

JIM WELLS COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009



Jim Wells County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2009

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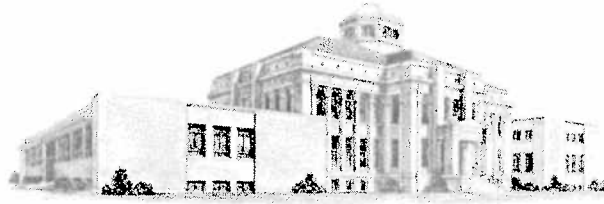
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Introductory Section

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COUNTY OF JIM WELLS

STATE OF TEXAS

ELADIO GONZALEZ, JR.
COUNTY AUDITOR

August 30, 2010

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, 2009.

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, 2009, 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, 2009, 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. Currently, oil and gas production remains a major industry in the economy of Jim Wells County, Texas. (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 a agribusiness in Alice and Jim Wells County.

The agricultural business is still a leading contributor to the economy of Jim Wells County, Texas in 2009.

Unemployment Rate. The current unemployment rate of Jim Wells County, Texas is 9.1%. The national unemployment rate is 9.8%. Our local unemployment rate is also lower than the national rate. However, the statewide average rate is 8.10% which is lower than our current local unemployment rate.

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. However, in 2009, the sales tax revenues were down compared to 2008.

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 wing, women's center, physical therapy, nuclear medicine, rural health clinics, home health services, and community outreach services. Healthcare is a primary source of employment for the Jim Wells County, Texas during 2009.

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
- Progreso - Progreso 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.

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.

Awards and acknowledgements

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, 2008. 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.

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, 2008

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.



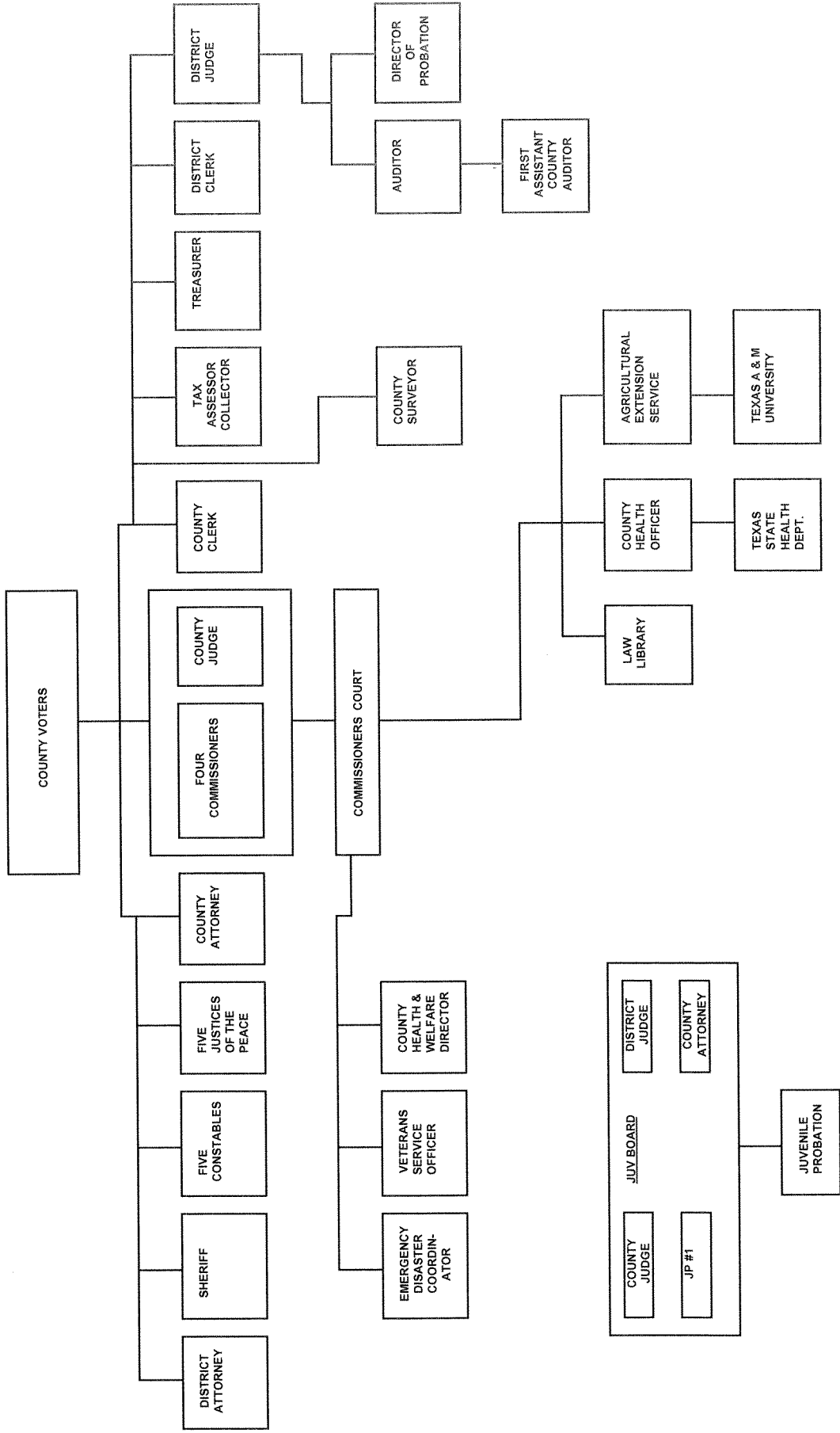
A stylized, handwritten signature in black ink.

President

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

Executive Director

JIM WELLS COUNTY, TEXAS ORGANIZATION



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

DECEMBER 31, 2009

DISTRICT COURT

Richard Terrell	Judge, 79th Judicial District
Armando Barrera	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
Mary Lozano	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, 2009
(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

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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 Auditor's 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, 2009, 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, 2009, 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 August 24, 2010, 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.

August 24, 2010

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, 2009. 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 \$25,784,677 (net assets).
- As of the close of the current fiscal year, the County of Jim Wells governmental funds reported combined ending fund balances of \$6,450,939, of which, \$5,220,898 represents an unreserved fund balance and places the County in a favorable position.
- The County of Jim Wells' total debt increased by a net of \$187,008 compared to the previous year through an increase of capital leases and a net increase 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.
- *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.

JIM WELLS COUNTY, TEXAS

- *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.
- 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.

JIM WELLS COUNTY, TEXAS

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 \$25,784,677; however, the government's financial position has decreased compared to prior year. Net Assets are summarized below along with comparative data from the previous year. (See Table A-1).

Table A-1
County's Net Assets

	<u>Governmental Activities</u>	<u>Increase (Decrease)</u>
	<u>2009</u>	<u>2008</u>
		<u>2009-2008</u>
Current assets:		
Cash/Cash equivalents	6,666,097	7,264,587
Taxes receivable	1,853,032	1,384,265
Sales taxes receivable	259,557	374,207
Intergovernmental Receivable	-	44,436
Total current assets:	<u>\$ 8,778,686</u>	<u>\$ 9,067,495</u>
Non-current assets:		
Capital Assets	58,698,808	59,255,736
Less Accumulated Depreciation	(37,876,003)	(38,779,653)
Total non-current assets:	<u>20,822,805</u>	<u>20,476,083</u>
Total Assets	<u>\$ 29,601,492</u>	<u>\$ 29,543,578</u>
Current Liabilities		
Accounts payable and other current liabilities	474,716	289,889
Accrued Interest Payable	35,484	18,682
Total current liabilities	<u>510,200</u>	<u>308,571</u>
Long-term liabilities:		
Due within one year	343,982	278,676
Due in more than one year	2,962,633	2,840,930
Total Liabilities	<u>\$ 3,816,815</u>	<u>\$ 3,428,177</u>
Net Assets:		
Invested in capital assets, net of related debt	17,516,191	17,470,025
Restricted For:		
Debt Service	195,319	176,030
Capital Projects	1,178,109	1,153,939
Unrestricted	6,895,058	7,315,406
Total Net Assets	<u>\$ 25,784,677</u>	<u>\$ 26,115,400</u>

JIM WELLS COUNTY, TEXAS

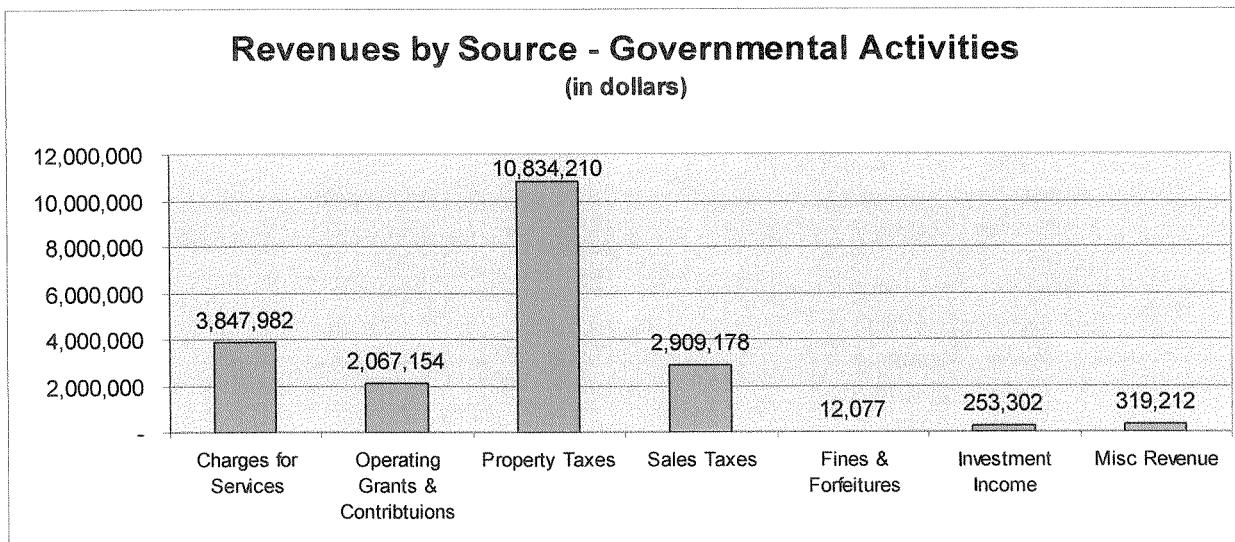
The \$195,319 and \$1,178,109 of the County's restricted net assets represents funds available for the debt service and capital projects funds, respectively. These funds when spent are restricted for repayment of debt and capital asset acquisitions respectively. The \$6,895,058 unrestricted net assets represent resources available to fund the programs of the County next year.

Revenues. The County's total revenues were \$20,243,115. A significant portion, 53.5 percent, of the County's revenue comes from property taxes. 19 percent comes from charges for services and 14.3 percent relates to sales taxes. (See Figure A-2 and Table A-2)

Governmental Activities

- Property tax rates decreased a fractional percent, while net taxable value of property increased by \$88,572,534. Sales taxes decreased as a result of a decrease in retail trade during 2009.
- Grant revenues had a decrease from the prior year mainly due to the significant decrease in the Disaster Relief fund, among others.
- Sales tax revenues in 2009 decreased compared to the prior year by 34.5%.

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>2009</u>	<u>2008</u>	<u>2009-2008</u>
Revenues:			
Program:			
Charges for services	\$ 3,847,982	\$ 3,823,311	\$ 24,671
Operating Grants and Contributions	2,067,154	2,273,628	(206,474)
General:			
Property Taxes	10,834,210	10,222,019	612,191
Sales Taxes	2,909,178	4,441,261	(1,532,083)
Investment Income	253,302	482,047	(228,745)
Fines and Forfeitures	12,077	-	12,077
Miscellaneous Revenues	319,212	362,981	(43,769)
Total Revenues	<u>\$ 20,243,115</u>	<u>\$ 21,605,247</u>	<u>\$ (1,362,132)</u>
Cost of Services:			
General Government	4,210,749	3,765,965	444,784
Judicial	3,319,623	2,806,925	512,698
Public Safety	7,455,989	7,340,490	115,499
Public Transportation	3,318,841	3,833,985	(515,144)
Health and Welfare	1,412,992	1,657,444	(244,452)
Culture and Recreation	47,636	1,457	46,179
Conservation	255,458	223,988	31,470
Economic Development and Assistance	106,201	72,351	33,850
Interest on Long-term Debt	135,733	202,342	(66,609)
Total Cost of Services	<u>\$ 20,263,222</u>	<u>\$ 19,904,947</u>	<u>\$ 358,275</u>
Change in net assets	(20,107)	1,700,300	(1,720,407)
Net assets - beginning	26,115,400	24,415,100	1,700,300
Prior Period Adjustment	(310,616)	-	(310,616)
Net assets - ending	<u>\$ 25,784,677</u>	<u>\$ 26,115,400</u>	<u>\$ (330,723)</u>

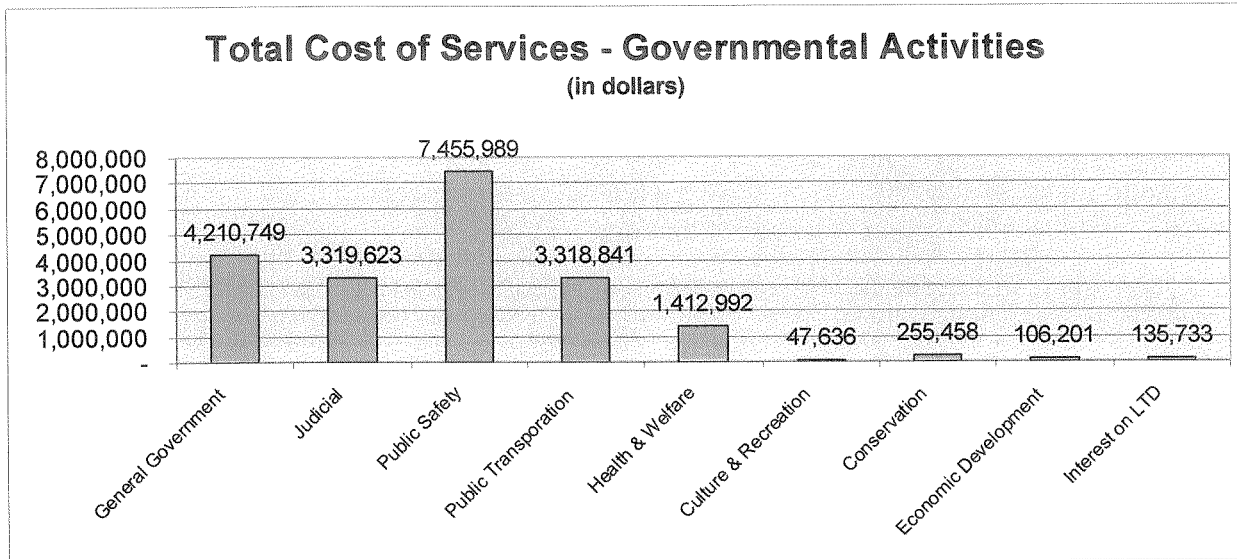
Table A-2 and Figure A-3 present the cost of each of the County's largest functions.

- The cost of all governmental activities this year was \$20,263,222.
- However, the amount that our taxpayers paid for these activities through property taxes was approximately \$10,834,210.
- 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

- \$7,455,345 of these costs were for public safety, which increased by \$115,499 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 \$6,450,939, a decrease of (\$942,404) compared with the prior year. As shown on page 36 the unreserved fund balance resulted in an amount of \$5,220,898. 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 decrease in sales taxes.

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 decreased to \$3,288,481 in contrast to \$4,295,926 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 decrease is a direct result from

JIM WELLS COUNTY, TEXAS

decreases in revenues in sales taxes of (1,532,083), a decrease in investment income of (\$228,745) and a decrease in operating grants & contributions of (\$206,474).

The Debt Service Fund (county-wide), which was created during 2004, has a total fund balance of \$51,932. 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 \$1,178,109. The County has plans in the near future to invest in construction projects, including improvements to buildings at the county fairgrounds and the construction of a records management building.

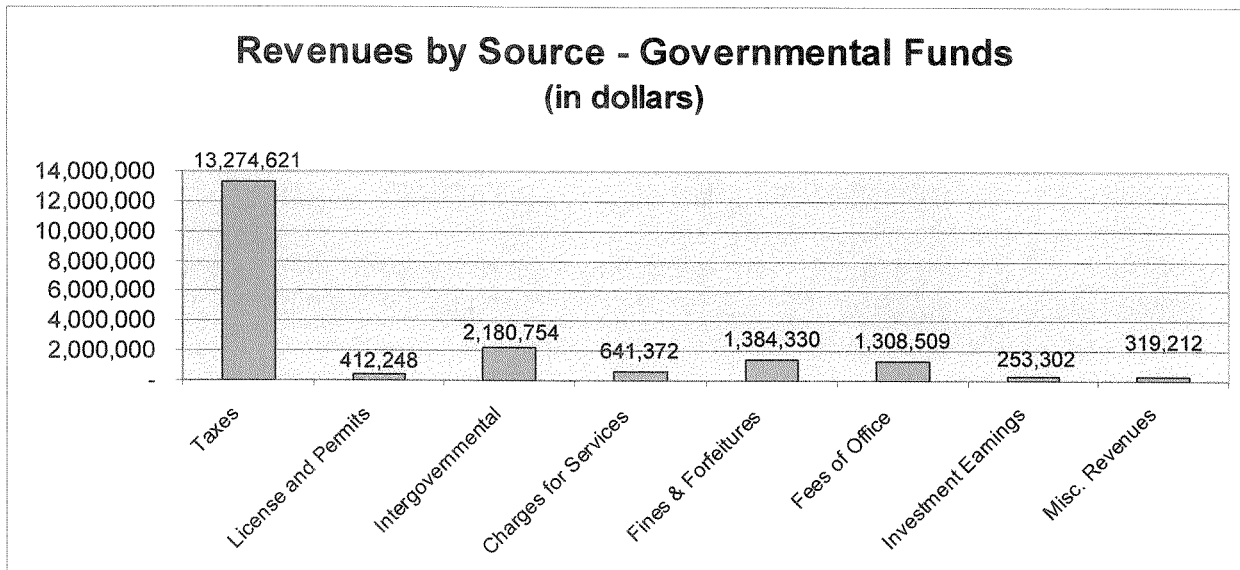
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues

Revenues from governmental fund types totaled \$19,774,348, a decrease of 9.1% from the preceding year. The most significant portion in governmental fund revenue sources was derived from general property taxes and sales taxes, which totaled \$13,274,621.

The County's primary source of revenue consists of taxes, which comprise 67% of the County's total revenues. In addition, intergovernmental and fines & forfeitures revenues comprise 11% and 7% 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**

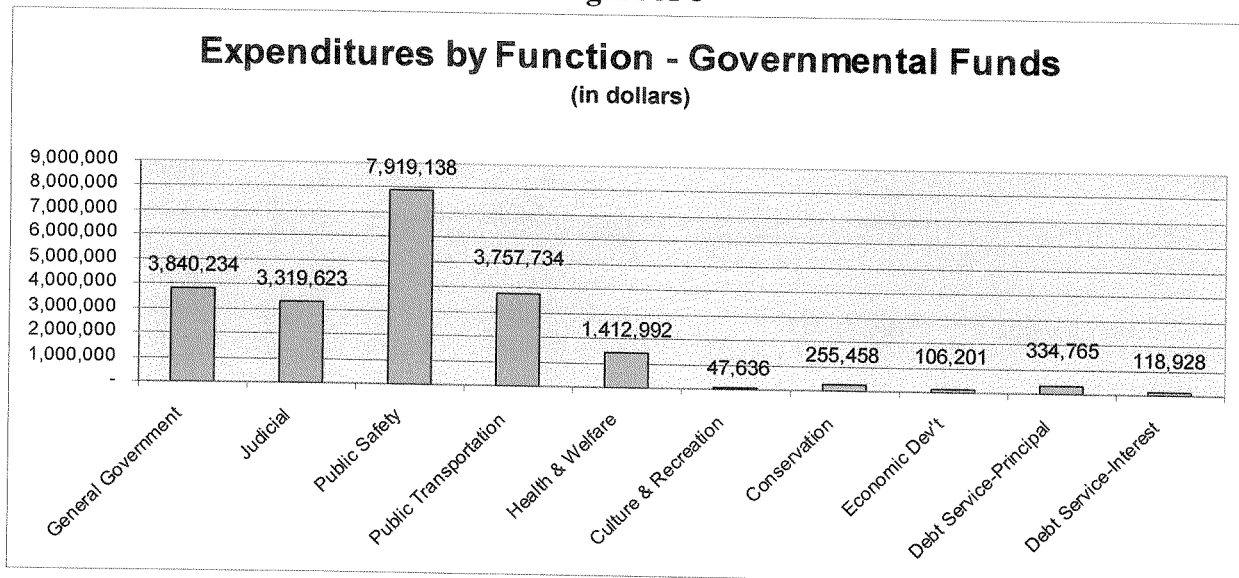
	FY 2009	FY 2008	Increase (Decrease)
Taxes	\$ 13,274,621	\$ 14,694,210	\$ (1,419,589)
License and Permits	412,248	485,234	(72,986)
Intergovernmental	2,180,754	2,417,183	(236,429)
Charges for Services	641,372	687,388	(46,016)
Fines & Forfeitures	1,384,330	1,170,518	213,812
Fees of Office	1,308,509	1,334,405	(25,896)
Investment Earnings	253,302	482,047	(228,745)
Misc. Revenues	319,212	365,191	(45,979)
Total Revenues	\$ 19,774,348	\$ 21,636,176	\$ (1,861,828)

Expenditures

The decrease in debt-principal payments, in the amount of (\$2,739,965), was the result of the previous year's retirement of bonds. The decrease in health & welfare of (\$244,452) is due to decreased costs in the Indigent Health Care & Disaster Relief funds.

The County's primary expenditures were for public safety, general government, and public transportation. Public safety now accounts for over 37.5% 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 2009</u>	<u>FY 2008</u>	<u>Increase (Decrease)</u>
General Government	\$ 3,840,234	\$ 3,863,954	\$ (23,720)
Judicial	3,319,623	2,806,925	512,698
Public Safety	7,919,138	7,372,209	546,929
Public Transportation	3,757,734	3,912,090	(154,356)
Health and Welfare	1,412,992	1,657,444	(244,452)
Culture and Recreation	47,636	1,457	46,179
Conservation	255,458	223,988	31,470
Economic Development and Assistance	106,201	72,351	33,850
Debt Service:			-
Principal	334,765	3,074,730	(2,739,965)
Interest and Fiscal Charges	118,928	177,609	(58,681)
Fiscal Agent's Fees	-	55,222	(55,222)
Total Expenditures	<u>\$ 21,112,709</u>	<u>\$ 23,217,979</u>	<u>\$ (2,105,270)</u>

Other financing sources from the County came from:

**Table A-5
Other Financing Resources**

	<u>FY 2009</u>	<u>FY 2008</u>	<u>Increase (Decrease)</u>
Transfers In	\$ 584,205	\$ 1,156,393	\$ (572,188)
Transfers Out	(584,205)	(1,156,393)	572,188
Issuance of Bonds	-	2,880,000	(2,880,000)
	<u>\$ -</u>	<u>\$ 2,880,000</u>	<u>\$ (2,880,000)</u>

General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$12,484,659 and expenditures of \$15,031,636, 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 \$1,496. Of this amount, intergovernmental and general property taxes provided favorable variances of \$80,352 and \$54,996, respectively. Fines and forfeitures provided a favorable variance of \$30,609 and miscellaneous revenues provided a favorable variance of \$22,404.

JIM WELLS COUNTY, TEXAS

- Actual expenditures (before transfers) were \$755,972 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 2009, the County had invested \$58,698,808 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, 2009 net capital assets of the governmental activities totaled \$20,822,805. Depreciation on capital assets is recognized in the Government-wide financial statements. Accumulated depreciation for infrastructure, buildings & improvements, and equipment totaled \$37,876,003. A prior period adjustment was made to correct capital assets and related depreciation due to an error made in the 2008 financial statements. The effect of the correction of this error is a net increase of \$310,616 to ending fund balances at December 31, 2009. 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

	Activities		(Decrease)
	2009	2008	2009-2008
Land	\$ 227,789	\$ 243,806	(16,017)
Infrastructure	41,647,363	40,912,951	734,412
Buildings and Improvements	12,716,675	12,598,637	118,038
Equipment	4,106,981	5,500,342	(1,393,361)
Total at historical cost	\$ 58,698,808	\$ 59,255,736	(556,928)
Total Accumulated Depreciation	(37,876,003)	(38,779,653)	903,650
Net Capital Assets	\$ 20,822,805	\$ 20,476,083	346,722

The largest increase to capital assets was attributed to infrastructure in the amount of \$734,412 for the seal coating added to each road & bridge precinct. The \$(1,393,361) decrease in equipment is a net result compared to 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 \$3,306,615 in bonds, capital leases obligations, and other long-term liabilities outstanding as shown in Table A-7. The County's total debt increased by a *net* of \$187,008 from 2008 through capital lease payments and compensated absences. 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>2009</u>	<u>2008</u>
General obligation bonds	\$ 2,735,000	\$ 2,880,000
Capital leases	332,253	126,058
Compensated absences	239,362	113,549
Total governmental activities	\$ 3,306,615	\$ 3,119,607

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2010 budget preparation is up considerably from the prior year.
- General operating fund spending in the 2010 budget is expected to have a moderate increase as compared to 2009.

These indicators were taken into account when adopting the general fund budget for 2010. 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 2009-2010 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

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Basic Financial Statements

JIM WELLS COUNTY, TEXAS

STATEMENT OF NET ASSETS

DECEMBER 31, 2009

	Governmental Activities
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 6,666,097
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	1,853,032
<i>Sales Taxes Receivable</i>	259,557
Capital Assets (net of accumulated depreciation):	
<i>Land</i>	227,789
<i>Buildings and System</i>	8,992,881
<i>Machinery and Equipment</i>	1,794,270
<i>Infrastructure</i>	9,807,866
Total Assets	<u>29,601,492</u>
LIABILITIES:	
<i>Accounts Payable and Other Current Liabilities</i>	474,716
<i>Accrued Interest Payable</i>	35,484
Noncurrent Liabilities-	
<i>Due within one year</i>	343,982
<i>Due in more than one year</i>	2,962,633
Total Liabilities	<u>3,816,815</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	17,516,191
Restricted For:	
Debt Service	195,319
Capital Projects	1,178,109
Unrestricted	6,895,058
Total Net Assets	<u>\$ 25,784,677</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

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	\$ 4,210,749	\$ 825,948	\$ --	\$ (3,384,801)
Judicial	3,319,623	435,988	--	(2,883,635)
Public Safety	7,455,989	1,604,738	1,509,392	(4,341,859)
Public Transportation	3,318,841	981,308	--	(2,337,533)
Health and Welfare	1,412,992	--	557,762	(855,230)
Culture and Recreation	47,636	--	--	(47,636)
Conservation	255,458	--	--	(255,458)
Economic Development and Assistance	106,201	--	--	(106,201)
Interest on Long-term Debt	135,733	--	--	(135,733)
Total Governmental Activities	<u>20,263,222</u>	<u>3,847,982</u>	<u>2,067,154</u>	<u>(14,348,086)</u>
Total Primary Government	\$ <u>20,263,222</u>	\$ <u>3,847,982</u>	\$ <u>2,067,154</u>	<u>(14,348,086)</u>
General Revenues:				
Property Taxes				10,834,210
Sales Taxes				2,909,178
Fines and Forfeitures				12,077
Investment Income				253,302
Miscellaneous Revenues				319,212
Total General Revenues				<u>14,327,979</u>
Change in Net Assets				(20,107)
Net Assets - Beginning				26,115,400
Prior Period Adjustment				(310,616)
Net Assets - Ending				<u>\$ 25,784,677</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2009

EXHIBIT A-3

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
<i>Assets:</i>			
<i>Cash and Cash Equivalents</i>	\$ 3,453,400	\$ 3,212,697	\$ 6,666,097
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	6,800,738	2,069,913	8,870,651
<i>Sales Taxes Receivable</i>	212,837	46,720	259,557
Total Assets	\$ 10,466,975	\$ 5,329,330	\$ 15,796,305
LIABILITIES AND FUND BALANCES:			
<i>Liabilities:</i>			
<i>Accounts Payable</i>	\$ 377,756	\$ 96,960	\$ 474,716
<i>Deferred Revenue</i>	6,800,738	2,069,912	8,870,650
Total Liabilities	7,178,494	2,166,872	9,345,366
<i>Fund Balances:</i>			
<i>Reserved Fund Balances:</i>			
<i>Reserved for Capital Projects</i>	--	1,178,109	1,178,109
<i>Reserved for Debt Service</i>	--	51,932	51,932
<i>Unreserved</i>			
<i>General Fund</i>	3,288,481	--	3,288,481
<i>Unreserved, reported in nonmajor:</i>			
<i>Special Revenue Funds</i>	--	1,932,417	1,932,417
Total Fund Balance	3,288,481	3,162,458	6,450,939
Total Liabilities and Fund Balance	\$ 10,466,975	\$ 5,329,330	\$ 15,796,305

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, 2009

Total fund balances - governmental funds balance sheet	\$ 6,450,939
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>	
Capital assets used in governmental activities are not reported in the funds.	20,822,806
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,853,031
Payables for bond principal which are not due in the current period are not reported in the funds.	(2,735,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(332,253)
Payables for bond interest which are not due in the current period are not reported in the funds.	(35,484)
Payables for compensated absences which are not due in the current period are not reported in the funds.	<u>(239,362)</u>
Net assets of governmental activities - statement of net assets	<u>\$ 25,784,677</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, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue:			
Taxes:			
General Property Taxes	\$ 7,969,863	\$ 2,395,580	\$ 10,365,443
General Sales and Use Taxes	2,385,526	523,652	2,909,178
License and Permits	64,195	348,053	412,248
Intergovernmental	616,039	1,564,715	2,180,754
Charges for Services	41,087	600,285	641,372
Fines and Forfeitures	348,739	1,035,591	1,384,330
Fees of Office	675,092	633,417	1,308,509
Investment Earnings	184,172	69,130	253,302
Miscellaneous Revenues	201,442	117,770	319,212
Total revenues	<u>12,486,155</u>	<u>7,288,193</u>	<u>19,774,348</u>
Expenditures:			
Current:			
General Government	3,769,409	70,825	3,840,234
Judicial	3,249,308	70,315	3,319,623
Public Safety	5,365,498	2,553,640	7,919,138
Public Transportation	--	3,757,734	3,757,734
Health and Welfare	321,051	1,091,941	1,412,992
Culture and Recreation	47,636	--	47,636
Conservation	255,458	--	255,458
Economic Development and Assistance	106,201	--	106,201
Debt Service:			
Principal	109,640	225,125	334,765
Interest and Fiscal Charges	3,611	115,317	118,928
Total Expenditures	<u>13,227,812</u>	<u>7,884,897</u>	<u>21,112,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(741,657)</u>	<u>(596,704)</u>	<u>(1,338,361)</u>
Other Financing Sources (Uses):			
Transfers In	8,547	575,658	584,205
Transfers Out	(487,573)	(96,632)	(584,205)
Capital Leases	213,238	182,721	395,959
Total Other Financing Sources (Uses)	<u>(265,788)</u>	<u>661,747</u>	<u>395,959</u>
Net Change in Fund Balances	(1,007,445)	65,043	(942,402)
Fund Balances - Beginning	4,295,926	3,097,415	7,393,341
Fund Balances - Ending	<u>\$ 3,288,481</u>	<u>\$ 3,162,458</u>	<u>\$ 6,450,939</u>

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, 2009

Net change in fund balances - total governmental funds	\$ (942,402)
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,233,564
The depreciation of capital assets used in governmental activities is not reported in the funds.	(576,224)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	468,767
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	145,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	189,762
(Increase) decrease in accrued interest from beginning of period to end of period	(16,802)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(125,813)
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	<u>(395,959)</u>
Change in net assets of governmental activities - statement of activities	<u>\$ (20,107)</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009

	<u>Agency Funds</u>
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 5,478,437
Total Assets	<u>\$ 5,478,437</u>
LIABILITIES:	
<i>Due to Other Governments and Agencies</i>	\$ 5,478,437
Total Liabilities	<u>\$ 5,478,437</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, 2009

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.

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.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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.

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.

JIM WELLS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

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, 2009 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.

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

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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
Community Corrections Fund	\$ (3,681)
Indigent Health Care Fund	(21,014)

2. Excess of expenditures over appropriations

For the year ended December 31, 2009, the following fund has expenditures exceeding appropriations

Road & Bridge Fund No. 21	\$ (3,931)
Law Library Fund	(1,810)

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, 2009

Cash Deposits:

At December 31, 2009, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$12,144,534. and the bank balance was \$10,871,950. The County's cash deposits at December 31, 2009 and during the year ended December 31, 2009, 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 \$19,735,394.
- c. The highest combined balances of cash, savings and time deposit accounts amounted to \$17,945,227 and occurred during the month of February, 2009.
- 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, 2009.

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, 2009

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, 2009

D. Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Prior Period Adjustment	Ending Balances
Governmental activities:					
<i>Capital assets not being depreciated:</i>					
Land	\$ 243,806	\$ --	\$ --	\$ (16,017)	227,789
Total capital assets not being depreciated	<u>243,806</u>	<u>--</u>	<u>--</u>	<u>(16,017)</u>	<u>227,789</u>
<i>Capital assets being depreciated:</i>					
Infrastructure	40,912,951	299,132	--	435,280	41,647,363
Buildings and improvements	12,598,637	63,695	--	54,343	12,716,675
Machinery & Equipment	5,500,342	870,736	(306,325)	(1,957,772)	4,106,981
Total capital assets being depreciated	<u>59,011,930</u>	<u>1,233,563</u>	<u>(306,325)</u>	<u>(1,468,149)</u>	<u>58,471,019</u>
Less accumulated depreciation for:					
Infrastructure	(31,801,970)	(37,528)	--	--	(31,839,498)
Buildings and improvements	(3,740,212)	(255,914)	--	272,332	(3,723,794)
Machinery & Equipment	(3,237,472)	(282,782)	306,325	901,218	(2,312,711)
Total accumulated depreciation	<u>(38,779,654)</u>	<u>(576,224)</u>	<u>306,325</u>	<u>1,173,550</u>	<u>(37,876,003)</u>
Total capital assets being depreciated, net	<u>20,232,276</u>	<u>657,339</u>	<u>--</u>	<u>(294,599)</u>	<u>20,595,016</u>
Governmental activities capital assets, net	<u>\$ 20,476,082</u>	<u>\$ 657,339</u>	<u>\$ --</u>	<u>\$ (310,616)</u>	<u>20,822,805</u>

Depreciation was charged to functions as follows:

General Government	\$ 174,679
Public Protection:	
Courthouse & Buildings	255,913
Probation	22,516
Sheriff	80,134
Fire Protection	5,453
Public Ways and Facilities, Including Depreciation of General Infrastructure Assets	37,529
	<u>\$ 576,224</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, 2009.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

2. Transfers To and From Other Funds

Transfers to and from other funds at December 31, 2009, consisted of the following:

Transfers out:	Transfers In:		
	General Fund	Nonmajor Governmental	Total
General fund	\$ --	\$ 487,573	\$ 487,573
Nonmajor governmental	--	96,632	96,632
Total transfers out	--	584,205	584,205

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.

F. Leases

Operating Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of December 31, 2009, as follows:

Year Ending December 31,	
2010	\$ 93,928
2011	93,928
2012	93,928
2013	93,928
2014	93,928
Total Minimum Rentals	\$ 469,640
Rental Expenditures in 2009	\$ 93,928

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.

1. On Sept. 15, 2009, the County entered into a three year lease agreement, secured with a fire truck, with Wells Fargo Bank Texas with a maturity date of Sept. 15th, 2012. Payments are due in annual installments of \$54,926.54 including interest of 4.85%.
2. 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 \$39,210.36 including interest of 4.89%.
3. On January 24, 2007, the County entered into a three year secured agreement, secured with a fire truck with Ford Motor Credit, with a maturity date of January 24, 2009. Payments are due in annual installments of \$56,536.49 including interest of 6.6%.
4. On Sept. 15, 2009, the County entered into a three year lease agreement, secured with 5 vehicles with Wells Fargo Bank Texas, with a maturity of January 15, 2012. Payments are due in annual installments of \$40,018.71 including interest of 4.24%.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

5. On June 4, 2009, the County entered into a five year lease agreement, secured by a vehicle with Kansas State Bank of Manhattan, with a maturity date of June 4, 2014. Payments are due in annual installments of \$7,425.88 including interest of 6.05%.

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities
Machinery and Equipment	\$ 964,320
Less: accumulated depreciation	(255,699)
Total	<u>\$ 708,621</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2009 were as follows:

Year Ending December 31,	
2010	\$ 141,581
2011	102,371
2012	102,371
2013	7,426
2014	7,426
Total Minimum Lease Payments	\$ 361,175
Less: amount representing interest	(28,922)
Present Value of Minimum Lease Payments	<u>\$ 332,253</u>

G. Long-Term Obligations

1. Long-Term Obligation Activity

On May 1, 2008, the County issued \$2,735,000 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, 2009.

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	\$2,735,000

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended December 31, 2009, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 2,880,000	\$ --	\$ 145,000	\$ 2,735,000	150,000
Capital leases	126,058	395,958	189,763	332,253	128,982
Compensated absences *	113,549	239,362	113,549	239,362	65,000
Total governmental activities	<u>\$ 3,119,607</u>	<u>\$ 635,320</u>	<u>\$ 448,312</u>	<u>\$ 3,306,615</u>	<u>\$ 343,982</u>

* Other long-term liabilities

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

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
Compensated absences	Governmental	General

2. Debt Service Requirements

Debt service requirements on long-term debt at December 31, 2009, are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	175,000	79,227	254,227
2015-2019	980,000	72,375	1,052,375
2019-2023	940,000	83,569	1,023,569
Totals	\$ 2,735,000	\$ 615,576	\$ 3,350,576

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 2009, 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 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 586 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 20 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

JIM WELLS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

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 annually 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 10.45 for the calendar year 2009. 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, 2009, the annual pension cost for the TCDRS plan for its employees was \$459,025 and the actual contributions were \$799,465.

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, 2008, the basis for determining the contribution rate for the calendar year 2009. The December 31, 2008 actuarial valuation is the most recent valuation.

	Actuarial	Valuation	Information
Actuarial valuation date	12/31/2006	12/31/2007	12/31/2008
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	15 yrs	15 yrs	20 yrs
Asset valuation method	SAF: 10yr smoothed value ESF Fund Value	SAF: 10 yr smoothed value ESF Fund Value	SAF: 10 yr smoothed value ESF Fund Value
Actuarial Assumptions:			
Investment return*	8.00%	8.00%	8.00%
Project salary incr. *	5.3%	5.3%	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, 2007	\$ 609,636	100%	\$ --
December 31, 2008	779,794	100%	--
December 31, 2009	799,465	100%	--

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

J. Health Care Coverage

During the year ended December 31, 2009, 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, 2010, 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.

2. Litigation

No reportable litigation was pending against the County at December 31, 2009.

L. Other Related Disclosures

The following funds had adopted budgets for the fiscal year ended December 31, 2009:

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

M. Prior Period Adjustment

The fund balance at the beginning of the year for 2009 has been restated from the balance previously reported in 2008 to reflect a net adjustment of \$310,616 for corrections of capital assets and related depreciation in the statement of net assets. The effect of the correction of this error is a net increase of \$310,616 to ending fund balances at December 31, 2009.

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, 2009

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, 2006	\$ 14,810,577	\$ 16,968,961	\$ 2,158,384	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%
December 31, 2008	16,346,185	19,896,737	3,550,552	82.16%	7,301,448	48.63%

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, 2009

EXHIBIT B-1
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 7,914,867	\$ 7,914,867	\$ 7,969,863	\$ 54,996
<i>General Sales and Use Taxes</i>	2,572,177	2,572,177	2,385,526	(186,651)
License and Permits	61,661	61,661	64,195	2,534
Intergovernmental	535,687	535,687	616,039	80,352
Charges for Services	39,392	39,392	41,087	1,695
Fines and Forfeitures	318,130	318,130	348,739	30,609
Fees of Office	683,707	683,707	675,092	(8,615)
Investment Earnings	180,000	180,000	184,172	4,172
Miscellaneous Revenues	179,038	179,038	201,442	22,404
Total revenues	<u>12,484,659</u>	<u>12,484,659</u>	<u>12,486,155</u>	<u>1,496</u>
EXPENDITURES:				
General Government				
County Judge				
<i>Personal Services</i>	201,968	201,968	184,464	17,504
<i>Supplies</i>	2,000	2,000	2,452	(452)
<i>Other Services and Charges</i>	9,400	9,400	8,709	691
<i>Capital Outlay</i>	3,500	3,500	2,646	854
Total County Judge	<u>216,868</u>	<u>216,868</u>	<u>198,271</u>	<u>18,597</u>
County Clerk				
<i>Personal Services</i>	404,534	404,534	347,484	57,050
<i>Supplies</i>	9,500	9,500	10,486	(986)
<i>Other Services and Charges</i>	55,291	55,291	57,285	(1,994)
<i>Capital Outlay</i>	5,604	5,604	1,044	4,560
Total County Clerk	<u>474,929</u>	<u>474,929</u>	<u>416,299</u>	<u>58,630</u>
Veterans Service				
<i>Personal Services</i>	37,320	37,320	37,205	115
<i>Supplies</i>	250	250	72	178
<i>Other Services and Charges</i>	42,236	42,236	32,394	9,842
<i>Capital Outlay</i>	900	900	--	900
Total Veterans Service	<u>80,706</u>	<u>80,706</u>	<u>69,671</u>	<u>11,035</u>
County Auditor				
<i>Personal Services</i>	380,958	380,958	382,736	(1,778)
<i>Supplies</i>	12,000	12,000	11,743	257
<i>Other Services and Charges</i>	28,246	28,246	13,440	14,806
<i>Capital Outlay</i>	16,060	16,060	20,481	(4,421)
Total County Auditor	<u>437,264</u>	<u>437,264</u>	<u>428,400</u>	<u>8,864</u>
County Treasurer				
<i>Personal Services</i>	147,035	147,035	146,249	786
<i>Supplies</i>	1,800	1,800	1,305	495
<i>Other Services and Charges</i>	4,763	4,763	4,297	466
<i>Capital Outlay</i>	300	300	855	(555)
Total County Treasurer	<u>153,898</u>	<u>153,898</u>	<u>152,706</u>	<u>1,192</u>
Tax Assessor-Collector				
<i>Personal Services</i>	382,155	382,155	321,283	60,872
<i>Supplies</i>	2,500	2,500	2,598	(98)
<i>Other Services and Charges</i>	393,642	393,642	483,666	(90,024)
<i>Capital Outlay</i>	2,395	2,395	1,417	978
Total Tax Assessor-Collector	<u>780,692</u>	<u>780,692</u>	<u>808,964</u>	<u>(28,272)</u>

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT B-1
Page 2 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
County Courthouse and Annex				
<i>Personal Services</i>	61,861	61,861	56,048	5,813
<i>Supplies</i>	35,500	35,500	32,832	2,668
<i>Other Services and Charges</i>	924,500	924,500	914,858	9,642
<i>Capital Outlay</i>	450,000	450,000	87,102	362,898
<i>Total County Courthouse and Annex</i>	1,471,861	1,471,861	1,090,840	381,021
County Airport				
<i>Personal Services</i>	50,000	50,000	--	50,000
<i>Total County Airport</i>	50,000	50,000	--	50,000
Elections				
<i>Personal Services</i>	172,850	172,850	164,187	8,663
<i>Supplies</i>	2,000	2,000	10,054	(8,054)
<i>Other Services and Charges</i>	85,825	85,825	75,862	9,963
<i>Total Elections</i>	260,675	260,675	250,103	10,572
Non-Departmental				
<i>Personal Services</i>	15,131	15,131	15,049	82
<i>Supplies</i>	60,000	60,000	71,013	(11,013)
<i>Other Services and Charges</i>	294,150	294,150	268,093	26,057
<i>Total Non-Departmental</i>	369,281	369,281	354,155	15,126
Total General Government	4,296,174	4,296,174	3,769,409	526,765
Judicial				
County court				
<i>Other Services and Charges</i>	122,700	122,700	117,221	5,479
<i>Total County Court</i>	122,700	122,700	117,221	5,479
District Court				
<i>Personal Services</i>	376,584	376,584	338,838	37,746
<i>Supplies</i>	5,000	5,000	5,892	(892)
<i>Other Services and Charges</i>	262,703	262,703	248,023	14,680
<i>Capital Outlay</i>	45,100	45,100	17,390	27,710
<i>Total District Court</i>	689,387	689,387	610,143	79,244
District Clerk				
<i>Personal Services</i>	454,650	454,650	411,514	43,136
<i>Supplies</i>	12,500	12,500	9,759	2,741
<i>Other Services and Charges</i>	19,700	19,700	22,163	(2,463)
<i>Capital Outlay</i>	13,000	13,000	6,979	6,021
<i>Total District Clerk</i>	499,850	499,850	450,415	49,435
Justice of the Peace				
<i>Personal Services</i>	607,594	607,594	580,679	26,915
<i>Supplies</i>	7,650	7,650	8,234	(584)
<i>Other Services and Charges</i>	100,418	100,418	94,983	5,435
<i>Capital Outlay</i>	18,600	18,600	14,957	3,643
<i>Total Justice of the Peace</i>	734,262	734,262	698,853	35,409
County Attorney				
<i>Personal Services</i>	536,968	536,968	520,726	16,242
<i>Supplies</i>	3,300	3,300	5,486	(2,186)
<i>Other Services and Charges</i>	11,900	11,900	15,881	(3,981)
<i>Capital Outlay</i>	--	--	1,748	(1,748)
<i>Total County Attorney</i>	552,168	552,168	543,841	8,327

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT B-1
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
District Attorney				
<i>Personal Services</i>				
<i>Supplies</i>	719,290	719,290	724,188	(4,898)
<i>Other Services and Charges</i>	15,100	15,100	19,782	(4,682)
<i>Capital Outlay</i>	69,900	69,900	75,648	(5,748)
<i>Total District Attorney</i>	7,028	7,028	9,217	(2,189)
Total Judicial	811,318	811,318	828,835	(17,517)
	3,409,685	3,409,685	3,249,308	160,377
Public Safety				
Ambulance				
<i>Other Services and Charges</i>				
<i>Total Ambulance</i>	180,100	180,100	180,100	--
Constable				
<i>Personal Services</i>				
<i>Supplies</i>	357,002	357,002	346,002	11,000
<i>Other Services and Charges</i>	1,600	1,600	966	634
<i>Capital Outlay</i>	10,552	10,552	9,492	1,060
<i>Total Constable</i>	1,300	1,300	844	456
Sheriff	370,454	370,454	357,304	13,150
<i>Personal Services</i>				
<i>Supplies</i>	2,840,820	2,840,820	2,779,316	61,504
<i>Other Services and Charges</i>	85,000	85,000	340,182	(255,182)
<i>Capital Outlay</i>	1,018,181	1,018,181	902,571	115,610
<i>Total Sheriff</i>	130,300	130,300	31,243	99,057
Juvenile Corrections Board	4,074,301	4,074,301	4,053,312	20,989
<i>Personal Services</i>				
<i>Supplies</i>	61,340	61,340	56,460	4,880
<i>Other Services and Charges</i>	9,670	9,670	17,228	(7,558)
<i>Capital Outlay</i>	331,600	331,600	181,542	150,058
<i>Total Juvenile Corrections Board</i>	21,000	21,000	15,057	5,943
Emergency Management	423,610	423,610	270,287	153,323
<i>Supplies</i>				
<i>Other Services and Charges</i>	1,000	1,000	4,356	(3,356)
<i>Capital Outlay</i>	1,000	1,000	3,030	(2,030)
<i>Total Emergency Management</i>	144,746	144,746	200,462	(55,716)
Safety Department	146,746	146,746	207,848	(61,102)
<i>Personal Services</i>				
<i>Supplies</i>	150,775	150,775	150,861	(86)
<i>Other Services and Charges</i>	3,500	3,500	5,890	(2,390)
<i>Capital Outlay</i>	23,000	23,000	15,002	7,998
<i>Total Safety Department</i>	2,000	2,000	2,045	(45)
Vector Control	179,275	179,275	173,798	5,477
<i>Supplies</i>				
<i>Other Services and Charges</i>	--	--	217	(217)
<i>Capital Outlay</i>	--	--	407	(407)
<i>Total Vector Control</i>	--	--	1,570	(1,570)
Highway Patrol & Nat'l Guard	--	--	2,194	(2,194)
<i>Personal Services</i>				
<i>Supplies</i>	31,933	31,933	31,832	101
<i>Other Services and Charges</i>	2,000	2,000	--	2,000
<i>Capital Outlay</i>	5,800	5,800	--	5,800
<i>Total Highway Patrol & Nat'l Guard</i>	2,000	2,000	--	2,000
	41,733	41,733	31,832	9,901

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT B-1
Page 4 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Adult Probation				
Other Services and Charges	23,000	23,000	24,133	(1,133)
Capital Outlay	7,413	7,413	3,685	3,728
Total Adult Probation	30,413	30,413	27,818	2,595
Total Public Safety	5,512,193	5,512,193	5,365,498	146,695
Health and Welfare				
Personal Services	105,700	105,700	95,211	10,489
Supplies	1,700	1,700	1,605	95
Other Services and Charges	225,696	225,696	224,235	1,461
Capital Outlay	2,000	2,000	--	2,000
Total Health and Welfare	335,096	335,096	321,051	14,045
Culture and Recreation				
Jim Wells County Library				
Other Services and Charges	50,000	50,000	45,833	4,167
Total Jim Wells County Library	50,000	50,000	45,833	4,167
Parks Department				
Other Services and Charges	1,920	1,920	1,803	117
Total Parks Department	1,920	1,920	1,803	117
Total Culture and Recreation	51,920	51,920	47,636	4,284
Conservation				
Agriculture Extension Service				
Personal Services	167,784	167,784	163,582	4,202
Supplies	2,500	2,500	2,876	(376)
Other Services and Charges	104,200	104,200	48,034	56,166
Capital Outlay	8,163	8,163	40,966	(32,803)
Total Agriculture Extension Service	282,647	282,647	255,458	27,189
Economic Development and Assistance				
Personal Services	63,069	63,069	76,748	(13,679)
Other Services and Charges	33,000	33,000	26,113	6,887
Capital Outlay	--	--	3,340	(3,340)
Total Economic Development and Assistance	96,069	96,069	106,201	(10,132)
Debt Service:				
Principal	--	--	109,640	(109,640)
Interest and Fiscal Charges	--	--	3,611	(3,611)
Total Debt Service	--	--	113,251	(113,251)
Total Expenditures	13,983,784	13,983,784	13,227,812	755,972
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,499,125)	(1,499,125)	(741,657)	757,468
OTHER FINANCING SOURCES (USES):				
Transfers In	--	--	8,547	8,547
Transfers Out	(1,047,852)	(1,047,852)	(487,573)	(560,279)
Capital Leases	--	--	213,238	(213,238)
Total Other Financing Sources (Uses)	(1,047,852)	(1,047,852)	(265,788)	(782,064)
Net Change in Fund Balances	(2,546,977)	(2,546,977)	(1,007,445)	1,539,532
Fund Balances - Beginning	4,295,926	4,295,926	4,295,926	--
Fund Balances - Ending	\$ 1,748,949	\$ 1,748,949	\$ 3,288,481	\$ 1,539,532

JIM WELLS COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2009

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, 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 of 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 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, 2009

EXHIBIT C-1

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 1,982,656	\$ 51,932	\$ 1,178,109	\$ 3,212,697
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	2,069,913	--	--	2,069,913
<i>Sales Taxes Receivable</i>	46,720	--	--	46,720
Total Assets	<u>\$ 4,099,289</u>	<u>\$ 51,932</u>	<u>\$ 1,178,109</u>	<u>\$ 5,329,330</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 96,960	\$ --	\$ --	\$ 96,960
<i>Deferred Revenue</i>	2,069,912	--	--	2,069,912
Total Liabilities	<u>2,166,872</u>	<u>--</u>	<u>--</u>	<u>2,166,872</u>
Fund Balances:				
Reserved Fund Balances:				
<i>Reserved for Capital Projects</i>	--	--	1,178,109	1,178,109
<i>Reserved for Debt Service</i>	--	51,932	--	51,932
Unreserved, reported in nonmajor:				
<i>Special Revenue Funds</i>	1,932,417	--	--	1,932,417
Total Fund Balance	<u>1,932,417</u>	<u>51,932</u>	<u>1,178,109</u>	<u>3,162,458</u>
Total Liabilities and Fund Balance	<u>\$ 4,099,289</u>	<u>\$ 51,932</u>	<u>\$ 1,178,109</u>	<u>\$ 5,329,330</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:				
<i>Taxes:</i>				
<i>General Property Taxes</i>	\$ 2,136,464	\$ 259,116	\$ --	\$ 2,395,580
<i>General Sales and Use Taxes</i>	523,652	--	--	523,652
<i>License and Permits</i>	348,053	--	--	348,053
<i>Intergovernmental</i>	1,558,925	--	5,790	1,564,715
<i>Charges for Services</i>	600,285	--	--	600,285
<i>Fines and Forfeitures</i>	1,035,591	--	--	1,035,591
<i>Fees of Office</i>	633,417	--	--	633,417
<i>Investment Earnings</i>	62,242	2,853	4,035	69,130
<i>Miscellaneous Revenues</i>	103,424	--	14,346	117,770
Total revenues	<u>7,002,053</u>	<u>261,969</u>	<u>24,171</u>	<u>7,288,193</u>
Expenditures:				
<i>Current:</i>				
<i>General Government</i>	70,825	--	--	70,825
<i>Judicial</i>	70,315	--	--	70,315
<i>Public Safety</i>	2,553,640	--	--	2,553,640
<i>Public Transportation</i>	3,757,734	--	--	3,757,734
<i>Health and Welfare</i>	1,091,941	--	--	1,091,941
<i>Debt Service:</i>				
<i>Principal</i>	80,125	145,000	--	225,125
<i>Interest and Fiscal Charges</i>	5,553	109,764	--	115,317
Total Expenditures	<u>7,630,133</u>	<u>254,764</u>	<u>--</u>	<u>7,884,897</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(628,080)</u>	<u>7,205</u>	<u>24,171</u>	<u>(596,704)</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	575,658	--	--	575,658
<i>Transfers Out</i>	(96,632)	--	--	(96,632)
<i>Capital Leases</i>	182,721	--	--	182,721
Total Other Financing Sources (Uses)	<u>661,747</u>	<u>--</u>	<u>--</u>	<u>661,747</u>
Net Change in Fund Balances	<u>33,667</u>	<u>7,205</u>	<u>24,171</u>	<u>65,043</u>
Fund Balances - Beginning	1,898,750	44,727	1,153,938	3,097,415
Fund Balances - Ending	<u>\$ 1,932,417</u>	<u>\$ 51,932</u>	<u>\$ 1,178,109</u>	<u>\$ 3,162,458</u>

JIM WELLS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	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>	\$ (1,441)	\$ 381,803	\$ 101,620	\$ 167,677
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	455,763	305,133	626,137	682,880
<i>Sales Taxes Receivable</i>	10,278	6,074	14,950	15,418
Total Assets	<u>\$ 464,600</u>	<u>\$ 693,010</u>	<u>\$ 742,707</u>	<u>\$ 865,975</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 692	\$ --	\$ 9,043	\$ --
<i>Deferred Revenue</i>	455,763	305,133	626,137	682,879
Total Liabilities	<u>456,455</u>	<u>305,133</u>	<u>635,180</u>	<u>682,879</u>
Fund Balances:				
Reserved Fund Balances:				
Unreserved, reported in nonmajor:				
<i>Special Revenue Funds</i>	8,145	387,877	107,527	183,096
Total Fund Balance	<u>8,145</u>	<u>387,877</u>	<u>107,527</u>	<u>183,096</u>
Total Liabilities and Fund Balance	<u>\$ 464,600</u>	<u>\$ 693,010</u>	<u>\$ 742,707</u>	<u>\$ 865,975</u>

Indigent Health Care Fund	Sheriff Impound Fees	Sheriff Federal Detention	Small Dams No. 32 Fund	Jail Commissary Fund
\$ 47,643	\$ 5,502	\$ 296	\$ 61,035	\$ 9,369
--	--	--	--	--
--	--	--	--	--
<u>\$ 47,643</u>	<u>\$ 5,502</u>	<u>\$ 296</u>	<u>\$ 61,035</u>	<u>\$ 9,369</u>
\$ 68,657	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
<u>68,657</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(21,014)	5,502	296	61,035	9,369
<u>(21,014)</u>	<u>5,502</u>	<u>296</u>	<u>61,035</u>	<u>9,369</u>
<u>\$ 47,643</u>	<u>\$ 5,502</u>	<u>\$ 296</u>	<u>\$ 61,035</u>	<u>\$ 9,369</u>

JIM WELLS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	County Attorney Check Collection	Juvenile Probation Fund	Adult Probation Fund	State Juvenile Probation Fund
ASSETS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 16,269	\$ 226,708	\$ 103,906	\$ 41,715
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	--	--	--	--
<i>Sales Taxes Receivable</i>	--	--	--	--
Total Assets	\$ 16,269	\$ 226,708	\$ 103,906	\$ 41,715
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ --	\$ 15,907	\$ --
<i>Deferred Revenue</i>	--	--	--	--
Total Liabilities	--	--	15,907	--
Fund Balances:				
Reserved Fund Balances:				
Unreserved, reported in nonmajor:				
<i>Special Revenue Funds</i>	16,269	226,708	87,999	41,715
Total Fund Balance	16,269	226,708	87,999	41,715
Total Liabilities and Fund Balance	\$ 16,269	\$ 226,708	\$ 103,906	\$ 41,715

Home Program Fund	Law Library Fund	Auto Theft Fund	Drug Abuse and Rehabilitation Fund	County Attorney Crime Prevention Fund
\$ 127	\$ 4,098	\$ 3,786	\$ 32,103	\$ 2,374
--	--	--	--	--
--	--	--	--	--
<u>\$ 127</u>	<u>\$ 4,098</u>	<u>\$ 3,786</u>	<u>\$ 32,103</u>	<u>\$ 2,374</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
127	4,098	3,786	32,103	2,374
<u>127</u>	<u>4,098</u>	<u>3,786</u>	<u>32,103</u>	<u>2,374</u>
<u>\$ 127</u>	<u>\$ 4,098</u>	<u>\$ 3,786</u>	<u>\$ 32,103</u>	<u>\$ 2,374</u>

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2009

	<u>79th Judicial District Attorney Forfeiture Fund</u>	<u>Sheriff Drug Forfeiture Fund</u>	<u>Sheriff Federal Forfeiture Fund</u>	<u>Community Corrections Fund</u>
ASSETS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 134,938	\$ 593,431	\$ 9,934	\$ (3,681)
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	--	--	--	--
<i>Sales Taxes Receivable</i>	--	--	--	--
Total Assets	<u>\$ 134,938</u>	<u>\$ 593,431</u>	<u>\$ 9,934</u>	<u>\$ (3,681)</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>	134,938	593,431	9,934	(3,681)
Total Fund Balance	<u>134,938</u>	<u>593,431</u>	<u>9,934</u>	<u>(3,681)</u>
Total Liabilities and Fund Balance	<u>\$ 134,938</u>	<u>\$ 593,431</u>	<u>\$ 9,934</u>	<u>\$ (3,681)</u>

Constable Prct 5 Drug Forfeiture Fund	Juvenile Law Enforcement Officer Fund	79th Judicial District Attorney State Grant	Records Preservation Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 4,724	\$ 7,139	\$ 701	\$ 30,880	\$ 1,982,656
--	--	--	--	2,069,913
--	--	--	--	46,720
<u>\$ 4,724</u>	<u>\$ 7,139</u>	<u>\$ 701</u>	<u>\$ 30,880</u>	<u>\$ 4,099,289</u>
\$ --	\$ --	\$ --	\$ 2,661	\$ 96,960
--	--	--	--	2,069,912
--	--	--	2,661	2,166,872
4,724	7,139	701	28,219	1,932,417
<u>4,724</u>	<u>7,139</u>	<u>701</u>	<u>28,219</u>	<u>1,932,417</u>
<u>\$ 4,724</u>	<u>\$ 7,139</u>	<u>\$ 701</u>	<u>\$ 30,880</u>	<u>\$ 4,099,289</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, 2009

	Road & Bridge No. 21 Fund	Road & Bridge No. 22 Fund	Road & Bridge No. 23 Fund	Road & Bridge No. 24 Fund
Revenue:				
Taxes:				
General Property Taxes	\$ 481,883	\$ 325,713	\$ 655,601	\$ 673,267
General Sales and Use Taxes	115,203	68,075	167,569	172,805
License and Permits	112,605	66,540	--	168,908
Intergovernmental	14,382	8,498	20,919	21,573
Charges for Services	--	--	--	--
Fines and Forfeitures	1,891	1,119	2,753	2,838
Fees of Office	83,561	49,377	301,002	125,342
Investment Earnings	5,151	10,493	9,379	11,902
Miscellaneous Revenues	1,073	1,073	1,180	3,558
Total revenues	<u>815,749</u>	<u>530,888</u>	<u>1,158,403</u>	<u>1,180,193</u>
Expenditures:				
Current:				
General Government	--	--	--	--
Judicial	--	--	--	--
Public Safety	--	--	--	--
Public Transportation	882,777	421,590	1,156,522	1,234,818
Health and Welfare	--	--	--	--
Debt Service:				
Principal	--	--	19,088	--
Interest and Fiscal Charges	--	--	2,053	--
Total Expenditures	<u>882,777</u>	<u>421,590</u>	<u>1,177,663</u>	<u>1,234,818</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(67,028)</u>	<u>109,298</u>	<u>(19,260)</u>	<u>(54,625)</u>
Other Financing Sources (Uses):				
Transfers In	82,593	--	--	--
Transfers Out	(7,301)	(4,314)	(10,619)	(10,951)
Capital Leases	--	--	19,088	--
Total Other Financing Sources (Uses)	<u>75,292</u>	<u>(4,314)</u>	<u>8,469</u>	<u>(10,951)</u>
Net Change in Fund Balances	8,264	104,984	(10,791)	(65,576)
Fund Balances - Beginning	(119)	282,893	118,318	248,672
Fund Balances - Ending	<u>\$ 8,145</u>	<u>\$ 387,877</u>	<u>\$ 107,527</u>	<u>\$ 183,096</u>

Indigent Health Care Fund	Sheriff Impound Fees	Sheriff Federal Detention	Small Dams No. 32 Fund	Jail Commissary Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	48,228
--	45,226	--	--	--
--	--	--	--	--
--	--	--	--	--
2,256	411	6	1,521	--
95,390	3	--	--	--
<u>97,646</u>	<u>45,640</u>	<u>6</u>	<u>1,521</u>	<u>48,228</u>
--	--	--	--	--
--	--	--	--	--
--	61,234	--	--	52,695
--	--	--	62,027	--
534,179	--	--	--	--
--	--	--	--	--
<u>534,179</u>	<u>61,234</u>	<u>--</u>	<u>62,027</u>	<u>52,695</u>
(436,533)	(15,594)	6	(60,506)	(4,467)
396,000	--	--	33,185	--
--	--	--	--	--
--	--	--	--	--
<u>396,000</u>	<u>--</u>	<u>--</u>	<u>33,185</u>	<u>--</u>
(40,533)	(15,594)	6	(27,321)	(4,467)
19,519	21,096	290	88,356	13,836
<u>\$ (21,014)</u>	<u>\$ 5,502</u>	<u>\$ 296</u>	<u>\$ 61,035</u>	<u>\$ 9,369</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, 2009

	County Attorney Check Collection	Juvenile Probation Fund	Adult Probation Fund	State Juvenile Probation 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>	--	52,957	237,931	348,369
<i>Charges for Services</i>	--	--	555,059	--
<i>Fines and Forfeitures</i>	10,460	--	--	--
<i>Fees of Office</i>	--	--	--	--
<i>Investment Earnings</i>	236	5,037	1,059	3,403
<i>Miscellaneous Revenues</i>	2	--	431	--
Total revenues	<u>10,698</u>	<u>57,994</u>	<u>794,480</u>	<u>351,772</u>
Expenditures:				
<i>Current:</i>				
<i>General Government</i>	--	--	--	--
<i>Judicial</i>	3,754	--	--	--
<i>Public Safety</i>	--	102,688	730,596	455,833
<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>3,754</u>	<u>102,688</u>	<u>730,596</u>	<u>455,833</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,944</u>	<u>(44,694)</u>	<u>63,884</u>	<u>(104,061)</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	--	--	--	8,980
<i>Transfers Out</i>	--	--	(45,000)	(7,060)
<i>Capital Leases</i>	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(45,000)</u>	<u>1,920</u>
Net Change in Fund Balances	<u>6,944</u>	<u>(44,694)</u>	<u>18,884</u>	<u>(102,141)</u>
Fund Balances - Beginning	9,325	271,402	69,115	143,856
Fund Balances - Ending	<u>\$ 16,269</u>	<u>\$ 226,708</u>	<u>\$ 87,999</u>	<u>\$ 41,715</u>

Colonia Grant Fund	Home Program Fund	Law Library Fund	Auto Theft Fund	Drug Abuse and Rehabilitation Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
557,762	--	--	--	26,774
--	--	--	--	--
--	--	--	--	--
--	--	28,561	--	--
--	--	126	443	154
--	--	--	--	--
<u>557,762</u>	<u>--</u>	<u>28,687</u>	<u>443</u>	<u>26,928</u>
--	--	--	--	--
--	--	32,810	--	--
--	--	--	--	37
--	--	--	--	--
557,762	--	--	--	--
--	--	--	--	--
<u>557,762</u>	<u>--</u>	<u>32,810</u>	<u>--</u>	<u>37</u>
--	--	(4,123)	443	26,891
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	(4,123)	443	26,891
--	127	8,221	3,343	5,212
<u>\$ --</u>	<u>\$ 127</u>	<u>\$ 4,098</u>	<u>\$ 3,786</u>	<u>\$ 32,103</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, 2009

	County Attorney Crime Prevention Fund	79th Judicial District Attorney Forfeiture Fund	Sheriff Drug Forfeiture Fund
Revenue:			
<i>Taxes:</i>			
General Property Taxes	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	--	--
License and Permits	--	--	--
Intergovernmental	8,119	--	--
Charges for Services	--	--	--
Fines and Forfeitures	--	215,869	788,584
Fees of Office	--	--	--
Investment Earnings	--	607	8,128
Miscellaneous Revenues	--	714	--
Total revenues	<u>8,119</u>	<u>217,190</u>	<u>796,712</u>
Expenditures:			
<i>Current:</i>			
General Government	--	--	--
Judicial	--	--	--
Public Safety	15,645	74,491	769,781
Public Transportation	--	--	--
Health and Welfare	--	--	--
<i>Debt Service:</i>			
Principal	--	--	61,037
Interest and Fiscal Charges	--	--	3,500
Total Expenditures	<u>15,645</u>	<u>74,491</u>	<u>834,318</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,526)</u>	<u>142,699</u>	<u>(37,606)</u>
Other Financing Sources (Uses):			
Transfers In	9,900	--	--
Transfers Out	--	(9,900)	--
Capital Leases	--	--	163,633
Total Other Financing Sources (Uses)	<u>9,900</u>	<u>(9,900)</u>	<u>163,633</u>
Net Change in Fund Balances	<u>2,374</u>	<u>132,799</u>	<u>126,027</u>
Fund Balances - Beginning	--	2,139	467,404
Fund Balances - Ending	<u>\$ 2,374</u>	<u>\$ 134,938</u>	<u>\$ 593,431</u>

Sheriff Federal Forfeiture Fund	Community Corrections Fund	Constable Prct 5 Drug Forfeiture Fund	Juvenile Law Enforcement Officer Fund
\$ --	\$ --	\$ --	\$ --
--	--	--	--
--	--	--	--
--	58,900	--	120,061
11,197	--	880	--
--	--	--	--
160	101	114	466
--	--	--	--
<u>11,357</u>	<u>59,001</u>	<u>994</u>	<u>120,527</u>
--	--	--	--
--	--	--	--
9,107	122,871	1,450	157,212
--	--	--	--
--	--	--	--
--	--	--	--
<u>9,107</u>	<u>122,871</u>	<u>1,450</u>	<u>157,212</u>
<u>2,250</u>	<u>(63,870)</u>	<u>(456)</u>	<u>(36,685)</u>
--	45,000	--	--
--	--	--	(1,487)
--	--	--	--
--	<u>45,000</u>	--	<u>(1,487)</u>
2,250	(18,870)	(456)	(38,172)
7,684	15,189	5,180	45,311
<u>\$ 9,934</u>	<u>\$ (3,681)</u>	<u>\$ 4,724</u>	<u>\$ 7,139</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, 2009

	79th Judicial District Attorney State Grant	Records Preservation Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenue:			
Taxes:			
General Property Taxes	\$ --	\$ --	\$ 2,136,464
General Sales and Use Taxes	--	--	523,652
License and Permits	--	--	348,053
Intergovernmental	34,452	--	1,558,925
Charges for Services	--	--	600,285
Fines and Forfeitures	--	--	1,035,591
Fees of Office	--	45,574	633,417
Investment Earnings	--	1,089	62,242
Miscellaneous Revenues	--	--	103,424
Total revenues	<u>34,452</u>	<u>46,663</u>	<u>7,002,053</u>
Expenditures:			
Current:			
General Government	--	70,825	70,825
Judicial	33,751	--	70,315
Public Safety	--	--	2,553,640
Public Transportation	--	--	3,757,734
Health and Welfare	--	--	1,091,941
Debt Service:			
Principal	--	--	80,125
Interest and Fiscal Charges	--	--	5,553
Total Expenditures	<u>33,751</u>	<u>70,825</u>	<u>7,630,133</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>701</u>	<u>(24,162)</u>	<u>(628,080)</u>
Other Financing Sources (Uses):			
Transfers In	--	--	575,658
Transfers Out	--	--	(96,632)
Capital Leases	--	--	182,721
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>661,747</u>
Net Change in Fund Balances	701	(24,162)	33,667
Fund Balances - Beginning	--	52,381	1,898,750
Fund Balances - Ending	<u>\$ 701</u>	<u>\$ 28,219</u>	<u>\$ 1,932,417</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 21 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 479,395	\$ 479,395	\$ 481,883	\$ 2,488
<i>General Sales and Use Taxes</i>	124,217	124,217	115,203	(9,014)
License and Permits	112,605	112,605	112,605	--
Intergovernmental	13,802	13,802	14,382	580
Fines and Forfeitures	1,957	1,957	1,891	(66)
Fees of Office	81,191	81,191	83,561	2,370
Investment Earnings	5,100	5,100	5,151	51
Miscellaneous Revenues	1,073	1,073	1,073	--
Total revenues	<u>819,340</u>	<u>819,340</u>	<u>815,749</u>	<u>(3,591)</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	497,945	497,945	499,036	(1,091)
<i>Supplies</i>	73,249	73,249	73,940	(691)
<i>Other Services and Charges</i>	201,672	201,672	205,709	(4,037)
<i>Capital Outlay</i>	105,980	105,980	104,092	1,888
Total Public Transportation	<u>878,846</u>	<u>878,846</u>	<u>882,777</u>	<u>(3,931)</u>
Total Expenditures	<u>878,846</u>	<u>878,846</u>	<u>882,777</u>	<u>(3,931)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(59,506)</u>	<u>(59,506)</u>	<u>(67,028)</u>	<u>(7,522)</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	82,593	82,593	82,593	--
<i>Transfers Out</i>	(7,301)	(7,301)	(7,301)	--
Total Other Financing Sources (Uses)	<u>75,292</u>	<u>75,292</u>	<u>75,292</u>	<u>--</u>
Net Change in Fund Balances	15,786	15,786	8,264	(7,522)
Fund Balances - Beginning	(119)	(119)	(119)	--
Fund Balances - Ending	<u>\$ 15,667</u>	<u>\$ 15,667</u>	<u>\$ 8,145</u>	<u>\$ (7,522)</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 22 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 325,607	\$ 325,607	\$ 325,713	\$ 106
<i>General Sales and Use Taxes</i>	73,401	73,401	68,075	(5,326)
License and Permits	66,540	66,540	66,540	--
Intergovernmental	8,153	8,153	8,498	345
Fines and Forfeitures	1,222	1,222	1,119	(103)
Fees of Office	48,092	48,092	49,377	1,285
Investment Earnings	10,191	10,191	10,493	302
Miscellaneous Revenues	1,073	1,073	1,073	--
Total revenues	<u>534,279</u>	<u>534,279</u>	<u>530,888</u>	<u>(3,391)</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	312,764	312,764	303,072	9,692
<i>Supplies</i>	35,450	35,450	31,624	3,826
<i>Other Services and Charges</i>	27,000	27,000	16,395	10,605
<i>Capital Outlay</i>	70,380	70,380	70,499	(119)
Total Public Transportation	<u>445,594</u>	<u>445,594</u>	<u>421,590</u>	<u>24,004</u>
Total Expenditures	<u>445,594</u>	<u>445,594</u>	<u>421,590</u>	<u>24,004</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>88,685</u>	<u>88,685</u>	<u>109,298</u>	<u>20,613</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	84,371	84,371	104,984	20,613
Fund Balances - Beginning	282,893	282,893	282,893	--
Fund Balances - Ending	<u>\$ 367,264</u>	<u>\$ 367,264</u>	<u>\$ 387,877</u>	<u>\$ 20,613</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 23 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 649,174	\$ 649,174	\$ 655,601	\$ 6,427
<i>General Sales and Use Taxes</i>	180,680	180,680	167,569	(13,111)
Intergovernmental	20,072	20,072	20,919	847
Fines and Forfeitures	3,001	3,001	2,753	(248)
Fees of Office	297,420	297,420	301,002	3,582
Investment Earnings	9,176	9,176	9,379	203
Miscellaneous Revenues	1,180	1,180	1,180	--
Total revenues	<u>1,160,703</u>	<u>1,160,703</u>	<u>1,158,403</u>	<u>(2,300)</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	707,386	707,386	743,725	(36,339)
<i>Supplies</i>	160,572	160,572	164,255	(3,683)
<i>Other Services and Charges</i>	157,900	157,900	141,386	16,514
<i>Capital Outlay</i>	113,796	113,796	107,156	6,640
Total Public Transportation	<u>1,139,654</u>	<u>1,139,654</u>	<u>1,156,522</u>	<u>(16,868)</u>
<i>Debt Service:</i>				
<i>Principal</i>	113,796	113,796	19,088	94,708
<i>Interest and Fiscal Charges</i>	113,796	113,796	2,053	111,743
Total Debt Service	<u>227,592</u>	<u>227,592</u>	<u>21,141</u>	<u>206,451</u>
Total Expenditures	<u>1,367,246</u>	<u>1,367,246</u>	<u>1,177,663</u>	<u>189,583</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(206,543)</u>	<u>(206,543)</u>	<u>(19,260)</u>	<u>187,283</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	(10,619)	(10,619)	(10,619)	--
<i>Capital Leases</i>	1,000	1,000	19,088	(18,088)
Total Other Financing Sources (Uses)	<u>(9,619)</u>	<u>(9,619)</u>	<u>8,469</u>	<u>(18,088)</u>
Net Change in Fund Balances	(216,162)	(216,162)	(10,791)	205,371
Fund Balances - Beginning	118,318	118,318	118,318	--
Fund Balances - Ending	<u>\$ (97,844)</u>	<u>\$ (97,844)</u>	<u>\$ 107,527</u>	<u>\$ 205,371</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 24 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 666,182	\$ 666,182	\$ 673,267	\$ 7,085
<i>General Sales and Use Taxes</i>	186,326	186,326	172,805	(13,521)
License and Permits	168,908	168,908	168,908	--
Intergovernmental	20,703	20,703	21,573	870
Fines and Forfeitures	3,094	3,094	2,838	(256)
Fees of Office	122,083	122,083	125,342	3,259
Investment Earnings	11,638	11,638	11,902	264
Miscellaneous Revenues	2,358	2,358	3,558	1,200
Total revenues	<u>1,181,292</u>	<u>1,181,292</u>	<u>1,180,193</u>	<u>(1,099)</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	675,122	675,122	706,042	(30,920)
<i>Supplies</i>	130,050	130,050	108,943	21,107
<i>Other Services and Charges</i>	202,400	202,400	198,002	4,398
<i>Capital Outlay</i>	231,244	231,244	221,831	9,413
Total Public Transportation	<u>1,238,816</u>	<u>1,238,816</u>	<u>1,234,818</u>	<u>3,998</u>
Total Expenditures	<u>1,238,816</u>	<u>1,238,816</u>	<u>1,234,818</u>	<u>3,998</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(57,524)</u>	<u>(57,524)</u>	<u>(54,625)</u>	<u>2,899</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>(68,475)</u>	<u>(68,475)</u>	<u>(65,576)</u>	<u>2,899</u>
Fund Balances - Beginning	248,672	248,672	248,672	--
Fund Balances - Ending	<u>\$ 180,197</u>	<u>\$ 180,197</u>	<u>\$ 183,096</u>	<u>\$ 2,899</u>

JIM WELLS COUNTY, TEXAS
 SMALL DAMS NO. 32 FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Investment Earnings	\$ 1,489	\$ 1,489	\$ 1,521	\$ 32
Total revenues	<u>1,489</u>	<u>1,489</u>	<u>1,521</u>	<u>32</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	37,383	37,383	27,024	10,359
<i>Supplies</i>	--	--	2,463	(2,463)
<i>Other Services and Charges</i>	18,000	18,000	11,487	6,513
<i>Capital Outlay</i>	50,202	50,202	21,053	29,149
<i>Total Public Transportation</i>	<u>105,585</u>	<u>105,585</u>	<u>62,027</u>	<u>43,558</u>
Total Expenditures	<u>105,585</u>	<u>105,585</u>	<u>62,027</u>	<u>43,558</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(104,096)</u>	<u>(104,096)</u>	<u>(60,506)</u>	<u>43,590</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	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	(70,911)	(70,911)	(27,321)	43,590
Fund Balances - Beginning	88,356	88,356	88,356	--
Fund Balances - Ending	<u>\$ 17,445</u>	<u>\$ 17,445</u>	<u>\$ 61,035</u>	<u>\$ 43,590</u>

JIM WELLS COUNTY, TEXAS
LAW LIBRARY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Fees of Office	\$ 25,536	\$ 25,536	\$ 28,561	\$ 3,025
Investment Earnings	122	122	126	4
Total revenues	<u>25,658</u>	<u>25,658</u>	<u>28,687</u>	<u>3,029</u>
EXPENDITURES:				
Judicial				
County court				
Other Services and Charges	--	--	37	(37)
Capital Outlay	31,000	31,000	32,773	(1,773)
Total County Court	<u>31,000</u>	<u>31,000</u>	<u>32,810</u>	<u>(1,810)</u>
Total Judicial	<u>31,000</u>	<u>31,000</u>	<u>32,810</u>	<u>(1,810)</u>
Total Expenditures	<u>31,000</u>	<u>31,000</u>	<u>32,810</u>	<u>(1,810)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,342)</u>	<u>(5,342)</u>	<u>(4,123)</u>	<u>1,219</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	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	4,658	4,658	(4,123)	(8,781)
Fund Balances - Beginning	8,221	8,221	8,221	--
Fund Balances - Ending	<u>\$ 12,879</u>	<u>\$ 12,879</u>	<u>\$ 4,098</u>	<u>\$ (8,781)</u>

JIM WELLS COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 257,549	\$ 257,549	\$ 259,116	\$ 1,567
Investment Earnings	2,800	2,800	2,853	53
Total revenues	<u>260,349</u>	<u>260,349</u>	<u>261,969</u>	<u>1,620</u>
EXPENDITURES:				
<i>Debt Service:</i>				
<i>Principal</i>	145,000	145,000	145,000	--
<i>Interest and Fiscal Charges</i>	109,817	109,817	109,764	53
<i>Fiscal Agent's Fees</i>	500	500	--	500
Total Debt Service	<u>255,317</u>	<u>255,317</u>	<u>254,764</u>	<u>553</u>
Total Expenditures	<u>255,317</u>	<u>255,317</u>	<u>254,764</u>	<u>553</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,032</u>	<u>5,032</u>	<u>7,205</u>	<u>2,173</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	5,032	5,032	7,205	2,173
Fund Balances - Beginning	44,727	44,727	44,727	--
Fund Balances - Ending	<u>\$ 49,759</u>	<u>\$ 49,759</u>	<u>\$ 51,932</u>	<u>\$ 2,173</u>

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2009

	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	\$ 722,859	\$ 311,055	\$ 144,195	\$ 1,178,109
Total Assets	<u>\$ 722,859</u>	<u>\$ 311,055</u>	<u>\$ 144,195</u>	<u>\$ 1,178,109</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Fund Balances:				
Reserved Fund Balances:				
Reserved for Capital Projects	\$ 722,859	\$ 311,055	\$ 144,195	\$ 1,178,109
Total Fund Balance	<u>722,859</u>	<u>311,055</u>	<u>144,195</u>	<u>1,178,109</u>
Total Liabilities and Fund Balance	<u>\$ 722,859</u>	<u>\$ 311,055</u>	<u>\$ 144,195</u>	<u>\$ 1,178,109</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, 2009

	Relief Route Capital Fund	Jail Expansion Fund	Road Bond 1967 Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenue:				
<i>Intergovernmental</i>	\$ --	\$ 5,790	\$ --	\$ 5,790
<i>Investment Earnings</i>	2,477	1,064	494	4,035
<i>Miscellaneous Revenues</i>	11,960	--	2,386	14,346
Total revenues	<u>14,437</u>	<u>6,854</u>	<u>2,880</u>	<u>24,171</u>
Expenditures:				
Total Expenditures	--	--	--	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,437</u>	<u>6,854</u>	<u>2,880</u>	<u>24,171</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	--	--	--	--
Net Change in Fund Balances	14,437	6,854	2,880	24,171
Fund Balances - Beginning	708,422	304,201	141,315	1,153,938
Fund Balances - Ending	<u>\$ 722,859</u>	<u>\$ 311,055</u>	<u>\$ 144,195</u>	<u>\$ 1,178,109</u>

JIM WELLS COUNTY, TEXAS
JAIL EXPANSION FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ --	\$ --	\$ 5,790	\$ 5,790
Investment Earnings	6,645	6,645	1,064	(5,581)
Total revenues	<u>6,645</u>	<u>6,645</u>	<u>6,854</u>	<u>209</u>
EXPENDITURES:				
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,645	6,645	6,854	209
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	6,645	6,645	6,854	209
Fund Balances - Beginning	304,201	304,201	304,201	--
Fund Balances - Ending	<u>\$ 310,846</u>	<u>\$ 310,846</u>	<u>\$ 311,055</u>	<u>\$ 209</u>

JIM WELLS COUNTY, TEXAS
ROAD BOND 1967 FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Investment Earnings	\$ 2,783	\$ 2,783	\$ 494	\$ (2,289)
Miscellaneous Revenues	--	--	2,386	2,386
Total revenues	<u>2,783</u>	<u>2,783</u>	<u>2,880</u>	<u>97</u>
EXPENDITURES:				
Total Expenditures	--	--	--	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,783</u>	<u>2,783</u>	<u>2,880</u>	<u>97</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	--	--	--	--
Net Change in Fund Balances	2,783	2,783	2,880	97
Fund Balances - Beginning	141,315	141,315	141,315	--
Fund Balances - Ending	<u>\$ 144,098</u>	<u>\$ 144,098</u>	<u>\$ 144,195</u>	<u>\$ 97</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2009

	Sheriff Cash Bond	Crime Prevention Fund	Appelate Judicial Fund	79th Judicial District Attorney Escrow Fund
ASSETS:				
<i>Cash and Cash Equivalents</i>	\$ 3,005	\$ 19	\$ 1,829	\$ 81,521
Total Assets	\$ 3,005	\$ 19	\$ 1,829	\$ 81,521
LIABILITIES:				
<i>Due to Other Governments and Agencies</i>	\$ 3,005	\$ 19	\$ 1,829	\$ 81,521
Total Liabilities	\$ 3,005	\$ 19	\$ 1,829	\$ 81,521

79th Judicial D.A. Fee Fund	State Fees Fund	Vouchers Payable Fund	Tax Collector Fund	District Clerk Fund
\$ 1,180	\$ 88,106	\$ 35,964	\$ 391,974	\$ 209,203
\$ 1,180	\$ 88,106	\$ 35,964	\$ 391,974	\$ 209,203
\$ 1,180	\$ 88,106	\$ 35,964	\$ 391,974	\$ 209,203
\$ 1,180	\$ 88,106	\$ 35,964	\$ 391,974	\$ 209,203

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2009

	County Clerk Fund	Payroll Administrative Fund
ASSETS:		
<i>Cash and Cash Equivalents</i>	\$ 556,670	\$ 367,899
Total Assets	<u>\$ 556,670</u>	<u>\$ 367,899</u>
LIABILITIES:		
<i>Due to Other Governments and Agencies</i>	\$ 556,670	\$ 367,899
Total Liabilities	<u>\$ 556,670</u>	<u>\$ 367,899</u>

Motor Vehicle Escrow Fund	Ad Valorem Tax Escrow Fund	County Attorney Trust Fund	Total Agency Funds (See Exhibit A-7)
\$ 261	\$ 3,585,020	\$ 155,786	\$ 5,478,437
\$ 261	\$ 3,585,020	\$ 155,786	\$ 5,478,437
\$ 261	\$ 3,585,020	\$ 155,786	\$ 5,478,437
\$ 261	\$ 3,585,020	\$ 155,786	\$ 5,478,437

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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 CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-17

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
Appellate Judicial Fund				
ASSETS				
Cash & Cash Equivalents	\$ 2,394	\$ 4,292	\$ 4,857	\$ 1,829
Total Assets	\$ 2,394	\$ 4,292	\$ 4,857	\$ 1,829
LIABILITIES				
Due to Other Governments and Agencies	\$ 2,394	\$ 4,292	\$ 4,857	\$ 1,829
Total Liabilities	\$ 2,394	\$ 4,292	\$ 4,857	\$ 1,829
79th Judicial D.A. Escrow Fund				
ASSETS				
Cash & Cash Equivalents	\$ 77,727	\$ 1,425,035	\$ 1,421,241	\$ 81,521
Total Assets	\$ 77,727	\$ 1,425,035	\$ 1,421,241	\$ 81,521
LIABILITIES				
Due to Other Governments and Agencies	\$ 77,727	\$ 1,425,035	\$ 1,421,241	\$ 81,521
Total Liabilities	\$ 77,727	\$ 1,425,035	\$ 1,421,241	\$ 81,521
79th Judicial D.A. Task Force Escrow Fund				
ASSETS				
Cash & Cash Equivalents	\$ 40,295	\$ --	\$ 40,295	\$ --
Total Assets	\$ 40,295	\$ --	\$ 40,295	\$ --
LIABILITIES				
Due to Other Governments and Agencies	\$ 40,295	\$ --	\$ 40,295	\$ --
Total Liabilities	\$ 40,295	\$ --	\$ 40,295	\$ --
79th Judicial D.A. Fee Fund				
ASSETS				
Cash & Cash Equivalents	\$ 3,215	\$ 5,793	\$ 7,828	\$ 1,180
Total Assets	\$ 3,215	\$ 5,793	\$ 7,828	\$ 1,180
LIABILITIES				
Due to Other Governments and Agencies	\$ 3,215	\$ 5,793	\$ 7,828	\$ 1,180
Total Liabilities	\$ 3,215	\$ 5,793	\$ 7,828	\$ 1,180
79th Judicial D.A. Forfeiture Fund				
ASSETS				
Cash & Cash Equivalents	\$ 450	\$ --	\$ 450	\$ --
Total Assets	\$ 450	\$ --	\$ 450	\$ --
LIABILITIES				
Due to Other Governments and Agencies	\$ 450	\$ --	\$ 450	\$ --
Total Liabilities	\$ 450	\$ --	\$ 450	\$ --

JIM WELLS COUNTY, TEXAS

EXHIBIT C-17

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2009

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
State Fees Fund				
ASSETS				
Cash & Cash Equivalents	\$ 157,653	\$ 399,433	\$ 468,980	\$ 88,106
Total Assets	<u>\$ 157,653</u>	<u>\$ 399,433</u>	<u>\$ 468,980</u>	<u>\$ 88,106</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 157,653	\$ 399,433	\$ 468,980	\$ 88,106
Total Liabilities	<u>\$ 157,653</u>	<u>\$ 399,433</u>	<u>\$ 468,980</u>	<u>\$ 88,106</u>
Vouchers Payable Fund				
ASSETS				
Cash & Cash Equivalents	\$ 33,507	\$ 4,792,267	\$ 4,789,810	\$ 35,964
Total Assets	<u>\$ 33,507</u>	<u>\$ 4,792,267</u>	<u>\$ 4,789,810</u>	<u>\$ 35,964</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 33,507	\$ 4,792,267	\$ 4,789,810	\$ 35,964
Total Liabilities	<u>\$ 33,507</u>	<u>\$ 4,792,267</u>	<u>\$ 4,789,810</u>	<u>\$ 35,964</u>
Tax Collector Fund				
ASSETS				
Cash & Cash Equivalents	\$ 427,664	\$ 8,546,991	\$ 8,582,681	\$ 391,974
Total Assets	<u>\$ 427,664</u>	<u>\$ 8,546,991</u>	<u>\$ 8,582,681</u>	<u>\$ 391,974</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 427,664	\$ 8,546,991	\$ 8,582,681	\$ 391,974
Total Liabilities	<u>\$ 427,664</u>	<u>\$ 8,546,991</u>	<u>\$ 8,582,681</u>	<u>\$ 391,974</u>
District Clerk Fund				
ASSETS				
Cash & Cash Equivalents	\$ 343,914	\$ 535,598	\$ 670,309	\$ 209,203
Total Assets	<u>\$ 343,914</u>	<u>\$ 535,598</u>	<u>\$ 670,309</u>	<u>\$ 209,203</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 343,914	\$ 535,598	\$ 670,309	\$ 209,203
Total Liabilities	<u>\$ 343,914</u>	<u>\$ 535,598</u>	<u>\$ 670,309</u>	<u>\$ 209,203</u>
County Clerk Fund				
ASSETS				
Cash & Cash Equivalents	\$ 525,338	\$ 528,879	\$ 497,547	\$ 556,670
Total Assets	<u>\$ 525,338</u>	<u>\$ 528,879</u>	<u>\$ 497,547</u>	<u>\$ 556,670</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 525,338	\$ 528,879	\$ 497,547	\$ 556,670
Total Liabilities	<u>\$ 525,338</u>	<u>\$ 528,879</u>	<u>\$ 497,547</u>	<u>\$ 556,670</u>
Payroll Administrative Fund				
ASSETS				
Cash & Cash Equivalents	\$ 358,520	\$ 11,880,352	\$ 11,870,973	\$ 367,899
Total Assets	<u>\$ 358,520</u>	<u>\$ 11,880,352</u>	<u>\$ 11,870,973</u>	<u>\$ 367,899</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 358,520	\$ 11,880,352	\$ 11,870,973	\$ 367,899
Total Liabilities	<u>\$ 358,520</u>	<u>\$ 11,880,352</u>	<u>\$ 11,870,973</u>	<u>\$ 367,899</u>

JIM WELLS COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-17

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
Motor Vehicle Escrow Fund				
ASSETS				
Cash & Cash Equivalents	\$ 256	\$ 5	\$ --	\$ 261
Total Assets	\$ 256	\$ 5	\$ --	\$ 261
LIABILITIES				
Due to Other Governments and Agencies	\$ 256	\$ 5	\$ --	\$ 261
Total Liabilities	\$ 256	\$ 5	\$ --	\$ 261
Ad Valorem Tax Escrow Fund				
ASSETS				
Cash & Cash Equivalents	\$ 2,997,938	\$ 14,033,521	\$ 13,446,439	\$ 3,585,020
Total Assets	\$ 2,997,938	\$ 14,033,521	\$ 13,446,439	\$ 3,585,020
LIABILITIES				
Due to Other Governments and Agencies	\$ 2,997,938	\$ 14,033,521	\$ 13,446,439	\$ 3,585,020
Total Liabilities	\$ 2,997,938	\$ 14,033,521	\$ 13,446,439	\$ 3,585,020
County Attorney Trust Fund				
ASSETS				
Cash & Cash Equivalents	\$ 157,789	\$ 58,113	\$ 60,116	\$ 155,786
Total Assets	\$ 157,789	\$ 58,113	\$ 60,116	\$ 155,786
LIABILITIES				
Due to Other Governments and Agencies	\$ 157,789	\$ 58,113	\$ 60,116	\$ 155,786
Total Liabilities	\$ 157,789	\$ 58,113	\$ 60,116	\$ 155,786
Sheriff Cash Bond Fund				
ASSETS				
Cash & Cash Equivalents	\$ 3,001	\$ 4	\$ --	\$ 3,005
Total Assets	\$ 3,001	\$ 4	\$ --	\$ 3,005
LIABILITIES				
Due to Other Governments and Agencies	\$ 3,001	\$ 4	\$ --	\$ 3,005
Total Liabilities	\$ 3,001	\$ 4	\$ --	\$ 3,005
Crime Prevention Fund				
ASSETS				
Cash & Cash Equivalents	\$ 18	\$ 1	\$ --	\$ 19
Total Assets	\$ 18	\$ 1	\$ --	\$ 19
LIABILITIES				
Due to Other Governments and Agencies	\$ 18	\$ 1	\$ --	\$ 19
Total Liabilities	\$ 18	\$ 1	\$ --	\$ 19
TOTAL AGENCY FUNDS:				
ASSETS				
Cash & Cash Equivalents	\$ 5,129,679	\$ 42,210,284	\$ 41,861,526	\$ 5,478,437
Total Assets	\$ 5,129,679	\$ 42,210,284	\$ 41,861,526	\$ 5,478,437
LIABILITIES				
Due to Other Governments and Agencies	\$ 5,129,679	\$ 42,210,284	\$ 41,861,526	\$ 5,478,437
Total Liabilities	\$ 5,129,679	\$ 42,210,284	\$ 41,861,526	\$ 5,478,437

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, 2009, which collectively comprise the Jim Wells County, Texas's basic financial statements and have issued our report thereon dated August 24, 2010. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the previous paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2009-01 & 2009-02 to be significant deficiencies in internal control over financial reporting.

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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

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.

August 24, 2010

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, 2009. 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, 2009.

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.

August 24, 2010

JIM WELLS COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

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? X Yes 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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Office of Rural Community Affairs-CDBG

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

Auditee qualified as low-risk auditee? X Yes No

JIM WELLS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009

B. Financial Statement Findings

2009-01

Condition:

Condition: The County did not perform internal audits of all departments.

Criteria:

Some of the duties engaged by an internal auditor may include: evaluation of a department's compliance with laws and regulations, assessing the reliability of financial information, determining the efficiency and usefulness of operations, detection of irregularities, prevention of irregularities, and working with external auditors to ensure that all auditing needs are being met but not overlapping where unnecessary.

Effect:

Untimely internal audits can result in incomplete financial reports presented in the County's financial statements and may also result in misstatement of revenues and expenditures and possible misappropriation of assets.

Recommendation:

Internal audits should be conducted on a timely basis on all County departments to ensure the completeness of all financial reports presented in the financial statements.

2009-02

Condition:

The financial accounting function for two funds is not centralized in the County or reviewed by a fiscal officer.

Criteria:

The accounting function of all funds should be centralized within the County for appropriate accountability and to ensure compliance with laws and regulations.

Effect:

Decentralization and lack of appropriate review may result in misstatement of revenues and expenditures in County reporting and possible misappropriation of assets.

Recommendation:

We recommend that all financial information be centralized and be made available on a regular basis in order to allow the County Auditor sufficient time to prepare the County's financial statements. This will ensure the completeness of all financial reports presented in the County's financial statements.

C. Federal Award Findings and Questioned Costs

NONE

JIM WELLS COUNTY, TEXAS
*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009*

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

NONE		
------	--	--

JIM WELLS COUNTY, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2009

The County has take corrective action to increase internal audits and to centralize the accounting of all County funds through the office of the internal auditor. The County also has hired an independent fixed assets compan which will inventory all property owned by the County.

JIM WELLS COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

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	\$ 3,000
CDBG-Colonia Construction	14.228	725155	3,500
CDBG-Colonia Construction	14.228	727065	288,190
CDBG-Colonia Construction	14.228	727229	263,072
Total Passed Through Office of Rural Community Affairs (ORCA)			<u>557,762</u>
Total U. S. Department of Housing & Urban Development			<u>557,762</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>557,762</u></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, 2009*

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	114
<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	119
<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	126
<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	130
<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	132
<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.

JIM WELLS COUNTY, TEXAS
NET ASSETS BY COMPONENT
LAST THREE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

TABLE E-1

	Fiscal Year				
	2005	2006	2007	2008	2009
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 16,549,080	\$ 16,979,900	\$ 17,106,981	\$ 17,470,025	\$ 17,516,191
Restricted	1,368,461	1,403,872	1,207,721	1,329,969	1,373,428
Unrestricted	3,699,613	4,632,273	6,100,398	7,315,406	6,895,058
Total Governmental Activities Net Assets	\$ 21,617,154	\$ 23,016,045	\$ 24,415,100	\$ 26,115,400	\$ 25,784,677

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				
	2005	2006	2007	2008	2009
Expenses					
Governmental Activities:					
General Government	\$ 3,311,262	\$ 4,230,453	\$ 3,814,965	\$ 3,765,964	\$ 4,210,749
Judicial	2,229,421	2,350,003	2,606,714	2,806,925	3,319,623
Public Safety	9,556,199	10,768,750	6,722,720	7,340,490	7,455,989
Public Transportation	3,208,740	3,659,104	3,318,863	3,833,985	3,318,841
Health & Welfare	1,034,994	1,041,240	1,679,727	1,657,444	1,412,992
Culture & Recreation	58,001	55,784	51,380	1,457	47,636
Conservation	188,138	202,552	206,255	223,988	255,458
Economic Development & Assistance	75,000	144,528	68,500	72,351	106,201
Interest on Long-Term Debt	180,954	180,048	210,344	202,342	135,733
Total Governmental Activities Expenses	19,842,709	22,632,462	18,679,468	19,904,946	20,263,222
Total Primary Government Expenses	\$ 19,842,709	\$ 22,632,462	\$ 18,679,468	\$ 19,904,946	\$ 20,263,222
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 806,409	\$ 919,720	\$ 915,573	\$ 891,401	\$ 825,948
Judicial	486,012	483,767	482,677	503,756	435,988
Public Safety	1,044,503	1,550,512	929,184	1,399,470	1,604,738
Other Activities	921,177	990,536	1,048,328	1,028,684	981,308
Operating Grants and Contributions	6,170,944	7,781,531	2,871,767	2,273,628	2,067,154
Total Governmental Activities Program Revenues	9,429,045	11,726,066	6,247,529	6,096,939	5,915,136
Total Primary Government Program Revenues	\$ 9,429,045	\$ 11,726,066	\$ 6,247,529	\$ 6,096,939	\$ 5,915,136
Net (Expense)/Revenue					
Governmental Activities	\$ (10,413,664)	\$ (10,906,396)	\$ (12,431,939)	\$ (13,808,007)	\$ (14,348,086)
Total Primary Government Net Expense	\$ (10,413,664)	\$ (10,906,396)	\$ (12,431,939)	\$ (13,808,007)	\$ (14,348,086)

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				
	2005	2006	2007	2008	2009
Net (Expense)/Revenue					
Governmental Activities	\$ (10,906,396)	\$ (10,906,396)	\$ (12,431,939)	\$ (13,808,008)	\$ (14,348,086)
Business-type Activities	--	--	--	--	--
Total Primary Government Net Expense	\$ (10,906,396)	\$ (10,906,396)	\$ (12,431,939)	\$ (13,808,008)	\$ (14,348,086)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes					
Property Taxes	\$ 8,521,130	\$ 8,521,130	\$ 9,380,920	\$ 10,222,019	\$ 10,834,210
Sales Taxes	3,191,996	3,191,996	3,620,527	4,441,261	2,909,178
Fines and Forfeitures	--	--	--	--	12,077
Investment Earnings	259,179	259,179	381,959	482,047	253,302
Miscellaneous	332,982	332,982	399,595	362,981	319,212
Total Governmental Activities	\$ 12,305,287	\$ 12,305,287	\$ 13,783,001	\$ 15,508,308	\$ 14,327,979
Business-type Activities:					
Investment Earnings	--	--	--	--	--
Transfers	--	--	--	--	--
Total Business-type Activities	--	--	--	--	--
Total Primary Government	\$ 12,305,287	\$ 12,305,287	\$ 13,783,001	\$ 15,508,308	\$ 14,327,979
Change in Net Assets					
Governmental Activities	\$ 1,398,891	\$ 1,398,891	\$ 1,351,062	\$ 1,700,300	\$ (20,107)
Business-type Activities	--	--	--	--	--
Total Primary Government	\$ 1,398,891	\$ 1,398,891	\$ 1,351,062	\$ 1,700,300	\$ (20,107)

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 246,019	\$ 371,285	\$ 252,081	\$ 544,732	\$ (124,415)	\$ 1,118,760	\$ 2,551,856	\$ 3,756,881	\$ 4,295,926	\$ 3,288,481
Unreserved										
Total General Fund	\$ 246,019	\$ 371,285	\$ 252,081	\$ 544,732	\$ (124,415)	\$ 1,118,760	\$ 2,551,856	\$ 3,756,881	\$ 4,295,926	\$ 3,288,481
All Other Governmental Funds										
Reserved	\$ --	\$ --	\$ --	\$ 1,000,685	\$ 1,257,678	\$ 1,244,541	\$ 1,054,277	\$ 1,101,676	\$ 1,153,939	\$ 1,178,109
Unreserved, Reported In:										
Special Revenue Funds	1,449,671	1,400,601	896,122	339,138	856,427	840,957	1,109,079	1,197,203	1,898,750	1,932,417
Debt Service Funds	111,725	92,671	(146,699)	722,383	5,997	19,292	29,795	39,387	44,728	51,932
Total All Other Governmental Funds	\$ 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	\$ 3,162,458

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 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	\$ 13,274,621
Licenses and Permits	555,457	582,582	634,801	53,102	632,751	410,456	608,008	638,540	485,234	412,248
Intergovernmental	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	2,180,754
Charges for Services	1,603,156	1,683,383	1,679,801	683,837	811,103	783,503	750,657	711,161	687,388	641,372
Fines & Forfeitures	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	1,384,330
Fees of Office	--	--	--	1,354,228	2,789,147	1,085,031	1,216,572	1,225,619	1,334,405	1,308,509
Investment Earnings	241,385	188,150	47,855	29,087	11,129	108,079	259,179	381,960	482,047	253,302
Misc Revenues	245,471	171,529	196,197	243,666	294,707	214,089	332,982	388,045	365,191	319,212
Total Revenues	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	19,774,348
Expenditures										
General Government	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	3,840,234
Judicial	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	3,319,623
Public Safety	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	7,919,138
Public Transportation	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	3,757,734
Health & Welfare	681,573	527,103	617,119	1,125,063	1,837,418	1,034,994	1,041,240	1,679,727	1,657,445	1,412,992
Culture and Recreation	53,220	53,660	72,280	52,730	52,730	58,001	55,784	51,380	1,457	47,636
Conservation	149,871	196,314	161,563	178,747	177,693	188,138	202,552	206,255	223,988	255,458
Economic Development & Assistance	--	--	--	544,840	61,400	75,000	144,528	68,500	72,351	106,201
Debt Service										
Interest	3,756	2,028	2,285	--	236,537	180,426	179,879	160,314	177,609	118,928
Principal	53,054	35,499	30,142	--	843,425	199,537	209,349	226,496	3,074,730	334,765
Fiscal Agents Fees	--	--	--	--	515	529	529	500	55,222	--
Total Expenditures	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	21,112,709
Excess of Revenues	(323,374)	(5,785)	(863,053)	(2,422,729)	(1,092,586)	1,227,863	1,521,457	1,035,822	(1,581,803)	(1,338,361)
Over (Under) Expenditures										
Other Financing Sources (Uses)										
Bonds Issued	--	--	--	3,300,000	--	--	--	--	2,880,000	--
Loan Proceeds	--	--	--	700,000	--	--	--	--	--	--
Capital Leases	25,990	62,927	--	--	--	--	--	266,325	--	395,959
Transfers In	746,903	554,942	733,026	1,005,822	814,481	925,941	1,225,317	1,020,609	1,156,393	584,205
Transfers Out	(746,903)	(554,942)	(733,026)	(1,005,822)	(814,481)	(925,941)	(1,225,317)	(1,020,609)	(1,156,393)	(584,205)
Total Other Financing Sources (Uses)	25,990	62,927	--	4,000,000	--	--	--	266,325	2,880,000	395,959
Net Change in Fund Balances	\$ (297,384)	\$ 57,142	\$ (863,053)	\$ 1,577,271	\$ (1,092,586)	\$ 1,227,863	\$ 1,521,457	\$ 1,302,147	\$ 1,298,197	\$ (942,402)
Debt Service As A Percentage										
Of Noncapital Expenditures	0.4%	0.3%	0.2%	--	5.4%	1.9%	1.7%	2.0%	14.5%	2.2%

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
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
2009	10,365,443	2,909,178	13,274,621
Percent Change 2000-2009	1.1%	-34.5%	-9.7%

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
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%
2009	624,639,121	1,272,390,664	78,921,490	345,991,655	1,629,959,620	0.633815	1,975,951,275	82.490%

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					Emergency Service District #1			
	Basic Rate	General Obligation Debt Service	Total Direct Rate	City of Alice	Alice ISD	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
1999	0.700800	--	0.700800	0.435800	1.470000	0.148900	0.437300	1.499900	0.572920	0.154000	1.500000	1.235990	N/A	N/A
2000	0.700800	--	0.700800	0.452490	1.570000	0.128480	0.434282	1.577000	0.572920	1.529000	1.570000	1.289000	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
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
2003	0.751100	0.028800	0.779900	0.484120	1.640000	0.148153	0.375826	1.582500	0.574018	1.594930	1.560000	1.470000	0.192891	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
2005	0.706337	0.023663	0.730000	0.431950	1.640000	0.118725	0.410671	1.578080	0.742555	1.600967	1.498100	1.500000	0.162475	0.100000
2006	--	0.023663	0.023663	0.400000	1.515168	0.113379	0.410671	1.578080	0.742555	1.600967	1.498100	1.500000	0.162475	0.100000
2007	0.640819	0.017236	0.705822	0.331080	1.198650	0.112996	0.456783	1.133444	0.772729	1.186586	1.183872	1.040000	0.175423	0.093125
2008	0.654787	0.016335	0.658055	0.370000	1.281170	0.110915	0.456783	1.160000	0.660906	1.240000	1.229617	1.040000	0.161456	0.087429
2009	0.548729	0.085086	0.633815	0.364457	1.294300	0.115569	0.442746	1.140000	0.636730	1.240000	1.160509	1.040000	0.075257	0.087396

Source: Jim Wells County Appraisal District

TABLE E-9

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

Taxpayer	2009			2000		
	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	\$ 40,504,689	1	2.52%	\$ 33,148,666	2	3.36%
BJ Services	35,546,336	2	2.21%	8,458,034	9	0.86%
Grey Wolf Drilling Co.	24,364,923	3	1.52%	12,550,158	6	1.27%
Nabors Drilling USA	23,864,922	4	1.49%	--		--
C.C. Forbes LLC	22,517,467	5	1.40%	--		--
DCP Midstream LP	22,020,875	6	1.37%	--		--
AEP Texas Central Co.	21,740,984	7	1.35%	12,567,451	5	1.27%
Helmerich & Payne Intl Drill	20,430,595	8	1.27%	--		--
Covance Research Products Inc	16,911,728	9	1.05%	--		--
Weatherford Artificial Lift Sys	16,618,370	10	1.03%	--		--
Total	\$ 244,520,889		15.22%	\$ 66,724,309		6.77%

Source: Jim Wells County Appraisal District

JIM WELLS COUNTY, TEXAS
 PROPERTY TAX LEVIES AND COLLECTIONS
 LAST 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	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%
2009	10,221,474	9,685,254	94.75%	460,981	10,146,235	99.26%

Sources: Jim Wells County Appraisal District

TABLE E-11

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

	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Building Material & Hardware	\$ 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	\$ 23,752,661
General Merchandise	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	135,161,430
Food Stores	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	15,538,159
Auto Dealers & Gas	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	36,939,992
Apparel & Accessory	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	5,824,310
Home Furnishing & Appliances	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	5,513,370
Eating & Drinking Places	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	32,233,102
Misc Retail Stores	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	47,063,116
Total	\$ 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	\$ 302,026,140
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>
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%
2009	1.50%	0.50%

Sources: County Auditor's Office

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

TABLE E-13

Fiscal Year	General Obligation Bonds	Capital Leases	Percentage of Actual Taxable Value of Property	Per Capita	Total Primary Government	Percentage of Personal Income	Per Capita
2000	\$ 113,730	\$ 34,389	0.02%	3	--	--	\$ 3
2001	98,375	62,708	0.018%	2	161,085	0.00%	2
2002	69,201	--	0.007%	2	69,203	0.00%	2
2003	3,300,000	--	0.33%	82	3,300,082	0.00%	82
2004	3,265,104	304,740	0.32%	80	3,569,924	0.00%	80
2005	3,160,477	209,831	0.29%	77	3,370,385	0.00%	77
2006	3,050,391	110,208	0.25%	74	3,160,673	0.00%	74
2007	2,934,561	266,225	0.21%	65	3,200,851	0.00%	71
2008	2,880,000	126,058	0.19%	64	3,006,122	0.00%	66
2009	2,735,000	332,253	0.19%	60	3,067,313	0.00%	68

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		
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
2009	2,735,000	2,735,000	0.19%	60

JIM WELLS COUNTY, TEXAS
 DIRECT AND OVERLAPPING
 GOVERNMENTAL ACTIVITIES DEBT

TABLE E-15

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt Repaid With Property Taxes			
Jim Wells County, Texas	\$ 2,735,000	100.000%	\$ 2,735,000
City of Alice	22,627,700	100.000%	22,627,700
Alice Independent School District	44,454,968	81.180%	36,088,543
Jim Wells County Fresh Water Supply District #1	414,000	100.000%	414,000
Orange Grove Independent School District	16,525,000	100.000%	16,525,000
Alice Water Authority	5,165,000	48.980%	2,529,817
Premont Independent School District	2,919,975	100.000%	2,919,975
Other Debt			
Jim Wells County, Texas Capital Leases	266,325	100.000%	266,325
Total Overlapping Debt			<u>84,106,360</u>
County Direct Debt			<u>3,160,959</u>
Total Direct and Overlapping Debt			<u>\$ 87,267,319</u>

Sources: Debt outstanding data provided by each governmental unit.

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 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	\$ 296,392,691
Total Net Debt Applicable to Limit	--	--	--	(971,432)	--	--	2,934,562	--	--	--
Legal Debt Margin	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	296,392,691
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	25%	25%	25%	10%	10%	10%	15%	15%	15%	15%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 1,975,951,275
Debt Limit (15% of Assessed Value)	296,392,691
Debt Applicable to Limit:	
General Obligation Bonds	2,735,000
Less: Amount Set Aside for Repayment of	
General Obligation Debt	(150,000)
Total Net Debt Applicable to Limit	2,585,000
Legal Debt Margin	\$ 293,807,691

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

TABLE E-17

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Population	39,326	39,854	40,061	40,439	40,811	40,951	41,131	45,244	41,119	41,001
Personal Income	\$ 30,810	\$ 31,150	\$ 31,150	\$ 31,150	\$ 32,118	\$ 32,118	\$ 32,118	\$ 32,588	\$ 35,528	\$ 37,414
Per Capita Personal Income	\$ 18,654	\$ 19,608	\$ 20,104	\$ 21,530	\$ 22,478	\$ 24,104	\$ 25,320	\$ 27,852	\$ 26,767	\$ 29,523
Median Age	31.0	31.0	31.0	31.0	32.5	34.0	34.5	35.0	33.6	33.9
Education Level in Years of Schooling	13	12	12	12	12	12	12	12	12	12
School Enrollment	4,998	5,030	5,154	5,238	5,114	5,523	5,621	5,637	5,614	5,525
Unemployment	5.9%	5.6%	7.1%	7.0%	6.5%	5.5%	4.8%	4.0%	4.0%	9.1%

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	2009			2000		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Alice ISD	940	1	8.67%	850	1	9.44%
Community Action	700	2	6.45%	--		--
CC Forbes Corp	672	3	6.20%	--		--
Spohn HealthSystem	400	4	3.69%	--		--
Wal-Mart	395	5	3.64%	236	7	2.62%
Halliburton	300	6	2.77%	--		--
Jim Wells County	300	8	2.77%	--		--
Coastal Bend College	300	7	2.77%	--		--
City of Alice	240	9	2.21%	245	6	2.72%
Dixie Iron Works	212	10	1.95%	--		--
Total	4,459		41.11%	1,331		14.79%

Source: County Auditor's Office

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Administration	13	13	15	15	17	17	18	22	24	24
Finance	19	18	18	18	18	18	17	16	18	18
Judicial	33	32	33	33	32	32	31	31	38	35
Legal	20	18	18	18	17	17	18	23	27	26
Other	--	--	--	--	--	--	--	--	--	--
Public Safety	117	121	132	132	127	127	120	128	136	133
Public Transportation	88	94	100	100	110	110	99	105	119	107
Public Facilities	9	8	9	9	2	2	1	1	3	2
Health & Welfare										
Conservation & Agriculture	3	3	3	3	3	3	3	4	4	4
Civilians	5	5	5	5	4	4	4	3	3	3
Total	307	312	333	333	330	330	311	333	372	352

Source: County Auditor Office

JIM WELLS COUNTY, TEXAS
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Building Permits Issued	451	516	594	573	556	573	479	445	295	224
Public Safety										
Serious Crimes	1,083	1,307	1,464	1,930	2,013	1,725	1,484	1,902	1,606	1,906
Parking/Traffic Violations	--	--	--	4,546	3,708	4,453	7,477	3,959	4,079	6,546
Judicial										
Number of Cases Heard	920	1,102	1,342	1,492	2,002	1,706	1,325	1,836	1,598	1,858
Culture & Recreation										
Number of Events	--	--	--	--	9	14	16	25	22	14
Annual Number of Patrons Assisted	81,002	82,379	85,216	88,320	91,051	95,000	90,179	99,823	120,735	120,816
Public Transportation										
Street Miles	1,550	1,550	1,550	1,589	1,589	1,610	1,610	1,610	1,617	1,617

TABLE E-21

JIM WELLS COUNTY, TEXAS
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Number of Buildings	22	24	25	26	27	27	27	27	28	28
Public Safety										
Number of Buildings	9	9	9	9	9	9	9	9	9	9
Number of Vehicles	20	20	22	26	32	32	32	40	40	50
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	1,078
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 city departments