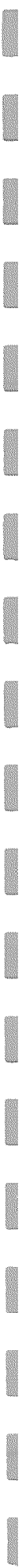


JIM WELLS COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2008



Jim Wells County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2008

TABLE OF CONTENTS

	Page	Exhibit/Table
INTRODUCTORY SECTION		
Letter of Transmittal.....	3	
GFOA Certificate of Achievement.....	11	
Organizational Chart.....	12	
List of Principal Officials.....	13	
FINANCIAL SECTION		
Independent Auditor's Report on Financial Statements.....	17	
Management's Discussion and Analysis (Required Supplementary Information).....	19	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Assets.....	34	Exhibit A-1
Statement of Activities.....	35	Exhibit A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	36	Exhibit A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	37	Exhibit A-4
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	38	Exhibit A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	39	Exhibit A-6
Statement of Fiduciary Net Assets - Fiduciary Funds.....	40	Exhibit A-7
Notes to the Financial Statements	41	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedules:		
General Fund.....	56	Exhibit B-1
Notes to Required Supplementary Information.....	60	

Jim Wells County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2008

TABLE OF CONTENTS


	<u>Page</u>	<u>Exhibit/Table</u>
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	66	Exhibit C-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Nonmajor Governmental Funds.....	67	Exhibit C-2
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	68	Exhibit C-3
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	74	Exhibit C-4
Budgetary Comparison Schedules:		
Road & Bridge No. 21 Fund.....	81	Exhibit C-5
Road & Bridge No. 22 Fund.....	82	Exhibit C-6
Road & Bridge No. 23 Fund.....	83	Exhibit C-7
Road & Bridge No. 24 Fund.....	84	Exhibit C-8
Small Dams No. 32 Fund.....	85	Exhibit C-9
Law Library Fund.....	86	Exhibit C-10
Debt Service Funds:		
Budgetary Comparison Schedule:		
Debt Service Fund.....	87	Exhibit C-11
Capital Projects Funds:		
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	88	Exhibit C-12
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	89	Exhibit C-13
Budgetary Comparison Schedules:		
Jail Expansion Fund.....	90	Exhibit C-14
Road Bond 1967 Fund.....	91	Exhibit C-15
Fiduciary Funds:		
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities.....	94	Exhibit C-16
Combining Statement of Changes in Assets and Liabilities.....	98	Exhibit C-17

Jim Wells County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2008

TABLE OF CONTENTS

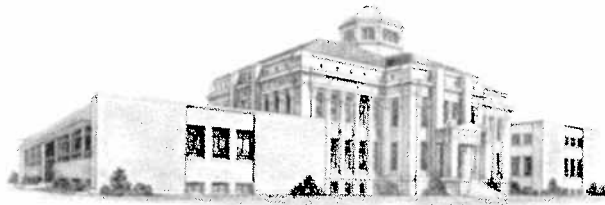
	Page	Exhibit/Table
OTHER SUPPLEMENTARY INFORMATION SECTION		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	103	
Report on Compliance with Requirements Applicable To each Major Program and Internal Control over Compliance In Accordance With OMB Circular A-133.....	105	
Schedule of Findings and Questioned Costs	107	
Summary Schedule of Prior Audit Findings.....	108	
Schedule of Expenditures of Federal Awards	109	Exhibit D-1
Notes to the Schedule of Expenditures of Federal Awards.....	110	
STATISTICAL SECTION		
Net Assets by Component.....	112	Table E-1
Expenses, Program Revenues, and Net (Expense)/Revenue.....	113	Table E-2
General Revenues and Total Change in Net Assets.....	114	Table E-3
Fund Balances of Governmental Funds.....	115	Table E-4
Changes in Fund Balances of Governmental Funds.....	116	Table E-5
Tax Revenues by Source, Governmental Funds.....	117	Table E-6
Assessed Value and Estimated Actual Value of Taxable Property.....	118	Table E-7
Direct and Overlapping Property Tax Rates.....	119	Table E-8
Principal Property Tax Payers.....	120	Table E-9
Property Tax Levies and Collections.....	121	Table E-10
Taxable Sales by Category.....	122	Table E-11
Direct and Overlapping Sales Tax Rates.....	123	Table E-12
Ratios of Outstanding Debt by Type.....	124	Table E-13
Ratios of General Bonded Debt Outstanding.....	125	Table E-14
Direct and Overlapping Governmental Activities Debt.....	126	Table E-15
Legal Debt Margin Information.....	127	Table E-16
Demographic and Economic Statistics.....	128	Table E-17
Principal Employers.....	129	Table E-18
Full-Time-Equivalent Employees by Function/Program.....	130	Table E-19
Capital Asset Information.....	131	Table E-20

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Introductory Section

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COUNTY OF JIM WELLS

STATE OF TEXAS

ELADIO GONZALEZ, JR.
COUNTY AUDITOR

July 29, 2009

OFFICE (361) 668-5701
FAX (361) 664-6366

Honorable District Judge
Honorable County Judge
Honorable County Commissioners
Jim Wells County
Alice, TX 78332

Ladies and Gentlemen:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the County of Jim Wells for the fiscal year ended December 31, 2008.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Raul Hernandez & Company, P.C. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the financial statements of the County was part of a

broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statement, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the other supplementary information section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County’s MD&A can be found immediately following the report of the independent auditors.

Profile of Jim Wells County

Jim Wells County is a political subdivision of the State of Texas. It has no legislative powers, and very restricted judicial and administrative powers. The governing body of the County is its Commissioners’ Court of five members. The county judge is its chairman and the commissioner from each of the four road and bridge precincts is also a member. The Court has only such powers as are conferred upon it by the Constitution and the Statutes or by necessary implication there from. County government provides many varied services for the public it serves. Among these services are maintenance and minor construction work on county owned and operated roads and bridges, recording functions related to property rights and vital statistics of the county, operation of the county and district judicial system, operation of the county jail, operation of the county welfare department, operation of the county agriculture extension service, and the operation and maintenance of the city/county library and county fairgrounds.

The commissioners’ court sets the tax rates, establishes policies for County operations, approves contracts for the County and develops and adopts the County budget within the resources as estimated by the county auditor. The commissioners’ court is also responsible for development of policies and order, approving financial commitments and appointment of various department heads. The management and leadership provided by members of the commissioners’ court and the elected and appointed officials of other departments are crucial to the success of the County’s financial management and growth.

The county auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County and “examining, auditing and approving” all disbursements from County funds prior to their submission to the commissioners court for approval.

The County provides many varied services for the public it serves. These services include operation of the district, county and justices of the peace judicial systems, voting operations for national, state and some local elections, maintenance on and construction of county owned roads and bridges, recording functions relating to property rights and vital statistics, operation of the law enforcement agencies (sheriff and constables), operation of the county jail, operation of the public health department in conjunction with the City of Alice, operation of the park services department, operation of the county libraries, assistance to indigents, the provision of juvenile, health, education and welfare services involving the care and correction of dependent or delinquent children as well as property tax collections for multiple agencies.

The annual budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriation to the county auditor on or before June 30 of each year. The county judge, assisted by the county auditor, uses these requests as the starting point for developing a base line budget, but without any tax increases or personnel changes. The county auditor then presents this base line budget to the commissioners' court for review prior to July. The commissioners' court holds several budget workshops to discuss priorities or meet with department heads. The county judge, assisted by the county auditor, then prepares the proposed budget with all the revisions as directed by commissioners' court. A copy of the proposed budget is filed with the county clerk and county auditor. The commissioners' court then must hold a public hearing on a day within seven calendar days after the date the proposed budget is filed but before October 31 of the current year. The commissioners' court must take action on the proposed budget at the conclusion of the public hearing. The appropriated budget is prepared by fund, department, and budget category. On some items of greater importance, the budget is prepared by line item. All transfers between budget categories and departments require the special approval of the commissioners' court with the exception of the special revenue funds other than the road fund, park fund, and fairgrounds fund. The appropriate department head can make budget transfer for those special revenue funds other than just previously mentioned.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basis financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the Supplemental Nonmajor Governmental Funds subsection of this report. Also included in the governmental fund subsection is project-length budget-to-actual comparison for each governmental fund for which a project length budget has been adopted (road & bridges, small dams, law library and capital projects fund).

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

Oil and Gas. The oil and gas industry is a major employer in Jim Wells County. Our strategic central location makes Alice ideal for companies to utilize all forms of transportation: rail, air, land or sea. Several major oilfield service companies and drilling contractors have established regional operations in Alice. Approximately 90 percent of local oilfield activity is related to natural gas exploration and production.

According to the US Department of Agriculture Economic Research Service, Jim Wells County is categorized as a mining dependent county. This means that mining contributed a weighted annual average of 15 percent or more of total labor and proprietor income over the three years from 1987 to 1989. By far, the majority of employees in the category "Mining" are in the area of oil and gas field services.

The production of oil and gas is also a major income producer in the county. While oil and gas prices have been higher than expected recently, the long-term trend indicates that consumers will benefit from lower prices due to reduced costs of production. This lower cost of production will result from new oil and gas technologies that will lower the cost of exploration, development and extraction. (1).

Agriculture. Since the late 1800's, agribusiness has been a heavy contributor to the economy of the Alice area and South Texas. The combination of rich, fertile soils and long growing seasons provide farmers and ranchers with ideal conditions. Agribusiness is the second most important source of income for the Alice area. The city is also one of Texas' largest beef cattle centers.

Jim Wells County boasts more than 510,000 acres of agriculture land. Agricultural commodities include wheat, corn, hay sorghum, cotton, sunflower oil and melons. Cattle, goats, hogs, horses, exotic animals and aquaculture are also agricultural related commodities that are significant contributors to agribusiness in Alice and Jim Wells County.

Retail Trades. For many years Alice, Texas, the county seat of Jim Wells County, has served as the retail trade center for many surrounding communities. The general public still remains mobile and uses Corpus Christi, Texas (located 55 east of Alice) as the principle retail center for our area. Tourism is on the rise in Alice, and the City is focusing on the tourism industry and working to attract Winter Texans to boost local retail trade. (1) Alice is the Hub of South Texas retail. A Super Wal-Mart, HEB, 6 banks, 2 credit unions, 3 car dealerships and the Alice News Papers Inc. form the core of the Alice retail community.

Healthcare. Alice is the Hub of the South Texas health care community. The health care cluster in Alice consists of a 138 bed primary care hospital, kidney dialysis center, heart center, cancer center, orthopedic clinic, nursing homes and rehabilitation centers.

The CHRISTUS Spohn Hospital System in 1999 opened a \$20 million, 71-bed hospital. The facility offers primary care, obstetrics, diagnostic and emergency services as well as wellness, educational and disease prevention programs. In addition, the facility has a helicopter pad for air-ambulance transport www.christusspohn.org

During 2004 CHRISTUS Spohn Health System purchased Triad's Alice Regional Hospital which was established in 1931 and opened a new \$40 million hospital in Alice during 1999. The facility consists of 177,000 square feet and is licensed for 138 beds. The purchase immediately transforms CHRISTUS Spohn Hospital Alice from a 73-bed facility to a 148-bed facility. Alice Regional Hospital was renamed CHRISTUS Spohn Hospital Alice. CHRISTUS Spohn Hospital Alice was renamed CHRISTUS Spohn Laviana Plaza and will house physician office and a 10-bed inpatient geropsychiatric unit. The full service, acute care hospital offers 24 hour emergency service, outpatient and inpatient surgical services, intensive and critical care units, diagnostic radiology, geriatric psychiatric unit, obstetrical and newborn services, pediatric unit, women's center, physical therapy, nuclear medicine, rural health clinics, home health services, and community outreach services.

Transportation. Alice and Jim Wells County offer an enviable location to any firm dependent on transportation or trade in the United States, its immediate neighbors or Central America. The city has an advantage over other regions in its close proximity to Mexico and to deep-water ports. There are 15 ports of entry within 120 miles of Alice and Jim Wells County. These ports are:

- The Port of Corpus Christi
- La Quinta Terminal

- Laredo - Juarez-Lincoln Bridge, Gateway to the Americas Bridge, World Trade Bridge, Colombia Bridge
- Roma - Roma-Miguel Aleman Bridge
- Rio Grande City - Rio Grande City-Camargo Bridge
- Los Ebanos Ferry
- McAllen - Hidalgo-Reynosa Bridge
- Pharr - Pharr-Reynosa Bridge
- Progresso - Progresso International Bridge
- Harlingen - Free Trade Bridge
- Brownsville - Gateway International Bridge, B & M Bridge, The Port of Brownsville

Alice is equally accessible to both coasts, and the central time zone eases communication with other zones. There has been considerable focus on the region and the impact of trade with Mexico. First, the maquiladora or twin plant concept became an important development along the border with Mexico. Then, the passage of NAFTA had the effect of opening markets. Because of our location, much of the goods in trade pass through Jim Wells County. The county is positioned to provide valuable resources and to take advantage of opportunities that will accompany expanded trade with Mexico and Canada. Also our transportation infrastructure is being expanded to take advantage of these opportunities.

Major Highways: SH44/US 59 provides a major east-west trade corridor between the Port of Corpus Christi, Laredo, and Monterrey, Mexico and points south. US 281 provides a major north-south trade corridor between Northern Mexico, the Rio Grande Valley and points north. Alice is strategically located at the intersection of SH 44 and US 281, an essential component of the proposed Interstate Highway 69 International Trade Corridor. I-69 will connect Mexico, the United States and Canada.

Railroad: Texas Mexican Railway operates its main line through Alice. Tex-Mex recently merged with Kansas City Southern Railway and now provides service from Mexico through Laredo, to Corpus Christi, Houston, the Midwest and the East Coast.

Airports: Alice International Airport provides a 6,000-foot runway. Corpus Christi International Airport, 35 minutes east of Alice, provides daily passenger, commercial and cargo service.

Professional Sports: During May 2005 a 21.5 million dollar baseball stadium named "Whataburger Field" was completed in Corpus Christi, Texas, (which is 35 miles east of Alice, Texas) and is the new home of the Corpus Christi Hooks, Houston Astros AA league affiliate for 2005. The addition of a professional baseball team has provided a positive impact to the economy throughout all of South Texas.

Law Enforcement: Alice and Jim Wells County are served by numerous law enforcement agencies including the Alice Police Department, Jim Wells County Sheriff's Department, Texas Department of Public Safety, Texas Parks and Wildlife, the U.S. Border Patrol, and other municipal police departments in Orange Grove, Premont, and San Diego.

Attractions

Visitors and residents of Jim Wells County enjoy the outdoor-oriented lifestyle of South Texas. With an abundance of wildlife, hunting, fishing, and bird watching are favorite activities of those both living in Alice and visiting in the area. Other attractions in the area include:

South Texas Museum- focuses on distinctive history and traditions of this South Texas region. Exhibits trace habitation from American Indian to 20th Century farm, ranch, railroad, and oil activities, with emphasis on pioneer ranch and household artifacts. Includes mounted wildlife and livestock specimens. The museum is located at 66 South Wright Street.

Tejano ROOTS- is a private, non-profit organization established June 9, 1999. The Hall of Fame honors and recognizes Tejano artists, musicians, composers and any other persons who have contributed to the awareness and entertainment of the Tejano culture. The museum preserves the historical artifacts, documents and culture of the Tejano Music Industry. The museum is located at 213 N. Wright Street. www.tejanorootshalloffame.com.

Jose De Escandon Statue- Don Jose de Escandón was chosen in 1746 to explore and settle the South Texas area. He founded 23 settlements in the area over a two year period. Ranching and farming were the economic foundation of these settlements. This still held true through the 1800's, as Alice was recognized as the largest cattle-shipping center in the world. On November 14, 1999 a statue of Don Jose de Escandón was donated to the City of Alice by the children of the late Tomas and Eloisa Pena Martinez: Jose C. Martinez, Rita Martinez Jaso, Lucila Martinez Reynolds and Guadalupe T. Martinez

Guinness Book of World Records-Only in Alice will one find the world's tallest, cement water tower. Located in downtown Alice near City Hall, is what the 1976 Guinness Book of Records calls the tallest concrete water tower in the world. Built in 1926-27, the 165-foot tall tower has a 3-foot tall tank which; measures 28.4 feet in diameter.

Lucien Flournoy- The City of Alice and the state of Texas were fortunate to have a friend like Lucien Flournoy. Lucien was born on June 13, 1919 and died on March 27, 2003. He was a true entrepreneur, facilitator, husband, father, grandfather, friend and generous supporter of his community, the Boy Scouts of America, many religious, social and welfare organizations. Lucien was a great philanthropist willing to support and serve in appointed or elected position. "Heroes may be forgotten, but legends never die.

Golf Courses- Golfers have two courses to choose from in the Hub City. The two courses with a total of 27 holes are home for golfing organizations such as the Alice Pan American Golf Association and the Alice 50 Plus Golf Association. Benefit and high school tournaments are also held at the courses. Lined with mesquite trees, the Alice Municipal Golf Course is the larger of the two courses with 18 holes. The course, located at Anderson Park on North Texas Boulevard, features everything from long fairways to water hazards with a total of 5,911 yards of fairways and greens. Green fees on Monday through Friday vary according to days and tee-times.

Long-term financial planning.

The County is participating in the Jim Wells County & Alice Economic Development Task Force which is a public/private county wide alliance for the purpose of developing strategies and support for economic development proposals. The Jim Wells County & Alice Transportation Committee, also a public/private effort in which the County is a participant, has successfully worked with the Texas Department of Transportation to develop the State Highway 44 Relief Route and the U.S. 281 Relief Route and the improvement of S.H. 44 and U.S. 281 business routes through our County. The Transportation Committee is active in promoting the upgrade of U.S. 281, U.S. 59/S.H. 44 and U.S. 77 to interstate standards. These roadways link our area to the proposed I-69 project, which connects South Texas to Houston and the Midwest.

The County of Jim Wells and the City of Alice jointly operate the Municipal Airport. Through grant programs offered by the FAA and TAC, this facility has been upgraded to a level that could be of enormous benefit to any industry considering the area as a location site.

The essential components are coming together to open the door to diversification of our local industrial base and release the County from the swings of the volatile oil market

Cash management and policies and practices.

The County's primary investment objective is safety of principal. Secondly, the County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Therefore, the County generally limits its investments to time accounts and certificates of deposit and requires that all deposits be either insured by federal depository insurance or collateralized. All collateral on deposits is held by third party banks acting as agent for the County and is held in the County's name. At December 31, 2008, all deposits of the County were classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board.

Risk Management.

Jim Wells County maintains third party insurance coverage for potential losses, including insurance on most of its major fixed assets for risks most likely to occur. In addition, the County implemented a Safety Program and created a safety committee to assist in mitigation of all types of risk.

Pension and other post employment benefits.

The County provides retirement, disability and death benefits for all of its regular employees through a nontraditional defined benefit pension in the statewide Texas County and District Retirement System (the TCDRS). Specific plan provisions are adopted by the County within the options available in the state statutes governing the TCDRS. 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 within the actuarial constraints imposed by the TCDRS Act

Awards.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jim Wells County, Texas for its comprehensive annual financial report for the year ended December 31, 2007. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements.

The preparation and execution of this audit could not have been accomplished without the efforts and cooperation of my staff, other County officials, their staffs, and the Commissioners' Court. I wish to thank them all.

Respectfully Submitted,



Eladio Gonzalez, Jr.
County Auditor

(1)Source: Alice Chamber of Commerce, Alice/Jim Wells Economic Development Corp.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Jim Wells County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



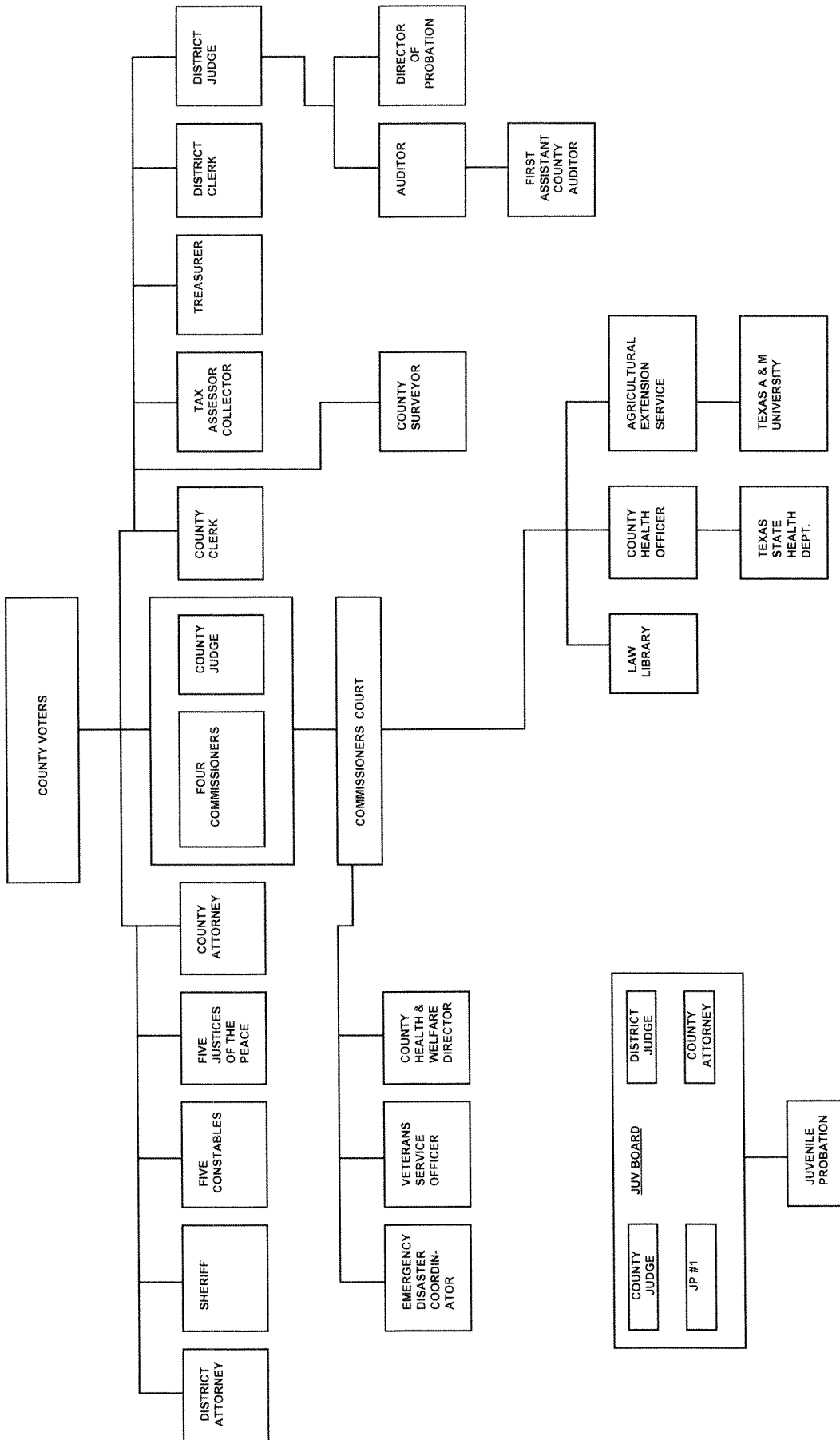
A handwritten signature in black ink, appearing to read "M. L. R. +".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emery".

Executive Director

**JIM WELLS COUNTY, TEXAS
ORGANIZATION**



**JIM WELLS COUNTY, TEXAS
DIRECTORY OF OFFICIALS**

DECEMBER 31, 2008

DISTRICT COURT

Richard Terrell	Judge, 79th Judicial District
Joe Frank Garza	District Attorney
R. David Guerrero	District Clerk
Sonia Trevino	District Court Reporter
Gerardo Flores	District Court Interpreter

COMMISSIONERS COURT

L. Arnoldo Saenz	County Judge
Zenaida Sanchez	County Commissioner, Precinct No. 1
Ventura Garcia	County Commissioner, Precinct No. 2
Oswald Alanis	County Commissioner, Precinct No. 3
Javier Garcia	County Commissioner, Precinct No. 4

OTHER COUNTY OFFICIALS

Oscar Lopez	Sheriff
Ruben Sandoval	County Clerk
Rebecca Dominguez	County Treasurer
Lucila Reynolds	Tax Assessor-Collector
Jesusa Sanchez-Vera	County Attorney
Eladio Gonzalez, Jr.	County Auditor
Noe Gamez	First Assistant County Auditor

JUSTICES OF THE PEACE

Juan Rodriguez, Jr.	Precinct No. 1
Karin Knolle	Precinct No. 3
Sylvia Johnson	Precinct No. 4
Luz Paiz	Precinct No. 5
Jose L. Rodriguez	Precinct No. 6

CONSTABLES

Jesus Salinas	Precinct No. 1
Harold M. Crisp	Precinct No. 3
Frank Davila	Precinct No. 4
Michael Mitchell	Precinct No. 5
Bartolo Guajardo	Precinct No. 6

**JIM WELLS COUNTY, TEXAS
DIRECTORY OF OFFICIALS**

**DECEMBER 31, 2008
(continued)**

OTHER OFFICIALS

Alejandro Lopez, M.D.	County Health Officer
Robert Owens	County Surveyor
Rogelio Mercado	Agriculture Agent
Nora Acevedo	Home Demonstration Agent
Humberto Garza	Veterans Service Officer
Dalia A. Garcia	79th Judicial District Adult Probation
James A. Schmidt	Chief Juvenile Probation Officer

Financial Section

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RAUL HERNANDEZ & COMPANY, P.C.
Certified Public Accountants
5422 Holly Rd
Corpus Christi, Texas 78411
Office (361) 980-0428 Fax (361) 980-1002

Independent Auditors' Report on Financial Statements

Commissioners' Court
Jim Wells County, Texas
200 N. Almond
Alice, Texas 78332

Members of the Commissioners' Court:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jim Wells County, Texas as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jim Wells County, Texas's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our 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 Jim Wells County, Texas as of December 31, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2009, on our consideration of Jim Wells County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information identified as Required Supplementary Information in the table of contents 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. We 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, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise the Jim Wells County, Texas's basic financial statements. The accompanying schedule of expenditures of federal awards required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the combining and individual fund financial statements and supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been

subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

Raul Hernandez & Company, P.C.

Raul Hernandez & Company, P.C.
Certified Public Accountants

July 15, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) offers readers of the County financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2008. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, and in the financial statements and notes to the financial statements (which immediately follow this discussion). In 2004, the County implemented the new financial reporting requirements of GASB Statement No. 34 (Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments). These sections include this Management's Discussion and Analysis, the Government-wide Statement of Net Assets, the Government-wide Statement of Activities, the concept of major fund reporting, and the reporting of infrastructure capital assets and long term debt liabilities in the governmental activities. These concepts are explained throughout this discussion and analysis.

FINANCIAL HIGHLIGHTS

- The assets of the County of Jim Wells exceeded its liabilities at the close of the most recent fiscal year by \$26,115,400 (net assets).
- As of the close of the current fiscal year, the County of Jim Wells governmental funds reported combined ending fund balances of \$7,393,343, of which, \$6,194,676 represents an unreserved fund balance and places the County in a favorable position.
- The County of Jim Wells' total debt decreased by a net of (\$234,228) compared to the previous year through a refunding of bonds, reduction of capital lease payments, and a net decrease of compensated absences.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*. The Internal service fund is used to report activities of the County's self-insurance program. Because these services predominately benefit governmental rather than business-type functions, the Internal Service Fund is reported with *governmental activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-

JIM WELLS COUNTY, TEXAS

wide financial statements, only in more detail. The Internal Service Fund is presented as a single, aggregated presentation in the proprietary fund financial statements. The County did not have any basic proprietary fund financial statements at December 31, 2008.

- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.
- *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.
- *Other information.* In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the county's progress in funding its obligation to provide pension benefits to its employees. Immediately following the required supplementary information on pensions are the two budgetary schedules on the general fund and major special revenue fund. The combining statements in connection to nonmajor governmental funds and fiduciary funds are then presented.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Figure A-1 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1 Major Features of the County's Government-wide and Fund Financial Statements

<u>Type of Statements</u>	<u>Government-wide</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
<u>Scope</u>	Entire county Government (except Fiduciary funds) and the county's component units	The activities of the county that are not proprietary or fiduciary	Activities of County similar to private business; self insurance	Instances in which the county is the trustee or agent for someone else's resources
<u>Required Financial Statements</u>	<i>Statement of Net assets</i> <i>Statement of Activities</i>	<i>Balance Sheet</i> <i>Statement of revenues, expenditures & changes in fund balances</i> <i>Statement of cash flows</i>	<i>Statement of net assets</i> <i>Statement of rev, exp, & changes in net assets</i> <i>Statement of flows</i>	<i>Statement of fiduciary net assets</i> <i>Statement of in fiduciary net assets</i>
<u>Accounting basis and measurement focus</u>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial	Accrual accounting and economic focus	Accrual accounting economic resources focus

Government-wide Statements

The two government-wide statements report the County's net assets and how they have changed. Net assets—the difference between the County's assets and liabilities—is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County's tax base

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general government, public safety, highways and streets, sanitation, economic development, culture and recreation, and interest on long-term debt. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

JIM WELLS COUNTY, TEXAS

- The Commissioner's Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Fiduciary funds*—The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net assets. As stated earlier, over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively. At the close of the fiscal year, the County assets exceeded liabilities by \$26,115,400; therefore, the government's financial position has improved. Net Assets are summarized below along with comparative data from the previous year. (See Table A-1).

JIM WELLS COUNTY, TEXAS

**Table A-1
County's Net Assets**

	<u>Governmental Activities</u>		<u>Increase (Decrease)</u>
	<u>2008</u>	<u>2007</u>	<u>2008-2007</u>
Current assets:			
Cash/Cash equivalents	7,264,587	6,342,989	921,598
Taxes receivable	1,384,265	1,415,196	(30,931)
Sales taxes receivable	374,207	304,982	69,225
Intergovernmental Receivable	44,436	144,904	(100,468)
Total current assets:	<u>\$ 9,067,495</u>	<u>\$ 8,208,071</u>	<u>859,424</u>
Non-current assets:			
Capital Assets	59,255,736	59,068,829	186,907
Less Accumulated Depreciation	(38,779,653)	(38,761,061)	(18,592)
Total non-current assets:	<u>20,476,083</u>	<u>20,307,768</u>	<u>168,315</u>
Total Assets	<u>\$ 29,543,578</u>	<u>\$ 28,515,839</u>	<u>1,027,739</u>
Current Liabilities			
Accounts payable and other current liabilities	289,889	697,732	(407,843)
Accrued Interest Payable	18,682	49,171	(30,489)
Total current liabilities	<u>308,571</u>	<u>746,903</u>	<u>(438,332)</u>
Long-term liabilities:			
Due within one year	278,676	356,016	(77,340)
Due in more than one year	2,840,930	2,997,820	(156,890)
Total Liabilities	<u>\$ 3,428,177</u>	<u>\$ 4,100,739</u>	<u>(672,562)</u>
Net Assets:			
Invested in capital assets, net of related debt	17,470,025	17,106,981	363,044
Restricted For:			
Debt Service	176,030	106,045	69,985
Capital Projects	1,153,939	1,101,676	52,263
Unrestricted	7,315,406	6,100,398	1,215,008
Total Net Assets	<u>\$ 26,115,400</u>	<u>\$ 24,415,100</u>	<u>1,700,300</u>

The \$176,030 and \$1,153,939 of the County's restricted net assets represents funds available for the debt service and capital projects funds, respectively. These funds when spent are restricted for repayment of debt and capital asset acquisitions respectively. The \$7,315,406 unrestricted net assets represent resources available to fund the programs of the County next year.

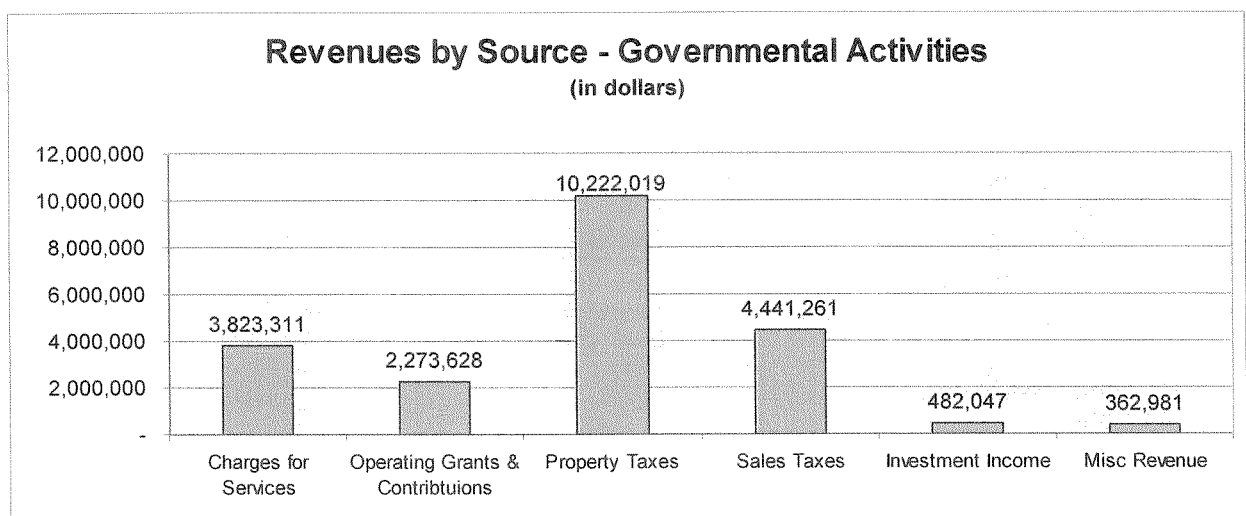
JIM WELLS COUNTY, TEXAS

Revenues. The County's total revenues were \$21,605,247. A significant portion, 47.4 percent, of the County's revenue comes from property taxes. 20.6 percent comes from sales taxes and 17.7 percent relates to charges for services. (See Figure A-2 and Table A-2)

Governmental Activities

- Property tax rates increased a fractional percent, while net taxable value of property increased by \$132,004,136. Sales taxes increased as a result of new businesses in retail trade during 2008.
- Grant revenues had a decrease from the prior year mainly due to the significant decrease in the Homeland Security Grant, among others.
- Charges for services in 2008 show an increase due to an increase in fines and forfeitures in the District Attorney and Sheriff Drug Forfeiture Funds.

Figure A-2



JIM WELLS COUNTY, TEXAS

**Table A-2
Jim Wells County's Changes in Net Assets – Governmental Activities**

	Governmental Activities		Increase (Decrease)
	<u>2008</u>	<u>2007</u>	<u>2008-2007</u>
Revenues:			
Program:			
Charges for services	\$ 3,823,311	\$ 3,375,762	\$ 447,549
Operating Grants and Contributions	2,273,628	2,871,767	(598,139)
General:			
Property Taxes	10,222,019	9,380,920	841,099
Sales Taxes	4,441,261	3,620,527	820,734
Investment Income	482,047	381,960	100,087
Intergovernmental Revenue	-	11,549	(11,549)
Miscellaneous Revenues	362,981	388,045	(25,064)
Total Revenues	<u>\$ 21,605,247</u>	<u>\$ 20,030,530</u>	<u>\$ 1,574,717</u>
Cost of Services:			
General Government	3,765,965	3,814,965	(49,000)
Judicial	2,806,925	2,606,714	200,211
Public Safety	7,340,490	6,722,720	617,770
Public Transportation	3,833,985	3,318,863	515,122
Health and Welfare	1,657,444	1,679,727	(22,283)
Culture and Recreation	1,457	51,380	(49,923)
Conservation	223,988	206,255	17,733
Economic Development and Assistance	72,351	68,500	3,851
Interest on Long-term Debt	202,342	210,344	(8,002)
Total Cost of Services	<u>\$ 19,904,947</u>	<u>\$ 18,679,468</u>	<u>\$ 1,225,479</u>
Change in net assets	1,700,300	1,351,062	349,238
Net assets - beginning	24,415,100	23,016,045	1,399,055
Prior Period Adjustment	-	47,993	(47,993)
Net assets - ending	<u>\$ 26,115,400</u>	<u>\$ 24,415,100</u>	<u>\$ 1,700,300</u>

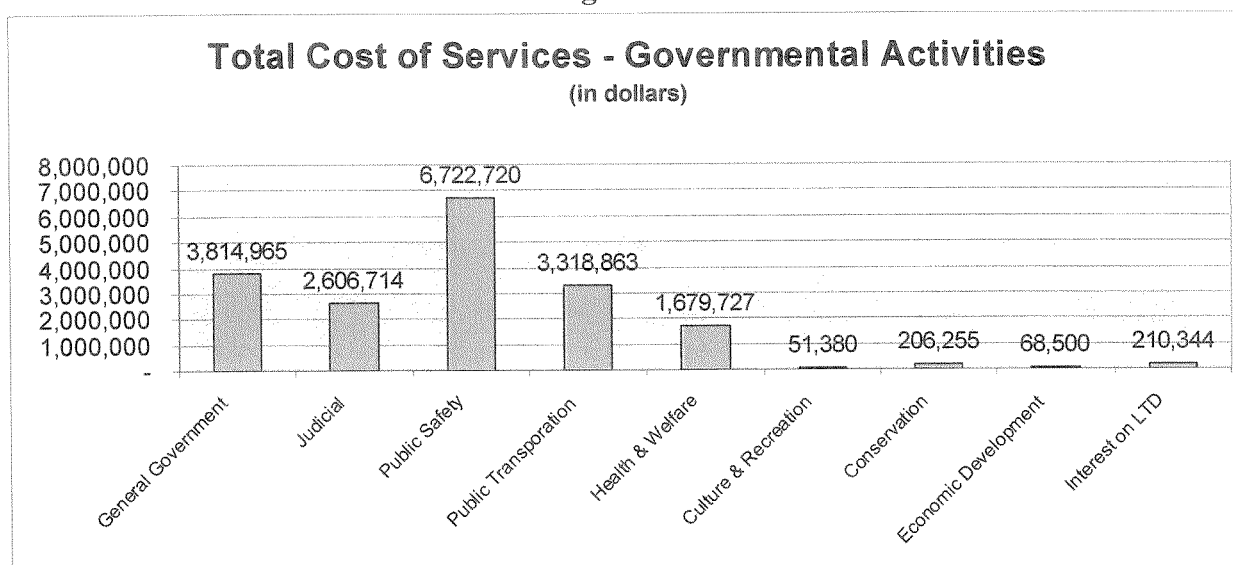
Table A-2 and Figure A-3 present the cost of each of the County's largest functions.

- The cost of all governmental activities this year was \$19,904,947.
- However, the amount that our taxpayers paid for these activities through property taxes was approximately \$10,222,019.
- Some of the cost was paid by those who directly benefited from the programs such as human services, state juvenile and adult probationary fees, and fees of office.

JIM WELLS COUNTY, TEXAS

- \$7,340,490 of these costs were for public safety, which increased by \$617,770 from the prior year.

Figure A-3



FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and budget controls has been the framework of the County's strong fiscal management and accountability.

Governmental funds. The general government functions are reported in the General, Special Revenue, Debt Service, and Capital Project Funds. The focus of the *County's governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's annual financing and budgeting 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, the County's governmental funds reported combined ending fund balances of \$7,393,343, an increase of \$1,298,196 compared with the prior year. As shown on page 36 the unreserved fund balance resulted in an amount of \$6,239,404. The *unreserved fund balance*, used as a management and budgetary tool, is available for spending at the County's discretion. A major factor in causing the change to fund balance came from the significant increase in sales taxes from numerous new businesses in retail trade.

The General fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund increased to \$4,295,926 in contrast to \$3,756,881 in the prior year. As a measure of the general fund's liquidity, we compare both unreserved fund balance and total fund balance to total fund expenditures. This increase is a direct result from

JIM WELLS COUNTY, TEXAS

increases in revenues in property taxes of \$707,243 and an increase in sales & use taxes of \$678,400.

The Debt Service Fund (county-wide), which was created during 2004, has a total fund balance of \$44,728. The reserves for the payment of debt service combined with the estimated first quarter collections on current year assessments will be sufficient to meet next year's scheduled debt.

The Capital Projects Funds reflect a fund balance of \$1,153,939. The County has plans in the near future to invest in construction projects including a records management building.

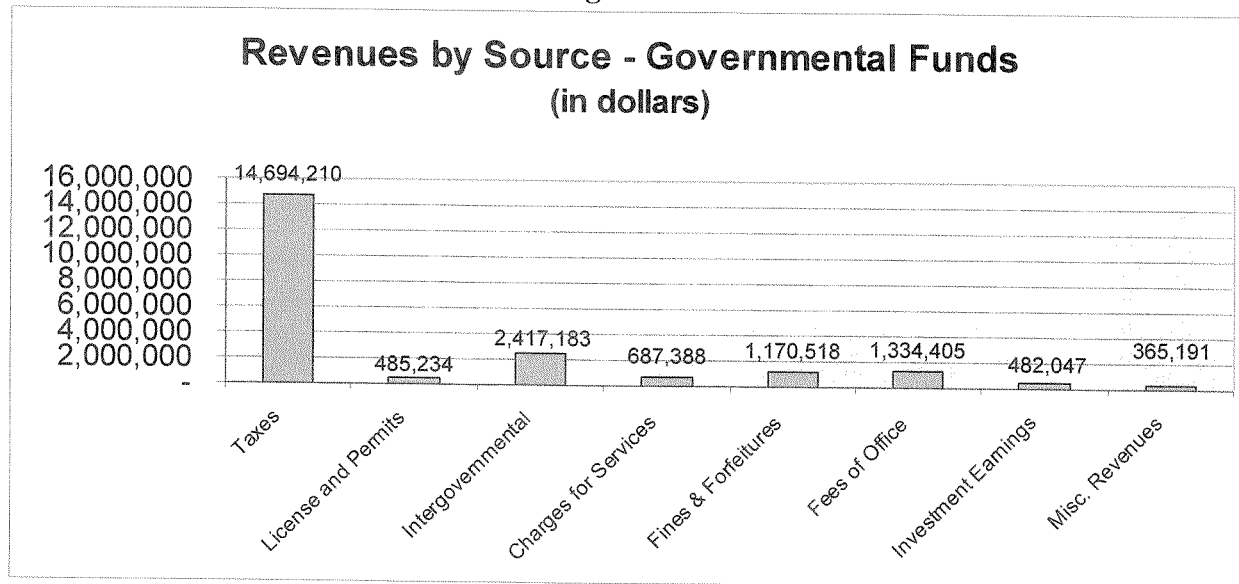
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues

Revenues from governmental fund types totaled \$21,636,176, a decrease of 5.9% from the preceding year. The most significant portion in governmental fund revenue sources was derived from general property taxes and sales taxes, which totaled \$14,694,210. This was primarily due to the county's increased effort to collect current & delinquent year taxes and increases in sales taxes in new businesses.

The County's primary source of revenue consists of taxes, which comprise 68% of the County's total revenues. In addition, intergovernmental and fees of office revenues comprise 11.2% and 6.2% of total revenues, respectively. The county departments that charge for services include park & recreational, fees of office from justice of the peace precincts, and constables, which are all an important part of the County's revenues. They are an integral part of the County's ability to provide the services to which citizens have become accustomed. (See Figure A-4 and Table A-3)

Figure A-4



JIM WELLS COUNTY, TEXAS

**Table A-3
Governmental Funds – Revenues by Source**

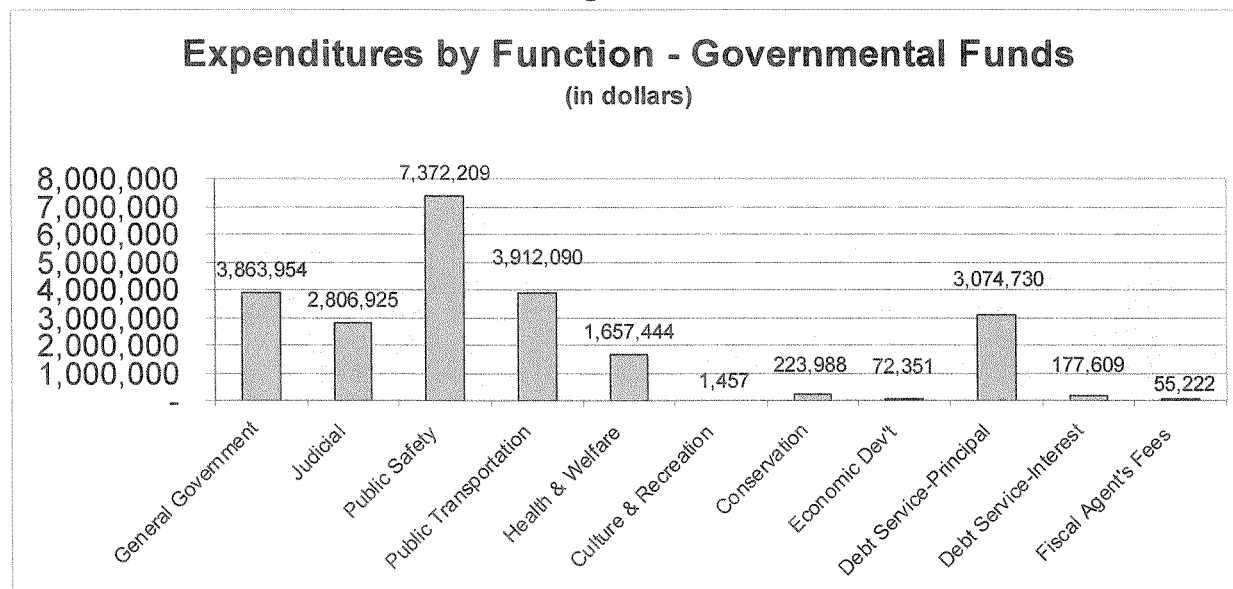
	FY 2008	FY 2007	Increase (Decrease)
Taxes	\$ 14,694,210	\$ 12,995,913	\$ 1,698,297
License and Permits	485,234	638,540	(153,306)
Intergovernmental	2,417,183	2,953,161	(535,978)
Charges for Services	687,388	711,161	(23,773)
Fines & Forfeitures	1,170,518	730,598	439,920
Fees of Office	1,334,405	1,225,619	108,786
Investment Earnings	482,047	381,960	100,087
Misc. Revenues	365,191	388,045	(22,854)
Total Revenues	\$ 21,636,176	\$ 20,024,997	\$ 1,611,179

Expenditures

The majority of the \$535,026 increase in general government expenditures is due to a \$379,166 increase in capital outlay improvements to County buildings. The increase in public transportation of \$484,278 is due to increase costs in the Road & Bridge funds. The increase in debt service resulted from the refunding of bonds to repay the 2003 certificates of obligations.

The County's primary expenditures were for public safety, public transportation, and general government. Public safety now accounts for over 31.8% of total expenditures. (See Figure A-5 and Table A-4)

Figure A-5



JIM WELLS COUNTY, TEXAS

**Table A-4
Governmental Funds – Expenditures by Function**

	<u>FY 2008</u>	<u>FY 2007</u>	<u>Increase (Decrease)</u>
General Government	\$ 3,863,954	\$ 3,328,928	\$ 535,026
Judicial	2,806,925	2,606,714	200,211
Public Safety	7,372,209	7,232,549	139,660
Public Transportation	3,912,090	3,427,812	484,278
Health and Welfare	1,657,444	1,679,727	(22,283)
Culture and Recreation	1,457	51,380	(49,923)
Conservation	223,988	206,255	17,733
Economic Development and Assistance	72,351	68,500	3,851
Debt Service:			-
Principal	3,074,730	226,496	2,848,234
Interest and Fiscal Charges	177,609	160,314	17,295
Fiscal Agent's Fees	55,222	500	54,722
Total Expenditures	<u><u>\$ 23,217,979</u></u>	<u><u>\$ 18,989,175</u></u>	<u><u>\$ 4,228,804</u></u>

Other financing sources from the County came from:

**Table A-5
Other Financing Resources**

	<u>FY 2008</u>	<u>FY 2007</u>	<u>Increase (Decrease)</u>
Transfers In	\$ 1,156,393	\$1,020,609	135,784
Transfers Out	(1,156,393)	(1,020,609)	(135,784)
Issuance of Bonds	2,880,000	-	2,880,000
	<u><u>\$ 2,880,000</u></u>	<u><u>\$.</u></u>	<u><u>2,880,000</u></u>

General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$13,482,933 and expenditures of \$13,841,490, which both include transfers.

The following are significant variations between the final budget and actual amount.

- Actual revenues (before transfers) were higher than budgeted figures by \$513,016. Of this amount, general sales and use taxes provided a favorable variance of \$430,913 and intergovernmental revenues provided a favorable variance of \$6,036.

JIM WELLS COUNTY, TEXAS

- Actual expenditures (before transfers) were \$486,983 below final budget amounts. This favorable variance resulted from over-budgeted expenditures in the Economic Development & Assistance, Non-Departmental, and Juvenile Corrections Board departments, among others. County departments were encouraged to monitor expenditures to help support the overall County budget since the County was incurring higher costs of items such as medical insurance, data services and utilities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2008, the County had invested \$59,255,736 in a broad range of capital assets, including land, infrastructure, buildings & improvements, and equipment. (See Table A-6.)

The capital assets of the County are those assets (land, infrastructure, buildings & improvements, and equipment), which are used in the performance of the County's functions including infrastructure assets. At December 31, 2008 net capital assets of the governmental activities totaled \$20,476,083. Depreciation on capital assets is recognized in the Government-wide financial statements. Accumulated depreciation for infrastructure, buildings & improvements, and equipment totaled \$38,779,653. More detailed information about the county's capital assets is presented in the notes to the financial statements on page 47.

Table A-6
County's Capital Assets

	Governmental Activities		Increase (Decrease)
	2008	2007	2008-2007
Land	\$ 243,806	\$ 227,789	16,017
Infrastructure	40,912,951	40,912,951	-
Buildings and Improvements	12,598,637	12,269,366	329,271
Equipment	5,500,342	5,658,723	(158,381)
Total at historical cost	\$ 59,255,736	\$ 59,068,829	186,907
Total Accumulated Depreciation	(38,779,653)	(38,761,061)	(18,592)
Net Capital Assets	\$ 20,476,083	\$ 20,307,768	168,315

The largest increase to capital assets was attributed to the buildings and improvements of \$329,271 for the Juvenile Building, Merchant Building, and the Tecolote Building. The \$(158,381) decrease in equipment is a net result of more fixed asset disposals than fixed asset acquisitions during 2008. Additional details on capital assets can be found in the notes to the financial statements on page 47.

JIM WELLS COUNTY, TEXAS

Long Term Debt

At year-end the County had \$3,119,607 in bonds, capital leases obligations, and other long-term liabilities outstanding as shown in Table A-7. The County's total debt decreased by a *net* of (\$234,228) from 2007 through refunding of bonds, capital lease payments, and compensated absences had a net decrease. More detailed information about the County's debt is presented in the notes to the financial statements on page 49.

**Table A-7
Long Term Debt**

	Governmental Activities	
	<u>2008</u>	<u>2007</u>
General obligation bonds	\$ 2,880,000	\$ 2,934,561
Capital leases	126,058	266,225
Compensated absences	113,549	153,049
Total governmental activities	<u>\$ 3,119,607</u>	<u>\$ 3,353,835</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2009 budget preparation is up considerably from the prior year.
- General operating fund spending in the 2009 budget is expected to have a moderate increase as compared to 2008.

These indicators were taken into account when adopting the general fund budget for 2009. Property taxes will increase due to increasing property values. The County will use these increases in revenues to fund balance reserves.

Expenditures are expected to experience a moderate increase. These include increases in public safety, utilities, insurance, courthouse improvements, and personal benefits. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities. The priorities inherent to the 2008-2009 budget were to make county government: (1) communicative and open to the public and departmental staff; (2) have attainable and realistic budgets to enhance accountability; (3) recognize employee talent by continuing a longevity pay step plan, and (4) establish procedures that are in compliance with statutory requirements to improve efficiency.

JIM WELLS COUNTY, TEXAS

If these estimates are realized, they will help the County's budgetary general fund balance with efficient, effective, and controlled use of its' resources.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Department at 200 N. Almond, Alice, Texas 78332

Basic Financial Statements

JIM WELLS COUNTY, TEXASSTATEMENT OF NET ASSETS
DECEMBER 31, 2008

	Governmental Activities
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 7,264,587
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	1,384,265
<i>Sales Taxes Receivable</i>	374,207
<i>Intergovernmental Receivable</i>	44,436
Capital Assets (net of accumulated depreciation):	
<i>Land</i>	243,806
<i>Buildings and System</i>	8,858,425
<i>Machinery and Equipment</i>	2,262,870
<i>Infrastructure</i>	9,110,981
Total Assets	<u>29,543,577</u>
LIABILITIES:	
<i>Accounts Payable and Other Current Liabilities</i>	289,889
<i>Accrued Interest Payable</i>	18,682
Noncurrent Liabilities-	
<i>Due within one year</i>	278,676
<i>Due in more than one year</i>	2,840,930
Total Liabilities	<u>3,428,177</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	17,470,025
Restricted For:	
Debt Service	176,030
Capital Projects	1,153,939
Unrestricted	7,315,406
Total Net Assets	<u>\$ 26,115,400</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT:				
Governmental Activities:				
General Government	\$ 3,765,965	\$ 891,401	\$ --	\$ (2,874,564)
Judicial	2,806,925	503,756	--	(2,303,169)
Public Safety	7,340,490	1,399,470	1,661,031	(4,279,989)
Public Transportation	3,833,985	1,028,684	--	(2,805,301)
Health and Welfare	1,657,444	--	612,597	(1,044,847)
Culture and Recreation	1,457	--	--	(1,457)
Conservation	223,988	--	--	(223,988)
Economic Development and Assistance	72,351	--	--	(72,351)
Interest on Long-term Debt	202,342	--	--	(202,342)
Total Governmental Activities	<u>19,904,947</u>	<u>3,823,311</u>	<u>2,273,628</u>	<u>(13,808,008)</u>
Total Primary Government	\$ <u>19,904,947</u>	\$ <u>3,823,311</u>	\$ <u>2,273,628</u>	<u>(13,808,008)</u>
General Revenues:				
Property Taxes				10,222,019
Sales Taxes				4,441,261
Investment Income				482,047
Miscellaneous Revenues				362,981
Total General Revenues				<u>15,508,308</u>
Change in Net Assets				<u>1,700,300</u>
Net Assets - Beginning				<u>24,415,100</u>
Net Assets - Ending				<u>\$ 26,115,400</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Assets:				
Cash and Cash Equivalents	\$ 4,195,318	\$ 44,728	\$ 3,024,541	\$ 7,264,587
Taxes Receivables (net of allowances for uncollectibles):	6,435,415	219,846	2,034,331	8,689,592
Sales Taxes Receivable	306,427	--	67,780	374,207
Intergovernmental Receivable	--	--	44,436	44,436
Total Assets	<u>\$ 10,937,160</u>	<u>\$ 264,574</u>	<u>\$ 5,171,088</u>	<u>\$ 16,372,822</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 205,819	\$ --	\$ 84,071	\$ 289,890
Deferred Revenue	6,435,415	219,846	2,034,328	8,689,589
Total Liabilities	<u>6,641,234</u>	<u>219,846</u>	<u>2,118,399</u>	<u>8,979,479</u>
Fund Balances:				
Reserved Fund Balances:				
Reserved for Capital Projects	--	--	1,153,939	1,153,939
Reserved for Debt Service	--	44,728	--	44,728
Unreserved				
General Fund	4,295,926	--	--	4,295,926
Unreserved, reported in nonmajor:				
Special Revenue Funds	--	--	1,898,750	1,898,750
Total Fund Balance	<u>4,295,926</u>	<u>44,728</u>	<u>3,052,689</u>	<u>7,393,343</u>
Total Liabilities and Fund Balance	<u>\$ 10,937,160</u>	<u>\$ 264,574</u>	<u>\$ 5,171,088</u>	<u>\$ 16,372,822</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 DECEMBER 31, 2008

Total fund balances - governmental funds balance sheet	\$ 7,393,343
--------------------------------------------------------	--------------

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not reported in the funds.	20,476,082
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,384,262
Payables for bond principal which are not due in the current period are not reported in the funds.	(2,880,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(126,056)
Payables for bond interest which are not due in the current period are not reported in the funds.	(18,682)
Payables for compensated absences which are not due in the current period are not reported in the funds.	<u>(113,549)</u>

Net assets of governmental activities - statement of net assets	<u>\$ 26,115,400</u>
-----------------------------------------------------------------	----------------------

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenue:				
<i>Taxes:</i>				
General Property Taxes	\$ 7,872,920	\$ 268,677	\$ 2,111,352	\$ 10,252,949
General Sales and Use Taxes	3,641,833	--	799,428	4,441,261
License and Permits	106,310	--	378,924	485,234
Intergovernmental	668,842	--	1,748,341	2,417,183
Charges for Services	45,989	--	641,399	687,388
Fines and Forfeitures	394,894	--	775,624	1,170,518
Fees of Office	696,965	--	637,440	1,334,405
Investment Earnings	359,471	9,597	112,979	482,047
Miscellaneous Revenues	208,725	--	156,466	365,191
Total revenues	13,995,949	278,274	7,361,953	21,636,176
Expenditures:				
<i>Current:</i>				
General Government	3,810,044	--	53,910	3,863,954
Judicial	2,769,297	--	37,628	2,806,925
Public Safety	5,125,668	--	2,246,541	7,372,209
Public Transportation	--	--	3,912,090	3,912,090
Health and Welfare	240,756	--	1,416,688	1,657,444
Culture and Recreation	1,457	--	--	1,457
Conservation	223,988	--	--	223,988
Economic Development and Assistance	72,351	--	--	72,351
<i>Debt Service:</i>				
Principal	132,415	2,934,563	7,752	3,074,730
Interest and Fiscal Charges	7,677	163,148	6,784	177,609
Fiscal Agent's Fees	--	55,222	--	55,222
Total Expenditures	12,383,653	3,152,933	7,681,393	23,217,979
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,612,296	(2,874,659)	(319,440)	(1,581,803)
Other Financing Sources (Uses):				
Transfers In	--	--	1,156,393	1,156,393
Transfers Out	(1,073,251)	--	(83,142)	(1,156,393)
Issuance of Bonds	--	2,880,000	--	2,880,000
Total Other Financing Sources (Uses)	(1,073,251)	2,880,000	1,073,251	2,880,000
Net Change in Fund Balances	539,045	5,341	753,811	1,298,197
Fund Balances - Beginning	3,756,881	39,387	2,298,878	6,095,146
Fund Balances - Ending	\$ 4,295,926	\$ 44,728	\$ 3,052,689	\$ 7,393,343

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

Net change in fund balances - total governmental funds	\$ 1,298,197
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	763,704
The depreciation of capital assets used in governmental activities is not reported in the funds.	(595,391)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(30,929)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,934,562
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	140,167
(Increase) decrease in accrued interest from beginning of period to end of period	30,489
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	39,500
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	<u>(2,880,000)</u>
Change in net assets of governmental activities - statement of activities	<u>\$ 1,700,300</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2008

	<u>Agency Funds</u>
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 5,126,660
Total Assets	<u>\$ 5,126,660</u>
LIABILITIES:	
<i>Due to Other Governments and Agencies</i>	\$ 5,126,660
Total Liabilities	<u>5,126,660</u>
 Held in Trust For Pension Benefits and Other Purposes	 <u>\$ --</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

A. Summary of Significant Accounting Policies

The combined financial statements of Jim Wells County, Texas (the "County") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County
- the exclusion of the organization would result in misleading or incomplete financial statements

Based on these criteria, the County has no component units. Additionally, the County is not a component unit of any other reporting entity as defined by the GASB Statement.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. include the financial internal activities. These statements distinguish between the governmental and business-type activities by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial major governmental funds, each displayed in a separate column. All remaining governmental and aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

Debt Service fund. This fund is a Special Reveune Fund which accounts for the collection of property tax revenues which are used to repay principal and interest long-term debt obligations.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

All other governmental funds are combined and reported as nonmajor. Nonmajor funds include the road and bridge funds, grants-in-aid, capital projects and other special revenue funds.

In addition, the County reports the following fund types:

Agency Funds: The County has only agency funds which are used to account for assets that are held by the County as an agent for the Payroll fund, DA Escrow fund, District Clerk fund, County Clerk fund, and other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's agency funds cannot be said to have a measurement focus (i.e., since they do not report equity they cannot present an operating statement reporting changes in equity.)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

b. Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. 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. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

b. Inventories and Prepaid Items

Inventories on the balance sheet are stated at weighted average cost. Inventory items are recorded as expenditures when they are consumed. Inventories and prepaid item at December 31, 2005 were nominal

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

GASB Statement No. 34 requires the County to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, and bridges. These infrastructure assets are likely to be the largest asset class of the County. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

d. Receivable and Payable Balances

The County believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

JIM WELLS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2008

4. Compensated Absences

It is the County'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 county's policy does not permit payments of any amounts when employees separate from service with the county. All vacation pay is accrued when in the government-wide statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example as a result of employee resignations and retirements.

5. 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 a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities 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 proceeds received, are reported as debt service expenditures.

B. Compliance and Accountability

1. Deficit Fund Balance or Fund Net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year end, if any, along with remarks which address such deficits:

Fund Name	Deficit Amount
Road & Bridge Fund No. 21	\$ (119)

2. Excess of expenditures over appropriations

For the year ended December 31, 2008, the following fund has expenditures exceeding appropriations

Road & Bridge Fund No. 21	\$ (38,179)
Debt Service Fund	(2,881,000)

C. Deposits and Investments

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

JIM WELLS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008

Cash Deposits:

At December 31, 2008, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$12,377,021 and the bank balance was \$15,786,170. The County's cash deposits at December 31, 2008 and during the year ended December 31, 2008, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: Wells Fargo Bank of Alice, Texas
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$16,033,813.
- c. The highest combined balances of cash, savings and time deposit accounts amounted to \$13,886,162 and occurred during the month of April, 2008.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

Investments:

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (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, and (10) common trust funds.

The County did not have investments at December 31, 2008.

Investment or Investment Type	Maturity	Fair Value
None	N/A	\$ --

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

At year end, the County was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

JIM WELLS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2008

D. Capital Assets

Capital asset activity for the year ended December 31, 2008, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<i>Governmental activities:</i>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 227,789	\$ 16,017	\$ --	\$ 243,806
Total capital assets not being depreciated	<u>227,789</u>	<u>16,017</u>	<u>--</u>	<u>243,806</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	40,912,951	--	--	40,912,951
Buildings and improvements	12,269,366	399,256	(69,985)	12,598,637
Equipment	5,658,723	348,432	(506,813)	5,500,342
Total capital assets being depreciated	<u>58,841,040</u>	<u>747,688</u>	<u>(576,798)</u>	<u>59,011,930</u>
Less accumulated depreciation for:				
Road Network	(31,771,226)	(30,744)	--	(31,801,970)
Buildings and improvements	(3,511,681)	(298,516)	69,985	(3,740,212)
Equipment	(3,478,153)	(266,132)	506,813	(3,237,472)
Total accumulated depreciation	<u>(38,761,060)</u>	<u>(595,392)</u>	<u>576,798</u>	<u>(38,779,654)</u>
Total capital assets being depreciated, net	<u>20,079,980</u>	<u>152,296</u>	<u>--</u>	<u>20,232,276</u>
Governmental activities capital assets, net	<u>\$ 20,307,769</u>	<u>\$ 168,313</u>	<u>\$ --</u>	<u>\$ 20,476,082</u>

Depreciation was charged to functions as follows:

General Government	\$ 356,201
Public Protection:	
Courthouse & Buildings	134,467
Health & Welfare	3,928
Public Ways and Facilities, Including	
Depreciation of General Infrastructure Assets	100,795
	<u>\$ 595,391</u>

E. Interfund Balances and Activity

1. Due To and From Other Funds

The County did not have any balances in due to and due from other funds at December 31, 2008,

2. Transfers To and From Other Funds

Transfers to and from other funds at December 31, 2008, consisted of the following:

Transfers out:	Transfers In:		
	General Fund	Nonmajor Governmental	Total
General fund	\$ --	\$ 1,073,251	\$ 1,073,251
Nonmajor governmental	--	83,142	83,142
Total transfers out	<u>--</u>	<u>1,156,393</u>	<u>1,156,393</u>

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

F. Leases

Operating Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of December 31, 2008, as follows:

Year Ending December 31,		
2009	\$	35,408
2010		10,000
Total Minimum Rentals	\$	<u>45,408</u>
Rental Expenditures in 2008	\$	<u>60,817</u>

Capital Leases

The County has entered into three lease agreements as lessee for financing the acquisition of two fire trucks and six police vehicles. 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.

On May 1, 2007, the County entered into a three year agreement, secured with 6 vehicles, with Wells Fargo Bank Texas with a maturity date of May 1, 2010. Payments are due in annual installments of \$ 39,210 including interest of 4.89%. On January 29, 2007, the County entered into a three year secured agreement, secured with a fire truck, with Ford Motor Credit with a maturity date of May 24, 2009. Payments are due in annual installments of \$56,536 including interest of 4.50%. 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. On May 24, 2004, the County entered into a 5 year agreement, secured with a fire truck with a Diamler Chrysler with a maturity date of May 24, 2008. Payments are due in annual installments of \$58,841, including interest of 3.85%.

The assets acquired through capital leases are as follows:

Asset:		Governmental
		Activities
Machinery and Equipment	\$	587,449
Less: accumulated depreciation		(245,306)
Total	\$	<u>342,143</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2008 were as follows:

Year Ending December 31,		
2009	\$	95,747
2010		39,210
Total Minimum Lease Payments	\$	134,957
Less: amount representing interest		(8,899)
Present Value of Minimim Lease Paymen	\$	<u>126,058</u>

JIM WELLS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2008

G. Long-Term Obligations

1. Long-Term Obligation Activity

On May 1, 2008, the County issued \$2,880,000 in Certificate of Obligation Refunding Bonds, Series 2008 installments of \$145,000 to \$170,000 through September 1, 2023, with interest rate of 3.86%. Proceeds were used to renovate the jail and make improvements to county buildings.

The following is the certificates of obligation outstanding at December 31, 2008.

Description	Interest Rates (%)	Date of Issuance	Date of Maturity	Bonds Outstanding
Certificates of Obligation Refunding Bonds, Series 2008	3.86%	May 1, 2008	September 1 2023	\$2,880,000

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended December 31, 2008, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 2,934,562	\$ 2,880,000	\$ 2,934,562	\$ 2,880,000	145,000
Capital leases	266,225	--	140,167	126,058	88,676
Compensated absences *	153,049	264,115	303,615	113,549	45,000
Total governmental activities	\$ 3,353,836	\$ 3,144,115	\$ 3,378,344	\$ 3,119,607	\$ 278,676

* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	General

2. Debt Service Requirements

Debt service requirements on long-term debt at December 31, 2008, are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2009	\$ 145,000	\$ 109,817	\$ 254,817
2010	150,000	104,124	254,124
2011	155,000	98,334	253,334
2012	165,000	92,158	257,158
2013	170,000	85,789	255,789
2014-2018	945,000	325,302	1,270,302
2019-2023	1,150,000	125,933	1,275,933
Totals	\$ 2,880,000	\$ 941,457	\$ 3,821,457

H. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2008, the County obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The County pays an annual

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The County continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

I. Pension Plan

1. 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) is a qualified pension plan under Section 401(a) of Internal Revenue Code. 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 10 or more years of service, with 15 years of services 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 employment with any organization with an accredited plan (not just the County), 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 deposits 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 TCRDS 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 deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. Funding Policy

The employer has elected the annuually determined contribution rate (variable-rate) 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. It was 10.68 for the calendar year 2008. The deposit rate payable by the employee members is the rate of 6.00% as adopted by the governing body of the employer within the options available in the TCDRS Act.

3. Annual Pension Cost

For the employers accounting ending December 31, 2008, the annual pension cost for the TCDRS plan for its employees was \$438,087 and the actual contributions were \$779,794.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB No. 27 parameters based on the actuarial valuation as of December 31, 2007, the basis for determining the contribution rate for the calendar year 2008. The December 31, 2007 actuarial valuation is the most recent valuation.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Actuarial	Valuation	Information
Actuarial valuation date	12/31/2005	12/31/2006	12/31/2007
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, open	level percentage of payroll, open
Amortization period	20 yrs	15 yrs	15 yrs
Asset valuation method	long-term appreciation with adjustment	SAF: 10 yr smoothed value ESF Fund Value	SAF: 10 yr smoothed value ESF Fund Value
Actuarial Assumptions:			
Investment return*	8.00%	8.00%	8.00%
Project salary incr. *	5.5%	5.5%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjust.	0.0%	0.0%	0.0%

* Includes inflation at the stated rate

4. Trend Information for the Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
December 31, 2006	\$ 502,557	100%	\$ --
December 31, 2007	609,636	100%	--
December 31, 2008	779,794	100%	--

J. Health Care Coverage

During the year ended December 31, 2008, employees of the County were covered by a health insurance plan (the Plan). The County paid premiums of \$359 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the County and the licensed insurer is renewable June 30, 2009, and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the are available for the year ended , have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

K. Commitments and Contingencies

1. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

2. Litigation

No reportable litigation was pending against the County at December 31, 2008.

L. Other Related Disclosures

The following funds had adopted budgets for the fiscal year ended December 31, 2008:

General Fund
Road and Bridge Funds
Small Dams Fund
Law Library Fund
Debt Service Fund
Jail Expansion Fund
Road Bond 1967 Fund

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

JIM WELLS COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2008

**Schedule of Funding Progress for the Retirement Plan
for the Employees of Jim Wells County**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
December 31, 2005	\$ 13,624,883	\$ 15,527,680	\$ 1,902,797	87.75%	\$ 5,726,945	33.23%
December 31, 2006	14,810,557	16,968,961	2,158,404	87.28%	6,040,358	35.73%
December 31, 2007	16,057,122	18,272,937	2,215,815	87.87%	6,513,206	34.02%

GENERAL FUND

The General Fund is a constitutional fund and is utilized to account for All County revenues and expenditures except those, which are required, by law, to be classed in other constitutional funds and such other funds that are presented separately to facilitate proper accountability.

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008

EXHIBIT B-1
Page 1 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
General Property Taxes	\$ 7,203,474	\$ 7,842,921	\$ 7,872,920	\$ 29,999
General Sales and Use Taxes	2,511,693	3,210,920	3,641,833	430,913
License and Permits	59,000	112,789	106,310	(6,479)
Intergovernmental	654,956	662,806	668,842	6,036
Charges for Services	48,300	46,650	45,989	(661)
Fines and Forfeitures	409,000	383,145	394,894	11,749
Fees of Office	759,144	735,442	696,965	(38,477)
Investment Earnings	200,000	300,000	359,471	59,471
Miscellaneous Revenues	103,149	188,260	208,725	20,465
Total revenues	<u>11,948,716</u>	<u>13,482,933</u>	<u>13,995,949</u>	<u>513,016</u>
EXPENDITURES:				
General Government				
County Judge				
Personal Services	201,760	202,118	181,101	21,017
Supplies	2,000	2,000	2,398	(398)
Other Services and Charges	12,400	12,400	8,618	3,782
Capital Outlay	4,000	4,000	--	4,000
Total County Judge	<u>220,160</u>	<u>220,518</u>	<u>192,117</u>	<u>28,401</u>
County Clerk				
Personal Services	370,528	373,031	325,863	47,168
Supplies	9,500	9,500	11,980	(2,480)
Other Services and Charges	53,625	53,625	48,862	4,763
Capital Outlay	5,500	5,500	--	5,500
Total County Clerk	<u>439,153</u>	<u>441,656</u>	<u>386,705</u>	<u>54,951</u>
Veterans Service				
Personal Services	34,241	35,686	35,684	2
Supplies	250	203	138	65
Other Services and Charges	27,236	33,295	33,801	(506)
Total Veterans Service	<u>61,727</u>	<u>69,184</u>	<u>69,623</u>	<u>(439)</u>
County Auditor				
Personal Services	351,241	372,543	358,463	14,080
Supplies	10,000	12,600	12,527	73
Other Services and Charges	25,700	15,443	13,474	1,969
Capital Outlay	22,000	10,500	9,982	518
Total County Auditor	<u>408,941</u>	<u>411,086</u>	<u>394,446</u>	<u>16,640</u>
County Treasurer				
Personal Services	132,060	132,579	133,714	(1,135)
Supplies	1,800	1,800	2,583	(783)
Other Services and Charges	4,763	4,763	4,320	443
Capital Outlay	300	300	--	300
Total County Treasurer	<u>138,923</u>	<u>139,442</u>	<u>140,617</u>	<u>(1,175)</u>
Tax Assessor-Collector				
Personal Services	358,070	360,573	341,120	19,453
Supplies	2,500	2,500	2,405	95
Other Services and Charges	361,918	361,918	384,666	(22,748)
Capital Outlay	--	--	869	(869)
Total Tax Assessor-Collector	<u>722,488</u>	<u>724,991</u>	<u>729,060</u>	<u>(4,069)</u>

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
County Courthouse and Annex				
<i>Personal Services</i>	60,116	60,656	44,353	16,303
<i>Supplies</i>	33,000	33,000	55,590	(22,590)
<i>Other Services and Charges</i>	881,500	868,500	983,387	(114,887)
<i>Capital Outlay</i>	224,000	377,000	414,902	(37,902)
<i>Total County Courthouse and Annex</i>	1,198,616	1,339,156	1,498,232	(159,076)
County Airport				
<i>Other Services and Charges</i>	50,000	50,000	--	50,000
<i>Total County Airport</i>	50,000	50,000	--	50,000
Elections				
<i>Personal Services</i>	146,101	167,558	189,842	(22,284)
<i>Supplies</i>	5,000	30,000	56,854	(26,854)
<i>Other Services and Charges</i>	22,770	82,170	40,782	41,388
<i>Total Elections</i>	173,871	279,728	287,478	(7,750)
Non-Departmental				
<i>Personal Services</i>	12,663	12,663	13,889	(1,226)
<i>Supplies</i>	55,000	56,000	1,871	54,129
<i>Other Services and Charges</i>	275,586	282,086	96,006	186,080
<i>Total Non-Departmental</i>	343,249	350,749	111,766	238,983
Total General Government	3,757,128	4,026,508	3,810,044	216,464
Judicial				
County court				
<i>Other Services and Charges</i>	96,650	127,350	129,918	(2,568)
<i>Total County Court</i>	96,650	127,350	129,918	(2,568)
District Court				
<i>Personal Services</i>	363,673	365,471	279,846	85,625
<i>Supplies</i>	5,000	5,000	9,285	(4,285)
<i>Other Services and Charges</i>	210,215	210,215	190,386	19,829
<i>Capital Outlay</i>	41,100	41,100	6,016	35,084
<i>Total District Court</i>	619,988	621,786	485,533	136,253
District Clerk				
<i>Personal Services</i>	423,953	426,813	411,073	15,740
<i>Supplies</i>	12,500	12,500	16,992	(4,492)
<i>Other Services and Charges</i>	15,400	15,400	21,895	(6,495)
<i>Capital Outlay</i>	500	500	--	500
<i>Total District Clerk</i>	452,353	455,213	449,960	5,253
Justice of the Peace				
<i>Personal Services</i>	504,133	515,471	492,126	23,345
<i>Supplies</i>	9,350	9,350	18,340	(8,990)
<i>Other Services and Charges</i>	45,956	65,870	62,756	3,114
<i>Capital Outlay</i>	11,400	15,467	4,747	10,720
<i>Total Justice of the Peace</i>	570,839	606,158	577,969	28,189
County Attorney				
<i>Personal Services</i>	412,663	423,257	438,227	(14,970)
<i>Supplies</i>	1,600	1,800	4,225	(2,425)
<i>Other Services and Charges</i>	11,000	12,339	5,986	6,353
<i>Capital Outlay</i>	--	1,500	177	1,323
<i>Total County Attorney</i>	425,263	438,896	448,615	(9,719)

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008

EXHIBIT B-1
Page 3 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
District Attorney				
<i>Personal Services</i>	656,288	661,157	644,512	16,645
<i>Supplies</i>	6,000	8,500	7,741	759
<i>Other Services and Charges</i>	26,600	28,600	26,415	2,185
<i>Capital Outlay</i>	7,000	500	(1,366)	1,866
<i>Total District Attorney</i>	695,888	698,757	677,302	21,455
Total Judicial	2,860,981	2,948,160	2,769,297	178,863
Public Safety				
Ambulance				
<i>Other Services and Charges</i>	140,000	142,100	178,550	(36,450)
<i>Total Ambulance</i>	140,000	142,100	178,550	(36,450)
Fire Protection				
<i>Other Services and Charges</i>	178,051	89,489	89,489	--
<i>Total Fire Protection</i>	178,051	89,489	89,489	--
Constable				
<i>Personal Services</i>	274,263	274,263	280,936	(6,673)
<i>Supplies</i>	6,500	2,500	1,379	1,121
<i>Other Services and Charges</i>	6,952	33,884	30,332	3,552
<i>Total Constable</i>	287,715	310,647	312,647	(2,000)
Sheriff				
<i>Personal Services</i>	2,543,174	2,781,617	2,831,195	(49,578)
<i>Supplies</i>	12,068	401,942	416,492	(14,550)
<i>Other Services and Charges</i>	672,485	505,983	467,373	38,610
<i>Capital Outlay</i>	42,000	72,300	57,095	15,205
<i>Total Sheriff</i>	3,269,727	3,761,842	3,772,155	(10,313)
Juvenile Corrections Board				
<i>Personal Services</i>	58,855	62,637	61,150	1,487
<i>Supplies</i>	9,670	16,320	13,767	2,553
<i>Other Services and Charges</i>	283,500	349,406	287,054	62,352
<i>Capital Outlay</i>	21,000	11,000	3,318	7,682
<i>Total Juvenile Corrections Board</i>	373,025	439,363	365,289	74,074
Emergency Management				
<i>Supplies</i>	1,200	1,903	16,995	(15,092)
<i>Capital Outlay</i>	12,000	96,019	92,512	3,507
<i>Total Emergency Management</i>	13,200	97,922	109,507	(11,585)
Safety Department				
<i>Personal Services</i>	131,133	132,206	135,786	(3,580)
<i>Supplies</i>	7,000	7,000	13,576	(6,576)
<i>Other Services and Charges</i>	16,850	16,850	19,044	(2,194)
<i>Capital Outlay</i>	5,999	5,999	--	5,999
<i>Total Safety Department</i>	160,982	162,055	168,406	(6,351)
Vector Control				
<i>Supplies</i>	4,250	4,250	3,572	678
<i>Other Services and Charges</i>	10,300	10,300	6,402	3,898
<i>Capital Outlay</i>	200	2,000	--	2,000
<i>Total Vector Control</i>	14,750	16,550	9,974	6,576
Highway Patrol & Nat'l Guard				
<i>Personal Services</i>	29,158	29,516	30,448	(932)
<i>Other Services and Charges</i>	1,200	--	--	--
<i>Total Highway Patrol & Nat'l Guard</i>	30,358	29,516	30,448	(932)

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008

EXHIBIT B-1
Page 4 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Adult Probation				
<i>Personal Services</i>	--	7,295	7,295	--
<i>Supplies</i>	--	--	4,869	(4,869)
<i>Other Services and Charges</i>	25,000	25,000	21,488	3,512
<i>Capital Outlay</i>	5,000	5,000	--	5,000
<i>Total Adult Probation</i>	30,000	37,295	33,652	3,643
Total Public Safety	4,552,796	5,142,124	5,125,668	16,456
Health and Welfare				
<i>Personal Services</i>	135,885	136,600	134,984	1,616
<i>Supplies</i>	1,400	1,400	906	494
<i>Other Services and Charges</i>	134,896	139,096	103,929	35,167
<i>Capital Outlay</i>	2,000	2,000	937	1,063
<i>Total Health and Welfare</i>	274,181	279,096	240,756	38,340
Culture and Recreation				
Parks Department				
<i>Other Services and Charges</i>	4,600	4,600	1,457	3,143
<i>Total Parks Department</i>	4,600	4,600	1,457	3,143
Orange Grove Center				
<i>Other Services and Charges</i>	4,200	--	--	--
<i>Total Orange Grove Center</i>	4,200	--	--	--
<i>Total Culture and Recreation</i>	8,800	4,600	1,457	3,143
Conservation				
Agriculture Extension Service				
<i>Personal Services</i>	156,951	158,256	158,910	(654)
<i>Supplies</i>	4,500	4,500	4,274	226
<i>Other Services and Charges</i>	52,100	52,100	54,971	(2,871)
<i>Capital Outlay</i>	6,000	6,000	5,833	167
<i>Total Agriculture Extension Service</i>	219,551	220,856	223,988	(3,132)
Economic Development and Assistance				
<i>Personal Services</i>	75,000	75,000	65,300	9,700
<i>Other Services and Charges</i>	--	40,000	7,051	32,949
<i>Capital Outlay</i>	--	35,000	--	35,000
<i>Total Economic Development and Assistance</i>	75,000	150,000	72,351	77,649
Debt Service:				
<i>Principal</i>	--	98,092	132,415	(34,323)
<i>Interest and Fiscal Charges</i>	--	--	7,677	(7,677)
<i>Total Debt Service</i>	--	98,092	140,092	(42,000)
Total Expenditures	11,756,437	12,870,636	12,383,653	486,983
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	192,279	612,297	1,612,296	999,999
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	(855,854)	(970,854)	(1,073,251)	102,397
Total Other Financing Sources (Uses)	(855,854)	(970,854)	(1,073,251)	102,397
Net Change in Fund Balances	(663,575)	(358,557)	539,045	897,602
Fund Balances - Beginning	3,756,881	3,756,881	3,756,881	--
Fund Balances - Ending	\$ 3,093,306	\$ 3,398,324	\$ 4,295,926	\$ 897,602

JIM WELLS COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2008

BUDGETARY INFORMATION - The budget is prepared in accordance with financial policies approved by the County Budget Officer and the Commissioners Court following a public hearing. The Budget Officer is required by policy to present Commissioners Court with a balanced budget that contains a no-tax increase assumption as a starting point for budget discussions. The amounts budgeted in a fiscal year for expenditures in various funds may not exceed the balances in those funds as of the first day of the fiscal year plus any anticipated revenue for the fiscal year as estimated by the County Auditor.

The following are the funds which have legally adopted annual budgets prepared on a basis consistent with GAAP: General Fund, Debt Service Fund and Special Revenue Funds. Project-length financial plans are adopted for the Capital Projects Funds.

The budget law of the State of Texas provides that "the amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in said funds plus the anticipated revenues for the current year for which the budget is made as estimated by the County Auditor. In addition, the law provides that the Commissioners Court may, upon proper application, transfer an existing budget surplus during the year to a budget of like kind and fund but no such transfer shall increase the total budget.

Each year, all departments submit to the Budget Officer requests for appropriation. These requests are reviewed, compiled and presented to the Commissioners Court for approval. The Commissioners Court conducts departmental budget reviews, adjusts budget requests to final form and conducts a public hearing in the County Administration Building. Once copy of the proposed budget must be filed with the County Clerk and one with the County Auditor. Copies must be available to the public. The Commissioners Court must provide for the public hearing on the budget on some date within seven calendar days after the filing of the budget and prior to October 31st of the current fiscal year.

The County controls appropriations at the category level (i.e., salaries/allowances, operations and property) for each department/project within the General Fund and some of the Special Revenue Funds. Grants are budgeted in total and not at the category level. All Debt Service Funds' expenditures for principal and interest on long-term debt are considered to be in the operations category. Certain appropriation transfers may be made between categories or departments only with the approval of the Commissioners Court. Other transfers (e.g. court costs) may be authorized by the County Judge. Transfers that were made during fiscal year 2008 did not increase the County's overall budget. Unencumbered funds lapse at fiscal year end. The original budgets presented in the report are the approved budgets before amendments and transfers. The final budgets presented in this report reflect the budgets as amended for all appropriation transfers processed during the fiscal year. The legal level of budgetary control (the level on which expenditures may not exceed appropriations) is on an object class basis. More comprehensive accounting of activity on the budgetary basis is provided in a separate report, which is available for public inspection in the office of the Jim Wells County Auditor, 200 N. Almond, Alice, Texas 78332.

*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds for Jim Wells County, Texas, consist of the Road and Bridge Funds which collectively comprise the constitutional Road and Bridge Fund, all Grant Funds, the Law Library Fund, the County Attorney Check Collection Fee Fund, Sheriff's Federal Detention Fund, and Special Funds. The Special Revenue Funds have revenue earmarked for the financing of particular functions and activities of government as shown in the various expenditure schedules.

ROAD AND BRIDGE FUNDS

The Road and Bridge Funds are constitutional funds established to account for current funds used for the purpose of constructing and maintaining roads and bridges. The principle sources of revenue for these funds are ad valorem taxes, auto registration, and intergovernmental revenues.

The Road and Bridge Funds consist of the following:

1. The Flood Control-Small Dams Precinct No. 2 Fund is used to account for transfers received from the Road and Bridge Precinct Funds that are used for costs associated with the maintenance of small dams in the County.
2. The Road and Bridge Precinct Funds (Nos. 1, 2, 3, and 4) were used to account for costs associated with the construction and maintenance of roads and bridges in the four Commissioners' Precincts.

GRANTS-IN-AID FUNDS

The Grants-in-Aid Funds account for revenues received from the Federal and State Governments.

The Grants-in-Aid Special Revenue Funds consist of the following funds:

1. The Adult Probation Fund and the Community Corrections Fund are used to account for funds received for the Judicial District Adult Probation Program. The Community Corrections Fund is used to account for funds received for special caseloads, educational and literacy programs, and substance abuse programs.
2. The Juvenile Probation Fund is used to account for funds received for the Judicial District Juvenile Probation Program.
3. Colonia, Home Program, County Attorney Crime Prevention and Auto Theft Funds are used to account for grant funds, which assist law enforcement and public safety the community.

4. The District Attorney D.H.S. Account Fund accounts for monies reimbursed by the state for administrative and other cost incurred in state related cases.

5. The State Juvenile Probation Fund accounts for a state grant, which is used for administrative and other costs to supervise Juvenile offenders.

6. The Juvenile Law Enforcement Officer Fund is used to account for a matching grant from the state to improve law enforcement.

7. The Indigent Health Care Fund is used to account for state funds received which match basic medical care expenditures provided to eligible people.

8. The Palito Blanco Park Project Fund is used to account for the development of a five-acre park, which is supported and funded by the Texas Parks and Wildlife Department.

9. The Juvenile Progressive Sanctions Fund is used to account for the services of a Juvenile Probation Officer.

OTHER SPECIAL REVENUE FUNDS

The Other Special Revenue Funds consists of Other Funds that account for particular functions and activities.

The Other Special Revenue Funds consists of the following funds:

1. The Law Library Fund provides for the establishment and maintenance of a library for the use of members of the Texas Bar Association. It is stocked with several thousand books. Revenues are derived from fees, which are assessed against each civil case filed in County and District Courts.

2. The County Attorney Check Collection Fee Fund accounts for County Attorney hot check collection fees.

3. The 79th Judicial District Attorney Drug Forfeiture Fund and Task Escrow Fund, County Attorney Federal Forfeiture Fund, Constable Prct. 5 Drug Forfeiture Fund, and the JWC Sheriff Drug Forfeiture Fund and Federal Forfeiture fund account for monies received through seizures pursuant to the forfeiture law(House Bill No. 65) of the State of Texas.

4. The Records, Management, and Preservation Fund is used to account for fees charged for the preservation and management of County records.

SPECIAL REVENUE FUNDS
(continued)

6. The Relief Route Capital Fund is used for the establishment of funds authorizing the County to support and fund the U.S. Highways 77/281 Coalition and Alliance for I-69 South Texas highway projects for an improved highway system.

7. The Drug Abuse and Rehabilitation Fund is used to account for its share of 10% of monies received from drug forfeitures. These monies are used to defray costs for drug and alcohol rehabilitation.

CAPITAL PROJECTS FUND

These funds are used to account for financial resources to be used for the acquisition and construction of major capital facilities and are principally financed by capital grants, certificates of obligation, from the sale of bonds, and donations. These funds are not ordinarily used to account for the acquisition of furniture, fixtures, machinery, equipment, and other relatively minor or comparatively short-lived general fixed assets. The Capital Projects Funds in use by the County are the Right-of-Way Fund, which is used to account for costs incurred in purchase of land right-of-way for major road improvements and construction and the Jail Expansion Fund which is being used to provide improvements to the County Jail.

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2008

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 1,870,602	\$ 1,153,939	\$ 3,024,541
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	2,034,331	--	2,034,331
<i>Sales Taxes Receivable</i>	67,780	--	67,780
<i>Intergovernmental Receivable</i>	44,436	--	44,436
Total Assets	\$ 4,017,149	\$ 1,153,939	\$ 5,171,088
LIABILITIES AND FUND BALANCES:			
Liabilities:			
<i>Accounts Payable</i>	\$ 84,071	\$ --	\$ 84,071
<i>Deferred Revenue</i>	2,034,328	--	2,034,328
Total Liabilities	2,118,399	--	2,118,399
Fund Balances:			
Reserved Fund Balances:			
<i>Reserved for Capital Projects</i>	--	1,153,939	1,153,939
Unreserved, reported in nonmajor:			
<i>Special Revenue Funds</i>	1,898,750	--	1,898,750
Total Fund Balance	1,898,750	1,153,939	3,052,689
Total Liabilities and Fund Balance	\$ 4,017,149	\$ 1,153,939	\$ 5,171,088

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:			
<i>Taxes:</i>			
<i>General Property Taxes</i>	\$ 2,111,352	\$ --	\$ 2,111,352
<i>General Sales and Use Taxes</i>	799,428	--	799,428
<i>License and Permits</i>	378,924	--	378,924
<i>Intergovernmental</i>	1,734,538	13,803	1,748,341
<i>Charges for Services</i>	641,399	--	641,399
<i>Fines and Forfeitures</i>	775,624	--	775,624
<i>Fees of Office</i>	637,440	--	637,440
<i>Investment Earnings</i>	112,979	--	112,979
<i>Miscellaneous Revenues</i>	118,006	38,460	156,466
Total revenues	<u>7,309,690</u>	<u>52,263</u>	<u>7,361,953</u>
Expenditures:			
<i>Current:</i>			
<i>General Government</i>	53,910	--	53,910
<i>Judicial</i>	37,628	--	37,628
<i>Public Safety</i>	2,246,541	--	2,246,541
<i>Public Transportation</i>	3,912,090	--	3,912,090
<i>Health and Welfare</i>	1,416,688	--	1,416,688
<i>Debt Service:</i>			
<i>Principal</i>	7,752	--	7,752
<i>Interest and Fiscal Charges</i>	6,784	--	6,784
Total Expenditures	<u>7,681,393</u>	<u>--</u>	<u>7,681,393</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(371,703)</u>	<u>52,263</u>	<u>(319,440)</u>
Other Financing Sources (Uses):			
<i>Transfers In</i>	1,156,393	--	1,156,393
<i>Transfers Out</i>	(83,142)	--	(83,142)
Total Other Financing Sources (Uses)	<u>1,073,251</u>	<u>--</u>	<u>1,073,251</u>
Net Change in Fund Balances	<u>701,548</u>	<u>52,263</u>	<u>753,811</u>
Fund Balances - Beginning	1,197,202	1,101,676	2,298,878
Fund Balances - Ending	<u>\$ 1,898,750</u>	<u>\$ 1,153,939</u>	<u>\$ 3,052,689</u>

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2008

	Road & Bridge No. 21 Fund	Road & Bridge No. 22 Fund	Road & Bridge No. 23 Fund	Road & Bridge No. 24 Fund
ASSETS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ --	\$ 274,149	\$ 96,276	\$ 226,476
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	447,928	299,997	615,265	671,141
<i>Sales Taxes Receivable</i>	14,798	8,744	22,041	22,197
<i>Intergovernmental Receivable</i>	--	--	--	--
Total Assets	<u>\$ 462,726</u>	<u>\$ 582,890</u>	<u>\$ 733,582</u>	<u>\$ 919,814</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 14,919	\$ --	\$ --	\$ --
<i>Deferred Revenue</i>	447,926	299,997	615,264	671,141
Total Liabilities	<u>462,845</u>	<u>299,997</u>	<u>615,264</u>	<u>671,141</u>
Fund Balances:				
Reserved Fund Balances:				
Unreserved, reported in nonmajor:				
<i>Special Revenue Funds</i>	(119)	282,893	118,318	248,673
Total Fund Balance	<u>(119)</u>	<u>282,893</u>	<u>118,318</u>	<u>248,673</u>
Total Liabilities and Fund Balance	<u>\$ 462,726</u>	<u>\$ 582,890</u>	<u>\$ 733,582</u>	<u>\$ 919,814</u>

Indigent Health Care Fund	Sheriff Impound Fees	Sheriff Federal Detention	Small Dams No. 32 Fund	Jail Commissary Fund
\$ 44,236	\$ 21,095	\$ 290	\$ 88,355	\$ 13,836
--	--	--	--	--
--	--	--	--	--
<u>\$ 44,236</u>	<u>\$ 21,095</u>	<u>\$ 290</u>	<u>\$ 88,355</u>	<u>\$ 13,836</u>
\$ 24,716	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
<u>24,716</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
19,520	21,095	290	88,355	13,836
<u>19,520</u>	<u>21,095</u>	<u>290</u>	<u>88,355</u>	<u>13,836</u>
<u>\$ 44,236</u>	<u>\$ 21,095</u>	<u>\$ 290</u>	<u>\$ 88,355</u>	<u>\$ 13,836</u>

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2008

	County Attorney Check Collection	Juvenile Probation Fund	Adult Probation Fund	State Juvenile Probation Fund
ASSETS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 9,325	\$ 271,402	\$ 69,115	\$ 143,856
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	--	--	--	--
<i>Sales Taxes Receivable</i>	--	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
Total Assets	<u>\$ 9,325</u>	<u>\$ 271,402</u>	<u>\$ 69,115</u>	<u>\$ 143,856</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Deferred Revenue</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Reserved Fund Balances:				
Unreserved, reported in nonmajor:				
<i>Special Revenue Funds</i>	9,325	271,402	69,115	143,856
Total Fund Balance	<u>9,325</u>	<u>271,402</u>	<u>69,115</u>	<u>143,856</u>
Total Liabilities and Fund Balance	<u>\$ 9,325</u>	<u>\$ 271,402</u>	<u>\$ 69,115</u>	<u>\$ 143,856</u>

Colonia Grant Fund	Home Program Fund	Law Library Fund	Auto Theft Fund	Drug Abuse and Rehabilitation Fund
\$ --	\$ 127	\$ 8,221	\$ 3,343	\$ 5,212
--	--	--	--	--
--	--	--	--	--
44,436	--	--	--	--
<u>\$ 44,436</u>	<u>\$ 127</u>	<u>\$ 8,221</u>	<u>\$ 3,343</u>	<u>\$ 5,212</u>
\$ 44,436	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
<u>44,436</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	127	8,221	3,343	5,212
--	127	8,221	3,343	5,212
<u>\$ 44,436</u>	<u>\$ 127</u>	<u>\$ 8,221</u>	<u>\$ 3,343</u>	<u>\$ 5,212</u>

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2008

	79th Judicial District Attorney Forfeiture Fund	Sheriff Drug Forfeiture Fund	Sheriff Federal Forfeiture Fund
ASSETS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 2,139	\$ 467,404	\$ 7,684
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	--	--	--
<i>Sales Taxes Receivable</i>	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--
Total Assets	<u>\$ 2,139</u>	<u>\$ 467,404</u>	<u>\$ 7,684</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
<i>Accounts Payable</i>	\$ --	\$ --	\$ --
<i>Deferred Revenue</i>	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:			
Reserved Fund Balances:			
Unreserved, reported in nonmajor:			
<i>Special Revenue Funds</i>	2,139	467,404	7,684
Total Fund Balance	<u>2,139</u>	<u>467,404</u>	<u>7,684</u>
Total Liabilities and Fund Balance	<u>\$ 2,139</u>	<u>\$ 467,404</u>	<u>\$ 7,684</u>

Community Corrections Fund	Constable Prct 5 Drug Forfeiture Fund	Juvenile Law Enforcement Officer Fund	Records Preservation Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 15,189	\$ 5,180	\$ 45,311	\$ 52,381	\$ 1,870,602
--	--	--	--	2,034,331
--	--	--	--	67,780
--	--	--	--	44,436
<u>\$ 15,189</u>	<u>\$ 5,180</u>	<u>\$ 45,311</u>	<u>\$ 52,381</u>	<u>\$ 4,017,149</u>
\$ --	\$ --	\$ --	\$ --	\$ 84,071
--	--	--	--	2,034,328
--	--	--	--	2,118,399
15,189	5,180	45,311	52,381	1,898,750
<u>15,189</u>	<u>5,180</u>	<u>45,311</u>	<u>52,381</u>	<u>1,898,750</u>
<u>\$ 15,189</u>	<u>\$ 5,180</u>	<u>\$ 45,311</u>	<u>\$ 52,381</u>	<u>\$ 4,017,149</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Road & Bridge No. 21 Fund	Road & Bridge No. 22 Fund	Road & Bridge No. 23 Fund	Road & Bridge No. 24 Fund
Revenue:				
<i>Taxes:</i>				
<i>General Property Taxes</i>	\$ 477,584	\$ 324,698	\$ 646,252	\$ 662,818
<i>General Sales and Use Taxes</i>	175,874	103,926	255,817	263,811
<i>License and Permits</i>	122,593	72,441	--	183,890
<i>Intergovernmental</i>	15,374	9,084	22,362	23,061
<i>Charges for Services</i>	--	--	--	--
<i>Fines and Forfeitures</i>	2,403	1,420	3,494	3,604
<i>Fees of Office</i>	82,485	48,741	314,005	123,727
<i>Investment Earnings</i>	11,722	13,440	15,219	20,806
<i>Miscellaneous Revenues</i>	9,201	6,476	--	--
Total revenues	<u>897,236</u>	<u>580,226</u>	<u>1,257,149</u>	<u>1,281,717</u>
Expenditures:				
<i>Current:</i>				
<i>General Government</i>	--	--	--	--
<i>Judicial</i>	--	--	--	--
<i>Public Safety</i>	--	--	--	--
<i>Public Transportation</i>	969,451	452,649	1,257,796	1,183,898
<i>Health and Welfare</i>	--	--	--	--
<i>Debt Service:</i>				
<i>Principal</i>	--	--	--	--
<i>Interest and Fiscal Charges</i>	--	--	--	--
Total Expenditures	<u>969,451</u>	<u>452,649</u>	<u>1,257,796</u>	<u>1,183,898</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(72,215)</u>	<u>127,577</u>	<u>(647)</u>	<u>97,819</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	40,000	--	75,000	--
<i>Transfers Out</i>	(7,301)	(4,314)	(10,619)	(10,951)
Total Other Financing Sources (Uses)	<u>32,699</u>	<u>(4,314)</u>	<u>64,381</u>	<u>(10,951)</u>
Net Change in Fund Balances	<u>(39,516)</u>	<u>123,263</u>	<u>63,734</u>	<u>86,868</u>
Fund Balances - Beginning	39,397	159,630	54,584	161,805
Fund Balances - Ending	<u>\$ (119)</u>	<u>\$ 282,893</u>	<u>\$ 118,318</u>	<u>\$ 248,673</u>

Indigent Health Care Fund	Sheriff Impound Fees	Sheriff Federal Detention	Small Dams No. 32 Fund	Jail Commissary Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	41,236	--	--	73,674
--	--	--	--	--
--	--	--	--	--
3,103	593	1	1,016	--
89,270	518	11	3,140	--
<u>92,373</u>	<u>42,347</u>	<u>12</u>	<u>4,156</u>	<u>73,674</u>
--	--	--	--	--
--	--	--	--	--
--	57,246	--	--	59,838
--	--	--	48,296	--
799,742	--	--	--	--
--	--	--	--	--
<u>799,742</u>	<u>57,246</u>	<u>--</u>	<u>48,296</u>	<u>59,838</u>
(707,369)	(14,899)	12	(44,140)	13,836
958,251	--	--	33,185	--
--	--	--	--	--
<u>958,251</u>	<u>--</u>	<u>--</u>	<u>33,185</u>	<u>--</u>
250,882	(14,899)	12	(10,955)	13,836
(231,362)	35,994	278	99,310	--
<u>\$ 19,520</u>	<u>\$ 21,095</u>	<u>\$ 290</u>	<u>\$ 88,355</u>	<u>\$ 13,836</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	County Attorney Check Collection	Juvenile Probation Fund	Adult Probation Fund	State Juvenile Probation Fund
Revenue:				
Taxes:				
General Property Taxes	\$ --	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	--	--	--
License and Permits	--	--	--	--
Intergovernmental	--	140,731	221,555	383,542
Charges for Services	--	--	600,163	--
Fines and Forfeitures	8,843	--	--	--
Fees of Office	--	--	--	--
Investment Earnings	32	17,171	505	4,182
Miscellaneous Revenues	320	--	2,057	--
Total revenues	<u>9,195</u>	<u>157,902</u>	<u>824,280</u>	<u>387,724</u>
Expenditures:				
Current:				
General Government	--	--	--	--
Judicial	6,860	--	--	--
Public Safety	--	197,026	773,596	306,619
Public Transportation	--	--	--	--
Health and Welfare	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>6,860</u>	<u>197,026</u>	<u>773,596</u>	<u>306,619</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,335</u>	<u>(39,124)</u>	<u>50,684</u>	<u>81,105</u>
Other Financing Sources (Uses):				
Transfers In	--	--	--	--
Transfers Out	--	--	(49,957)	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(49,957)</u>	<u>--</u>
Net Change in Fund Balances	2,335	(39,124)	727	81,105
Fund Balances - Beginning	6,990	310,526	68,388	62,751
Fund Balances - Ending	<u>\$ 9,325</u>	<u>\$ 271,402</u>	<u>\$ 69,115</u>	<u>\$ 143,856</u>

Colonia Grant Fund	Home Program Fund	Law Library Fund	Disaster Relief Fund	Auto Theft Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
362,997	--	--	249,600	--
--	--	--	--	--
--	--	26,345	--	--
--	--	282	--	154
4,349	--	--	--	--
<u>367,346</u>	<u>--</u>	<u>26,627</u>	<u>249,600</u>	<u>154</u>
--	--	--	--	--
--	--	30,768	--	--
--	--	--	--	--
367,346	--	--	249,600	--
--	--	--	--	--
<u>367,346</u>	<u>--</u>	<u>30,768</u>	<u>249,600</u>	<u>--</u>
--	--	(4,141)	--	154
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	(4,141)	--	154
--	127	12,362	--	3,189
<u>\$ --</u>	<u>\$ 127</u>	<u>\$ 8,221</u>	<u>\$ --</u>	<u>\$ 3,343</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Drug Abuse and Rehabilitation Fund	County Attorney Crime Prevention Fund	79th Judicial District Attorney Forfeiture Fund
Revenue:			
<i>Taxes:</i>			
<i>General Property Taxes</i>	\$ --	\$ --	\$ --
<i>General Sales and Use Taxes</i>	--	--	--
<i>License and Permits</i>	--	--	--
<i>Intergovernmental</i>	--	4,644	--
<i>Charges for Services</i>	--	--	--
<i>Fines and Forfeitures</i>	--	--	303,873
<i>Fees of Office</i>	--	--	--
<i>Investment Earnings</i>	217	72	960
<i>Miscellaneous Revenues</i>	--	--	454
Total revenues	<u>217</u>	<u>4,716</u>	<u>305,287</u>
Expenditures:			
<i>Current:</i>			
<i>General Government</i>	--	--	--
<i>Judicial</i>	--	--	--
<i>Public Safety</i>	--	--	328,054
<i>Public Transportation</i>	--	--	--
<i>Health and Welfare</i>	--	--	--
<i>Debt Service:</i>			
<i>Principal</i>	--	--	--
<i>Interest and Fiscal Charges</i>	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>328,054</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>217</u>	<u>4,716</u>	<u>(22,767)</u>
Other Financing Sources (Uses):			
<i>Transfers In</i>	--	--	--
<i>Transfers Out</i>	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>217</u>	<u>4,716</u>	<u>(22,767)</u>
Fund Balances - Beginning	4,995	(4,716)	24,906
Fund Balances - Ending	<u>\$ 5,212</u>	<u>\$ --</u>	<u>\$ 2,139</u>

Sheriff Drug Forfeiture Fund	Sheriff Federal Forfeiture Fund	Community Corrections Fund	Constable Prct 5 Drug Forfeiture Fund
\$ --	\$ --	\$ --	\$ --
--	--	--	--
--	--	--	--
--	--	86,023	--
451,987	--	--	--
--	--	--	--
19,696	293	320	218
--	2,210	--	--
<u>471,683</u>	<u>2,503</u>	<u>86,343</u>	<u>218</u>
--	--	--	--
--	--	--	--
280,212	--	133,112	--
--	--	--	--
--	--	--	--
7,752	--	--	--
6,784	--	--	--
<u>294,748</u>	<u>--</u>	<u>133,112</u>	<u>--</u>
<u>176,935</u>	<u>2,503</u>	<u>(46,769)</u>	<u>218</u>
--	--	49,957	--
--	--	--	--
--	--	<u>49,957</u>	<u>--</u>
176,935	2,503	3,188	218
290,469	5,181	12,001	4,962
<u>\$ 467,404</u>	<u>\$ 7,684</u>	<u>\$ 15,189</u>	<u>\$ 5,180</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Juvenile Law Enforcement Officer Fund	Records Preservation Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenue:			
Taxes:			
General Property Taxes	\$ --	\$ --	\$ 2,111,352
General Sales and Use Taxes	--	--	799,428
License and Permits	--	--	378,924
Intergovernmental	141,891	--	1,734,538
Charges for Services	--	--	641,399
Fines and Forfeitures	--	--	775,624
Fees of Office	--	42,137	637,440
Investment Earnings	410	2,567	112,979
Miscellaneous Revenues	--	--	118,006
Total revenues	<u>142,301</u>	<u>44,704</u>	<u>7,309,690</u>
Expenditures:			
Current:			
General Government	--	53,910	53,910
Judicial	--	--	37,628
Public Safety	110,838	--	2,246,541
Public Transportation	--	--	3,912,090
Health and Welfare	--	--	1,416,688
Debt Service:			
Principal	--	--	7,752
Interest and Fiscal Charges	--	--	6,784
Total Expenditures	<u>110,838</u>	<u>53,910</u>	<u>7,681,393</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>31,463</u>	<u>(9,206)</u>	<u>(371,703)</u>
Other Financing Sources (Uses):			
Transfers In	--	--	1,156,393
Transfers Out	--	--	(83,142)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>1,073,251</u>
Net Change in Fund Balances	31,463	(9,206)	701,548
Fund Balances - Beginning	13,848	61,587	1,197,202
Fund Balances - Ending	<u>\$ 45,311</u>	<u>\$ 52,381</u>	<u>\$ 1,898,750</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 21 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 436,497	\$ 474,848	\$ 477,584	\$ 2,736
<i>General Sales and Use Taxes</i>	121,296	155,064	175,874	20,810
License and Permits	121,000	122,593	122,593	--
Intergovernmental	5,850	9,850	15,374	5,524
Fines and Forfeitures	2,607	2,391	2,403	12
Fees of Office	73,700	82,108	82,485	377
Investment Earnings	8,000	11,000	11,722	722
Miscellaneous Revenues	--	10,000	9,201	(799)
Total revenues	<u>768,950</u>	<u>867,854</u>	<u>897,236</u>	<u>29,382</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	454,006	477,685	475,586	2,099
<i>Supplies</i>	83,500	113,000	147,246	(34,246)
<i>Other Services and Charges</i>	124,600	183,987	206,690	(22,703)
<i>Capital Outlay</i>	73,000	156,600	139,929	16,671
Total Public Transportation	<u>735,106</u>	<u>931,272</u>	<u>969,451</u>	<u>(38,179)</u>
Total Expenditures	<u>735,106</u>	<u>931,272</u>	<u>969,451</u>	<u>(38,179)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>33,844</u>	<u>(63,418)</u>	<u>(72,215)</u>	<u>(8,797)</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	--	40,000	40,000	--
<i>Transfers Out</i>	(7,301)	(7,301)	(7,301)	--
Total Other Financing Sources (Uses)	<u>(7,301)</u>	<u>32,699</u>	<u>32,699</u>	<u>--</u>
Net Change in Fund Balances	26,543	(30,719)	(39,516)	(8,797)
Fund Balances - Beginning	39,397	39,397	39,397	--
Fund Balances - Ending	<u>\$ 65,940</u>	<u>\$ 8,678</u>	<u>\$ (119)</u>	<u>\$ (8,797)</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 22 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 298,839	\$ 320,959	\$ 324,698	\$ 3,739
<i>General Sales and Use Taxes</i>	71,675	91,629	103,926	12,297
License and Permits	71,500	72,441	72,441	--
Intergovernmental	3,455	5,855	9,084	3,229
Fines and Forfeitures	1,541	1,415	1,420	5
Fees of Office	43,550	48,518	48,741	223
Investment Earnings	5,000	10,000	13,440	3,440
Miscellaneous Revenues	2,000	2,000	6,476	4,476
Total revenues	<u>497,560</u>	<u>552,817</u>	<u>580,226</u>	<u>27,409</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	354,111	356,515	280,579	75,936
<i>Supplies</i>	36,550	36,550	60,048	(23,498)
<i>Other Services and Charges</i>	34,550	34,550	24,885	9,665
<i>Capital Outlay</i>	50,000	70,000	87,137	(17,137)
Total Public Transportation	<u>475,211</u>	<u>497,615</u>	<u>452,649</u>	<u>44,966</u>
Total Expenditures	<u>475,211</u>	<u>497,615</u>	<u>452,649</u>	<u>44,966</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>22,349</u>	<u>55,202</u>	<u>127,577</u>	<u>72,375</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	(4,314)	(4,314)	(4,314)	--
Total Other Financing Sources (Uses)	<u>(4,314)</u>	<u>(4,314)</u>	<u>(4,314)</u>	<u>--</u>
Net Change in Fund Balances	18,035	50,888	123,263	72,375
Fund Balances - Beginning	159,630	159,630	159,630	--
Fund Balances - Ending	<u>\$ 177,665</u>	<u>\$ 210,518</u>	<u>\$ 282,893</u>	<u>\$ 72,375</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 23 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 589,450	\$ 645,370	\$ 646,252	\$ 882
<i>General Sales and Use Taxes</i>	176,431	225,547	255,817	30,270
Intergovernmental	8,506	14,306	22,362	8,056
Fines and Forfeitures	3,792	3,475	3,494	19
Fees of Office	293,200	311,648	314,005	2,357
Investment Earnings	8,000	14,000	15,219	1,219
Miscellaneous Revenues	1,000	1,000	--	(1,000)
Total revenues	<u>1,080,379</u>	<u>1,215,346</u>	<u>1,257,149</u>	<u>41,803</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	665,636	697,450	695,866	1,584
<i>Supplies</i>	149,000	241,824	233,420	8,404
<i>Other Services and Charges</i>	132,900	155,326	151,586	3,740
<i>Capital Outlay</i>	112,635	193,631	176,924	16,707
Total Public Transportation	<u>1,060,171</u>	<u>1,288,231</u>	<u>1,257,796</u>	<u>30,435</u>
Total Expenditures	<u>1,060,171</u>	<u>1,288,231</u>	<u>1,257,796</u>	<u>30,435</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20,208</u>	<u>(72,885)</u>	<u>(647)</u>	<u>72,238</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	--	75,000	75,000	--
<i>Transfers Out</i>	(10,619)	(10,619)	(10,619)	--
Total Other Financing Sources (Uses)	<u>(10,619)</u>	<u>64,381</u>	<u>64,381</u>	<u>--</u>
Net Change in Fund Balances	<u>9,589</u>	<u>(8,504)</u>	<u>63,734</u>	<u>72,238</u>
Fund Balances - Beginning	54,584	54,584	54,584	--
Fund Balances - Ending	<u>\$ 64,173</u>	<u>\$ 46,080</u>	<u>\$ 118,318</u>	<u>\$ 72,238</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 24 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 604,744	\$ 662,415	\$ 662,818	\$ 403
<i>General Sales and Use Taxes</i>	181,945	232,594	263,811	31,217
License and Permits	181,500	183,890	183,890	--
Intergovernmental	8,775	14,775	23,061	8,286
Fines and Forfeitures	3,911	3,585	3,604	19
Fees of Office	110,550	123,162	123,727	565
Investment Earnings	5,000	15,000	20,806	5,806
Total revenues	<u>1,096,425</u>	<u>1,235,421</u>	<u>1,281,717</u>	<u>46,296</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	626,290	634,325	681,458	(47,133)
<i>Supplies</i>	150,050	150,050	142,626	7,424
<i>Other Services and Charges</i>	200,901	200,901	210,748	(9,847)
<i>Capital Outlay</i>	203,200	203,200	149,066	54,134
<i>Total Public Transportation</i>	<u>1,180,441</u>	<u>1,188,476</u>	<u>1,183,898</u>	<u>4,578</u>
Total Expenditures	<u>1,180,441</u>	<u>1,188,476</u>	<u>1,183,898</u>	<u>4,578</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(84,016)</u>	<u>46,945</u>	<u>97,819</u>	<u>50,874</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	(10,951)	(10,951)	(10,951)	--
Total Other Financing Sources (Uses)	<u>(10,951)</u>	<u>(10,951)</u>	<u>(10,951)</u>	<u>--</u>
Net Change in Fund Balances	<u>(94,967)</u>	<u>35,994</u>	<u>86,868</u>	<u>50,874</u>
Fund Balances - Beginning	161,805	161,805	161,805	--
Fund Balances - Ending	<u>\$ 66,838</u>	<u>\$ 197,799</u>	<u>\$ 248,673</u>	<u>\$ 50,874</u>

JIM WELLS COUNTY, TEXAS
 SMALL DAMS NO. 32 FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2008

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Investment Earnings	\$ 4,000	\$ 3,000	\$ 1,016	\$ (1,984)
Miscellaneous Revenues	--	--	3,140	3,140
Total revenues	<u>4,000</u>	<u>3,000</u>	<u>4,156</u>	<u>1,156</u>
EXPENDITURES:				
Public Transportation				
Personal Services	--	--	28,279	(28,279)
Supplies	--	--	2,642	(2,642)
Other Services and Charges	18,000	18,000	6,631	11,369
Capital Outlay	50,000	50,000	10,744	39,256
Total Public Transportation	<u>68,000</u>	<u>68,000</u>	<u>48,296</u>	<u>19,704</u>
Total Expenditures	<u>68,000</u>	<u>68,000</u>	<u>48,296</u>	<u>19,704</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(64,000)</u>	<u>(65,000)</u>	<u>(44,140)</u>	<u>20,860</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	33,185	33,185	33,185	--
Total Other Financing Sources (Uses)	<u>33,185</u>	<u>33,185</u>	<u>33,185</u>	<u>--</u>
Net Change in Fund Balances	<u>(30,815)</u>	<u>(31,815)</u>	<u>(10,955)</u>	<u>20,860</u>
Fund Balances - Beginning	99,310	99,310	99,310	--
Fund Balances - Ending	<u>\$ 68,495</u>	<u>\$ 67,495</u>	<u>\$ 88,355</u>	<u>\$ 20,860</u>

JIM WELLS COUNTY, TEXAS
 LAW LIBRARY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2008

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Fees of Office	\$ 22,000	\$ 22,000	\$ 26,345	\$ 4,345
Investment Earnings	200	300	282	(18)
Total revenues	<u>22,200</u>	<u>22,300</u>	<u>26,627</u>	<u>4,327</u>
EXPENDITURES:				
Judicial				
County court				
<i>Personal Services</i>	13,374	13,374	13,524	(150)
<i>Other Services and Charges</i>	500	500	--	500
<i>Capital Outlay</i>	23,000	23,000	17,244	5,756
<i>Total County Court</i>	<u>36,874</u>	<u>36,874</u>	<u>30,768</u>	<u>6,106</u>
Total Judicial	<u>36,874</u>	<u>36,874</u>	<u>30,768</u>	<u>6,106</u>
Total Expenditures	<u>36,874</u>	<u>36,874</u>	<u>30,768</u>	<u>6,106</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,674)</u>	<u>(14,574)</u>	<u>(4,141)</u>	<u>10,433</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	10,000	10,000	--	(10,000)
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>--</u>	<u>10,000</u>
Net Change in Fund Balances	<u>(4,674)</u>	<u>(4,574)</u>	<u>(4,141)</u>	<u>433</u>
Fund Balances - Beginning	12,362	12,362	12,362	--
Fund Balances - Ending	<u>\$ 7,688</u>	<u>\$ 7,788</u>	<u>\$ 8,221</u>	<u>\$ 433</u>

JIM WELLS COUNTY, TEXAS
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2008

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 298,545	\$ 298,545	\$ 268,677	\$ (29,868)
Investment Earnings	1,000	1,000	9,597	8,597
Total revenues	<u>299,545</u>	<u>299,545</u>	<u>278,274</u>	<u>(21,271)</u>
EXPENDITURES:				
<i>Debt Service:</i>				
<i>Principal</i>	121,872	121,872	2,934,563	(2,812,691)
<i>Interest and Fiscal Charges</i>	149,561	149,561	163,148	(13,587)
<i>Fiscal Agent's Fees</i>	500	500	55,222	(54,722)
<i>Total Debt Service</i>	<u>271,933</u>	<u>271,933</u>	<u>3,152,933</u>	<u>(2,881,000)</u>
Total Expenditures	<u>271,933</u>	<u>271,933</u>	<u>3,152,933</u>	<u>(2,881,000)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>27,612</u>	<u>27,612</u>	<u>(2,874,659)</u>	<u>(2,902,271)</u>
OTHER FINANCING SOURCES (USES):				
<i>Issuance of Bonds</i>	--	--	2,880,000	(2,880,000)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>2,880,000</u>	<u>(2,880,000)</u>
Net Change in Fund Balances	27,612	27,612	5,341	(22,271)
Fund Balances - Beginning	39,387	39,387	39,387	--
Fund Balances - Ending	<u>\$ 66,999</u>	<u>\$ 66,999</u>	<u>\$ 44,728</u>	<u>\$ (22,271)</u>

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2008

	Relief Route Capital Fund	Jail Expansion Fund	Road Bond 1967 Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
ASSETS				
Assets:				
Cash and Cash Equivalents	\$ 708,423	\$ 304,200	\$ 141,316	\$ 1,153,939
Total Assets	<u>\$ 708,423</u>	<u>\$ 304,200</u>	<u>\$ 141,316</u>	<u>\$ 1,153,939</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Fund Balances:				
Reserved Fund Balances:				
Reserved for Capital Projects	\$ 708,423	\$ 304,200	\$ 141,316	\$ 1,153,939
Total Fund Balance	<u>708,423</u>	<u>304,200</u>	<u>141,316</u>	<u>1,153,939</u>
Total Liabilities and Fund Balance	<u>\$ 708,423</u>	<u>\$ 304,200</u>	<u>\$ 141,316</u>	<u>\$ 1,153,939</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Relief Route Capital Fund	Jail Expansion Fund	Road Bond 1967 Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenue:				
Intergovernmental	\$ --	\$ 13,803	\$ --	\$ 13,803
Miscellaneous Revenues	32,011	--	6,449	38,460
Total revenues	<u>32,011</u>	<u>13,803</u>	<u>6,449</u>	<u>52,263</u>
Expenditures:				
Total Expenditures	--	--	--	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>32,011</u>	<u>13,803</u>	<u>6,449</u>	<u>52,263</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	--	--	--	--
Net Change in Fund Balances	32,011	13,803	6,449	52,263
Fund Balances - Beginning	676,412	290,397	134,867	1,101,676
Fund Balances - Ending	<u>\$ 708,423</u>	<u>\$ 304,200</u>	<u>\$ 141,316</u>	<u>\$ 1,153,939</u>

JIM WELLS COUNTY, TEXAS
JAIL EXPANSION FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ --	\$ --	\$ 13,803	\$ 13,803
Investment Earnings	5,000	10,000	--	(10,000)
Total revenues	<u>5,000</u>	<u>10,000</u>	<u>13,803</u>	<u>3,803</u>
EXPENDITURES:				
Public Safety				
Other Public Safety				
Capital Outlay	288,000	288,000	--	288,000
Total Other Public Safety	288,000	288,000	--	288,000
Total Public Safety	<u>288,000</u>	<u>288,000</u>	<u>--</u>	<u>288,000</u>
Total Expenditures	<u>288,000</u>	<u>288,000</u>	<u>--</u>	<u>288,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(283,000)</u>	<u>(278,000)</u>	<u>13,803</u>	<u>291,803</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(283,000)</u>	<u>(278,000)</u>	<u>13,803</u>	<u>291,803</u>
Fund Balances - Beginning	290,397	290,397	290,397	--
Fund Balances - Ending	<u>\$ 7,397</u>	<u>\$ 12,397</u>	<u>\$ 304,200</u>	<u>\$ 291,803</u>

JIM WELLS COUNTY, TEXAS
ROAD BOND 1967 FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Miscellaneous Revenues	\$ 5,000	\$ 5,000	\$ 6,449	\$ 1,449
Total revenues	5,000	5,000	6,449	1,449
EXPENDITURES:				
Current:				
Total Expenditures	5,000	5,000	--	5,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	--	6,449	6,449
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	--	--	--	--
Net Change in Fund Balances	--	--	6,449	6,449
Fund Balances - Beginning	134,867	134,867	134,867	--
Fund Balances - Ending	\$ 134,867	\$ 134,867	\$ 141,316	\$ 6,449

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AGENCY FUNDS

The Agency Funds are used to account for the monies received and disbursed by the County in the capacity of trustee, custodian, or agent of individuals or other entities.

The Agency Funds consist of the following:

1. The Payroll Fund was established as a clearing account. Cash is transferred from other County funds to the Payroll Fund, from which disbursements are made for payroll, federal income tax withheld, Social security, retirement, deferred compensation, group insurance premiums, and other employee benefits.
2. The D.A. Escrow Fund, County Attorney Collection District Attorney Tax Collector, and Drug Forfeiture Accounts, were established by the County and other funds and are remitted to the County Auditor and other entities for County and other purposes.
3. The District Clerk and the County Clerk Fund account for monies received from various County officials and remitted to the County Auditor and other entities for the County and other purposes.
4. The Victims Compensation, Criminal Justice Planning, Criminal Justice Education, Crime Stoppers Assistance, Prevention of Juvenile Crime, and Judicial Training Funds are used to collect and distribute funds derived from local criminal fines for use by the State. Jim Wells County retains 10% of the monies to cover administration costs for collection.
5. The Consolidated Court Costs Fund is a court fee set by the state that consolidates several previously collected fees. Other Court Cost Funds utilized are the Correctional Management Fund and Court Cost for Offenses
6. The Appellate Judicial System Fund accounts for court costs and fees collected to help defray the costs of the Fourth Court of Appeals in processing of appeals filed from the county courts, county courts at law, probate at law, probate courts, and district courts.

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2008

	Appellate Judicial Fund	79th Judicial District Attorney Escrow Fund	79th Judicial D.A. Task Force Escrow Fund	79th Judicial D.A. Fee Fund
ASSETS:				
<i>Cash and Cash Equivalents</i>	\$ 2,394	\$ 77,727	\$ 40,295	\$ 3,215
Total Assets	<u>\$ 2,394</u>	<u>\$ 77,727</u>	<u>\$ 40,295</u>	<u>\$ 3,215</u>
LIABILITIES:				
<i>Due to Other Governments and Agencies</i>	\$ 2,394	\$ 77,727	\$ 40,295	\$ 3,215
Total Liabilities	<u>2,394</u>	<u>77,727</u>	<u>40,295</u>	<u>3,215</u>
 <i>Held in Trust For Pension Benefits and Other Purposes</i>	 \$ --	 \$ --	 \$ --	 \$ --

79th Judicial D.A. Forfeiture Fund	State Fees Fund	Vouchers Payable Fund	Tax Collector Fund	District Clerk Fund
\$ 450	\$ 157,653	\$ 33,507	\$ 427,664	\$ 343,914
\$ 450	\$ 157,653	\$ 33,507	\$ 427,664	\$ 343,914
\$ 450	\$ 157,653	\$ 33,507	\$ 427,664	\$ 343,914
450	157,653	33,507	427,664	343,914
\$ --	\$ --	\$ --	\$ --	\$ --

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2008

	County Clerk Fund	Payroll Administrative Fund
ASSETS:		
<i>Cash and Cash Equivalents</i>	\$ 525,338	\$ 358,520
Total Assets	<u>\$ 525,338</u>	<u>\$ 358,520</u>
LIABILITIES:		
<i>Due to Other Governments and Agencies</i>	\$ 525,338	\$ 358,520
Total Liabilities	<u>525,338</u>	<u>358,520</u>
Held in Trust For Pension Benefits and Other Purposes	<u>\$ --</u>	<u>\$ --</u>

Motor Vehicle Escrow Fund	Ad Valorem Tax Escrow Fund	County Attorney Trust Fund	Total Agency Funds (See Exhibit A-7)
\$ 256	\$ 2,997,938	\$ 157,789	\$ 5,126,660
\$ 256	\$ 2,997,938	\$ 157,789	\$ 5,126,660
\$ 256	\$ 2,997,938	\$ 157,789	\$ 5,126,660
256	2,997,938	157,789	5,126,660
\$ --	\$ --	\$ --	\$ --

JIM WELLS COUNTY, TEXAS

EXHIBIT C-17

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2008

	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
Appellate Judicial Fund				
ASSETS				
Cash & Cash Equivalents	\$ 1,747	\$ 3,633	\$ 2,986	\$ 2,394
Total Assets	\$ 1,747	\$ 3,633	\$ 2,986	\$ 2,394
LIABILITIES				
Due to Other Governments and Agencies	\$ 1,747	\$ 3,633	\$ 2,986	\$ 2,394
Total Liabilities	\$ 1,747	\$ 3,633	\$ 2,986	\$ 2,394
79th Judicial D.A. Escrow Fund				
ASSETS				
Cash & Cash Equivalents	\$ 419,128	\$ 339,954	\$ 681,355	\$ 77,727
Total Assets	\$ 419,128	\$ 339,954	\$ 681,355	\$ 77,727
LIABILITIES				
Due to Other Governments and Agencies	\$ 419,128	\$ 339,954	\$ 681,355	\$ 77,727
Total Liabilities	\$ 419,128	\$ 339,954	\$ 681,355	\$ 77,727
79th Judicial D.A. Task Force Escrow Fund				
ASSETS				
Cash & Cash Equivalents	\$ 39,024	\$ 1,271	\$ --	\$ 40,295
Total Assets	\$ 39,024	\$ 1,271	\$ --	\$ 40,295
LIABILITIES				
Due to Other Governments and Agencies	\$ 39,024	\$ 1,271	\$ --	\$ 40,295
Total Liabilities	\$ 39,024	\$ 1,271	\$ --	\$ 40,295
79th Judicial D.A. Fee Fund				
ASSETS				
Cash & Cash Equivalents	\$ 5,262	\$ 5,738	\$ 7,785	\$ 3,215
Total Assets	\$ 5,262	\$ 5,738	\$ 7,785	\$ 3,215
LIABILITIES				
Due to Other Governments and Agencies	\$ 5,262	\$ 5,738	\$ 7,785	\$ 3,215
Total Liabilities	\$ 5,262	\$ 5,738	\$ 7,785	\$ 3,215
79th Judicial D.A. Forfeiture Fund				
ASSETS				
Cash & Cash Equivalents	\$ 436	\$ 14	\$ --	\$ 450
Total Assets	\$ 436	\$ 14	\$ --	\$ 450
LIABILITIES				
Due to Other Governments and Agencies	\$ 436	\$ 14	\$ --	\$ 450
Total Liabilities	\$ 436	\$ 14	\$ --	\$ 450

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2008

EXHIBIT C-17

	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
State Fees Fund				
ASSETS				
Cash & Cash Equivalents	\$ 110,893	\$ 569,167	\$ 522,407	\$ 157,653
Total Assets	<u>\$ 110,893</u>	<u>\$ 569,167</u>	<u>\$ 522,407</u>	<u>\$ 157,653</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 110,893	\$ 569,167	\$ 522,407	\$ 157,653
Total Liabilities	<u>\$ 110,893</u>	<u>\$ 569,167</u>	<u>\$ 522,407</u>	<u>\$ 157,653</u>
Vouchers Payable Fund				
ASSETS				
Cash & Cash Equivalents	\$ 27,570	\$ 4,798,959	\$ 4,793,022	\$ 33,507
Total Assets	<u>\$ 27,570</u>	<u>\$ 4,798,959</u>	<u>\$ 4,793,022</u>	<u>\$ 33,507</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 27,570	\$ 4,798,959	\$ 4,793,022	\$ 33,507
Total Liabilities	<u>\$ 27,570</u>	<u>\$ 4,798,959</u>	<u>\$ 4,793,022</u>	<u>\$ 33,507</u>
Tax Collector Fund				
ASSETS				
Cash & Cash Equivalents	\$ 375,257	\$ 12,780,254	\$ 12,727,847	\$ 427,664
Total Assets	<u>\$ 375,257</u>	<u>\$ 12,780,254</u>	<u>\$ 12,727,847</u>	<u>\$ 427,664</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 375,257	\$ 12,780,254	\$ 12,727,847	\$ 427,664
Total Liabilities	<u>\$ 375,257</u>	<u>\$ 12,780,254</u>	<u>\$ 12,727,847</u>	<u>\$ 427,664</u>
District Clerk Fund				
ASSETS				
Cash & Cash Equivalents	\$ 631,434	\$ 709,664	\$ 997,184	\$ 343,914
Total Assets	<u>\$ 631,434</u>	<u>\$ 709,664</u>	<u>\$ 997,184</u>	<u>\$ 343,914</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 631,434	\$ 709,664	\$ 997,184	\$ 343,914
Total Liabilities	<u>\$ 631,434</u>	<u>\$ 709,664</u>	<u>\$ 997,184</u>	<u>\$ 343,914</u>
County Clerk Fund				
ASSETS				
Cash & Cash Equivalents	\$ 454,442	\$ 608,808	\$ 537,912	\$ 525,338
Total Assets	<u>\$ 454,442</u>	<u>\$ 608,808</u>	<u>\$ 537,912</u>	<u>\$ 525,338</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 454,442	\$ 608,808	\$ 537,912	\$ 525,338
Total Liabilities	<u>\$ 454,442</u>	<u>\$ 608,808</u>	<u>\$ 537,912</u>	<u>\$ 525,338</u>
Payroll Administrative Fund				
ASSETS				
Cash & Cash Equivalents	\$ 237,685	\$ 11,356,938	\$ 11,236,103	\$ 358,520
Total Assets	<u>\$ 237,685</u>	<u>\$ 11,356,938</u>	<u>\$ 11,236,103</u>	<u>\$ 358,520</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 237,685	\$ 11,356,938	\$ 11,236,103	\$ 358,520
Total Liabilities	<u>\$ 237,685</u>	<u>\$ 11,356,938</u>	<u>\$ 11,236,103</u>	<u>\$ 358,520</u>

JIM WELLS COUNTY, TEXAS

EXHIBIT C-17

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2008

	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
Motor Vehicle Escrow Fund				
ASSETS				
Cash & Cash Equivalents	\$ --	\$ 256	\$ --	\$ 256
Total Assets	\$ --	\$ 256	\$ --	\$ 256
LIABILITIES				
Due to Other Governments and Agencies	\$ --	\$ 256	\$ --	\$ 256
Total Liabilities	\$ --	\$ 256	\$ --	\$ 256
Ad Valorem Tax Escrow Fund				
ASSETS				
Cash & Cash Equivalents	\$ 3,522,432	\$ 14,158,842	\$ 14,683,336	\$ 2,997,938
Total Assets	\$ 3,522,432	\$ 14,158,842	\$ 14,683,336	\$ 2,997,938
LIABILITIES				
Due to Other Governments and Agencies	\$ 3,522,432	\$ 14,158,842	\$ 14,683,336	\$ 2,997,938
Total Liabilities	\$ 3,522,432	\$ 14,158,842	\$ 14,683,336	\$ 2,997,938
County Attorney Trust Fund				
ASSETS				
Cash & Cash Equivalents	\$ 142,517	\$ 81,253	\$ 65,981	\$ 157,789
Total Assets	\$ 142,517	\$ 81,253	\$ 65,981	\$ 157,789
LIABILITIES				
Due to Other Governments and Agencies	\$ 142,517	\$ 81,253	\$ 65,981	\$ 157,789
Total Liabilities	\$ 142,517	\$ 81,253	\$ 65,981	\$ 157,789
TOTAL AGENCY FUNDS:				
ASSETS				
Cash & Cash Equivalents	\$ 5,967,827	\$ 45,414,751	\$ 46,255,918	\$ 5,126,660
Total Assets	\$ 5,967,827	\$ 45,414,751	\$ 46,255,918	\$ 5,126,660
LIABILITIES				
Due to Other Governments and Agencies	\$ 5,967,827	\$ 45,414,751	\$ 46,255,918	\$ 5,126,660
Total Liabilities	\$ 5,967,827	\$ 45,414,751	\$ 46,255,918	\$ 5,126,660

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

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RAUL HERNANDEZ & COMPANY, P.C.
Certified Public Accountants
5422 Holly Rd
Corpus Christi, Texas 78411
Office (361) 980-0428 Fax (361) 980-1002

Independent Auditors' Report

Report on Internal Control over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

Commissioners' Court
Jim Wells County, Texas
200 N. Almond
Alice, Texas 78332

Members of the Commissioners' Court:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jim Wells County, Texas as of and for the year ended December 31, 2008, which collectively comprise the Jim Wells County, Texas's basic financial statements and have issued our report thereon dated July 15, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jim Wells County, Texas's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Jim Wells County, Texas's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Jim Wells County, Texas's internal control over financial reporting. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Jim Wells County, Texas's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Jim Wells County, Texas's financial statements that is more than inconsequential will not be prevented by the Jim Wells County, Texas's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above.

Compliance and Other Matters

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

to be reported under *Government Auditing Standards*.

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

Respectfully submitted,

Raul Hernandez & Company, P.C.

Raul Hernandez & Company, P.C.

July 15, 2009

RAUL HERNANDEZ & COMPANY, P.C.
Certified Public Accountants
5422 Holly Rd
Corpus Christi, Texas 78411
Office (361) 980-0428 Fax (361) 980-1002

Independent Auditors' Report

Report on Compliance with Requirements Applicable
To each Major Program and on Internal Control over Compliance
In Accordance With OMB Circular A-133

Commissioners' Court
Jim Wells County, Texas
200 N. Almond
Alice, Texas 78332

Members of the Commissioners' Court:

Compliance

We have audited the compliance of Jim Wells County, Texas with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. Jim Wells County, Texas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Jim Wells County, Texas's management. Our responsibility is to express an opinion on Jim Wells County, Texas's compliance based on our audit.

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

In our opinion, Jim Wells County, Texas complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned

functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses.

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

Respectfully submitted,

Raul Hernandez & Company, P.C.

Raul Hernandez & Company, P.C.

July 15, 2009

JIM WELLS COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2008

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	HUD-Community Development Block Grants

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

JIM WELLS COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
N/A		

JIM WELLS COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2008

EXHIBIT D-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
Passed Through Office of Rural Community Affairs (ORCA):			
CDBG-Community Development	14.228	725461	\$ 21,180
CDBG-Colonia Construction	14.228	725155	73,533
CDBG-Colonia Construction	14.228	727065	35,882
CDBG-Colonia Construction	14.228	727229	236,751
Total Passed Through Office of Rural Community Affairs (ORCA)			<u>367,346</u>
Total U. S. Department of Housing & Urban Development			<u>367,346</u>
HOMELAND SECURITY GRANT PROGRAM			
Passed Through Governor's Division of Emergency Management:			
Homeland Security Program	97.073	2008-GE-T8-0034	109,906
Total Homeland Security Grant Program			<u>109,906</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Texas Department of Housing & Community Affairs-TDHCA:			
Home Investment Partnerships Program	14.239	1000640	249,600
Total Department of Housing and Urban Development			<u>249,600</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 726,852</u>

The accompanying notes are an integral part of this schedule.

JIM WELLS COUNTY, TEXAS

*NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Jim Wells County, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

STATISTICAL SECTION

This part of the Jim Wells County, Texas's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Page
Financial Trends	112
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	117
<i>These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.</i>	
Debt Capacity	124
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	128
<i>These schedules offer demographic and economic indicators to help the reader understand how the County's financial activities take place and to help make comparisons over time and with other governments.</i>	
Operating Information	130
<i>These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TABLE E-1

JIM WELLS COUNTY, TEXAS

NET ASSETS BY COMPONENT

LAST FIVE FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 16,808,167	\$ 16,549,080	\$ 16,979,900	\$ 17,106,981	\$ 17,470,025
Restricted	1,298,571	1,368,461	1,403,872	1,207,721	1,329,969
Unrestricted	2,267,582	3,699,613	4,632,273	6,100,398	7,315,406
Total Governmental Activities Net Assets	\$ 20,374,320	\$ 21,617,154	\$ 23,016,045	\$ 24,415,100	\$ 26,115,400

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

JIM WELLS COUNTY, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2004	2005	2006	2007	2008
Expenses					
Governmental Activities:					
General Government	\$ 3,548,772	\$ 3,311,262	\$ 4,230,453	\$ 3,814,965	\$ 3,765,964
Judicial	2,288,452	2,229,421	2,350,003	2,606,714	2,806,925
Public Safety	7,808,646	9,556,199	10,768,750	6,722,720	7,340,490
Public Transportation	3,273,311	3,208,740	3,659,104	3,318,863	3,833,985
Health & Welfare	1,837,418	1,034,994	1,041,240	1,679,727	1,657,444
Culture & Recreation	52,730	58,001	55,784	51,380	1,457
Conservation	177,693	188,138	202,552	206,255	223,988
Economic Development & Assistance	61,400	75,000	144,528	68,500	72,351
Interest on Long-Term Debt	237,051	180,954	180,048	210,344	202,342
Total Governmental Activities Expenses	19,285,473	19,842,709	22,632,462	18,679,468	19,904,946
Total Primary Government Expenses	\$ 19,285,473	\$ 19,842,709	\$ 22,632,462	\$ 18,679,468	\$ 19,904,946
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 2,507,560	\$ 806,409	\$ 919,720	\$ 915,573	\$ 891,401
Judicial	40,293	486,012	483,767	482,677	503,756
Public Safety	2,326,593	1,044,503	1,550,512	929,184	1,399,470
Other Activities	997,840	921,177	990,536	1,048,328	1,028,684
Operating Grants and Contributions	2,261,570	6,170,944	7,781,531	2,871,767	2,273,628
Total Governmental Activities Program Revenues	8,133,856	9,429,045	11,726,066	6,247,529	6,096,939
Total Primary Government Program Revenues	\$ 8,133,856	\$ 9,429,045	\$ 11,726,066	\$ 6,247,529	\$ 6,096,939
Net (Expense)/Revenue					
Governmental Activities	\$ (11,151,617)	\$ (10,413,664)	\$ (10,906,396)	\$ (12,431,939)	\$ (13,808,007)
Total Primary Government Net Expense	\$ (11,151,617)	\$ (10,413,664)	\$ (10,906,396)	\$ (12,431,939)	\$ (13,808,007)

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

TABLE E-3

JIM WELLS COUNTY, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
 LAST FIVE FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2004	2005	2006	2007	2008
Net (Expense)/Revenue					
Governmental Activities	\$ (10,906,396)	\$ (10,906,396)	\$ (10,906,396)	\$ (12,431,939)	\$ (13,808,008)
Business-type Activities	--	--	--	--	--
Total Primary Government Net Expense	\$ (10,906,396)	\$ (10,906,396)	\$ (10,906,396)	\$ (12,431,939)	\$ (13,808,008)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes					
Property Taxes	\$ 8,521,130	\$ 8,521,130	\$ 8,521,130	\$ 9,380,920	\$ 10,222,019
Sales Taxes	3,191,996	3,191,996	3,191,996	3,620,527	4,441,261
Investment Earnings	259,179	259,179	259,179	381,959	482,047
Miscellaneous	332,982	332,982	332,982	399,595	362,981
Total Governmental Activities	\$ 12,305,287	\$ 12,305,287	\$ 12,305,287	\$ 13,783,001	\$ 15,508,308
Business-type Activities:					
Investment Earnings	--	--	--	--	--
Transfers	--	--	--	--	--
Total Business-type Activities	--	--	--	--	--
Total Primary Government	\$ 12,305,287	\$ 12,305,287	\$ 12,305,287	\$ 13,783,001	\$ 15,508,308
Change in Net Assets					
Governmental Activities	\$ 1,398,891	\$ 1,398,891	\$ 1,398,891	\$ 1,351,062	\$ 1,700,300
Business-type Activities	--	--	--	--	--
Total Primary Government	\$ 1,398,891	\$ 1,398,891	\$ 1,398,891	\$ 1,351,062	\$ 1,700,300

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

JIM WELLS COUNTY, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Unreserved	277,653	246,019	371,285	252,081	544,732	(124,415)	1,118,760	2,551,856	3,756,881	4,295,926
Total General Fund	\$ 277,653	\$ 246,019	\$ 371,285	\$ 252,081	\$ 544,732	\$ (124,415)	\$ 1,118,760	\$ 2,551,856	\$ 3,756,881	\$ 4,295,926
All Other Governmental Funds										
Reserved	\$ --	\$ --	\$ --	\$ --	\$ 1,000,685	1,257,678	1,244,541	1,054,277	1,101,676	1,153,939
Unreserved, Reported In:										
Special Revenue Funds	1,721,231	1,449,671	1,400,601	896,122	339,138	856,427	840,957	1,109,079	1,197,203	1,898,750
Debt Service Funds	105,915	111,725	92,671	(146,699)	722,383	5,997	19,292	29,795	39,387	44,728
Total All Other Governmental Funds	\$ 1,827,146	\$ 1,561,396	\$ 1,493,272	\$ 749,423	\$ 2,062,206	\$ 2,120,102	\$ 2,104,790	\$ 2,193,151	\$ 2,338,266	\$ 3,097,417

TABLE E-5

JIM WELLS COUNTY, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	\$ 7,149,404	\$ 7,460,317	\$ 8,167,762	\$ 8,511,442	\$ 8,936,610	\$ 10,439,176	\$ 11,155,269	\$ 12,092,991	\$ 12,995,913	\$ 14,694,210
Licenses and Permits	552,031	555,457	582,582	634,801	53,102	632,751	410,456	608,008	638,540	485,234
Intergovernmental	1,503,316	1,375,262	1,520,168	1,275,438	2,346,611	2,412,015	6,377,419	7,844,338	2,953,161	2,417,183
Charges for Services	1,500,032	1,603,156	1,683,383	1,679,801	683,837	811,103	783,503	750,657	711,161	687,388
Fines & Forfeitures	1,359,956	1,474,198	1,275,067	1,144,808	1,387,027	1,449,795	772,637	1,306,491	730,598	1,170,518
Fees of Office	--	--	--	--	1,354,228	2,789,147	1,085,031	1,216,572	1,225,619	1,334,405
Investment Earnings	218,404	241,385	188,150	47,855	29,087	11,129	108,079	259,179	381,960	482,047
Misc Revenues	163,098	245,471	171,529	196,197	243,666	294,707	214,089	332,982	388,045	365,191
Total Revenues	12,446,241	12,955,246	13,588,641	13,490,342	15,034,168	18,839,823	20,906,483	24,411,218	20,024,997	21,636,176
Expenditures										
General Government	1,506,331	1,432,615	1,617,816	1,764,426	2,495,502	2,939,013	2,736,183	3,834,989	3,328,928	3,863,953
Judicial	2,069,707	2,067,018	2,101,543	2,209,503	2,146,588	2,288,452	2,229,421	2,373,828	2,606,714	2,806,925
Public Safety	4,367,966	5,406,404	5,265,544	5,532,244	7,525,861	8,221,915	9,754,394	11,166,979	7,232,549	7,372,209
Public Transportation	4,034,918	3,431,109	3,794,919	3,963,833	3,387,566	3,273,311	3,221,997	3,680,104	3,427,812	3,912,090
Health & Welfare	877,418	681,573	527,103	617,119	1,125,063	1,837,418	1,034,994	1,041,240	1,679,727	1,657,445
Culture and Recreation	49,963	53,220	53,660	72,280	52,730	58,001	58,001	55,784	51,380	1,457
Conservation	146,484	149,871	196,314	161,563	178,747	177,693	188,138	202,552	206,255	223,988
Economic Development & Assistance	--	--	--	--	544,840	61,400	75,000	144,528	68,500	72,351
Debt Service										
Interest	7,376	3,756	2,028	2,285	--	236,537	180,426	179,879	160,314	177,609
Principal	52,854	53,054	35,499	30,142	--	843,425	199,537	209,349	226,496	3,074,730
Fiscal Agents Fees	--	--	--	--	--	515	529	529	500	55,222
Total Expenditures	13,113,017	13,278,620	13,594,426	14,353,395	17,456,897	19,932,409	19,678,620	22,889,761	18,989,175	23,217,979
Excess of Revenues Over (Under) Expenditures	(666,776)	(323,374)	(5,785)	(863,053)	(2,422,729)	(1,092,586)	1,227,863	1,521,457	1,035,822	(1,581,803)
Other Financing Sources (Uses)										
Bonds Issued	--	--	--	--	3,300,000	--	--	--	--	2,880,000
Loan Proceeds	--	--	--	--	700,000	--	--	--	--	--
Capital Leases	--	25,990	62,927	--	--	--	--	--	266,325	--
Transfers In	763,869	746,903	554,942	733,026	1,005,822	814,481	925,941	1,225,317	1,020,609	1,156,393
Transfers Out	(763,869)	(746,903)	(554,942)	(733,026)	(1,005,822)	(814,481)	(925,941)	(1,225,317)	(1,020,609)	(1,156,393)
Total Other Financing Sources (Uses)	--	25,990	62,927	--	4,000,000	--	--	--	266,325	2,880,000
Net Change in Fund Balances	\$ (666,776)	\$ (297,384)	\$ 57,142	\$ (863,053)	\$ 1,577,271	\$ (1,092,586)	\$ 1,227,863	\$ 1,521,457	\$ 1,302,147	\$ 1,298,197
Debt Service As A Percentage Of Noncapital Expenditures	0.5%	0.4%	0.3%	0.2%	--	5.4%	1.9%	1.7%	2.0%	14.1%

JIM WELLS COUNTY, TEXAS
 TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax	Sales & Use Tax	Total
1999	\$ 5,648,029	\$ 1,501,375	\$ 7,149,404
2000	5,893,650	1,566,667	7,460,317
2001	6,452,532	1,715,230	8,167,762
2002	6,724,039	1,787,403	8,511,442
2003	7,012,219	1,924,391	8,936,610
2004	8,258,496	2,180,680	10,439,176
2005	8,748,679	2,406,590	11,155,269
2006	8,900,995	3,191,996	12,092,991
2007	9,375,386	3,620,527	12,995,913
2008	10,252,949	4,441,261	14,694,210
Percent Change 1999-2008	44.9%	66.2%	51.3%

Source: County Auditor's Office

TABLE E-7

JIM WELLS COUNTY, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
1999	236,724,393	700,059,747	65,511,090	254,894,342	747,400,888	0.700800	1,002,295,230	74.569%
2000	180,801,320	738,493,566	58,847,370	183,023,333	795,118,923	0.700800	1,055,044,914	75.364%
2001	189,841,386	775,418,244	61,789,739	143,157,579	883,891,790	0.676000	1,027,049,369	86.061%
2002	369,441,180	823,383,887	68,471,980	303,155,997	958,141,050	0.699600	1,261,297,047	75.965%
2003	390,418,422	844,851,645	53,415,510	281,027,013	1,007,658,564	0.779900	1,288,685,577	78.193%
2004	434,718,360	888,759,696	62,588,010	285,765,032	1,100,301,034	0.748500	1,386,066,066	79.383%
2005	466,112,921	937,315,298	64,476,880	297,398,543	1,170,506,556	0.730000	1,467,905,099	79.740%
2006	493,411,817	1,021,635,590	91,836,810	322,977,795	1,283,906,422	0.705832	1,606,884,217	79.900%
2007	590,546,070	1,064,321,905	73,790,040	314,875,125	1,413,782,890	0.658055	1,728,658,015	81.785%
2008	611,980,506	1,190,587,725	84,810,510	341,591,715	1,545,787,026	0.671122	1,887,378,741	81.901%

Source: Jim Wells County Appraisal District

JIM WELLS COUNTY, TEXAS
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS

Fiscal Year	County Direct Rates										Overlapping Rates						
	Basic Rate	General Obligation Debt Service	Total Direct Rate	City of Alice			Alice Water Authority		City of Premont		Premont ISD	City of Orange Grove	Orange Grove ISD	BB-PB ISD	La Gloria ISD	Fresh Water District #1	Emergency Service District #1
				City of Alice	Alice ISD	Alice Water Authority	City of Premont	Premont ISD									
1998	0.700800	--	0.700800	0.435800	1.470000	0.149900	0.437300	1.499900	0.572920	1.540000	1.500000	1.235990	N/A	N/A	N/A		
1999	0.700800	--	0.700800	0.435800	1.470000	0.149900	0.437300	1.499900	0.572920	0.154000	1.500000	1.235990	N/A	N/A	N/A		
2000	0.700800	--	0.700800	0.452490	1.570000	0.128460	0.434282	1.577000	0.572920	1.529000	1.570000	1.289000	N/A	N/A	N/A		
2001	0.676000	--	0.676000	0.452490	1.570000	0.128480	0.434282	1.577000	0.572920	1.529000	1.570000	1.289000	N/A	N/A	N/A		
2002	0.699600	--	0.699600	0.472500	1.640000	0.148153	0.395905	1.580490	0.574018	1.645100	1.610390	1.363580	N/A	N/A	N/A		
2003	0.751100	0.028800	0.779900	0.484120	1.640000	0.148153	0.375826	1.582500	0.574018	1.584930	1.660000	1.470000	0.192891	N/A	N/A		
2004	0.722111	0.026389	0.748500	0.435570	1.640000	0.128485	0.370887	1.572300	0.756356	1.596800	1.643200	1.470000	0.192116	N/A	N/A		
2005	0.706337	0.023663	0.730000	0.431960	1.640000	0.118725	0.410671	1.578080	0.742555	1.600967	1.496100	1.500000	0.162475	0.100000			
2006	0.682169	0.023663	0.705832	0.400000	1.515168	0.113379	0.410671	1.578080	0.742555	1.600967	1.496100	1.500000	0.162475	0.100000			
2007	0.640819	0.017236	0.658055	0.331080	1.198650	0.112966	0.456783	1.133444	0.772729	1.186586	1.183872	1.040000	0.175423	0.083125			
2008	0.654787	0.016335	0.671122	0.370000	1.281170	0.110915	0.456783	1.160000	0.660906	1.240000	1.229617	1.040000	0.161456	0.087429			

Source: Jim Wells County Appraisal District

TABLE E-9

JIM WELLS COUNTY, TEXAS
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Halliburton Energy Services	\$ 41,218,933	1	2.57%	\$ 16,343,921	5	1.66%
BJ Services	39,944,133	2	2.49%	7,943,222	7	0.81%
Helmerich & Payne Int'l Drill	30,414,995	3	1.89%	6,438,278	2	0.65%
DCP Midstream LP	27,654,866	4	1.72%	--	8	--
C.C. Forbes LLC	25,473,967	5	1.59%	--	3	--
AEP Texas Central Co.	21,161,208	6	1.32%	13,383,256	6	1.36%
Triad Energy Corp	18,636,949	7	1.16%	21,436,245	1	2.17%
Weatherford Artificial Lift	16,442,071	8	1.02%	5,287,463	4	0.54%
Texas Energy Services Inc	16,106,240	9	1.00%	--	9	--
Well Services Division of STC	15,653,446	10	0.97%	6,248,324	10	0.63%
Total	\$ 252,706,808		15.73%	\$ 77,080,709		7.82%

Source: Jim Wells County Appraisal District

JIM WELLS COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
PAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$ 5,302,452	\$ 4,598,623	86.73%	\$ 413,876	\$ 5,012,499	94.53%
2000	5,647,215	4,963,222	87.89%	446,690	5,409,912	95.80%
2001	6,045,546	5,371,824	88.86%	483,464	5,855,288	96.85%
2002	6,782,473	5,668,875	83.58%	510,199	6,179,074	91.10%
2003	7,949,020	6,381,120	80.28%	1,276,224	7,657,344	96.33%
2004	8,333,089	7,515,232	90.19%	676,371	8,191,603	98.30%
2005	8,623,628	7,961,297	92.32%	557,291	8,518,588	98.78%
2006	9,157,930	8,099,906	88.45%	728,992	8,828,898	96.41%
2007	9,123,519	8,380,287	91.85%	716,444	9,096,731	99.71%
2008	9,979,181	9,290,573	93.10%	463,178	9,753,751	97.74%

Sources: Jim Wells County Appraisal District

JIM WELLS COUNTY, TEXAS
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Building Material & Hardware	\$ 10,600,128	\$ 10,243,004	\$ 9,720,050	\$ 12,648,333	\$ 10,463,686	\$ 11,885,221	\$ 17,476,288	\$ 20,485,015	\$ 22,455,856	\$ 20,683,662
General Merchandise	35,413,736	37,605,631	40,158,408	40,874,906	41,520,528	49,390,210	54,699,397	58,891,925	66,220,424	83,961,117
Food Stores	27,055,473	26,697,322	27,322,199	28,097,445	28,717,894	28,685,260	28,137,452	29,151,658	18,164,822	12,234,512
Auto Dealers & Gas	12,414,130	13,674,379	14,936,621	14,700,822	14,234,091	14,934,839	15,959,624	18,447,461	37,000,812	27,254,328
Apparel & Accessory	7,530,775	7,766,468	7,648,034	6,211,735	6,221,214	7,104,047	8,264,959	9,557,485	9,467,811	8,543,291
Home Furnishing & Appliances	6,631,027	6,636,045	6,759,786	6,665,936	7,027,929	6,453,322	7,290,139	8,286,149	11,854,974	12,362,817
Eating & Drinking Places	24,477,177	26,095,395	28,233,223	28,151,101	29,681,764	31,883,420	33,054,536	36,597,595	41,993,874	44,943,619
Misc Retail Stores	18,882,117	25,669,828	32,075,451	35,287,243	32,351,445	33,103,273	41,872,671	49,847,595	31,284,424	42,877,449
Total	\$ 143,004,563	\$ 154,388,072	\$ 166,853,772	\$ 172,637,521	\$ 170,218,551	\$ 183,439,592	\$ 206,755,066	\$ 231,264,883	\$ 238,442,997	\$ 252,860,795
Direct Sales Tax Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

Source: Texas State Comptroller of Public Accounts.

Note: Retail sales information is not available on a fiscal-year basis.

JIM WELLS COUNTY, TEXAS
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>County Direct Rate</u>	<u>City of Alice</u>
1999	1.50%	0.50%
2000	1.50%	0.50%
2001	1.50%	0.50%
2002	1.50%	0.50%
2003	1.50%	0.50%
2004	1.50%	0.50%
2005	1.50%	0.50%
2006	1.50%	0.50%
2007	1.50%	0.50%
2008	1.50%	0.50%

Sources: County Auditor's Office

TABLE E-13

JIM WELLS COUNTY, TEXAS
 RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt		Percentage of Actual Taxable Value of Property	Per Capita	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Total					
1999	\$ --	--	--	\$ --	--	--	\$ --
2000	113,730	113,733	0.01%	3	113,733	0.00%	3
2001	98,375	98,377	0.009%	2	98,377	0.00%	2
2002	69,201	69,203	0.007%	2	69,203	0.00%	2
2003	3,300,000	3,300,082	0.26%	82	3,300,082	0.00%	82
2004	3,265,104	3,265,184	0.24%	80	3,265,184	0.00%	80
2005	3,160,477	3,160,554	0.22%	77	3,160,554	0.00%	77
2006	3,050,391	3,050,465	0.19%	74	3,050,465	0.00%	74
2007	2,934,561	2,934,626	0.21%	65	2,934,626	0.00%	65
2008	2,880,000	2,880,064	0.20%	64	2,880,064	0.00%	64

JIM WELLS COUNTY, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
1999	\$ --	\$ --	--	\$
2000	113,730	113,730	0.01%	3
2001	98,375	98,375	0.009%	2
2002	69,201	69,201	0.007%	2
2003	3,300,000	3,300,000	0.26%	82
2004	3,265,104	3,265,104	0.24%	80
2005	3,160,477	3,160,477	0.22%	77
2006	3,050,391	3,050,391	0.19%	74
2007	2,934,561	2,934,561	0.21%	65
2008	2,880,000	2,880,000	0.20%	64

TABLE E-15

JIM WELLS COUNTY, TEXAS
 DIRECT AND OVERLAPPING
 GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt Repaid With Property Taxes			
Jim Wells County, Texas	\$ 2,880,000	100.000%	\$ 2,880,000
City of Alice	14,955,000	100.000%	14,955,000
Alice Independent School District	28,546,276	81.180%	23,173,867
Jim Wells County Fresh Water Supply District #1	390,000	100.000%	390,000
Orange Grove Independent School District	10,455,000	100.000%	10,455,000
Alice Water Authority	5,340,000	48.980%	2,615,532
Premont Independent School District	3,124,975	100.000%	3,124,975
Other Debt			
Jim Wells County, Texas Capital Leases	266,325	100.000%	266,325
Total Overlapping Debt			57,860,699
County Direct Debt			3,160,959
Total Direct and Overlapping Debt			<u>\$ 61,021,658</u>

Sources: Debt outstanding data provided by each governmental unit.

JIM WELLS COUNTY, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

TABLE E-16

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	\$ 175,014,937	\$ 184,623,392	\$ 193,854,561	\$ 205,845,972	\$ 128,868,557	\$ 136,800,823	\$ 146,790,510	\$ 241,032,632	\$ 212,067,434	\$ 283,106,811
Total Net Debt Applicable to Limit	--	--	--	--	(971,432)	--	--	2,934,562	--	--
Legal Debt Margin	175,014,937	184,623,392	193,854,561	205,845,972	129,839,989	136,800,823	146,790,510	238,098,070	212,067,434	283,106,811
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	25%	25%	25%	25%	10%	10%	10%	15%	15%	15%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 1,887,378,741
Debt Limit (15% of Assessed Value)	283,106,811
Debt Applicable to Limit:	
General Obligation Bonds	2,880,000
Less: Amount Set Aside for Repayment of General Obligation Debt	(145,000)
Total Net Debt Applicable to Limit	<u>2,735,000</u>
Legal Debt Margin	\$ 280,371,811

TABLE E-17

JIM WELLS COUNTY, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population	37,679	39,326	39,854	40,061	40,439	40,811	40,951	41,131	45,244	41,119
Personal Income	\$ 30,810	\$ 30,810	\$ 31,150	\$ 31,150	\$ 31,150	\$ 32,118	\$ 32,118	\$ 32,118	\$ 32,588	\$ 35,528
Per Capita Personal Income	\$ 17,233	\$ 18,654	\$ 19,608	\$ 20,104	\$ 21,530	\$ 22,478	\$ 24,104	\$ 25,320	\$ 27,852	\$ 26,767
Median Age	31.0	31.0	31.0	31.0	31.0	32.5	34.0	34.5	35.0	33.6
Education Level in Years of Schooling	13	13	12	12	12	12	12	12	12	12
School Enrollment	5,045	4,998	5,030	5,154	5,238	5,114	5,523	5,621	5,637	5,614
Unemployment	5.5%	5.9%	5.6%	7.1%	7.0%	6.5%	5.5%	4.8%	4.0%	4.0%

Sources: Population, median age, and education level information provided by the United States Census Bureau.
 Personal income and unemployment data provided by the Jim Wells County.
 School enrollment data provided by the Alice Independent School District.

JIM WELLS COUNTY, TEXAS
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

Employer	2008			1999		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Del Cielo Home Health	945	1	8.71%	--	1	--
Alice ISD	856	2	7.89%	794	2	8.82%
FESCO	553	3	5.10%	540	3	6.00%
Community Action	541	4	4.99%	--	4	--
Halliburton	515	5	4.75%	500	6	5.56%
Christus Spohn	400	6	3.69%	400	5	4.44%
Jim Wells County	281	8	2.59%	305	8	3.39%
City of Alice	241	7	2.22%	243	7	2.70%
Dixie Iron Works	236	9	2.18%	200	9	2.22%
Endyn	170	10	1.57%	--	10	--
Total	4,738		43.68%	2,982		33.13%

Source: County Auditor's Office

TABLE E-19

JIM WELLS COUNTY, TEXAS
FULL-TIME-EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Full-Time-Equivalent Employees as of Year End									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Administration	13	13	13	15	15	17	17	18	22	24
Finance	16	19	18	18	18	18	18	17	16	18
Judicial	29	33	32	33	33	32	32	31	31	38
Legal	18	20	18	18	18	17	17	18	23	27
Other	--	--	--	--	--	--	--	--	--	--
Public Safety	116	117	121	132	132	127	127	120	128	136
Public Transportation	85	88	94	100	100	110	110	99	105	119
Public Facilities	9	9	8	9	9	2	2	1	1	3
Health & Welfare										
Conservation & Agriculture	3	3	3	3	3	3	3	3	4	4
Civilians	6	5	5	5	5	4	4	4	3	3
Total	295	307	312	333	333	330	330	311	333	372

Source: County Auditor Office

JIM WELLS COUNTY, TEXAS
 CAPITAL ASSET INFORMATION
 LAST TEN FISCAL YEARS

TABLE E-20

Function/Program	Fiscal Year									
	1998	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Number of Buildings	22	22	24	25	26	27	27	27	27	28
Public Safety										
Number of Buildings	9	9	9	9	9	9	9	9	9	11
Number of Vehicles	18	20	20	22	26	32	32	32	40	40
Number of Jails	1	1	1	1	1	1	1	1	1	1
Judicial										
Number of Buildings	2	2	2	2	2	2	2	2	2	2
Number of Courts	8	8	8	8	8	8	8	8	8	8
Public Transportation										
Number of Buildings	4	4	4	4	4	4	4	4	4	4
Streets (lane miles)	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080
Number of Bridges	12	12	12	12	12	12	12	12	12	12
Health and Welfare										
Number of Buildings	5	5	5	5	5	5	5	5	5	5
Economic Development and Assistance										
Number of Buildings	2	2	2	2	2	2	2	2	2	2

Sources: Various county departments

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