



Comprehensive Annual Financial Report

For Fiscal Year Ended

December 31, 2012

JIM WELLS COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012

Prepared by:

Jim Wells County, Texas – Auditor's Office

Eladio Gonzalez, Jr

County Auditor

Jim Wells County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2012

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit/Table</u>
INTRODUCTORY SECTION		
Letter of Transmittal.....	3	
GFOA Certificate of Achievement.....	11	
Organizational Chart.....	12	
FINANCIAL SECTION		
Independent Auditors' Report.....	17	
Management's Discussion and Analysis (Required Supplementary Information).....	19	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Position.....	34	Exhibit A-1
Statement of Activities.....	35	Exhibit A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	36	Exhibit A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	37	Exhibit A-4
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	38	Exhibit A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	39	Exhibit A-6
Statement of Fiduciary Net Assets - Fiduciary Funds.....	40	Exhibit A-7
Notes to the Financial Statements	41	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedules:		
General Fund.....	58	Exhibit B-1
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	68	Exhibit C-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	69	Exhibit C-2
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	70	Exhibit C-3
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Special Revenue Funds.....	78	Exhibit C-4

Jim Wells County, Texas
Comprehensive Annual Financial Report
For The Year Ended December 31, 2012

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit/Table</u>
Tax Revenues by Source, Governmental Funds.....	122	Table E-6
Assessed Value and Estimated Actual Value of Taxable Property.....	123	Table E-7
Direct and Overlapping Property Tax Rates.....	124	Table E-8
Principal Property Tax Payers.....	125	Table E-9
Property Tax Levies and Collections.....	126	Table E-10
Taxable Sales by Category.....	127	Table E-11
Direct and Overlapping Sales Tax Rates.....	128	Table E-12
Ratios of Outstanding Debt by Type.....	129	Table E-13
Ratios of General Bonded Debt Outstanding.....	130	Table E-14
Direct and Overlapping Governmental Activities Debt.....	131	Table E-15
Legal Debt Margin Information.....	132	Table E-16
Demographic and Economic Statistics.....	133	Table E-17
Principal Employers.....	134	Table E-18
Full-Time-Equivalent Employees by Function/Program.....	135	Table E-19
Operating Indicators By Function/Program.....	136	Table E-20
Capital Asset Statistics by Function/Program.....	137	Table E-21

INTRODUCTORY SECTION

Introductory Section



COUNTY OF JIM WELLS

STATE OF TEXAS

ELADIO GONZALEZ, JR.
COUNTY AUDITOR

July 22, 2013

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, 2012.

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, 2012, 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

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.

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
- Progresso - Progresso International Bridge
- Harlingen - Free Trade Bridge
- Brownsville - Gateway International Bridge, B & M Bridge, The Port of Brownsville

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

Major Highways: SH44/US 59 provides a major east-west trade corridor between the Port of Corpus Christi, Laredo, and Monterrey, Mexico and points south. US 281 provides a major north-south trade corridor between Northern Mexico, the Rio Grande Valley and points north. Alice is

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, 2011. 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.

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, 2011

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.



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

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

DECEMBER 31, 2012

DISTRICT COURT

Richard Terrell	Judge, 79th Judicial District
Carlos O. Garcia	District Attorney
R. David Guerrero	District Clerk
Sonia Trevino	District Court Reporter
Gerardo Flores	District Court Interpreter

COMMISSIONERS COURT

L. Arnolando Saenz	County Judge
Margie H. Gonzalez	County Commissioner, Precinct No. 1
Ventura Garcia	County Commissioner, Precinct No. 2
Richard Miller	County Commissioner, Precinct No. 3
Javier Garcia	County Commissioner, Precinct No. 4

OTHER COUNTY OFFICIALS

Oscar Lopez	Sheriff
J.C. Perez	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
Jim Long	Precinct No. 3
Frank Davila	Precinct No. 4
Robert Vasquez, Sr.	Precinct No. 5
Bartolo Guajardo	Precinct No. 6

FINANCIAL SECTION

Financial Section

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

Independent Auditors' Report

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

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jim Wells County, Texas as of December 31, 2012, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2012. 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 \$33,223,313 (net assets).

As of the close of the current fiscal year, the County of Jim Wells governmental funds reported combined ending fund balances of \$11,524,385, of which, \$6,745,919 represents an unassigned fund balance and places the County in a favorable position.

The County of Jim Wells' total debt decreased by a net of (\$215,523) 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.

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

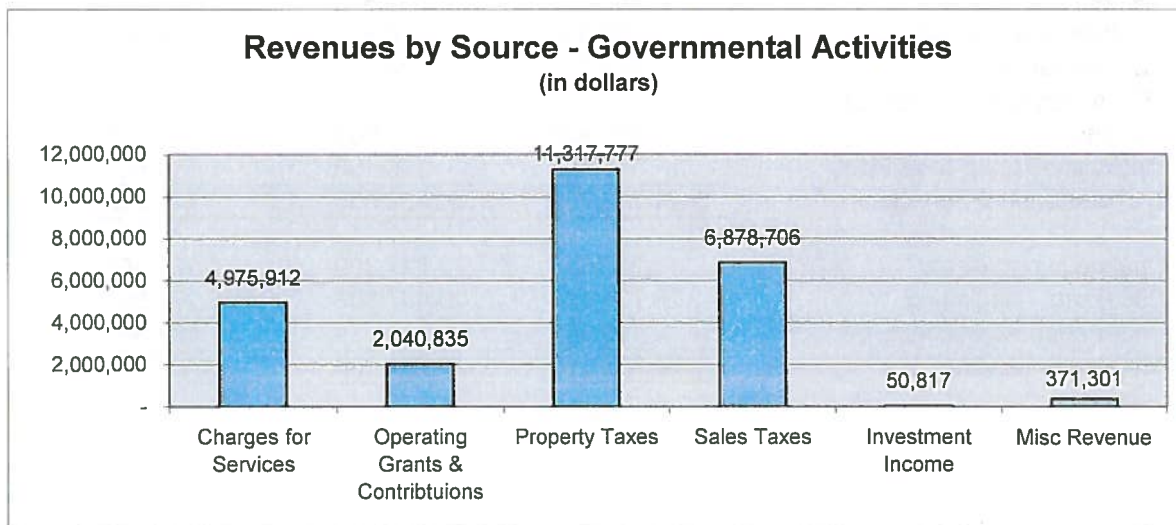
The \$251,580 and \$1,186,860 of the County's restricted net assets represents funds available for the debt service and capital projects funds, respectively. These funds when spent are restricted for repayment of debt and capital asset acquisitions respectively. The \$11,172,800 unrestricted net assets represent resources available to fund the programs of the County next year.

Revenues. The County's total revenues were \$25,635,348. A significant portion, 44 percent, of the County's revenue comes from property taxes. 27 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 had a total direct rate of .486830, which is a decrease of (.074309) from the previous year. Net taxable value of property increased by \$310,148,464. Sales taxes increased as a result of an increase in retail trade and the Eagle Ford shale production boom during 2012.
- Grant revenues had an increase from the prior year due to increases in intergovernmental revenues in the Public Transportation fund, the Job Access & Reverse Commute fund, and the Pre-Trial Bond Supervision fund.
- Sales tax revenues in 2012 increased compared to the prior year by 13%.

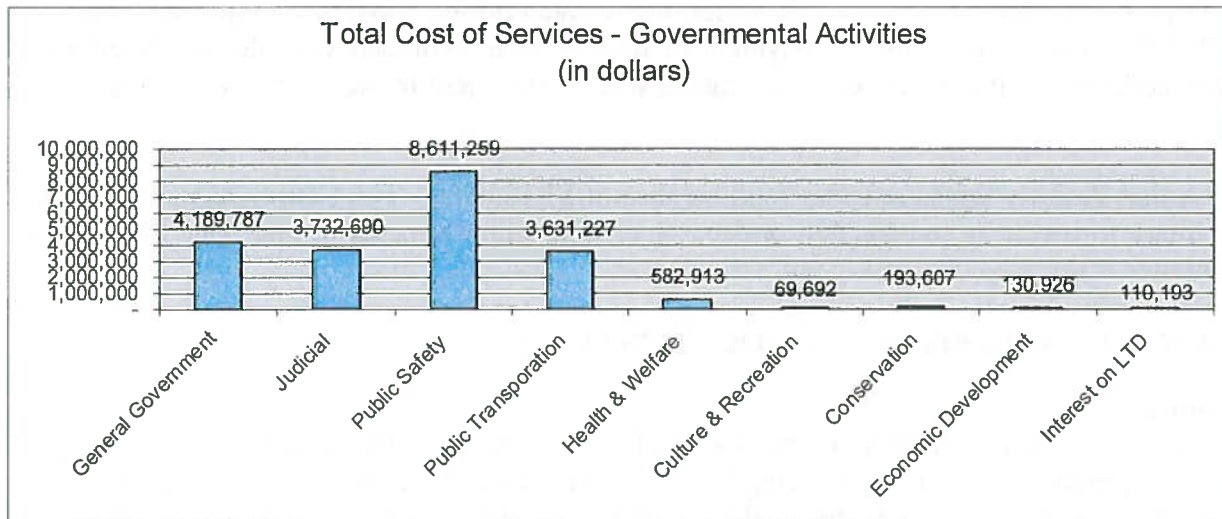
Figure A-1



JIM WELLS COUNTY, TEXAS

- 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.
- \$8,611,259 of these costs were for public safety, which increased by \$1,378,733 from the prior year. This increase was due, in part, to the purchases of five vehicles in the Sheriff's department, and a fire truck in the Fire Protection department.

Figure A-2



FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

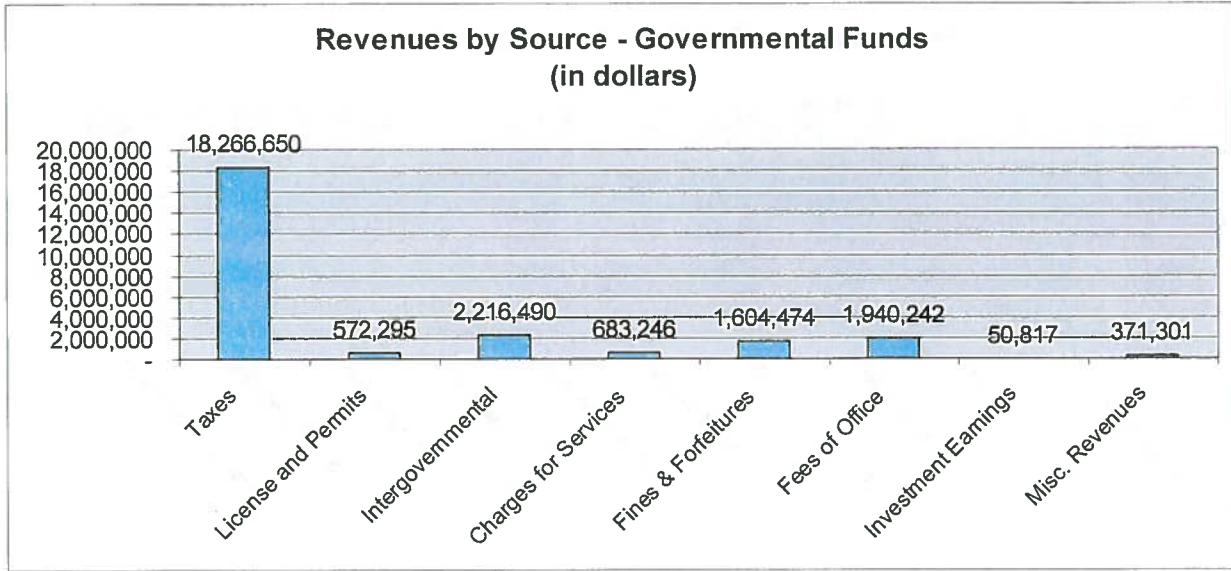
As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and budget controls has been the framework of the County's strong fiscal management and accountability.

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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$11,524,385, an increase of \$2,990,196 compared with the prior year. As shown on page 36 the unassigned fund balance resulted in an amount of \$6,745,919. The *unassigned 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 increases in general property taxes, sales taxes, fines & forfeitures, fees of office, investment earnings, and miscellaneous revenues.

JIM WELLS COUNTY, TEXAS

Figure A-3



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

	FY 2012	FY 2011	Increase (Decrease)
Taxes	\$ 18,266,650	\$ 17,291,451	\$ 975,199
License and Permits	572,295	532,132	40,163
Intergovernmental	2,216,490	1,821,683	394,807
Charges for Services	683,246	648,927	34,319
Fines & Forfeitures	1,604,474	994,594	609,880
Fees of Office	1,940,242	1,212,882	727,360
Investment Earnings	50,817	20,988	29,829
Misc. Revenues	371,301	297,366	73,935
Total Revenues	<u>\$ 25,705,515</u>	<u>\$ 22,820,023</u>	<u>\$ 2,885,492</u>

Expenditures

Debt-principal payments increased in the amount of \$251,149, compared to the result of the previous year. The increase is public safety of \$967,524 is partly due to the purchase of vehicles and a fire truck.

The County's primary expenditures were for public safety, public transportation, and general government. Public safety now accounts for over 39% of total expenditures. (See Figure A-5 and Table A-4)

JIM WELLS COUNTY, TEXAS

Other financing sources from the County came from:

**Table A-5
Other Financing Resources**

	<u>FY 2012</u>	<u>FY 2011</u>	<u>Increase (Decrease)</u>
Transfers In	\$ 346,736	\$ 350,970	\$ (4,234)
Transfers Out	(346,736)	(350,970)	4,234
Capital Leases	288,095	287,964	131
	<u>\$ 288,095</u>	<u>\$ 287,964</u>	<u>\$ 131</u>

General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$13,399,495 and expenditures of \$1,114,040, 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 \$3,406,342. Of this amount, general property taxes and general sales & use taxes provided favorable variances of \$463,838 and \$1,731,558, respectively. These favorable variances are a result of the benefits of the economic flood that is Eagle Ford shale production. Alice's revenue booms and busts through the years closely follow oil prices and oil field activities. Intergovernmental revenues provided a favorable variance of \$122,135 and fees of office provided a favorable variance of \$870,087.
- Actual expenditures (before transfers) were \$108,283 below final budget amounts. This favorable variance resulted from over-budgeted expenditures in the juvenile corrections board, district court, 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 2012, the County had invested \$62,058,222 in a broad range of capital assets, including land, infrastructure, buildings & improvements, and equipment. (See Table A-6.)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Appraised value used for the 2013 budget preparation is up considerably from the prior year.

General operating fund spending in the 2013 budget is expected to have a moderate increase as compared to 2012.

These indicators were taken into account when adopting the general fund budget for 2013. 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 2012-2013 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.

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

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

Basic Financial Statements

JIM WELLS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT:				
Governmental Activities:				
<i>General Government</i>	\$ 4,189,787	\$ 1,539,647	\$ --	\$ (2,650,140)
<i>Judicial</i>	3,732,690	425,963	--	(3,306,727)
<i>Public Safety</i>	8,611,259	1,921,158	1,698,548	(4,991,553)
<i>Public Transportation</i>	3,631,227	1,089,144	105,364	(2,436,719)
<i>Health and Welfare</i>	582,913	--	236,923	(345,990)
<i>Culture and Recreation</i>	69,692	--	--	(69,692)
<i>Conservation</i>	193,607	--	--	(193,607)
<i>Economic Development and Assistance</i>	130,926	--	--	(130,926)
<i>Interest on Long-term Debt</i>	110,193	--	--	(110,193)
Total Governmental Activities	<u>21,252,294</u>	<u>4,975,912</u>	<u>2,040,835</u>	<u>(14,235,547)</u>
Total Primary Government	<u>\$ 21,252,294</u>	<u>\$ 4,975,912</u>	<u>\$ 2,040,835</u>	<u>(14,235,547)</u>
General Revenues:				
<i>Property Taxes</i>				11,317,777
<i>Sales Taxes</i>				6,878,706
<i>Investment Income</i>				50,817
<i>Miscellaneous Revenues</i>				371,301
Total General Revenues				<u>18,618,601</u>
Change in Net Assets				4,383,054
Net Assets - Beginning				28,734,908
Prior Period Adjustment				105,351
Net Assets - Ending				<u>\$ 33,223,313</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 POSITION
 DECEMBER 31, 2012

Total fund balances - governmental funds balance sheet	\$ 11,524,385
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	23,229,928
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,471,587
Payables for bond principal which are not due in the current period are not reported in the funds.	(2,245,766)
Payables for capital leases which are not due in the current period are not reported in the funds.	(727,436)
Payables for bond interest which are not due in the current period are not reported in the funds.	(29,385)
Net position of governmental activities - Statement of Net Position	<u>\$ 33,223,313</u>

The accompanying notes are an integral part of this statement.

JIM WELLS COUNTY, TEXAS

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012*

Net change in fund balances - total governmental funds	\$ 2,884,845
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	2,189,713
The depreciation of capital assets used in governmental activities is not reported in the funds.	(820,631)
The gain or loss on the sale of capital assets is not reported in the funds.	(18,370)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(70,167)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	165,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	333,812
(Increase) decrease in accrued interest from beginning of period to end of period.	2,141
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	4,806
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	<u>(288,095)</u>
'Change in net position of governmental activities - Statement of Activities	<u>\$ 4,383,054</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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.

In addition, the County reports the following fund types:

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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, 2012 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.

e. 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.

f. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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, 2012, the County did not have any funds that had expenditures exceeding appropriations.

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.

Cash Deposits:

At December 31, 2012, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$19,522,284 and the bank balance was \$18,037,726. The County's cash deposits at December 31, 2012 and during the year ended December 31, 2012, 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: Prosperity Bank
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$22,973,141.
- c. The highest combined balances of cash, savings and time deposit accounts amounted to \$21,843,639 and occurred during the month of March, 2012.
- 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.

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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.

D. Capital Assets

Capital asset activity for the year ended December 31, 2012, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<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	42,359,360	693,032	--	43,052,392
Buildings and improvements	12,931,770	125,752	--	13,057,522
Machinery & Equipment	4,407,993	1,370,926	(58,400)	5,720,519
Total capital assets being depreciated	<u>59,699,123</u>	<u>2,189,710</u>	<u>(58,400)</u>	<u>61,830,433</u>
Less accumulated depreciation for:				
Infrastructure	(31,952,904)	(90,628)	--	(32,043,532)
Buildings and improvements	(4,246,618)	(263,399)	--	(4,510,017)
Machinery & Equipment	(1,848,174)	(466,603)	40,030	(2,274,747)
Total accumulated depreciation	<u>(38,047,696)</u>	<u>(820,630)</u>	<u>40,030</u>	<u>(38,828,296)</u>
Total capital assets being depreciated, net	<u>21,651,427</u>	<u>1,369,080</u>	<u>(18,370)</u>	<u>23,002,137</u>
Governmental activities capital assets, net	<u>\$ 21,879,216</u>	<u>\$ 1,369,080</u>	<u>\$ (18,370)</u>	<u>\$ 23,229,926</u>

Depreciation was charged to functions as follows:

General Government	\$ 204,599
Public Protection:	
Courthouse & Buildings	263,399
Probation	23,266
Sheriff	177,625
Fire Protection	61,113
Public Ways and Facilities, Including	
Depreciation of General Infrastructure Assets	90,628
	<u>\$ 820,630</u>

JIM WELLS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

G. Leases

Operating Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of December 31, 2012, as follows:

Year Ending December 31,	
2013	\$ 80,094
2014	69,253
2015	36,980
2016	17,440
2017	4,551
Total Minimum Rentals	<u>\$ 208,318</u>
Rental Expenditures in 2012	<u>\$ 72,807</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 July 22, 2011, the County entered into a five year lease agreement, secured with a new Mauldin Model M413XT Maintainer, with Government Capital Corporation with a maturity date of Feb. 15th, 2016. Payments are due in annual installments of \$16,781.54, including interest of 4.597%.

2. On Nov. 15, 2012, the County entered into a three year lease agreement, secured with 5 vehicles with Government Capital Corporation, with a maturity of February 15, 2015. Payments are due in annual installments of \$51,954.16, including interest of 3.235%.

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%.

4. On July 6, 2011, the County entered into a three year agreement, secured by a Brush Fire Truck with Government Capital with a maturity date of February 15, 2014. Payments are due in annual installments of \$46,497.91, including interest of 4.597%.

5. On July 22, 2011, the County entered into a three year lease agreement secured by John Deere 310 Backhoe, with Government Capital Corporation, with a maturity date of February 15, 2014. Payments are due in annual installments of \$22,691.88 including interest of 4.597%.

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities
Machinery and Equipment	\$ 1,624,919
Less: accumulated depreciation	(613,309)
Total	<u>\$ 1,011,610</u>

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

2. Debt Service Requirements

Debt service requirements on long-term debt at December 31, 2012, are as follows:

Year Ending December 31.	Governmental Activities		
	Principal	Interest	Total
2013	\$ 170,000	\$ 85,789	\$ 255,789
2014	175,000	79,227	254,227
2015	180,000	72,375	252,375
2016	190,000	65,427	255,427
2017	195,000	57,997	252,997
2018-2022	1,105,000	168,973	1,273,973
2023	250,000	7,238	257,238
Totals	\$ 2,265,000	\$ 537,026	\$ 2,802,026

I. 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 2012, 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.

J. Pension Plan

1. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS) is a qualified pension plan under Section 401(a) of Internal Revenue Code. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent-multiple-employer public employee retirement system consisting of 586 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service, with 20 years of services regardless of age, or when the sum of their age and years of service equals 75 or more.

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

JIM WELLS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

K. Health Care Coverage

During the year ended December 31, 2012, 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, 2013, 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.

L. 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, 2012.

M. Other Related Disclosures

The following funds had adopted budgets for the fiscal year ended December 31, 2012:

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

SUPPLEMENTARY INFORMATION

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.

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, 2012

EXHIBIT B-1
Page 2 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
County Courthouse and Annex				
<i>Personal Services</i>	66,570	66,570	84,526	(17,956)
<i>Supplies</i>	33,000	33,000	25,620	7,380
<i>Other Services and Charges</i>	924,500	924,500	905,136	19,364
<i>Capital Outlay</i>	142,000	142,000	136,443	5,557
<i>Total County Courthouse and Annex</i>	<u>1,166,070</u>	<u>1,166,070</u>	<u>1,151,725</u>	<u>14,345</u>
County Airport				
<i>Personal Services</i>	50,000	50,000	19,394	30,606
<i>Total County Airport</i>	<u>50,000</u>	<u>50,000</u>	<u>19,394</u>	<u>30,606</u>
Elections				
<i>Personal Services</i>	260,639	260,639	255,215	5,424
<i>Supplies</i>	43,200	43,200	32,160	11,040
<i>Other Services and Charges</i>	35,745	35,745	30,385	5,360
<i>Capital Outlay</i>	520	520	--	520
<i>Total Elections</i>	<u>340,104</u>	<u>340,104</u>	<u>317,760</u>	<u>22,344</u>
Non-Departmental				
<i>Personal Services</i>	15,155	15,155	17,907	(2,752)
<i>Supplies</i>	10,000	10,000	57,147	(47,147)
<i>Other Services and Charges</i>	387,884	387,884	307,722	80,162
<i>Total Non-Departmental</i>	<u>413,039</u>	<u>413,039</u>	<u>382,776</u>	<u>30,263</u>
Total General Government	<u>4,259,752</u>	<u>4,259,752</u>	<u>4,103,199</u>	<u>156,553</u>
Judicial				
County court				
<i>Personal Services</i>	40,842	40,842	--	40,842
<i>Supplies</i>	500	500	--	500
<i>Other Services and Charges</i>	124,500	124,500	161,304	(36,804)
<i>Total County Court</i>	<u>165,842</u>	<u>165,842</u>	<u>161,304</u>	<u>4,538</u>
District Court				
<i>Personal Services</i>	456,964	456,964	426,617	30,347
<i>Supplies</i>	5,000	5,000	7,067	(2,067)
<i>Other Services and Charges</i>	271,554	271,554	271,749	(195)
<i>Capital Outlay</i>	40,100	40,100	15,621	24,479
<i>Total District Court</i>	<u>773,618</u>	<u>773,618</u>	<u>721,054</u>	<u>52,564</u>
District Clerk				
<i>Personal Services</i>	487,463	487,463	488,693	(1,230)
<i>Supplies</i>	12,500	12,500	25,393	(12,893)
<i>Other Services and Charges</i>	46,700	46,700	40,600	6,100
<i>Capital Outlay</i>	13,000	13,000	14,943	(1,943)
<i>Total District Clerk</i>	<u>559,663</u>	<u>559,663</u>	<u>569,629</u>	<u>(9,966)</u>
Justice of the Peace				
<i>Personal Services</i>	677,589	677,589	687,103	(9,514)
<i>Supplies</i>	9,250	9,250	8,556	694
<i>Other Services and Charges</i>	86,966	86,966	114,106	(27,140)
<i>Capital Outlay</i>	1,400	1,400	--	1,400
<i>Total Justice of the Peace</i>	<u>775,205</u>	<u>775,205</u>	<u>809,765</u>	<u>(34,560)</u>
County Attorney				
<i>Personal Services</i>	589,632	589,632	575,067	14,565
<i>Supplies</i>	4,200	4,200	6,432	(2,232)
<i>Other Services and Charges</i>	10,200	10,200	21,728	(11,528)
<i>Total County Attorney</i>	<u>604,032</u>	<u>604,032</u>	<u>603,227</u>	<u>805</u>

JIM WELLS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT B-1
Page 4 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Adult Probation				
<i>Other Services and Charges</i>	--	--	24,118	(24,118)
<i>Total Adult Probation</i>	--	--	24,118	(24,118)
Total Public Safety	6,478,314	6,478,314	6,421,916	56,398
Health and Welfare				
<i>Personal Services</i>	89,705	89,705	81,679	8,026
<i>Supplies</i>	1,900	1,900	1,157	743
<i>Other Services and Charges</i>	134,396	134,396	118,990	15,406
<i>Capital Outlay</i>	2,000	2,000	--	2,000
<i>Total Health and Welfare</i>	228,001	228,001	201,826	26,175
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>	24,600	24,600	19,692	4,908
<i>Total Parks Department</i>	24,600	24,600	19,692	4,908
<i>Total Culture and Recreation</i>	74,600	74,600	69,692	4,908
Conservation				
Agriculture Extension Service				
<i>Personal Services</i>	130,437	130,437	129,625	812
<i>Supplies</i>	3,780	3,780	6,825	(3,045)
<i>Other Services and Charges</i>	53,096	53,096	57,157	(4,061)
<i>Capital Outlay</i>	13,732	13,732	--	13,732
<i>Total Agriculture Extension Service</i>	201,045	201,045	193,607	7,438
Economic Development and Assistance				
<i>Personal Services</i>	115,749	115,749	101,323	14,426
<i>Other Services and Charges</i>	23,200	23,200	29,603	(6,403)
<i>Capital Outlay</i>	12,600	12,600	--	12,600
<i>Total Economic Development and Assistance</i>	151,549	151,549	130,926	20,623
Debt Service:				
<i>Principal</i>	--	--	143,657	(143,657)
<i>Interest and Fiscal Charges</i>	--	--	7,193	(7,193)
<i>Total Debt Service</i>	--	--	150,850	(150,850)
Total Expenditures	15,089,271	15,089,271	14,980,988	108,283
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,689,776)	(1,689,776)	1,824,849	3,514,625
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	--	--	2,205	2,205
<i>Transfers Out</i>	(1,114,040)	(1,114,040)	(294,188)	(819,852)
Total Other Financing Sources (Uses)	(1,114,040)	(1,114,040)	(291,983)	(822,057)
Net Change in Fund Balances	(2,803,816)	(2,803,816)	1,532,866	4,336,682
Fund Balances - Beginning	5,213,053	5,213,053	5,213,053	--
Fund Balances - Ending	\$ 2,409,237	\$ 2,409,237	\$ 6,745,919	\$ 4,336,682

*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.

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.

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 accounts 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.

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 and County and District Court Technology Fund are 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 STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:				
Taxes:				
<i>General Property Taxes</i>	\$ 2,351,293	\$ 265,558	\$ --	\$ 2,616,851
<i>General Sales and Use Taxes</i>	1,386,156	--	--	1,386,156
<i>License and Permits</i>	481,531	--	--	481,531
<i>Intergovernmental</i>	1,757,325	--	1,247	1,758,572
<i>Charges for Services</i>	640,123	--	--	640,123
<i>Fines and Forfeitures</i>	1,296,653	--	--	1,296,653
<i>Fees of Office</i>	644,839	--	--	644,839
<i>Investment Earnings</i>	14,274	539	--	14,813
<i>Miscellaneous Revenues</i>	56,662	--	3,478	60,140
Total revenues	<u>8,628,856</u>	<u>266,097</u>	<u>4,725</u>	<u>8,899,678</u>
Expenditures:				
Current:				
<i>General Government</i>	53,973	--	--	53,973
<i>Judicial</i>	49,612	--	--	49,612
<i>Public Safety</i>	2,551,669	--	--	2,551,669
<i>Public Transportation</i>	4,631,140	--	--	4,631,140
<i>Health and Welfare</i>	381,087	--	--	381,087
Debt Service:				
<i>Principal</i>	190,155	165,000	--	355,155
<i>Interest and Fiscal Charges</i>	12,983	92,158	--	105,141
Total Expenditures	<u>7,870,619</u>	<u>257,158</u>	<u>--</u>	<u>8,127,777</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>758,237</u>	<u>8,939</u>	<u>4,725</u>	<u>771,901</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	344,531	--	--	344,531
<i>Transfers Out</i>	(52,548)	--	--	(52,548)
<i>Capital Leases</i>	288,095	--	--	288,095
Total Other Financing Sources (Uses)	<u>580,078</u>	<u>--</u>	<u>--</u>	<u>580,078</u>
Net Change in Fund Balances	1,338,315	8,939	4,725	1,351,979
Fund Balances - Beginning	2,076,415	62,586	1,182,135	3,321,136
Increase (Decrease) in Fund Balance	105,351	--	--	105,351
Fund Balances - Ending	<u>\$ 3,520,081</u>	<u>\$ 71,525</u>	<u>\$ 1,186,860</u>	<u>\$ 4,778,466</u>

Road & Bridge No. 23 Fund	Road & Bridge No. 24 Fund	Indigent Health Care Fund	Sheriff Impound Fees	Small Dams No. 32 Fund
\$ 88,942	\$ 534,100	\$ 18,370	\$ 72,667	\$ 93,186
562,129	612,055	--	--	--
33,711	34,186	--	--	--
<u>\$ 684,782</u>	<u>\$ 1,180,341</u>	<u>\$ 18,370</u>	<u>\$ 72,667</u>	<u>\$ 93,186</u>
\$ 562,129	\$ 612,054	\$ --	\$ --	\$ --
<u>562,129</u>	<u>612,054</u>	<u>--</u>	<u>--</u>	<u>--</u>
122,653	568,287	18,370	72,667	93,186
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>122,653</u>	<u>568,287</u>	<u>18,370</u>	<u>72,667</u>	<u>93,186</u>
<u>\$ 684,782</u>	<u>\$ 1,180,341</u>	<u>\$ 18,370</u>	<u>\$ 72,667</u>	<u>\$ 93,186</u>

Juvenile Probation Fund	Adult Probation Fund	State Juvenile Probation Fund	Home Program Fund	Law Library Fund
\$ 96,590	\$ 275,817	\$ 77,042	\$ 127	\$ 24,248
--	--	--	--	--
--	--	--	--	--
<u>\$ 96,590</u>	<u>\$ 275,817</u>	<u>\$ 77,042</u>	<u>\$ 127</u>	<u>\$ 24,248</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
96,590	275,817	77,042	127	24,248
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>96,590</u>	<u>275,817</u>	<u>77,042</u>	<u>127</u>	<u>24,248</u>
<u>\$ 96,590</u>	<u>\$ 275,817</u>	<u>\$ 77,042</u>	<u>\$ 127</u>	<u>\$ 24,248</u>

Sheriff Drug Forfeiture Fund	Community Corrections Fund	Constable Prct 5 Drug Forfeiture Fund	Juvenile Law Enforcement Officer Fund	JP Technology Fund
\$ 465,971	\$ 15,655	\$ 8,236	\$ 54	\$ 3,652
--	--	--	--	--
--	--	--	--	--
<u>\$ 465,971</u>	<u>\$ 15,655</u>	<u>\$ 8,236</u>	<u>\$ 54</u>	<u>\$ 3,652</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
465,971	15,655	8,236	54	3,652
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>465,971</u>	<u>15,655</u>	<u>8,236</u>	<u>54</u>	<u>3,652</u>
<u>\$ 465,971</u>	<u>\$ 15,655</u>	<u>\$ 8,236</u>	<u>\$ 54</u>	<u>\$ 3,652</u>

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Road & Bridge No. 23 Fund	Road & Bridge No. 24 Fund	Indigent Health Care Fund	Sheriff Impound Fees	Small Dams No. 32 Fund
\$ 724,414	\$ 743,926	\$ --	\$ --	\$ --
444,241	457,545	--	--	--
165,235	153,497	--	--	--
36,406	37,544	--	--	--
--	--	--	42,444	--
2,028	2,092	--	--	--
161,692	167,080	--	--	--
1,239	2,916	65	243	289
351	--	3,359	21	29
<u>1,535,606</u>	<u>1,564,600</u>	<u>3,424</u>	<u>42,708</u>	<u>318</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	24,818	--
1,397,186	1,381,960	--	--	27,862
--	--	101,524	--	--
21,007	--	--	--	--
1,685	--	--	--	--
<u>1,419,878</u>	<u>1,381,960</u>	<u>101,524</u>	<u>24,818</u>	<u>27,862</u>
115,728	182,640	(98,100)	17,890	(27,544)
--	--	101,250	--	33,185
(10,619)	(10,951)	--	--	--
63,443	--	--	--	--
<u>52,824</u>	<u>(10,951)</u>	<u>101,250</u>	<u>--</u>	<u>33,185</u>
168,552	171,689	3,150	17,890	5,641
(45,899)	396,598	15,220	54,777	87,545
--	--	--	--	--
<u>\$ 122,653</u>	<u>\$ 568,287</u>	<u>\$ 18,370</u>	<u>\$ 72,667</u>	<u>\$ 93,186</u>

Juvenile Probation Fund	Adult Probation Fund	State Juvenile Probation Fund	Colonia Grant Fund	Home Program Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	263,891	528,937	112,528	--
--	597,679	--	--	--
--	--	--	--	--
--	--	--	--	--
447	941	257	--	--
--	5,666	--	--	--
<u>447</u>	<u>868,177</u>	<u>529,194</u>	<u>112,528</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
32,781	861,273	507,564	--	--
--	--	--	112,528	--
--	--	--	--	--
--	--	--	--	--
<u>32,781</u>	<u>861,273</u>	<u>507,564</u>	<u>112,528</u>	<u>--</u>
<u>(32,334)</u>	<u>6,904</u>	<u>21,630</u>	<u>--</u>	<u>--</u>
--	75,000	7,803	--	--
--	(16,604)	--	--	--
--	--	--	--	--
--	58,396	7,803	--	--
(32,334)	65,300	29,433	--	--
128,924	210,517	47,609	--	127
--	--	--	--	--
<u>\$ 96,590</u>	<u>\$ 275,817</u>	<u>\$ 77,042</u>	<u>\$ --</u>	<u>\$ 127</u>

79th Judicial District Attorney Forfeiture Fund	Sheriff Drug Forfeiture Fund	Community Corrections Fund	Constable Prct 5 Drug Forfeiture Fund	Juvenile Law Enforcement Officer Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	71,840	--	--
356,335	924,666	--	34	--
--	--	--	--	--
1,302	1,445	--	--	1
40,100	745	--	--	--
<u>397,737</u>	<u>926,856</u>	<u>71,840</u>	<u>34</u>	<u>1</u>
--	--	--	--	--
--	--	--	--	--
180,414	626,489	82,203	--	--
--	--	--	--	--
--	--	--	--	--
--	154,355	--	--	--
--	9,310	--	--	--
<u>180,414</u>	<u>790,154</u>	<u>82,203</u>	<u>--</u>	<u>--</u>
<u>217,323</u>	<u>136,702</u>	<u>(10,363)</u>	<u>34</u>	<u>1</u>
--	--	13,104	--	--
--	--	--	--	(555)
--	149,791	--	--	--
<u>--</u>	<u>149,791</u>	<u>13,104</u>	<u>--</u>	<u>(555)</u>
217,323	286,493	2,741	34	(554)
235,702	179,478	12,914	8,202	608
--	--	--	--	--
<u>\$ 453,025</u>	<u>\$ 465,971</u>	<u>\$ 15,655</u>	<u>\$ 8,236</u>	<u>\$ 54</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 21 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 531,400	\$ 531,400	\$ 529,284	\$ (2,116)
<i>General Sales and Use Taxes</i>	206,855	206,855	302,167	95,312
License and Permits	92,691	92,691	102,331	9,640
Intergovernmental	5,850	5,850	25,029	19,179
Fines and Forfeitures	1,257	1,257	1,395	138
Fees of Office	78,045	78,045	111,163	33,118
Investment Earnings	400	400	1,321	921
Miscellaneous Revenues	5,291	5,291	6,131	840
Total revenues	<u>921,789</u>	<u>921,789</u>	<u>1,078,821</u>	<u>157,032</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	564,962	564,962	568,606	(3,644)
<i>Supplies</i>	99,815	99,815	73,657	26,158
<i>Other Services and Charges</i>	191,304	191,304	147,630	43,674
<i>Capital Outlay</i>	141,063	141,063	193,074	(52,011)
Total Public Transportation	<u>997,144</u>	<u>997,144</u>	<u>982,967</u>	<u>14,177</u>
Debt Service:				
<i>Principal</i>	--	--	14,793	(14,793)
<i>Interest and Fiscal Charges</i>	--	--	1,988	(1,988)
Total Debt Service	<u>--</u>	<u>--</u>	<u>16,781</u>	<u>(16,781)</u>
Total Expenditures	<u>997,144</u>	<u>997,144</u>	<u>999,748</u>	<u>(2,604)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(75,355)</u>	<u>(75,355)</u>	<u>79,073</u>	<u>154,428</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	(7,301)	(7,301)	(7,301)	--
<i>Capital Leases</i>	--	--	74,861	(74,861)
Total Other Financing Sources (Uses)	<u>(7,301)</u>	<u>(7,301)</u>	<u>67,560</u>	<u>(74,861)</u>
Net Change in Fund Balances	(82,656)	(82,656)	146,633	229,289
Fund Balances - Beginning	120,497	120,497	120,497	--
Fund Balances - Ending	<u>\$ 37,841</u>	<u>\$ 37,841</u>	<u>\$ 267,130</u>	<u>\$ 229,289</u>

JIM WELLS COUNTY, TEXAS
ROAD & BRIDGE NO. 23 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 727,491	\$ 727,491	\$ 724,414	\$ (3,077)
<i>General Sales and Use Taxes</i>	300,879	300,879	444,241	143,362
License and Permits	134,823	134,823	165,235	30,412
Intergovernmental	8,506	8,506	36,406	27,900
Fines and Forfeitures	1,829	1,829	2,028	199
Fees of Office	126,020	126,020	161,692	35,672
Investment Earnings	600	600	1,239	639
Miscellaneous Revenues	--	--	351	351
Total revenues	<u>1,300,148</u>	<u>1,300,148</u>	<u>1,535,606</u>	<u>235,458</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	807,186	807,186	814,959	(7,773)
<i>Supplies</i>	253,600	253,600	128,796	124,804
<i>Other Services and Charges</i>	166,800	166,800	117,936	48,864
<i>Capital Outlay</i>	300,038	300,038	335,495	(35,457)
Total Public Transportation	<u>1,527,624</u>	<u>1,527,624</u>	<u>1,397,186</u>	<u>130,438</u>
Debt Service:				
<i>Principal</i>	--	--	21,007	(21,007)
<i>Interest and Fiscal Charges</i>	--	--	1,685	(1,685)
Total Debt Service	<u>--</u>	<u>--</u>	<u>22,692</u>	<u>(22,692)</u>
Total Expenditures	<u>1,527,624</u>	<u>1,527,624</u>	<u>1,419,878</u>	<u>107,746</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(227,476)</u>	<u>(227,476)</u>	<u>115,728</u>	<u>343,204</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	(10,619)	(10,619)	(10,619)	--
<i>Capital Leases</i>	--	--	63,443	(63,443)
Total Other Financing Sources (Uses)	<u>(10,619)</u>	<u>(10,619)</u>	<u>52,824</u>	<u>(63,443)</u>
Net Change in Fund Balances	<u>(238,095)</u>	<u>(238,095)</u>	<u>168,552</u>	<u>406,647</u>
Fund Balances - Beginning	(45,899)	(45,899)	(45,899)	--
Fund Balances - Ending	<u>\$ (283,994)</u>	<u>\$ (283,994)</u>	<u>\$ 122,653</u>	<u>\$ 406,647</u>

JIM WELLS COUNTY, TEXAS
SMALL DAMS NO. 32 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Investment Earnings	\$ 100	\$ 100	\$ 289	\$ 189
Miscellaneous Revenues	--	--	29	29
Total revenues	<u>100</u>	<u>100</u>	<u>318</u>	<u>218</u>
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	27,800	27,800	19,936	7,864
<i>Other Services and Charges</i>	14,000	14,000	--	14,000
<i>Capital Outlay</i>	32,200	32,200	7,926	24,274
<i>Total Public Transportation</i>	<u>74,000</u>	<u>74,000</u>	<u>27,862</u>	<u>46,138</u>
Total Expenditures	<u>74,000</u>	<u>74,000</u>	<u>27,862</u>	<u>46,138</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(73,900)</u>	<u>(73,900)</u>	<u>(27,544)</u>	<u>46,356</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	<u>33,185</u>	<u>33,185</u>	<u>33,185</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>33,185</u>	<u>33,185</u>	<u>33,185</u>	<u>--</u>
Net Change in Fund Balances	(40,715)	(40,715)	5,641	46,356
Fund Balances - Beginning	87,545	87,545	87,545	--
Fund Balances - Ending	<u>\$ 46,830</u>	<u>\$ 46,830</u>	<u>\$ 93,186</u>	<u>\$ 46,356</u>

JIM WELLS COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 251,727	\$ 251,727	\$ 265,558	\$ 13,831
Investment Earnings	200	200	539	339
Total revenues	<u>251,927</u>	<u>251,927</u>	<u>266,097</u>	<u>14,170</u>
EXPENDITURES:				
<i>Debt Service:</i>				
<i>Principal</i>	165,000	165,000	165,000	--
<i>Interest and Fiscal Charges</i>	92,158	92,158	92,158	--
<i>Fiscal Agent's Fees</i>	500	500	--	500
<i>Total Debt Service</i>	<u>257,658</u>	<u>257,658</u>	<u>257,158</u>	<u>500</u>
Total Expenditures	<u>257,658</u>	<u>257,658</u>	<u>257,158</u>	<u>500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,731)</u>	<u>(5,731)</u>	<u>8,939</u>	<u>14,670</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(5,731)	(5,731)	8,939	14,670
Fund Balances - Beginning	62,586	62,586	62,586	--
Fund Balances - Ending	<u>\$ 56,855</u>	<u>\$ 56,855</u>	<u>\$ 71,525</u>	<u>\$ 14,670</u>

JIM WELLS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Relief Route Capital Fund	Jail Expansion Fund	Road Bond 1967	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenue:				
<i>Intergovernmental</i>	\$ --	\$ 1,247	\$ --	\$ 1,247
<i>Miscellaneous Revenues</i>	2,899	--	579	3,478
Total revenues	<u>2,899</u>	<u>1,247</u>	<u>579</u>	<u>4,725</u>
Expenditures:				
Total Expenditures	--	--	--	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,899</u>	<u>1,247</u>	<u>579</u>	<u>4,725</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	--	--	--	--
Net Change in Fund Balances	2,899	1,247	579	4,725
Fund Balances - Beginning	725,349	312,095	144,691	1,182,135
Fund Balances - Ending	<u>\$ 728,248</u>	<u>\$ 313,342</u>	<u>\$ 145,270</u>	<u>\$ 1,186,860</u>

JIM WELLS COUNTY, TEXAS
ROAD BOND 1967
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Investment Earnings	\$ 200	\$ 200	\$ --	\$ (200)
Miscellaneous Revenues	--	--	579	579
Total revenues	<u>200</u>	<u>200</u>	<u>579</u>	<u>379</u>
EXPENDITURES:				
Economic Development and Assistance				
<i>Other Services and Charges</i>	5,000	5,000	--	5,000
<i>Total Economic Development and Assistance</i>	<u>5,000</u>	<u>5,000</u>	<u>--</u>	<u>5,000</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>--</u>	<u>5,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,800)</u>	<u>(4,800)</u>	<u>579</u>	<u>5,379</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(4,800)	(4,800)	579	5,379
Fund Balances - Beginning	144,691	144,691	144,691	--
Fund Balances - Ending	<u>\$ 139,891</u>	<u>\$ 139,891</u>	<u>\$ 145,270</u>	<u>\$ 5,379</u>

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.

State Fees Fund	Vouchers Payable Fund	Tax Collector Fund	District Clerk Fund	County Clerk Fund
\$ 118,170	\$ 36,935	\$ 683,077	\$ 170,030	\$ 522,237
\$ 118,170	\$ 36,935	\$ 683,077	\$ 170,030	\$ 522,237
\$ 118,170	\$ 36,935	\$ 683,077	\$ 170,030	\$ 522,237
\$ 118,170	\$ 36,935	\$ 683,077	\$ 170,030	\$ 522,237

County Attorney Trust Fund	Sheriff Cash Bond Fund	Total Agency Funds (See Exhibit A-7)
\$ 41,173	\$ 4,532	\$ 8,128,616
<u>\$ 41,173</u>	<u>\$ 4,532</u>	<u>\$ 8,128,616</u>
\$ 41,173	\$ 4,532	\$ 8,128,616
<u>\$ 41,173</u>	<u>\$ 4,532</u>	<u>\$ 8,128,616</u>

JIM WELLS COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-17

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
<u>Vouchers Payable Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 36,370	\$ 4,416,365	\$ 4,415,800	\$ 36,935
Total Assets	<u>\$ 36,370</u>	<u>\$ 4,416,365</u>	<u>\$ 4,415,800</u>	<u>\$ 36,935</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 36,370	\$ 4,416,365	\$ 4,415,800	\$ 36,935
Total Liabilities	<u>\$ 36,370</u>	<u>\$ 4,416,365</u>	<u>\$ 4,415,800</u>	<u>\$ 36,935</u>
<u>Tax Collector Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 1,073,686	\$ 27,536,013	\$ 27,926,622	\$ 683,077
Total Assets	<u>\$ 1,073,686</u>	<u>\$ 27,536,013</u>	<u>\$ 27,926,622</u>	<u>\$ 683,077</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 1,073,686	\$ 27,536,013	\$ 27,926,622	\$ 683,077
Total Liabilities	<u>\$ 1,073,686</u>	<u>\$ 27,536,013</u>	<u>\$ 27,926,622</u>	<u>\$ 683,077</u>
<u>District Clerk Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 234,463	\$ 512,081	\$ 576,514	\$ 170,030
Total Assets	<u>\$ 234,463</u>	<u>\$ 512,081</u>	<u>\$ 576,514</u>	<u>\$ 170,030</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 234,463	\$ 512,081	\$ 576,514	\$ 170,030
Total Liabilities	<u>\$ 234,463</u>	<u>\$ 512,081</u>	<u>\$ 576,514</u>	<u>\$ 170,030</u>
<u>County Clerk Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 613,572	\$ 641,660	\$ 732,995	\$ 522,237
Total Assets	<u>\$ 613,572</u>	<u>\$ 641,660</u>	<u>\$ 732,995</u>	<u>\$ 522,237</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 613,572	\$ 641,660	\$ 732,995	\$ 522,237
Total Liabilities	<u>\$ 613,572</u>	<u>\$ 641,660</u>	<u>\$ 732,995</u>	<u>\$ 522,237</u>
<u>Payroll Administrative Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 574,670	\$ 13,408,309	\$ 13,427,468	\$ 555,511
Total Assets	<u>\$ 574,670</u>	<u>\$ 13,408,309</u>	<u>\$ 13,427,468</u>	<u>\$ 555,511</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 574,670	\$ 13,408,309	\$ 13,427,468	\$ 555,511
Total Liabilities	<u>\$ 574,670</u>	<u>\$ 13,408,309</u>	<u>\$ 13,427,468</u>	<u>\$ 555,511</u>
<u>Ad Valorem Tax Escrow Fund</u>				
ASSETS				
Cash & Cash Equivalents	\$ 3,679,695	\$ 19,762,027	\$ 18,305,823	\$ 5,135,899
Total Assets	<u>\$ 3,679,695</u>	<u>\$ 19,762,027</u>	<u>\$ 18,305,823</u>	<u>\$ 5,135,899</u>
LIABILITIES				
Due to Other Governments and Agencies	\$ 3,679,695	\$ 19,762,027	\$ 18,305,823	\$ 5,135,899
Total Liabilities	<u>\$ 3,679,695</u>	<u>\$ 19,762,027</u>	<u>\$ 18,305,823</u>	<u>\$ 5,135,899</u>

OTHER SUPPLEMENTARY INFORMATION

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.

RAUL HERNANDEZ & COMPANY, P.C.

Certified Public Accountants

5422 Holly Rd

Corpus Christi, Texas 78411

Office (361) 980-0428 Fax (361) 980-1002

Independent Auditors' Report on 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jim Wells County, Texas, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Jim Wells County, Texas' basic financial statements, and have issued our report thereon dated July 22, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jim Wells County, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

JIM WELLS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2012

N/A

STATISTICAL INFORMATION

STATISTICAL SECTION

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

Contents	Page
Financial Trends	114
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	122
<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	129
<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	133
<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	135
<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.

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TABLE E-2

Fiscal Year				
	2009	2010	2011	2012
\$	4,210,749	\$ 3,899,129	\$ 4,432,130	4,189,787
	3,319,623	3,454,814	3,565,739	3,732,690
	7,455,989	7,185,489	7,232,526	8,611,259
	3,318,841	3,405,200	3,945,300	3,631,227
	1,412,992	670,570	889,812	582,913
	47,636	51,380	55,624	69,692
	255,458	220,431	179,667	193,607
	106,201	122,466	132,651	130,926
	135,733	114,776	106,106	110,193
	20,263,222	19,124,255	20,539,555	21,252,294

\$	20,263,222	\$ 19,124,255	\$ 20,539,555	21,252,294
----	------------	---------------	---------------	------------

\$	825,948	\$ 887,296	\$ 862,367	1,539,647
	435,988	484,433	462,136	425,963
	1,604,738	1,412,450	1,261,784	1,921,158
	981,308	920,762	981,086	1,089,144
	2,067,154	1,184,054	1,639,385	2,040,835
	5,915,136	4,888,995	5,206,758	7,016,747

\$	5,915,136	\$ 4,888,995	\$ 5,206,758	7,016,747
----	-----------	--------------	--------------	-----------

\$	(14,348,086)	\$ (14,235,260)	\$ (15,332,797)	(14,235,547)
----	--------------	-----------------	-----------------	--------------

\$	(14,348,086)	\$ (14,235,260)	\$ (15,332,797)	(14,235,547)
----	--------------	-----------------	-----------------	--------------

TABLE E-3

Year	2009	2010	2011	2012
\$	(14,348,086)	\$ (14,235,260)	\$ (15,332,797)	(14,235,547)
	--	--	--	--
\$	<u>(14,348,086)</u>	<u>(14,235,260)</u>	<u>(15,332,797)</u>	<u>(14,235,547)</u>
\$	10,834,210	\$ 10,266,783	\$ 11,207,410	11,317,777
	2,909,178	4,282,890	6,080,972	6,878,706
	12,077	--	3,460	--
	253,302	13,190	20,988	50,817
	319,212	287,603	297,366	371,301
	--	(144,460)	--	--
\$	<u>14,327,979</u>	<u>\$ 14,706,006</u>	<u>\$ 17,610,196</u>	<u>18,618,601</u>
	--	--	--	--
	--	--	--	--
\$	<u>14,327,979</u>	<u>\$ 14,706,006</u>	<u>\$ 17,610,196</u>	<u>18,618,601</u>
\$	(20,107)	\$ 470,746	\$ 2,277,399	4,383,054
	--	--	--	--
\$	<u>(20,107)</u>	<u>\$ 470,746</u>	<u>\$ 2,277,399</u>	<u>4,383,054</u>

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 8,936,610	\$ 10,439,176	\$ 11,155,269	\$ 12,092,991	\$ 12,995,913	\$ 14,694,210	\$ 13,274,621	\$ 14,857,883	\$ 17,291,451	\$ 18,266,650
Licenses and Permits	53,102	632,751	410,456	608,008	638,540	485,234	412,248	567,817	532,132	572,295
Intergovernmental	2,346,611	2,412,015	6,377,419	7,844,338	2,953,161	2,417,183	2,180,754	1,352,490	1,821,683	2,216,490
Charges for Services	683,837	811,103	783,503	750,657	711,161	687,388	641,372	768,657	648,927	683,246
Fines & Forfeitures	1,387,027	1,449,795	772,637	1,306,491	730,598	1,170,518	1,384,330	1,048,428	994,594	1,604,474
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	1,212,882	1,940,242
Investment Earnings	29,087	11,129	108,079	259,179	381,960	482,047	253,302	13,190	20,988	50,817
Misc Revenues	243,666	294,707	214,089	332,982	388,045	365,191	319,212	287,603	297,366	371,301
Total Revenues	15,034,168	18,839,823	20,906,483	24,411,218	20,024,997	21,636,176	19,774,348	20,047,671	22,820,023	25,705,515
Expenditures										
General Government	2,495,502	2,939,013	2,736,183	3,834,989	3,328,928	3,863,953	3,840,234	3,661,994	3,691,682	4,157,172
Judicial	2,146,588	2,288,452	2,229,421	2,373,828	2,606,714	2,806,925	3,319,623	3,454,814	3,565,739	3,758,584
Public Safety	7,525,861	4,615,685	6,169,777	10,252,232	6,613,772	6,698,768	6,685,575	6,321,014	6,593,466	6,783,872
Public Transportation	3,387,566	3,273,311	3,221,997	3,680,104	3,427,812	3,912,090	3,757,734	3,836,019	4,463,567	4,631,140
Health & Welfare	1,125,063	1,837,418	1,034,994	1,041,240	1,679,727	1,657,445	1,412,992	670,570	889,812	582,913
Culture and Recreation	52,730	52,730	58,001	55,784	51,380	1,457	47,636	51,380	55,624	69,692
Conservation	178,747	177,693	188,138	202,552	206,255	223,988	220,431	220,431	179,667	193,607
Economic Development & Assistance	544,840	61,400	75,000	144,528	68,500	72,351	106,201	122,466	132,651	130,926
Capital Outlay	--	3,606,230	3,584,617	914,747	618,777	673,441	1,233,563	1,199,517	1,412,595	2,189,713
Debt Service	--	--	--	--	--	--	--	--	--	--
Interest	--	236,537	180,426	179,879	160,314	177,609	118,928	116,723	108,117	112,334
Principal	--	843,425	199,537	209,349	226,496	3,074,730	334,765	278,983	247,663	498,812
Fiscal Agents Fees	--	515	529	529	500	55,222	--	--	--	--
Total Expenditures	17,456,897	19,932,409	19,678,620	22,889,761	18,989,175	23,217,979	21,112,709	19,933,911	21,340,583	23,108,765
Excess of Revenues	(2,422,729)	(1,092,586)	1,227,863	1,521,457	1,035,822	(1,581,803)	(1,338,361)	113,760	1,479,440	2,596,750
Over (Under) Expenditures										
Other Financing Sources (Uses)										
Bonds Issued	3,300,000	--	--	--	--	2,880,000	--	--	--	--
Loan Proceeds	700,000	--	--	--	--	--	--	--	--	--
Capital Leases	--	--	--	--	266,325	--	395,959	--	287,964	288,095
Transfers In	1,005,822	814,481	925,941	1,225,317	1,020,609	1,156,393	584,205	374,624	350,970	346,736
Transfers Out	(1,005,822)	(814,481)	(925,941)	(1,225,317)	(1,020,609)	(1,156,393)	(584,205)	(374,624)	(350,970)	(346,736)
Total Other Financing Sources (Uses)	4,000,000	--	--	--	266,325	2,880,000	395,959	--	287,964	288,095
Net Change in Fund Balances	\$ 1,577,271	\$ (1,092,586)	\$ 1,227,863	\$ 1,521,457	\$ 1,302,147	\$ 1,298,197	\$ (942,402)	\$ 113,760	\$ 1,767,404	\$ 2,884,845
Debt Service As A Percentage Of Noncapital Expenditures	--	5.4%	1.9%	1.7%	2.0%	14.5%	2.2%	2.0%	1.7%	2.7%

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
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%
2011	877,569,935	1,555,585,714	57,501,700	540,104,947	1,950,552,402	0.561139	2,490,687,349	78.314%
2012	1,144,773,618	1,590,114,095	59,384,630	533,129,878	2,261,142,465	0.486830	2,794,272,343	80.921%

Source: Jim Wells County Appraisal District

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

Taxpayer	2012			2003		
	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	\$ 130,092,912	1	8.10%	\$ 37,478,396	1	3.80%
Well Services Division of STC	128,378,099	2	7.99%	--		--
Weatherford US LP	81,296,854	3	5.06%	--		--
BJ Services Company USA	79,683,777	4	4.96%	29,670,146	2	3.01%
Precision Drilling Oilfield	48,726,400	5	3.03%	--		--
DCP Midstream LP	34,615,086	6	2.15%	--		--
Nabors Drilling USA Inc	25,830,613	7	1.61%	11,471,718	8	1.16%
AEP Texas Central Co	24,811,238	8	1.54%	16,929,537	6	1.72%
Helmerich & Payne Intl Drill	23,253,145	9	1.45%	--		--
Covance Research Products Inc	31,534,251	10	1.96%	--		--
Total	\$ <u>608,222,375</u>		<u>37.85%</u>	\$ <u>95,549,797</u>		<u>9.69%</u>

Source: Jim Wells County Appraisal District

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

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Building Material & Hardware	\$ 10,463,686	\$ 11,885,221	\$ 17,476,288	\$ 20,485,015	\$ 22,455,856	\$ 20,683,662	\$ 23,752,661	\$ 50,201,906	\$ 106,281,144	\$ 67,749,008
General Merchandise	41,520,528	49,390,210	54,699,397	58,891,925	66,220,424	83,961,117	135,161,430	220,607,413	237,580,732	223,233,718
Food Stores	28,717,894	28,685,260	28,137,452	29,151,658	18,164,822	12,234,512	15,538,159	11,889,929	13,938,627	38,493,492
Auto Dealers & Gas	14,234,091	14,934,839	15,959,624	18,447,461	37,000,812	27,254,328	36,939,992	45,049,897	70,125,472	179,702,255
Apparel & Accessory	6,221,214	7,104,047	8,264,959	9,557,485	9,467,811	8,543,291	5,824,310	7,868,885	8,331,684	249,004,104
Home Furnishing & Appliances	7,027,929	6,453,322	7,290,139	8,286,149	11,854,974	12,362,817	5,513,370	6,403,813	3,753,873	9,017,488
Eating & Drinking Places	29,681,764	31,883,420	33,054,536	36,597,595	41,993,874	44,943,619	32,233,102	35,669,789	41,815,881	61,566,182
Misc Retail Stores	32,351,445	33,103,273	41,872,671	49,847,595	31,284,424	42,877,449	47,063,116	70,137,837	96,746,553	17,485,100
Total	\$ 170,218,551	\$ 183,439,592	\$ 206,755,066	\$ 231,264,883	\$ 238,442,997	\$ 252,860,795	\$ 302,026,140	\$ 447,829,469	\$ 578,573,966	\$ 846,251,347
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.

TABLE E-13

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

Fiscal Year	General Obligation Bonds		Capital Leases	Percentage of Actual Taxable Value of Property	Total Primary Government	Percentage of Personal Income	Per Capita
	\$						
2003	\$ 3,265,104	304,740	0.373%	\$	3,569,924	--	\$ 80
2004	3,160,477	209,831	0.33%		3,370,385	0.00%	77
2005	3,050,391	110,208	0.29%		3,160,673	0.00%	74
2006	2,934,561	266,225	0.27%		3,200,851	0.00%	71
2007	2,880,000	126,058	0.23%		3,006,122	0.00%	66
2008	2,735,000	332,253	0.21%		3,067,313	0.00%	68
2010	2,585,000	203,270	0.18%		2,788,327	0.00%	62
2011	2,430,000	398,572	0.17%		2,828,626	0.00%	63
2012	2,265,000	352,855	0.16%		2,617,905	0.00%	58

JIM WELLS COUNTY, TEXAS

DIRECT AND OVERLAPPING

GOVERNMENTAL ACTIVITIES DEBT

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt Repaid With Property Taxes			
City of Alice	\$ 24,506,963	100.000%	24,506,963
Alice Independent School District	37,909,998	81.180%	30,775,336
Jim Wells County Fresh Water Supply District #1	2,086,375	100.000%	2,086,375
Orange Grove Independent School District	14,895,000	100.000%	14,895,000
Alice Water Authority	4,535,000	48.980%	2,221,243
Premont Independent School District	2,175,000	100.000%	2,175,000
Total Overlapping Debt			<u>76,659,917</u>
County Direct Debt			<u>2,617,855</u>
Total Direct and Overlapping Debt			<u>\$ 79,277,772</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.

TABLE E-17

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Population	40,439	40,811	40,951	41,131	45,244	41,119	41,001	40,838	41,339	41,754
Personal Income	\$ 31,150	\$ 32,118	\$ 32,118	\$ 32,118	\$ 32,588	\$ 35,528	\$ 37,414	\$ 37,918	\$ 37,020	\$ 39,800
Per Capita Personal Income	\$ 21,530	\$ 22,478	\$ 24,104	\$ 25,320	\$ 27,852	\$ 26,767	\$ 29,523	\$ 33,450	\$ 16,976	\$ 18,268
Median Age	31.0	32.5	34.0	34.5	35.0	33.6	33.9	33.5	34.1	34.6
Education Level in Years of Schooling	12	12	12	12	12	12	12	12	12	12
School Enrollment	5,238	5,114	5,523	5,621	5,637	5,614	5,525	5,322	5,371	5,422
Unemployment	7.0%	6.5%	5.5%	4.8%	4.0%	4.0%	9.1%	8.9%	5.8%	4.9%

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
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Number of Buildings	26	27	27	27	27	28	28	28	28	28
Public Safety										
Number of Buildings	9	9	9	9	9	9	9	9	9	9
Number of Vehicles	26	32	32	32	40	40	50	48	48	55
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	1,078	1,617	1,617	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