074)	(33,006)
Payments to Employees			
Net Cash Provided(Used) By Operating Activities:	(33,165)	(14,109)	(33,165)
Cash Flows from Non-Capital and Related Financing Activities	26,066	33,878	26,066
Transfers In			
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	26,066	33,878	26,066
Cash Flows from Capital and Related Financing Activities	20,656	2,529	20,656
State Grant			
Net Cash Provided(Used) By Capital and Related Financing Activities	20,656	2,529	20,656
Cash Flows from Capital and Related Financing Activities	(41,310)	0	(41,310)
Purchases of Capital Assets			
Net Cash Provided (Used) By Capital and Related Financing Activities	(41,310)	0	(41,310)
Cash Flows from Investing Activities	1,042	942	1,042
Interest Received			
Net Cash Provided(Used) By Investing Activities	1,042	942	1,042
Net Increase (Decrease) in Cash Equivalents	14,599	23,240	14,599
Cash and Cash Equivalents at Beginning of Year	44,879	21,639	44,879
Cash and Cash Equivalents at End of Year	\$59,478	\$44,879	\$59,478

(continued)

(continued)

	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
Reconciliation of Operating Income to net cash provided(Used) By Operating Activities			
Operating Income (Loss)	(\$70,185)	(\$52,797)	(\$70,185)
Adjustments to Reconcile to Net Cash Flow			
Non-Cash Items Included in Net Income			
Depreciation	36,969	36,622	36,969
Changes in Current Items			
Decrease(Increase) in Prepaid Insurance	(232)	(450)	(232)
Increase(Decrease) in Accounts Payable	763		763
Increase(Decrease) in Accrued Wages Payable	(484)	875	(484)
Increase(Decrease) in Compensated Absences Payable	4	1,641	4
Net Cash Provided(Used) by Operating Activities	<u>(\$33,165)</u>	<u>(\$14,109)</u>	<u>(\$33,165)</u>
Noncash Investing, Capital, and Financing Activities:			
Borrowing from capital debt	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Note: The above funds are all Enterprise Funds.

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

JACKSON COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Agency Funds	Trust Fund <u>Brackenridge</u> School Fund
ASSETS		
Cash and Cash Equivalents	\$671,262	\$50,000
Total Assets	<u>\$671,262</u>	<u>\$50,000</u>
LIABILITIES		
Accounts Payable	5,637	
Due to Others	665,625	0
Total Liabilities	<u>665,625</u>	<u>0</u>
NET ASSETS		
Held in Trust-unexpendable	0	50,000
Held in Trust-Educational Purposes	0	0
Total Net Assets	<u>\$0</u>	<u>\$50,000</u>

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

JACKSON COUNTY, TEXAS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

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

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

JACKSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

I. Summary of Significant Accounting Policies

A. Reporting entity

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

The government reports the following major governmental funds:

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

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

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

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

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

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

2. Receivables and Payables

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

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

2. Receivables and Payables (continued)

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

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 1 percent of the current outstanding property taxes at September 30, 2005 and 10 percent of the delinquent outstanding property taxes at September 30, 2005.

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, 2005. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Restricted Assets

There were no restricted assets at September 30, 2005.

5. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no such construction during the current fiscal year.

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

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

6. Compensated Absences

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

7. Long-Term Obligations

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

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

8. Fund Equity

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

9. Comparative data/reclassifications

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

II. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$256,332 difference are as follows:

Capital lease payable	\$107,973
Notes payable	31,963
Compensated absences	<u>116,396</u>
	<u>\$256,332</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds" report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$6,071,009 difference are as follows:

Capital outlay	\$11,462,166
Depreciation expense	(5,391,157)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$6,071,009</u>

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectible.)" The details of this \$388,150 difference are as follows:

Property taxes Receivable	\$422,727
Allowance for Doubtful Accounts	<u>(34,577)</u>
Net	<u><u>\$388,150</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 "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$650,323 difference are as follows:

Fines and Fees Receivable	\$1,090,484
Allowance for Doubtful Accounts	<u>(440,160)</u>
Net	<u><u>\$650,324</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 \$2,361,653 difference are as follows:

Capital outlay - additions - deletions	\$2,876,433
Depreciation expense	(514,780)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$2,361,653</u></u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

The final amended budget is used in this report.

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

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

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

When the Budget has been adopted by the Commissioner's Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioner's Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the line item.

Budgets for all budgeted General and Special Revenue Funds are adopted on a budgetary basis which is not in conformity with generally accepted accounting principles (GAAP). Budgets for the 2005 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, 2005, expenditures did not exceed appropriations in any fund except for the health fund whereby expenditures of \$234,355 exceeded the budgeted amount of \$212,056 by \$22,299, and the coastal impact fund whereby expenditures of \$60,930 exceeded the budgeted amount of \$60,703 by \$227.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2005 except for the Ron Howard Trust fund which had a negative fund balance of \$85,901 at September 30, 2005. The negative fund balance is expected to be liquidated by future resources of the fund.

IV. Detailed Notes on All Funds

A. Deposits and Investments

Legal and Contractual Provisions Governing Deposits and Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is not in compliance with the requirements of the Act and with local policies.

Policies Governing Deposits and Investments:

The County has not adopted a deposit and investment policy, however, the county does address the following risks:

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

Credit risk: State law limits investments in commercial paper and corporate bonds to the top two rating issued by nationally recognized statistical rating organizations (NRSROs). It is the government's policy to limit its investments in these investment types to the top rating issued by NRSROs.

Concentration of credit risk: The County places no limit on the amount the Authority may invest in any one issuer.

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, 2005, the government's bank balance of \$7,451,711 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 are 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 \$14,189,143 the State of Texas Coverage is \$6,180,147, and the FDIC coverage is \$149,589.

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, 2005, the County had no in investments.

As of September 30, 2005, the government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
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None

B. Receivables

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

	General Fund	Other Governmental Funds	Total
<u>Receivables</u>			
Ad Valorem Taxes	\$422,727		\$422,727
Sales Tax	56,980		56,980
Fines	1,090,484		1,090,484
Other	0	31,945	31,945
Gross receivables	<u>1,570,191</u>	<u>31,945</u>	<u>1,602,136</u>
Less: Allowance for uncollectibles	<u>375,439</u>		<u>375,439</u>
Net total receivables	<u>\$1,194,752</u>	<u>\$31,945</u>	<u>\$1,226,697</u>

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

	<u>Unavailable</u>
Delinquent Property Taxes Receivable (General Fund)-Net	<u>\$388,150</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$388,150</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, 2005 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$143,696			\$143,696
Total capital assets not being depreciated	143,696	0	0	143,696
Capital assets being depreciated:				
Building and improvements	3,246,529	1,175,340	0	4,421,869
Machinery and equipment	4,676,075	685,933	61,691	5,300,317
Infrastructure	484,658	1,079,113	0	1,563,771
Construction in Progress	90,667	32,513	90,667	32,513
Total capital assets being depreciated	8,497,929	2,972,899	152,358	11,623,186
Less accumulated depreciation for:				
Building and improvements	1,899,787	98,004	0	1,997,791
Machinery and equipment	2,989,233	400,581	55,894	3,333,920
Infrastructure	43,251	16,195	0	59,446
Total accumulated depreciation	4,932,271	514,780	55,894	5,391,157
Total Capital assets being depreciated, net	3,565,658	2,458,119	96,464	5,927,313
Governmental activities capital assets, net	\$3,709,354	\$2,458,119	\$96,464	\$6,071,009

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciated:				
Land	\$70,254	\$0	\$0	\$70,254
Total capital assets not being depreciated	70,254	0	0	70,254
Capital assets being depreciated:				
Building and improvements	167,177	41,312	0	208,489
Machinery and equipment	6,709	0	0	6,709
Infrastructure	479,083	0	0	479,083
Total capital assets being depreciated	652,969	41,312	0	694,281
Less accumulated depreciation for:				
Building and improvements	103,196	5,028	0	108,224
Machinery and equipment	6,709	0	0	6,709
Infrastructure	46,726	31,940	0	78,666
Total accumulated depreciation	156,631	36,968	0	193,599
Total Capital assets being depreciated, net	496,338	4,344	0	500,682
Business-type activities capital assets, net	\$566,592	\$4,344	\$0	\$570,936

Construction commitments

There was one major capital asset event during the current fiscal year: A multi-purpose building was destroyed by fire and the county started rebuilding in the 2004-2005 fiscal year.

D. Interfund Receivables, Payables, and Transfers

Due to/from other funds:

There were no interfund balances as of September 30, 2005.

There were no advances at September 30, 2005.

ACCOUNT	AMOUNT	REASON
<u>GENERAL FUND</u>		
Transfer from Security Fund	720	Fund Public Safety
Transfer from Sales tax Fund	425,000	Fund Public Safety
Transfer to Road and Bridge	(1,234,899)	Fund Public Transportation
Transfer to Historical Commission	(5,000)	Fund Culture
Transfer to Jury	(7,500)	Fund Judicial
Transfer to Airport	(26,066)	Fund Recreation
Transfer to Health	(105,384)	Fund Health
<u>ROAD AND BRIDGE FUND</u>		
Transfer from General Fund	1,234,899	Fund Public Safety
<u>JURY</u>		
Transfer from General Fund	7,500	Fund Judicial
<u>SECURITY FUND</u>		
Transfer to General Fund	(720)	Fund Public Safety
<u>AIRPORT</u>		
Transfer from General Fund	26,066	Fund Recreation
<u>HEALTH</u>		
Transfer from General Fund	105,384	Fund Health
<u>SALES TAX</u>		
Transfer to General Fund	(425,000)	Fund Public Safety
<u>HISTORICAL COMMISSION</u>		
Transfer from General Fund	5,000	Fund Culture
	<u>\$0</u>	

E. Leases

Operating Leases

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$24,147 for the year ended September 30, 2005. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30,	<u>Amount</u>
2006	\$24,983
2007	22,750
2008	21,049
2009	<u>15,944</u>
Total	<u>\$84,726</u>

F. Long-Term Debt

Capital Leases

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

The assets acquired through capital leases are as follows:

ASSET	Governmental Activities	
	COMPUTER SOFTWARE	TOTAL
COST	\$95,720	\$95,720
ACCUMULATED DEPRECIATION	<u>(28,716)</u>	<u>(28,716)</u>
NET ASSET	<u>\$67,004</u>	<u>\$67,004</u>

YEAR	Governmental	
	Activities	Total
2006	\$40,239	\$40,239
2007	40,239	40,239
2008	40,239	40,239
TOTAL MINIMUM LEASE PAYMENTS	<u>120,717</u>	<u>120,717</u>
LESS: AMOUNT REPRESENTING INTEREST	12,744	12,744
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$107,973</u>	<u>\$107,973</u>

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

F. Long-Term Debt (continued)

Notes Payables:

Original amount - \$80,797, payable to Prosperity Bank in Edna, Texas, Principal due in four annual installments of \$16,578 and on installment of \$14,485 through January 20, 2007; interest variable and is paid quarterly and is equal to the Wall Street Journal prime rate not to exceed 18%. Amount outstanding - \$31,963:

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

The activity for the year ended September 30, 2005, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
<u>Governmental activities:</u>					
Lease purchase payable	\$178,902	\$0	\$70,929	\$107,973	\$20,432
Loan Payable	48,241	0	16,278	31,963	15,070
Compensated Absences	143,021		26,625	116,396	0
	<u>\$370,164</u>	<u>\$0</u>	<u>\$113,832</u>	<u>\$256,332</u>	<u>\$35,502</u>
<u>Business-type activities:</u>					
Compensated Absences	1,641	5		\$1,646	0
	<u>1,641</u>	<u>5</u>	<u>0</u>	<u>1,646</u>	<u>0</u>
Grand Total	<u>\$371,805</u>	<u>\$5</u>	<u>\$113,832</u>	<u>\$257,978</u>	<u>\$35,502</u>

The general fund and the road and bridge fund are used to service the compensated absences. The estimated amount due in the 2005-06 year is \$-0-.

The government-wide statement of activities includes \$35,502 as "noncurrent liabilities, due within one year".

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

G. Restricted Net Assets

The restricted net asset accounts at September 30, 2005 consisted of \$628,642 for permanent improvement.

V. Other Information

A. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims in excess of \$50. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended September 30, 2005	Year Ended September 30, 2004
Unpaid claims, beginning of fiscal year	\$0	\$0
Incurred claims (including IBNRs)	0	0
Claim payments	0	0
Unpaid claims, end of fiscal year	\$0	\$0

B. Related Party Transaction

There were no related party transactions during the year.

C. Subsequent Events

The County hired A&A Construction on January 9, 2006 as contractors to remodel the courthouse for \$318,900.

D. Contingent Liabilities

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

The government is not a defendant in any lawsuit.

E. Other Post Employment Benefits

There are no post employment benefits.

F. Retirement Plan

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 559 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

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

Funding Policy

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

The governing body elected to pay a rate of 7.63% for the 2004 and 7.78% for the 2005 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 2004 and 2005 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	12/31/2002	12/31/2003	12/31/2004
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, open	level percentage of payroll, open
Amortization period	20.0	20.0	20.0
Asset valuation method	Long-term appreciation with adjustment	Long-term appreciation with adjustment	Long-term appreciation with adjustment
Actuarial Assumptions			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.5%	5.5%	5.5%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.00%	0.00%	0.00%

Annual Pension Cost

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

<u>Accounting Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
9-30-03	201,688	7.51, 7.35%	-0-
9-30-04	213,183	7.35, 7.63%	-0-
9-30-05	229,090	7.63, 7.78%	-0-

ANALYSIS OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage of Payroll ((b-a)/c)</u>
2002	6,222,664	7,026,959	804,295	88.6	2,692,729	29.9
2003	7,019,043	7,788,961	769,918	90.1	2,748,508	28.0
2004	7,636,990	8,483,553	846,563	90.0	2,838,036	29.8

U. PRIOR PERIOD ADJUSTMENTS

The County has determined that certain transactions were recorded incorrectly in a prior year.

Governmental Activities: In the Government-Wide statements, Capital assets were under reported by \$109,661. The net adjustment increase is \$109,661 to the beginning net capital assets. This restatement had a corresponding effect on the beginning net assets.

	<u>Net Assets, as Previously Reported</u>	<u>Capital Assets Restatement</u>	<u>Net Assets As Restated</u>
Governmental Activities:			
Net Assets	\$ 8,820,241	\$ 109,661	\$ 8,929,902
Total Governmental Activities	<u>\$ 8,820,241</u>	<u>\$ 109,661</u>	<u>\$ 8,929,902</u>

REQUIRED SUPPLEMENTARY INFORMATION

JACKSON COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2005

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
ANALYSIS OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
2002	6,222,664	7,026,959	804,295	88.6	2,692,729	29.9
2003	7,019,043	7,788,961	769,918	90.1	2,748,508	28.0
2004	7,636,990	8,483,553	846,563	90.0	2,838,036	29.8

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - GENERAL FUND
 SEPTEMBER 30, 2005

	General Fund	Sales Tax Fund	Permanent Improvement Funds	Total General Funds
ASSETS				
Cash and Cash Equivalents	\$4,319,563	\$571,662	\$518,582	\$5,409,807
Receivables (net of allowance for uncollectibles)	487,448	56,980		544,428
Prepaid insurance	57,637			57,637
Total Assets	\$4,864,648	\$628,642	\$518,582	\$6,011,872
LIABILITIES AND FUND BALANCES:				
Accounts Payable	\$67,712		\$49,558	\$117,270
Accrued Wages Payable	46,433			46,433
Deferred Revenues	388,150			388,150
Total Liabilities	502,295	0	49,558	551,853
Fund Balances:				
Restricted For:				
Permanent Improvement		628,642		628,642
Unreserved, Reported in				
General Fund	4,362,353			4,362,353
Other Governmental Funds			469,024	469,024
Total Fund Balance	4,362,353	628,642	469,024	5,460,019
Total Liabilities and Fund Balances	\$4,864,648	\$628,642	\$518,582	\$6,011,872

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, 2005

	General Fund	Sales Tax Fund	Permanent Improvement Funds	Total General Funds
REVENUES				
Taxes				\$5,472,080
Property	\$5,472,080			550,919
Sales		550,919		7,372
Other	7,372			254,795
Intergovernmental	254,795			546,488
Charges for Services	546,488			587,741
Fines and Forfeitures	587,741			155,103
Interest	131,540	9,491	14,072	1,005,938
Miscellaneous	1,005,938			
Total Revenues	8,005,954	560,410	14,072	8,580,436
EXPENDITURES				
Current:				
General Administration				112,753
County Judge	112,753			219,622
Commissioners Court	219,622			226,611
County Clerk	226,611			2,136
Veterans Service	2,136			267,098
Non-Departmental	267,098			
Judicial				38,058
District Court	38,058			150,381
District Clerk	150,381			92,959
Justice of the Peace No. 1	92,959			184,808
Justice of the Peace No. 2	184,808			135,935
Criminal District Attorney	135,935			58,884
Court Expense	58,884			
Financial Administration				172,808
County Auditor	172,808			94,626
County Treasurer	94,626			280,963
Tax Assessor-Collector	280,963			
Public Facilities				273,699
Public Facilities	273,699			173,398
County Services Building	685,970		173,398	859,368
Public Safety				2,095
Adult Probation	2,095			73,083
Ambulance	73,083			36,279
Civil Defense	36,279			50,698
Constable No. 1	50,698			47,688
Constable No. 2	47,688			625,367
Corrections	625,367			3,952
D.P.S./License and Weight	3,952			6,568
D.P.S./Troopers	6,568			4,520
EMS/Jaws of Life	4,520			52,615
Fire	52,615			3,816
Flood Plain Permit	3,816			2,410
J.T.P.A.	2,410			43,001
L.N.R.A.	43,001			845,271
Sheriff	845,271			18,292
T.J.P.C.	18,292			
(continued)				

(continued)

Environmental Protection				
Sanitation	269,678			269,678
Culture and Recreation				
County Library	112,443			112,443
Parks	1,147			1,147
Fairgrounds	14,974			14,974
Health and Welfare				
Gulf Bend Mental Health	10,540			10,540
Senior Citizens Center	40,000			40,000
Conservation - Agriculture				
Agriculture Extension Service	91,702			91,702
U.S. Soil Conservation	2,000			2,000
Debt Service				
Principal Retirement			11,124	11,124
Interest Retirement			8,116	8,116
Total Expenditures	<u>5,355,450</u>	<u>0</u>	<u>192,638</u>	<u>5,548,088</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>2,650,504</u>	<u>560,410</u>	<u>(178,566)</u>	<u>3,032,348</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	425,720		492,500	918,220
Operating Transfers Out	<u>(1,871,349)</u>	<u>(425,000)</u>		<u>(2,296,349)</u>
Total Other Financing Sources (Uses)	<u>(1,445,629)</u>	<u>(425,000)</u>	<u>492,500</u>	<u>(1,378,129)</u>
Net Changes in Fund Balances	1,204,875	135,410	313,934	1,654,219
Fund Balances - Beginning	3,157,478	493,232	155,090	3,805,800
Fund Balances - Ending	<u>\$4,362,353</u>	<u>\$628,642</u>	<u>\$469,024</u>	<u>\$5,460,019</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND
 SEPTEMBER 30, 2005

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Highway Fund	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Bridge Replacement No. 1
ASSETS										
Cash and Cash Equivalents	\$85,782	\$56,405	\$36,214	\$207,742	\$13,217	\$0	\$0	\$0	\$0	\$12,073
Receivables (net of allowance for uncollectibles)	2,831	2,505	2,456	14,046	2,862					
Prepaid insurance				4,099						
Total Assets	\$88,613	\$58,910	\$38,670	\$225,887	\$16,079	\$0	\$0	\$0	\$0	\$12,073
LIABILITIES AND FUND BALANCES:										
Liabilities:										
Accounts Payable	\$1,818	\$10,591	\$9,957	\$14,601						
Accrued Wages Payable	3,138	3,176	2,600	3,692						
Total Liabilities	4,956	13,767	12,557	18,293	0	0	0	0	0	0
Fund Balances:										
Unreserved, Reported in Other Governmental Funds	83,657	45,143	26,113	207,594	16,079	0	0	0	0	12,073
Total Fund Balance	83,657	45,143	26,113	207,594	16,079	0	0	0	0	12,073
Total Liabilities and Fund Balances	\$88,613	\$58,910	\$38,670	\$225,887	\$16,079	\$0	\$0	\$0	\$0	\$12,073

The accompanying notes are an integral part of this statement.

Bridge Replacement No. 2	Bridge Replacement No. 3	Bridge Replacement No. 4	Equipment Replacement				Total Road and Bridge
			No. 1	No. 2	No. 3	No. 4	
\$22,703	\$5,831	\$10,134	\$14,155	\$33,730	\$7	\$66,800	\$564,793
<u>\$22,703</u>	<u>\$5,831</u>	<u>\$10,134</u>	<u>\$14,155</u>	<u>\$33,730</u>	<u>\$7</u>	<u>\$66,800</u>	<u>\$593,592</u>
				\$656			\$37,623
							12,606
							16,908
							11,891
							50,229
22,703	5,831	10,134	14,155	33,074	7	66,800	543,363
<u>22,703</u>	<u>5,831</u>	<u>10,134</u>	<u>14,155</u>	<u>33,074</u>	<u>7</u>	<u>66,800</u>	<u>543,363</u>
<u>\$22,703</u>	<u>\$5,831</u>	<u>\$10,134</u>	<u>\$14,155</u>	<u>\$33,730</u>	<u>\$7</u>	<u>\$66,800</u>	<u>\$593,592</u>

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS
 YEAR ENDED SEPTEMBER 30, 2005

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Highway Fund	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Bridge Replacement No. 1
REVENUES										
Intergovernmental					523,743	\$5,345	\$5,345	\$5,345	\$5,345	\$5,345
Licenses and Permits	4,972	5,350	2,703	10,204						409
Interest	3,875	275	0	14,500						
Miscellaneous	8,847	5,625	2,703	24,704	523,743	5,345	5,345	5,345	5,345	409
Total Revenues										
EXPENDITURES										
Current:										
Public Transportation	380,892	430,973	270,340	631,944		5,345	5,345	5,345	5,345	12,744
Road and Bridge										
Debt Service		21,479	20,427							
Principal Retirement		1,145	902							
Interest and Fiscal Charges										
Total Expenditures	380,892	453,597	291,669	631,944	0	5,345	5,345	5,345	5,345	12,744
Excess (Deficiency) of Revenues Over (Under) Expenditures	(372,045)	(447,972)	(288,966)	(607,240)	523,743	0	0	0	0	(12,335)
OTHER FINANCING SOURCES (USES):										
Operating Transfers In	390,282	411,256	314,679	578,682	(520,000)					0
Operating Transfers Out	390,282	411,256	314,679	578,682	(520,000)	0	0	0	0	0
Total Other Financing Sources (Uses)	18,237	(36,716)	25,713	(28,558)	3,743	0	0	0	0	(12,335)
Net Changes in Fund Balances	65,420	81,859	400	236,152	12,336	0	0	0	0	24,408
Fund Balances - Beginning	\$83,657	\$45,143	\$26,113	\$207,594	\$16,079	\$0	\$0	\$0	\$0	\$12,073
Fund Balances - Ending										

The accompanying notes are an integral part of this statement.

Bridge Replacement No. 2	Bridge Replacement No. 3	Bridge Replacement No. 4	Equipment Replacement No. 1	Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
1,217	157	272	377	856	6	1,711	\$21,380
1,217	157	272	377	856	6	1,711	523,743
							28,234
							18,650
25,259	1,287	3,444	2,747	656		7,955	1,789,621
					13,178		55,084
					1,947		3,994
25,259	1,287	3,444	2,747	656	15,125	7,955	1,848,699
(24,042)	(1,130)	(3,172)	(2,370)	200	(15,119)	(6,244)	(1,256,692)
0	0	0	15,000	15,000	15,000	15,000	1,754,899
(24,042)	(1,130)	(3,172)	12,630	15,200	(119)	8,756	(21,793)
46,745	6,961	13,306	1,525	17,874	126	58,044	565,156
\$22,703	\$5,831	\$10,134	\$14,155	\$33,074	\$7	\$66,800	\$543,363

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2005

	SPECIAL REVENUE										COUNTY				DISTRICT			
	HISTORICAL COMMISSION	CHILD WELFARE	CHILD MEDIATION FUND	JUVENILE PROBATION DISCRETION	COUNTY RECORDS MANAGEMENT	COUNTY RECORDS MANAGEMENT	COURT REPORTER SERVICES	APPELLATE JUDICIAL SYSTEMS	JURY	ELECTIONS ADMINISTRATION	DISTRICT ATTORNEY RESERVE	DISTRICT CLERK RESERVE	SHERIFF FOREFEITURE	DISTRICT ATTORNEY FOREFEITURE	RON HOWARD TRUST	COURTHOUSE SECURITY	DISTRICT CLERK RECORDS MANAGEMENT	JUSTICE COURT TECH
ASSETS	\$9,344	\$15,436	\$1,450	\$9,579	\$19,221	\$111,195	\$3,320	\$1,193	\$1,583	\$516	\$55,385	\$5,477	\$7,528	\$13,262	\$0	\$137,937	\$1,511	\$23,637
Cash and Cash Equivalents					425	1,540		25		688						411		
Receivables (net of allowance for uncollectibles)																		
Prepaid Insurance	570																	
TOTAL ASSETS	\$9,914	\$15,436	\$1,450	\$9,579	\$19,646	\$112,735	\$3,320	\$1,218	\$1,583	\$516	\$56,073	\$5,477	\$7,528	\$13,262	\$0	\$138,348	\$1,511	\$23,637
LIABILITIES AND FUND BALANCES																		
Liabilities																		
Accounts Payable							\$1		\$43									\$21
Bank Overdraft															85,901			
Due to others				320		28				13,677	5,477			10				100
Accrued Wages Payable																		
Total Liabilities	0	0	0	320	0	29	0	0	43	0	13,677	5,477	0	10	85,901	148	0	21
Fund Balances																		
Unreserved - Undesignated	9,914	15,436	1,450	9,259	19,646	112,706	3,320	1,218	1,540	516	42,396	0	7,528	13,252	(85,901)	138,200	1,511	23,616
Total Fund Balances	9,914	15,436	1,450	9,259	19,646	112,706	3,320	1,218	1,540	516	42,396	0	7,528	13,252	(85,901)	138,200	1,511	23,616
TOTAL LIABILITIES AND FUND BALANCES	\$9,914	\$15,436	\$1,450	\$9,579	\$19,646	\$112,735	\$3,320	\$1,218	\$1,583	\$516	\$56,073	\$5,477	\$7,528	\$13,262	\$0	\$138,348	\$1,511	\$23,637

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

COASTAL IMPACT COMMISSARY TELEPHONE	HEALTH FUND	LAW ENFORCEMENT OFFICERS ASSOCIATION	MEMORIAL LIBRARY	JUVENILE PROBATION	LAW LIBRARY	NONMAJOR GOVERN. MENTAL FUNDS	
							ANCE
\$30,800	\$0	\$18,187	\$5,020	\$22,198	\$50,494	\$5,743	\$550,016
5,516		5,937			320	175	15,037
							570
\$36,316	\$0	\$24,124	\$5,020	\$22,198	\$50,814	\$5,918	\$565,623
\$4,214		\$977		\$17	\$1,148	\$1,551	\$8,020
							85,901
96		1,807			1,701		19,474
							3,702
4,270	0	2,784	0	17	2,849	1,551	117,097
32,046	0	21,340	5,020	22,181	47,965	4,367	448,526
32,046	0	21,340	5,020	22,181	47,965	4,367	448,526
\$36,316	\$0	\$24,124	\$5,020	\$22,198	\$50,814	\$5,918	\$565,623

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	COUNTY										DISTRICT							
	HISTORICAL COMMISSION	CHILD WELFARE	MEDATION FUND	JUVENILE PROBATION DISCRETION	COUNTY RECORDS MANAGEMENT	COUNTY CLERK RECORDS MANAGEMENT	COURT REPORTER SERVICES	APPELLATE JUDICIAL SYSTEMS	JURY	ELECTIONS ADMINISTRATION	DISTRICT ATTORNEY RESERVE	DISTRICT CLERK	SHERIFF FORFEITURE	DISTRICT ATTORNEY FORFEITURE	RON HOWARD TRUST	COURTHOUSE SECURITY	DISTRICT CLERK RECORDS MANAGEMENT	JUSTICE COURT TECH
REVENUES																		
Intergovernmental																		
Charges for Services	246	404		1,977	6,590	22,552	2,152	1,173	540	10,482		209	495		21,134	923	18,523	
Interest	2,100	1,545										5,742	15,637	23,089				
Miscellaneous	2,348	1,949	0	1,977	6,590	22,552	2,152	1,173	540	10,482	0	5,951	16,132	23,089	21,134	923	18,523	
Total Revenues																		
EXPENDITURES																		
Current:																		
General Administration																		
Records Management					2,292					34,900		619					102	
Non Departmental																		
Judicial							1,232											
Court Reporter								1,220	16,204									
Judicial																		
Legal																		
Check Collection																		
Law Library																		
Public Safety																		
Juvenile Probation				8,473														
Sheriff																		
Courthouse Security																		
Culture and Recreation																		
Historical Commission																		
Library																		
Health and Welfare																		
Health																		
Child Welfare																		
Debt Service																		
Principal Retirement																		
Total Expenditures	3,398	862	0	8,473	23,292	34,900	1,232	1,220	16,204	619	3,285	0	1,210	19,309	0	14,487	102	7,013
Excess (Deficiency) of Revenues Over Expenditures	(1,050)	1,087	0	(6,496)	(16,702)	(12,348)	920	(47)	(15,664)	(619)	7,197	0	4,741	(3,177)	23,089	6,647	821	11,510
OTHER FINANCING SOURCES (USES):																		
Operating Transfers In	5,000																	
Operating Transfers Out																		
Total Other Financing Sources (Uses)	5,000	0	0	0	0	0	0	0	7,500	0	0	0	0	0	0	(720)	0	0
Net Changes in Fund Balances	3,950	1,087	0	(6,496)	(16,702)	(12,348)	920	(47)	(8,164)	(619)	7,197	0	4,741	(3,177)	23,089	5,927	821	11,510
Fund Balances - Beginning	5,964	14,349	1,450	15,755	36,348	125,054	2,400	1,265	9,704	1,135	35,199	0	2,787	16,429	(108,990)	132,273	690	12,106
Fund Balances - Ending	\$9,914	\$15,436	\$1,450	\$9,259	\$19,646	\$112,706	\$3,320	\$1,218	\$1,540	\$516	\$42,396	\$0	\$7,528	\$13,252	\$138,200	\$138,200	\$1,511	\$23,616

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR PROPRIETARY FUNDS
 SEPTEMBER 30, 2005

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS										TOTALS				
	PASSPORT					JAIL					NONMAJOR		TOTALS		
	PICTURE	COMMISSARY	COMMISSARY	AIRPORT	AIRPORT	PICTURE	COMMISSARY	COMMISSARY	AIRPORT	AIRPORT	PROPRIETARY	PROPRIETARY	PRIOR	PROPRIETARY	
CURRENT	CURRENT	CURRENT	CURRENT	CURRENT	CURRENT	CURRENT	CURRENT	CURRENT	CURRENT	CURRENT	CURRENT	YEAR	PRIOR	YEAR	
YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	
ASSETS															
Current Assets	\$5,797	\$3,800	\$14,446	\$19,338	\$0	\$21,741	\$20,243	\$44,879							
Cash and Cash Equivalents			682	450	682	450	682	450							
Prepaid Insurance															
Total Current Assets	5,797	3,800	14,446	19,338	682	22,191	20,925	45,329							
Noncurrent assets															
Capital Assets															
Land															
Buildings and Improvements															
Machinery and Equipment															
Infrastructure															
Total Capital assets															
Less Accumulated Depreciation															
Total Capital Assets (net of accumulated depreciation)															
Total noncurrent assets															
TOTAL ASSETS	\$5,797	\$3,800	\$14,446	\$19,338	\$571,618	\$588,784	\$591,861	\$611,922							
LIABILITIES, FUND EQUITY AND OTHER CREDITS															
Liabilities															
Current Liabilities (Payable from Current Assets)															
Bank Overdraft	0	0	0	0	2,075	0	2,075	0							
Accounts Payable	0	0	105	0	659	0	764	0							
Accrued Wages Payable	0	0	12	0	379	875	391	875							
Compensated Absences Payable	0	0	0	0	1,646	1,641	1,646	1,641							
Total Current Liabilities	0	0	117	0	4,759	2,516	4,876	2,516							
TOTAL LIABILITIES	0	0	117	0	4,759	2,516	4,876	2,516							
Unrestricted	5,797	3,800	14,329	19,338	566,859	586,268	586,985	609,406							
TOTAL NET ASSETS	\$5,797	\$3,800	\$14,446	\$19,338	\$571,618	\$588,784	\$591,861	\$611,922							

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NON-MAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS												TOTALS				
	PASSPORT			PICTURE			JAIL			AIRPORT			NONMAJOR		TOTALS		
	YEAR	PRIOR	CURRENT	YEAR	PRIOR	CURRENT	YEAR	PRIOR	CURRENT	YEAR	PRIOR	CURRENT	YEAR	PRIOR	YEAR	YEAR	
OPERATING REVENUES:																	
Charges for Services	\$2,024	\$1,553	\$8,726	\$10,476	\$13,853	\$21,495	\$24,603	\$33,524									
TOTAL OPERATING REVENUES	2,024	1,553	8,726	10,476	13,853	21,495	24,603	33,524									
OPERATING EXPENSES																	
Personal Services																	
Supplies	129	228			32,526	35,715	32,526	35,715									
Other Services and Charges			14,177	1,297	10,987	12,459	25,164	13,756									
Depreciation					36,969	36,622	36,969	36,622									
TOTAL OPERATING EXPENSES	129	228	14,177	1,297	80,482	84,796	94,788	86,321									
OPERATING INCOME (LOSS)	1,895	1,325	(5,451)	9,179	(66,629)	(63,301)	(70,185)	(52,797)									
NON-OPERATING REVENUES (EXPENSES):																	
Interest Income	102	61	442	297	498	584	1,042	942									
State Grant					20,656	2,529	20,656	2,529									
TOTAL NON-OPERATING REVENUES (EXPENSES)	102	61	442	297	21,154	3,113	21,698	3,471									
Income Before Transfers	1,997	1,386	(5,009)	9,476	(45,475)	(60,188)	(48,487)	(49,326)									
Transfers In					26,066	33,878	26,066	33,878									
Change in Net Assets	1,997	1,386	(5,009)	9,476	(19,409)	(26,310)	(22,421)	(15,448)									
Total Net Assets - Beginning	3,800	2,414	19,338	9,862	586,268	612,578	609,406	624,854									
Total Net Assets - Ending	\$5,797	\$3,800	\$14,329	\$19,338	\$566,859	\$586,268	\$586,985	\$609,406									

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS										TOTALS			
	PASSPORT		JAIL		JAIL		COMMISSARY		AIRPORT		NONMAJOR		TOTALS	
	PICTURE	YEAR	PICTURE	YEAR	COMMISSARY	YEAR	COMMISSARY	YEAR	AIRPORT	YEAR	NONMAJOR	YEAR	NONMAJOR	YEAR
Cash flows from Operating Activities														
Receipts from Customers and Users	\$2,024	\$1,553	\$8,726	\$10,476	\$13,853	\$21,495	\$24,603	\$33,524						
Payments to Suppliers	(129)	(228)	(14,072)	(1,297)	(10,561)	(12,909)	(24,762)	(14,434)						
Payments to Employees	0	0	12	(1,297)	(33,018)	(33,199)	(33,006)	(33,199)						
Net Cash Provided(Used) By Operating Activities:	1,895	1,325	(5,334)	9,179	(29,726)	(24,613)	(33,165)	(14,109)						
Cash Flows from Non-Capital and Related Financing Activities														
Transfers In					26,066	33,878	26,066	33,878						
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	0	0	0	0	26,066	33,878	26,066	33,878						
Cash Flows from Capital and Related Financing Activities														
State Grant					20,656	2,529	20,656	2,529						
Net Cash Provided(Used) By Capital and Related Financing Activities	0	0	0	0	20,656	2,529	20,656	2,529						
Cash Flows from Capital and Related Financing Activities														
Purchases of Capital Assets					(41,310)	0	(41,310)	0						
Net Cash Provided (Used) By Capital and Related Financing Activities	0	0	0	0	(41,310)	0	(41,310)	0						
Cash Flows from Investing Activities														
Interest Received	102	61	442	297	498	584	1,042	942						
Net Cash Provided(Used) By Investing Activities	102	61	442	297	498	584	1,042	942						
Net Increase (Decrease) in Cash Equivalents	1,997	1,386	(4,892)	9,476	(23,816)	12,378	(26,711)	23,240						
Cash and Cash Equivalents at Beginning of Year	3,800	2,414	19,338	9,862	21,741	9,363	44,879	21,639						
Cash and Cash Equivalents at End of Year	\$5,797	\$3,800	\$14,446	\$19,338	(\$2,075)	\$21,741	\$18,168	\$44,879						

(continued)

(continued)									
Reconciliation of Operating Income to net cash provided(Used) By Operating Activities									
Operating Income (Loss)	\$1,895	\$1,325	(\$5,451)	\$9,179	(\$66,629)	(\$63,301)	(\$70,165)	(\$52,797)	
Adjustments to Reconcile to Net Cash Flow									
Non-Cash Items Included in Net Income					36,969	36,622	36,969	36,622	
Depreciation									
Changes in Current Items									
Decrease(Increase) in Prepaid Insurance					(232)	(450)	(232)	(450)	
Increase(Decrease) in Accounts Payable			105		658	0	763	0	
Increase(Decrease) in Accrued Wages Payable			12		(496)	875	(484)	875	
Increase(Decrease) in Compensated Absences Payable					4	1,641	4	1,641	
Net Cash Provided(Used) by Operating Activities	\$1,895	\$1,325	(\$5,334)	\$9,179	(\$29,726)	(\$24,613)	(\$33,165)	(\$14,109)	
Noncash Investing, Capital and Financing Activities:									
Borrowing from capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Note: The above funds are all Enterprise Funds

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Agency Funds				Total
	Trust Investment	State Fees	County-Wide Drainage District	County Officer Accounts	
ASSETS					
Cash and Cash Equivalents	\$141,892	\$91,256	\$3,665	\$434,449	\$671,262
Total Assets	\$141,892	\$91,256	\$3,665	\$434,449	\$671,262
LIABILITIES					
Accounts Payable			5,637		5,637
Due to Others	141,892	91,256	(1,972)	\$434,449	\$665,625
Total Liabilities	\$141,892	\$91,256	\$3,665	\$434,449	\$671,262

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	BALANCE 10/1/2004	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2005
<u>TRUST INVESTMENT</u>				
ASSETS				
Cash and Cash Equivalents	\$177,989		\$36,097	\$141,892
Total Assets	\$177,989	\$0	\$36,097	\$141,892

LIABILITIES:				
Accounts Payable	\$177,989	\$0	\$36,097	\$141,892
Due to Others	\$177,989	\$0	\$36,097	\$141,892
Total Liabilities				

	BALANCE 10/1/2004	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2005
<u>STATE FEES</u>				
ASSETS				
Cash and Cash Equivalents	\$85,184	\$6,072	\$0	\$91,256
Total Assets	\$85,184	\$6,072	\$0	\$91,256

LIABILITIES:				
Accounts Payable	\$85,184	\$6,072	\$0	\$91,256
Due to Others	\$85,184	\$6,072	\$0	\$91,256
Total Liabilities				

	BALANCE 10/1/2004	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2005
<u>COUNTY-WIDE DRAINAGE DISTRICT</u>				
ASSETS				
Cash and Cash Equivalents	\$2,687	\$1,105,206	\$1,104,228	\$3,665
Total Assets	\$2,687	\$1,105,206	\$1,104,228	\$3,665

LIABILITIES:				
Accounts Payable	\$2,687	\$2,950	\$0	\$5,637
Due to Others	0	1,102,256	1,104,228	(1,972)
Total Liabilities	\$2,687	\$1,105,206	\$1,104,228	\$3,665

<u>COUNTY OFFICER ACCOUNTS</u>	BALANCE 10/1/2004	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2005
ASSETS				
Cash and Cash Equivalents	\$537,449	\$0	\$103,000	\$434,449
Total Assets	<u>\$537,449</u>	<u>\$0</u>	<u>\$103,000</u>	<u>\$434,449</u>

LIABILITIES:				
Accounts Payable				
Due to Others	\$537,449	\$0	\$103,000	\$434,449
Total Liabilities	<u>\$537,449</u>	<u>\$0</u>	<u>\$103,000</u>	<u>\$434,449</u>

<u>TOTAL</u>	BALANCE 10/1/2004	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2005
ASSETS				
Cash and Cash Equivalents	\$803,309	\$1,111,278	\$1,243,325	\$671,262
Total Assets	<u>\$803,309</u>	<u>\$1,111,278</u>	<u>\$1,243,325</u>	<u>\$671,262</u>

LIABILITIES:				
Accounts Payable	\$2,687	\$2,950	\$0	\$5,637
Due to Others	800,622	1,108,328	1,243,325	665,625
Total Liabilities	<u>\$803,309</u>	<u>\$1,111,278</u>	<u>\$1,243,325</u>	<u>\$671,262</u>

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

JACKSON COUNTY, TEXAS
COUNTY CLERK RECORDS MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$20,000	\$20,000	\$22,484	\$2,484
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>22,484</u>	<u>2,484</u>
EXPENDITURES				
Current	50,290	50,290	41,007	9,283
General Administration	50,290	50,290	41,007	9,283
Total Expenditures	<u>50,290</u>	<u>50,290</u>	<u>41,007</u>	<u>9,283</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,290)</u>	<u>(30,290)</u>	<u>(18,523)</u>	<u>11,767</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>(\$30,290)</u>	<u>(\$30,290)</u>	<u>(\$18,523)</u>	<u>\$11,767</u>
Reconciliation from cash basis to modified accrual:				
Changes in officers fees and sales tax receivable			67	
Changes in Accounts Payable			6,136	
Changes in Accrued Wages Payable			(28)	
Net Changes in Fund Balances-Modified Accrual Basis			<u>(12,348)</u>	
Fund Balances - Beginning			<u>125,054</u>	
Fund Balances - Ending			<u>\$112,706</u>	

JACKSON COUNTY, TEXAS
 COURTHOUSE SECURITY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$20,150	\$20,150	\$21,143	\$993
Total Revenues	<u>20,150</u>	<u>20,150</u>	<u>21,143</u>	<u>993</u>
EXPENDITURES				
Current				
Public Safety	93,838	92,838	14,339	78,499
Total Expenditures	<u>93,838</u>	<u>92,838</u>	<u>14,339</u>	<u>78,499</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(73,688)</u>	<u>(72,688)</u>	<u>6,804</u>	<u>79,492</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	(720)	(720)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(720)</u>	<u>(720)</u>
Net Changes in Fund Balances	<u>(\$73,688)</u>	<u>(\$72,688)</u>	<u>\$6,084</u>	<u>\$78,772</u>
Reconciliation from cash basis to modified accrual:				
Changes in officers fees and sales tax receivable			(9)	
Changes in Accounts Payable			(48)	
Changes in Accrued Wages Payable			<u>(100)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			5,927	
Fund Balances - Beginning			<u>132,273</u>	
Fund Balances - Ending			<u><u>138,200</u></u>	

JACKSON COUNTY, TEXAS

HEALTH

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$40,320	\$40,320	\$73,243	\$32,923
Charges for Services	37,000	37,000	45,889	8,889
Miscellaneous	0	2,534	2,534	0
Total Revenues	77,320	79,854	121,666	41,812
EXPENDITURES				
Current	209,522	212,056	234,355	(22,299)
Health and Welfare	209,522	212,056	234,355	(22,299)
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	(132,202)	(132,202)	(112,689)	19,513
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	105,384	105,384	105,384	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	105,384	105,384	105,384	0
Net Changes in Fund Balances	(26,818)	(26,818)	(7,305)	19,513
Reconciliation from cash basis to modified accrual:				
Changes in officers fees and sales tax receivable			5,937	
Changes in Accounts Payable			1,132	
Changes in Accrued Wages Payable			2,262	
Net Changes in Fund Balances - Modified Accrual Basis			2,026	
Fund Balances - Beginning			19,314	
Fund Balances - Ending			<u>\$21,340</u>	

JACKSON COUNTY, TEXAS

LAW LIBRARY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$8,250	\$8,250	\$8,382	\$132
Total Revenues	8,250	8,250	8,382	132
EXPENDITURES				
Current				
Legal	18,000	18,000	14,884	3,116
Total Expenditures	18,000	18,000	14,884	3,116
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,750)	(9,750)	(6,502)	3,248
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>(\$9,750)</u>	<u>(\$9,750)</u>	<u>(\$6,502)</u>	<u>\$3,248</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(140)	
Changes in Accounts Payable			(832)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(7,474)</u>	
Fund Balances - Beginning			11,841	
Fund Balances - Ending			<u>\$4,367</u>	

JACKSON COUNTY, TEXAS
 COUNTY RECORDS MANAGEMENT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$6,500	\$6,500	\$8,418	\$1,918
Total Revenues	<u>6,500</u>	<u>6,500</u>	<u>8,418</u>	<u>1,918</u>
EXPENDITURES				
Current	6,000	6,000	2,292	3,708
General Administration	6,000	6,000	2,292	3,708
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>2,292</u>	<u>3,708</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>500</u>	<u>500</u>	<u>6,126</u>	<u>5,626</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out	(500)	(500)	(21,000)	(20,500)
Total Other Financing Sources (Uses)	<u>(500)</u>	<u>(500)</u>	<u>(21,000)</u>	<u>(20,500)</u>
Net Changes in Fund Balances	<u>\$0</u>	<u>\$0</u>	<u>(\$14,874)</u>	<u>(\$14,874)</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(1,828)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(16,702)</u>	
Fund Balances - Beginning			36,348	
Fund Balances - Ending			<u>\$19,646</u>	

JACKSON COUNTY, TEXAS
HISTORICAL COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$100	\$100	\$248	\$148
Miscellaneous	0	0	2,100	2,100
Total Revenues	100	100	2,348	2,248
EXPENDITURES				
Current				
Culture and Recreation	10,000	10,000	3,517	6,483
Total Expenditures	10,000	10,000	3,517	6,483
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,900)	(9,900)	(1,169)	8,731
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	5,000	5,000	5,000	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	5,000	5,000	5,000	0
Net Changes in Fund Balances	<u>(\$4,900)</u>	<u>(\$4,900)</u>	\$3,831	<u>\$8,731</u>
Reconciliation from cash basis to modified accrual:				
Changes in Prepaid Insurance			116	
Changes in Accounts Payable			3	
Net Changes in Fund Balances - Modified Accrual Basis			<u>3,950</u>	
Fund Balances - Beginning			5,964	
Fund Balances - Ending			<u>\$9,914</u>	

JACKSON COUNTY, TEXAS
 CHILD WELFARE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$150	\$150	\$404	\$254
Miscellaneous	1,500	1,500	1,545	45
Total Revenues	1,650	1,650	1,949	299
EXPENDITURES				
Current				
Health and Welfare	5,000	5,000	862	4,138
Total Expenditures	5,000	5,000	862	4,138
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,350)	(3,350)	1,087	4,437
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	(3,350)	(3,350)	1,087	4,437
Fund Balances - Beginning	14,349	14,349	14,349	0
Fund Balances - Ending	\$10,999	\$10,999	\$15,436	\$4,437

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION DISCRETION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$1,200	\$1,200	\$1,977	\$777
Total Revenues	1,200	1,200	1,977	777
EXPENDITURES				
Current				
Public Safety	11,200	11,200	8,473	2,727
Total Expenditures	11,200	11,200	8,473	2,727
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(10,000)	(6,496)	3,504
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(10,000)	(10,000)	(6,496)	3,504
Fund Balances - Beginning	15,755	15,755	15,755	0
Fund Balances - Ending	\$5,755	\$5,755	\$9,259	\$3,504

JACKSON COUNTY, TEXAS
 COURT REPORTER SERVICES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$2,200	\$2,200	\$2,152	(\$48)
Total Revenues	2,200	2,200	2,152	(48)
EXPENDITURES				
Current	5,000	5,000	1,232	3,768
Judicial	5,000	5,000	1,232	3,768
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,800)	(2,800)	920	3,720
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(2,800)	(2,800)	920	3,720
Fund Balances - Beginning	2,400	2,400	2,400	0
Fund Balances - Ending	(\$400)	(\$400)	\$3,320	\$3,720

JACKSON COUNTY, TEXAS
 APPELLATE JUDICIAL SYSTEM
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$1,200	\$1,200	\$1,193	(\$7)
Total Revenues	1,200	1,200	1,193	(7)
EXPENDITURES				
Current				
Judicial	1,300	1,300	1,220	80
Total Expenditures	1,300	1,300	1,220	80
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100)	(100)	(27)	73
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(\$100)	(\$100)	(\$27)	\$73
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(20)	
Net Changes in Fund Balances - Modified Accrual Basis			(47)	
Fund Balances - Beginning			1,265	
Fund Balances - Ending			\$1,218	

JACKSON COUNTY, TEXAS

JURY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$600	\$600	\$540	(\$60)
Total Revenues	<u>600</u>	<u>600</u>	<u>540</u>	<u>(60)</u>
EXPENDITURES				
Current				
Judicial	26,780	26,780	16,304	10,476
Total Expenditures	<u>26,780</u>	<u>26,780</u>	<u>16,304</u>	<u>10,476</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(26,180)</u>	<u>(26,180)</u>	<u>(15,764)</u>	<u>10,416</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	15,000	15,000	7,500	(7,500)
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>7,500</u>	<u>(7,500)</u>
Net Changes in Fund Balances	<u>(\$11,180)</u>	<u>(\$11,180)</u>	<u>(\$8,264)</u>	<u>\$2,916</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			100	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(8,164)</u>	
Fund Balances - Beginning			9,704	
Fund Balances - Ending			<u>\$1,540</u>	

JACKSON COUNTY, TEXAS
DISTRICT ATTORNEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$11,000	\$11,000	\$9,793	(\$1,207)
Total Revenues	11,000	11,000	9,793	(1,207)
EXPENDITURES				
Current				
Judicial	22,787	22,787	4,507	18,280
Total Expenditures	22,787	22,787	4,507	18,280
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,787)	(11,787)	5,286	17,073
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$11,787)</u>	<u>(\$11,787)</u>	\$5,286	<u>\$17,073</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			688	
Changes in Accrued Wages Payable			1,223	
Net Changes in Fund Balances - Modified Accrual Basis			7,197	
Fund Balances - Beginning			35,199	
Fund Balances - Ending			<u>\$42,396</u>	

JACKSON COUNTY, TEXAS
 SHERIFF FORFEITURE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$40	\$40	\$209	\$169
Miscellaneous	0	0	5,742	5,742
Total Revenues	40	40	5,951	5,911
EXPENDITURES				
Current				
Public Safety	2,700	2,700	1,210	1,490
Total Expenditures	2,700	2,700	1,210	1,490
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,660)	(2,660)	4,741	7,401
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(2,660)	(2,660)	4,741	7,401
Fund Balances - Beginning	2,787	2,787	2,787	0
Fund Balances - Ending	\$127	\$127	\$7,528	\$7,401

JACKSON COUNTY, TEXAS
DISTRICT ATTORNEY FORFEITURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$450	\$450	\$495	\$45
Miscellaneous	5,000	5,000	15,637	10,637
Total Revenues	5,450	5,450	16,132	10,682
EXPENDITURES				
Current				
Judicial	29,785	28,985	20,664	8,321
Total Expenditures	29,785	28,985	20,664	8,321
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,335)	(23,535)	(4,532)	19,003
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>(\$24,335)</u>	<u>(\$23,535)</u>	<u>(\$4,532)</u>	<u>\$19,003</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			1,365	
Changes in Accrued Wages Payable			(10)	
Net Changes in Fund Balances - Modified Accrual Basis			(3,177)	
Fund Balances - Beginning			16,429	
Fund Balances - Ending			<u>\$13,252</u>	

JACKSON COUNTY, TEXAS
 JUSTICE COURT TECHNOLOGY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$16,000	\$16,000	\$18,523	\$2,523
Total Revenues	16,000	16,000	18,523	2,523
EXPENDITURES				
Current	17,000	17,000	6,993	10,007
Judicial	17,000	17,000	6,993	10,007
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	(1,000)	11,530	12,530
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>(\$1,000)</u>	<u>(\$1,000)</u>	\$11,530	<u>\$12,530</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			(20)	
Net Changes in Fund Balances - Modified Accrual Basis			11,510	
Fund Balances - Beginning			12,106	
Fund Balances - Ending			<u>\$23,616</u>	

JACKSON COUNTY, TEXAS
 COMMISSARY TELEPHONE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$16,800	\$16,800	\$19,542	\$2,742
Total Revenues	16,800	16,800	19,542	2,742
EXPENDITURES				
Current				
Public Safety	26,000	26,000	0	26,000
Total Expenditures	26,000	26,000	0	26,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,200)	(9,200)	19,542	28,742
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>(\$9,200)</u>	<u>(\$9,200)</u>	19,542	<u>\$28,742</u>
Reconciliation from cash basis to modified accrual:				
Changes in officers fees and sales tax receivable			5,516	
Changes in Accounts Payable			(4,215)	
Changes in Accrued Wages Payable			(55)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>20,788</u>	
Fund Balances - Beginning			11,258	
Fund Balances - Ending			<u>\$32,046</u>	

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

JACKSON COUNTY, TEXAS
 COASTAL IMPACT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$50,000	\$60,670	\$60,670	\$0
Interest	0	33	33	0
Total Revenues	50,000	60,703	60,703	0
EXPENDITURES				
Current	50,000	60,703	60,930	(227)
General Administration				
Total Expenditures	50,000	60,703	60,930	(227)
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(227)	(227)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	0	0	(227)	(227)
Fund Balances - Beginning	227	227	227	0
Fund Balances - Ending	\$227	\$227	\$0	(\$227)

JACKSON COUNTY, TEXAS
LAW ENFORCEMENT OFFICERS EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$3,454	\$3,454	\$3,619	\$165
Total Revenues	3,454	3,454	3,619	165
EXPENDITURES				
Current				
Public Safety	6,541	6,541	2,125	4,416
Total Expenditures	6,541	6,541	2,125	4,416
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,087)	(3,087)	1,494	4,581
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	(3,087)	(3,087)	1,494	4,581
Fund Balances - Beginning	3,526	3,526	3,526	0
Fund Balances - Ending	\$439	\$439	\$5,020	\$4,581

JACKSON COUNTY, TEXAS
 MEMORIAL LIBRARY FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$1,000	\$1,000	\$1,812	\$812
Miscellaneous	3,200	9,580	27,979	18,399
Total Revenues	4,200	10,580	29,791	19,211
EXPENDITURES				
Current				
Culture and Recreation	6,150	13,370	8,784	4,586
Total Expenditures	6,150	13,370	8,784	4,586
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,950)	(2,790)	21,007	23,797
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(1,950)	(2,790)	21,007	23,797
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			(1)	
Net Changes in Fund Balances - Modified Accrual Basis			21,006	
Fund Balances - Beginning			1,175	
Fund Balances - Ending			\$22,181	

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$110,385	\$110,385	\$110,078	(\$307)
Interest	0	0	1,047	1,047
Total Revenues	<u>110,385</u>	<u>110,385</u>	<u>111,125</u>	<u>740</u>
EXPENDITURES				
Current				
Public Safety	111,385	111,385	99,281	12,104
Total Expenditures	<u>111,385</u>	<u>111,385</u>	<u>99,281</u>	<u>12,104</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,000)</u>	<u>(1,000)</u>	<u>11,844</u>	<u>12,844</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$1,000)</u>	<u>(\$1,000)</u>	<u>11,844</u>	<u>\$12,844</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			195	
Changes in Accrued Wages Payable			<u>466</u>	
Net Changes in Fund Balances - Modified Accrual Basis			12,505	
Fund Balances - Beginning			<u>35,460</u>	
Fund Balances - Ending			<u>\$47,965</u>	

JACKSON COUNTY, TEXAS
 ELECTION ADMINISTRATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$600	\$600	\$0	(\$600)
Total Revenues	600	600	0	(600)
EXPENDITURES				
Current				
General Administration	1,200	1,200	619	581
Total Expenditures	1,200	1,200	619	581
Excess (Deficiency) of Revenues Over (Under) Expenditures	(600)	(600)	(619)	(19)
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	(600)	(600)	(619)	(19)
Fund Balances - Beginning	1,135	1,135	1,135	0
Fund Balances - Ending	\$535	\$535	\$516	(\$19)

JACKSON COUNTY, TEXAS
DISTRICT CLERK RECORDS MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$500	\$500	\$923	\$423
Total Revenues	500	500	923	423
EXPENDITURES				
Current				
General Administration	1,010	1,010	102	908
Total Expenditures	1,010	1,010	102	908
Excess (Deficiency) of Revenues Over (Under) Expenditures	(510)	(510)	821	1,331
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	(510)	(510)	821	1,331
Fund Balances - Beginning	690	690	690	0
Fund Balances - Ending	\$180	\$180	\$1,511	\$1,331

