

JIM WELLS COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010



Jim Wells County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2010

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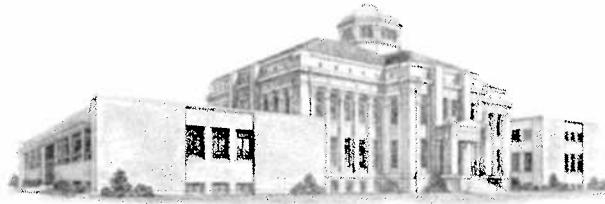
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Introductory Section

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COUNTY OF JIM WELLS



ELADIO GONZALEZ, JR.
COUNTY AUDITOR

July 20, 2011

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, V.T.C.A. Local Government Code 114.025 and 115.045, requires issuance of an annual financial report, audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants, of all matters relating to fiscal affairs of the County. Pursuant to those requirements, we hereby issue the comprehensive annual financial report of the County of Jim Wells for the fiscal year ended December 31, 2010.

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 accounting principles generally accepted in the United States of America (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. Responsibility for internal controls is shared by the Commissioners Court, which is the governing body; the County Auditor, who is appointed by the District Judge and, the County Treasurer. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. 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, 2010, 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, 2010, 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.

Generally Accepted Accounting Principles require 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). The introduction includes this transmittal letter, the County's organizational chart and a list of principal officials. 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. The financial section also includes government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information and the combining and individual fund financial statements and schedules in addition to the report of the independent auditors on the financial statements and schedules. The statistical section of this report includes selected financial and demographic information, which is generally presented on a multi-year basis.

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 1st 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 agribusiness in Alice and Jim Wells County.

The agricultural business is still a leading contributor to the economy of Jim Wells County, Texas in 2010.

Unemployment Rate. The current unemployment rate of Jim Wells County, Texas is 8.9%, which is lower than the national unemployment rate of 9.6%. However, the statewide average rate is 8.1% 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. In 2010, the sales tax revenues were up compared to 2009.

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.

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

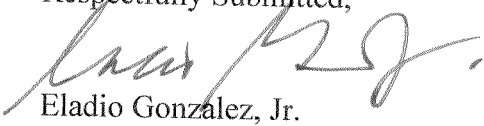
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jim Wells County, Texas for its comprehensive annual financial report for the year ended December 31, 2009. The Certificate of Achievement is 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, 2009

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.



President

Executive Director

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

DECEMBER 31, 2010

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. Arnolando 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, 2010
(continued)**

OTHER OFFICIALS

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

Financial Section

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

Independent 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, 2010, 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 the 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, 2010, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2011, 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 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jim Wells County, Texas's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Respectfully submitted,



Raul Hernandez & Company, P.C.

July 20, 2011

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, 2010. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, and in the financial statements and notes to the financial statements (which immediately follow this discussion). In 2004, the County implemented the new financial reporting requirements of GASB Statement No. 34 (Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments). These sections include this Management's Discussion and Analysis, the Government-wide Statement of Net Assets, the Government-wide Statement of Activities, the concept of major fund reporting, and the reporting of infrastructure capital assets and long term debt liabilities in the governmental activities. These concepts are explained throughout this discussion and analysis.

FINANCIAL HIGHLIGHTS

- The assets of the County of Jim Wells exceeded its liabilities at the close of the most recent fiscal year by \$26,457,509 (net assets).
- As of the close of the current fiscal year, the County of Jim Wells governmental funds reported combined ending fund balances of \$6,766,785, of which, \$5,531,684 represents an unreserved fund balance and places the County in a favorable position.
- The County of Jim Wells' total debt decreased by a net of \$219,012 compared to the previous year.

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.
- *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.

JIM WELLS COUNTY, TEXAS

- *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 \$26,457,509; 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

| | Governmental Activities | | Increase (Decrease) |
|--|----------------------------|----------------------|------------------------|
| | <u>2010</u> | <u>2009</u> | <u>2010-2009</u> |
| Current assets: | | | |
| Cash/Cash equivalents | 6,436,055 | 6,666,097 | (230,042) |
| Taxes receivable | 1,544,823 | 1,853,032 | (308,209) |
| Sales taxes receivable | 416,182 | 259,557 | 156,625 |
| Intergovernmental Receivable | - | - | - |
| Total current assets: | <u>\$ 8,397,060</u> | <u>\$ 8,778,686</u> | <u>(381,626)</u> |
| Non-current assets: | | | |
| Capital Assets | 58,963,810 | 58,698,808 | 265,002 |
| Less Accumulated Depreciation | (37,696,770) | (37,876,003) | 179,233 |
| Total non-current assets: | <u>21,267,040</u> | <u>20,822,805</u> | <u>444,235</u> |
| Total Assets | <u>\$ 29,664,101</u> | <u>\$ 29,601,491</u> | <u>62,609</u> |
| Current Liabilities | | | |
| Accounts payable and other current liabilities | 85,453 | 474,716 | (389,263) |
| Accrued Interest Payable | 33,537 | 35,484 | (1,947) |
| Total current liabilities | <u>118,990</u> | <u>510,200</u> | <u>(391,210)</u> |
| Long-term liabilities: | | | |
| Due within one year | 312,633 | 343,982 | (31,349) |
| Due in more than one year | 2,774,969 | 2,962,633 | (187,664) |
| Total Liabilities | <u>\$ 3,206,592</u> | <u>\$ 3,816,815</u> | <u>(610,223)</u> |
| Net Assets: | | | |
| Invested in capital assets, net of related debt | 18,478,771 | 17,516,191 | 962,580 |
| Restricted For: | | | |
| Debt Service | 203,738 | 195,319 | 8,419 |
| Capital Projects | 1,179,629 | 1,178,109 | 1,520 |
| Unrestricted | 6,595,371 | 6,895,058 | (299,687) |
| Total Net Assets | <u>\$ 26,457,509</u> | <u>\$ 25,784,677</u> | <u>672,832</u> |

JIM WELLS COUNTY, TEXAS

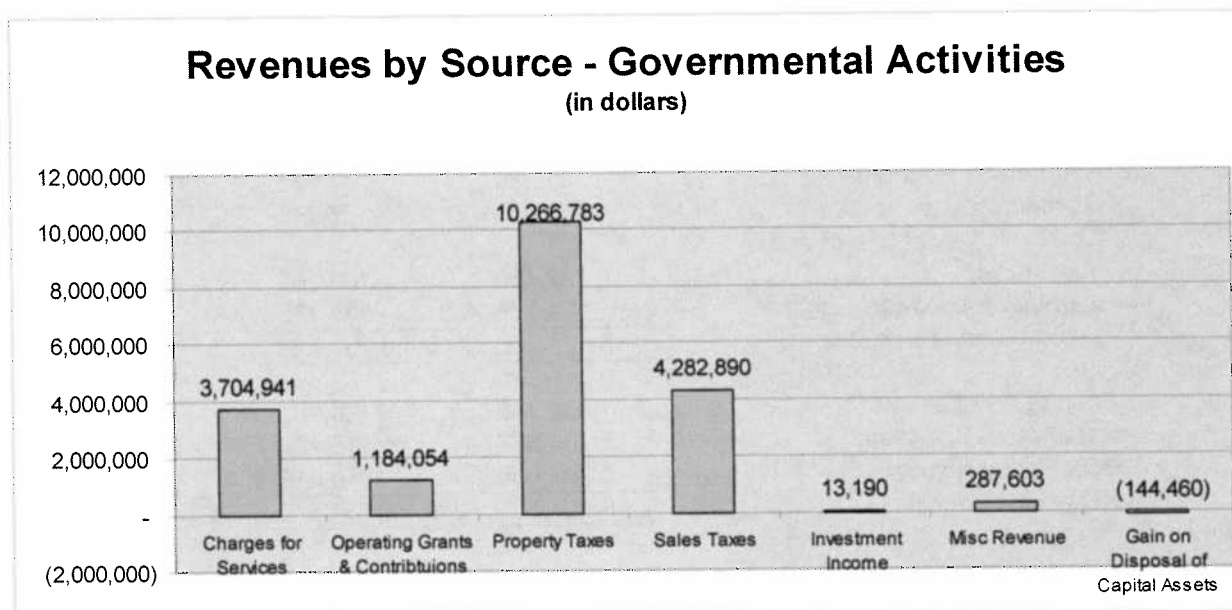
The \$203,738 and \$1,179,629 of the County's restricted net assets represents funds available for the debt service and capital projects funds, respectively. These funds when spent are restricted for repayment of debt and capital asset acquisitions respectively. The \$6,595,371 unrestricted net assets represent resources available to fund the programs of the County next year.

Revenues. The County's total revenues were \$19,595,001. A significant portion, 53 percent, of the County's revenue comes from property taxes. 22 percent comes from sales taxes and 19 percent relates to charges for services. (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 \$258,856,139. Sales taxes increased as a result of an increase in retail trade during 2010.
- Grant revenues had a decrease from the prior year mainly due to the completion of the Colonia federal program.
- Sales tax revenues in 2010 increased compared to the prior year by 48%.

Figure A-2



JIM WELLS COUNTY, TEXAS

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

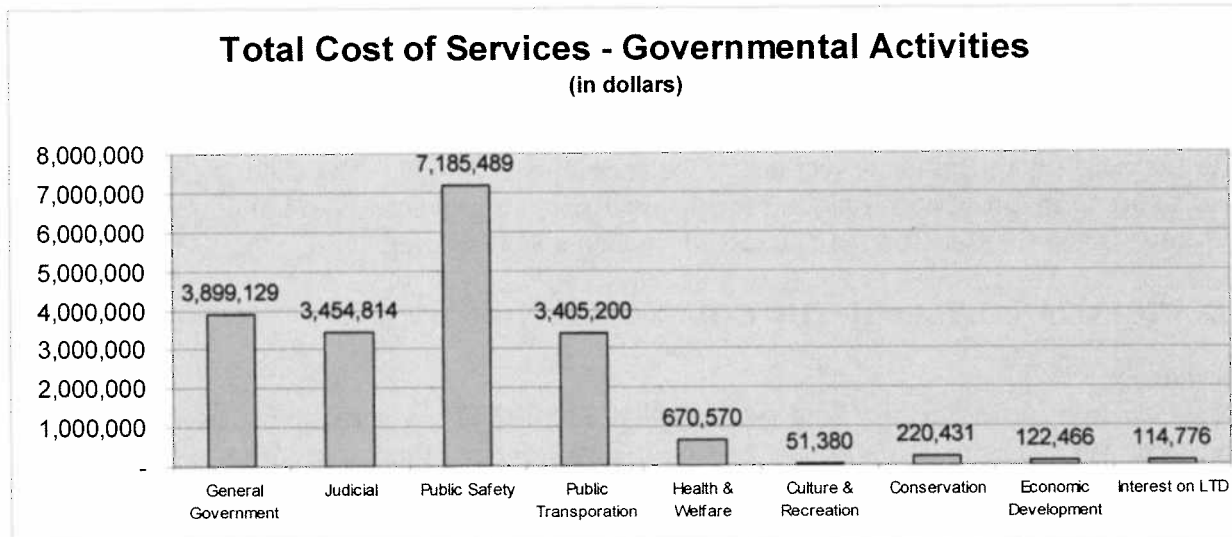
| | Governmental Activities | | Increase (Decrease) |
|--|----------------------------|----------------------|------------------------|
| | <u>2010</u> | <u>2009</u> | <u>2010-2009</u> |
| Revenues: | | | |
| Program: | | | |
| Charges for services | \$ 3,704,941 | \$ 3,847,982 | \$ (143,041) |
| Operating Grants and Contributions | 1,184,054 | 2,067,154 | (883,100) |
| General: | | | |
| Property Taxes | 10,266,783 | 10,834,210 | (567,427) |
| Sales Taxes | 4,282,890 | 2,909,178 | 1,373,712 |
| Investment Income | 13,190 | 253,302 | (240,112) |
| Fines and Forfeitures | - | 12,077 | (12,077) |
| Miscellaneous Revenues | 287,603 | 319,212 | (31,609) |
| Gain on Disposal of Capital Assets | (144,460) | - | (144,460) |
| Total Revenues | <u>\$ 19,595,001</u> | <u>\$ 20,243,115</u> | <u>\$ (648,114)</u> |
| Cost of Services: | | | |
| General Government | 3,899,129 | 4,210,749 | (311,620) |
| Judicial | 3,454,814 | 3,319,623 | 135,191 |
| Public Safety | 7,185,489 | 7,455,989 | (270,500) |
| Public Transportation | 3,405,200 | 3,318,841 | 86,359 |
| Health and Welfare | 670,570 | 1,412,992 | (742,422) |
| Culture and Recreation | 51,380 | 47,636 | 3,744 |
| Conservation | 220,431 | 255,458 | (35,027) |
| Economic Development and Assistance | 122,466 | 106,201 | 16,265 |
| Interest on Long-term Debt | 114,776 | 135,733 | (20,957) |
| Total Cost of Services | <u>\$ 19,124,255</u> | <u>\$ 20,263,222</u> | <u>\$ (1,138,967)</u> |
| Change in net assets | 470,746 | (20,107) | 490,853 |
| Net assets - beginning | 25,784,677 | 26,115,400 | (330,723) |
| Prior Period Adjustment | 202,086 | (310,616) | 512,702 |
| Net assets - ending | <u>\$ 26,457,509</u> | <u>\$ 25,784,677</u> | <u>\$ 672,832</u> |

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

- The cost of all governmental activities this year was \$19,124,255.
- However, the amount that our taxpayers paid for these activities through property taxes was approximately \$10,266,783.
- 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.

- \$7,185,489 of these costs were for public safety, which decreased by (\$270,500) 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 \$6,766,785, an increase of \$315,846 compared with the prior year. As shown on page 36 the unreserved fund balance resulted in an amount of \$5,531,684. 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 increased to \$3,433,781 in contrast to \$3,288,481 in the prior year. As a measure of the general fund’s liquidity, we compare both unreserved fund balance and total fund balance to total fund expenditures. This increase is a direct result from increases in revenues in sales taxes of \$1,373,712 due to local growth in retail trade. Other

JIM WELLS COUNTY, TEXAS

factors include, a decrease in health & welfare expenditures of (\$742,422) due to the completion of the Colonia federal program, and a decrease in general government of (\$311,620), which is primarily due to a decrease in the tax-assessor collector expenditures.

The Debt Service Fund (county-wide), which was created during 2004, has a total fund balance of \$55,472. 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 \$1,179,629. 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.

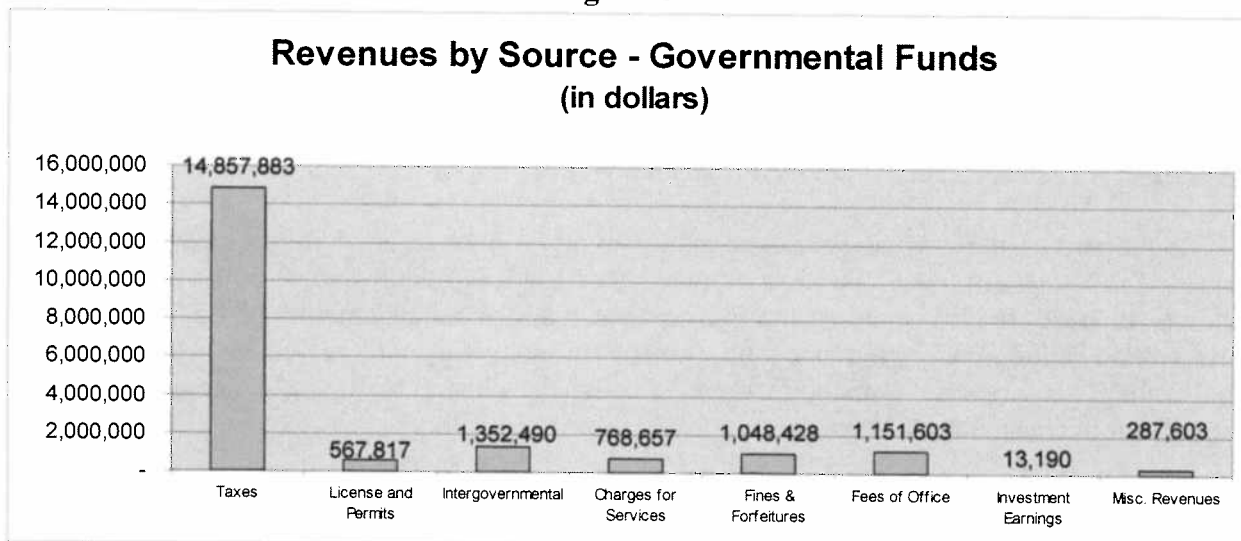
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues

Revenues from governmental fund types totaled \$20,047,671, a net increase of 1.4% from the preceding year. The most significant portion in governmental fund revenue sources was derived from general property taxes and sales taxes, which totaled \$14,857,883.

The County's primary source of revenue consists of taxes, which comprise 74% of the County's total revenues. In addition, intergovernmental and fees of office revenues comprise 7% and 6% 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**

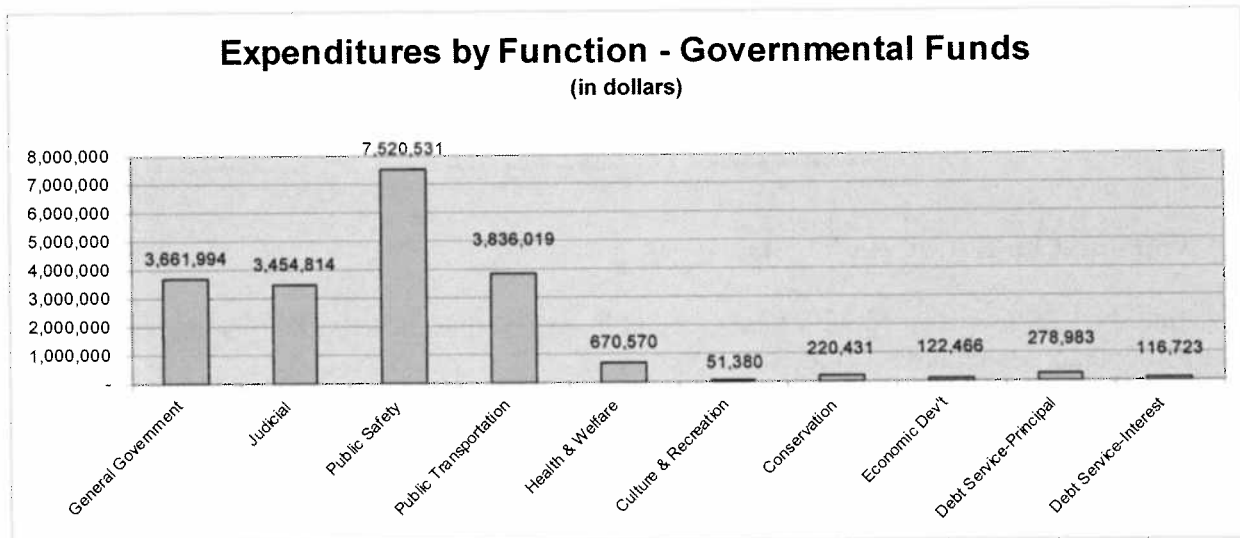
| | FY 2010 | FY 2009 | Increase (Decrease) |
|-----------------------|----------------------|----------------------|------------------------|
| Taxes | \$ 14,857,883 | \$ 13,274,621 | \$ 1,583,262 |
| License and Permits | 567,817 | 412,248 | 155,569 |
| Intergovernmental | 1,352,490 | 2,180,754 | (828,264) |
| Charges for Services | 768,657 | 641,372 | 127,285 |
| Fines & Forfeitures | 1,048,428 | 1,384,330 | (335,902) |
| Fees of Office | 1,151,603 | 1,308,509 | (156,906) |
| Investment Earnings | 13,190 | 253,302 | (240,112) |
| Misc. Revenues | 287,603 | 319,212 | (31,609) |
| Total Revenues | \$ 20,047,671 | \$ 19,774,348 | \$ 273,323 |

Expenditures

The decrease in debt-principal payments, in the amount of (\$55,782), was the result of the previous year's retirement of bonds. The decrease in health & welfare of (\$742,422) is due to decreased costs in the Indigent Health Care.

The County's primary expenditures were for public safety, public transportation, and general government. Public safety now accounts for over 38% 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 2010</u> | <u>FY 2009</u> | <u>Increase (Decrease)</u> |
|-------------------------------------|----------------------|----------------------|--------------------------------|
| General Government | \$ 3,661,994 | \$ 3,840,234 | \$ (178,240) |
| Judicial | 3,454,814 | 3,319,623 | 135,191 |
| Public Safety | 7,520,531 | 7,919,138 | (398,607) |
| Public Transportation | 3,836,019 | 3,757,734 | 78,285 |
| Health and Welfare | 670,570 | 1,412,992 | (742,422) |
| Culture and Recreation | 51,380 | 47,636 | 3,744 |
| Conservation | 220,431 | 255,458 | (35,027) |
| Economic Development and Assistance | 122,466 | 106,201 | 16,265 |
| Debt Service: | | | - |
| Principal | 278,983 | 334,765 | (55,782) |
| Interest and Fiscal Charges | 116,723 | 118,928 | (2,205) |
| Total Expenditures | <u>\$ 19,933,911</u> | <u>\$ 21,112,709</u> | <u>\$ (1,178,798)</u> |

Other financing sources from the County came from:

**Table A-5
Other Financing Resources**

| | <u>FY 2010</u> | <u>FY 2009</u> | <u>Increase (Decrease)</u> |
|-------------------|----------------|----------------|--------------------------------|
| Transfers In | \$ 374,624 | \$ 584,205 | \$ (209,581) |
| Transfers Out | (374,624) | (584,205) | 209,581 |
| Issuance of Bonds | - | - | - |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$12,288,989 and expenditures of \$14,666,835, 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 \$973,228. Of this amount, general sales & use taxes and general property taxes provided favorable variances of \$1,086,887 and \$240,582, respectively. Fines and forfeitures provided a favorable variance of \$38,775 and license & permits provided a favorable variance of \$50,253.

JIM WELLS COUNTY, TEXAS

- Actual expenditures (before transfers) were \$1,347,832 below final budget amounts. This favorable variance resulted from over-budgeted expenditures in the tax assessor-collector, juvenile corrections board, and county clerk 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 2010, the County had invested \$58,963,810 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, 2010 net capital assets of the governmental activities totaled \$21,267,042. Depreciation on capital assets is recognized in the Government-wide financial statements. Accumulated depreciation for infrastructure, buildings & improvements, and equipment totaled \$37,696,768. More detailed information about the county's capital assets is presented in the notes to the financial statements on page 47.

Table A-6
County's Capital Assets

| | Governmental | | Increase |
|--------------------------------|----------------------|----------------------|-------------------|
| | Activities | | (Decrease) |
| | 2010 | 2009 | 2010-2009 |
| Land | \$ 227,789 | \$ 227,789 | \$ - |
| Infrastructure | 41,945,219 | 41,647,363 | 297,856 |
| Buildings and Improvements | 12,926,594 | 12,716,675 | 209,919 |
| Equipment | 3,864,208 | 4,106,981 | (242,773) |
| Total at historical cost | <u>\$ 58,963,810</u> | <u>\$ 58,698,808</u> | <u>\$ 265,002</u> |
| | | | |
| Total Accumulated Depreciation | <u>(37,696,768)</u> | <u>(37,876,003)</u> | <u>179,235</u> |
| Net Capital Assets | <u>\$ 21,267,042</u> | <u>\$ 20,822,805</u> | <u>\$ 444,237</u> |

The largest increase to capital assets was attributed to infrastructure in the amount of \$297,856 for the road sealant for each road and bridge precinct. The \$(242,773) decrease in equipment is a net result compared to 2009. 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 \$3,087,603 in bonds, capital leases obligations, and other long-term liabilities outstanding as shown in Table A-7. The County's total debt decreased by a *net* of \$219,012 from 2010 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>2010</u> | <u>2009</u> |
| General obligation bonds | \$ 2,585,000 | \$ 2,735,000 |
| Capital leases | 203,271 | 332,253 |
| Compensated absences | 299,332 | 239,362 |
| Total governmental activities | \$ 3,087,603 | \$ 3,306,615 |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2011 budget preparation is up considerably from the prior year.
- General operating fund spending in the 2011 budget is expected to have a moderate increase as compared to 2010.

These indicators were taken into account when adopting the general fund budget for 2011. 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 2010-2011 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, 2010

| | Governmental Activities |
|---|----------------------------|
| ASSETS: | |
| <i>Cash and Cash Equivalents</i> | \$ 6,436,055 |
| <i>Taxes Receivables (net of allowances for uncollectibles):</i> | 1,544,823 |
| <i>Sales Taxes Receivable</i> | 416,182 |
| Capital Assets (net of accumulated depreciation): | |
| <i>Land</i> | 227,789 |
| <i>Buildings and System</i> | 8,942,148 |
| <i>Machinery and Equipment</i> | 2,040,626 |
| <i>Infrastructure</i> | 10,056,478 |
| Total Assets | <u>29,664,101</u> |
| LIABILITIES: | |
| <i>Accounts Payable and Other Current Liabilities</i> | 85,453 |
| <i>Accrued Interest Payable</i> | 33,537 |
| Noncurrent Liabilities- | |
| <i>Due within one year</i> | 312,633 |
| <i>Due in more than one year</i> | 2,774,969 |
| Total Liabilities | <u>3,206,592</u> |
| NET ASSETS | |
| Invested in Capital Assets, Net of Related Debt | 18,478,771 |
| Restricted For: | |
| Debt Service | 203,738 |
| Capital Projects | 1,179,629 |
| Unrestricted | 6,595,371 |
| Total Net Assets | <u>\$ 26,457,509</u> |

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets |
|--|----------------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | |
| PRIMARY GOVERNMENT: | | | | |
| Governmental Activities: | | | | |
| <i>General Government</i> | \$ 3,899,129 | \$ 887,296 | \$ -- | \$ (3,011,833) |
| <i>Judicial</i> | 3,454,814 | 484,433 | -- | (2,970,381) |
| <i>Public Safety</i> | 7,185,489 | 1,412,450 | 1,083,890 | (4,689,149) |
| <i>Public Transportation</i> | 3,405,200 | 920,762 | 76,614 | (2,407,824) |
| <i>Health and Welfare</i> | 670,570 | -- | 23,550 | (647,020) |
| <i>Culture and Recreation</i> | 51,380 | -- | -- | (51,380) |
| <i>Conservation</i> | 220,431 | -- | -- | (220,431) |
| <i>Economic Development and Assistance</i> | 122,466 | -- | -- | (122,466) |
| <i>Interest on Long-term Debt</i> | 114,776 | -- | -- | (114,776) |
| Total Governmental Activities | <u>19,124,255</u> | <u>3,704,941</u> | <u>1,184,054</u> | <u>(14,235,260)</u> |
| Total Primary Government | <u>\$ 19,124,255</u> | <u>\$ 3,704,941</u> | <u>\$ 1,184,054</u> | <u>(14,235,260)</u> |
| General Revenues: | | | | |
| <i>Property Taxes</i> | | | | 10,266,783 |
| <i>Sales Taxes</i> | | | | 4,282,890 |
| <i>Investment Income</i> | | | | 13,190 |
| <i>Miscellaneous Revenues</i> | | | | 287,603 |
| <i>Gain (Loss) on Disposal of Capital Assets</i> | | | | (144,460) |
| Total General Revenues | | | | <u>14,706,006</u> |
| Change in Net Assets | | | | 470,746 |
| Net Assets - Beginning | | | | 25,784,677 |
| Prior Period Adjustment | | | | 202,086 |
| Net Assets - Ending | | | | <u>\$ 26,457,509</u> |

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2010

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------------------|--------------------------------|
| ASSETS | | | |
| Assets: | | | |
| <i>Cash and Cash Equivalents</i> | \$ 3,175,607 | \$ 3,260,448 | \$ 6,436,055 |
| <i>Taxes Receivables (net of allowances for uncollectibles):</i> | 6,105,516 | 1,858,188 | 7,963,704 |
| <i>Sales Taxes Receivable</i> | 341,269 | 74,913 | 416,182 |
| Total Assets | <u>\$ 9,622,392</u> | <u>\$ 5,193,549</u> | <u>\$ 14,815,941</u> |
| LIABILITIES AND FUND BALANCES: | | | |
| Liabilities: | | | |
| <i>Accounts Payable</i> | \$ 83,096 | \$ 2,357 | \$ 85,453 |
| <i>Deferred Revenue</i> | 6,105,515 | 1,858,188 | 7,963,703 |
| Total Liabilities | <u>6,188,611</u> | <u>1,860,545</u> | <u>8,049,156</u> |
| Fund Balances: | | | |
| Reserved Fund Balances: | | | |
| <i>Reserved for Capital Projects</i> | -- | 1,179,629 | 1,179,629 |
| <i>Reserved for Debt Service</i> | -- | 55,472 | 55,472 |
| Unreserved | | | |
| General Fund | 3,433,781 | -- | 3,433,781 |
| Unreserved, reported in nonmajor: | | | |
| <i>Special Revenue Funds</i> | -- | 2,097,903 | 2,097,903 |
| Total Fund Balance | <u>3,433,781</u> | <u>3,333,004</u> | <u>6,766,785</u> |
| Total Liabilities and Fund Balance | <u>\$ 9,622,392</u> | <u>\$ 5,193,549</u> | <u>\$ 14,815,941</u> |

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 DECEMBER 31, 2010*

| | |
|---|----------------------|
| Total fund balances - governmental funds balance sheet | \$ 6,766,785 |
| <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. | 21,267,041 |
| Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds. | 1,544,822 |
| Payables for bond principal which are not due in the current period are not reported in the funds. | (2,884,332) |
| Payables for capital leases which are not due in the current period are not reported in the funds. | (203,270) |
| Payables for bond interest which are not due in the current period are not reported in the funds. | (33,537) |
| Net assets of governmental activities - Statement of Net Assets | <u>\$ 26,457,509</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, 2010

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------------|--------------------------------|
| Revenue: | | | |
| <i>Taxes:</i> | | | |
| <i>General Property Taxes</i> | \$ 8,140,815 | \$ 2,434,178 | \$ 10,574,993 |
| <i>General Sales and Use Taxes</i> | 3,511,970 | 770,920 | 4,282,890 |
| <i>License and Permits</i> | 109,253 | 458,564 | 567,817 |
| <i>Intergovernmental</i> | 225,295 | 1,127,195 | 1,352,490 |
| <i>Charges for Services</i> | 39,309 | 729,348 | 768,657 |
| <i>Fines and Forfeitures</i> | 349,775 | 698,653 | 1,048,428 |
| <i>Fees of Office</i> | 676,798 | 474,805 | 1,151,603 |
| <i>Investment Earnings</i> | 9,329 | 3,861 | 13,190 |
| <i>Miscellaneous Revenues</i> | 199,673 | 87,930 | 287,603 |
| Total revenues | 13,262,217 | 6,785,454 | 20,047,671 |
| Expenditures: | | | |
| <i>Current:</i> | | | |
| <i>General Government</i> | 3,601,269 | 60,725 | 3,661,994 |
| <i>Judicial</i> | 3,424,314 | 30,500 | 3,454,814 |
| <i>Public Safety</i> | 5,161,044 | 2,359,487 | 7,520,531 |
| <i>Public Transportation</i> | -- | 3,836,019 | 3,836,019 |
| <i>Health and Welfare</i> | 320,828 | 349,742 | 670,570 |
| <i>Culture and Recreation</i> | 51,380 | -- | 51,380 |
| <i>Conservation</i> | 220,431 | -- | 220,431 |
| <i>Economic Development and Assistance</i> | 122,466 | -- | 122,466 |
| <i>Debt Service:</i> | | | |
| <i>Principal</i> | 128,983 | 150,000 | 278,983 |
| <i>Interest and Fiscal Charges</i> | 12,599 | 104,124 | 116,723 |
| Total Expenditures | 13,043,314 | 6,890,597 | 19,933,911 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 218,903 | (105,143) | 113,760 |
| Other Financing Sources (Uses): | | | |
| <i>Transfers In</i> | -- | 374,624 | 374,624 |
| <i>Transfers Out</i> | (275,689) | (98,935) | (374,624) |
| Total Other Financing Sources (Uses) | (275,689) | 275,689 | -- |
| Net Change in Fund Balances | (56,786) | 170,546 | 113,760 |
| Fund Balances - Beginning | 3,288,481 | 3,162,458 | 6,450,939 |
| Increase (Decrease) in Fund Balance | 202,086 | -- | 202,086 |
| Fund Balances - Ending | \$ 3,433,781 | \$ 3,333,004 | \$ 6,766,785 |

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, 2010

| | |
|--|-------------------|
| Net change in fund balances - total governmental funds | \$ 113,760 |
| Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because: | |
| Capital outlays are not reported as expenses in the SOA. | 1,199,516 |
| The depreciation of capital assets used in governmental activities is not reported in the funds. | (610,820) |
| Trade-in or disposal of capital assets decrease net assets in the SOA but not in the funds. | (144,460) |
| Certain property tax revenues are deferred in the funds. This is the change in these amounts this year. | (308,210) |
| Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA. | 150,000 |
| Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA. | 128,983 |
| (Increase) decrease in accrued interest from beginning of period to end of period. | 1,947 |
| Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds. | <u>(59,970)</u> |
| Change in net assets of governmental activities - Statement of Activities | <u>\$ 470,746</u> |

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

| | <u>Agency Funds</u> |
|--|-------------------------|
| ASSETS: | |
| <i>Cash and Cash Equivalents</i> | \$ 5,440,694 |
| Total Assets | <u>\$ 5,440,694</u> |
| LIABILITIES: | |
| <i>Due to Other Governments and Agencies</i> | \$ 5,440,694 |
| Total Liabilities | <u>\$ 5,440,694</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, 2010

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, 2010

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, 2010

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, 2010 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, 2010

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

The County did not have any deficit fund balances or fund net assets of individual funds.

2. Excess of expenditures over appropriations

For the year ended December 31, 2010, the following fund has expenditures exceeding appropriations

| | | |
|---------------------------|----|----------|
| Road & Bridge Fund No. 21 | \$ | (12,766) |
| Law Library Fund | | (6,310) |

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, 2010

Cash Deposits:

At December 31, 2010, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$11,877,577 and the bank balance was \$12,097,411. The County's cash deposits at December 31, 2010 and during the year ended December 31, 2010, 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 \$18,348,645.
- c. The highest combined balances of cash, savings and time deposit accounts amounted to \$17,117,730 and occurred during the month of March, 2010.
- 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, 2010.

| 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, 2010

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, 2010

D. Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--|-----------------------|-------------------|---------------------|----------------------|
| <i>Governmental activities:</i> | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 227,789 | \$ -- | \$ -- | \$ 227,789 |
| Total capital assets not being depreciated | <u>227,789</u> | <u>--</u> | <u>--</u> | <u>227,789</u> |
| <i>Capital assets being depreciated:</i> | | | | |
| Infrastructure | 41,647,363 | 297,856 | -- | 41,945,219 |
| Buildings and improvements | 12,716,675 | 209,919 | -- | 12,926,594 |
| Machinery & Equipment | 4,106,980 | 691,742 | (934,515) | 3,864,207 |
| Total capital assets being depreciated | <u>58,471,018</u> | <u>1,199,517</u> | <u>(934,515)</u> | <u>58,736,020</u> |
| Less accumulated depreciation for: | | | | |
| Infrastructure | (31,839,498) | (49,243) | -- | (31,888,741) |
| Buildings and improvements | (3,723,794) | (260,652) | -- | (3,984,446) |
| Machinery & Equipment | (2,312,711) | (300,925) | 790,055 | (1,823,581) |
| Total accumulated depreciation | <u>(37,876,003)</u> | <u>(610,820)</u> | <u>790,055</u> | <u>(37,696,768)</u> |
| Total capital assets being depreciated, net | <u>20,595,015</u> | <u>588,697</u> | <u>(144,460)</u> | <u>21,039,252</u> |
| Governmental activities capital assets, net | <u>\$ 20,822,804</u> | <u>\$ 588,697</u> | <u>\$ (144,460)</u> | <u>\$ 21,267,041</u> |

Depreciation was charged to functions as follows:

| | |
|--|-------------------|
| General Government | \$ 162,383 |
| Public Protection: | |
| Courthouse & Buildings | 260,652 |
| Probation | 22,899 |
| Sheriff | 93,831 |
| Fire Protection | 21,812 |
| Public Ways and Facilities, Including Depreciation of General Infrastructure Assets | 49,243 |
| | <u>\$ 610,820</u> |

JIM WELLS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2010,

2. Transfers To and From Other Funds

Transfers to and from other funds at December 31, 2010, consisted of the following:

| Transfers out: | Transfers In: | | |
|-----------------------|---------------|-----------------------|----------------|
| | General Fund | Nonmajor Governmental | Total |
| General fund | \$ -- | \$ 275,689 | \$ 275,689 |
| Nonmajor governmental | -- | 98,935 | 98,935 |
| Total transfers out | <u>--</u> | <u>374,624</u> | <u>374,624</u> |

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

F. Leases

Operating Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of December 31, 2010, as follows:

| | |
|-----------------------------|-------------------|
| Year Ending December 31, | |
| 2011 | \$ 89,766 |
| 2012 | 89,766 |
| 2013 | 89,766 |
| 2014 | 89,766 |
| 2015 | 89,766 |
| Total Minimum Rentals | <u>\$ 448,830</u> |
| Rental Expenditures in 2010 | <u>\$ 89,766</u> |

Capital Leases

The County has entered into three lease agreements as lessee for financing the acquisition of two fire trucks and six police vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

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 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, 2010

3. 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 | (448,563) |
| Total | \$ 515,757 |

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2010 were as follows:

| Year Ending December 31, | |
|---|------------|
| 2011 | \$ 102,371 |
| 2012 | 102,371 |
| 2013 | 7,426 |
| 2014 | 7,426 |
| Total Minimum Lease Payments | \$ 219,594 |
| Less: amount representing interest | (16,323) |
| Present Value of Minimum Lease Payments | \$ 203,271 |

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, 2010.

| 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 | \$2,585,000 |

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended December 31, 2010, are as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|---------------------------------|-------------------|------------|------------|----------------|-----------------------------|
| Governmental activities: | | | | | |
| General obligation bonds | \$ 2,735,000 | \$ -- | \$ 150,000 | \$ 2,585,000 | 155,000 |
| Capital leases | 332,253 | -- | 128,982 | 203,271 | 92,663 |
| Compensated absences * | 239,362 | 107,853 | 47,883 | 299,332 | 65,000 |
| Total governmental activities | \$ 3,306,615 | \$ 107,853 | \$ 326,865 | \$ 3,087,603 | \$ 312,663 |

* 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, 2010

| Liability | Activity Type | Fund |
|----------------------|---------------|---------|
| Compensated absences | Governmental | General |

2. Debt Service Requirements

Debt service requirements on long-term debt at December 31, 2010, are as follows:

| Year Ending December 31, | Governmental Activities | | |
|--------------------------|-------------------------|------------|--------------|
| | Principal | Interest | Total |
| 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 | 180,000 | 72,375 | 252,375 |
| 2016-2020 | 1,020,000 | 250,225 | 1,270,225 |
| 2021-2023 | 720,000 | 49,408 | 769,408 |
| Totals | \$ 2,585,000 | \$ 727,516 | \$ 3,312,516 |

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 2010, 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.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Members are vested after 8 years of employment with any organization with an accredited plan (not just the County), but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer. Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCRDS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. Funding Policy

The employer has elected the 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 11.13 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, 2010, the annual pension cost for the TCDRS plan for its employees was \$834,938 and the actual contributions were \$455,593.

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

| | Actuarial | Valuation | Information |
|--------------------------|--|---|---|
| Actuarial valuation date | 12/31/2007 | 12/31/2008 | 12/31/2009 |
| 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 | 20 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% | 5.4% |
| Inflation | 3.5% | 3.5% | 3.5% |
| Cost-of-living adjust. | 0.0% | 0.0% | 0.0% |

* Includes inflation at the stated rate

JIM WELLS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2010

4. Trend Information for the Plan

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------|---------------------------|-------------------------------|------------------------|
| December 31, 2008 | \$ 779,794 | 100% | \$ -- |
| December 31, 2009 | 779,465 | 100% | -- |
| December 31, 2010 | 834,938 | 100% | -- |

5. Funded Status and Funding Progress. The funded status of the plan as of December 31, 2009

| | |
|---|-------------------|
| Actuarial accrued liability (AAL) | \$ 21,959,197 |
| Actuarial value of plan assets | <u>18,648,272</u> |
| Unfunded actuarial accrued liability (UAAL) | <u>40,607,469</u> |
| Funded ratio (actuarial value of plan assets/AAL) | 84.92% |
| Covered payroll (active plan members) | \$ 7,650,186 |
| UAAL as a percentage of covered payroll | 43.28% |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the

J. Health Care Coverage

During the year ended December 31, 2010, 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, 2011, 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.

JIM WELLS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2010.

L. Other Related Disclosures

The following funds had adopted budgets for the fiscal year ended December 31, 2010:

General Fund
Road and Bridge Funds
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 2010 has been restated from the balance previously reported in 2009 to reflect a net adjustment of \$202,086 for corrections of accrued liabilities in the statement of net assets. The effect of the correction of this error is a net increase of \$202,086 to ending fund balances at December 31, 2010.

N. Subsequent Event

The County has evaluated subsequent events through July 20, 2011, the date which the financial statements were available to be issued.

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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, 2010

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, 2007 | \$ 16,057,123 | \$ 18,272,938 | \$ 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% |
| December 31, 2009 | 18,648,272 | 21,959,197 | 3,310,925 | 84.92% | 7,650,186 | 43.28% |

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, 2010

EXHIBIT B-1
Page 1 of 4

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUE: | | | | |
| Taxes: | | | | |
| <i>General Property Taxes</i> | \$ 8,060,722 | \$ 7,900,233 | \$ 8,140,815 | \$ 240,582 |
| <i>General Sales and Use Taxes</i> | 2,559,414 | 2,425,083 | 3,511,970 | 1,086,887 |
| License and Permits | 60,207 | 59,000 | 109,253 | 50,253 |
| Intergovernmental | 159,159 | 322,051 | 225,295 | (96,756) |
| Charges for Services | 43,964 | 20,500 | 39,309 | 18,809 |
| Fines and Forfeitures | 342,026 | 311,000 | 349,775 | 38,775 |
| Fees of Office | 657,933 | 1,030,322 | 676,798 | (353,524) |
| Investment Earnings | 10,000 | 50,000 | 9,329 | (40,671) |
| Miscellaneous Revenues | 220,232 | 170,800 | 199,673 | 28,873 |
| Total revenues | <u>12,113,657</u> | <u>12,288,989</u> | <u>13,262,217</u> | <u>973,228</u> |
| EXPENDITURES: | | | | |
| General Government | | | | |
| County Judge | | | | |
| <i>Personal Services</i> | 218,288 | 217,431 | 199,257 | 18,174 |
| <i>Supplies</i> | 3,000 | 2,500 | 4,844 | (2,344) |
| <i>Other Services and Charges</i> | 9,676 | 14,440 | 9,746 | 4,694 |
| <i>Capital Outlay</i> | 4,000 | 1,500 | -- | 1,500 |
| Total County Judge | <u>234,964</u> | <u>235,871</u> | <u>213,847</u> | <u>22,024</u> |
| County Clerk | | | | |
| <i>Personal Services</i> | 405,405 | 405,116 | 327,429 | 77,687 |
| <i>Supplies</i> | 12,000 | 9,500 | 16,655 | (7,155) |
| <i>Other Services and Charges</i> | 55,566 | 14,625 | 43,851 | (29,226) |
| <i>Capital Outlay</i> | 5,500 | 44,500 | -- | 44,500 |
| Total County Clerk | <u>478,471</u> | <u>473,741</u> | <u>387,935</u> | <u>85,806</u> |
| Veterans Service | | | | |
| <i>Personal Services</i> | 37,649 | 37,636 | 38,007 | (371) |
| <i>Supplies</i> | 100 | 250 | 125 | 125 |
| <i>Other Services and Charges</i> | 2,236 | 32,236 | 25,020 | 7,216 |
| <i>Capital Outlay</i> | 30,900 | 900 | -- | 900 |
| Total Veterans Service | <u>70,885</u> | <u>71,022</u> | <u>63,152</u> | <u>7,870</u> |
| County Auditor | | | | |
| <i>Personal Services</i> | 382,210 | 382,099 | 388,815 | (6,716) |
| <i>Supplies</i> | 12,000 | 12,000 | 20,226 | (8,226) |
| <i>Other Services and Charges</i> | 35,700 | 35,700 | 12,340 | 23,360 |
| <i>Capital Outlay</i> | 12,000 | 12,000 | -- | 12,000 |
| Total County Auditor | <u>441,910</u> | <u>441,799</u> | <u>421,381</u> | <u>20,418</u> |
| County Treasurer | | | | |
| <i>Personal Services</i> | 147,344 | 147,291 | 146,736 | 555 |
| <i>Supplies</i> | 1,800 | 1,800 | 1,433 | 367 |
| <i>Other Services and Charges</i> | 4,896 | 4,763 | 5,060 | (297) |
| <i>Capital Outlay</i> | 300 | 300 | -- | 300 |
| Total County Treasurer | <u>154,340</u> | <u>154,154</u> | <u>153,229</u> | <u>925</u> |
| Tax Assessor-Collector | | | | |
| <i>Personal Services</i> | 391,770 | 391,853 | 322,327 | 69,526 |
| <i>Supplies</i> | 2,500 | 3,669 | 4,015 | (346) |
| <i>Other Services and Charges</i> | 381,920 | 390,904 | 232,244 | 158,660 |
| <i>Capital Outlay</i> | 300 | 467 | -- | 467 |
| Total Tax Assessor-Collector | <u>776,490</u> | <u>786,893</u> | <u>558,586</u> | <u>228,307</u> |
| County Courthouse and Annex | | | | |
| <i>Personal Services</i> | 66,823 | 66,288 | 57,631 | 8,657 |

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | | |
| <i>Supplies</i> | 31,500 | 33,000 | 37,512 | (4,512) |
| <i>Other Services and Charges</i> | 928,694 | 924,500 | 979,984 | (55,484) |
| <i>Capital Outlay</i> | 142,000 | 142,500 | 72,326 | 70,174 |
| <i>Total County Courthouse and Annex</i> | 1,169,017 | 1,166,288 | 1,147,453 | 18,835 |
| 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> | 181,023 | 179,060 | 201,351 | (22,291) |
| <i>Supplies</i> | 10,000 | 5,000 | 29,200 | (24,200) |
| <i>Other Services and Charges</i> | 32,532 | 22,770 | 26,896 | (4,126) |
| <i>Total Elections</i> | 223,555 | 206,830 | 257,447 | (50,617) |
| Non-Departmental | | | | |
| <i>Personal Services</i> | 14,664 | 14,643 | 15,635 | (992) |
| <i>Supplies</i> | 60,000 | 84,000 | 68,864 | 15,136 |
| <i>Other Services and Charges</i> | 345,466 | 261,586 | 313,740 | (52,154) |
| <i>Total Non-Departmental</i> | 420,130 | 360,229 | 398,239 | (38,010) |
| Total General Government | 4,019,762 | 3,946,827 | 3,601,269 | 345,558 |
| Judicial | | | | |
| County court | | | | |
| <i>Other Services and Charges</i> | 117,300 | 124,500 | 116,887 | 7,613 |
| <i>Total County Court</i> | 117,300 | 124,500 | 116,887 | 7,613 |
| District Court | | | | |
| <i>Personal Services</i> | 395,229 | 394,874 | 350,166 | 44,708 |
| <i>Supplies</i> | 5,000 | 5,000 | 4,820 | 180 |
| <i>Other Services and Charges</i> | 320,826 | 273,357 | 376,200 | (102,843) |
| <i>Capital Outlay</i> | 35,000 | 45,100 | -- | 45,100 |
| <i>Total District Court</i> | 756,055 | 718,331 | 731,186 | (12,855) |
| District Clerk | | | | |
| <i>Personal Services</i> | 463,295 | 463,180 | 442,345 | 20,835 |
| <i>Supplies</i> | 12,500 | 12,500 | 23,747 | (11,247) |
| <i>Other Services and Charges</i> | 18,700 | 15,400 | 23,556 | (8,156) |
| <i>Capital Outlay</i> | 13,000 | 13,000 | -- | 13,000 |
| <i>Total District Clerk</i> | 507,495 | 504,080 | 489,648 | 14,432 |
| Justice of the Peace | | | | |
| <i>Personal Services</i> | 623,329 | 611,775 | 604,070 | 7,705 |
| <i>Supplies</i> | 9,350 | 16,350 | 30,633 | (14,283) |
| <i>Other Services and Charges</i> | 94,101 | 89,056 | 97,231 | (8,175) |
| <i>Capital Outlay</i> | 19,380 | 19,100 | -- | 19,100 |
| <i>Total Justice of the Peace</i> | 746,160 | 736,281 | 731,934 | 4,347 |
| County Attorney | | | | |
| <i>Personal Services</i> | 553,803 | 554,577 | 542,430 | 12,147 |
| <i>Supplies</i> | 1,900 | 1,900 | 3,372 | (1,472) |
| <i>Other Services and Charges</i> | 11,900 | 11,000 | 8,536 | 2,464 |
| <i>Total County Attorney</i> | 567,603 | 567,477 | 554,338 | 13,139 |
| District Attorney | | | | |
| <i>Personal Services</i> | 715,549 | 707,038 | 742,286 | (35,248) |
| <i>Supplies</i> | 10,000 | 7,000 | 16,957 | (9,957) |
| <i>Other Services and Charges</i> | 42,100 | 27,100 | 34,966 | (7,866) |
| <i>Capital Outlay</i> | 8,612 | 9,000 | 6,112 | 2,888 |
| <i>Total District Attorney</i> | 776,261 | 750,138 | 800,321 | (50,183) |
| Total Judicial | 3,470,874 | 3,400,807 | 3,424,314 | (23,507) |
| Public Safety | | | | |

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT B-1
Page 3 of 4

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-----------|---|
| | Original | Final | | |
| Ambulance | | | | |
| <i>Other Services and Charges</i> | 155,800 | 155,800 | 155,800 | -- |
| <i>Total Ambulance</i> | 155,800 | 155,800 | 155,800 | -- |
| Fire Protection | | | | |
| <i>Other Services and Charges</i> | -- | -- | 170 | (170) |
| <i>Total Fire Protection</i> | -- | -- | 170 | (170) |
| Constable | | | | |
| <i>Personal Services</i> | 359,436 | 344,005 | 357,348 | (13,343) |
| <i>Supplies</i> | 4,500 | 6,500 | 3,728 | 2,772 |
| <i>Other Services and Charges</i> | 9,603 | 7,362 | 8,149 | (787) |
| <i>Capital Outlay</i> | 3,644 | 2,416 | -- | 2,416 |
| <i>Total Constable</i> | 377,183 | 360,283 | 369,225 | (8,942) |
| Sheriff | | | | |
| <i>Personal Services</i> | 2,704,901 | 2,968,582 | 2,939,337 | 29,245 |
| <i>Supplies</i> | 369,000 | 368,568 | 416,530 | (47,962) |
| <i>Other Services and Charges</i> | 778,600 | 792,510 | 791,089 | 1,421 |
| <i>Capital Outlay</i> | 31,012 | 31,012 | 31,012 | -- |
| <i>Total Sheriff</i> | 3,883,513 | 4,160,672 | 4,177,968 | (17,296) |
| Juvenile Corrections Board | | | | |
| <i>Personal Services</i> | 45,204 | 58,510 | 56,479 | 2,031 |
| <i>Supplies</i> | 13,000 | 14,670 | 18,792 | (4,122) |
| <i>Other Services and Charges</i> | 198,100 | 238,500 | 87,057 | 151,443 |
| <i>Capital Outlay</i> | 30,076 | 30,381 | 24,695 | 5,686 |
| <i>Total Juvenile Corrections Board</i> | 286,380 | 342,061 | 187,023 | 155,038 |
| Emergency Management | | | | |
| <i>Supplies</i> | 8,200 | 8,200 | 308 | 7,892 |
| <i>Other Services and Charges</i> | 3,000 | 3,000 | -- | 3,000 |
| <i>Capital Outlay</i> | 2,000 | 20,000 | -- | 20,000 |
| <i>Total Emergency Management</i> | 13,200 | 31,200 | 308 | 30,892 |
| Safety Department | | | | |
| <i>Personal Services</i> | 150,637 | 150,578 | 152,740 | (2,162) |
| <i>Supplies</i> | 7,250 | 10,197 | 9,457 | 740 |
| <i>Other Services and Charges</i> | 17,746 | 16,850 | 14,719 | 2,131 |
| <i>Capital Outlay</i> | 2,000 | 3,803 | -- | 3,803 |
| <i>Total Safety Department</i> | 177,633 | 181,428 | 176,916 | 4,512 |
| Vector Control | | | | |
| <i>Supplies</i> | 1,475 | 2,750 | 665 | 2,085 |
| <i>Other Services and Charges</i> | 5,300 | 5,300 | 1,974 | 3,326 |
| <i>Capital Outlay</i> | 2,000 | 2,000 | -- | 2,000 |
| <i>Total Vector Control</i> | 8,775 | 10,050 | 2,639 | 7,411 |
| Highway Patrol & Nat'l Guard | | | | |
| <i>Personal Services</i> | 8,000 | -- | 6,174 | (6,174) |
| <i>Total Highway Patrol & Nat'l Guard</i> | 8,000 | -- | 6,174 | (6,174) |
| Adult Probation | | | | |
| <i>Other Services and Charges</i> | 25,998 | 25,000 | 26,792 | (1,792) |
| <i>Total Adult Probation</i> | 25,998 | 25,000 | 26,792 | (1,792) |
| Total Public Safety | 5,061,499 | 5,333,475 | 5,161,044 | 172,431 |
| Health and Welfare | | | | |
| <i>Personal Services</i> | 85,303 | 85,297 | 76,613 | 8,684 |
| <i>Supplies</i> | 1,500 | 1,900 | 690 | 1,210 |
| <i>Other Services and Charges</i> | 231,596 | 260,730 | 243,525 | 17,205 |
| <i>Capital Outlay</i> | 2,000 | 2,000 | -- | 2,000 |
| <i>Total Health and Welfare</i> | 320,399 | 349,927 | 320,828 | 29,099 |

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT B-1
Page 4 of 4

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------|--------------|---|
| | Original | Final | | |
| Culture and Recreation | | | | |
| <i>Jim Wells County Library</i> | | | | |
| <i>Other Services and Charges</i> | 50,000 | 50,000 | 50,000 | -- |
| <i>Total Jim Wells County Library</i> | 50,000 | 50,000 | 50,000 | -- |
| Parks Department | | | | |
| <i>Other Services and Charges</i> | 1,920 | 4,600 | 1,380 | 3,220 |
| <i>Total Parks Department</i> | 1,920 | 4,600 | 1,380 | 3,220 |
| Orange Grove Center | | | | |
| <i>Other Services and Charges</i> | 6,000 | 5,200 | -- | 5,200 |
| <i>Total Orange Grove Center</i> | 6,000 | 5,200 | -- | 5,200 |
| <i>Total Culture and Recreation</i> | 57,920 | 59,800 | 51,380 | 8,420 |
| Conservation | | | | |
| Agriculture Extension Service | | | | |
| <i>Personal Services</i> | 168,129 | 168,053 | 158,348 | 9,705 |
| <i>Supplies</i> | 3,774 | 3,774 | 3,195 | 579 |
| <i>Other Services and Charges</i> | 55,084 | 52,100 | 58,888 | (6,788) |
| <i>Total Agriculture Extension Service</i> | 226,987 | 223,927 | 220,431 | 3,496 |
| Economic Development and Assistance | | | | |
| <i>Personal Services</i> | 70,908 | 83,562 | 70,397 | 13,165 |
| <i>Supplies</i> | 1,500 | 3,000 | -- | 3,000 |
| <i>Other Services and Charges</i> | 16,600 | 66,149 | 52,069 | 14,080 |
| <i>Capital Outlay</i> | 12,600 | 12,600 | -- | 12,600 |
| <i>Total Economic Development and Assistance</i> | 101,608 | 165,311 | 122,466 | 42,845 |
| Debt Service: | | | | |
| <i>Principal</i> | 186,051 | 185,386 | 128,983 | 56,403 |
| <i>Interest and Fiscal Charges</i> | 12,599 | 12,599 | 12,599 | -- |
| <i>Total Debt Service</i> | 198,650 | 197,985 | 141,582 | 56,403 |
| Total Expenditures | 13,466,731 | 13,686,059 | 13,043,314 | 642,745 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,353,074) | (1,397,070) | 218,903 | 1,615,973 |
| OTHER FINANCING SOURCES (USES): | | | | |
| <i>Transfers Out</i> | (400,000) | (980,776) | (275,689) | (705,087) |
| <i>Total Other Financing Sources (Uses)</i> | (400,000) | (980,776) | (275,689) | (705,087) |
| Net Change in Fund Balances | (1,753,074) | (2,377,846) | (56,786) | 2,321,060 |
| Fund Balances - Beginning | 3,288,481 | 3,288,481 | 3,288,481 | -- |
| Increase (Decrease) in Fund Balance | -- | -- | 202,086 | 202,086 |
| Fund Balances - Ending | \$ 1,535,407 | \$ 910,635 | \$ 3,433,781 | \$ 2,523,146 |

JIM WELLS COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2010

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 which includes all four Road & Bridge Funds, the Small Dams Fund and the Law Library Fund. 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 1st 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 2010 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. The Colonia Grant is used to account for grant funds to plan studies for an improved standard of living. The Home Program used to accounts for grant funds to assist in the purchasing of a home.

-
4. County Attorney Crime Prevention and Auto Theft Funds are used to account for grant funds, which assist law enforcement and public safety the community.
 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.

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 Sheriff Impound Fees Fund is used to account for funds collected in the every day operations of the impound yard. The Jail Commissary Fund is used to account for funds collected from the jail commissary.
2. 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.
3. The CSCD After Care Caseload fund accounts for the fees collected related to after care.
4. The County Attorney Check Collection Fee Fund accounts for County Attorney hot check collection fees.
5. The 79th Judicial District Attorney Drug Forfeiture Fund and Task Escrow 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.
6. 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)

7. 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.

8. 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.

9. The J.P. Technology Fund is used to account for technology fees collected from misdemeanor convictions. The fees collected can only be used for technology enhancements.

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, 2010

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> | \$ 2,025,347 | \$ 55,472 | \$ 1,179,629 | \$ 3,260,448 |
| <i>Taxes Receivables (net of allowances for uncollectibles):</i> | 1,858,188 | -- | -- | 1,858,188 |
| <i>Sales Taxes Receivable</i> | 74,913 | -- | -- | 74,913 |
| Total Assets | \$ 3,958,448 | \$ 55,472 | \$ 1,179,629 | \$ 5,193,549 |
| LIABILITIES AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| <i>Accounts Payable</i> | \$ 2,357 | \$ -- | \$ -- | \$ 2,357 |
| <i>Deferred Revenue</i> | 1,858,188 | -- | -- | 1,858,188 |
| Total Liabilities | 1,860,545 | -- | -- | 1,860,545 |
| Fund Balances: | | | | |
| Reserved Fund Balances: | | | | |
| <i>Reserved for Capital Projects</i> | -- | -- | 1,179,629 | 1,179,629 |
| <i>Reserved for Debt Service</i> | -- | 55,472 | -- | 55,472 |
| Unreserved, reported in nonmajor: | | | | |
| <i>Special Revenue Funds</i> | 2,097,903 | -- | -- | 2,097,903 |
| Total Fund Balance | 2,097,903 | 55,472 | 1,179,629 | 3,333,004 |
| Total Liabilities and Fund Balance | \$ 3,958,448 | \$ 55,472 | \$ 1,179,629 | \$ 5,193,549 |

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

| | Special Revenue Funds | Debt Service Fund | Capital Projects Funds | Total Nonmajor Governmental Funds (See Exhibit A-5) |
|--|-----------------------------|-------------------------|------------------------------|---|
| Revenue: | | | | |
| Taxes: | | | | |
| <i>General Property Taxes</i> | \$ 2,176,669 | \$ 257,509 | \$ -- | \$ 2,434,178 |
| <i>General Sales and Use Taxes</i> | 770,920 | -- | -- | 770,920 |
| <i>License and Permits</i> | 458,564 | -- | -- | 458,564 |
| <i>Intergovernmental</i> | 1,126,826 | -- | 369 | 1,127,195 |
| <i>Charges for Services</i> | 729,348 | -- | -- | 729,348 |
| <i>Fines and Forfeitures</i> | 698,653 | -- | -- | 698,653 |
| <i>Fees of Office</i> | 474,805 | -- | -- | 474,805 |
| <i>Investment Earnings</i> | 3,659 | 155 | 47 | 3,861 |
| <i>Miscellaneous Revenues</i> | 86,826 | -- | 1,104 | 87,930 |
| Total revenues | <u>6,526,270</u> | <u>257,664</u> | <u>1,520</u> | <u>6,785,454</u> |
| Expenditures: | | | | |
| Current: | | | | |
| <i>General Government</i> | 60,725 | -- | -- | 60,725 |
| <i>Judicial</i> | 30,500 | -- | -- | 30,500 |
| <i>Public Safety</i> | 2,359,487 | -- | -- | 2,359,487 |
| <i>Public Transportation</i> | 3,836,019 | -- | -- | 3,836,019 |
| <i>Health and Welfare</i> | 349,742 | -- | -- | 349,742 |
| Debt Service: | | | | |
| <i>Principal</i> | -- | 150,000 | -- | 150,000 |
| <i>Interest and Fiscal Charges</i> | -- | 104,124 | -- | 104,124 |
| Total Expenditures | <u>6,636,473</u> | <u>254,124</u> | <u>--</u> | <u>6,890,597</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(110,203)</u> | <u>3,540</u> | <u>1,520</u> | <u>(105,143)</u> |
| Other Financing Sources (Uses): | | | | |
| <i>Transfers In</i> | 374,624 | -- | -- | 374,624 |
| <i>Transfers Out</i> | (98,935) | -- | -- | (98,935) |
| Total Other Financing Sources (Uses) | <u>275,689</u> | <u>--</u> | <u>--</u> | <u>275,689</u> |
| Net Change in Fund Balances | <u>165,486</u> | <u>3,540</u> | <u>1,520</u> | <u>170,546</u> |
| Fund Balances - Beginning | 1,932,417 | 51,932 | 1,178,109 | 3,162,458 |
| Fund Balances - Ending | <u>\$ 2,097,903</u> | <u>\$ 55,472</u> | <u>\$ 1,179,629</u> | <u>\$ 3,333,004</u> |

JIM WELLS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

| | Road & Bridge No. 21 Fund | Road & Bridge No. 22 Fund | Road & Bridge No. 23 Fund | Road & Bridge No. 24 Fund |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| ASSETS | | | | |
| <i>Assets:</i> | | | | |
| <i>Cash and Cash Equivalents</i> | \$ 116,608 | \$ 355,361 | \$ 7,657 | \$ 263,513 |
| <i>Taxes Receivables (net of allowances for uncollectibles):</i> | 409,145 | 273,921 | 562,092 | 613,030 |
| <i>Sales Taxes Receivable</i> | 16,481 | 9,739 | 23,972 | 24,721 |
| Total Assets | <u>\$ 542,234</u> | <u>\$ 639,021</u> | <u>\$ 593,721</u> | <u>\$ 901,264</u> |
| LIABILITIES AND FUND BALANCES: | | | | |
| <i>Liabilities:</i> | | | | |
| <i>Accounts Payable</i> | \$ -- | \$ -- | \$ 2,357 | \$ -- |
| <i>Deferred Revenue</i> | 409,144 | 273,921 | 562,093 | 613,030 |
| Total Liabilities | <u>409,144</u> | <u>273,921</u> | <u>564,450</u> | <u>613,030</u> |
| <i>Fund Balances:</i> | | | | |
| <i>Reserved Fund Balances:</i> | | | | |
| <i>Unreserved, reported in nonmajor:</i> | | | | |
| <i>Special Revenue Funds</i> | 133,090 | 365,100 | 29,271 | 288,234 |
| Total Fund Balance | <u>133,090</u> | <u>365,100</u> | <u>29,271</u> | <u>288,234</u> |
| Total Liabilities and Fund Balance | <u>\$ 542,234</u> | <u>\$ 639,021</u> | <u>\$ 593,721</u> | <u>\$ 901,264</u> |

| Indigent Health Care Fund | Sheriff Impound Fees | Sheriff Federal Detention | Small Dams No. 32 Fund | Jail Commissary Fund |
|---------------------------------|----------------------------|---------------------------------|------------------------------|----------------------------|
| \$ 16,111 | \$ 50,195 | \$ 295 | \$ 79,174 | \$ 4,275 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>\$ 16,111</u> | <u>\$ 50,195</u> | <u>\$ 295</u> | <u>\$ 79,174</u> | <u>\$ 4,275</u> |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 16,111 | 50,195 | 295 | 79,174 | 4,275 |
| <u>16,111</u> | <u>50,195</u> | <u>295</u> | <u>79,174</u> | <u>4,275</u> |
| <u>\$ 16,111</u> | <u>\$ 50,195</u> | <u>\$ 295</u> | <u>\$ 79,174</u> | <u>\$ 4,275</u> |

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2010

| | CSCD After Care Caseload | County Attorney Check Collection | Juvenile Probation Fund | Adult Probation Fund |
|---|--------------------------------|--|-------------------------------|----------------------------|
| ASSETS | | | | |
| <i>Assets:</i> | | | | |
| <i>Cash and Cash Equivalents</i> | \$ 11,417 | \$ 18,911 | \$ 177,669 | \$ 147,706 |
| <i>Taxes Receivables (net of allowances for uncollectibles):</i> | -- | -- | -- | -- |
| <i>Sales Taxes Receivable</i> | -- | -- | -- | -- |
| Total Assets | \$ 11,417 | \$ 18,911 | \$ 177,669 | \$ 147,706 |
| LIABILITIES AND FUND BALANCES: | | | | |
| <i>Liabilities:</i> | | | | |
| <i>Accounts Payable</i> | \$ -- | \$ -- | \$ -- | \$ -- |
| <i>Deferred Revenue</i> | -- | -- | -- | -- |
| Total Liabilities | -- | -- | -- | -- |
| <i>Fund Balances:</i> | | | | |
| <i>Reserved Fund Balances:</i> | | | | |
| <i>Unreserved, reported in nonmajor:</i> | | | | |
| <i>Special Revenue Funds</i> | 11,417 | 18,911 | 177,669 | 147,706 |
| Total Fund Balance | 11,417 | 18,911 | 177,669 | 147,706 |
| Total Liabilities and Fund Balance | \$ 11,417 | \$ 18,911 | \$ 177,669 | \$ 147,706 |

| State Juvenile Probation Fund | Home Program Fund | Law Library Fund | Auto Theft Fund | Drug Abuse and Rehabilitation Fund |
|-------------------------------------|-------------------------|------------------------|-----------------------|--|
| \$ 27,677 | \$ 127 | \$ 5,352 | \$ 3,785 | \$ 66,862 |
| -- | -- | -- | -- | -- |
| <u>\$ 27,677</u> | <u>\$ 127</u> | <u>\$ 5,352</u> | <u>\$ 3,785</u> | <u>\$ 66,862</u> |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| 27,677 | 127 | 5,352 | 3,785 | 66,862 |
| <u>27,677</u> | <u>127</u> | <u>5,352</u> | <u>3,785</u> | <u>66,862</u> |
| <u>\$ 27,677</u> | <u>\$ 127</u> | <u>\$ 5,352</u> | <u>\$ 3,785</u> | <u>\$ 66,862</u> |

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2010

| | County Attorney Crime Prevention Fund | 79th Judicial District Attorney Forfeiture Fund | Sheriff Drug Forfeiture Fund | Community Corrections Fund |
|---|---|---|------------------------------------|----------------------------------|
| ASSETS | | | | |
| Assets: | | | | |
| <i>Cash and Cash Equivalents</i> | \$ 1,900 | \$ 159,855 | \$ 444,430 | \$ 15,903 |
| <i>Taxes Receivables (net of allowances for uncollectibles):</i> | -- | -- | -- | -- |
| <i>Sales Taxes Receivable</i> | -- | -- | -- | -- |
| Total Assets | <u>\$ 1,900</u> | <u>\$ 159,855</u> | <u>\$ 444,430</u> | <u>\$ 15,903</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> | 1,900 | 159,855 | 444,430 | 15,903 |
| Total Fund Balance | <u>1,900</u> | <u>159,855</u> | <u>444,430</u> | <u>15,903</u> |
| Total Liabilities and Fund Balance | <u>\$ 1,900</u> | <u>\$ 159,855</u> | <u>\$ 444,430</u> | <u>\$ 15,903</u> |

| Constable Prct 5 Drug Forfeiture Fund | Juvenile Law Enforcement Officer Fund | JP Technology Fund | Records Preservation Fund | Total Nonmajor Special Revenue Funds (See Exhibit C-1) |
|---|---|--------------------------|---------------------------------|---|
| \$ 4,730 | \$ 16,399 | \$ 12,929 | \$ 16,506 | \$ 2,025,347 |
| -- | -- | -- | -- | 1,858,188 |
| -- | -- | -- | -- | 74,913 |
| <u>\$ 4,730</u> | <u>\$ 16,399</u> | <u>\$ 12,929</u> | <u>\$ 16,506</u> | <u>\$ 3,958,448</u> |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 2,357 |
| -- | -- | -- | -- | 1,858,188 |
| -- | -- | -- | -- | 1,860,545 |
| 4,730 | 16,399 | 12,929 | 16,506 | 2,097,903 |
| <u>4,730</u> | <u>16,399</u> | <u>12,929</u> | <u>16,506</u> | <u>2,097,903</u> |
| <u>\$ 4,730</u> | <u>\$ 16,399</u> | <u>\$ 12,929</u> | <u>\$ 16,506</u> | <u>\$ 3,958,448</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, 2010

| | Road & Bridge No. 21 Fund | Road & Bridge No. 22 Fund | Road & Bridge No. 23 Fund | Road & Bridge No. 24 Fund |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Revenue: | | | | |
| <i>Taxes:</i> | | | | |
| <i>General Property Taxes</i> | \$ 490,868 | \$ 330,968 | \$ 668,533 | \$ 686,300 |
| <i>General Sales and Use Taxes</i> | 169,602 | 100,220 | 246,694 | 254,404 |
| <i>License and Permits</i> | 114,432 | 55,399 | 148,104 | 140,629 |
| <i>Intergovernmental</i> | 54,199 | 14,805 | 45,614 | 29,405 |
| <i>Charges for Services</i> | -- | -- | -- | -- |
| <i>Fines and Forfeitures</i> | 1,645 | 972 | 2,394 | 2,469 |
| <i>Fees of Office</i> | 85,208 | 50,350 | 123,939 | 127,812 |
| <i>Investment Earnings</i> | 322 | 710 | 522 | 692 |
| <i>Miscellaneous Revenues</i> | 32,782 | -- | 3,145 | -- |
| Total revenues | <u>949,058</u> | <u>553,424</u> | <u>1,238,945</u> | <u>1,241,711</u> |
| Expenditures: | | | | |
| <i>Current:</i> | | | | |
| <i>General Government</i> | -- | -- | -- | -- |
| <i>Judicial</i> | -- | -- | -- | -- |
| <i>Public Safety</i> | -- | -- | -- | -- |
| <i>Public Transportation</i> | 816,812 | 571,886 | 1,306,582 | 1,125,622 |
| <i>Health and Welfare</i> | -- | -- | -- | -- |
| Total Expenditures | <u>816,812</u> | <u>571,886</u> | <u>1,306,582</u> | <u>1,125,622</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>132,246</u> | <u>(18,462)</u> | <u>(67,637)</u> | <u>116,089</u> |
| Other Financing Sources (Uses): | | | | |
| <i>Transfers In</i> | -- | -- | -- | -- |
| <i>Transfers Out</i> | (7,301) | (4,314) | (10,619) | (10,951) |
| Total Other Financing Sources (Uses) | <u>(7,301)</u> | <u>(4,314)</u> | <u>(10,619)</u> | <u>(10,951)</u> |
| Net Change in Fund Balances | 124,945 | (22,776) | (78,256) | 105,138 |
| Fund Balances - Beginning | 8,145 | 387,876 | 107,527 | 183,096 |
| Fund Balances - Ending | <u>\$ 133,090</u> | <u>\$ 365,100</u> | <u>\$ 29,271</u> | <u>\$ 288,234</u> |

| Indigent Health Care Fund | Sheriff Impound Fees | Sheriff Federal Detention | Small Dams No. 32 Fund | Jail Commissary Fund |
|---------------------------------|----------------------------|---------------------------------|------------------------------|----------------------------|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 41,871 |
| -- | 44,669 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 44 | 24 | -- | 71 | -- |
| 43,565 | -- | -- | -- | -- |
| <u>43,609</u> | <u>44,693</u> | <u>--</u> | <u>71</u> | <u>41,871</u> |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 46,965 |
| -- | -- | -- | 15,117 | -- |
| 278,450 | -- | -- | -- | -- |
| <u>278,450</u> | <u>--</u> | <u>--</u> | <u>15,117</u> | <u>46,965</u> |
| (234,841) | 44,693 | -- | (15,046) | (5,094) |
| 271,965 | -- | -- | 33,185 | -- |
| -- | -- | -- | -- | -- |
| <u>271,965</u> | <u>--</u> | <u>--</u> | <u>33,185</u> | <u>--</u> |
| 37,124 | 44,693 | -- | 18,139 | (5,094) |
| (21,013) | 5,502 | 295 | 61,035 | 9,369 |
| <u>\$ 16,111</u> | <u>\$ 50,195</u> | <u>\$ 295</u> | <u>\$ 79,174</u> | <u>\$ 4,275</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, 2010

| | CSCD After Care Caseload | County Attorney Check Collection | Juvenile Probation Fund | Adult 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> | 59,156 | -- | -- | 150,002 |
| <i>Charges for Services</i> | -- | -- | -- | 684,679 |
| <i>Fines and Forfeitures</i> | -- | 8,071 | -- | -- |
| <i>Fees of Office</i> | -- | -- | -- | -- |
| <i>Investment Earnings</i> | 3 | 23 | 263 | 81 |
| <i>Miscellaneous Revenues</i> | -- | -- | -- | 2,531 |
| Total revenues | <u>59,159</u> | <u>8,094</u> | <u>263</u> | <u>837,293</u> |
| Expenditures: | | | | |
| <i>Current:</i> | | | | |
| <i>General Government</i> | -- | -- | -- | -- |
| <i>Judicial</i> | -- | 5,452 | -- | -- |
| <i>Public Safety</i> | -- | -- | 49,302 | 736,883 |
| <i>Public Transportation</i> | -- | -- | -- | -- |
| <i>Health and Welfare</i> | 47,742 | -- | -- | -- |
| Total Expenditures | <u>47,742</u> | <u>5,452</u> | <u>49,302</u> | <u>736,883</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>11,417</u> | <u>2,642</u> | <u>(49,039)</u> | <u>100,410</u> |
| Other Financing Sources (Uses): | | | | |
| <i>Transfers In</i> | -- | -- | -- | 12,523 |
| <i>Transfers Out</i> | -- | -- | -- | (53,227) |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>--</u> | <u>(40,704)</u> |
| Net Change in Fund Balances | 11,417 | 2,642 | (49,039) | 59,706 |
| Fund Balances - Beginning | -- | 16,269 | 226,708 | 88,000 |
| Fund Balances - Ending | <u>\$ 11,417</u> | <u>\$ 18,911</u> | <u>\$ 177,669</u> | <u>\$ 147,706</u> |

| State Juvenile Probation Fund | Colonia Grant Fund | Home Program Fund | Law Library Fund | Auto Theft Fund |
|-------------------------------------|--------------------------|-------------------------|------------------------|-----------------------|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 412,043 | 23,550 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 25,560 | -- |
| 82 | -- | -- | 4 | -- |
| -- | -- | -- | -- | -- |
| <u>412,125</u> | <u>23,550</u> | <u>--</u> | <u>25,564</u> | <u>--</u> |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 24,310 | -- |
| 426,163 | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | 23,550 | -- | -- | -- |
| <u>426,163</u> | <u>23,550</u> | <u>--</u> | <u>24,310</u> | <u>--</u> |
| (14,038) | -- | -- | 1,254 | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| (14,038) | -- | -- | 1,254 | -- |
| 41,715 | -- | 127 | 4,098 | 3,785 |
| <u>\$ 27,677</u> | <u>\$ --</u> | <u>\$ 127</u> | <u>\$ 5,352</u> | <u>\$ 3,785</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, 2010

| | Drug Abuse and Rehabilitation Fund | County Attorney Crime Prevention Fund | 79th Judicial District Attorney Forfeiture Fund | Sheriff Drug Forfeiture Fund |
|--|--|---|---|------------------------------------|
| Revenue: | | | | |
| <i>Taxes:</i> | | | | |
| <i>General Property Taxes</i> | \$ -- | \$ -- | \$ -- | \$ -- |
| <i>General Sales and Use Taxes</i> | -- | -- | -- | -- |
| <i>License and Permits</i> | -- | -- | -- | -- |
| <i>Intergovernmental</i> | 44,722 | 12,399 | -- | -- |
| <i>Charges for Services</i> | -- | -- | -- | -- |
| <i>Fines and Forfeitures</i> | -- | -- | 209,768 | 473,334 |
| <i>Fees of Office</i> | -- | -- | -- | -- |
| <i>Investment Earnings</i> | 36 | -- | 163 | 553 |
| <i>Miscellaneous Revenues</i> | -- | -- | -- | 4,803 |
| Total revenues | <u>44,758</u> | <u>12,399</u> | <u>209,931</u> | <u>478,690</u> |
| Expenditures: | | | | |
| <i>Current:</i> | | | | |
| <i>General Government</i> | -- | -- | -- | -- |
| <i>Judicial</i> | -- | -- | -- | -- |
| <i>Public Safety</i> | 10,000 | 16,597 | 185,014 | 627,691 |
| <i>Public Transportation</i> | -- | -- | -- | -- |
| <i>Health and Welfare</i> | -- | -- | -- | -- |
| Total Expenditures | <u>10,000</u> | <u>16,597</u> | <u>185,014</u> | <u>627,691</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>34,758</u> | <u>(4,198)</u> | <u>24,917</u> | <u>(149,001)</u> |
| Other Financing Sources (Uses): | | | | |
| <i>Transfers In</i> | -- | 3,724 | -- | -- |
| <i>Transfers Out</i> | -- | -- | -- | -- |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>3,724</u> | <u>--</u> | <u>--</u> |
| Net Change in Fund Balances | <u>34,758</u> | <u>(474)</u> | <u>24,917</u> | <u>(149,001)</u> |
| Fund Balances - Beginning | 32,104 | 2,374 | 134,938 | 593,431 |
| Fund Balances - Ending | <u>\$ 66,862</u> | <u>\$ 1,900</u> | <u>\$ 159,855</u> | <u>\$ 444,430</u> |

| Sheriff Federal Forfeiture Fund | Community Corrections Fund | Constable Prct 5 Drug Forfeiture Fund | Juvenile Law Enforcement Officer Fund | 79th Judicial District Attorney State Grant |
|---------------------------------------|----------------------------------|---|---|---|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | 97,169 | -- | 141,891 | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 3 | -- | 6 | 15 | -- |
| -- | -- | -- | -- | -- |
| <u>3</u> | <u>97,169</u> | <u>6</u> | <u>141,906</u> | <u>--</u> |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 701 |
| 9,937 | 118,289 | -- | 132,646 | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>9,937</u> | <u>118,289</u> | <u>--</u> | <u>132,646</u> | <u>701</u> |
| <u>(9,934)</u> | <u>(21,120)</u> | <u>6</u> | <u>9,260</u> | <u>(701)</u> |
| -- | 53,227 | -- | -- | -- |
| -- | (12,523) | -- | -- | -- |
| -- | <u>40,704</u> | -- | -- | -- |
| <u>(9,934)</u> | 19,584 | 6 | 9,260 | (701) |
| 9,934 | (3,681) | 4,724 | 7,139 | 701 |
| <u>\$ --</u> | <u>\$ 15,903</u> | <u>\$ 4,730</u> | <u>\$ 16,399</u> | <u>\$ --</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, 2010

| | JP Technology Fund | Records Preservation Fund | Total Nonmajor Special Revenue Funds (See Exhibit C-2) |
|--|--------------------------|---------------------------------|---|
| Revenue: | | | |
| Taxes: | | | |
| <i>General Property Taxes</i> | \$ -- | \$ -- | \$ 2,176,669 |
| <i>General Sales and Use Taxes</i> | -- | -- | 770,920 |
| <i>License and Permits</i> | -- | -- | 458,564 |
| <i>Intergovernmental</i> | -- | -- | 1,126,826 |
| <i>Charges for Services</i> | -- | -- | 729,348 |
| <i>Fines and Forfeitures</i> | -- | -- | 698,653 |
| <i>Fees of Office</i> | 12,962 | 48,974 | 474,805 |
| <i>Investment Earnings</i> | 4 | 38 | 3,659 |
| <i>Miscellaneous Revenues</i> | -- | -- | 86,826 |
| Total revenues | <u>12,966</u> | <u>49,012</u> | <u>6,526,270</u> |
| Expenditures: | | | |
| Current: | | | |
| <i>General Government</i> | -- | 60,725 | 60,725 |
| <i>Judicial</i> | 37 | -- | 30,500 |
| <i>Public Safety</i> | -- | -- | 2,359,487 |
| <i>Public Transportation</i> | -- | -- | 3,836,019 |
| <i>Health and Welfare</i> | -- | -- | 349,742 |
| Total Expenditures | <u>37</u> | <u>60,725</u> | <u>6,636,473</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>12,929</u> | <u>(11,713)</u> | <u>(110,203)</u> |
| Other Financing Sources (Uses): | | | |
| <i>Transfers In</i> | -- | -- | 374,624 |
| <i>Transfers Out</i> | -- | -- | (98,935) |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>275,689</u> |
| Net Change in Fund Balances | 12,929 | (11,713) | 165,486 |
| Fund Balances - Beginning | -- | 28,219 | 1,932,417 |
| Fund Balances - Ending | <u>\$ 12,929</u> | <u>\$ 16,506</u> | <u>\$ 2,097,903</u> |

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 21 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-5

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUE: | | | | |
| Taxes: | | | | |
| <i>General Property Taxes</i> | \$ 486,750 | \$ 477,750 | \$ 490,868 | \$ 13,118 |
| <i>General Sales and Use Taxes</i> | 123,600 | 117,114 | 169,602 | 52,488 |
| License and Permits | 93,753 | 112,000 | 114,432 | 2,432 |
| Intergovernmental | 13,451 | 73,398 | 54,199 | (19,199) |
| Fines and Forfeitures | 1,654 | 1,880 | 1,645 | (235) |
| Fees of Office | 76,305 | 75,900 | 85,208 | 9,308 |
| Investment Earnings | 300 | 2,000 | 322 | (1,678) |
| Miscellaneous Revenues | 17,865 | 13,500 | 32,782 | 19,282 |
| Total revenues | <u>813,678</u> | <u>873,542</u> | <u>949,058</u> | <u>75,516</u> |
| EXPENDITURES: | | | | |
| Public Transportation | | | | |
| <i>Personal Services</i> | 524,687 | 523,101 | 525,905 | (2,804) |
| <i>Supplies</i> | 102,235 | 118,056 | 112,710 | 5,346 |
| <i>Other Services and Charges</i> | 136,600 | 157,089 | 156,064 | 1,025 |
| <i>Capital Outlay</i> | 32,500 | 5,800 | 22,133 | (16,333) |
| Total Public Transportation | <u>796,022</u> | <u>804,046</u> | <u>816,812</u> | <u>(12,766)</u> |
| Total Expenditures | <u>796,022</u> | <u>804,046</u> | <u>816,812</u> | <u>(12,766)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>17,656</u> | <u>69,496</u> | <u>132,246</u> | <u>62,750</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| <i>Transfers Out</i> | (7,301) | (7,301) | (7,301) | -- |
| Total Other Financing Sources (Uses) | <u>(7,301)</u> | <u>(7,301)</u> | <u>(7,301)</u> | <u>--</u> |
| Net Change in Fund Balances | 10,355 | 62,195 | 124,945 | 62,750 |
| Fund Balances - Beginning | 8,145 | 8,145 | 8,145 | -- |
| Fund Balances - Ending | <u>\$ 18,500</u> | <u>\$ 70,340</u> | <u>\$ 133,090</u> | <u>\$ 62,750</u> |

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 22 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-6

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUE: | | | | |
| Taxes: | | | | |
| <i>General Property Taxes</i> | \$ 328,528 | \$ 323,216 | \$ 330,968 | \$ 7,752 |
| <i>General Sales and Use Taxes</i> | 73,038 | 69,204 | 100,220 | 31,016 |
| License and Permits | 55,399 | 65,000 | 55,399 | (9,601) |
| Intergovernmental | 7,517 | 13,497 | 14,805 | 1,308 |
| Fines and Forfeitures | 956 | 1,158 | 972 | (186) |
| Fees of Office | 45,088 | 46,000 | 50,350 | 4,350 |
| Investment Earnings | 600 | 2,000 | 710 | (1,290) |
| Total revenues | <u>511,126</u> | <u>520,075</u> | <u>553,424</u> | <u>33,349</u> |
| EXPENDITURES: | | | | |
| Public Transportation | | | | |
| <i>Personal Services</i> | 340,337 | 349,473 | 332,766 | 16,707 |
| <i>Supplies</i> | 39,000 | 47,350 | 52,704 | (5,354) |
| <i>Other Services and Charges</i> | 35,017 | 26,050 | 35,594 | (9,544) |
| <i>Capital Outlay</i> | 97,658 | 163,042 | 150,822 | 12,220 |
| Total Public Transportation | <u>512,012</u> | <u>585,915</u> | <u>571,886</u> | <u>14,029</u> |
| Total Expenditures | <u>512,012</u> | <u>585,915</u> | <u>571,886</u> | <u>14,029</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (886) | (65,840) | (18,462) | 47,378 |
| 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 | <u>(5,200)</u> | <u>(70,154)</u> | <u>(22,776)</u> | <u>47,378</u> |
| Fund Balances - Beginning | 387,876 | 387,876 | 387,876 | -- |
| Fund Balances - Ending | <u>\$ 382,676</u> | <u>\$ 317,722</u> | <u>\$ 365,100</u> | <u>\$ 47,378</u> |

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 23 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-7

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------------|------------------|---|
| | Original | Final | | |
| REVENUE: | | | | |
| Taxes: | | | | |
| <i>General Property Taxes</i> | \$ 662,528 | \$ 649,454 | \$ 668,533 | \$ 19,079 |
| <i>General Sales and Use Taxes</i> | 179,783 | 170,347 | 246,694 | 76,347 |
| License and Permits | 136,368 | 160,000 | 148,104 | (11,896) |
| Intergovernmental | 18,657 | 43,549 | 45,614 | 2,065 |
| Fines and Forfeitures | 2,403 | 2,880 | 2,394 | (486) |
| Fees of Office | 125,989 | 130,000 | 123,939 | (6,061) |
| Investment Earnings | 600 | 2,000 | 522 | (1,478) |
| Miscellaneous Revenues | 3,145 | -- | 3,145 | 3,145 |
| Total revenues | <u>1,129,473</u> | <u>1,158,230</u> | <u>1,238,945</u> | <u>80,715</u> |
| EXPENDITURES: | | | | |
| Public Transportation | | | | |
| <i>Personal Services</i> | 767,598 | 776,592 | 788,126 | (11,534) |
| <i>Supplies</i> | 181,750 | 213,600 | 223,658 | (10,058) |
| <i>Other Services and Charges</i> | 134,221 | 140,225 | 130,369 | 9,856 |
| <i>Capital Outlay</i> | 112,635 | 186,623 | 164,429 | 22,194 |
| Total Public Transportation | <u>1,196,204</u> | <u>1,317,040</u> | <u>1,306,582</u> | <u>10,458</u> |
| Total Expenditures | <u>1,196,204</u> | <u>1,317,040</u> | <u>1,306,582</u> | <u>10,458</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(66,731)</u> | <u>(158,810)</u> | <u>(67,637)</u> | <u>91,173</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| <i>Transfers In</i> | -- | 55,776 | -- | (55,776) |
| <i>Transfers Out</i> | (10,619) | (10,619) | (10,619) | -- |
| Total Other Financing Sources (Uses) | <u>(10,619)</u> | <u>45,157</u> | <u>(10,619)</u> | <u>55,776</u> |
| Net Change in Fund Balances | (77,350) | (113,653) | (78,256) | 35,397 |
| Fund Balances - Beginning | 107,527 | 107,527 | 107,527 | -- |
| Fund Balances - Ending | <u>\$ 30,177</u> | <u>\$ (6,126)</u> | <u>\$ 29,271</u> | <u>\$ 35,397</u> |

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 24 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-8

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUE: | | | | |
| Taxes: | | | | |
| <i>General Property Taxes</i> | \$ 680,108 | \$ 666,624 | \$ 686,300 | \$ 19,676 |
| <i>General Sales and Use Taxes</i> | 185,402 | 175,671 | 254,404 | 78,733 |
| License and Permits | 140,629 | 165,000 | 140,629 | (24,371) |
| Intergovernmental | 18,927 | 25,935 | 29,405 | 3,470 |
| Fines and Forfeitures | 2,475 | 2,918 | 2,469 | (449) |
| Fees of Office | 114,458 | 118,000 | 127,812 | 9,812 |
| Investment Earnings | 600 | 2,000 | 692 | (1,308) |
| Total revenues | <u>1,142,599</u> | <u>1,156,148</u> | <u>1,241,711</u> | <u>85,563</u> |
| EXPENDITURES: | | | | |
| Public Transportation | | | | |
| <i>Personal Services</i> | 711,793 | 673,769 | 735,832 | (62,063) |
| <i>Supplies</i> | 128,550 | 150,050 | 138,966 | 11,084 |
| <i>Other Services and Charges</i> | 167,400 | 183,901 | 157,162 | 26,739 |
| <i>Capital Outlay</i> | 223,200 | 227,361 | 93,662 | 133,699 |
| Total Public Transportation | <u>1,230,943</u> | <u>1,235,081</u> | <u>1,125,622</u> | <u>109,459</u> |
| Total Expenditures | <u>1,230,943</u> | <u>1,235,081</u> | <u>1,125,622</u> | <u>109,459</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(88,344)</u> | <u>(78,933)</u> | <u>116,089</u> | <u>195,022</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>(99,295)</u> | <u>(89,884)</u> | <u>105,138</u> | <u>195,022</u> |
| Fund Balances - Beginning | 183,096 | 183,096 | 183,096 | -- |
| Fund Balances - Ending | <u>\$ 83,801</u> | <u>\$ 93,212</u> | <u>\$ 288,234</u> | <u>\$ 195,022</u> |

JIM WELLS COUNTY, TEXAS
 SMALL DAMS NO. 32 FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-9

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | | |
| REVENUE: | | | | |
| Investment Earnings | \$ 100 | \$ 500 | \$ 71 | \$ (429) |
| Total revenues | 100 | 500 | 71 | (429) |
| EXPENDITURES: | | | | |
| Public Transportation | | | | |
| <i>Personal Services</i> | 7,662 | -- | 14,679 | (14,679) |
| <i>Other Services and Charges</i> | 9,000 | 18,000 | -- | 18,000 |
| <i>Capital Outlay</i> | 30,000 | 30,000 | 438 | 29,562 |
| <i>Total Public Transportation</i> | 46,662 | 48,000 | 15,117 | 32,883 |
| Total Expenditures | 46,662 | 48,000 | 15,117 | 32,883 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (46,562) | (47,500) | (15,046) | 32,454 |
| OTHER FINANCING SOURCES (USES): | | | | |
| <i>Transfers In</i> | 33,185 | 33,185 | 33,185 | -- |
| Total Other Financing Sources (Uses) | 33,185 | 33,185 | 33,185 | -- |
| Net Change in Fund Balances | (13,377) | (14,315) | 18,139 | 32,454 |
| Fund Balances - Beginning | 61,035 | 61,035 | 61,035 | -- |
| Fund Balances - Ending | \$ 47,658 | \$ 46,720 | \$ 79,174 | \$ 32,454 |

JIM WELLS COUNTY, TEXAS
LAW LIBRARY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-10

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|-----------------|---|
| | Original | Final | | |
| REVENUE: | | | | |
| Fees of Office | \$ 24,000 | \$ 24,000 | \$ 25,560 | \$ 1,560 |
| Investment Earnings | 10 | 100 | 4 | (96) |
| Total revenues | <u>24,010</u> | <u>24,100</u> | <u>25,564</u> | <u>1,464</u> |
| EXPENDITURES: | | | | |
| Judicial | | | | |
| County court | | | | |
| <i>Other Services and Charges</i> | -- | -- | 665 | (665) |
| <i>Capital Outlay</i> | 31,000 | 18,000 | 23,645 | (5,645) |
| <i>Total County Court</i> | <u>31,000</u> | <u>18,000</u> | <u>24,310</u> | <u>(6,310)</u> |
| Total Judicial | <u>31,000</u> | <u>18,000</u> | <u>24,310</u> | <u>(6,310)</u> |
| Total Expenditures | <u>31,000</u> | <u>18,000</u> | <u>24,310</u> | <u>(6,310)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(6,990)</u> | <u>6,100</u> | <u>1,254</u> | <u>(4,846)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| <i>Transfers In</i> | 5,000 | 10,000 | -- | (10,000) |
| Total Other Financing Sources (Uses) | <u>5,000</u> | <u>10,000</u> | <u>--</u> | <u>10,000</u> |
| Net Change in Fund Balances | <u>(1,990)</u> | <u>16,100</u> | <u>1,254</u> | <u>(14,846)</u> |
| Fund Balances - Beginning | 4,098 | 4,098 | 4,098 | -- |
| Fund Balances - Ending | <u>\$ 2,108</u> | <u>\$ 20,198</u> | <u>\$ 5,352</u> | <u>\$ (14,846)</u> |

JIM WELLS COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-11

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | | |
| REVENUE: | | | | |
| Taxes: | | | | |
| <i>General Property Taxes</i> | \$ 256,387 | \$ 251,860 | \$ 257,509 | \$ 5,649 |
| Investment Earnings | 200 | 1,000 | 155 | (845) |
| Total revenues | <u>256,587</u> | <u>252,860</u> | <u>257,664</u> | <u>4,804</u> |
| EXPENDITURES: | | | | |
| <i>Debt Service:</i> | | | | |
| <i>Principal</i> | 145,000 | 145,000 | 150,000 | (5,000) |
| <i>Interest and Fiscal Charges</i> | 110,317 | 110,317 | 104,124 | 6,193 |
| <i>Total Debt Service</i> | <u>255,317</u> | <u>255,317</u> | <u>254,124</u> | <u>1,193</u> |
| Total Expenditures | <u>255,317</u> | <u>255,317</u> | <u>254,124</u> | <u>1,193</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,270</u> | <u>(2,457)</u> | <u>3,540</u> | <u>5,997</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net Change in Fund Balances | 1,270 | (2,457) | 3,540 | 5,997 |
| Fund Balances - Beginning | 51,932 | 51,932 | 51,932 | -- |
| Fund Balances - Ending | <u>\$ 53,202</u> | <u>\$ 49,475</u> | <u>\$ 55,472</u> | <u>\$ 5,997</u> |

JIM WELLS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2010

EXHIBIT C-12

| | Relief Route Capital Fund | Jail Expansion Fund | Road Bond 1967 Fund | Total Nonmajor Capital Projects Funds (See Exhibit C-1) |
|---------------------------------------|---------------------------------|---------------------------|---------------------------|--|
| ASSETS | | | | |
| Assets: | | | | |
| <i>Cash and Cash Equivalents</i> | \$ 723,792 | \$ 311,456 | \$ 144,381 | \$ 1,179,629 |
| Total Assets | \$ 723,792 | \$ 311,456 | \$ 144,381 | \$ 1,179,629 |
| LIABILITIES AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Fund Balances: | | | | |
| Reserved Fund Balances: | | | | |
| <i>Reserved for Capital Projects</i> | \$ 723,792 | \$ 311,456 | \$ 144,381 | \$ 1,179,629 |
| Total Fund Balance | 723,792 | 311,456 | 144,381 | 1,179,629 |
| Total Liabilities and Fund Balance | \$ 723,792 | \$ 311,456 | \$ 144,381 | \$ 1,179,629 |

JIM WELLS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

| | Relief Route Capital Fund | Jail Expansion Fund | Road Bond 1967 Fund | Total Nonmajor Capital Projects Funds (See Exhibit C-2) |
|--|---------------------------------|---------------------------|---------------------------|--|
| Revenue: | | | | |
| <i>Intergovernmental</i> | \$ -- | \$ 369 | \$ -- | \$ 369 |
| <i>Investment Earnings</i> | -- | 32 | 15 | 47 |
| <i>Miscellaneous Revenues</i> | 933 | -- | 171 | 1,104 |
| Total revenues | <u>933</u> | <u>401</u> | <u>186</u> | <u>1,520</u> |
| Expenditures: | | | | |
| Total Expenditures | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>933</u> | <u>401</u> | <u>186</u> | <u>1,520</u> |
| Other Financing Sources (Uses): | | | | |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net Change in Fund Balances | 933 | 401 | 186 | 1,520 |
| Fund Balances - Beginning | 722,859 | 311,055 | 144,195 | 1,178,109 |
| Fund Balances - Ending | <u>\$ 723,792</u> | <u>\$ 311,456</u> | <u>\$ 144,381</u> | <u>\$ 1,179,629</u> |

JIM WELLS COUNTY, TEXAS
 JAIL EXPANSION FUND
 CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-14

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUE: | | | | |
| Intergovernmental | \$ -- | \$ -- | \$ 369 | \$ 369 |
| Investment Earnings | 300 | 1,000 | 32 | (968) |
| Total revenues | <u>300</u> | <u>1,000</u> | <u>401</u> | <u>(599)</u> |
| EXPENDITURES: | | | | |
| Public Safety | | | | |
| Other Public Safety | | | | |
| <i>Other Services and Charges</i> | -- | 25,000 | -- | 25,000 |
| <i>Capital Outlay</i> | -- | 280,000 | -- | 280,000 |
| <i>Total Other Public Safety</i> | <u>--</u> | <u>305,000</u> | <u>--</u> | <u>305,000</u> |
| Total Public Safety | <u>--</u> | <u>305,000</u> | <u>--</u> | <u>305,000</u> |
| Total Expenditures | <u>--</u> | <u>305,000</u> | <u>--</u> | <u>305,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>300</u> | <u>(304,000)</u> | <u>401</u> | <u>304,401</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net Change in Fund Balances | 300 | (304,000) | 401 | 304,401 |
| Fund Balances - Beginning | 311,055 | 311,055 | 311,055 | -- |
| Fund Balances - Ending | <u>\$ 311,355</u> | <u>\$ 7,055</u> | <u>\$ 311,456</u> | <u>\$ 304,401</u> |

JIM WELLS COUNTY, TEXAS
ROAD BOND 1967 FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-15

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUE: | | | | |
| Investment Earnings | \$ 200 | \$ 1,000 | \$ 15 | \$ (985) |
| Miscellaneous Revenues | -- | -- | 171 | 171 |
| Total revenues | <u>200</u> | <u>1,000</u> | <u>186</u> | <u>(814)</u> |
| EXPENDITURES: | | | | |
| Economic Development and Assistance | | | | |
| Other Services and Charges | -- | 5,000 | -- | 5,000 |
| Total Economic Development and Assistance | -- | 5,000 | -- | 5,000 |
| Total Expenditures | <u>--</u> | <u>5,000</u> | <u>--</u> | <u>5,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>200</u> | <u>(4,000)</u> | <u>186</u> | <u>4,186</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net Change in Fund Balances | 200 | (4,000) | 186 | 4,186 |
| Fund Balances - Beginning | 144,195 | 144,195 | 144,195 | -- |
| Fund Balances - Ending | <u>\$ 144,395</u> | <u>\$ 140,195</u> | <u>\$ 144,381</u> | <u>\$ 4,186</u> |

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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 Sheriff Cash Bond Account is used to account for bond fees collected from offenders. The Sheriff Fee fund is used to account for inmate housing fees and finger printing fees.
6. The Appellate Judicial System Fund accounts for court costs and fees collected to help defray the costs of the Fourth Court of Appeals in processing of appeals filed from the county courts, county courts at law, probate at law, probate courts, and district courts.

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2010

| | Appellate Judicial Fund | 79th Judicial District Attorney Escrow Fund | 79th Judicial D.A. Fee Fund | Sheriff Department Fee Fund |
|--|-------------------------------|---|-----------------------------------|-----------------------------------|
| ASSETS: | | | | |
| <i>Cash and Cash Equivalents</i> | \$ 2,215 | \$ 93,582 | \$ 1,962 | \$ 5,021 |
| Total Assets | \$ 2,215 | \$ 93,582 | \$ 1,962 | \$ 5,021 |
| LIABILITIES: | | | | |
| <i>Due to Other Governments and Agencies</i> | \$ 2,215 | \$ 93,582 | \$ 1,962 | \$ 5,021 |
| Total Liabilities | \$ 2,215 | \$ 93,582 | \$ 1,962 | \$ 5,021 |

| State Fees Fund | Vouchers Payable Fund | Tax Collector Fund | District Clerk Fund | County Clerk Fund |
|-----------------|-----------------------|--------------------|---------------------|-------------------|
| \$ 104,999 | \$ 36,134 | \$ 790,816 | \$ 243,314 | \$ 626,127 |
| \$ 104,999 | \$ 36,134 | \$ 790,816 | \$ 243,314 | \$ 626,127 |
| \$ 104,999 | \$ 36,134 | \$ 790,816 | \$ 243,314 | \$ 626,127 |
| \$ 104,999 | \$ 36,134 | \$ 790,816 | \$ 243,314 | \$ 626,127 |

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2010

| | Payroll Administrative Fund | Motor Vehicle Escrow Fund |
|--|-----------------------------------|---------------------------------|
| ASSETS: | | |
| <i>Cash and Cash Equivalents</i> | \$ 481,706 | \$ 262 |
| Total Assets | <u>\$ 481,706</u> | <u>\$ 262</u> |
| LIABILITIES: | | |
| <i>Due to Other Governments and Agencies</i> | \$ 481,706 | \$ 262 |
| Total Liabilities | <u>\$ 481,706</u> | <u>\$ 262</u> |

| Ad Valorem Tax Escrow Fund | County Attorney Trust Fund | Sheriff Cash Bond Fund | Total Agency Funds (See Exhibit A-7) |
|----------------------------------|----------------------------------|------------------------------|---|
| \$ 2,888,891 | \$ 156,156 | \$ 9,509 | \$ 5,440,694 |
| \$ 2,888,891 | \$ 156,156 | \$ 9,509 | \$ 5,440,694 |
| \$ 2,888,891 | \$ 156,156 | \$ 9,509 | \$ 5,440,694 |
| \$ 2,888,891 | \$ 156,156 | \$ 9,509 | \$ 5,440,694 |

JIM WELLS COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-17

| | Balance January 1, 2010 | Additions | Deductions | Balance December 31, 2010 |
|---------------------------------------|-------------------------------|------------|------------|---------------------------------|
| Appellate Judicial Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 1,829 | \$ 3,148 | \$ 3,023 | \$ 1,954 |
| Total Assets | \$ 1,829 | \$ 3,148 | \$ 3,023 | \$ 1,954 |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 1,829 | \$ 3,148 | \$ 3,023 | \$ 1,954 |
| Total Liabilities | \$ 1,829 | \$ 3,148 | \$ 3,023 | \$ 1,954 |
| 79th Judicial D.A. Escrow Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 81,521 | \$ 577,240 | \$ 565,179 | \$ 93,582 |
| Total Assets | \$ 81,521 | \$ 577,240 | \$ 565,179 | \$ 93,582 |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 81,521 | \$ 577,240 | \$ 565,179 | \$ 93,582 |
| Total Liabilities | \$ 81,521 | \$ 577,240 | \$ 565,179 | \$ 93,582 |
| 79th Judicial D.A. Fee Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 1,180 | \$ 5,883 | \$ 5,101 | \$ 1,962 |
| Total Assets | \$ 1,180 | \$ 5,883 | \$ 5,101 | \$ 1,962 |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 1,180 | \$ 5,883 | \$ 5,101 | \$ 1,962 |
| Total Liabilities | \$ 1,180 | \$ 5,883 | \$ 5,101 | \$ 1,962 |
| Sheriff Department Fee Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 3,280 | \$ 87,835 | \$ 86,094 | \$ 5,021 |
| Total Assets | \$ 3,280 | \$ 87,835 | \$ 86,094 | \$ 5,021 |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 3,280 | \$ 87,835 | \$ 86,094 | \$ 5,021 |
| Total Liabilities | \$ 3,280 | \$ 87,835 | \$ 86,094 | \$ 5,021 |
| State Fees Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 88,106 | \$ 432,795 | \$ 415,902 | \$ 104,999 |
| Total Assets | \$ 88,106 | \$ 432,795 | \$ 415,902 | \$ 104,999 |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 88,106 | \$ 432,795 | \$ 415,902 | \$ 104,999 |
| Total Liabilities | \$ 88,106 | \$ 432,795 | \$ 415,902 | \$ 104,999 |

JIM WELLS COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-17

| | Balance January 1, 2010 | Additions | Deductions | Balance December 31, 2010 |
|---------------------------------------|-------------------------------|----------------------|----------------------|---------------------------------|
| Vouchers Payable Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 35,964 | \$ 4,506,295 | \$ 4,506,125 | \$ 36,134 |
| Total Assets | <u>\$ 35,964</u> | <u>\$ 4,506,295</u> | <u>\$ 4,506,125</u> | <u>\$ 36,134</u> |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 35,964 | \$ 4,506,295 | \$ 4,506,125 | \$ 36,134 |
| Total Liabilities | <u>\$ 35,964</u> | <u>\$ 4,506,295</u> | <u>\$ 4,506,125</u> | <u>\$ 36,134</u> |
| Tax Collector Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 391,974 | \$ 12,117,072 | \$ 11,718,231 | \$ 790,815 |
| Total Assets | <u>\$ 391,974</u> | <u>\$ 12,117,072</u> | <u>\$ 11,718,231</u> | <u>\$ 790,815</u> |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 391,974 | \$ 12,117,072 | \$ 11,718,231 | \$ 790,815 |
| Total Liabilities | <u>\$ 391,974</u> | <u>\$ 12,117,072</u> | <u>\$ 11,718,231</u> | <u>\$ 790,815</u> |
| District Clerk Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 209,203 | \$ 1,113,495 | \$ 1,079,384 | \$ 243,314 |
| Total Assets | <u>\$ 209,203</u> | <u>\$ 1,113,495</u> | <u>\$ 1,079,384</u> | <u>\$ 243,314</u> |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 209,203 | \$ 1,113,495 | \$ 1,079,384 | \$ 243,314 |
| Total Liabilities | <u>\$ 209,203</u> | <u>\$ 1,113,495</u> | <u>\$ 1,079,384</u> | <u>\$ 243,314</u> |
| County Clerk Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 556,670 | \$ 507,916 | \$ 438,459 | \$ 626,127 |
| Total Assets | <u>\$ 556,670</u> | <u>\$ 507,916</u> | <u>\$ 438,459</u> | <u>\$ 626,127</u> |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 556,670 | \$ 507,916 | \$ 438,459 | \$ 626,127 |
| Total Liabilities | <u>\$ 556,670</u> | <u>\$ 507,916</u> | <u>\$ 438,459</u> | <u>\$ 626,127</u> |
| Payroll Administrative Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 367,899 | \$ 12,107,696 | \$ 11,993,889 | \$ 481,706 |
| Total Assets | <u>\$ 367,899</u> | <u>\$ 12,107,696</u> | <u>\$ 11,993,889</u> | <u>\$ 481,706</u> |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 367,899 | \$ 12,107,696 | \$ 11,993,889 | \$ 481,706 |
| Total Liabilities | <u>\$ 367,899</u> | <u>\$ 12,107,696</u> | <u>\$ 11,993,889</u> | <u>\$ 481,706</u> |
| Motor Vehicle Escrow Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 261 | \$ 1 | \$ -- | \$ 262 |
| Total Assets | <u>\$ 261</u> | <u>\$ 1</u> | <u>\$ --</u> | <u>\$ 262</u> |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 261 | \$ 1 | \$ -- | \$ 262 |
| Total Liabilities | <u>\$ 261</u> | <u>\$ 1</u> | <u>\$ --</u> | <u>\$ 262</u> |

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-17

| | Balance January 1, 2010 | Additions | Deductions | Balance December 31, 2010 |
|---------------------------------------|-------------------------------|----------------------|----------------------|---------------------------------|
| Ad Valorem Tax Escrow Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 3,585,020 | \$ 14,440,952 | \$ 15,137,081 | \$ 2,888,891 |
| Total Assets | <u>\$ 3,585,020</u> | <u>\$ 14,440,952</u> | <u>\$ 15,137,081</u> | <u>\$ 2,888,891</u> |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 3,585,020 | \$ 14,440,952 | \$ 15,137,081 | \$ 2,888,891 |
| Total Liabilities | <u>\$ 3,585,020</u> | <u>\$ 14,440,952</u> | <u>\$ 15,137,081</u> | <u>\$ 2,888,891</u> |
| County Attorney Trust Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 155,786 | \$ 56,115 | \$ 55,745 | \$ 156,156 |
| Total Assets | <u>\$ 155,786</u> | <u>\$ 56,115</u> | <u>\$ 55,745</u> | <u>\$ 156,156</u> |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 155,786 | \$ 56,115 | \$ 55,745 | \$ 156,156 |
| Total Liabilities | <u>\$ 155,786</u> | <u>\$ 56,115</u> | <u>\$ 55,745</u> | <u>\$ 156,156</u> |
| Sheriff Cash Bond Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 3,005 | \$ 9,004 | \$ 2,500 | \$ 9,509 |
| Total Assets | <u>\$ 3,005</u> | <u>\$ 9,004</u> | <u>\$ 2,500</u> | <u>\$ 9,509</u> |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 3,005 | \$ 9,004 | \$ 2,500 | \$ 9,509 |
| Total Liabilities | <u>\$ 3,005</u> | <u>\$ 9,004</u> | <u>\$ 2,500</u> | <u>\$ 9,509</u> |
| Crime Prevention Fund | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 19 | \$ -- | \$ 19 | \$ -- |
| Total Assets | <u>\$ 19</u> | <u>\$ --</u> | <u>\$ 19</u> | <u>\$ --</u> |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 19 | \$ -- | \$ 19 | \$ -- |
| Total Liabilities | <u>\$ 19</u> | <u>\$ --</u> | <u>\$ 19</u> | <u>\$ --</u> |
| TOTAL AGENCY FUNDS: | | | | |
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 5,481,717 | \$ 45,965,447 | \$ 46,006,732 | \$ 5,440,432 |
| Total Assets | <u>\$ 5,481,717</u> | <u>\$ 45,965,447</u> | <u>\$ 46,006,732</u> | <u>\$ 5,440,432</u> |
| LIABILITIES | | | | |
| Due to Other Governments and Agencies | \$ 5,481,717 | \$ 45,965,447 | \$ 46,006,732 | \$ 5,440,432 |
| Total Liabilities | <u>\$ 5,481,717</u> | <u>\$ 45,965,447</u> | <u>\$ 46,006,732</u> | <u>\$ 5,440,432</u> |

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 | 104 |
| <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 | 109 |
| <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 | 116 |
| <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 | 120 |
| <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 | 122 |
| <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 | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Governmental Activities | | | | | | | |
| Invested in Capital Assets, | | | | | | | |
| Net of Related Debt | \$ 16,808,167 | \$ 16,549,080 | \$ 16,979,900 | \$ 17,106,981 | \$ 17,470,025 | \$ 17,516,191 | \$ 18,478,771 |
| Restricted | 1,298,571 | 1,368,461 | 1,403,872 | 1,207,721 | 1,329,969 | 1,373,428 | 1,383,367 |
| Unrestricted | 2,267,582 | 3,699,613 | 4,632,273 | 6,100,398 | 7,315,406 | 6,895,058 | 6,595,371 |
| Total Governmental Activities Net Assets | \$ 20,374,320 | \$ 21,617,154 | \$ 23,016,045 | \$ 24,415,100 | \$ 26,115,400 | \$ 25,784,677 | \$ 26,457,509 |

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

TABLE E-2

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 3,548,772 | \$ 3,311,262 | \$ 4,230,453 | \$ 3,814,965 | \$ 3,765,964 | \$ 4,210,749 | \$ 3,899,129 |
| Judicial | 2,288,452 | 2,229,421 | 2,350,003 | 2,606,714 | 2,806,925 | 3,319,623 | 3,454,814 |
| Public Safety | 7,808,646 | 9,556,199 | 10,768,750 | 6,722,720 | 7,340,490 | 7,455,989 | 7,185,489 |
| Public Transportation | 3,273,311 | 3,208,740 | 3,659,104 | 3,318,863 | 3,833,985 | 3,318,841 | 3,405,200 |
| Health & Welfare | 1,837,418 | 1,034,994 | 1,041,240 | 1,679,727 | 1,657,444 | 1,412,992 | 670,570 |
| Culture & Recreation | 52,730 | 58,001 | 55,784 | 51,380 | 1,457 | 47,636 | 51,380 |
| Conservation | 177,693 | 188,138 | 202,552 | 206,255 | 223,988 | 255,458 | 220,431 |
| Economic Development & Assistance | 61,400 | 75,000 | 144,528 | 68,500 | 72,351 | 106,201 | 122,466 |
| Interest on Long-Term Debt | 237,051 | 180,954 | 180,048 | 210,344 | 202,342 | 135,733 | 114,776 |
| Total Governmental Activities Expenses | <u>19,285,473</u> | <u>19,842,709</u> | <u>22,632,462</u> | <u>18,679,468</u> | <u>19,904,946</u> | <u>20,263,222</u> | <u>19,124,255</u> |
| Total Primary Government Expenses | \$ <u>19,285,473</u> | \$ <u>19,842,709</u> | \$ <u>22,632,462</u> | \$ <u>18,679,468</u> | \$ <u>19,904,946</u> | \$ <u>20,263,222</u> | \$ <u>19,124,255</u> |
| Program Revenues | | | | | | | |
| Governmental Activities: | | | | | | | |
| Charges for Services: | | | | | | | |
| General Government | \$ 2,507,560 | \$ 806,409 | \$ 919,720 | \$ 915,573 | \$ 891,401 | \$ 825,948 | \$ 887,296 |
| Judicial | 40,293 | 486,012 | 483,767 | 482,677 | 503,756 | 435,988 | 484,433 |
| Public Safety | 2,326,593 | 1,044,503 | 1,550,512 | 929,184 | 1,399,470 | 1,604,738 | 1,412,450 |
| Other Activities | 997,840 | 921,177 | 990,536 | 1,048,328 | 1,028,684 | 981,308 | 920,762 |
| Operating Grants and Contributions | 2,261,570 | 6,170,944 | 7,781,531 | 2,871,767 | 2,273,628 | 2,067,154 | 1,184,054 |
| Total Governmental Activities Program Revenues | <u>8,133,856</u> | <u>9,429,045</u> | <u>11,726,066</u> | <u>6,247,529</u> | <u>6,096,939</u> | <u>5,915,136</u> | <u>4,888,995</u> |
| Total Primary Government Program Revenues | \$ <u>8,133,856</u> | \$ <u>9,429,045</u> | \$ <u>11,726,066</u> | \$ <u>6,247,529</u> | \$ <u>6,096,939</u> | \$ <u>5,915,136</u> | \$ <u>4,888,995</u> |
| Net (Expense)/Revenue | | | | | | | |
| Governmental Activities | \$ (11,151,617) | \$ (10,413,664) | \$ (10,906,396) | \$ (12,431,939) | \$ (13,808,007) | \$ (14,348,086) | \$ (14,235,260) |
| Total Primary Government Net Expense | \$ <u>(11,151,617)</u> | \$ <u>(10,413,664)</u> | \$ <u>(10,906,396)</u> | \$ <u>(12,431,939)</u> | \$ <u>(13,808,007)</u> | \$ <u>(14,348,086)</u> | \$ <u>(14,235,260)</u> |

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

TABLE E-3

JIM WELLS COUNTY, TEXAS
GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal Year | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Net (Expense)/Revenue | | | | | | | |
| Governmental Activities | \$ (11,151,617) | \$ (10,413,664) | \$ (10,906,396) | \$ (12,431,939) | \$ (13,808,008) | \$ (14,348,086) | \$ (14,235,260) |
| Business-type Activities | -- | -- | -- | -- | -- | -- | -- |
| Total Primary Government Net Expense | \$ (11,151,617) | \$ (10,413,664) | \$ (10,906,396) | \$ (12,431,939) | \$ (13,808,008) | \$ (14,348,086) | \$ (14,235,260) |
| General Revenues and Other Changes in Net Assets | | | | | | | |
| Governmental Activities: | | | | | | | |
| Taxes | | | | | | | |
| Property Taxes | \$ 7,338,344 | \$ 8,947,246 | \$ 8,521,130 | \$ 9,380,920 | \$ 10,222,019 | \$ 10,834,210 | \$ 10,266,783 |
| Sales Taxes | 2,180,680 | 2,387,084 | 3,191,996 | 3,620,527 | 4,441,261 | 2,909,178 | 4,282,890 |
| Fines and Forfeitures | -- | -- | -- | -- | -- | 12,077 | -- |
| Investment Earnings | 11,129 | 108,079 | 259,179 | 381,959 | 482,047 | 253,302 | 13,190 |
| Miscellaneous | 255,662 | 214,089 | 332,982 | 399,595 | 362,981 | 319,212 | 287,603 |
| Gain on Disposal of Capital Assets | -- | -- | -- | -- | -- | -- | (144,460) |
| Total Governmental Activities | \$ 9,785,815 | \$ 11,656,498 | \$ 12,305,287 | \$ 13,783,001 | \$ 15,508,308 | \$ 14,327,979 | \$ 14,706,006 |
| Business-type Activities: | | | | | | | |
| Investment Earnings | -- | -- | -- | -- | -- | -- | -- |
| Transfers | -- | -- | -- | -- | -- | -- | -- |
| Total Business-type Activities | -- | -- | -- | -- | -- | -- | -- |
| Total Primary Government | \$ 9,785,815 | \$ 11,656,498 | \$ 12,305,287 | \$ 13,783,001 | \$ 15,508,308 | \$ 14,327,979 | \$ 14,706,006 |
| Change in Net Assets | | | | | | | |
| Governmental Activities | \$ (1,365,802) | \$ 1,242,834 | \$ 1,398,891 | \$ 1,351,062 | \$ 1,700,300 | \$ (20,107) | \$ 470,746 |
| Business-type Activities | -- | -- | -- | -- | -- | -- | -- |
| Total Primary Government | \$ (1,365,802) | \$ 1,242,834 | \$ 1,398,891 | \$ 1,351,062 | \$ 1,700,300 | \$ (20,107) | \$ 470,746 |

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 | | | | | | | | | |
|------------------------------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Fund | | | | | | | | | | |
| Reserved | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| Unreserved | 371,285 | 252,081 | 544,732 | (124,415) | 1,118,760 | 2,551,856 | 3,756,881 | 4,295,926 | 3,288,481 | 3,433,781 |
| Total General Fund | \$ 371,285 | \$ 252,081 | \$ 544,732 | \$ (124,415) | \$ 1,118,760 | \$ 2,551,856 | \$ 3,756,881 | \$ 4,295,926 | \$ 3,288,481 | \$ 3,433,781 |
| 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 | 1,179,629 |
| Unreserved, Reported In: | | | | | | | | | | |
| Special Revenue Funds | 1,400,601 | 896,122 | 339,138 | 856,427 | 840,957 | 1,109,079 | 1,197,203 | 1,898,750 | 1,932,417 | 2,097,903 |
| Debt Service Funds | 92,671 | (146,699) | 722,383 | 5,997 | 19,292 | 29,795 | 39,387 | 44,728 | 51,932 | 55,472 |
| Total All Other Governmental Funds | \$ 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 | \$ 3,333,004 |

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 | | | | | | | | | |
|---|--------------|--------------|--------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 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 | \$ 14,857,883 |
| Licenses and Permits | 582,582 | 634,801 | 53,102 | 632,751 | 410,456 | 608,008 | 638,540 | 485,234 | 412,248 | 567,817 |
| Intergovernmental | 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 | 1,352,490 |
| Charges for Services | 1,683,383 | 1,679,801 | 683,837 | 811,103 | 783,503 | 750,657 | 711,161 | 687,388 | 641,372 | 768,657 |
| Fines & Forfeitures | 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 | 1,048,428 |
| Fees of Office | -- | -- | 1,354,228 | 2,789,147 | 1,085,031 | 1,216,572 | 1,225,619 | 1,334,405 | 1,308,509 | 1,151,603 |
| Investment Earnings | 188,150 | 47,855 | 29,087 | 11,129 | 108,079 | 259,179 | 381,960 | 482,047 | 253,302 | 13,190 |
| Misc Revenues | 171,529 | 196,197 | 243,666 | 294,707 | 214,089 | 332,982 | 388,045 | 365,191 | 319,212 | 287,603 |
| Total Revenues | 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 | 20,047,671 |
| Expenditures | | | | | | | | | | |
| General Government | 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 | 3,661,994 |
| Judicial | 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 | 3,454,814 |
| Public Safety | 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 | 7,520,531 |
| Public Transportation | 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 | 3,836,019 |
| Health & Welfare | 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 | 670,570 |
| Culture and Recreation | 53,660 | 72,280 | 52,730 | 52,730 | 58,001 | 55,784 | 51,380 | 1,457 | 47,636 | 51,380 |
| Conservation | 196,314 | 161,563 | 178,747 | 177,693 | 188,138 | 202,552 | 206,255 | 223,988 | 255,458 | 220,431 |
| Economic Development & Assistance | -- | -- | 544,840 | 61,400 | 75,000 | 144,528 | 68,500 | 72,351 | 106,201 | 122,466 |
| Debt Service | | | | | | | | | | |
| Interest | 2,028 | 2,285 | -- | 236,537 | 180,426 | 179,879 | 160,314 | 177,609 | 118,928 | 116,723 |
| Principal | 35,499 | 30,142 | -- | 843,425 | 199,537 | 209,349 | 226,496 | 3,074,730 | 334,765 | 278,983 |
| Fiscal Agents Fees | -- | -- | -- | 515 | 529 | 529 | 500 | 55,222 | -- | -- |
| Total Expenditures | 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 | 19,933,911 |
| Excess of Revenues | (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) | 113,760 |
| Over (Under) Expenditures | | | | | | | | | | |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Bonds Issued | -- | -- | 3,300,000 | -- | -- | -- | -- | 2,880,000 | -- | -- |
| Loan Proceeds | -- | -- | 700,000 | -- | -- | -- | -- | -- | -- | -- |
| Capital Leases | 62,927 | -- | -- | -- | -- | -- | 266,325 | -- | 395,959 | -- |
| Transfers In | 554,942 | 733,026 | 1,005,822 | 814,481 | 925,941 | 1,225,317 | 1,020,609 | 1,156,393 | 584,205 | 374,624 |
| Transfers Out | (554,942) | (733,026) | (1,005,822) | (814,481) | (925,941) | (1,225,317) | (1,020,609) | (1,156,393) | (584,205) | (374,624) |
| Total Other Financing Sources (Uses) | 62,927 | -- | 4,000,000 | -- | -- | -- | 266,325 | 2,880,000 | 395,959 | -- |
| Net Change in Fund Balances | \$ 57,142 | \$ (863,053) | \$ 1,577,271 | \$ (1,092,586) | \$ 1,227,863 | \$ 1,521,457 | \$ 1,302,147 | \$ 1,298,197 | \$ (942,402) | \$ 113,760 |
| Debt Service As A Percentage Of Noncapital Expenditures | 0.3% | 0.2% | -- | 5.4% | 1.9% | 1.7% | 2.0% | 14.5% | 2.2% | 2.0% |

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 |
|-----------------------------|--------------|-----------------|------------|
| 2001 | -- | -- | -- |
| 2002 | -- | -- | -- |
| 2003 | 7,012,219 | 1,924,391 | -- |
| 2004 | 8,258,496 | 2,180,680 | -- |
| 2005 | 8,748,679 | 2,406,590 | -- |
| 2006 | 8,900,995 | 3,191,996 | -- |
| 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 |
| 2010 | 10,574,993 | 4,282,890 | 14,857,883 |
| Percent Change 2001-2010 | 2.0% | 47.2% | 11.9% |

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 |
|-------------|----------------------|---------------------|---------------------|---------------------------|------------------------------|-----------------------|--------------------------------|--|
| 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% |
| 2010 | 652,740,384 | 1,503,754,978 | 78,312,052 | 538,722,678 | 1,696,084,736 | 0.611543 | 2,234,807,414 | 75.894% |

Source: Jim Wells County Appraisal District

TABLE E-8

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

| Fiscal Year | County Direct Rates | | | | Overlapping Rates | | | | | | | | | |
|-------------|---------------------|---------------------------------|-------------------|---------------|-------------------|-----------------------|-----------------|-------------|----------------------|------------------|-----------|---------------|-------------------------|-------------------------------|
| | Basic Rate | General Obligation Debt Service | Total Direct Rate | City of Alice | Alice 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 | Emergency Service District #1 |
| 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 | 1.584930 | 1.660000 | 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 | 0.431960 | 1.640000 | 0.118725 | 0.410671 | 1.578080 | 0.742555 | 1.600967 | 1.496100 | 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 | 1.496100 | 1.500000 | 0.162475 | 0.100000 |
| 2007 | 0.640819 | 0.017236 | 0.705832 | 0.331080 | 1.198650 | 0.112986 | 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 | 0.085066 | 0.633815 | 0.364457 | 1.294300 | 0.115569 | 0.442746 | 1.140000 | 0.636730 | 1.240000 | 1.160509 | 1.040000 | 0.075257 | 0.087396 |
| 2010 | 0.596722 | 0.014821 | 0.611543 | 0.372420 | 1.294300 | 0.116250 | 0.432660 | 1.120000 | 0.632750 | 1.240000 | 1.172000 | 1.040000 | 0.072670 | 0.087246 |

Source: Jim Wells County Appraisal District

TABLE E-9

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

| Taxpayer | 2010 | | | 2001 | | |
|---------------------------------|------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total County Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total County Taxable Assessed Value |
| Halliburton Energy Services | \$ 44,749,124 | 1 | 2.78% | \$ 33,148,666 | 2 | 3.36% |
| BJ Services Company, USA | 32,019,997 | 2 | 1.99% | 8,458,034 | 9 | 0.86% |
| Precision Drilling Oilfield | 31,604,213 | 3 | 1.97% | 12,550,158 | 6 | 1.27% |
| Helmerich & Payne Intl Drill | 30,902,015 | 4 | 1.92% | -- | | -- |
| Well Services Division of STC | 27,405,071 | 5 | 1.71% | -- | | -- |
| AEP Texas Central Co. | 27,355,751 | 6 | 1.70% | -- | | -- |
| DCP Midstream LP/TX | 22,768,706 | 7 | 1.42% | 12,567,451 | 5 | 1.27% |
| Weatherford Artificial Lift Sys | 22,405,490 | 8 | 1.39% | -- | | -- |
| Nabors Drill USA/Nabors Well | 21,125,496 | 9 | 1.31% | -- | | -- |
| Covance Research Products, Inc. | 19,993,447 | 10 | 1.24% | -- | | -- |
| Total | \$ 280,329,310 | | 17.45% | \$ 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 | Percentage of Levy | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 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% |
| 2010 | 10,917,999 | | 8,349,909 | 76.48% | 2,017,296 | 10,367,205 | 94.96% |

Sources: Jim Wells County Appraisal District

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

TABLE E-11

| | Calendar Year | | | | | | | | | |
|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Building Material & Hardware | \$ 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 | \$ 50,201,906 |
| General Merchandise | 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 | 220,607,413 |
| Food Stores | 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 | 11,889,929 |
| Auto Dealers & Gas | 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 | 45,049,897 |
| Apparel & Accessory | 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 | 7,868,885 |
| Home Furnishing & Appliances | 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 | 6,403,813 |
| Eating & Drinking Places | 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 | 35,669,789 |
| Misc Retail Stores | 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 | 70,137,837 |
| Total | \$ 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 | \$ 447,829,469 |
| 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> |
|--------------------|---------------------------|----------------------|
| 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% |
| 2010 | 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 | \$ 98,375 | \$ 62,708 | 0.018% | \$ 2 | 161,085 | -- | \$ 2 |
| 2001 | 69,201 | -- | 0.007% | 2 | 69,203 | 0.00% | 2 |
| 2002 | 3,300,000 | -- | 0.33% | 82 | 3,300,082 | 0.00% | 82 |
| 2003 | 3,265,104 | 304,740 | 0.32% | 80 | 3,569,924 | 0.00% | 80 |
| 2004 | 3,160,477 | 209,831 | 0.29% | 77 | 3,370,385 | 0.00% | 77 |
| 2005 | 3,050,391 | 110,208 | 0.25% | 74 | 3,160,673 | 0.00% | 74 |
| 2006 | 2,934,561 | 266,225 | 0.21% | 65 | 3,200,851 | 0.00% | 71 |
| 2007 | 2,880,000 | 126,058 | 0.19% | 64 | 3,006,122 | 0.00% | 66 |
| 2008 | 2,735,000 | 332,253 | 0.19% | 60 | 3,067,313 | 0.00% | 68 |
| 2010 | 2,585,000 | 203,270 | 0.17% | 57 | 2,788,327 | 0.00% | 62 |

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 | | |
| 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 |
| 2010 | 2,585,000 | 2,585,000 | 0.18% | 57 |

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 | \$ 2,585,000 | 100.000% | \$ 2,585,000 |
| City of Alice | 27,341,226 | 100.000% | 27,341,226 |
| Alice Independent School District | 41,849,988 | 81.180% | 33,973,820 |
| Jim Wells County Fresh Water Supply District #1 | 398,870 | 100.000% | 398,870 |
| Orange Grove Independent School District | 15,945,000 | 100.000% | 15,945,000 |
| Alice Water Authority | 4,980,000 | 48.980% | 2,439,204 |
| Premont Independent School District | 3,266,925 | 100.000% | 3,266,925 |
| Other Debt | | | |
| Jim Wells County, Texas Capital Leases | 203,270 | 100.000% | 203,270 |
| Total Overlapping Debt | | | <u>86,153,315</u> |
| County Direct Debt | | | <u>3,160,959</u> |
| Total Direct and Overlapping Debt | | | <u>\$ 89,314,274</u> |

Sources: Debt outstanding data provided by each governmental unit.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

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

| | Fiscal Year | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Debt Limit | \$ 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 | \$ 335,221,112 |
| Total Net Debt Applicable to Limit | -- | -- | (971,432) | -- | -- | 2,934,562 | -- | -- | -- | -- |
| Legal Debt Margin | 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 | 335,221,112 |
| Total Net Debt Applicable to the Limit As a Percentage of Debt Limit | 25% | 25% | 10% | 10% | 10% | 15% | 15% | 15% | 15% | 15% |

Legal Debt Margin Calculation for the Current Fiscal Year

| | |
|--|------------------|
| Assessed Value | \$ 2,234,807,414 |
| Debt Limit (15% of Assessed Value) | 335,221,112 |
| Debt Applicable to Limit: | |
| General Obligation Bonds | 2,585,000 |
| Less: Amount Set Aside for Repayment of General Obligation Debt | (155,000) |
| Total Net Debt Applicable to Limit | 2,430,000 |
| Legal Debt Margin | \$ 332,791,112 |

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

TABLE E-17

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Population | 39,854 | 40,061 | 40,439 | 40,811 | 40,951 | 41,131 | 45,244 | 41,119 | 41,001 | 40,838 |
| Personal Income | \$ 31,150 | \$ 31,150 | \$ 31,150 | \$ 32,118 | \$ 32,118 | \$ 32,118 | \$ 32,588 | \$ 35,528 | \$ 37,414 | \$ 37,918 |
| Per Capita Personal Income | \$ 19,608 | \$ 20,104 | \$ 21,530 | \$ 22,478 | \$ 24,104 | \$ 25,320 | \$ 27,852 | \$ 26,767 | \$ 29,523 | \$ 33,450 |
| Median Age | 31.0 | 31.0 | 31.0 | 32.5 | 34.0 | 34.5 | 35.0 | 33.6 | 33.9 | 33.5 |
| Education Level in Years of Schooling | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| School Enrollment | 5,030 | 5,154 | 5,238 | 5,114 | 5,523 | 5,621 | 5,637 | 5,614 | 5,525 | 5,322 |
| Unemployment | 5.6% | 7.1% | 7.0% | 6.5% | 5.5% | 4.8% | 4.0% | 4.0% | 9.1% | 8.9% |

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 | 2010 | | | 2001 | | |
|----------------------|--------------|------|---------------------------------------|--------------|------|---------------------------------------|
| | 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

TABLE E-19

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

| Function/Program | Full-Time-Equivalent Employees as of Year End | | | | | | | | | |
|----------------------------|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Government | | | | | | | | | | |
| Administration | 13 | 15 | 15 | 17 | 17 | 18 | 22 | 24 | 24 | 20 |
| Finance | 18 | 18 | 18 | 18 | 18 | 17 | 16 | 18 | 18 | 18 |
| Judicial | 32 | 33 | 33 | 32 | 32 | 31 | 31 | 38 | 35 | 35 |
| Legal | 18 | 18 | 18 | 17 | 17 | 18 | 23 | 27 | 26 | 20 |
| Other | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Public Safety | 121 | 132 | 132 | 127 | 127 | 120 | 128 | 136 | 133 | 142 |
| Public Transportation | 94 | 100 | 100 | 110 | 110 | 99 | 105 | 119 | 107 | 117 |
| Public Facilities | 8 | 9 | 9 | 2 | 2 | 1 | 1 | 3 | 2 | 2 |
| Health & Welfare | | | | | | | | | | |
| Conservation & Agriculture | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 |
| Civilians | 5 | 5 | 5 | 4 | 4 | 4 | 3 | 3 | 3 | 2 |
| Total | 312 | 333 | 333 | 330 | 330 | 311 | 333 | 372 | 352 | 360 |

Source: County Auditor Office

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

| Function/Program | Fiscal Year | | | | | | | | | |
|-----------------------------------|-------------|--------|--------|--------|--------|--------|--------|---------|---------|---------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Government | 516 | 594 | 573 | 556 | 573 | 479 | 445 | 295 | 224 | 208 |
| Building Permits Issued | | | | | | | | | | |
| Public Safety | 1,307 | 1,464 | 1,930 | 2,013 | 1,725 | 1,484 | 1,902 | 1,606 | 1,906 | 2,001 |
| Serious Crimes | -- | -- | 4,546 | 3,708 | 4,453 | 7,477 | 3,959 | 4,079 | 6,546 | 4,435 |
| Parking/Traffic Violations | | | | | | | | | | |
| Judicial | 1,102 | 1,342 | 1,492 | 2,002 | 1,706 | 1,325 | 1,836 | 1,598 | 1,858 | 2,080 |
| Number of Cases Heard | | | | | | | | | | |
| Culture & Recreation | -- | -- | -- | 9 | 14 | 16 | 25 | 22 | 14 | 12 |
| Number of Events | 82,379 | 85,216 | 88,320 | 91,051 | 95,000 | 90,179 | 99,823 | 120,735 | 120,816 | 145,316 |
| Annual Number of Patrons Assisted | | | | | | | | | | |
| Public Transportation | 1,550 | 1,550 | 1,589 | 1,589 | 1,610 | 1,610 | 1,610 | 1,617 | 1,617 | 1,617 |
| Street Miles | | | | | | | | | | |

Source: County Auditor's Office

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

TABLE E-21

| Function/Program | Fiscal Year | | | | | | | | | |
|-------------------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Government | | | | | | | | | | |
| Number of Buildings | 24 | 25 | 26 | 27 | 27 | 27 | 27 | 28 | 28 | 28 |
| Public Safety | | | | | | | | | | |
| Number of Buildings | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Number of Vehicles | 20 | 22 | 26 | 32 | 32 | 32 | 40 | 40 | 50 | 48 |
| 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 | 1,078 | 1,617 |
| 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

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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Independent Auditor's 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, 2010, which collectively comprise the Jim Wells County, Texas's basic financial statements and have issued our report thereon dated July 20, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Respectfully submitted,

Raul Hernandez & Company, P.C.

Raul Hernandez & Company, P.C.

July 20, 2011

JIM WELLS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

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

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards - N/A

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> |
|-----------------------|---|
| N/A | |

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

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

JIM WELLS COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

| Finding/Recommendation | Current Status | Management's Explanation If Not Implemented |
|--|----------------|--|
| <p>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. Status: Corrected</p> | | |
| <p>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. Status: Corrected</p> | | |

JIM WELLS COUNTY, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2010

NONE

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