

# JEFFERSON COUNTY, TEXAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended  
September 30, 2011



# JEFFERSON COUNTY, TEXAS



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Prepared by:  
Jefferson County  
Auditor's Office  
1149 Pearl Street  
Beaumont, Texas 77701



JEFFERSON COUNTY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

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INTRODUCTORY  
SECTION

PATRICK SWAIN  
COUNTY AUDITOR  
(409) 835-8500



1149 PEARL ST. - 7TH FLOOR  
BEAUMONT, TEXAS 77701

March 26, 2012

Citizens of Jefferson County, Texas:

Honorable District Judges:

Gary Sanderson, Presiding Judge, 60th District Court  
John Stevens, Jr., Judge, Criminal District Court  
Bob Wortham, Judge, 58th District Court  
Milton Shuffield, Judge, 136th District Court  
Donald Floyd, Judge, 172nd District Court  
Layne Walker, Judge, 252nd District Court  
Randy Shelton, Judge, 279th District Court  
Larry Thorne, Judge, 317th District Court

Honorable Commissioners' Court:

Jeff Branick, County Judge  
Eddie Arnold, Commissioner, Precinct No. 1  
Brent Weaver, Commissioner, Precinct No. 2  
Michael "Shane" Sinegal, Commissioner, Precinct No. 3  
Everette "Bo" Alfred, Commissioner, Precinct No. 4

The County Auditor's Office ("the Auditor's Office") is pleased to present the Comprehensive Annual Financial Report ("CAFR") of Jefferson County, Texas (the "County") for the fiscal year ended September 30, 2011. This report is submitted in accordance with Section 114.025 of the Texas Local Government Code and has been prepared by the County Auditor's staff.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Pattillo, Brown, & Hill, LLP, Certified Public Accountants, has issued an unqualified ("clean") opinion on the County's financial statements for the year ended September 30, 2011. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE GOVERNMENT

Jefferson County was created in 1836 and organized in 1837 as one of the original counties of the Republic of Texas. It is a 954 square mile county that is located on the upper Texas Coast and is a component of the Beaumont-Port Arthur-Orange Metropolitan Statistical Area. According to the U.S. Department of Commerce-Bureau of the Census, the 2010 population of the County was 252,273. The County is empowered to levy a property tax on both real and personal property located within its boundaries.

Jefferson County is a political subdivision of the State of Texas and the Commissioners' Court is the governing body of the County. It is composed of the County Judge elected from the County at large, and four Commissioners, each elected from a separate precinct, all elected for four-year terms. The County Judge is the presiding officer of the Commissioners' Court.

The County (primary government) solely or in cooperation with other local governmental entities provides a full range of services authorized by the Texas Constitution and Statutes that includes construction and maintenance of roads and bridges, health and housing services, assistance to indigents, juvenile and adult justice programs, economic development, recreation and cultural enrichment, an airport, an entertainment complex, and general administration.

The combined financial statements of the County as a financial reporting entity report all activities, organizations, and functions of the County, both as the primary government and its legally separate component units for which (1) the elected officials of the County are financially accountable and/or (2) exclusion of component units activities would cause the County's financial statements to be misleading or incomplete. The County's component units have been reported as blended with the County as the primary government or as discrete (separate) component unit, as appropriate. Criteria used by the County for including activities in preparing these financial statements are in conformity with GASB 14, *The Financial Reporting Entity* and GASB 39, *Determining Whether Certain Organizations are Component Units*. Based on the requirements of these accounting standards, the County reports the Southeast Texas Government Employee Benefits Pool as a blended component unit.

The County is required to adopt a final budget no later than close of the fiscal year. This annual budget serves as the foundation for the County's financial planning and control. The level of budgetary control is the department within the individual funds. The County maintains an encumbrance accounting system as a method to accomplish budgetary control. Department heads may transfer resources within a department as needed. Transfers between departments, however, require approval by Commissioners' Court.

## FACTORS AFFECTING FINANCIAL CONDITIONS

### *Local economy*

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. During fiscal year 2011, the County and its residents continued recovery efforts related to Hurricane Ike which impacted the area in September 2008. While still striving to return to pre-storm conditions, County leaders continue to push for funding that will enable the community to fully recover and continue to grow.

The area is served by deep-water ports located at Beaumont, Port Arthur, Orange, and Sabine Pass. The Sabine Neches Waterway provides deep-water access to ocean-going vessels, which are served by public ports within the County.

The County is traversed by Interstate Highway 10, US Highways 90 and 69-96-287, State Highways 73, 87, and 105 and three farm-to-market roads. Rail and motor freight carriers also provide freight service to the County. The Jack Brooks Regional Airport located between Beaumont and Port Arthur provides passenger and freight service and is currently serviced by one commuter passenger air carrier.

The economy of the County is based primarily on petroleum refining; the production and processing of petrochemicals, bio-fuels and other chemicals; the fabrication of steel and steel products; shipping activity; the manufacture of wood, pulp, food and feed products; agriculture; and health care services. The County continues to diversify its economic base as evidenced by the increase of jobs in the services and government sectors.

The County continues to grow with several industrial expansion projects underway. Motiva has increased its current refining capacity to become the largest refinery in the United States. Total and Valero continue to move forward with expansions to their respective facilities which will minimize the effects of the economic slowdown felt by other areas of the Country. Numerous other industrial expansions are underway or in the engineering phase and are expected to stimulate the local economy for many years into the future.

The County continues to monitor the events associated with the U.S. recovery from the economic crisis in order to make decisions accordingly to minimize any negative events to the overall financial position of the County.

### *Long-term financial planning & Relevant financial policies*

Commissioners' Court continues to follow their policy guideline for budgetary and planning purposes of building and maintaining an unassigned fund balance in the general fund of at least 15% of total general fund expenditures and transfers. The County ended the fiscal year with an

unassigned fund balance of 31.5% of total general fund expenditures and transfers. This falls within the policy guidelines.

The County is currently working on establishing a strategic plan for budgetary and planning purposes.

### ***Major Initiatives***

The Commissioners' Court set the property tax rate at \$ .365 per \$100 of assessed property valuation to provide funds for services and debt service for fiscal year 2011. Budget initiatives for fiscal year 2011 included:

- Maintained the same property tax rate despite a 3.4% reduction in the effective tax rate.
- Adjusted staffing levels which moved 15 positions to Special Revenue funding, eliminated 22 additional positions on October 1, 2010, and five more positions as of January 1, 2011, which included the closure of the County Library.
- Eliminated additional funding to capital projects. Commissioners' Court will utilize previously transferred funds to complete outstanding capital projects.
- Reduction of funding for capital expenditures for durable goods to replace needed equipment.

### **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jefferson County, Texas for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2010. This was the thirteenth consecutive year that the government has achieved this prestigious award.

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. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the dedicated services of the staff of the County Auditor's Office. I express my sincere appreciation to all the members of this office who contributed to its preparation. Also, I express my appreciation to the members of the Commissioners' Court, their staff, and all other County officials and employees who have given their support in planning and conducting the financial operations of Jefferson County, Texas in a responsible manner.

## REQUEST FOR INFORMATION

This financial report is designed to provide an overview of the County's finances for individuals who are interested in this information. Questions concerning any of the data provided in this report or requests for additional information should be addressed to the County Auditor's Office, 1149 Pearl Street 7<sup>th</sup> Floor, Beaumont, Texas 77701.



Patrick Swain, C.P.A.  
County Auditor  
Jefferson County, Texas



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Jefferson County  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2010

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.



*Linda C. Davidson*

President

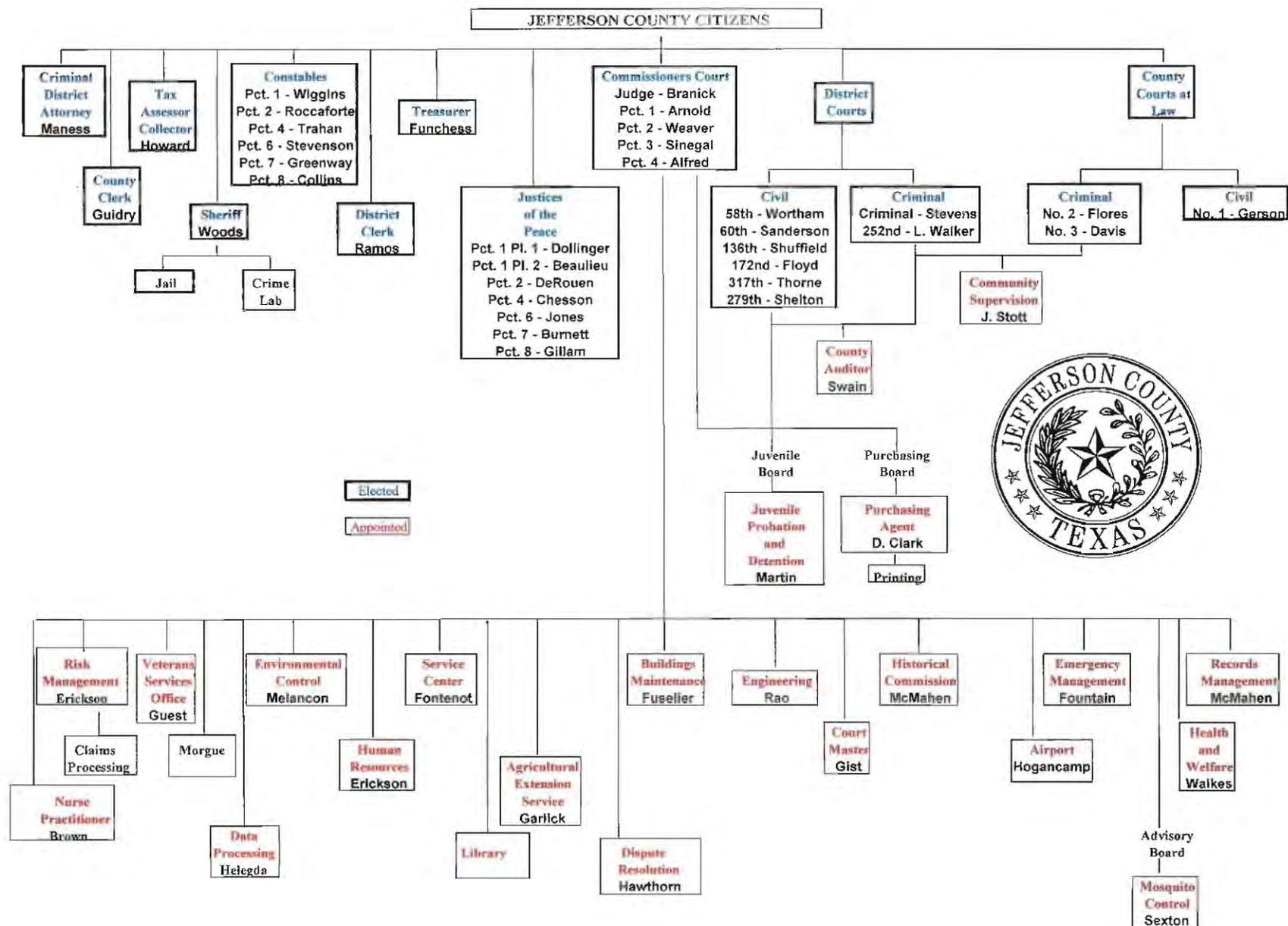
*Jeffrey R. Enos*

Executive Director



# ORGANIZATION CHART OF JEFFERSON COUNTY

As of September 30, 2011



## ELECTED OFFICIALS

As of September 30, 2011

### COMMISSIONERS' COURT

County Judge	Jeff Branick
Commissioner Pct. 1	Eddie Arnold
Commissioner Pct. 2	Brent Weaver
Commissioner Pct. 3	Shane Sinegal
Commissioner Pct. 4	Bo Alfred

### SHERIFF

Mitch Woods

### TAX ASSESSOR - COLLECTOR

Shane Howard

### DISTRICT CLERK

Lolita Ramos

### COUNTY CLERK

Carolyn Guidry

### COUNTY TREASURER

Tim Funchess

### JUSTICES OF THE PEACE

J.P. Pct. 1 Pl. 1	Kenneth Dollinger
J.P. Pct. 1 Pl. 2	Nancy Beaulieu
J.P. Pct. 2	Marcus DeRouen
J.P. Pct. 4	Ray Chesson
J.P. Pct. 6	Duce Jones
J.P. Pct. 7	Brad Burnett
J.P. Pct. 8	Tom Gillam

### CONSTABLES

Constable Pct. 1	Charles Wiggins
Constable Pct. 2	Leonard Roccaforte
Constable Pct. 4	James Trahan
Constable Pct. 6	Joe Stevenson
Constable Pct. 7	Jeffrey Greenway
Constable Pct. 8	Eddie Collins

### COUNTY COURTS AT LAW

County Court at Law No. 1	Al Gerson
County Court at Law No. 2	Lupe Flores
County Court at Law No. 3	John Davis

### DISTRICT JUDGES

Criminal Court	John Stevens, Jr.
252nd District Court	Layne Walker
58th District Court	Bob Wortham
60th District Court	Gary Sanderson
136th District Court	Milton Shuffield
172nd District Court	Donald Floyd
279th District Court	Randy Shelton
317th District Court	Larry Thorne

### DISTRICT ATTORNEY

Tom Maness

## APPOINTED OFFICIALS

As of September 30, 2011

Agricultural Extension Service	Starla Garlick
Airport	Jennifer Hogancamp
Auditor	Patrick Swain
Auto Service Center	David Fontenot
Buildings Maintenance	Harry Fuselier
Community Supervision	Jim Stott
Court Master	Larry Gist
Data Processing	Paul Helegda
Dispute Resolution Center	Kara Hawthorn
Emergency Management	Greg Fountain
Engineering	Don Rao
Environmental Control	Michael Melancon
Health and Welfare	Dr. Cecil Walkes
Human Resources	Cary Erickson
Juvenile Probation & Detention	James Martin
Library	
Mosquito Control	Kevin Sexton
Nurse Practitioner	Leslie Brown
Purchasing Agent/Printing	Deborah Clark
Risk Management/Claims Processing	Cary Erickson
Veterans Services Office	Hilary Guest



FINANCIAL  
SECTION



PATTILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and  
Commissioners' Court  
Jefferson County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Texas (the "County"), as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 3 through 16 and 65 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

*Patillo, Brown & Hill, L.L.P.*

March 19, 2012

*Jefferson County, Texas*  
*Management's Discussion and Analysis (Unaudited)*

As management of Jefferson County, we offer readers of the Jefferson County's financial statement this narrative overview and analysis of the financial activities of the county for the fiscal year ended September 30, 2011. Please read it in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The assets of Jefferson County exceeded its liabilities at the close of fiscal year 2011 by \$142,405,812 (net assets). Of this amount, \$9,083,321 (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The county's total net assets decreased by \$660,089. As a result, the county's overall financial position has declined from the previous year.
- As of the close of fiscal year 2011, Jefferson County's governmental funds reported combined ending fund balances of \$58,984,744, a decrease of \$6,062,441 in comparison with the prior year. About 46% of the total amount, \$27,054,333 is available for spending at the county's discretion (unassigned fund balance).
- At the end of fiscal year 2011, unassigned fund balance for the general fund was \$31,886,947, or 31 percent of total general fund expenditures and transfers. In addition, the General fund had a nonspendable fund balance of \$1,023,855 and assigned fund balance of \$3,482,075.
- The FEMA Emergency fund is classified as a major fund. It had a restricted fund balance of \$8,091,009.
- The Capital Projects fund is classified as a major fund. It had a committed fund balance of \$1,275,092 and an assigned fund balance of \$4,237,718.
- The ORA Capital Grants fund is classified as a major fund. It had a committed fund balance of \$3,875,631 and an unassigned (deficit) fund balance of (\$4,729,384).
- The County's total bonds payable decreased by \$3,888,466 during the current fiscal year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements, which are comprised of the following three components: 1) Government-wide financial statements; 2) Fund financial statements and 3) Notes to the basic financial statements. This report also contains other supplementary information which is included in addition to the basic financial statements themselves.

*Jefferson County, Texas*  
*Management's Discussion and Analysis (Unaudited)*

**Government-wide Financial Statements** are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all County assets and liabilities, with the difference between the two representing net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information that indicates how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial and law enforcement, education and recreation, health and welfare, and maintenance of equipment and structures. The business-type activities of the County include an airport and an entertainment complex.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and they have substantially the same board as the County or provide services entirely to the County. The County's component unit, Southeast Texas Government Employee Benefits Pool, has been reported as blended with the County as the primary government. For more detailed information on this component unit refer to Note 1A and Note 13 of the basic financial statements.

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

*Jefferson County, Texas*  
*Management's Discussion and Analysis (Unaudited)*

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

The County maintains 89 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major governmental funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds are maintained two ways. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the operations of an airport and entertainment complex. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its liability activities, workers compensation, and the public entity risk pool that provides health insurance benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Both of the enterprise funds are considered to be major funds of the County. The County's internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County's only fiduciary funds are 11 agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

*Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found starting on page 28 of this report.

*Jefferson County, Texas*  
*Management's Discussion and Analysis (Unaudited)*

**Required Supplementary Information** is presented concerning the County's General Fund budgetary schedule. The County adopts an annual budget for this fund. A budgetary comparison schedule, which includes the original and final amended budget and actual figures, has been provided to demonstrate compliance with this budget. Required supplementary information can be found starting on page 61 of this report.

The combining and individual fund statements and schedules referred to earlier provide information for non-major governmental funds and internal service funds and are presented immediately following the required supplementary information.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$142,405,812 for fiscal year 2011 and \$143,690,425 for fiscal year 2010.

**Condensed Statement of Net Assets**  
**September 30, 2011**  
**Primary Government**

	Governmental Activities	Business-type Activities	Reclassifications	Total
Current and other assets	\$ 80,529,327	\$ 1,828,094	\$ -	\$82,357,421
Capital Assets	86,266,669	90,465,368	-	176,732,037
Total Assets	<u>\$166,795,996</u>	<u>\$ 92,293,462</u>	<u>\$ -</u>	<u>\$259,089,458</u>
Current and other liabilities	\$ 8,328,381	\$ 1,203,062	\$ -	\$ 9,531,443
Long-term liabilities	106,904,217	247,986	-	107,152,203
Total Liabilities	<u>\$115,232,598</u>	<u>\$ 1,451,048</u>	<u>\$ -</u>	<u>\$116,683,646</u>
Net Assets:				
Invested in capital assets, net of related debt	\$ 81,583,824	\$ 90,465,368	\$ (57,637,497)	\$114,411,695
Restricted net assets	18,910,796	-	-	18,910,796
Unrestricted net assets	(48,931,222)	377,046	57,637,497	9,083,321
Total Net Assets	<u>\$ 51,563,398</u>	<u>\$ 90,842,414</u>	<u>\$ -</u>	<u>\$142,405,812</u>

*Jefferson County, Texas*  
*Management's Discussion and Analysis (Unaudited)*

Condensed Statement of Net Assets  
 September 30, 2010  
 Primary Government

	Governmental Activities	Business-type Activities	Reclassifications	Total
Current and other assets	\$ 85,150,462	\$ 3,409,590	\$ -	\$ 88,560,052
Capital Assets	77,705,172	91,674,403	-	169,379,575
Total Assets	<u>\$162,855,634</u>	<u>\$ 95,083,993</u>	<u>\$ -</u>	<u>\$257,939,627</u>
Current and other liabilities	\$ 10,544,453	\$ 1,043,572	\$ -	\$ 11,588,025
Long-term liabilities	102,409,225	251,952	-	102,661,177
Total Liabilities	<u>\$112,953,678</u>	<u>\$ 1,295,524</u>	<u>\$ -</u>	<u>\$114,249,202</u>
Net Assets:				
Invested in capital assets, net of related debt	\$ 71,336,466	\$ 91,674,403	\$ (60,663,707)	\$102,347,162
Restricted net assets	13,851,538	-	-	13,851,538
Unrestricted net assets	(35,286,048)	2,114,066	60,663,707	27,491,725
Total Net Assets	<u>\$ 49,901,956</u>	<u>\$ 93,788,469</u>	<u>\$ -</u>	<u>\$143,690,425</u>

The largest portion of the County's current fiscal year net assets (80.3 percent) reflects its investments in capital assets (e.g. land, improvements, buildings, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The main use of these capital assets is to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the County's current fiscal year net assets (13.3 percent) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of the County's current fiscal year net assets (6.4 percent) represents unrestricted net assets, which may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year 2011 and fiscal year 2010, the County reported positive net assets in all three categories of net assets for Jefferson County as a whole, and reported positive balances in two of the three categories of net assets for its governmental activities. Unrestricted net assets for governmental activities were negative \$48,931,222 for fiscal year 2011 and \$35,286,048 for fiscal year 2010. Business-type activities had positive balances in two of the categories of net assets for fiscal year 2011 and fiscal year 2010.

The County had a reclassification of \$57,637,497 in fiscal year 2011 and \$60,663,707 in the prior fiscal year to move the debt associated with the construction of Ford Park from

*Jefferson County, Texas*  
*Management's Discussion and Analysis (Unaudited)*

Unrestricted net assets to Invested in capital assets, net of related debt. The capital assets are reported in the business-type activities and the debt is reported in the governmental activities.

The County's net assets decreased by \$660,089 during the current fiscal year.

The following table indicates changes in net assets for governmental and business-type activities:

Statement of Activities  
For the Year Ended September 30, 2011

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 22,432,863	\$ 6,032,527	\$ 28,465,390
Operating grants and contributions	16,494,833	-	16,494,833
Capital grants and contributions	8,991,187	1,100,366	10,091,553
General revenues:			
Taxes - levied for general purposes	65,655,531	-	65,655,531
Taxes - levied for debt service	7,502,625	-	7,502,625
Sales Taxes	22,490,677	-	22,490,677
Investment earnings	266,118	2,979	269,097
Miscellaneous	24,164	20,465	44,629
Total revenues	<u>143,857,998</u>	<u>7,156,337</u>	<u>151,014,335</u>
Expenses:			
General government	34,710,153	-	34,710,153
Judicial and law enforcement	76,819,206	-	76,819,206
Education and recreation	1,313,440	-	1,313,440
Health and welfare	9,704,323	-	9,704,323
Maintenance - equipment and structures	13,365,410	-	13,365,410
Interest and charges on long-term debt	3,388,354	-	3,388,354
Airport	-	5,506,746	5,506,746
Entertainment Complex	-	6,866,792	6,866,792
Total expenses	<u>139,300,886</u>	<u>12,373,538</u>	<u>151,674,424</u>
Excess (deficiency) before special items and transfers	4,557,112	(5,217,201)	(660,089)
Transfers	(2,271,146)	2,271,146	-
Change in net assets	<u>2,285,966</u>	<u>(2,946,055)</u>	<u>(660,089)</u>
Net assets - beginning	49,901,956	93,788,469	143,690,425
Prior period adjustment	(624,524)	-	(624,524)
Net assets - beginning - restated	<u>49,277,432</u>	<u>93,788,469</u>	<u>143,065,901</u>
Net assets - ending	<u>\$ 51,563,398</u>	<u>\$ 90,842,414</u>	<u>\$ 142,405,812</u>

*Jefferson County, Texas*  
*Management's Discussion and Analysis (Unaudited)*

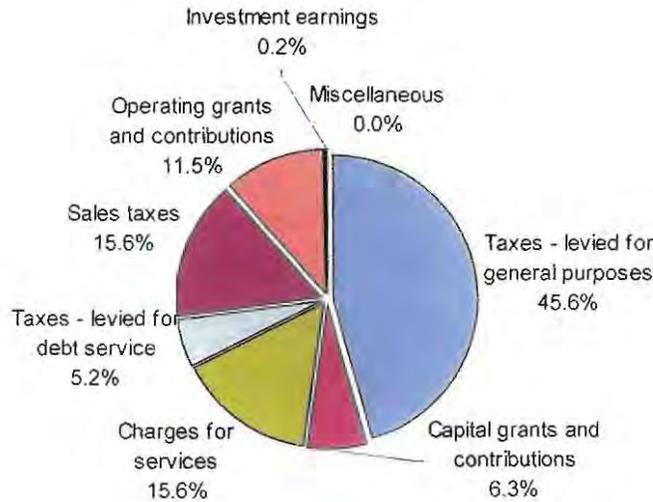
Statement of Activities  
For the Year Ended September 30, 2010

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 23,995,525	\$ 6,582,066	\$ 30,577,591
Operating grants and contributions	15,607,904	-	15,607,904
Capital grants and contributions	2,336,880	2,145,711	4,482,591
General revenues:			
Taxes - levied for general purposes	68,165,542	-	68,165,542
Taxes - levied for debt service	7,241,969	-	7,241,969
Sales Taxes	22,830,758	-	22,830,758
Investment earnings	402,735	3,338	406,073
Miscellaneous	26,095	49,834	75,929
Total revenues	<u>140,607,408</u>	<u>8,780,949</u>	<u>149,388,357</u>
Expenses:			
General government	33,344,391	-	33,344,391
Judicial and law enforcement	75,939,112	-	75,939,112
Education and recreation	1,637,026	-	1,637,026
Health and welfare	10,824,644	-	10,824,644
Maintenance - equipment and structures	18,724,938	-	18,724,938
Interest and charges on long-term debt	3,587,860	-	3,587,860
Airport	-	5,095,941	5,095,941
Entertainment Complex	-	7,889,891	7,889,891
Total expenses	<u>144,057,971</u>	<u>12,985,832</u>	<u>157,043,803</u>
Excess (deficiency) before special items and transfers	(3,450,563)	(4,204,883)	(7,655,446)
Transfers	(3,330,199)	3,330,199	-
Change in net assets	<u>(6,780,762)</u>	<u>(874,684)</u>	<u>(7,655,446)</u>
Net assets - beginning	56,966,944	94,663,153	151,630,097
Prior period adjustment	(284,226)	-	(284,226)
Net assets - beginning - restated	<u>56,682,718</u>	<u>94,663,153</u>	<u>151,345,871</u>
Net assets - ending	<u>\$ 49,901,956</u>	<u>\$ 93,788,469</u>	<u>\$ 143,690,425</u>

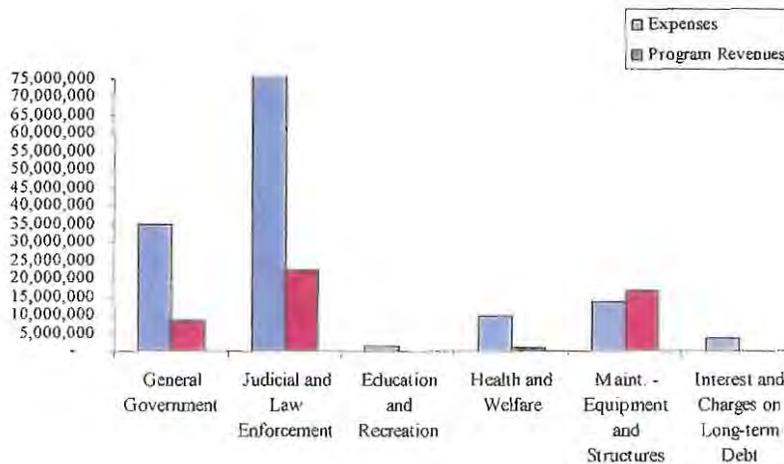
*Jefferson County, Texas  
Management's Discussion and Analysis (Unaudited)*

*Governmental activities*

Revenues by Source - Governmental Activities  
Year Ended September 30, 2011



Expenses and Program Revenues - Governmental Activities  
Year Ended September 30, 2011



**Jefferson County, Texas**  
**Management's Discussion and Analysis (Unaudited)**

Governmental activities increased the County's net assets by \$2,285,966. This increase in the County's net assets for governmental activities was offset by declines in net assets for Business-type activities which will be discussed below.

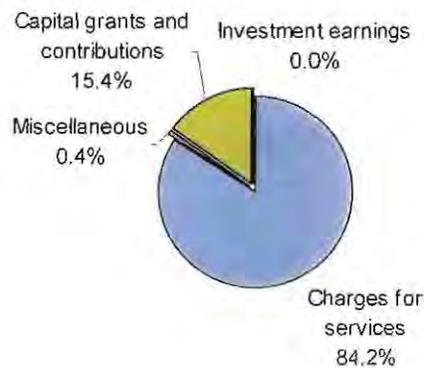
The increase is mostly due to an increase in funding for capital asset purchases and construction from several grants. As a result, Invested in capital assets, net of related debt increased \$10,247,358. The largest area of decline is due to the increase in the OPEB (Other Post Employment Benefits) Obligation of \$8,571,498. Commissioners' Court has decided to continue funding OPEB on the pay-as-you-go basis. More discussion on OPEB can be found in Note 9 starting on page 51.

For the most part, other changes (increases/decreases) in expenses typically had corresponding changes in revenues as programs or projects ramp up or wind down.

***Business-type activities***

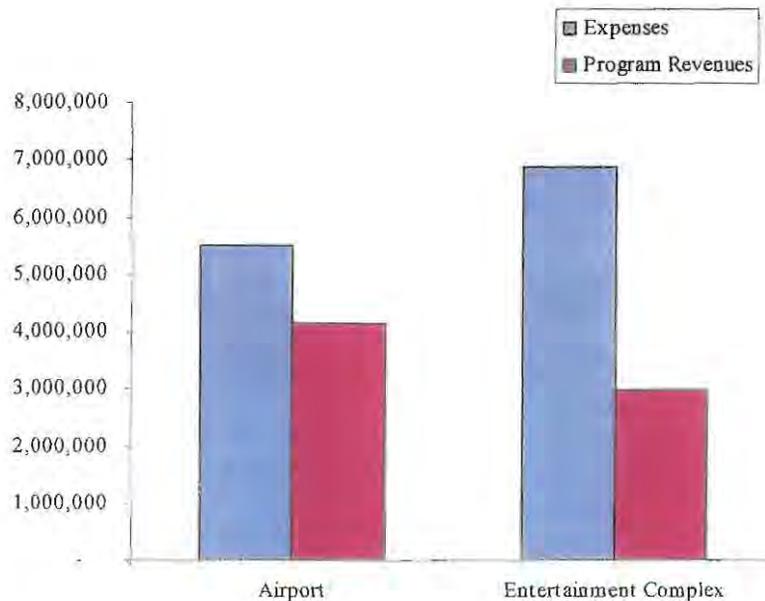
Business-type activities decreased the County's net assets by \$2,946,055 which accounts for the decline in the net assets for the County. The largest area of decline is a reduction in the amount of transfers from the general fund to subsidize operations.

Revenue by Source - Business-type Activities  
Year Ended September 30, 2011



*Jefferson County, Texas*  
*Management's Discussion and Analysis (Unaudited)*

Expenses and Program Revenues - Business-type Activities  
Year Ended September 30, 2011



**Financial Analysis of the Government's Funds**

**Governmental 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 financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Jefferson County's governmental funds reported combined ending fund balances of \$58,984,744, a decrease of \$6,686,965 in comparison with the prior year. About 46% of this total amount (\$27,054,333) constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is nonspendable, committed, restricted, or assigned to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$31,886,947, while total fund balance reached \$36,392,877. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund

*Jefferson County, Texas*  
*Management's Discussion and Analysis (Unaudited)*

expenditures and transfers. Unassigned fund balance represents 31.5 percent of total general fund expenditures and transfers, while total fund balances represents 35.9 percent of that same amount.

The fund balance of the County's General Fund increased by \$386,282 during the current fiscal year. This is only a one percent change from the previous year.

The FEMA Emergency Fund has a total fund balance of \$8,091,009, all of which is restricted for maintenance of structures and equipment. The net increase in fund balance during the current year in the FEMA Emergency Fund was \$715,915. This increase was in large part as a result of additional funding for prior year expenditures in associated with Hurricane Ike and Rita.

The Capital Projects Fund has a total fund balance of \$5,512,810, which \$1,275,092 is committed for construction contracts and the remaining \$4,237,718 is assigned for capital projects. The net decrease in fund balance during the current year in the Capital Projects Fund was \$6,658,165. This decrease was in large part as a result of progress of construction project for building improvements to the County courthouse previously funded.

The ORA Capital Grants has \$3,875,631 in fund balance that is committed for construction contracts which in large part causes the fund to have deficit fund balance of \$4,729,384 for a net fund balance deficit of \$853,753. The County expects to receive funding to cover this deficit.

*Proprietary Funds.* The County's proprietary fund statements provide the same type of information found in the business type activities of the government-wide financial statements, but in more detail.

The Jack Brooks Regional Airport Fund is used to account for the day-to-day operation of the County airport. As of September 30, 2011, unrestricted net assets are \$264,104, a decrease of \$1,076,363 from the prior year. This decrease is in large part due to reduction in transfers from the General Fund.

The Ford Park Fund is used to account for the day-to-day operation of Ford Park. As of September 30, 2011, unrestricted net assets are \$112,942, a decrease of \$660,657 from the prior year. This decrease is in large part due to reduction in transfers from the General Fund.

**General Fund Budgetary Highlights**

The total original budget adopted on September 27, 2010 did not have to be amended during the year. Budget transfers were done during the year to adjust departments as needed.

*Jefferson County, Texas*  
*Management's Discussion and Analysis (Unaudited)*

During the year actual revenues and transfers were more than budgetary estimates by \$1,626,545. Actual expenditures and transfers were less than budgetary estimates by \$5,641,430. The budget had a projected reduction of \$6,000,000 to the fund balance. The net effect of over-realization of revenues and under-utilization of appropriations resulted in a positive variance of \$7,267,975 thus causing the addition to the existing fund balance of \$1,267,975 on a budgetary basis.

The largest positive variance of \$2,567,328 is due to an increase in Sales Tax revenue. The area continues to have growth due to several large industrial expansions.

Interest had the largest negative variance of \$363,335 due to low interest rates on investments.

An additional transfer in the amount of \$1,200,000 was made to Capital Project funds that were not part of the original budget to provide additional funding for construction projects.

Many departments achieved savings over the fiscal year mostly due to unfilled staff positions and moving employees through their salary ranges whereby leaving unspent funds. The total amount of savings for salary and fringe benefits was about \$3.5 million. Departments also did well in controlling their spending in other budgetary areas.

Budget variances are not expected to impact future services or liquidity.

**Capital Assets and Debt Administration**

*Capital Assets.* The County's investment in capital assets for its governmental and business-type activities as of September 30, 2011, amounted to \$176,732,037 (net of accumulated depreciation). This investment in capital assets includes land, improvements, structures, park improvements and facilities, infrastructure, equipment, vehicles, machinery, other tangible and intangible assets, and construction in progress.

Major capital asset events during the current fiscal year included the following:

- The County had a variety of building improvements, purchases of equipment, roads and bridges construction, and construction of airport facilities.
- At September 30, 2011, the ending fund balance for all Capital Projects Funds was \$5.3 million.

For further information regarding capital assets, see Note 5.

*Jefferson County, Texas*  
*Management's Discussion and Analysis (Unaudited)*

	<b>Balance</b>	<b>Balance</b>
<u>Governmental Activities:</u>	<u>September 30, 2011</u>	<u>September 30, 2010</u>
Land	\$ 3,840,787	\$ 3,840,787
Construction in progress	16,840,821	11,611,501
Infrastructure	50,701,638	48,936,171
Buildings & Improvements	91,300,511	87,198,143
Equipment	35,797,122	33,549,028
	<u>198,480,879</u>	<u>185,135,630</u>
Less: Accumulated depreciation	<u>(112,214,210)</u>	<u>(107,430,458)</u>
Total governmental activities	<u>\$ 86,266,669</u>	<u>\$ 77,705,172</u>
<u>Business-type Activities:</u>		
Land	\$ 5,154,600	\$ 5,154,600
Construction in progress	2,467,548	1,219,346
Buildings & Improvements	121,981,528	120,794,386
Equipment	11,636,226	11,489,284
	<u>141,239,902</u>	<u>138,657,616</u>
Less: Accumulated depreciation	<u>(50,774,534)</u>	<u>(46,983,213)</u>
Total business-type activities	<u>\$ 90,465,368</u>	<u>\$ 91,674,403</u>

*Long-Term Debt.* At September 30, 2011, the County had a total long-term debt outstanding of \$107,152,203. Refer to Note 7 for further information on the County's long-term debt. County officials, citizens, and investors will find the ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita as useful indicators of the County's debt position. This information is presented in the statistical section of this report.

	<b>Outstanding at</b>	<b>Outstanding at</b>
<u>Governmental Activities:</u>	<u>September 30, 2011</u>	<u>September 30, 2010</u>
Bonds Payable	\$ 60,664,579	\$ 64,553,045
Capital leases	585,075	1,144,977
Arbitrage liability	31,408	29,821
Notes Payable	965,267	1,322,435
Claims & Judgments	2,755,978	1,697,137
Compensated Absences	11,052,030	11,383,428
OPEB Obligations	30,849,880	22,278,382
Total governmental activities	<u>\$ 106,904,217</u>	<u>\$ 102,409,225</u>
<u>Business-type Activities:</u>		
Compensated Absences	\$ 247,986	\$ 251,952
Total business-type activities	<u>\$ 247,986</u>	<u>\$ 251,952</u>

*Jefferson County, Texas*  
*Management's Discussion and Analysis (Unaudited)*

The bond rating services of Moody's Investors Services, Inc. and Standard & Poor's Ratings services have assigned the County's long term bond ratings of A1 and AA- respectively.

**Economic Factors and Next Year's Budgets and Rates**

The Commissioner's Court adopted the County's 2011-2012 Budget on September 19, 2011 for the general fund and debt service funds. The Budget was adopted based on estimated balances that would be available at the end of fiscal year 2011 and estimated revenues to be received in fiscal year 2012. The total resources for all funds for fiscal year 2011 are estimated to be \$144.6 million. The budget was adopted with estimated expenditures in the amount of \$115.8 million. The 2011-2012 Budget forecast utilizing \$3,842,075 of fund balance.

For 2011-2012, the property tax rate will remain at \$.365 per \$100 of taxable assessed value and taxable assessed property values are anticipated to grow by 4.6% for the 2011-2012 Budget year.

The average unemployment rate for Jefferson County for September 2011 was 11.7%; this is an increase from the prior year rate of 10.6%. The state's average unemployment rate for September 2011 was 8.4%.

**Request for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 1149 Pearl St. – 7<sup>th</sup> Floor, Beaumont, Texas 77701.

BASIC  
FINANCIAL STATEMENTS

**JEFFERSON COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2011**

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	RECLASSIFICATIONS	TOTAL
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 43,752,375	1,257,019	-	45,009,394
INVESTMENTS	15,647,116	-	-	15,647,116
INTEREST RECEIVABLE	13,998	54	-	14,052
ACCOUNTS RECEIVABLE, Net	1,018,704	237,565	-	1,256,269
DUE FROM OTHER GOVERNMENTAL ENTITIES	10,869,743	66,701	-	10,936,444
INVENTORIES, At Cost	646,268	221,068	-	867,336
PREPAID ITEMS	386,717	45,687	-	432,404
DELINQUENT TAXES RECEIVABLE, Net	3,821,752	-	-	3,821,752
PENALTY AND INTEREST RECEIVABLE, Net	1,739,725	-	-	1,739,725
OTHER RECEIVABLES, Net	2,449,301	-	-	2,449,301
DEFERRED CHARGES	130,628	-	-	130,628
DEPOSITS	53,000	-	-	53,000
<b>CAPITAL ASSETS:</b>				
LAND	3,840,787	5,154,600	-	8,995,387
CONSTRUCTION IN PROGRESS	16,840,821	2,467,548	-	19,308,369
OTHER CAPITAL ASSETS, Net of depreciation	65,585,061	82,843,220	-	148,428,281
<b>TOTAL ASSETS</b>	<b>\$ 166,795,996</b>	<b>92,293,462</b>	<b>-</b>	<b>259,089,458</b>
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 6,755,348	511,208	-	7,266,556
INTEREST PAYABLE	516,706	-	-	516,706
DUE TO OTHER GOVERNMENTAL ENTITIES	263,973	-	-	263,973
UNEARNED REVENUE	782,404	640,250	-	1,422,654
CUSTOMER DEPOSITS	9,950	51,604	-	61,554
<b>LONG-TERM LIABILITIES</b>				
DUE WITHIN ONE YEAR	7,968,207	38,739	-	8,006,946
DUE IN MORE THAN ONE YEAR	98,936,010	209,247	-	99,145,257
<b>TOTAL LIABILITIES</b>	<b>\$ 115,232,598</b>	<b>1,451,048</b>	<b>-</b>	<b>116,683,646</b>
<b>NET ASSETS</b>				
INVESTED IN CAPITAL ASSETS, net of related debt	\$ 81,583,824	90,465,368	(57,637,497)	114,411,695
<b>RESTRICTED FOR</b>				
DEBT SERVICE	354,241	-	-	354,241
CONSTRUCTION	958,854	-	-	958,854
PUBLIC INTEREST	1,337,398	-	-	1,337,398
JUDICIAL & LAW ENFORCEMENT	5,536,580	-	-	5,536,580
EDUCATION & RECREATION	1,031,528	-	-	1,031,528
HEALTH & WELFARE	120,281	-	-	120,281
MAINTENANCE OF STRUCTURES & EQUIPMENT	9,571,914	-	-	9,571,914
UNRESTRICTED	(48,931,222)	377,046	57,637,497	9,083,321
<b>TOTAL NET ASSETS</b>	<b>\$ 51,563,398</b>	<b>90,842,414</b>	<b>-</b>	<b>142,405,812</b>

*The reclassification is for the debt associated with the construction of Ford Park. The asset is accounted for in the Business-type activities column and the debt is accounted for in the Governmental Activities column.*

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

**JEFFERSON COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>PRIMARY GOVERNMENT</b>							
GOVERNMENTAL ACTIVITIES:							
GENERAL GOVERNMENT	\$ 34,710,153	\$ 8,218,241	\$ 1,718	\$ 34,632	\$ (26,455,562)	\$ -	\$ (26,455,562)
JUDICIAL AND LAW ENFORCEMENT	76,819,206	9,679,128	12,553,743	-	(54,586,335)	-	(54,586,335)
EDUCATION AND RECREATION	1,313,440	86,010	3	-	(1,227,427)	-	(1,227,427)
HEALTH AND WELFARE	9,704,323	401,929	575,573	-	(8,726,821)	-	(8,726,821)
MAINTENANCE - EQUIPMENT AND STRUCTURES	13,365,410	4,047,555	3,363,796	8,956,555	3,002,496	-	3,002,496
INTEREST AND CHARGES ON LONG-TERM DEBT	3,388,354	-	-	-	(3,388,354)	-	(3,388,354)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 139,300,886</b>	<b>\$ 22,432,863</b>	<b>\$ 16,494,833</b>	<b>\$ 8,991,187</b>	<b>\$ (91,382,003)</b>	<b>\$ -</b>	<b>\$ (91,382,003)</b>
BUSINESS-TYPE ACTIVITIES:							
AIRPORT	5,506,746	3,088,666	-	1,053,698	-	(1,364,382)	(1,364,382)
ENTERTAINMENT COMPLEX	6,866,792	2,943,861	-	46,668	-	(3,876,263)	(3,876,263)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 12,373,538</b>	<b>\$ 6,032,527</b>	<b>\$ -</b>	<b>\$ 1,100,366</b>	<b>\$ -</b>	<b>\$ (5,240,645)</b>	<b>\$ (5,240,645)</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 151,674,424</b>	<b>\$ 28,465,390</b>	<b>\$ 16,494,833</b>	<b>\$ 10,091,553</b>	<b>\$ (91,382,003)</b>	<b>\$ (5,240,645)</b>	<b>\$ (96,622,648)</b>
GENERAL REVENUES							
TAXES:							
PROPERTY TAXES LEVIED FOR GENERAL PURPOSES					\$ 65,655,531	\$ -	\$ 65,655,531
PROPERTY TAXES LEVIED FOR DEBT SERVICE					7,502,625	-	7,502,625
SALES TAXES					22,490,677	-	22,490,677
UNRESTRICTED INVESTMENT EARNINGS					266,118	2,979	269,097
MISCELLANEOUS					24,164	20,465	44,629
TRANSFERS					(2,271,146)	2,271,146	-
<b>TOTAL GENERAL REVENUE AND TRANSFERS</b>					<b>\$ 93,667,969</b>	<b>\$ 2,294,590</b>	<b>\$ 95,962,559</b>
CHANGE IN NET ASSETS					\$ 2,285,966	\$ (2,946,055)	\$ (660,089)
NET ASSETS - BEGINNING					49,901,956	93,788,469	143,690,425
PRIOR PERIOD ADJUSTMENT					(624,524)	-	(624,524)
NET ASSETS - BEGINNING, Restated					<u>49,277,432</u>	<u>93,788,469</u>	<u>143,065,901</u>
NET ASSETS - ENDING					<u>\$ 51,563,398</u>	<u>\$ 90,842,414</u>	<u>\$ 142,405,812</u>

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

JEFFERSON COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2011

	GENERAL	FEMA EMERGENCY	CAPITAL PROJECTS FUND	ORA CAPITAL GRANTS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>						
CASH AND CASH EQUIVALENTS	\$ 15,637,752	7,473,275	5,691,021	487	11,690,389	40,492,924
INVESTMENTS	15,647,116	-	-	-	-	15,647,116
ACCOUNTS RECEIVABLE, Net	222,516	-	-	-	714,467	936,983
INTEREST RECEIVABLE	2,918	674	523	-	775	4,890
DUE FROM OTHER FUNDS	3,220,791	-	-	-	-	3,220,791
DUE FROM OTHER GOVERNMENTAL ENTITIES	4,785,401	1,481,976	154,097	3,364,266	626,512	10,412,252
DELINQUENT TAXES RECEIVABLE, Net	3,691,965	-	-	-	129,787	3,821,752
PENALTY AND INTEREST RECEIVABLE, Net	1,680,644	-	-	-	59,081	1,739,725
INVENTORIES, At Cost	638,469	-	-	-	7,799	646,268
PREPAID ITEM	385,386	-	-	-	1,331	386,717
<b>TOTAL ASSETS</b>	<b>\$ 45,912,958</b>	<b>8,955,925</b>	<b>5,845,641</b>	<b>3,364,753</b>	<b>13,230,141</b>	<b>77,309,418</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
ACCOUNTS PAYABLE	\$ 4,224,134	85	234,597	1,226,795	1,054,232	6,739,843
COMPENSATED ABSENCES PAYABLE	105,425	-	-	-	1,271	106,696
DUE TO OTHER FUNDS	-	-	-	2,170,886	1,049,905	3,220,791
DUE TO OTHER GOVERNMENTAL ENTITIES	360	-	-	-	263,613	263,973
DEFERRED REVENUE	5,180,212	864,831	98,234	820,825	1,019,319	7,983,421
CUSTOMER DEPOSITS	9,950	-	-	-	-	9,950
<b>TOTAL LIABILITIES</b>	<b>\$ 9,520,081</b>	<b>864,916</b>	<b>332,831</b>	<b>4,218,506</b>	<b>3,388,340</b>	<b>18,324,674</b>
<b>FUND BALANCES:</b>						
NONSPENDABLE FOR:						
INVENTORY	\$ 638,469	-	-	-	7,799	646,268
PREPAID ITEMS	385,386	-	-	-	1,331	386,717
COMMITTED FOR:						
CONSTRUCTION CONTRACTS	-	-	1,275,092	3,875,631	-	5,150,723
RESTRICTED FOR:						
DEBT SERVICE	-	-	-	-	701,816	701,816
CONSTRUCTION	-	-	-	-	39,795	39,795
PUBLIC INTEREST	-	-	-	-	1,337,398	1,337,398
JUDICIAL & LAW ENFORCEMENT	-	-	-	-	5,491,539	5,491,539
EDUCATION & RECREATION	-	-	-	-	1,031,528	1,031,528
HEALTH & WELFARE	-	-	-	-	88,408	88,408
MAINTENANCE OF STRUCTURES & EQUIPMENT	-	8,091,009	-	-	616,074	8,707,083
ASSIGNED FOR CAPITAL PROJECTS	-	-	4,237,718	-	629,343	4,867,061
ASSIGNED FOR ADOPTED BUDGET UTILIZATION OF FUND BALANCE	3,482,075	-	-	-	-	3,482,075
UNASSIGNED (DEFICIT)	31,886,947	-	-	(4,729,384)	(103,230)	27,054,333
<b>TOTAL FUND BALANCES</b>	<b>\$ 36,392,877</b>	<b>8,091,009</b>	<b>5,512,810</b>	<b>(853,753)</b>	<b>9,841,801</b>	<b>58,984,744</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 45,912,958</b>	<b>8,955,925</b>	<b>5,845,641</b>	<b>3,364,753</b>	<b>13,230,141</b>	<b>77,309,418</b>

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

**JEFFERSON COUNTY, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2011**

Total fund balances for governmental funds \$ 58,984,744

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 3,840,787	
Construction in progress	16,840,821	
Infrastructure, net of \$34,121,971 accumulated depreciation	16,579,667	
Buildings, net of \$57,415,794 accumulated depreciation	33,884,717	
Equipment, net of \$20,676,445 accumulated depreciation	<u>15,120,677</u>	
Total capital assets		86,266,669

Long-term assets are not recognized in the current period and accordingly are not reported as fund assets. Balances as of September 30, 2011 were:

Accrued interest receivable	\$ 8,818	
Deferred Charges	<u>130,628</u>	
		139,446

Long-term liabilities applicable to Jefferson County's activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term are reported in the statement of net assets.

Balance as of September 30, 2011 were:

Accrued interest on bonds and loans	\$ (516,706)	
Bonds payable	(60,770,000)	
Notes payable	(965,267)	
OPEB Obligations	(30,849,880)	
Capital leases	(585,075)	
Arbitrage liability	(31,408)	
Compensated absences	(10,945,334)	
Gain/Loss on Refunding Bonds	324,648	
Premium/Discounts on Bonds	<u>(219,227)</u>	
		(104,558,249)

Internal service funds are used by the County. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets. Internal service fund net assets are:

1,080,470

Some of the County's receivables are classified as long-term and therefore are not reported in the funds. Receivable reported net of \$1,990,493 allowance for uncollectible accounts.

2,449,301

Some of the County's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

7,201,017

Total net assets of governmental activities

\$ 51,563,398

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

JEFFERSON COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	GENERAL	FEMA EMERGENCY	CAPITAL PROJECTS FUND	ORA CAPITAL GRANTS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>						
PROPERTY TAXES	\$ 65,449,072	-	-	-	7,510,292	72,959,364
SALES TAXES	21,509,058	-	-	-	981,619	22,490,677
FEES	8,932,185	-	-	-	4,244,146	13,176,331
LICENSES	407,512	-	-	-	-	407,512
INTERGOVERNMENTAL	1,696,034	1,806,210	352,227	7,685,269	11,666,970	23,206,710
SALES, RENTAL & SERVICES	2,736,109	-	13,235	-	88,139	2,837,483
FINES AND FORFEITURES	1,705,496	-	-	-	367,229	2,072,725
INTEREST	182,725	20,111	24,523	335	45,483	273,177
MISCELLANEOUS	24,164	-	-	-	-	24,164
CONTRIBUTIONS AND DONATIONS	1,050	-	-	-	2,991	4,041
<b>TOTAL REVENUES</b>	<b>\$ 102,643,405</b>	<b>1,826,321</b>	<b>389,985</b>	<b>7,685,604</b>	<b>24,906,869</b>	<b>137,452,184</b>
<b>EXPENDITURES:</b>						
<b>CURRENT</b>						
GENERAL GOVERNMENT	\$ 19,475,833	-	-	-	998,865	20,474,698
JUDICIAL AND LAW ENFORCEMENT	57,779,656	-	-	-	15,302,312	73,081,968
EDUCATION AND RECREATION	404,347	-	-	-	894,155	1,298,502
HEALTH AND WELFARE	9,191,315	-	-	-	346,996	9,538,311
MAINTENANCE OF STRUCTURES AND EQUIPMENT	11,430,209	1,110,406	-	-	2,495	12,543,110
CAPITAL OUTLAY	-	-	8,136,608	8,506,093	792,054	17,434,755
DEBT SERVICE						
PRINCIPAL	357,168	-	559,902	-	4,025,000	4,942,070
INTEREST AND COMMISSION	37,894	-	51,410	-	3,440,933	3,530,237
<b>TOTAL EXPENDITURES</b>	<b>\$ 98,676,422</b>	<b>1,110,406</b>	<b>8,747,920</b>	<b>8,506,093</b>	<b>25,802,810</b>	<b>142,843,651</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 3,966,983</b>	<b>715,915</b>	<b>(8,357,935)</b>	<b>(820,489)</b>	<b>(895,941)</b>	<b>(5,391,467)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
TRANSFERS IN	\$ -	-	1,699,770	-	1,151,230	2,851,000
TRANSFERS OUT	(2,699,008)	-	-	-	(949,777)	(3,648,785)
REFUNDING BONDS ISSUED	-	-	-	-	5,550,000	5,550,000
PREMIUM ON BONDS	-	-	-	-	249,283	249,283
PAYMENT TO REFUNDING BONDS ESCROW AGENT	-	-	-	-	(5,672,472)	(5,672,472)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (2,699,008)</b>	<b>-</b>	<b>1,699,770</b>	<b>-</b>	<b>328,264</b>	<b>(670,974)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 1,267,975</b>	<b>715,915</b>	<b>(6,658,165)</b>	<b>(820,489)</b>	<b>(567,677)</b>	<b>(6,062,441)</b>
FUND BALANCES, BEGINNING	\$ 36,006,595	7,375,094	12,170,975	(33,264)	10,152,309	65,671,709
PRIOR PERIOD ADJUSTMENT	(881,693)	-	-	-	257,169	(624,524)
FUND BALANCE, BEGINNING (Restated)	35,124,902	7,375,094	12,170,975	(33,264)	10,409,478	65,047,185
FUND BALANCES, ENDING	\$ 36,392,877	8,091,009	5,512,810	(853,753)	9,841,801	58,984,744

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

JEFFERSON COUNTY, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
SEPTEMBER 30, 2011

Net change in fund balances - total governmental funds \$ (6,062,441)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Expenditures	\$ 15,335,180	
Capital asset donations to Business type activities	(1,473,361)	
Net adjustment for sale or disposal of capital assets	(63,537)	
Depreciation Expense	<u>(5,236,785)</u>	
Net adjustment		8,561,497

Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.

Debt issued		
Refunding Bonds	\$ (5,550,000)	
Bond premium	(249,284)	
Repayments:		
To paying agent for bond principal	4,025,000	
Principal on Notes Payable	357,168	
To refunding bond escrow agent	5,672,472	
Capital Lease principal	<u>559,902</u>	
Net adjustment		4,815,258

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather as it accrues. The adjustment combines the net changes of ten balances.

Compensated absences	\$ 310,809	
OPEB Obligations	(8,571,498)	
Arbitrage liability	(1,587)	
Amortization of bond premium	19,679	
Amortization of bond discount	(1,577)	
Amortization of advanced refunding difference	(27,824)	
Accrued interest on debt	47,075	
Amortization of deferred charges	(15,714)	
Capitalization of deferred charges	<u>121,832</u>	
Combined adjustment		(8,118,805)

Internal service funds are used by the County. The net change in assets of the internal service funds are reported with governmental activities. 1,128,040

Some of the County's receivables are classified as long-term and therefore the net of revenue and bad debt expense associated with these receivables are not reported in the funds. (88,049)

Because some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenue and are deferred in the governmental funds. Deferred revenues increased by this amount in the current period. 2,050,466

Total change in net assets of governmental activities \$ 2,285,966

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

**JEFFERSON COUNTY, TEXAS  
STATEMENT OF NET ASSETS -  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2011**

	<u>ENTERPRISE FUNDS</u>			
	<u>JACK BROOKS REGIONAL AIRPORT</u>	<u>FORD PARK</u>	<u>TOTAL</u>	<u>INTERNAL SERVICE FUNDS</u>
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 466,355	790,664	1,257,019	3,259,451
ACCOUNTS RECEIVABLE, Net	120,725	116,840	237,565	81,721
INTEREST RECEIVABLE	31	23	54	290
DUE FROM OTHER GOVERNMENTAL ENTITIES	66,701	-	66,701	457,491
PREPAID ITEMS	215	45,472	45,687	-
INVENTORY, At Cost	185,267	35,801	221,068	-
DEPOSITS	-	-	-	53,000
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 839,294</b>	<b>988,800</b>	<b>1,828,094</b>	<b>3,851,953</b>
<b>NONCURRENT ASSETS:</b>				
<b>CAPITAL ASSETS:</b>				
LAND	3,024,815	2,129,785	5,154,600	-
CONSTRUCTION IN PROGRESS	1,914,814	552,734	2,467,548	-
OTHER CAPITAL ASSETS, NET OF DEPRECIATION	25,635,765	57,207,455	82,843,220	-
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 30,575,394</b>	<b>59,889,974</b>	<b>90,465,368</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ 31,414,688</b>	<b>60,878,774</b>	<b>92,293,462</b>	<b>3,851,953</b>
<b>LIABILITIES:</b>				
<b>CURRENT LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 296,356	214,852	511,208	15,505
CLAIMS LIABILITY	-	-	-	2,755,978
CURRENT PORTION - COMPENSATED ABSENCES	16,194	22,545	38,739	-
DEFERRED REVENUE	14,589	625,661	640,250	-
CUSTOMER DEPOSITS	38,804	12,800	51,604	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 365,943</b>	<b>875,858</b>	<b>1,241,801</b>	<b>2,771,483</b>
<b>NONCURRENT LIABILITIES:</b>				
<b>NONCURRENT PORTION - COMPENSATED ABSENCES</b>				
	209,247	-	209,247	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 209,247</b>	<b>-</b>	<b>209,247</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 575,190</b>	<b>875,858</b>	<b>1,451,048</b>	<b>2,771,483</b>
<b>NET ASSETS:</b>				
INVESTED IN CAPITAL ASSETS UNRESTRICTED	\$ 30,575,394 264,104	59,889,974 112,942	90,465,368 377,046	- 1,080,470
<b>TOTAL NET ASSETS</b>	<b>\$ 30,839,498</b>	<b>60,002,916</b>	<b>90,842,414</b>	<b>1,080,470</b>

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

**JEFFERSON COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET ASSETS -**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	ENTERPRISE FUNDS			INTERNAL SERVICE FUNDS
	JACK BROOKS REGIONAL AIRPORT	FORD PARK	TOTAL	
<b>OPERATING REVENUES:</b>				
CHARGES FOR SERVICES	\$ 3,088,666	2,943,861	6,032,527	14,583,802
EMPLOYEE CONTRIBUTIONS	-	-	-	2,006,021
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 3,088,666</b>	<b>2,943,861</b>	<b>6,032,527</b>	<b>16,589,823</b>
<b>OPERATING EXPENSES:</b>				
SALARIES & BENEFITS	\$ 1,679,210	1,333,273	3,012,483	-
MATERIALS AND SUPPLIES	107,568	48,212	155,780	-
MAINTENANCE AND REPAIRS	115,329	223,852	339,181	-
UTILITIES	220,899	761,430	982,329	-
COST OF GOODS SOLD	1,612,866	1,290,647	2,903,513	-
MISCELLANEOUS	310,057	31,497	341,554	-
ADMINISTRATIVE	-	760,493	760,493	1,368,051
INCURRED & ESTIMATED CLAIMS	-	-	-	14,549,654
DEPRECIATION	1,466,605	2,417,388	3,883,993	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 5,512,534</b>	<b>6,866,792</b>	<b>12,379,326</b>	<b>15,917,705</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (2,423,868)</b>	<b>(3,922,931)</b>	<b>(6,346,799)</b>	<b>672,118</b>
<b>NONOPERATING REVENUES:</b>				
INTEREST REVENUE	\$ 2,545	434	2,979	5,913
GAIN/(LOSS) ON SALE OF CAPITAL ASSETS	5,788	-	5,788	-
REFUNDS AND RECOVERIES	20,465	-	20,465	450,009
<b>TOTAL NONOPERATING REVENUES</b>	<b>\$ 28,798</b>	<b>434</b>	<b>29,232</b>	<b>455,922</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>\$ (2,395,070)</b>	<b>(3,922,497)</b>	<b>(6,317,567)</b>	<b>1,128,040</b>
CAPITAL CONTRIBUTIONS	1,943,333	630,394	2,573,727	-
TRANSFER IN	-	797,785	797,785	-
<b>CHANGE IN NET ASSETS</b>	<b>\$ (451,737)</b>	<b>(2,494,318)</b>	<b>(2,946,055)</b>	<b>1,128,040</b>
<b>NET ASSETS (DEFICIT), BEGINNING</b>	<b>31,291,235</b>	<b>62,497,234</b>	<b>93,788,469</b>	<b>(47,570)</b>
<b>NET ASSETS (DEFICIT), ENDING</b>	<b>\$ 30,839,498</b>	<b>60,002,916</b>	<b>90,842,414</b>	<b>1,080,470</b>

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

JEFFERSON COUNTY, TEXAS  
STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	ENTERPRISE FUNDS			INTERNAL SERVICE FUNDS
	JACK BROOKS REGIONAL	FORD PARK	TOTAL	
	AIRPORT			
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
RECEIPTS FROM CUSTOMERS AND USERS	\$ 3,092,294	3,083,711	6,176,005	1,630,842
RECEIPTS FROM EMPLOYEES	-	-	-	1,968,373
PAYMENTS TO SUPPLIERS	(2,451,294)	(3,067,384)	(5,518,678)	(1,379,668)
PAYMENTS TO EMPLOYEES	(1,679,063)	(1,337,386)	(3,016,449)	-
INTERNAL ACTIVITY-RECEIPTS(PAYMENTS) FROM (TO) OTHER FUNDS	-	-	-	12,613,020
CLAIMS PAID	-	-	-	(13,490,813)
OTHER RECEIPTS	20,465	-	20,465	434,356
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (1,017,598)</u>	<u>(1,321,059)</u>	<u>(2,338,657)</u>	<u>1,776,110</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
TRANSFERS (TO) FROM OTHER FUNDS	\$ -	797,785	797,785	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>\$ -</u>	<u>797,785</u>	<u>797,785</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
CAPITAL GRANTS FROM FEDERAL ENTITIES	\$ 1,154,171	-	1,154,171	-
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(1,211,481)	-	(1,211,481)	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	5,788	-	5,788	-
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<u>\$ (51,522)</u>	<u>-</u>	<u>(51,522)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES:</b>				
RECEIPTS OF INTEREST	2,532	611	3,143	6,706
<b>NET CASH PROVIDED BY INVESTMENT ACTIVITIES</b>	<u>\$ 2,532</u>	<u>611</u>	<u>3,143</u>	<u>6,706</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - BEGINNING</b>	<u>\$ (1,066,588)</u>	<u>(522,663)</u>	<u>(1,589,251)</u>	<u>1,782,816</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 466,355</u>	<u>790,664</u>	<u>1,257,019</u>	<u>3,259,451</u>
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES:</b>				
OPERATING INCOME(LOSS)	\$ (2,423,868)	(3,922,931)	(6,346,799)	672,118
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES-				
DEPRECIATION	1,466,605	2,417,388	3,883,993	-
OTHER NON-OPERATING REVENUES (EXPENSES)	20,465	-	20,465	450,009
CHANGES IN ASSETS AND LIABILITIES:				
ACCOUNTS RECEIVABLE	(6,748)	31,134	24,386	(53,301)
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	(339,940)
PREPAID ITEMS	-	(15,673)	(15,673)	-
INVENTORY	(121,656)	4,551	(117,105)	-
CUSTOMER DEPOSITS	-	3,500	3,500	-
ACCOUNTS PAYABLE	37,081	44,196	81,277	(11,617)
CLAIMS LIABILITY	-	-	-	1,058,841
DUE TO OTHER FUNDS	-	-	-	-
OTHER LIABILITIES	10,523	116,776	127,299	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (1,017,598)</u>	<u>(1,321,059)</u>	<u>(2,338,657)</u>	<u>1,776,110</u>
<b>NON-CASH OPERATING, CAPITAL AND RELATED FINANCING, AND INVESTING ACTIVITIES</b>				
CAPITAL CONTRIBUTIONS	\$ 889,635	630,394	1,520,029	-

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

**JEFFERSON COUNTY, TEXAS  
STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
SEPTEMBER 30, 2011**

	<u>TOTALS</u>
<b><u>ASSETS</u></b>	
CASH AND CASH EQUIVALENTS	\$ 17,631,513
ACCOUNTS RECEIVABLE, Net	6,882
DUE FROM OTHER GOVERNMENTAL ENTITIES	367,297
INVENTORY	<u>42,409</u>
 TOTAL ASSETS	 \$ <u>18,048,101</u>
<b><u>LIABILITIES</u></b>	
ACCOUNTS PAYABLE	\$ 15,804,081
DUE TO OTHER GOVERNMENTAL ENTITIES	777,799
OTHER PAYABLES	<u>1,466,221</u>
 TOTAL LIABILITIES	 \$ <u>18,048,101</u>

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 1 - Summary of Significant Accounting Policies**

The financial statements of Jefferson County, Texas ("County") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

**A. Reporting Entity**

The County is a public corporation and a political subdivision of the State of Texas. The County is governed by Commissioners' Court, composed of four County Commissioners and the County Judge, all of whom are elected officials.

The County provides a vast array of services, which include public safety, administration of justice, health and human services, recreation services, public improvements, and general administration.

As required by GAAP, the financial statements of the reporting entity include those of the County (the primary government) and its component units in conformity with GASB Statement No. 14, *The Financial Reporting Entity* ("GASB 14") and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* ("GASB 39").

In accordance with these standards, a financial reporting entity consists of the primary government and its components units. Component units are legally separate organizations for which the elected officials of the County are financially accountable, or the relationship to the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the County's operations, and so data from these units are combined with data of the County.

The criteria used to determine whether an organization is a component unit of the County and whether it is a discretely or a blended component unit includes: financial accountability of Jefferson County for the component unit, appointment of a voting majority, ability to impose the County's will on the component unit, fiscal dependency criterion, whether there is a financial benefit to or burden to the County, and whether services are provided entirely or almost entirely to the primary government.

**Blended Component Units:**

For financial reporting purposes, the Southeast Texas Government Employee Benefits Pool (The Pool) is included in the operations and activities of the County as a blended component unit. The Pool is a public entity risk pool (see Note 13), which the County is the sponsor government. The Pool is accounted for as an internal service fund.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Excluded from the reporting entity:

The following agencies were considered in the determination of component units of the County's financial reporting entity. It was determined that these entities should not be included as component units of the primary government: Jefferson County Navigation District, Drainage District #3, Drainage District #6, Drainage District #7, Foreign Trade Zone, Pleasure Island Park Board, Jefferson County Health Facilities Development Corporation, Jefferson County Housing Finance Corporation, Local Emergency Planning Committee (LEPC), and Jefferson County Industrial Development Corporation.

**B. Implementation of New Standards**

In the current year the County implemented the following new standards:

GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"), enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the County reclassifying fund balances of its governmental funds.

GASB Statement No. 59, *Financial Instruments Omnibus* ("GASB 59"), updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. Implementation of GASB 59 did not have an impact on the County's reporting disclosures.

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

Government-wide Statements

Government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is financially accountable.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Fines



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 1 - Summary of Significant Accounting Policies (continued)**

and forfeitures are recognized when they have been assessed and adjudicated and earned. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Statement of Activities demonstrates the degree to which the direct expenses of the County's programs are offset by those programs' revenues. Program revenues include; 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the program and; 2) grants and contributions that are restricted to meeting the operational and/or capital requirements of a particular program. Program revenues include those generated from General Government, Judicial and Law Enforcement, Education and Recreation, Health and Welfare, Contract Services, and Maintenance of Equipment and Structures. Taxes and other items not included among program revenues are reported instead as general revenues.

Miscellaneous general revenues consist of non-program specific contributions.

Agency funds are excluded in the government-wide presentation of the financial statements.

**Fund-level Statements**

All governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes and other revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on governmental long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Grant and entitlement revenues are also susceptible to accrual. Encumbrances are used during the year and any remaining encumbrances are liquidated at fiscal year end. These funds are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds, including the enterprise funds and internal service funds, and fiduciary funds, including agency funds, are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses. These funds are accounted for using a cost of service or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or non-



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 1 - Summary of Significant Accounting Policies (continued)**

current) associated with their activity are included in the funds' balance sheets. The Agency funds are custodial in nature and involve no measurement of results of operations.

The accounts of the County are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

Funds are classified into three categories: Governmental, Proprietary, and Fiduciary. The County reports the following major funds:

**GOVERNMENTAL FUNDS:** Used to account for all or most of a government's general activity.

**General Fund** – used to account for the general operations of the County.

**FEMA Emergency Fund** – used to account for the grants from the Federal Emergency Management Agency (FEMA) for disasters.

**Capital Projects Fund** – used to account for all other capital projects of the County for which a separate fund has not been established.

**ORA Capital Grants** – used to account for the grants from the Office of Rural Affairs (ORA) and Community Development Block Grants for Disaster Recovery Programs.

**PROPRIETARY FUNDS:** Used to account for operations that are financed in a manner similar to those in the private sector, where the determination of net income is appropriate for sound financial administration.

**Jack Brooks Regional Airport** – used to account for the day-to-day operation of the County airport. These facilities are financed primarily through user charges.

**Ford Park** – used to account for the day-to-day operation of Ford Park. These facilities are financed primarily through user charges.

Additionally, the County reports the following fund types:

**Internal Service Funds** – used to account for the financing of goods and services provided by one department or agency of the County to other County departments or agencies on a cost reimbursement basis. The County reports three internal service fund: 1) Liability Insurance – to account for the County's contribution and payment for liability claims, 2) Workers' Compensation –



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 1 - Summary of Significant Accounting Policies (continued)**

to account for County's contribution and payment for workers' compensation claims, and 3) Southeast Texas Government Employee Benefits Pool - to account for the County's Public Entity Risk Pool, which provides group health insurance programs for member governments including comprehensive major medical and dental care.

**FIDUCIARY FUNDS:** Used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

**Agency Funds** are used to account for assets held by the County as an agent on behalf of a third party. The County reports eleven agency funds held for various third parties outside the primary government.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing goods in connection with the proprietary fund's principal operations. The principal operating revenues of the Jack Brooks Regional Airport and Ford Park are user fees. Operating revenues in the Internal Service Funds consist primarily of charges to the various County departments. Operating expenses in the enterprise and internal service funds include the cost of sales and services, administrative expenses, incurred and estimated claims, salaries & benefits, materials and supplies, maintenance and repairs, utilities, miscellaneous, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

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

**D. Budgets**

The County follows these procedures in establishing the budgetary data reflected in the financial statements.

- o Department annual budget requests are submitted by the Department or Agency Head to the County Auditor's office during the third quarter of the fiscal year for the upcoming fiscal year to begin October 1.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 1 - Summary of Significant Accounting Policies (continued)**

- The County Auditor's office prepares an estimate of available resources for the upcoming fiscal year.
- The County Auditor's office prepares the proposed annual operating budget to be presented to the Commissioners' Court for their consideration. The budget represents the financial plan for the new fiscal year.
- Public hearings are held on the proposed budget.
- The Commissioners' Court must adopt an annual operating budget by a majority vote of the Commissioners' Court before October 1. The adopted budget must be balanced; that is, available resources must be sufficient to support annual appropriations.
- The department is the legal level of budgetary control. Commissioners' Court approval is necessary to transfer appropriations between departments. Transfers may not increase the total budget.
- The Commissioners' Court may approve expenditures as an amendment to the budget in an emergency situation that could not have been foreseen at the time the original budget was approved.
- Annual budgets are legally adopted for the General Fund and Debt Service Funds. Budgets for Grant Funds are established pursuant to grant awards and budgets for Capital Projects are established on a project basis.
- Appropriations lapse at year-end for all budgeted funds.
- Budgets are prepared on a basis consistent with GAAP.

**E. Deposits and Investments**

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

State statute authorizes the County to invest in obligations of the U.S. Treasury and Federal Agencies, commercial paper, repurchase agreements, Bankers' acceptances, money market mutual funds, and direct obligations of the State of Texas.

Investments for the County are stated at fair value, which is based on quoted market prices with the difference between the purchase price and market price being recorded as earnings on investments.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 1 - Summary of Significant Accounting Policies (continued)**

**F. Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed. All encumbrances are liquidated at fiscal year end.

**G. Receivables and Payables**

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2010 and past due after January 31, 2011. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

Receivables from other governments include amount due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund statements. Receivables are shown net of an allowance for uncollectible.

Lending or borrowing between funds is reflected as "due to" or "due from" (current portion) or "advances to/from other funds" (non-current). Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Interfund activity reflected in "due to" or "due from" is eliminated on the government-wide statements.

**H. Interfund Transactions**

During the course of normal operations, the County has many transactions between funds. The accompanying fund level financial statements reflect as transfers the resources provided and the expenditures used to provide services, construct assets, and meet debt service requirements. The effect of interfund activity has been eliminated in the Government-Wide financial statements, except for transactions between governmental and business-type activities.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 1 - Summary of Significant Accounting Policies (continued)**

**I. Inventories and Prepaid Items**

Inventories are valued at cost, which approximates market, using the "first-in/first-out" method. The cost of governmental fund type inventories are recorded as expenditures when consumed rather than when they are purchased (consumption method). Reported inventories in the governmental funds are offset by a fund balance reserve, which indicates they are unavailable for appropriations even though they are a component of net current assets. Inventory policy on government-wide statements is consistent with fund statements.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and in the fund financial statements are offset by a fund balance reserve, which indicates they are unavailable for appropriations even though they are a component of net current assets.

**J. Capital Assets and Infrastructure**

Capital assets include: land, land improvements, buildings and building improvements, park improvements and facilities, equipment, machinery, vehicles, other tangible and intangible assets, and infrastructure that are used in the County's operations and benefits more than a single fiscal year. Infrastructure assets are long-lived assets that are generally stationary in nature and can typically be preserved for a significantly greater number of years than other capital assets. Infrastructure assets of the County include roads and bridges.

Capital assets of the County are defined as assets with individual costs of \$10,000 or more and estimated useful lives in excess of one year. All capital assets are stated at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are stated at their estimated fair value on the date donated.

It is the County's policy not to capitalize interest on construction for capital assets reported in the governmental activities of the government-wide financial statements.

Capital assets are depreciated in the government-wide financial statements using the straight-line method over the following useful lives:



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 1 - Summary of Significant Accounting Policies (continued)**

<u>Asset</u>	<u>Years</u>
Runways	20-35
Buildings	40
Building Improvements	15-25
Equipment	3-7
Machinery	15
Vehicles	4-15
Other tangible assets	7-10
Computer software	3-5
Infrastructure:	
Bridges	25
Roads	40

**K. Compensated Absences**

Accumulated compensatory leave, vacation and sick leave that have matured (reimbursable leave still outstanding following an employee's resignation or retirement) are reported as expenditures in the respective governmental funds. Accumulated compensated absences that have not matured are reported as long-term liabilities in the governmental activities column of the government-wide Statement of Net Assets. The majority of these have typically been liquidated from the General Fund in previous years. Accumulated compensated absences of Proprietary Funds are recorded as an expense and liability in the respective fund and the business-type activities column of the government-wide Statement of Activities as the benefit accrues for the employee.

Employees are allowed to accrue 13 days of sick leave per year. Sick leave benefits are recognized as expenditures as they are used by the employees. Employees may accumulate up to 1,440 hours of sick leave. For employees with 8 years of service and hired prior to October 1, 2002, unused sick leave benefits are paid at 50% at termination. For employees with 8 years of service and hired after October 1, 2002, unused sick leave benefits are paid at 10% at termination.

Employees with more than one year of service accrue from two to five weeks vacation per year, depending on years of service. Unused vacation benefits lapse on March 15 for the previous calendar year. Upon termination from County employment, an employee shall be entitled to payment for total accrued but unused hours of vacation.

Non-exempt employees earn compensatory time at one and one-half times their full rate of pay times the excess of 40 hours per week worked. The compensatory time balance for non-exempt employees may not exceed 80 hours except for Law enforcement employees, which may accumulate up to 480 hours. Hours in excess of the maximum must be paid to the non-exempt employee at the rate of one and a half times the regular rate. Upon termination, non-exempt employees will be paid for compensatory time at their wage rate at time of termination. Compensatory time is carried forward indefinitely.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 1 - Summary of Significant Accounting Policies (continued)**

**L. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as deferred charges which consist of bond issuance cost, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The difference between the reacquired price and net carrying amount of old debt incurred due to a bond refunding transaction is deferred and amortized in a manner that is systematic and rational over the remaining life of the old or new debt, whichever is shorter.

**M. Net Assets and Fund Balances**

**Net Assets Classifications**

Net assets in the proprietary fund financial statements and the government-wide financial statements are classified in three categories: 1) Net assets invested in capital assets, net of related debt, 2) Restricted net assets, and 3) Unrestricted net assets.

In the proprietary fund financial statements and in the government-wide financial statements, restricted net assets are reported for amounts that are externally restricted by 1) creditors (eg. bond covenants), grantors, contributions, or laws and regulations of other governments, or 2) law through constitutional provision or enabling legislation.

**Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributions, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 1 - Summary of Significant Accounting Policies (continued)**

- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by court resolution of the Commissioners' Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners' Court or by a Court designee (e.g. a department head).
- **Unassigned:** This classification includes the residual fund balances for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted fund to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned.

**N. Statement of Cash Flows**

For purposes of cash flows, the County considers all highly liquid investments (including restricted) with a maturity of three months or less when purchased to be cash equivalents.

**O. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2 - Deposits and Investments**

The County had the following investments as of September 30, 2011:



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

**Note 2 - Deposits and Investments (continued)**

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
U.S. Agency Securities	\$ 8,002,990	654
Money Market Account	6,156,126	30
Certificates of Deposits	1,488,000	712
Total	<u>\$15,647,116</u>	414

Interest Rate Risk – Fair value fluctuates with interest rates and increasing rates may cause fair value to decline below cost. In compliance with the County’s Investment Policy, the County minimized interest rate risk by limiting the weighted average maturity of the portfolio to 720 days with a stated final maturity date not to exceed 2 years from the date of purchase. In addition, the portfolio is structured so that securities mature to meet cash flow requirements, thereby avoiding the need to sell securities prior to maturity and below the original cost.

Credit Risk – In compliance with the County’s investment policy, as of September 30, 2011, all of the County’s purchased investments in U.S. Agency Securities were rated AAA and AA+ by Standard & Poor’s and Moody’s respectively.

Concentration Risk – The County’s investment policy is to diversify its portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of investment. As of September 30, 2011, the County had three investments that were with Federal Home Loan Bank (FHLB), one investment that was with Federal National Mortgage Association (FNMA), and one investment that was with Federal Home Loan Mortgage Corporation (FHLMC).

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County’s investment policy is to have all checking accounts placed at the County Depository Bank under a depository contract. The \$62,610,020 bank balance and the Money Market account were covered by federal depository insurance or collateralized with securities held by the Bank of New York Mellon Trust Company. All of the certificates of deposits are covered by federal depository insurance.

**Note 3 - Property Taxes and Other Receivables**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable by January 31 of the following year. The County bills and collects its own property taxes and it also bills and collects taxes for Jefferson County Navigation District, Jefferson County Drainage District #3, #6, and #7, Port of Beaumont, Port of Port Arthur, Water District #10, Nederland Independent School District, Northwest Forest Municipal Utility District, Emergency Services District #2, Trinity Bay Conservation District, Port of Sabine Pass, Sabine Pass Independent School District, Port Arthur Independent School District, City of Port Arthur, Hamshire Fannett Independent School District, Port Neches-Groves Independent School District, Cardinal Meadows, Beaumont Independent School District, City of Beaumont, City of Groves, City of Nederland, City



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 3 - Property Taxes and Other Receivables (continued)**

of Port Neches, City of Bevil Oaks, and the Emergency Service District #1. Collections of these taxes and remittance of them to the various districts are accounted for in the Tax Assessor - Collector Agency Fund. The County is permitted by the State Constitution to levy taxes up to \$.80 per \$100 of assessed valuation for general government services and the payment of principal and interest on Long-Term Debt. In addition to its taxes subject to the \$.80 tax limitation, the County's voters have authorized the levy of a special tax of \$.15 per \$100 assessed valuation solely for road maintenance expenses. The County is also authorized by the voters to levy the Farm to Market and Lateral Road Tax of \$.30 per \$100 of assessed value for the purpose of maintaining roads and bridges.

For the year ended September 30, 2011, the combined tax rate to finance general government services and the payment of principal and interest on long-term debt was \$.365.

On February 1 of the following calendar year the tax bill becomes delinquent and penalty and interest is assessed by the County. The County Commissioners issue a tax levy for the County's General and Debt Service Funds. The levy and collections are restricted to the funds they are allocated for. The delinquent tax receivables, and penalty and interest receivables represent the past thirty years of uncollected tax levies. The allowance for uncollectible was set at thirty percent of the gross tax receivable and sixty percent on penalty and interest as of September 30, 2011. The allowance has been recorded for property taxes and Penalty and Interest, which are estimated to be uncollectible as required by generally accepted accounting.

Property tax receivables of \$3,821,752 as of September 30, 2011 are reported net of an allowance for uncollectible taxes of \$1,637,894.

Penalty and Interest receivables of \$1,739,725 as of September 30, 2011 are reported net of an allowance for uncollectible accounts of \$2,609,587.

Receivables as of September 30, 2011 consist of the following:



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2011

**Note 3 - Property Taxes and Other Receivables (continued)**

	General	FEMA Emergency Fund	Capital Projects Fund	ORA Capital Grants	Non Major Funds	Jack Brooks Regional Airport	Ford Park	Internal Service Funds	Agency Funds	Total
Receivables:										
Accounts	\$ 165,609	\$ -	\$ -	\$ -	\$ 705,440	\$ 123,424	\$ 116,840	\$ 81,721	\$ 6,882	\$ 1,199,916
Employee	56,907	-	-	-	9,027	1,470	-	-	-	67,404
Taxes	5,274,236	-	-	-	185,410	-	-	-	-	5,459,646
Penalty & Interest	4,201,609	-	-	-	147,703	-	-	-	-	4,349,312
Inter- governmental	4,785,401	1,481,976	154,097	3,364,266	626,512	66,701	-	457,491	367,297	11,303,741
Gross										
Receivables	\$14,483,762	\$1,481,976	\$154,097	\$ 3,364,266	\$1,674,092	\$ 191,595	\$116,840	\$539,212	\$374,179	\$22,380,019
Less										
Allowance for Uncollectibles	4,103,236	-	-	-	144,245	4,169	-	-	-	4,251,650
Net total receivables	<u>\$10,380,526</u>	<u>\$1,481,976</u>	<u>\$154,097</u>	<u>\$ 3,364,266</u>	<u>\$1,529,847</u>	<u>\$ 187,426</u>	<u>\$116,840</u>	<u>\$539,212</u>	<u>\$374,179</u>	<u>\$18,128,369</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

As of September, 30, 2011, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent Property Taxes Receivable (General Fund)	\$ 5,180,212	\$ -
Delinquent Property Taxes Receivable (Non-major Debt Service Funds)	169,131	-
Grant Funding (FEMA Emergency Fund)	864,831	-
Grant Funding (Capital Projects Fund)	98,234	-
Grant Funding (ORA Capital Grants)	820,825	-
Grant Funding (Non-major Funds)	67,784	-
Advanced Funding (Non-major Special Revenue Funds)	-	782,404
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 7,201,017</u>	<u>\$ 782,404</u>

**Note 4 – Interfund Receivables, Payables, and Transfers**

In the fund financial statements, interfund balances are the result of normal transactions between funds and will be liquidated in the subsequent fiscal year. Balances between individual governmental funds and between governmental funds and internal services funds are eliminated in the government-wide financial statements.



JEFFERSON COUNTY, TEXAS  
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**Note 4 – Interfund Receivables, Payables, and Transfers – (continued)**

The composition of interfund balances as of September 30, 2011, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	ORA Capital Grants	\$ 2,170,886
	Nonmajor governmental funds	<u>1,049,905</u>
	Total	<u>\$ 3,220,791</u>

All of the due to/from transactions are routine in nature.

The following is a summary of the County’s transfers for the year ended September 30, 2011:

	<u>Transfers Out:</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
<b>Transfers In:</b>			
Nonmajor Funds	\$ 701,223	\$ 450,007	\$ 1,151,230
Capital Projects Fund	1,200,000	499,770	1,699,770
Ford Park	<u>797,785</u>	<u>-</u>	<u>797,785</u>
	<u>\$ 2,699,008</u>	<u>\$ 949,777</u>	<u>\$ 3,648,785</u>

Transfers in the amount of \$797,785 to Ford Park were to subsidize operations of the complex. Transfers in the amount of \$1,200,000 from the General fund and transfers of \$499,770 from other Nonmajor funds to Capital Project fund were to fund ongoing capital projects. All other transfers are routine in nature such as grant matches.

Transfers in the amount of \$1,473,361 (\$889,635 for Jack Brooks Regional Airport and \$583,726 for Ford Park) were made between governmental activities and business-type activities for capital assets purchases which were donated to business-type activities in the government wide statements.



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
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**Note 5 – Capital Assets**

Capital asset activity for the year ended September 30, 2011 was as follows:

	Balance October 1, 2010	Additions	Deletions	Transfer	Balance September 30, 2011
<b>Governmental Activities:</b>					
Land	\$ 3,840,787	\$ -	\$ -	\$ -	\$ 3,840,787
Construction work in progress	11,611,501	13,170,167	-	(7,940,847)	16,840,821
Total capital assets not depreciated	\$ 15,452,288	\$ 13,170,167	\$ -	\$ (7,940,847)	\$ 20,681,608
Infrastructure	48,936,171	-	-	1,765,467	50,701,638
Buildings & Improvements	87,198,143	37,560	(28,582)	4,093,390	91,300,511
Equipment	33,549,028	654,092	(487,988)	2,081,990	35,797,122
Total capital assets depreciated	\$ 169,683,342	\$ 691,652	\$ (516,570)	\$ 7,940,847	\$ 177,799,271
Less accumulated depreciation for:					
Infrastructure	(32,934,844)	(1,187,127)	-	-	(34,121,971)
Buildings & Improvements	(56,101,429)	(1,325,332)	10,967	-	(57,415,794)
Equipment	(18,394,185)	(2,724,326)	442,066	-	(20,676,445)
Total accumulated depreciation	\$ (107,430,458)	\$ (5,236,785)	\$ 453,033	\$ -	\$ (112,214,210)
Total capital assets depreciated, net	\$ 62,252,884	\$ (4,545,133)	\$ (63,537)	\$ 7,940,847	\$ 65,585,061
Governmental activities capital assets, net	\$ 77,705,172	\$ 8,625,034	\$ (63,537)	\$ -	\$ 86,266,669

	Balance October 1, 2010	Additions	Deletions	Transfer	Balance September 30, 2011
<b>Business-type Activities:</b>					
Land	\$ 5,154,600	\$ -	\$ -	\$ -	\$ 5,154,600
Construction work in progress	1,219,346	2,435,344	-	(1,187,142)	2,467,548
Total capital assets not depreciated	\$ 6,373,946	\$ 2,435,344	\$ -	\$ (1,187,142)	\$ 7,622,148
Buildings & Improvements	120,794,386	-	-	1,187,142	121,981,528
Equipment	11,489,284	239,614	(92,672)	-	11,636,226
Total capital assets depreciated	\$ 132,283,670	\$ 239,614	\$ (92,672)	\$ 1,187,142	\$ 133,617,754
Less accumulated depreciation for:					
Buildings & Improvements	(41,506,404)	(3,203,978)	-	-	(44,710,382)
Equipment	(5,476,809)	(680,015)	92,672	-	(6,064,152)
Total accumulated depreciation	\$ (46,983,213)	\$ (3,883,993)	\$ 92,672	\$ -	\$ (50,774,534)
Total capital assets depreciated, net	\$ 85,300,457	\$ (3,644,379)	\$ -	\$ 1,187,142	\$ 82,843,220
Business-type activities capital assets, net	\$ 91,674,403	\$ (1,209,035)	\$ -	\$ -	\$ 90,465,368



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 5 – Capital Assets (continued)**

Depreciation expense was charged to the programs of the primary government as follows:

**Governmental activities:**

General Government	\$ 401,588
Judicial & Law Enforcement	2,513,817
Health & Welfare	76,363
Maintenance - Equipment & Structures	<u>2,245,017</u>
Total depreciation expense - governmental activities	<u><u>\$5,236,785</u></u>

**Business-type activities:**

Southeast Texas Regional Airport	\$1,466,605
Ford Park	<u>2,417,388</u>
Total depreciation expense - business-type activities	<u><u>\$3,883,993</u></u>

**Note 6 - Operating Leases**

County as Lessor

The County has entered into various operating leases of County-owned property to others as described below:

The County's airport conducts a major part of its operations from leased facilities, which include office and parking lot spaces for car rental agencies, terminal space for a travel agency and advertising agency, and hanger space. All leases are classified as operating leases. The rental payments under the leases for the car rental agencies are based on a minimum rental plus a percentage of sales. The rental payments under the leases for the advertising agency are based on a percentage of sales. The rental payments under the leases for the hanger spaces and travel agent are based on a fixed amount per square foot of space leased. All of the operating leases are month to month and will expire over the next two years and include 30-day cancellation clauses. In most cases, the County expects that in the normal course of business, leases will be renewed or replaced by other leases.

The County's airport has four leases for land located either in the Private Hangar Park or surrounding the Airport. These leases are classified as operating leases. The rental payments under the leases for the land are a fixed amount for a twenty-five or thirty year period. These leases are noncancellable.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 6 - Operating Leases (continued)**

The following schedule provides an analysis of the County's investment in property on operating leases and property held for lease by major classes as of September 30, 2011:

Airport Terminal	\$ 10,867,032
Airport Private Hangar Park and Land	3,249,396
	<u>\$ 14,116,428</u>
Less: accumulated depreciation	(2,357,083)
	<u><u>\$ 11,759,345</u></u>

The following is a schedule by years of minimum future rentals on noncancellable operating leases as of September 30, 2011:

<u>Fiscal Year Ending September 30</u>	
2012	\$ 130,177
2013	130,177
2014	111,608
2015	102,324
2016	102,324
2017-2021	511,620
2022-2026	511,620
2027-2030	<u>295,437</u>
Total	<u><u>\$ 1,895,287</u></u>

Minimum future rentals do not include contingent rentals, which may be received as stipulated in the lease contracts. These contingent rental payments occur only if the use exceeds a certain level of activity each year.

There were no contingent rentals on Airport cancellable operating leases for the year ended September 30, 2011.

**Note 7 - Long-Term Debt**

**General Obligation Bonds**

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. All of the 2002 Refunding Bonds, approximately 72% (\$666,000) of the 2002 Certificates of Obligation, and 72% (\$3,956,497) of the 2011 Refunding Bonds funded and benefited business-type activities, though resources of the governmental activities are being used to liquidate the debt. All other General obligation bonds have been issued for governmental-type activities. The original amount of general obligation bonds issued in prior years was \$72,450,000.



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2011

**Note 7 - Long-Term Debt (continued)**

General obligation bonds are direct obligation and pledge the full faith and credit on the government. General obligation bonds currently outstanding are as follows:

\$1,505,000 2003 Certificates of Obligation due in annual installments from \$20,000 to \$280,000 through August 1, 2018; interest rates ranging from 2.0% to 4.35%.	\$1,335,000
\$7,770,000 2002 Certificates of Obligation due in annual installments from \$650,000 to \$925,000 through August 1, 2012; interest rates ranging from 3.75% to 4.75%.	925,000
\$57,625,000 2002 Refunding Bonds due in annual installments from \$840,000 to \$5,170,000 through August 1, 2025; interest rates ranging from 3.0% to 5.75%.	53,015,000
\$5,550,000 2011 Refunding Bonds due in annual installments from \$55,000 to \$1,150,000 through August 1, 2017; interest rates ranging from 2.0% to 3.0%.	5,495,000
Total General Obligation Bonds	\$60,770,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ended September 30	<u>Governmental Activities</u>		
	Principal	Interest	Total
2012	\$ 3,650,000	\$ 3,100,238	\$ 6,750,238
2013	3,840,000	2,922,100	6,762,100
2014	4,200,000	2,768,212	6,968,212
2015	4,405,000	2,559,925	6,964,925
2016	4,640,000	2,340,762	6,980,762
2017-2021	20,790,000	8,313,916	29,103,916
2022-2025	19,245,000	2,595,209	21,840,209
Total	\$ 60,770,000	\$ 24,600,362	\$ 85,370,362

There is currently \$701,816 available in the Debt Service Funds to service the general obligation bonds. The County has no authorized but unissued bonds at September 30, 2011.

There are a number of limitations and restrictions contained in the various bond debentures regarding authorized uses of bond proceeds. The County is in compliance with all significant limitations and restrictions.

**Notes Payable:**

The county has entered into a Note payable agreement with the State of Texas to finance energy conservation measures for County buildings. The total amount issued was \$3,328,357. The note is due in quarterly installments from \$73,249 to \$97,301 through May 2014 with an interest rate of 3%. Annual notes payable requirements to maturity are as follows:



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2011

**Note 7 - Long-Term Debt (continued)**

Fiscal Year Ended September 30	Principal	Interest	Total
2012	\$ 368,004	\$ 27,058	\$ 395,062
2013	379,169	15,893	395,062
2014	218,094	4,390	222,484
<b>Total</b>	<b>\$ 965,267</b>	<b>\$ 47,341</b>	<b>\$ 1,012,608</b>

Capital Lease Obligations:

The county has entered into a lease agreement for financing the acquisition of a County-wide Phone System. This lease agreement qualify as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The asset acquired through the capital lease is recorded at \$1,751,957 for governmental funds. The future minimum lease obligation and the net present value of its minimum lease payments as of September 30, 2011, were as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>
2012	\$ 611,312
Total minimum lease payments	\$ 611,312
Less: amount representing interest	(26,237)
Present value of minimum lease payments	<u>\$ 585,075</u>

Current Year Refunding Issues:

On March 1, 2011, Jefferson County issued general obligation refunding bonds of \$5,550,000 to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust with an escrow agent for the purpose of generating resources for all debt service payments \$5,320,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$352,472. This amount is being netted against the new debt and amortized over the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next six years by \$242,117 and resulted in an economic gain of (difference between the present value of the debt service payment on the old and new debt) of \$231,698.

Conduit Debt Obligations

The County has issued Housing Finance Corporation Bonds and Industrial Development Corporation Bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying loans. Upon repayment of the bonds,



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**Note 7 - Long-Term Debt (continued)**

ownership of the acquired facilities transfers to the private-sector entity serviced by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2011, there were six series of Jefferson County Housing Finance Corporation Bonds with an aggregate principal amount payable of \$26,600,156, and one series of Jefferson Industrial Development Bonds with an aggregate principal amount payable of \$300,000,000.

Arbitrage Rebate Liability

The Tax Reform Act of 1986 established regulations for the rebate to the federal government of arbitrage earnings on certain local government bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Issuing governments must calculate any rebate due and remit the amount due at least every five years. As of September 30, 2011, the estimated liability for arbitrage rebate on governmental debt is \$31,408. The Debt Service fund and the residual balance in the capital project fund have typically been used to liquidate the arbitrage liability in previous years.

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Governmental Activities:</b>					
<b>Bonds Payable</b>					
General obligation bonds	\$ 64,565,000	\$ 5,550,000	\$ (9,345,000)	\$ 60,770,000	\$ 3,650,000
Less deferred amounts:					
Premiums	-	249,283	(19,678)	229,605	-
Discounts	(11,955)	-	1,577	(10,378)	-
Gain or Loss on refunding	-	(352,472)	27,824	(324,648)	-
Total bonds payable	\$ 64,553,045	\$ 5,446,811	\$ (9,335,277)	\$ 60,664,579	\$ 3,650,000
Rebatable Arbitrage Payable	29,821	1,587	-	31,408	-
Capital Leases	1,144,977	-	(559,902)	585,075	585,075
Notes Payable	1,322,435	-	(357,168)	965,267	368,004
Claims and Judgments	1,697,137	15,922,458	(14,863,617)	2,755,978	2,755,978
Compensated Absences	11,383,428	657,676	(989,074)	11,052,030	609,150
OPEB Obligations	22,278,382	11,627,584	(3,056,086)	30,849,880	-
<b>Governmental Activities</b>					
Long-term liabilities	\$ 102,409,225	\$ 33,656,116	\$(29,161,124)	\$ 106,904,217	\$ 7,968,207
<b>Business-type Activities:</b>					
Compensated Absences	\$ 251,952	\$ 69,697	\$ (73,663)	\$ 247,986	\$ 38,739
<b>Business-type Activities</b>					
Long-term liabilities	\$ 251,952	\$ 69,697	\$ (73,663)	\$ 247,986	\$ 38,739



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 7 - Long-Term Debt (continued)**

Compensated absences liabilities are normally liquidated by the general fund for governmental activities and by the corresponding enterprise fund for business type activities. Claims and judgments of governmental funds are normally paid from the corresponding internal service fund. Claims and judgments of the public entity risk pool are normally paid from the corresponding internal service fund. OPEB Obligations are normally liquidated by the general fund.

**Note 8 - Texas County and District Retirement System Pension Plan**

**Plan Description -**

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 618 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

Benefit amounts are determined by the sum of the employee's 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 TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

**Funding Policy –**

The County has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 14.38% for the months of the accounting year in 2010, and 14.18 % for the months of the accounting year in 2011.



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**Note 8 - Texas County and District Retirement System Pension Plan (continued)**

The contribution rate payable by the employee members for the calendar year 2011 is the rate of 7.0% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

**Annual Pension Cost -**

For the County's accounting year ending September 30, 2011, the annual pension cost for the TCDRS plan for its employees was \$8,439,502 and the actual contributions were \$8,439,502. The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2008 and December 31, 2009, the basis for determining the contribution rates for calendar years 2010 and 2011. The December 31, 2010 actuarial valuation is the most recent valuation.

The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2010 included: (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effect of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2010 was 20 years.

**ACTUARIAL VALUATION INFORMATION**

<u>Actuarial valuation date</u>	<u>12/31/08</u>	<u>12/31/09</u>	<u>12/31/10</u>
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	20	20	20
Asset valuation method	SAF: 10yr smoothed value ESF: Fund value	SAF: 10yr smoothed value ESF: Fund value	SAF: 10yr smoothed value ESF: Fund value
<i>Assumptions:</i>			
Investment return <sup>1</sup>	8.0%	8.0%	8.0%
Projected salary increases <sup>1</sup>	5.3%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

<sup>1</sup> Includes inflation at the stated rate.



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**Note 8 - Texas County and District Retirement System Pension Plan (continued)**

**TREND INFORMATION  
 FOR THE RETIREMENT PLAN FOR THE EMPLOYEES OF  
 JEFFERSON COUNTY, TEXAS**

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/2009	\$7,798,599	100%	\$--
09/30/2010	\$8,678,203	100%	\$--
09/30/2011	\$8,439,502	100%	\$--

**Funded Status and Funding Progress -**

As of December 31, 2010, the most recent actuarial valuation date, the plan was 76.69% funded. The actuarial accrued liability for benefits was \$240,888,578, and the actuarial value of assets was \$184,745,614, resulting in an unfunded actuarial accrued liability (UAAL) of \$56,142,964. The covered payroll (annual payroll of active employees covered by the plan) was \$59,806,758, and the ratio of the UAAL to the covered payroll was 93.87%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Note 9 – Other Post-Employment Benefits**

**Plan Description -**

The County sponsors a single-employer defined benefit post-employment benefit plan.

**ACTUARIAL VALUATION INFORMATION**

Actuarial Valuation Date	October 1, 2010
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar (open)
Remaining Amortization Period	30 years
Asset Valuation Method	Market Value
Discount Rate	4.00%



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**Note 9 - Post-Employment Health Care Benefits (continued)**

Retiree Benefits

The County provides post-retirement health care benefits to all employees who retired on or after April 9, 1990. Effective January 1, 1997, Commissioners' Court adopted the following policy detailing eligibility requirements for participation in this benefit:

- A) the employee must have retired under the Texas County and District Retirement System (TCDRS) guidelines described in Note 8; and
- B) the employee must have at least 8 years of TCERS credible service with Jefferson County.

For retirees prior to February 1, 2003, the County pays 100 percent of health insurance premiums for those retirees that qualify. After February 1, 2003, the County will pay on the following scale for retirees that qualify:

Years of Service	Percentage Paid by Retiree	Percentage Paid by County
8-11	30%	70%
12-15	20%	80%
16-19	10%	90%
20+	0%	100%

Retiree Spouse Benefits

The employee's spouse is eligible for County paid health insurance benefits following the employee's retirement if:

- A) the employee met the above requirements A and B; and,
- B) the employee's spouse was enrolled in the health plan either as a dependent or an active County employee.

Spouse participation will end in the event of a divorce, at which time COBRA continuation will be offered as described below.

For retirees prior to February 1, 2003, the County pays 100 percent of health insurance premiums for those retirees' spouses that qualify. For retirees between February 1, 2003 and February 28, 2005, the County will pay the same scale as described above for retirees' spouses that qualify. For retirees after February 28, 2005, the County requires the following premiums to be paid for retirees' spouses that qualify:



JEFFERSON COUNTY, TEXAS  
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**Note 9 - Post-Employment Health Care Benefits (continued)**

Age of Spouse	Premium Amount Due
Less than 65 during ten year maximum	Equal to the active employee contribution made for a spouse
Less than 65 after ten year maximum	Full Premium
Over 65	Same percentage as retiree see table above

As of September 30, 2011, there were 481 participants receiving benefits.

**Funding Policy and Annual OPEB Cost –**

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45 (GASB 45), creating accounting standards for Other Post Employment Benefits (OPEB) provided by governmental entities separately from a pension plan. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable required supplementary information (RSI) in the financial reports of state and local governments.

The Plan contribution rates are set annually by Commissioners' Court based on the combination of premiums and prior year costs of the self-funded portion of the plan. The Plan is funded on a pay-as-you-go basis. In 2011 the total contribution was \$3,056,086.

The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County had its most recent OPEB actuarial valuation performed for the fiscal year beginning October 1, 2010 as required by GASB. The County's annual OPEB cost for the current year is as follows:

Annual Required Contribution	\$ 12,073,441
Interest on prior year Net OPEB Obligation	891,135
Adjustment to ARC	<u>(1,336,992)</u>
Annual OPEB Cost	\$ 11,627,584
County's Contribution made	<u>(3,056,086)</u>
Increase in Net OPEB Obligation	\$ 8,571,498
Net OPEB Obligation - beginning of year	<u>\$ 22,278,382</u>
Net OPEB Obligation - end of year	<u><u>\$ 30,849,880</u></u>



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 9 - Post-Employment Health Care Benefits (continued)**

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Contributed	Net OPEB Obligation
09/30/2009	\$14,058,501	19.5%	\$11,316,649
09/30/2010	\$13,881,895	21.04%	\$22,278,382
09/30/2011	\$11,627,584	26.28%	\$30,849,880

**Funded Status and Funding Progress -**

As of October 1, 2010, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$110,088,287, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$110,088,287. The covered payroll (annual payroll of active employees covered by the plan) was \$59,337,019, and the ratio of the UAAL to the covered payroll was 186%.

The schedule of funding progress is presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Methods and Assumptions –**

Projection of benefits for financial reporting are made 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 benefits costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In order to perform the valuation, it was necessary for the County and the actuary to make certain assumptions regarding items such as rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare trend and interest rates.

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 9 - Post-Employment Health Care Benefits (continued)**

In the October 1, 2010, actuarial valuation, a 4% discount rate was used. The medical trend rates without Medicare of 7.5% for 2011, 7.2% in 2012, 6.7% in the third year, 6.2% in the fourth year, and ultimately grading down to 4.7% per year after the seventieth year was used. The medical trend rates with Medicare of 3.1% for 2011, 5.6% in 2012, 5.7% in the third year, 5.7% in the fourth year, and ultimately grading down to 4.6% per year after the seventieth year, then ultimately to 4.7% per year in the eighty-seventh year was used. The dental trend rate of 5.0% for 2011, and for all future years was used.

There has not been a separate, audited GAAP-basis postemployment benefit plan report issued.

**Note 10 - Deferred Compensation Plan**

Employees of Jefferson County, Texas may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is administered by an unrelated financial institution. Amendments to the laws governing Section 457 deferred compensation plans substantially became effective January 1, 1997. The County approved plan amendments such that plan assets are held in trust by a third party custodian, for the exclusive benefit of the plan participants and their beneficiaries. The assets will not be diverted to any other purpose. The County's beneficial ownership of plan assets will be held for the further exclusive benefit of the plan for the exclusive benefit of participants and beneficiaries.

Accordingly, the County performs minimal administrative functions and does not perform any investment functions for the plan. Consequently, the assets held by the custodian are not included in the financial statements as of September 30, 2011.



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2011

**Note 11 - Individual Funds Deficit Equity Balances**

The following funds had deficit equity balances as of September 30, 2011:

<u>Governmental Activities</u>	
ORA Capital Grants	\$853,753
Juvenile Probation and Detention - State Aid	13,704
Juvenile Community Corrections Program	31,885
High Risk Caseload	3,920
Drug Diversion Program	4,601
Juvenile Advocate Incentive	711
Sheriff Training Grant	4,133
Diabetes Prevention Grant	1,073
Sheriff Dept Grants	3,655
Forensic Science Improvement Grant	18,190
Buffer Zone Protection	13,481
Drug Invention Grant	4,994
Family Treatment Court	167
SHSP & LETPP Grants	2,560
Port Security 2010	7
Total for Governmental Activities	<u>\$956,834</u>

If funding does not become available to cover these deficit fund balances from other governmental entities, the County plans to transfer funds to cover the deficit fund balance.

**Note 12 - Risk Management**

The Liability Insurance Fund was established to account for the contributions from the General Fund for payment of general liability claims. Under the laws of the State of Texas, claims for torts are limited to \$100,000 per person and \$300,000 per incident. The Liability Fund records a claim as payable when information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering recent claim settlement trends. Changes in the Liability Insurance Fund's claims liability (including an estimate for claims incurred but not reported) were:

	<u>2011</u>	<u>2010</u>
Liability for claims, beginning of fiscal year	\$363,461	\$350,000
Incurred claims and changes in estimates	65,023	316,454
Claim payments	<u>(74,820)</u>	<u>(302,993)</u>
Liability for claims, end of fiscal year	<u>\$353,664</u>	<u>\$363,461</u>



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2011

**Note 12 - Risk Management - continued**

The Workers' Compensation Fund was established to account for the County's workers' compensation claims. Contributions are made from the General, Special Revenue, and Enterprise Funds for employees covered under the County's workers' compensation policy. Contributions to the fund are determined by position class code within each department. From October 1, 1999, to February 14, 2005 the County was fully insured for workers' compensation claims and employers' liability. As of February 15, 2005, the County is self insured for workers' compensation claims and employers' liability. The County has excess coverage for workers' compensation claims and employers' liability claims limiting the County's liability to \$500,000 per occurrence for losses occurring prior to October 1, 1999 and after February 15, 2005. Settled claims have not exceeded commercial coverages in any of the past three fiscal years. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering recent claim settlement trends. Changes in the Worker's Compensation Fund's claims liability (including an estimate for claims incurred but not reported) were:

	2011	2010
Liability for claims, beginning of fiscal year	\$498,450	\$246,273
Incurred claims and changes in estimates	673,830	927,659
Claim payments	(588,858)	(675,482)
Liability for claims, end of fiscal year	\$583,422	\$498,450

**Note 13 – Public Entity Risk Pool**

On November 27, 2000, the Jefferson County Commissioners' Court pursuant to Texas Local Government Code Ann. Sec. 172.001 organized the Southeast Texas Government Employee Benefits Pool (The Pool). The Pool was organized for the benefit of Texas Political Subdivisions and Special Districts to make available accident, life, and health benefits for Pool member employees.

Twelve trustees govern the Pool. Five of these trustees are the Jefferson County Auditor, Jefferson County Insurance and Benefits Manager, Jefferson County Human Resources Director, Jefferson County Purchasing Agent, and the Jefferson County Assistant District Attorney. Two of the trustees are members of Commissioners' Court. The remaining five trustees are appointed by Commissioners' Court.

The Pool is responsible for adopting underwriting standards, qualifications for membership in the pool, and establishing the types of benefits to be provided and associated fees for these benefits. The members of the Pool are responsible for their members' eligibility in the pool and payment of monthly contributions for participation in the Pool. The Pool members are not subject to supplemental assessments in the event of deficiencies. If the assets of the Pool were to be exhausted, members would not be responsible for the Pool's liabilities. Pool members currently include Jefferson County, Texas (reporting entity), Jefferson County Drainage District #3, and Jefferson County Drainage District #6. The total number of members in the Pool is 1,568. Operations of the



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2011

**Note 13 – Public Entity Risk Pool (continued)**

Pool are accounted for as an internal service fund.

The Pool uses reinsurance agreements to reduce its exposure to large losses on medical and prescription claims. For the fiscal year ended September 30, 2011, the Pool had stop loss insurance contracts to limit the medical and prescription claims per individual member to \$175,000 in a calendar year. The Pool did not exceed these limits for the past three fiscal years.

Liabilities of the Pool are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering recent claim settlements trends.

Changes in the Pool’s claims liability (including an estimate of claims incurred but not reported and claim adjustment expenses) were:

	2011	2010
Liability for claims, beginning of fiscal year	\$835,226	\$1,695,480
Incurred claims and changes in estimates	15,183,605	14,250,326
Claim payments	(14,199,939)	(15,110,580)
Liability for claims, end of fiscal year	\$1,818,892	\$835,226

Additional information including ten-year revenue and claim development are addressed in a separate annual report. The annual report may be obtained from Southeast Texas Governmental Employee Benefits Pool, 215 Franklin Street Suite 200, Beaumont, Texas 77701.

**Note 14 - Construction and Other Significant Commitments**

As of September 30, 2011, the County had the following commitments with respect to unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Courthouse Restoration	\$ 877,176	9/30/2012
Airport Improvements	397,916	09/30/2012
Navigation Control Building	462,149	09/30/2012
Ford Park Roof Improvements	991,905	09/30/2012
Road & Bridge Replacements & Repairs	2,421,577	09/30/2012
	\$ 5,150,723	



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 15 - Contingent Liabilities**

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

The County is involved in lawsuits and other claims in the ordinary course of operations. The outcome of these lawsuits and other claims are not presently determinable and the resolutions of these matters are not expected to have a material effect on the financial condition of the County.

**Note 16 – Prior Period Adjustments**

In the financial statements for the year ended September 30, 2011, the following adjustments were made to beginning fund balance for the General Fund and the Non Major Special Revenue funds:

	<u>General Fund</u>	<u>Non Major Special Revenue Funds</u>
Beginning Fund Balance	\$ 36,006,595	\$ 8,285,123
Prior period adjustments	(881,693)	257,169
Beginning Fund Balance, as Restated	<u>\$ 35,124,902</u>	<u>\$ 8,542,292</u>

The General Fund had adjustments to change beginning fund balance due to additional accrual for sales taxes collected after year end in the amount of \$1,967,883, Property tax refunds for prior years of (\$2,830,840), and other adjustments of (\$18,736).

Adjustments were made to in the following funds: Bail Bond Board by \$18,736 for prior year correction, Hotel Occupancy Tax Fund by \$141,503 due to additional accrual for Hotel Occupancy taxes collected after year end, District Attorney Forfeiture Fund by (\$39,282) for correction, Community Supervision by (\$34,347) for grant adjustments and the Sheriff Special Revenue Funds by \$170,559 for grant adjustments.

The total effect of these adjustments decreased beginning net assets of the governmental activities and beginning fund balance in the governmental funds by \$624,524.

**Note 17 - Restatements and Reclassifications**

Certain restatements have been made to the prior year financial statements in order to conform to the presentation of the current year financial statements.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

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**Note 18 – Recent Accounting Pronouncements**

GASB Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements* (“GASB 60”), improves financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. GASB 60 will be implemented by the County in fiscal year 2013 and the impact has not yet been determined.

GASB Statement 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* (“GASB 61”), which modifies certain requirements for inclusion of component units in the financial reporting entity, amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances and clarifies the reporting of equity interests in legally separate organizations. GASB 61 will be implemented by the County in fiscal year 2013 and the impact has not yet been determined.

GASB Statement 62, *Codification of accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (“GASB 62”), which incorporates into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements: 1) Financial Accounting Standards Board (FASB) Statements and Interpretations; 2) Accounting Principles Board Opinions; 3) Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Account Procedure. GASB 61 will be implemented by the County in fiscal year 2013 and the impact has not yet been determined.

GASB Statement 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (“GASB 63”), which will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. GASB 63 will be implemented by the County in fiscal year 2013 and the impact has not yet been determined.

GASB Statement 64 *Derivative Instruments: Application of Hedge Accounting Termination Provision – an amendment of GASB Statement No. 53* (“GASB 64”), which will enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue which a swap counterparty, or a swap counterparty’s credit support provider is replaced. GASB 64 will be implemented by the County in fiscal year 2012 and the impact has not yet been determined.

**Note 19 – Subsequent Events**

**Bond Refunding**

The County is anticipating issuing refunding bonds to defease approximately \$53,015,000 of outstanding County debt. The issuance will take place if market conditions are favorable to achieve savings of at least \$10,000,000 in interest cost.

REQUIRED SUPPLEMENTARY  
INFORMATION

JEFFERSON COUNTY, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
TAXES:				
PROPERTY	\$ 65,362,095	65,362,095	65,449,072	86,977
SALES TAX	18,941,730	18,941,730	21,509,058	2,567,328
FEES	9,228,718	9,228,718	8,932,185	(296,533)
LICENSES	475,748	475,748	407,512	(68,236)
SALES, RENTALS, AND SERVICES	2,735,149	2,735,149	2,736,109	960
INTERGOVERNMENTAL	1,766,452	1,766,452	1,696,034	(70,418)
FINES AND FORFEITURES	1,938,036	1,938,036	1,705,496	(232,540)
INTEREST	546,060	546,060	182,725	(363,335)
MISCELLANEOUS	22,872	22,872	24,164	1,292
CONTRIBUTIONS AND DONATIONS	-	-	1,050	1,050
<b>TOTAL REVENUES</b>	<b>\$ 101,016,860</b>	<b>101,016,860</b>	<b>102,643,405</b>	<b>1,626,545</b>
<b>EXPENDITURES:</b>				
GENERAL GOVERNMENT	\$ 20,051,291	20,096,417	19,475,833	620,584
JUDICIAL AND LAW ENFORCEMENT	60,474,484	60,449,652	57,779,656	2,669,996
EDUCATION AND RECREATION	460,614	460,614	404,347	56,267
HEALTH AND WELFARE	9,702,540	9,742,540	9,191,315	551,225
MAINTENANCE - EQUIPMENT AND STRUCTURES	12,567,597	12,846,303	11,430,209	1,416,094
CAPITAL OUTLAY	-	-	-	-
DEBT SERVICE				
PRINCIPAL	357,168	357,168	357,168	-
INTEREST AND COMMISSION	37,894	37,894	37,894	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 103,651,588</b>	<b>103,990,588</b>	<b>98,676,422</b>	<b>5,314,166</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (2,634,728)</b>	<b>(2,973,728)</b>	<b>3,966,983</b>	<b>6,940,711</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS OUT	(3,365,272)	(3,026,272)	(2,699,008)	327,264
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (3,365,272)</b>	<b>(3,026,272)</b>	<b>(2,699,008)</b>	<b>327,264</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (6,000,000)</b>	<b>(6,000,000)</b>	<b>1,267,975</b>	<b>7,267,975</b>
<b>FUND BALANCES, BEGINNING</b>	<b>\$ 36,006,595</b>	<b>36,006,595</b>	<b>36,006,595</b>	<b>-</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>(881,693)</b>	<b>(881,693)</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 30,006,595</b>	<b>30,006,595</b>	<b>36,392,877</b>	<b>6,386,282</b>



JEFFERSON COUNTY, TEXAS  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2011

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**1. Budgetary Basis**

- Budgets are prepared on a basis consistent with GAAP.
- The department is the legal level of budgetary control. Commissioners' Court approval is necessary to transfer appropriations between departments. Transfers may not increase the total budget.
- Annual budgets are legally adopted for the General Fund and the Debt Service Funds.
- The Special Revenue Fund – FEMA Emergency, Capital Project Fund – Capital Projects and the Capital Project Fund – ORA Capital Grants which are considered major funds do not have legally adopted budgets.

**2. Analysis of Significant Expenditure Variances from Original Budget**

Commissioners' Court approved \$150,000 in budget transfers over the original budget for the increased cost for indigent defense. In addition, the Court approved \$160,000 in budget transfers over the original budget for the increased cost for gasoline. These transfers were not part of the original budget.

Commissioners' Court approved approximately \$140,000 in budget transfers over the original budget for additional equipment purchases and replacements. These transfers were not part of the original budget.

The above budget transfers were funded with the savings from various departments. Commissioners' Court was able to achieve \$5,641,430 in actual savings from the total budget, with the assistance from all County departments.

**JEFFERSON COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll <sup>2</sup> (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2008	\$161,577,444	\$214,920,870	\$53,343,426	75.18%	\$57,211,658	93.24%
12/31/2009	\$179,194,253	\$231,123,922	\$51,929,669	77.53%	\$58,417,282	88.89%
12/31/2010	\$184,745,614	\$240,888,578	\$56,142,964	76.69%	\$59,806,758	93.87%

<sup>2</sup> The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

**JEFFERSON COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST EMPLOYMENT BENEFITS  
SCHEDULE OF FUNDING PROGRESS**

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2009	10/1/2008	\$0	\$128,652,851	\$128,652,851	0%	\$57,965,379	222%
2010	10/1/2008	\$0	\$128,652,851	\$128,652,851	0%	\$60,140,915	214%
2011	10/1/2010	\$0	\$110,088,287	\$110,088,287	0%	\$59,337,019	186%

COMBINING AND INDIVIDUAL FUND  
INFORMATION AND OTHER  
SUPPLEMENTARY INFORMATION

JEFFERSON COUNTY, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (GAAP)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<b>GENERAL GOVERNMENT:</b>				
TAX ASSESSOR-COLLECTOR	\$ 3,617,790	3,617,790	3,423,393	194,397
HUMAN RESOURCES	394,328	394,328	380,564	13,764
COUNTY AUDITOR	1,348,143	1,348,143	1,302,168	45,975
COUNTY CLERK	2,430,699	2,430,699	2,305,058	125,641
COUNTY JUDGE	852,180	852,180	752,812	99,368
RISK MANAGEMENT	217,066	217,466	217,192	274
COUNTY TREASURER	267,000	267,000	256,615	10,385
PRINTING DEPARTMENT	127,511	134,254	130,897	3,357
PURCHASING AGENT	529,304	522,661	503,923	18,738
GENERAL SERVICES	8,275,239	8,319,965	8,290,086	29,879
DATA PROCESSING	1,738,966	1,738,966	1,676,848	62,118
VETERANS SERVICE	252,965	252,965	236,277	16,688
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 20,051,291</b>	<b>20,096,417</b>	<b>19,475,833</b>	<b>620,584</b>
<b>JUDICIAL AND LAW ENFORCEMENT:</b>				
DISTRICT ATTORNEY	\$ 5,192,573	5,192,573	5,164,450	28,123
DISTRICT CLERK	1,647,655	1,647,655	1,505,933	141,722
CRIMINAL DISTRICT COURT	1,056,378	1,056,378	948,414	107,964
58TH DISTRICT COURT	273,766	273,766	272,027	1,739
60TH DISTRICT COURT	262,854	262,854	257,438	5,416
136TH DISTRICT COURT	270,609	270,609	268,313	2,296
172ND DISTRICT COURT	261,782	261,782	244,441	17,341
252ND DISTRICT COURT	1,384,417	1,459,417	1,456,824	2,593
279TH DISTRICT COURT	381,740	406,740	391,210	15,530
317TH DISTRICT COURT	627,331	677,331	644,375	32,956
JURY	1,211,569	930,077	915,072	15,005
J.P. PRECINCT NO. 1 - PLACE NO. 1	313,847	313,847	305,332	8,515
J.P. PRECINCT NO. 1 - PLACE NO. 2	320,948	320,948	290,184	30,764
J.P. PRECINCT NO. 2	304,723	306,123	270,926	35,197
J.P. PRECINCT NO. 4	306,093	306,093	297,320	8,773
J.P. PRECINCT NO. 6	331,384	331,384	314,960	16,424
J.P. PRECINCT NO. 7	329,620	329,620	304,328	25,292
J.P. PRECINCT NO. 8	329,830	331,230	324,485	6,745
COUNTY COURT AT LAW NO. 1	415,298	415,298	408,495	6,803
COUNTY COURT AT LAW NO. 2	587,305	587,305	575,616	11,689
COUNTY COURT AT LAW NO. 3	573,342	578,042	548,013	30,029
COURT MASTER	405,351	416,351	407,023	9,328
DISPUTE RESOLUTION CENTER	239,193	239,193	179,590	59,603
JUVENILE ALTERNATIVE SCHOOL	312,935	312,935	301,491	11,444
COMMUNITY SUPERVISION	23,031	23,031	21,221	1,810
SHERIFF	11,002,564	11,024,492	10,352,200	672,292
CRIME LABORATORY	1,150,738	1,150,738	1,044,911	105,827
JAIL	24,510,620	24,528,120	23,795,933	732,187
JUVENILE CORRECTIONAL PROBATION	1,407,468	1,407,468	1,239,838	167,630
JUVENILE DETENTION HOME	1,868,889	1,868,889	1,665,416	203,473
CONSTABLE PRECINCT NO. 1	655,401	655,401	628,720	26,681
CONSTABLE PRECINCT NO. 2	318,957	367,689	355,338	12,351
CONSTABLE PRECINCT NO. 4	395,220	395,220	350,968	44,252
CONSTABLE PRECINCT NO. 6	491,774	491,774	471,438	20,336
CONSTABLE PRECINCT NO. 7	378,238	378,238	360,448	17,790
CONSTABLE PRECINCT NO. 8	381,041	381,041	356,078	24,963
COUNTY MORGUE	550,000	550,000	540,887	9,113
<b>TOTAL JUDICIAL AND LAW ENFORCEMENT</b>	<b>\$ 60,474,484</b>	<b>60,449,652</b>	<b>57,779,656</b>	<b>2,669,996</b>

[CONTINUED]

JEFFERSON COUNTY, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET (GAAP)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<b>EDUCATION AND RECREATION:</b>				
LIBRARY	\$ 90,084	90,084	53,971	36,113
AGRICULTURAL EXTENSION SERVICE	370,530	370,530	350,376	20,154
<b>TOTAL EDUCATION AND RECREATION</b>	<b>\$ 460,614</b>	<b>460,614</b>	<b>404,347</b>	<b>56,267</b>
<b>HEALTH AND WELFARE:</b>				
PUBLIC HEALTH UNIT 1	\$ 1,092,340	1,132,340	1,010,581	121,759
PUBLIC HEALTH UNIT 2	1,106,463	1,106,463	1,001,314	105,149
NURSE PRACTITIONER	288,091	288,091	268,092	19,999
CHILD WELFARE	158,900	158,900	146,278	12,622
ENVIRONMENTAL CONTROL	344,473	344,473	335,314	9,159
INDIGENT MEDICAL SERVICE	4,397,548	4,397,548	4,363,276	34,272
MOSQUITO CONTROL	2,031,030	2,031,030	1,829,646	201,384
EMERGENCY MANAGEMENT	233,695	233,695	186,814	46,881
TOBACCO SETTLEMENT FUND	50,000	50,000	50,000	-
<b>TOTAL HEALTH AND WELFARE</b>	<b>\$ 9,702,540</b>	<b>9,742,540</b>	<b>9,191,315</b>	<b>551,225</b>
<b>MAINTENANCE - EQUIPMENT &amp; STRUCTURES:</b>				
COURTHOUSE & ANNEXES	\$ 2,834,937	2,834,937	2,636,635	198,302
PORT ARTHUR BUILDINGS	645,449	653,436	614,088	39,348
MID-COUNTY BUILDINGS	158,760	158,760	150,897	7,863
ROAD & BRIDGE PCT. 1	1,631,117	1,674,994	1,376,623	298,371
ROAD & BRIDGE PCT. 2	1,581,728	1,648,570	1,580,552	68,018
ROAD & BRIDGE PCT. 3	1,495,783	1,459,383	1,340,380	119,003
ROAD & BRIDGE PCT. 4	1,968,326	1,974,826	1,597,733	377,093
ENGINEERING	927,302	927,302	784,545	142,757
PARKS & RECREATION	199,150	229,050	132,511	96,539
SERVICE CENTER	1,125,045	1,285,045	1,216,245	68,800
<b>TOTAL MAINTENANCE - EQUIPMENT &amp; STRUCTURES</b>	<b>\$ 12,567,597</b>	<b>12,846,303</b>	<b>11,430,209</b>	<b>1,416,094</b>
<b>CAPITAL OUTLAY:</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEBT SERVICE:</b>				
PRINCIPAL	\$ 357,168	357,168	357,168	-
INTEREST AND COMMISSION	37,894	37,894	37,894	-
<b>TOTAL DEBT SERVICE</b>	<b>\$ 395,062</b>	<b>395,062</b>	<b>395,062</b>	<b>-</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 103,651,588</b>	<b>103,990,588</b>	<b>98,676,422</b>	<b>5,314,166</b>
<b>OTHER FINANCING USES:</b>				
TRANSFERS OUT	\$ 3,365,272	3,026,272	2,699,008	327,264
<b>TOTAL OTHER FINANCING USES</b>	<b>\$ 3,365,272</b>	<b>3,026,272</b>	<b>2,699,008</b>	<b>327,264</b>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 107,016,860</b>	<b>107,016,860</b>	<b>101,375,430</b>	<b>5,641,430</b>

# NONMAJOR GOVERNMENTAL FUNDS

**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SUMMARY**  
**SEPTEMBER 30, 2011**

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 10,327,716	680,658	682,015	11,690,389
ACCOUNTS RECEIVABLE, Net	704,907	9,560	-	714,467
INTEREST RECEIVABLE	648	63	64	775
DUE FROM OTHER GOVERNMENTAL ENTITIES	623,710	2,802	-	626,512
DELINQUENT TAXES RECEIVABLE, Net	-	-	129,787	129,787
PENALTY AND INTEREST RECEIVABLE, Net	-	-	59,081	59,081
INVENTORY, At Cost	7,799	-	-	7,799
PREPAID ITEM	1,331	-	-	1,331
<b>TOTAL ASSETS</b>	<b>\$ 11,666,111</b>	<b>693,083</b>	<b>870,947</b>	<b>13,230,141</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 1,030,287	23,945	-	1,054,232
COMPENSATED ABSENCES	1,271	-	-	1,271
DUE TO OTHER FUNDS	1,049,905	-	-	1,049,905
DUE TO OTHER GOVERNMENTAL ENTITIES	263,613	-	-	263,613
DEFERRED REVENUE	850,188	-	169,131	1,019,319
<b>TOTAL LIABILITIES</b>	<b>\$ 3,195,264</b>	<b>23,945</b>	<b>169,131</b>	<b>3,388,340</b>
<b>FUND BALANCES:</b>				
NONSPENDABLE FOR:				
INVENTORY	\$ 7,799	-	-	7,799
PREPAID ITEMS	1,331	-	-	1,331
RESTRICTED FOR:				
DEBT SERVICE	-	-	701,816	701,816
CONSTRUCTION	-	39,795	-	39,795
PUBLIC INTEREST	1,337,398	-	-	1,337,398
JUDICIAL & LAW ENFORCEMENT	5,491,539	-	-	5,491,539
EDUCATION & RECREATION	1,031,528	-	-	1,031,528
HEALTH & WELFARE	88,408	-	-	88,408
MAINTENANCE OF STRUCTURES & EQUIPMENT	616,074	-	-	616,074
ASSIGNED FOR CAPITAL PROJECTS	-	629,343	-	629,343
UNASSIGNED (DEFICIT)	(103,230)	-	-	(103,230)
<b>TOTAL FUND BALANCES</b>	<b>\$ 8,470,847</b>	<b>669,138</b>	<b>701,816</b>	<b>9,841,801</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 11,666,111</b>	<b>693,083</b>	<b>870,947</b>	<b>13,230,141</b>

JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - SUMMARY  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
PROPERTY TAXES	\$ -	-	7,510,292	7,510,292
SALES TAXES	981,619	-	-	981,619
FEES	4,244,146	-	-	4,244,146
INTERGOVERNMENTAL	11,632,338	34,632	-	11,666,970
SALES, RENTAL & SERVICES	65,619	22,520	-	88,139
FINES AND FORFEITURES	367,229	-	-	367,229
CONTRIBUTIONS AND DONATIONS	2,991	-	-	2,991
INTEREST	29,151	3,142	13,190	45,483
<b>TOTAL REVENUES</b>	<b>\$ 17,323,093</b>	<b>60,294</b>	<b>7,523,482</b>	<b>24,906,869</b>
<b>EXPENDITURES:</b>				
CURRENT				
GENERAL GOVERNMENT	\$ 998,865	-	-	998,865
JUDICIAL AND LAW ENFORCEMENT	15,302,312	-	-	15,302,312
EDUCATION AND RECREATION	894,155	-	-	894,155
HEALTH AND WELFARE	346,996	-	-	346,996
MAINTENANCE OF STRUCTURES AND EQUIPMENT	2,495	-	-	2,495
CAPITAL OUTLAY	-	792,054	-	792,054
DEBT SERVICE				
PRINCIPAL	-	-	4,025,000	4,025,000
INTEREST AND COMMISSION	-	-	3,440,933	3,440,933
<b>TOTAL EXPENDITURES</b>	<b>\$ 17,544,823</b>	<b>792,054</b>	<b>7,465,933</b>	<b>25,802,810</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (221,730)</b>	<b>(731,760)</b>	<b>57,549</b>	<b>(895,941)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	\$ 989,430	51,168	110,632	1,151,230
TRANSFERS OUT	(839,145)	-	(110,632)	(949,777)
REFUNDING BONDS ISSUED	-	-	5,550,000	5,550,000
PREMIUM ON BONDS	-	-	249,283	249,283
PAYMENT TO REFUNDING BONDS ESCROW AGENT	-	-	(5,672,472)	(5,672,472)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 150,285</b>	<b>51,168</b>	<b>126,811</b>	<b>328,264</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (71,445)</b>	<b>(680,592)</b>	<b>184,360</b>	<b>(567,677)</b>
<b>FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT</b>	<b>\$ 8,285,123</b>	<b>1,349,730</b>	<b>517,456</b>	<b>10,152,309</b>
	257,169	-	-	257,169
<b>FUND BALANCE, BEGINNING (Restated)</b>	<b>\$ 8,542,292</b>	<b>1,349,730</b>	<b>517,456</b>	<b>10,409,478</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 8,470,847</b>	<b>669,138</b>	<b>701,816</b>	<b>9,841,801</b>

# SPECIAL REVENUE FUNDS

## SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources other than expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes. Included in this heading are the following individual funds:

**Lateral Road Fund** - This fund is used to account for expenditures of materials incurred in the maintenance of the lateral roads of the County. Financing is provided by contributions from the State.

**Breath Alcohol Testing Fund** - This fund is used to account for fees collected by the courts on D.W.I. convictions and the expenditure of those funds.

**Law Library Fund** - This fund is used to account for the maintenance of the County Law Library. Financing is provided by fees from law suits filed in the District Courts and County Courts-at-Law.

**Juvenile Probation and Detention Fund** - This fund is used to account for receipts specifically designated for use in juvenile programs.

**Bail Bond License Fund** - This fund is used to account for expenditures made by the courts from a five hundred dollar fee collected for all bond licenses.

**County Clerk Records Management and Preservation Fund** - This fund is used to account for fees collected by the County Clerk for the maintenance of their records and the expenditure of those funds.

**County Clerk Records Archive Fund** - This fund is used to account for fees collected by the County Clerk for the preservation of records prior to 1990 and the expenditure of those funds.

**ASAP Constable Pct 8 Program** - This fund is used to account for fees collected from the Port Arthur Independent School for the administration of the Absent Student Assistance Program (ASAP) by the Constable Pct 8 and the expenditure of those funds for the program.

**County Records Management and Preservation Fund** - This fund is used to account for fees collected by the County Clerk, District Clerk, and Sheriff for the maintenance of County records and the expenditure of those funds.

**Justice Court Building Security** - This fund is used to account for fees collected by the justice courts to finance security services and equipment for justice courts not located in the County courthouse.

**Hotel Occupancy Tax Fund** - This fund is used to account for the collection of a 2% Hotel/Motel Occupancy tax. Revenues collected from this tax are to be used for tourism projects in the County.

**County and District Court Technology Fund** – This fund is used to account for fees collected from defendants convicted in a County, Statutory County, or District court and the expenditures of those funds on technological enhancements for the previously mention courts.

**Sheriff and Constable Education Fund** - This fund is used to account for the expenditures associated with the education of Sheriff's deputies and Constables of the County.

**Tax Office Auto Dealer Fund** - This fund is used to account for taxes collected from Local Auto Dealerships to be used by the County's Tax Office.

**Unclaimed Funds Management Fund** - This fund is used to account for Unclaimed Funds for all County departments.

**Family Protection Fund** - This fund is used to account for fees collected by the District Clerk for family violence prevention or intervention and the expenditure of this money.

**District Attorney Forfeiture Fund** - This fund is used to account for forfeitures received by the District Attorney from criminal convictions and the expenditure of those funds.

**Hot Check Fund** - This fund is used to account for fees received by the District Attorney for the prosecution of hot check offenders and the expenditure of those funds.

**Justice of the Peace Courtroom Technology Fund** – This fund is used to account for the fees collected by the Justices of the Peace on misdemeanor convictions and the expenditure of those funds on technological enhancements for the justices' courts.

**District Clerk Records Management Fund** - This fund is used to account for fees collected by the District Clerk for the maintenance of their records and the expenditure of those funds.

**County Clerk Election Contracts** - This fund is used to account for fees collected by the County Clerk for election contracts with local governments and the expenditure of those funds.

**County Clerk HAVA Fund** - This fund is used to account for fees collected by the County Clerk for the rental of equipment purchased by the Help Americans Vote Act (HAVA) grant.

**Child Abuse Prevention** - This fund is used to account for fees collected for certain child sexual assault and related convictions and the expenditure of those funds.

**Sheriff's Special Revenue Funds** - This fund is used to account for fees, forfeitures, and other revenue received by the Sheriff in association with Security Fees, Law Officer Training fees, D.A.R.E. Contributions, Sheriff's Forfeitures, and the Marine Division reimbursements, and the expenditure of those funds.

**Guardianship Fee Fund** - This fund is used to account for fees collected by the County Clerk to supplement the support of the judiciary in cases involving guardianships.

**Juvenile Delinquency Prevention** - This fund is used to account for fees collected by the courts for certain offenses and the expenditures associated with juvenile delinquency prevention and graffiti eradication measures.

**District Court Records Technology** - This fund is used to account for fees collected by the District Clerk for the preservation and restoration of District Court records.

**Probation Department Funds** - These funds are used to account for the expenditures of maintaining probation services as authorized by the County and District Courts. Financing is provided by State grant and probationary fees. Included in this heading are the following individual funds:

Juvenile Probation and Detention - State Aid  
Juvenile Community Corrections Program  
IV-E Foster Care Fund  
Juvenile Accountability #1  
Mentally Impaired Offenders  
Community Supervision  
Women's Center  
Surveillance Program  
Community Corrections  
High Risk Caseload  
Drug Diversion Program  
Juvenile Accountability #2  
Juvenile TJPC A  
Juvenile Advocate Incentive

**Grant Funds** - These funds are used to account for receipts of Federal and State grants designated for special projects or services. Included in this heading are the following individual funds:

Family Group Conferencing  
Bush-Clinton Recovery  
Sheriff Training Grant  
Forensic Science Improve  
Diabetes Prevention Grant  
JAG Grant  
Sheriff Dept Grants  
SCAAP Grant  
Port Security Supplement  
Crime Victims Clearing - 1  
Regional Communication  
Crime Victims Clearing - 2  
EMPG Grant  
Forensic Science Improvement Grant  
Port Security 2008  
Port Security 2009  
Loan Star Libraries Grant  
Auto Theft Grant

Buffer Zone Protection  
Drug Intervention Grant  
Violence Against Women - 1  
Violence Against Women - 2  
Family Treatment Court  
Hampshire Water & Sewer III  
Cheek Step Sewer Improvements  
SHSP & LETPP Grants  
Port Security 2010  
Safe Streets Task Force  
Community Emergency Response Grant  
First Time Sewer  
TXCDBG Disaster Recovery  
FBI Firing Range



**JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
SEPTEMBER 30, 2011**

	LATERAL ROAD FUNDS	BREATH ALCOHOL TESTING FUND	LAW LIBRARY FUND	JUVENILE PROBATION & DETENTION FUND	BAIL BOND LICENSE FUND	COUNTY CLERK RECORDS MGMT. AND PRESERVATION FUND	COUNTY CLERK RECORDS ARCHIVE FUND	ASAP CONSTABLE PCT 8 PROGRAM	COUNTY RECORDS MGMT. AND PRESERVATION FUND
<b>ASSETS:</b>									
CASH AND CASH EQUIVALENTS	\$ 616,017	11,019	312,478	506,644	12,057	429,458	369,297	-	315,862
ACCOUNTS RECEIVABLE, Net	-	-	-	-	-	-	-	96,248	-
INTEREST RECEIVABLE	57	1	28	63	1	38	32	-	28
DUE FROM OTHER									
GOVERNMENTAL ENTITIES	-	4,686	-	3,872	-	-	-	-	-
INVENTORY, At Cost	-	-	-	-	-	-	-	-	-
PREPAID ITEMS	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 616,074</b>	<b>15,706</b>	<b>312,506</b>	<b>510,579</b>	<b>12,058</b>	<b>429,496</b>	<b>369,329</b>	<b>96,248</b>	<b>315,890</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES:</b>									
ACCOUNTS PAYABLE	\$ -	-	18,183	21,491	450	12,061	176,048	13,056	17,606
COMPENSATED ABSENCES	-	-	-	1,271	-	-	-	-	-
DUE TO OTHER FUNDS	-	-	-	-	-	-	-	83,192	-
DUE TO OTHER									
GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	-
DEFERRED REVENUE	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>-</b>	<b>18,183</b>	<b>22,762</b>	<b>450</b>	<b>12,061</b>	<b>176,048</b>	<b>96,248</b>	<b>17,606</b>
<b>FUND BALANCES:</b>									
NONSPENDABLE FOR:									
INVENTORY	\$ -	-	-	-	-	-	-	-	-
PREPAID ITEMS	-	-	-	-	-	-	-	-	-
RESTRICTED FOR:									
PUBLIC INTEREST	-	-	-	-	-	417,435	193,281	-	298,284
JUDICIAL & LAW									
ENFORCEMENT	-	15,706	-	487,817	11,608	-	-	-	-
EDUCATION & RECREATION	-	-	294,323	-	-	-	-	-	-
HEALTH & WELFARE	-	-	-	-	-	-	-	-	-
MAINTENANCE OF									
STRUCTURES & EQUIPMENT	616,074	-	-	-	-	-	-	-	-
UNASSIGNED (DEFICIT)	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 616,074</b>	<b>15,706</b>	<b>294,323</b>	<b>487,817</b>	<b>11,608</b>	<b>417,435</b>	<b>193,281</b>	<b>-</b>	<b>298,284</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 616,074</b>	<b>15,706</b>	<b>312,506</b>	<b>510,579</b>	<b>12,058</b>	<b>429,496</b>	<b>369,329</b>	<b>96,248</b>	<b>315,890</b>

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**JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
SEPTEMBER 30, 2011**

	JUSTICE COURT BUILDING SECURITY	HOTEL OCCUPANCY TAX FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND	SHERIFF AND CONSTABLE EDUCATION FUND	TAX OFFICE AUTO DEALER FUND	UNCLAIMED FUNDS MANAGEMENT FUND	FAMILY PROTECTION FUND	DISTRICT ATTORNEY FORFEITURE FUND	HOT CHECK FUND	JP COURTROOM TECHNOLOGY FUND
<b>ASSETS:</b>										
CASH AND CASH EQUIVALENTS	\$ 49,199	686,807	2,252	88,499	245,952	70,363	22,373	293,828	118,980	401,706
ACCOUNTS RECEIVABLE, Net	-	84,986	-	-	-	-	-	-	-	-
INTEREST RECEIVABLE	4	56	-	7	23	-	2	-	-	36
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	21,080	-	-
INVENTORY, At Cost	-	-	-	-	-	-	-	-	-	-
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 49,203</b>	<b>771,849</b>	<b>2,252</b>	<b>88,506</b>	<b>245,975</b>	<b>70,363</b>	<b>22,375</b>	<b>314,908</b>	<b>118,980</b>	<b>401,742</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>LIABILITIES:</b>										
ACCOUNTS PAYABLE	\$ -	34,703	-	-	-	10,420	-	14,911	929	114
COMPENSATED ABSENCES	-	-	-	-	-	-	-	-	-	-
DUE TO OTHER FUNDS	-	-	-	-	-	-	-	-	-	-
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	-	-
DEFERRED REVENUE	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>34,703</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,420</b>	<b>-</b>	<b>14,911</b>	<b>929</b>	<b>114</b>
<b>FUND BALANCES:</b>										
NONSPENDABLE FOR:										
INVENTORY	\$ -	-	-	-	-	-	-	-	-	-
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-
RESTRICTED FOR:										
PUBLIC INTEREST	-	-	-	-	245,975	59,943	-	-	-	-
JUDICIAL & LAW ENFORCEMENT	49,203	-	2,252	88,506	-	-	22,375	299,997	118,051	401,628
EDUCATION & RECREATION	-	737,146	-	-	-	-	-	-	-	-
HEALTH & WELFARE	-	-	-	-	-	-	-	-	-	-
MAINTENANCE OF STRUCTURES & EQUIPMENT	-	-	-	-	-	-	-	-	-	-
UNASSIGNED (DEFICIT)	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 49,203</b>	<b>737,146</b>	<b>2,252</b>	<b>88,506</b>	<b>245,975</b>	<b>59,943</b>	<b>22,375</b>	<b>299,997</b>	<b>118,051</b>	<b>401,628</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 49,203</b>	<b>771,849</b>	<b>2,252</b>	<b>88,506</b>	<b>245,975</b>	<b>70,363</b>	<b>22,375</b>	<b>314,908</b>	<b>118,980</b>	<b>401,742</b>

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**JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
SEPTEMBER 30, 2011**

	DISTRICT CLERK RECORDS MANAGEMENT	COUNTY CLERK ELECTION CONTRACTS	COUNTY CLERK HAVA FUND	CHILD ABUSE PREVENTION	SHERIFF'S SPECIAL REVENUE FUNDS	GUARDIANSHIP FEE FUND	JUVENILE DELINQUENCY PREVENTION	DISTRICT COURT RECORDS TECHNOLOGY	PROBATION DEPARTMENT FUNDS	GRANT FUNDS	TOTAL
<b>ASSETS:</b>											
CASH AND CASH EQUIVALENTS	\$ 41,026	10,396	11,034	1,455	2,621,288	102,289	79,168	55,029	2,376,557	476,683	10,327,716
ACCOUNTS RECEIVABLE, Net	-	-	-	-	514,627	-	-	-	7,865	1,181	704,907
INTEREST RECEIVABLE	4	1	1	-	30	9	7	5	177	38	648
DUE FROM OTHER											
GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	11,135	582,937	623,710
INVENTORY, At Cost	-	-	-	-	7,799	-	-	-	-	-	7,799
PREPAID ITEMS	-	-	-	-	-	-	-	-	1,160	171	1,331
<b>TOTAL ASSETS</b>	<b>\$ 41,030</b>	<b>10,397</b>	<b>11,035</b>	<b>1,455</b>	<b>3,143,744</b>	<b>102,298</b>	<b>79,175</b>	<b>55,034</b>	<b>2,396,894</b>	<b>1,061,010</b>	<b>11,666,111</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>LIABILITIES:</b>											
ACCOUNTS PAYABLE	\$ 1,681	500	-	-	316,590	750	-	-	333,350	57,444	1,030,287
COMPENSATED ABSENCES	-	-	-	-	-	-	-	-	-	-	1,271
DUE TO OTHER FUNDS	-	-	-	-	452,755	-	-	-	6,511	507,447	1,049,905
DUE TO OTHER											
GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	263,613	-	263,613
DEFERRED REVENUE	-	-	-	-	-	-	-	-	587,734	262,454	850,188
<b>TOTAL LIABILITIES</b>	<b>\$ 1,681</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>769,345</b>	<b>750</b>	<b>-</b>	<b>-</b>	<b>1,191,208</b>	<b>827,345</b>	<b>3,195,264</b>
<b>FUND BALANCES:</b>											
NONSPENDABLE FOR:											
INVENTORY	\$ -	-	-	-	7,799	-	-	-	-	-	7,799
PREPAID ITEMS	-	-	-	-	-	-	-	-	1,160	171	1,331
RESTRICTED FOR:											
PUBLIC INTEREST	-	9,897	11,035	-	-	101,548	-	-	-	-	1,337,398
JUDICIAL & LAW											
ENFORCEMENT	39,349	-	-	1,455	2,366,600	-	79,175	55,034	1,259,404	193,379	5,491,539
EDUCATION & RECREATION	-	-	-	-	-	-	-	-	-	59	1,031,528
HEALTH & WELFARE	-	-	-	-	-	-	-	-	-	88,408	88,408
MAINTENANCE OF											
STRUCTURES & EQUIPMENT	-	-	-	-	-	-	-	-	-	-	616,074
UNASSIGNED (DEFICIT)	-	-	-	-	-	-	-	-	(54,878)	(48,352)	(103,230)
<b>TOTAL FUND BALANCES</b>	<b>\$ 39,349</b>	<b>9,897</b>	<b>11,035</b>	<b>1,455</b>	<b>2,374,399</b>	<b>101,548</b>	<b>79,175</b>	<b>55,034</b>	<b>1,205,686</b>	<b>233,665</b>	<b>8,470,847</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 41,030</b>	<b>10,397</b>	<b>11,035</b>	<b>1,455</b>	<b>3,143,744</b>	<b>102,298</b>	<b>79,175</b>	<b>55,034</b>	<b>2,396,894</b>	<b>1,061,010</b>	<b>11,666,111</b>

**JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	LATERAL ROAD FUND	BREATH ALCOHOL TESTING FUND	LAW LIBRARY FUND	JUVENILE PROBATION & DETENTION FUND	BAIL BOND LICENSE FUND	COUNTY CLERK RECORDS MGMT. AND PRESERVATION FUND	COUNTY CLERK RECORDS ARCHIVE FUND	ASAP CONSTABLE PCT 8 PROGRAM	COUNTY RECORDS MGMT. AND PRESERVATION FUND
<b>REVENUES:</b>									
TAXES	\$ -	-	-	-	-	-	-	-	-
FEES	-	8,287	78,331	28,985	3,500	215,797	234,835	-	158,881
FINES AND FORFEITURES	-	-	-	-	-	-	-	-	-
SALES, RENTAL & SERVICES	-	-	-	-	-	-	-	-	-
INTERGOVERNMENTAL	30,973	-	-	527,620	-	-	-	440,991	-
INTEREST	1,758	29	874	1,428	1	1,455	1,271	-	748
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 32,731</b>	<b>8,316</b>	<b>79,205</b>	<b>558,033</b>	<b>3,501</b>	<b>217,252</b>	<b>236,106</b>	<b>440,991</b>	<b>159,629</b>
<b>EXPENDITURES:</b>									
GENERAL GOVERNMENT	\$ -	-	-	-	-	361,651	524,097	-	104,435
JUDICIAL AND LAW ENFORCEMENT	-	3,188	-	503,589	10,774	-	-	440,991	-
EDUCATION AND RECREATION	-	-	90,537	-	-	-	-	-	-
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	2,495	-	-	-	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,495</b>	<b>3,188</b>	<b>90,537</b>	<b>503,589</b>	<b>10,774</b>	<b>361,651</b>	<b>524,097</b>	<b>440,991</b>	<b>104,435</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 30,236</b>	<b>5,128</b>	<b>(11,332)</b>	<b>54,444</b>	<b>(7,273)</b>	<b>(144,399)</b>	<b>(287,991)</b>	<b>-</b>	<b>55,194</b>
<b>OTHER FINANCING SOURCES (USES):</b>									
TRANSFERS IN	\$ -	-	-	-	-	-	-	-	-
TRANSFERS OUT	-	-	-	(2,883)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>(2,883)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 30,236</b>	<b>5,128</b>	<b>(11,332)</b>	<b>51,561</b>	<b>(7,273)</b>	<b>(144,399)</b>	<b>(287,991)</b>	<b>-</b>	<b>55,194</b>
<b>FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT</b>	<b>\$ 585,838</b>	<b>10,578</b>	<b>305,655</b>	<b>436,256</b>	<b>145</b>	<b>561,834</b>	<b>481,272</b>	<b>-</b>	<b>243,090</b>
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,736</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES, BEGINNING (Restated)</b>	<b>\$ 585,838</b>	<b>10,578</b>	<b>305,655</b>	<b>436,256</b>	<b>18,881</b>	<b>561,834</b>	<b>481,272</b>	<b>-</b>	<b>243,090</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 616,074</b>	<b>15,706</b>	<b>294,323</b>	<b>487,817</b>	<b>11,608</b>	<b>417,435</b>	<b>193,281</b>	<b>-</b>	<b>298,284</b>

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**JEFFERSON COUNTY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	JUSTICE COURT BUILDING SECURITY	HOTEL OCCUPANCY TAX FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND	SHERIFF AND CONSTABLE EDUCATION FUND	TAX OFFICE AUTO DEALER FUND	UNCLAIMED FUNDS MANAGEMENT FUND	FAMILY PROTECTION FUND	DISTRICT ATTORNEY FORFEITURE FUND	HOT CHECK FUND	JP COURTROOM TECHNOLOGY FUND
<b>REVENUES:</b>										
TAXES	\$ -	981,619	-	-	-	-	-	-	-	-
FEES	13,208	-	1,987	-	3,175	7,459	18,240	-	64,793	54,503
FINES AND FORFEITURES	-	-	-	-	-	-	-	37,693	-	-
SALES, RENTAL & SERVICES	-	7,503	-	-	-	-	-	-	-	-
INTERGOVERNMENTAL	-	-	-	27,712	-	-	-	100,315	-	-
INTEREST	118	1,293	3	259	2,600	-	32	870	-	1,075
CONTRIBUTIONS AND DONATIONS	-	3	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 13,326</b>	<b>990,418</b>	<b>1,990</b>	<b>27,971</b>	<b>5,775</b>	<b>7,459</b>	<b>18,272</b>	<b>138,878</b>	<b>64,793</b>	<b>55,578</b>
<b>EXPENDITURES:</b>										
GENERAL GOVERNMENT	\$ -	-	-	-	5,832	-	-	-	-	-
JUDICIAL AND LAW ENFORCEMENT	-	-	-	28,127	-	-	15,000	219,463	43,430	12,020
EDUCATION AND RECREATION	-	803,418	-	-	-	-	-	-	-	-
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>803,418</b>	<b>-</b>	<b>28,127</b>	<b>5,832</b>	<b>-</b>	<b>15,000</b>	<b>219,463</b>	<b>43,430</b>	<b>12,020</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 13,326</b>	<b>187,000</b>	<b>1,990</b>	<b>(156)</b>	<b>(57)</b>	<b>7,459</b>	<b>3,272</b>	<b>(80,585)</b>	<b>21,363</b>	<b>43,558</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
TRANSFERS IN	\$ -	-	-	-	-	-	-	-	-	-
TRANSFERS OUT	-	(51,168)	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>(51,168)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 13,326</b>	<b>135,832</b>	<b>1,990</b>	<b>(156)</b>	<b>(57)</b>	<b>7,459</b>	<b>3,272</b>	<b>(80,585)</b>	<b>21,363</b>	<b>43,558</b>
<b>FUND BALANCES, BEGINNING</b>	<b>\$ 35,877</b>	<b>459,811</b>	<b>262</b>	<b>88,662</b>	<b>246,032</b>	<b>52,484</b>	<b>19,103</b>	<b>419,864</b>	<b>96,688</b>	<b>358,070</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>141,503</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(39,282)</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES, BEGINNING (Restated)</b>	<b>\$ 35,877</b>	<b>601,314</b>	<b>262</b>	<b>88,662</b>	<b>246,032</b>	<b>52,484</b>	<b>19,103</b>	<b>380,582</b>	<b>96,688</b>	<b>358,070</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 49,203</b>	<b>737,146</b>	<b>2,252</b>	<b>88,506</b>	<b>245,975</b>	<b>59,943</b>	<b>22,375</b>	<b>299,997</b>	<b>118,051</b>	<b>401,628</b>

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<u>DISTRICT CLERK RECORDS MANAGEMENT</u>	<u>COUNTY CLERK ELECTION CONTRACTS</u>	<u>COUNTY CLERK HAVA FUND</u>	<u>CHILD ABUSE PREVENTION</u>	<u>SHERIFF'S SPECIAL REVENUE FUNDS</u>	<u>GUARDIANSHIP FEE FUND</u>	<u>JUVENILE DELINQUENCY PREVENTION</u>	<u>DISTRICT COURT RECORDS TECHNOLOGY</u>	<u>PROBATION DEPARTMENT FUNDS</u>	<u>GRANT FUNDS</u>	<u>TOTAL</u>
<b>REVENUES:</b>											
TAXES	\$ -	-	-	-	-	-	-	-	-	-	981,619
FEES	27,475	-	-	656	172,445	26,768	14,552	26,955	3,083,314	-	4,244,146
FINES AND FORFEITURES	-	-	-	-	329,536	-	-	-	-	-	367,229
SALES, RENTAL & SERVICES	-	-	8,579	-	48,525	-	-	-	-	1,012	65,619
INTERGOVERNMENTAL	-	-	-	-	1,557,587	-	-	-	4,269,472	4,677,668	11,632,338
INTEREST	118	29	16	3	6,321	248	206	111	7,389	896	29,151
CONTRIBUTIONS AND DONATIONS	-	-	-	-	850	-	-	-	-	2,138	2,991
<b>TOTAL REVENUES</b>	<b>\$ 27,593</b>	<b>29</b>	<b>8,595</b>	<b>659</b>	<b>2,115,264</b>	<b>27,016</b>	<b>14,758</b>	<b>27,066</b>	<b>7,360,175</b>	<b>4,681,714</b>	<b>17,323,093</b>
<b>EXPENDITURES:</b>											
GENERAL GOVERNMENT	\$ -	500	-	-	-	2,350	-	-	-	-	998,865
JUDICIAL AND LAW ENFORCEMENT	39,398	-	-	-	2,748,866	-	-	-	7,289,008	3,948,458	15,302,312
EDUCATION AND RECREATION	-	-	-	-	-	-	-	-	-	200	894,155
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	-	346,996	346,996
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	-	-	2,495
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 39,398</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>2,748,866</b>	<b>2,350</b>	<b>-</b>	<b>-</b>	<b>7,289,008</b>	<b>4,295,654</b>	<b>17,544,823</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (11,805)</b>	<b>(471)</b>	<b>8,595</b>	<b>659</b>	<b>(633,602)</b>	<b>24,666</b>	<b>14,758</b>	<b>27,066</b>	<b>71,167</b>	<b>386,060</b>	<b>(221,730)</b>
<b>OTHER FINANCING SOURCES (USES):</b>											
TRANSFERS IN	\$ -	-	-	-	578,282	-	-	-	81,961	329,187	989,430
TRANSFERS OUT	-	-	-	-	-	-	-	-	(79,079)	(706,015)	(839,145)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>578,282</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,882</b>	<b>(376,828)</b>	<b>150,285</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (11,805)</b>	<b>(471)</b>	<b>8,595</b>	<b>659</b>	<b>(55,320)</b>	<b>24,666</b>	<b>14,758</b>	<b>27,066</b>	<b>74,049</b>	<b>9,232</b>	<b>(71,445)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>\$ 51,154</b>	<b>10,368</b>	<b>2,440</b>	<b>796</b>	<b>2,259,160</b>	<b>76,882</b>	<b>64,417</b>	<b>27,968</b>	<b>1,165,984</b>	<b>224,433</b>	<b>8,285,123</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170,559</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34,347)</b>	<b>-</b>	<b>257,169</b>
<b>FUND BALANCES, BEGINNING (Restated)</b>	<b>\$ 51,154</b>	<b>10,368</b>	<b>2,440</b>	<b>796</b>	<b>2,429,719</b>	<b>76,882</b>	<b>64,417</b>	<b>27,968</b>	<b>1,131,637</b>	<b>224,433</b>	<b>8,542,292</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 39,349</b>	<b>9,897</b>	<b>11,035</b>	<b>1,455</b>	<b>2,374,399</b>	<b>101,548</b>	<b>79,175</b>	<b>55,034</b>	<b>1,205,686</b>	<b>233,665</b>	<b>8,470,847</b>



**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS**  
**SEPTEMBER 30, 2011**

	JUVENILE PROBATION AND DETENTION- STATE AID	JUVENILE COMMUNITY CORRECTIONS PROGRAM	IV-E FOSTER CARE FUND	JUVENILE ACCOUNTABILITY #1
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 83,627	9,791	577,632	-
ACCOUNTS RECEIVABLE, Net	390	-	-	-
INTEREST RECEIVABLE	8	-	53	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	4,624	2,191
PREPAID ITEMS	57	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 84,082</b>	<b>9,791</b>	<b>582,309</b>	<b>2,191</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 53,492	7,513	402	-
DUE TO OTHER FUNDS	-	-	-	2,191
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-
DEFERRED REVENUE	44,294	34,163	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 97,786</b>	<b>41,676</b>	<b>402</b>	<b>2,191</b>
<b>FUND BALANCES:</b>				
NONSPENDABLE FOR: PREPAID ITEMS	\$ 57	-	-	-
RESTRICTED FOR: JUDICIAL & LAW ENFORCEMENT	-	-	581,907	-
UNASSIGNED (DEFICIT)	(13,761)	(31,885)	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ (13,704)</b>	<b>(31,885)</b>	<b>581,907</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 84,082</b>	<b>9,791</b>	<b>582,309</b>	<b>2,191</b>

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS**  
**SEPTEMBER 30, 2011**

	MENTALLY IMPAIRED OFFENDERS PROGRAM	COMMUNITY SUPERVISION	WOMEN'S CENTER	SURVEILLANCE PROGRAM	COMMUNITY CORRECTIONS	HIGH RISK CASELOAD	DRUG DIVERSION PROGRAM	JUVENILE ACCOUNTABILITY #2	JUVENILE TJPC A	JUVENILE ADVOCATE INCENTIVE	2011 TOTAL
<b>ASSETS:</b>											
CASH AND CASH EQUIVALENTS	\$ 28,130	848,476	333,158	-	198,319	23,332	107,645	-	160,407	6,040	2,376,557
ACCOUNTS RECEIVABLE, Net	-	5,483	976	-	1,016	-	-	-	-	-	7,865
INTEREST RECEIVABLE	-	116	-	-	-	-	-	-	-	-	177
DUE FROM OTHER											
GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	4,320	-	-	11,135
PREPAID ITEMS	-	809	145	-	149	-	-	-	-	-	1,160
<b>TOTAL ASSETS</b>	<b>\$ 28,130</b>	<b>854,884</b>	<b>334,279</b>	<b>-</b>	<b>199,484</b>	<b>23,332</b>	<b>107,645</b>	<b>4,320</b>	<b>160,407</b>	<b>6,040</b>	<b>2,396,894</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>LIABILITIES:</b>											
ACCOUNTS PAYABLE	\$ 4,716	140,667	52,272	-	13,683	6,494	20,305	-	31,222	2,584	333,350
DUE TO OTHER FUNDS	-	-	-	-	-	-	-	4,320	-	-	6,511
DUE TO OTHER											
GOVERNMENTAL ENTITIES	-	-	118,203	-	116,795	-	28,615	-	-	-	263,613
DEFERRED REVENUE	22,537	176,035	155,875	-	66,579	20,758	63,326	-	-	4,167	587,734
<b>TOTAL LIABILITIES</b>	<b>\$ 27,253</b>	<b>316,702</b>	<b>326,350</b>	<b>-</b>	<b>197,057</b>	<b>27,252</b>	<b>112,246</b>	<b>4,320</b>	<b>31,222</b>	<b>6,751</b>	<b>1,191,208</b>
<b>FUND BALANCES:</b>											
NONSPENDABLE FOR											
PREPAID ITEMS	\$ -	809	145	-	149	-	-	-	-	-	1,160
RESTRICTED FOR: JUDICIAL &											
LAW ENFORCEMENT	877	537,373	7,784	-	2,278	-	-	-	129,185	-	1,259,404
UNASSIGNED (DEFICIT)	-	-	-	-	-	(3,920)	(4,601)	-	-	(711)	(54,878)
<b>TOTAL FUND BALANCES</b>	<b>\$ 877</b>	<b>538,182</b>	<b>7,929</b>	<b>-</b>	<b>2,427</b>	<b>(3,920)</b>	<b>(4,601)</b>	<b>-</b>	<b>129,185</b>	<b>(711)</b>	<b>1,205,686</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 28,130</b>	<b>854,884</b>	<b>334,279</b>	<b>-</b>	<b>199,484</b>	<b>23,332</b>	<b>107,645</b>	<b>4,320</b>	<b>160,407</b>	<b>6,040</b>	<b>2,396,894</b>



JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -  
 SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	JUVENILE PROBATION AND DETENTION-- STATE AID	JUVENILE COMMUNITY CORRECTIONS PROGRAM	IV-E FOSTER CARE FUND	JUVENILE ACCOUNTABILITY #1
<b>REVENUES:</b>				
FEES	\$ -	-	-	-
INTERGOVERNMENTAL	468,360	335,677	24,544	3,777
INTEREST	570	-	1,636	-
<b>TOTAL REVENUES</b>	<b>\$ 468,930</b>	<b>335,677</b>	<b>26,180</b>	<b>3,777</b>
<b>EXPENDITURES:</b>				
JUDICIAL AND LAW ENFORCEMENT	\$ 547,524	377,931	10,751	2,434
CAPITAL OUTLAY	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 547,524</b>	<b>377,931</b>	<b>10,751</b>	<b>2,434</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (78,594)</b>	<b>(42,254)</b>	<b>15,429</b>	<b>1,343</b>
<b>OTHER FINANCIAL SOURCES (USES):</b>				
TRANSFERS IN	\$ -	-	-	243
TRANSFERS OUT	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>243</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (78,594)</b>	<b>(42,254)</b>	<b>15,429</b>	<b>1,586</b>
FUND BALANCES, BEGINNING	\$ 64,890	10,369	566,478	(1,586)
PRIOR PERIOD ADJUSTMENT	-	-	-	-
FUND BALANCES, OCTOBER 1 (Restated)	\$ 64,890	10,369	566,478	(1,586)
FUND BALANCES, ENDING	<b>\$ (13,704)</b>	<b>(31,885)</b>	<b>581,907</b>	<b>-</b>

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	MENTALLY IMPAIRED OFFENDERS PROGRAM	COMMUNITY SUPERVISION	WOMEN'S CENTER	SURVEILLANCE PROGRAM	COMMUNITY CORRECTIONS	HIGH RISK CASELOAD	DRUG DIVERSION PROGRAM	JUVENILE ACCOUNTABILITY #2	JUVENILE TJPC A	JUVENILE ADVOCATE INCENTIVE	2011 TOTAL
<b>REVENUES:</b>											
FEES	\$ -	2,625,800	358,015	-	-	-	99,499	-	-	-	3,083,314
INTERGOVERNMENTAL INTEREST	97,383	1,323,926	836,973	50,376	318,378	131,900	411,451	23,758	192,401	50,568	4,269,472
	-	5,182	-	-	-	-	-	1	-	-	7,389
<b>TOTAL REVENUES</b>	<u>\$ 97,383</u>	<u>3,954,908</u>	<u>1,194,988</u>	<u>50,376</u>	<u>318,378</u>	<u>131,900</u>	<u>510,950</u>	<u>23,759</u>	<u>192,401</u>	<u>50,568</u>	<u>7,360,175</u>
<b>EXPENDITURES:</b>											
JUDICIAL AND LAW ENFORCEMENT CAPITAL OUTLAY	\$ 127,555	3,689,723	1,261,897	55,937	384,115	172,289	517,140	26,398	63,216	52,098	7,289,008
	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 127,555</u>	<u>3,689,723</u>	<u>1,261,897</u>	<u>55,937</u>	<u>384,115</u>	<u>172,289</u>	<u>517,140</u>	<u>26,398</u>	<u>63,216</u>	<u>52,098</u>	<u>7,289,008</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (30,172)</u>	<u>265,185</u>	<u>(66,909)</u>	<u>(5,561)</u>	<u>(65,737)</u>	<u>(40,389)</u>	<u>(6,190)</u>	<u>(2,639)</u>	<u>129,185</u>	<u>(1,530)</u>	<u>71,167</u>
<b>OTHER FINANCIAL SOURCES (USES):</b>											
TRANSFERS IN	\$ 33,612	-	-	5,973	-	39,494	-	2,639	-	-	81,961
TRANSFERS OUT	-	(79,079)	-	-	-	-	-	-	-	-	(79,079)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 33,612</u>	<u>(79,079)</u>	<u>-</u>	<u>5,973</u>	<u>-</u>	<u>39,494</u>	<u>-</u>	<u>2,639</u>	<u>-</u>	<u>-</u>	<u>2,882</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 3,440</u>	<u>186,106</u>	<u>(66,909)</u>	<u>412</u>	<u>(65,737)</u>	<u>(895)</u>	<u>(6,190)</u>	<u>-</u>	<u>129,185</u>	<u>(1,530)</u>	<u>74,049</u>
<b>FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT</b>	<u>\$ (2,563)</u>	<u>386,423</u>	<u>74,838</u>	<u>(412)</u>	<u>68,164</u>	<u>(3,025)</u>	<u>1,589</u>	<u>-</u>	<u>-</u>	<u>819</u>	<u>1,165,984</u>
	-	(34,347)	-	-	-	-	-	-	-	-	(34,347)
<b>FUND BALANCES, OCTOBER 1 (Restated)</b>	<u>\$ (2,563)</u>	<u>352,076</u>	<u>74,838</u>	<u>(412)</u>	<u>68,164</u>	<u>(3,025)</u>	<u>1,589</u>	<u>-</u>	<u>-</u>	<u>819</u>	<u>1,131,637</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 877</u>	<u>538,182</u>	<u>7,929</u>	<u>-</u>	<u>2,427</u>	<u>(3,920)</u>	<u>(4,601)</u>	<u>-</u>	<u>129,185</u>	<u>(711)</u>	<u>1,205,686</u>

**JEFFERSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -  
 SPECIAL REVENUE - GRANT FUNDS  
 SEPTEMBER 30, 2011**

	FAMILY GROUP CONFERENCING PROJECT	BUSH- CLINTON RECOVERY	SHERIFF TRAINING GRANT	FORENSIC SCIENCE IMPROVE	DIABETES PREVENTION GRANT	JAG GRANT	SHERIFF DEPT GRANTS	SCAAP GRANT	PORT SECURITY SUPPLEMENT	CRIME VICTIMS CLEARING - 1	REGIONAL COMMUNICATION
<b>ASSETS:</b>											
CASH AND CASH EQUIVALENTS	\$ 38,144	1,634	-	-	-	20,627	-	20,799	194,764	4,043	78,519
ACCOUNTS RECEIVABLE , Net	-	-	-	-	-	-	-	-	-	-	-
INTEREST RECEIVABLE	3	-	-	-	-	2	-	2	18	-	7
DUE FROM OTHER											
GOVERNMENTAL ENTITIES	-	-	4,133	-	13,593	-	-	-	-	4,730	-
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 38,147</b>	<b>1,634</b>	<b>4,133</b>	<b>-</b>	<b>13,593</b>	<b>20,629</b>	<b>-</b>	<b>20,801</b>	<b>194,782</b>	<b>8,773</b>	<b>78,526</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>LIABILITIES:</b>											
ACCOUNTS PAYABLE	\$ -	-	300	-	4,442	-	-	7,030	-	8,537	-
DUE TO OTHER FUNDS	-	-	3,833	-	9,153	-	3,655	-	-	-	-
DEFERRED REVENUE	-	-	4,133	-	1,071	-	-	-	194,670	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>-</b>	<b>8,266</b>	<b>-</b>	<b>14,666</b>	<b>-</b>	<b>3,655</b>	<b>7,030</b>	<b>194,670</b>	<b>8,537</b>	<b>-</b>
<b>FUND BALANCES:</b>											
NONSPENDABLE FOR:											
PREPAID ITEMS	\$ -	-	-	-	-	-	-	-	-	-	-
RESTRICTED FOR:											
JUDICIAL & LAW											
ENFORCEMENT	38,147	-	-	-	-	20,629	-	13,771	112	236	78,526
EDUCATION & RECREATION	-	-	-	-	-	-	-	-	-	-	-
HEALTH & WELFARE	-	1,634	-	-	-	-	-	-	-	-	-
UNASSIGNED (DEFICIT)	-	-	(4,133)	-	(1,073)	-	(3,655)	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 38,147</b>	<b>1,634</b>	<b>(4,133)</b>	<b>-</b>	<b>(1,073)</b>	<b>20,629</b>	<b>(3,655)</b>	<b>13,771</b>	<b>112</b>	<b>236</b>	<b>78,526</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 38,147</b>	<b>1,634</b>	<b>4,133</b>	<b>-</b>	<b>13,593</b>	<b>20,629</b>	<b>-</b>	<b>20,801</b>	<b>194,782</b>	<b>8,773</b>	<b>78,526</b>

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**JEFFERSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -  
 SPECIAL REVENUE - GRANT FUNDS  
 SEPTEMBER 30, 2011**

	CRIME VICTIMS CLEARING - 2	EMPG GRANT	FORENSIC SCIENCE IMPROVEMENT GRANT	PORT SECURITY 2008	PORT SECURITY 2009	LOAN STAR LIBRARIES GRANT	AUTO THEFT GRANT	BUFFER ZONE PROTECTION	DRUG INTERVENTION GRANT	VIOLENCE AGAINST WOMEN - 1	VIOLENCE AGAINST WOMEN - 2
<b>ASSETS:</b>											
CASH AND CASH EQUIVALENTS	\$ -	42,912	-	9	-	59	-	-	-	-	-
ACCOUNTS RECEIVABLE , Net	-	19	-	-	-	-	625	-	-	-	536
INTEREST RECEIVABLE	-	4	-	-	-	-	-	-	-	-	-
DUE FROM OTHER											
GOVERNMENTAL ENTITIES	8,533	37,656	18,297	-	273,273	-	27,163	13,926	11,886	16,661	7,995
PREPAID ITEMS	-	-	-	-	-	-	92	-	-	-	79
<b>TOTAL ASSETS</b>	<b>\$ 8,533</b>	<b>80,591</b>	<b>18,297</b>	<b>9</b>	<b>273,273</b>	<b>59</b>	<b>27,880</b>	<b>13,926</b>	<b>11,886</b>	<b>16,661</b>	<b>8,610</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>LIABILITIES:</b>											
ACCOUNTS PAYABLE	\$ -	819	7,865	-	8,225	-	2,960	6,777	276	-	5,502
DUE TO OTHER FUNDS	7,363	-	10,325	-	265,048	-	24,920	7,149	16,604	16,661	2,182
DEFERRED REVENUE	-	28,242	18,297	-	-	-	-	13,481	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 7,363</b>	<b>29,061</b>	<b>36,487</b>	<b>-</b>	<b>273,273</b>	<b>-</b>	<b>27,880</b>	<b>27,407</b>	<b>16,880</b>	<b>16,661</b>	<b>7,684</b>
<b>FUND BALANCES:</b>											
NONSPENDABLE FOR:											
PREPAID ITEMS	\$ -	-	-	-	-	-	92	-	-	-	79
RESTRICTED FOR:											
JUDICIAL & LAW											
ENFORCEMENT	1,170	-	-	9	-	-	-	-	-	-	847
EDUCATION & RECREATION	-	-	-	-	-	59	-	-	-	-	-
HEALTH & WELFARE	-	51,530	-	-	-	-	-	-	-	-	-
UNASSIGNED (DEFICIT)	-	-	(18,190)	-	-	-	(92)	(13,481)	(4,994)	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,170</b>	<b>51,530</b>	<b>(18,190)</b>	<b>9</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>(13,481)</b>	<b>(4,994)</b>	<b>-</b>	<b>926</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,533</b>	<b>80,591</b>	<b>18,297</b>	<b>9</b>	<b>273,273</b>	<b>59</b>	<b>27,880</b>	<b>13,926</b>	<b>11,886</b>	<b>16,661</b>	<b>8,610</b>

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - GRANT FUNDS**  
**SEPTEMBER 30, 2011**

	FAMILY TREATMENT COURT	HAMPSHIRE WATER & SEWER III	CHEEK STEP SEWER IMPROVEMENTS	SHSP & LETPP GRANTS	PORT SECURITY 2010	SAFE STREETS TASK FORCE	COMMUNITY EMERGENCY RESPONSE GRANT	FIRST TIME SEWER	TXCDBG DISASTER RECOVERY	FBI FIRING RANGE	2011 GRANT TOTALS
<b>ASSETS:</b>											
CASH AND CASH EQUIVALENTS	\$ -	7,399	2,589	-	-	-	4,726	753	19,774	39,932	476,683
ACCOUNTS RECEIVABLE , Net	-	-	-	-	-	-	-	1	-	-	1,181
INTEREST RECEIVABLE	-	-	-	-	-	-	1	-	1	-	38
DUE FROM OTHER											
GOVERNMENTAL ENTITIES	12,859	-	-	56,244	71,250	4,738	-	-	-	-	582,937
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	171
<b>TOTAL ASSETS</b>	<b>\$ 12,859</b>	<b>7,399</b>	<b>2,589</b>	<b>56,244</b>	<b>71,250</b>	<b>4,738</b>	<b>4,727</b>	<b>754</b>	<b>19,775</b>	<b>39,932</b>	<b>1,061,010</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>LIABILITIES:</b>											
ACCOUNTS PAYABLE	\$ 2,608	-	-	1,404	-	699	-	-	-	-	57,444
DUE TO OTHER FUNDS	10,418	-	-	54,840	71,257	4,039	-	-	-	-	507,447
DEFERRED REVENUE	-	-	-	2,560	-	-	-	-	-	-	262,454
<b>TOTAL LIABILITIES</b>	<b>\$ 13,026</b>	<b>-</b>	<b>-</b>	<b>58,804</b>	<b>71,257</b>	<b>4,738</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>827,345</b>
<b>FUND BALANCES:</b>											
NONSPENDABLE FOR:											
PREPAID ITEMS	\$ -	-	-	-	-	-	-	-	-	-	171
RESTRICTED FOR:											
JUDICIAL & LAW											
ENFORCEMENT	-	-	-	-	-	-	-	-	-	39,932	193,379
EDUCATION & RECREATION	-	-	-	-	-	-	-	-	-	-	59
HEALTH & WELFARE	-	7,399	2,589	-	-	-	4,727	754	19,775	-	88,408
UNASSIGNED (DEFICIT)	(167)	-	-	(2,560)	(7)	-	-	-	-	-	(48,352)
<b>TOTAL FUND BALANCES</b>	<b>\$ (167)</b>	<b>7,399</b>	<b>2,589</b>	<b>(2,560)</b>	<b>(7)</b>	<b>-</b>	<b>4,727</b>	<b>754</b>	<b>19,775</b>	<b>39,932</b>	<b>233,665</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 12,859</b>	<b>7,399</b>	<b>2,589</b>	<b>56,244</b>	<b>71,250</b>	<b>4,738</b>	<b>4,727</b>	<b>754</b>	<b>19,775</b>	<b>39,932</b>	<b>1,061,010</b>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - GRANT FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	FAMILY GROUP CONFERENCING PROJECT	BUSH CLINTON RECOVERY	SHERIFF TRAINING GRANT	FORENSIC SCIENCE IMPROVE	DIABETES PREVENTION GRANT	JAG GRANT	SHERIFF DEPT GRANTS	SCAAP GRANT	PORT SECURITY SUPPLEMENT	CRIME VICTIMS CLEARING - 1	REGIONAL COMMUNICATION
<b>REVENUES:</b>											
INTERGOVERNMENTAL	\$ -	-	10,356	28,349	51,844	25,177	-	54,618	1,083,782	4,730	89,942
INTEREST	3	107	-	-	-	47	-	183	167	1	60
SALES, RENTAL & SERVICES	1,012	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 1,015</b>	<b>107</b>	<b>10,356</b>	<b>28,349</b>	<b>51,844</b>	<b>25,224</b>	<b>-</b>	<b>54,801</b>	<b>1,083,949</b>	<b>4,731</b>	<b>90,002</b>
<b>EXPENDITURES:</b>											
JUDICIAL AND LAW ENFORCEMENT	\$ 2,060	-	19,458	28,349	-	12,330	3,655	70,253	584,011	19,906	-
EDUCATION AND RECREATION	-	-	-	-	-	-	-	-	-	-	-
HEALTH & WELFARE	-	70,000	-	-	41,517	-	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,060</b>	<b>70,000</b>	<b>19,458</b>	<b>28,349</b>	<b>41,517</b>	<b>12,330</b>	<b>3,655</b>	<b>70,253</b>	<b>584,011</b>	<b>19,906</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (1,045)</b>	<b>(69,893)</b>	<b>(9,102)</b>	<b>-</b>	<b>10,327</b>	<b>12,894</b>	<b>(3,655)</b>	<b>(15,452)</b>	<b>499,938</b>	<b>(15,175)</b>	<b>90,002</b>
<b>OTHER FINANCING SOURCES (USES):</b>											
TRANSFERS IN	\$ -	-	4,969	-	-	-	-	-	-	15,176	-
TRANSFERS OUT	-	-	-	-	-	-	-	-	(499,770)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>4,969</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(499,770)</b>	<b>15,176</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,045)</b>	<b>(69,893)</b>	<b>(4,133)</b>	<b>-</b>	<b>10,327</b>	<b>12,894</b>	<b>(3,655)</b>	<b>(15,452)</b>	<b>168</b>	<b>1</b>	<b>90,002</b>
<b>FUND BALANCES, BEGINNING</b>	<b>39,192</b>	<b>71,527</b>	<b>-</b>	<b>-</b>	<b>(11,400)</b>	<b>7,735</b>	<b>-</b>	<b>29,223</b>	<b>(56)</b>	<b>235</b>	<b>(11,476)</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 38,147</b>	<b>1,634</b>	<b>(4,133)</b>	<b>-</b>	<b>(1,073)</b>	<b>20,629</b>	<b>(3,655)</b>	<b>13,771</b>	<b>112</b>	<b>236</b>	<b>78,526</b>

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - GRANT FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	CRIME VICTIMS CLEARING - 2	EMPG GRANT	FORENSIC SCIENCE IMPROVEMENT GRANT	PORT SECURITY 2008	PORT SECURITY 2009	LOAN STAR LIBRARIES GRANT	AUTO THEFT GRANT	BUFFER ZONE PROTECTION	DRUG INTERVENTION GRANT	VIOLENCE AGAINST WOMEN - 1	VIOLENCE AGAINST WOMEN - 2
<b>REVENUES:</b>											
INTERGOVERNMENTAL	\$ 44,892	20,489	30,463	2,179,092	273,273	-	81,845	155,229	45,057	80,000	7,995
INTEREST	-	183	-	42	-	-	-	-	-	2	-
SALES, RENTAL & SERVICES	-	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS AND DONATIONS	161	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 45,053</b>	<b>20,672</b>	<b>30,463</b>	<b>2,179,134</b>	<b>273,273</b>	<b>-</b>	<b>81,845</b>	<b>155,229</b>	<b>45,057</b>	<b>80,002</b>	<b>7,995</b>
<b>EXPENDITURES:</b>											
JUDICIAL AND LAW ENFORCEMENT	\$ 234,069	-	48,760	2,179,125	69,991	-	97,555	168,760	47,078	145,574	10,940
EDUCATION AND RECREATION	-	-	-	-	-	200	-	-	-	-	-
HEALTH & WELFARE	-	35,723	-	-	-	-	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 234,069</b>	<b>35,723</b>	<b>48,760</b>	<b>2,179,125</b>	<b>69,991</b>	<b>200</b>	<b>97,555</b>	<b>168,760</b>	<b>47,078</b>	<b>145,574</b>	<b>10,940</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (189,016)</b>	<b>(15,051)</b>	<b>(18,297)</b>	<b>9</b>	<b>203,282</b>	<b>(200)</b>	<b>(15,710)</b>	<b>(13,531)</b>	<b>(2,021)</b>	<b>(65,572)</b>	<b>(2,945)</b>
<b>OTHER FINANCING SOURCES (USES):</b>											
TRANSFERS IN	\$ 189,177	-	-	-	-	-	28,454	1,660	-	74,163	3,871
TRANSFERS OUT	-	(2,963)	-	-	(203,282)	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 189,177</b>	<b>(2,963)</b>	<b>-</b>	<b>-</b>	<b>(203,282)</b>	<b>-</b>	<b>28,454</b>	<b>1,660</b>	<b>-</b>	<b>74,163</b>	<b>3,871</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 161</b>	<b>(18,014)</b>	<b>(18,297)</b>	<b>9</b>	<b>-</b>	<b>(200)</b>	<b>12,744</b>	<b>(11,871)</b>	<b>(2,021)</b>	<b>8,591</b>	<b>926</b>
<b>FUND BALANCES, BEGINNING</b>	<b>1,009</b>	<b>69,544</b>	<b>107</b>	<b>-</b>	<b>-</b>	<b>259</b>	<b>(12,744)</b>	<b>(1,610)</b>	<b>(2,973)</b>	<b>(8,591)</b>	<b>-</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 1,170</b>	<b>51,530</b>	<b>(18,190)</b>	<b>9</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>(13,481)</b>	<b>(4,994)</b>	<b>-</b>	<b>926</b>

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - GRANT FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	FAMILY TREATMENT COURT	HAMPSHIRE WATER & SEWER III	CHEEK STEP SEWER IMPROVEMENTS	SHSP & LETPP GRANTS	PORT SECURITY 2010	SAFE STREETS TASK FORCE	COMMUNITY EMERGENCY RESPONSE GRANT	FIRST TIME SEWER	TXCDBG DISASTER RECOVERY	FBI FIRING RANGE	2011 GRANT TOTALS
<b>REVENUES:</b>											
INTERGOVERNMENTAL	\$ 36,595	5,315	-	207,245	107,917	53,463	-	-	-	-	4,677,668
INTEREST	-	13	18	-	7	-	13	2	48	-	896
SALES, RENTAL & SERVICES	-	-	-	-	-	-	-	-	-	-	1,012
CONTRIBUTIONS AND DONATIONS	1,977	-	-	-	-	-	-	-	-	-	2,138
<b>TOTAL REVENUES</b>	<b>\$ 38,572</b>	<b>5,328</b>	<b>18</b>	<b>207,245</b>	<b>107,924</b>	<b>53,463</b>	<b>13</b>	<b>2</b>	<b>48</b>	<b>-</b>	<b>4,681,714</b>
<b>EXPENDITURES:</b>											
JUDICIAL AND LAW ENFORCEMENT	\$ 45,190	-	-	-	107,931	53,463	-	-	-	-	3,948,458
EDUCATION AND RECREATION	-	-	-	-	-	-	-	-	-	-	200
HEALTH & WELFARE	-	-	-	199,756	-	-	-	-	-	-	346,996
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 45,190</b>	<b>-</b>	<b>-</b>	<b>199,756</b>	<b>107,931</b>	<b>53,463</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,295,654</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (6,618)</b>	<b>5,328</b>	<b>18</b>	<b>7,489</b>	<b>(7)</b>	<b>-</b>	<b>13</b>	<b>2</b>	<b>48</b>	<b>-</b>	<b>386,060</b>
<b>OTHER FINANCING SOURCES (USES):</b>											
TRANSFERS IN	\$ 5,065	-	-	1,303	-	5,349	-	-	-	-	329,187
TRANSFERS OUT	-	-	-	-	-	-	-	-	-	-	(706,015)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 5,065</b>	<b>-</b>	<b>-</b>	<b>1,303</b>	<b>-</b>	<b>5,349</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(376,828)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,553)</b>	<b>5,328</b>	<b>18</b>	<b>8,792</b>	<b>(7)</b>	<b>5,349</b>	<b>13</b>	<b>2</b>	<b>48</b>	<b>-</b>	<b>9,232</b>
<b>FUND BALANCES, BEGINNING</b>	<b>1,386</b>	<b>2,071</b>	<b>2,571</b>	<b>(11,352)</b>	<b>-</b>	<b>(5,349)</b>	<b>4,714</b>	<b>752</b>	<b>19,727</b>	<b>39,932</b>	<b>224,433</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ (167)</b>	<b>7,399</b>	<b>2,589</b>	<b>(2,560)</b>	<b>(7)</b>	<b>-</b>	<b>4,727</b>	<b>754</b>	<b>19,775</b>	<b>39,932</b>	<b>233,665</b>



# CAPITAL PROJECTS FUNDS

## CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for all resources used for the acquisition or construction of capital facilities except those financed by Enterprise Funds or Internal Service Funds. Included in this heading are the following individual funds:

**Highway Improvement Fund** - This fund is used to account for expenditures in the construction of county roads.

**Pleasure Island Shoreline Project** - This fund is used to account for the expenditures related to stabilizing the Pleasure Island Shoreline. Funds for this project are from penalties assessed by the Texas Commission on Environmental Quality.

**1957 Road Bond Fund** - This fund is used to account for the purchase of right-of-way for highway and utility adjustments in conjunction with the Texas State Highway Department.

**TCEQ – First Time Sewer** - This fund is used to account for the expenditures for the installation of a low pressure sewer system to approximately 81 low income residential customers in the Candlelight and Martel subdivisions. Funds for this project are from penalties assessed by the Texas Commission on Environmental Quality.

**2002B Certificates of Obligation** - This fund is used to account for the expenditures of proceeds from \$13,090,000 in Certificates of Obligation issued in April 2002. The proceeds will be spent on a variety of projects. The projects scheduled to be funded are a County wide 800 MHz radio system, and furniture and fixtures at Ford Park.

**Keith Lake Fish Pass** - This fund is used to account for the expenditures to construct erosion control devices in the Keith Lake Fish Pass.

**Alternative Fuel Vehicle Project** - This fund is used to account for the expenditures related to the replacement of County vehicles and equipment with alternative fueled vehicles. Examples of equipment purchases are hybrid (gas & electric) vehicles. Funds to purchase this equipment are from penalties assessed by the Texas Commission on Environmental Quality.



**JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS  
SEPTEMBER 30, 2011**

	HIGHWAY IMPROVEMENT FUND	PLEASURE ISLAND SHORELINE PROJECT	1957 ROAD BOND FUND	TCEQ - FIRST TIME SEWER	2002B CERTIFICATE OF OBLIGATION PROJECT	KEITH LAKE FISH PASS	ALTERNATIVE FUEL VEHICLE PROJECT	TOTAL
<b>ASSETS:</b>								
CASH AND CASH EQUIVALENTS	\$ 51,114	-	418,764	30,232	-	180,548	-	680,658
ACCOUNTS RECEIVABLE, Net	-	-	-	9,560	-	-	-	9,560
INTEREST RECEIVABLE	5	-	38	3	-	17	-	63
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	-	2,802	-	-	2,802
<b>TOTAL ASSETS</b>	<b>\$ 51,119</b>	<b>-</b>	<b>418,802</b>	<b>39,795</b>	<b>2,802</b>	<b>180,565</b>	<b>-</b>	<b>693,083</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES:</b>								
ACCOUNTS PAYABLE	\$ 4,148	-	19,797	-	-	-	-	23,945
<b>TOTAL LIABILITIES</b>	<b>\$ 4,148</b>	<b>-</b>	<b>19,797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,945</b>
<b>FUND BALANCES:</b>								
RESTRICTED FOR CONSTRUCTION	-	-	-	39,795	-	-	-	39,795
ASSIGNED FOR CAPITAL PROJECTS	\$ 46,971	-	399,005	-	2,802	180,565	-	629,343
<b>TOTAL FUND BALANCES</b>	<b>\$ 46,971</b>	<b>-</b>	<b>399,005</b>	<b>39,795</b>	<b>2,802</b>	<b>180,565</b>	<b>-</b>	<b>669,138</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 51,119</b>	<b>-</b>	<b>418,802</b>	<b>39,795</b>	<b>2,802</b>	<b>180,565</b>	<b>-</b>	<b>693,083</b>

**JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	HIGHWAY IMPROVEMENT FUND	PLEASURE ISLAND SHORELINE PROJECT	1957 ROAD BOND FUND	TCEQ - FIRST TIME SEWER	2002B CERTIFICATE OF OBLIGATION PROJECT	KEITH LAKE FISH PASS	ALTERNATIVE FUEL VEHICLE PROJECT	TOTAL
<b>REVENUES:</b>								
INTERGOVERNMENTAL	\$ -	-	-	-	34,632	-	-	34,632
SALES, RENTAL & SERVICES	-	-	-	22,520	-	-	-	22,520
INTEREST	411	228	1,191	67	116	514	615	3,142
<b>TOTAL REVENUES</b>	<b>\$ 411</b>	<b>228</b>	<b>1,191</b>	<b>22,587</b>	<b>34,748</b>	<b>514</b>	<b>615</b>	<b>60,294</b>
<b>EXPENDITURES:</b>								
CAPITAL OUTLAY	\$ 280,737	104,908	19,797	-	103,649	-	282,963	792,054
<b>TOTAL EXPENDITURES</b>	<b>\$ 280,737</b>	<b>104,908</b>	<b>19,797</b>	<b>-</b>	<b>103,649</b>	<b>-</b>	<b>282,963</b>	<b>792,054</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (280,326)</b>	<b>(104,680)</b>	<b>(18,606)</b>	<b>22,587</b>	<b>(68,901)</b>	<b>514</b>	<b>(282,348)</b>	<b>(731,760)</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
TRANSFERS IN	\$ -	-	-	-	51,168	-	-	51,168
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,168</b>	<b>-</b>	<b>-</b>	<b>51,168</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (280,326)</b>	<b>(104,680)</b>	<b>(18,606)</b>	<b>22,587</b>	<b>(17,733)</b>	<b>514</b>	<b>(282,348)</b>	<b>(680,592)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>327,297</b>	<b>104,680</b>	<b>417,611</b>	<b>17,208</b>	<b>20,535</b>	<b>180,051</b>	<b>282,348</b>	<b>1,349,730</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 46,971</b>	<b>-</b>	<b>399,005</b>	<b>39,795</b>	<b>2,802</b>	<b>180,565</b>	<b>-</b>	<b>669,138</b>



## DEBT SERVICE FUNDS

## DEBT SERVICE FUNDS

The Debt Service Funds are used to account for each specific long -term debt. These funds account for the accumulation of resources and subsequent disbursement of such resources to pay principal, interest, and commissions. Included in this heading are the following individual funds:

**2011 Refunding Bond** - This fund is used to account for the revenues and expenditures associated with the \$5,550,000 General Obligation Refunding Bonds issued in March 2011.

**2002A Refunding Bond** - This fund is used to account for the revenues and expenditures associated with the \$57,625,000 General Obligation Refunding Bonds issued in April 2002.

**2002B Certificates of Obligation** - This fund is used to account for the revenues and expenditures associated with the remaining \$7,770,000 of the original \$13,090,000 in Certificates of Obligation issued in April 2002.

**2003B Certificates of Obligation** - This fund is used to account for the revenues and expenditures associated with the \$1,505,000 in Certificates of Obligation issued in May 2003.

**2005 Tax Anticipation Notes** - This fund is used to account for the revenues and expenditures associated with the \$3,000,000 in Tax Anticipation Notes issued in May 2005.



**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NON MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE**  
**SEPTEMBER 30, 2011**

	<b>2011 REFUNDING BOND</b>	<b>2002A REFUNDING BOND</b>	<b>2002B CERTIFICATES OF OBLIGATION</b>	<b>2003B CERTIFICATES OF OBLIGATION</b>	<b>2005 TAX ANTICIPATION NOTES</b>	<b>TOTAL</b>
<b>ASSETS:</b>						
CASH AND CASH EQUIVALENTS	\$ -	519,151	156,425	6,439	-	682,015
INTEREST RECEIVABLE	-	47	16	1	-	64
DELINQUENT TAXES RECEIVABLE, Net	-	102,960	25,362	1,465	-	129,787
PENALTY AND INTEREST RECEIVABLE, Net	-	46,869	11,545	667	-	59,081
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>669,027</b>	<b>193,348</b>	<b>8,572</b>	<b>-</b>	<b>870,947</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
DEFERRED REVENUES:						
DELINQUENT TAXES	\$ -	87,303	21,505	1,242	-	110,050
PENALTY AND INTEREST	-	46,869	11,545	667	-	59,081
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>134,172</b>	<b>33,050</b>	<b>1,909</b>	<b>-</b>	<b>169,131</b>
<b>FUND BALANCES:</b>						
RESTRICTED FOR DEBT SERVICE	\$ -	534,855	160,298	6,663	-	701,816
<b>TOTAL FUND BALANCES</b>	<b>\$ -</b>	<b>534,855</b>	<b>160,298</b>	<b>6,663</b>	<b>-</b>	<b>701,816</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>669,027</b>	<b>193,348</b>	<b>8,572</b>	<b>-</b>	<b>870,947</b>

**JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<b>2011 REFUNDING BOND</b>	<b>2002A REFUNDING BOND</b>	<b>2002B CERTIFICATES OF OBLIGATION</b>	<b>2003B CERTIFICATES OF OBLIGATION</b>	<b>2005 TAX ANTICIPATION NOTES</b>	<b>TOTAL</b>
<b>REVENUES:</b>						
PROPERTY TAXES	\$ -	5,739,732	1,252,600	84,745	433,215	7,510,292
INTEREST	10	5,475	1,558	74	6,073	13,190
<b>TOTAL REVENUES</b>	<b>\$ 10</b>	<b>5,745,207</b>	<b>1,254,158</b>	<b>84,819</b>	<b>439,288</b>	<b>7,523,482</b>
<b>EXPENDITURES:</b>						
DEBT SERVICE:						
PRINCIPAL	\$ 55,000	2,515,000	885,000	25,000	545,000	4,025,000
INTEREST AND COMMISSION	176,530	2,975,614	210,540	58,174	20,075	3,440,933
<b>TOTAL EXPENDITURES</b>	<b>\$ 231,530</b>	<b>5,490,614</b>	<b>1,095,540</b>	<b>83,174</b>	<b>565,075</b>	<b>7,465,933</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (231,520)</b>	<b>254,593</b>	<b>158,618</b>	<b>1,645</b>	<b>(125,787)</b>	<b>57,549</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
TRANSFERS IN	\$ 104,709	-	-	-	5,923	110,632
TRANSFERS OUT	-	(5,923)	(104,709)	-	-	(110,632)
REFUNDING BONDS ISSUED	5,550,000	-	-	-	-	5,550,000
PREMIUM ON BONDS	249,283	-	-	-	-	249,283
PAYMENT TO REFUNDING BONDS ESCROW AGENT	(5,672,472)	-	-	-	-	(5,672,472)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 231,520</b>	<b>(5,923)</b>	<b>(104,709)</b>	<b>-</b>	<b>5,923</b>	<b>126,811</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>248,670</b>	<b>53,909</b>	<b>1,645</b>	<b>(119,864)</b>	<b>184,360</b>
<b>FUND BALANCES, BEGINNING</b>	<b>-</b>	<b>286,185</b>	<b>106,389</b>	<b>5,018</b>	<b>119,864</b>	<b>517,456</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ -</b>	<b>534,855</b>	<b>160,298</b>	<b>6,663</b>	<b>-</b>	<b>701,816</b>

JEFFERSON COUNTY, TEXAS  
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)  
 DEBT SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 7,025,159	7,025,159	7,510,292	485,133
INTEREST	18,410	18,410	13,190	(5,220)
TOTAL REVENUES	\$ 7,043,569	7,043,569	7,523,482	479,913
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 3,970,000	4,025,000	4,025,000	-
INTEREST AND COMMISSION	3,392,188	3,337,188	3,440,933	(103,745)
TOTAL EXPENDITURES	\$ 7,362,188	7,362,188	7,465,933	(103,745)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (318,619)	(318,619)	57,549	376,168
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	\$ -	-	110,632	110,632
TRANSFERS OUT	-	-	(110,632)	(110,632)
REFUNDING BONDS ISSUED	-	-	5,550,000	5,550,000
PREMIUM ON BONDS	-	-	249,283	249,283
PAYMENT TO REFUNDING BONDS ESCROW AGENT	-	-	(5,672,472)	(5,672,472)
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	-	126,811	126,811
NET CHANGE IN FUND BALANCES	\$ (318,619)	(318,619)	184,360	502,979
FUND BALANCES, BEGINNING	517,456	517,456	517,456	-
FUND BALANCES, ENDING	\$ 198,837	198,837	701,816	502,979

JEFFERSON COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)  
DEBT SERVICE - 2011 REFUNDING BONDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ -	-	-	-
INTEREST	-	-	10	10
TOTAL REVENUES	\$ -	-	10	10
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ -	55,000	55,000	-
INTEREST AND COMMISSION	-	64,605	176,530	(111,925)
TOTAL EXPENDITURES	\$ -	119,605	231,530	(111,925)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	(119,605)	(231,520)	(111,915)
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS IN	\$ -	-	104,709	104,709
REFUNDING BONDS ISSUED	-	-	5,550,000	5,550,000
PREMIUM ON BONDS	-	-	249,283	249,283
PAYMENT TO REFUNDING BONDS ESCROW AGENT	-	-	(5,672,472)	(5,672,472)
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	-	231,520	231,520
NET CHANGE IN FUND BALANCE	\$ -	(119,605)	-	119,605
FUND BALANCES, BEGINNING	-	-	-	-
FUND BALANCES, ENDING	\$ -	(119,605)	-	119,605

JEFFERSON COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)  
DEBT SERVICE - 2002A REFUNDING BOND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 5,368,590	5,368,590	5,739,732	371,142
INTEREST	13,750	13,750	5,475	(8,275)
TOTAL REVENUES	\$ 5,382,340	5,382,340	5,745,207	362,867
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 2,515,000	2,515,000	2,515,000	-
INTEREST AND COMMISSION	2,976,239	2,976,239	2,975,614	625
TOTAL EXPENDITURES	\$ 5,491,239	5,491,239	5,490,614	625
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (108,899)	(108,899)	254,593	363,492
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS OUT	\$ -	-	(5,923)	(5,923)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(5,923)	(5,923)
NET CHANGE IN FUND BALANCE	\$ (108,899)	(108,899)	248,670	357,569
FUND BALANCES, BEGINNING	286,185	286,185	286,185	-
FUND BALANCES, ENDING	\$ 177,286	177,286	534,855	357,569

JEFFERSON COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)  
DEBT SERVICE - 2002B CERTIFICATES OF OBLIGATION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 1,171,154	1,171,154	1,252,600	81,446
INTEREST	3,049	3,049	1,558	(1,491)
TOTAL REVENUES	\$ 1,174,203	1,174,203	1,254,158	79,955
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 885,000	885,000	885,000	-
INTEREST AND COMMISSION	337,075	217,470	210,540	6,930
TOTAL EXPENDITURES	\$ 1,222,075	1,102,470	1,095,540	6,930
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (47,872)	71,733	158,618	86,885
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS OUT	\$ -	-	(104,709)	(104,709)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(104,709)	(104,709)
NET CHANGE IN FUND BALANCE	\$ (47,872)	71,733	53,909	(17,824)
FUND BALANCES, BEGINNING	106,389	106,389	106,389	-
FUND BALANCES, ENDING	\$ 58,517	178,122	160,298	(17,824)

JEFFERSON COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)  
DEBT SERVICE - 2003B CERTIFICATES OF OBLIGATION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 79,271	79,271	84,745	5,474
INTEREST	200	200	74	(126)
TOTAL REVENUES	<u>\$ 79,471</u>	<u>79,471</u>	<u>84,819</u>	<u>5,348</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 25,000	25,000	25,000	-
INTEREST AND COMMISSION	58,799	58,799	58,174	625
TOTAL EXPENDITURES	<u>\$ 83,799</u>	<u>83,799</u>	<u>83,174</u>	<u>625</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (4,328)</u>	<u>(4,328)</u>	<u>1,645</u>	<u>5,973</u>
NET CHANGE IN FUND BALANCE	\$ (4,328)	(4,328)	1,645	5,973
FUND BALANCES, BEGINNING	<u>5,018</u>	<u>5,018</u>	<u>5,018</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 690</u>	<u>690</u>	<u>6,663</u>	<u>5,973</u>

JEFFERSON COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)  
DEBT SERVICE - 2005 TAX ANTICIPATION NOTES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 406,144	406,144	433,215	27,071
INTEREST	<u>1,411</u>	<u>1,411</u>	<u>6,073</u>	<u>4,662</u>
TOTAL REVENUES	<u>\$ 407,555</u>	<u>407,555</u>	<u>439,288</u>	<u>31,733</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 545,000	545,000	545,000	-
INTEREST AND COMMISSION	<u>20,075</u>	<u>20,075</u>	<u>20,075</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 565,075</u>	<u>565,075</u>	<u>565,075</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (157,520)</u>	<u>(157,520)</u>	<u>(125,787)</u>	<u>31,733</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	<u>\$ -</u>	<u>-</u>	<u>5,923</u>	<u>5,923</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>-</u>	<u>5,923</u>	<u>5,923</u>
NET CHANGE IN FUND BALANCE	<u>\$ (157,520)</u>	<u>(157,520)</u>	<u>(119,864)</u>	<u>37,656</u>
FUND BALANCES, BEGINNING	<u>119,864</u>	<u>119,864</u>	<u>119,864</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ (37,656)</u>	<u>(37,656)</u>	<u>-</u>	<u>37,656</u>



# INTERNAL SERVICE FUNDS

## INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other agencies of the government and to other government units, on a cost reimbursement basis. Included in this heading are the following individual funds:

**Liability Insurance Fund** - This fund is used to account for the County's contribution and payment for liability claims.

**Workers' Compensation Fund** - This fund is used to account for the County's contribution and payment for workers' compensation claims.

**Southeast Texas Government Employee Benefits Pool** – This fund is used to account for the County's group health insurance program, which includes comprehensive major medical and dental care.

**JEFFERSON COUNTY, TEXAS  
COMBINING STATEMENT OF NET ASSETS -  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2011**

	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFITS POOL FUND	TOTAL
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 1,022,510	564,697	1,672,244	3,259,451
ACCOUNTS RECEIVABLE	-	-	81,721	81,721
INTEREST RECEIVABLE	90	46	154	290
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	457,491	457,491
INSURANCE DEPOSIT	-	53,000	-	53,000
<b>TOTAL ASSETS</b>	<b>\$ 1,022,600</b>	<b>617,743</b>	<b>2,211,610</b>	<b>3,851,953</b>
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ -	-	15,505	15,505
CLAIMS LIABILITY	353,664	583,422	1,818,892	2,755,978
<b>TOTAL LIABILITIES</b>	<b>\$ 353,664</b>	<b>583,422</b>	<b>1,834,397</b>	<b>2,771,483</b>
<b>NET ASSETS:</b>				
UNRESTRICTED	\$ 668,936	34,321	377,213	1,080,470
<b>TOTAL NET ASSETS</b>	<b>\$ 668,936</b>	<b>34,321</b>	<b>377,213</b>	<b>1,080,470</b>

JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET ASSETS -  
 INTERNAL SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFITS POOL FUND	TOTAL
<b>OPERATING REVENUES:</b>				
EMPLOYEE CONTRIBUTIONS	\$ -	-	2,006,021	2,006,021
CHARGES FOR SERVICES	209,619	764,000	13,610,183	14,583,802
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 209,619</b>	<b>764,000</b>	<b>15,616,204</b>	<b>16,589,823</b>
<b>OPERATING EXPENSES:</b>				
ADMINISTRATIVE	\$ -	-	1,368,051	1,368,051
INCURRED & ESTIMATED CLAIMS	65,023	673,830	13,810,801	14,549,654
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 65,023</b>	<b>673,830</b>	<b>15,178,852</b>	<b>15,917,705</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 144,596</b>	<b>90,170</b>	<b>437,352</b>	<b>672,118</b>
<b>NONOPERATING REVENUES:</b>				
INTEREST	\$ 2,492	535	2,886	5,913
REFUNDS AND RECOVERIES	-	-	450,009	450,009
<b>TOTAL NONOPERATING REVENUES</b>	<b>\$ 2,492</b>	<b>535</b>	<b>452,895</b>	<b>455,922</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 147,088</b>	<b>90,705</b>	<b>890,247</b>	<b>1,128,040</b>
<b>NET ASSETS, BEGINNING</b>	<b>521,848</b>	<b>(56,384)</b>	<b>(513,034)</b>	<b>(47,570)</b>
<b>NET ASSETS (DEFICIT), ENDING</b>	<b>\$ 668,936</b>	<b>34,321</b>	<b>377,213</b>	<b>1,080,470</b>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS -**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFITS POOL FUND	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
RECEIPTS FROM CUSTOMERS AND USERS	\$ -	-	1,630,842	1,630,842
RECEIPTS FROM EMPLOYEES	-	-	1,968,373	1,968,373
PAYMENTS TO SUPPLIERS	-	-	(1,379,668)	(1,379,668)
INTERNAL ACTIVITY-RECEIPTS(PAYMENTS) FROM (TO) OTHER FUNDS	209,619	764,000	11,639,401	12,613,020
CLAIMS PAID	(74,820)	(588,858)	(12,827,135)	(13,490,813)
OTHER RECEIPTS	-	-	434,356	434,356
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 134,799</b>	<b>175,142</b>	<b>1,466,169</b>	<b>1,776,110</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES:</b>				
INTEREST	\$ 3,154	820	2,732	6,706
<b>NET CASH PROVIDED BY INVESTMENT ACTIVITIES</b>	<b>\$ 3,154</b>	<b>820</b>	<b>2,732</b>	<b>6,706</b>
<b>NET INCREASE (DECREASE) IN CASH CASH AND CASH EQUIVALENTS - BEGINNING</b>	<b>\$ 137,953</b>	<b>175,962</b>	<b>1,468,901</b>	<b>1,782,816</b>
	<u>884,557</u>	<u>388,735</u>	<u>203,343</u>	<u>1,476,635</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>\$ 1,022,510</b>	<b>564,697</b>	<b>1,672,244</b>	<b>3,259,451</b>
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES:</b>				
OPERATING INCOME(LOSS)	\$ 144,596	90,170	437,352	672,118
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
OTHER NON-OPERATING REVENUES	-	-	450,009	450,009
CHANGES IN ASSETS AND LIABILITIES:				
ACCOUNTS RECEIVABLE	-	-	(53,301)	(53,301)
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	(339,940)	(339,940)
ACCOUNTS PAYABLE	-	-	(11,617)	(11,617)
CLAIMS LIABILITY	(9,797)	84,972	983,666	1,058,841
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 134,799</b>	<b>175,142</b>	<b>1,466,169</b>	<b>1,776,110</b>



# FIDUCIARY FUNDS

## FIDUCIARY FUNDS

The Fiduciary Funds are used to account for assets held by the County as a trustee or agent for individuals, private organizations, and other units of government. Such funds are operated by carrying out specific terms of trust indentures, ordinances, grant requirements, or other governing regulations. Included in this heading are the following individual funds:

**Treasurer Maintained Fund** - This fund is used to account for various monies deposited with the County Treasurer for distribution to other individuals and/or government entities.

**County Clerk Fund** - This fund is used to account for the collection and distribution of money held in trust by the Clerk of the County Courts.

**District Clerk Fund** - This fund is used to account for the collection and distribution of the money held in trust by the Clerk of the District Courts.

**Sheriff's Fund** - This fund is used to account for the collection and distribution of money held in trust by the Sheriff.

**Justice of the Peace Fund** - This fund is used to account for the collection and distribution of money held in trust by the Justices of the Peace.

**Tax Assessor/Collector Fund** - This fund is used to account for the collection and distribution of money held in trust by the Tax Assessor/Collector .

**District Attorney's Seizure Fund** - This fund is used to account for the seizure and subsequent distribution of seized personal property.

**Community Supervision Trust Fund** - This fund is used to account for the collection and distribution of money held in trust by the Community Supervision Department.

**Juvenile Probation Trust Fund** - This fund is used to account for the collection and distribution of money held in trust by the Juvenile Probation Department.

**Flexible Spending** - This fund is used to account for the collection and distribution of money collected under the Internal Revenue Code Section 125 benefit plan.

**Women's Center Trust Fund** - This fund is used to account for the collection and distribution of money held in trust by the Women's Center .



**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	TREASURER MAINTAINED FUND	COUNTY CLERK FUND	DISTRICT CLERK FUND	SHERIFF'S FUND	JUSTICE OF THE PEACE FUND	TAX ASSESSOR COLLECTOR FUND	DISTRICT ATTORNEY'S SEIZURE FUND	COMMUNITY SUPERVISION TRUST FUND	JUVENILE PROBATION TRUST FUND	FLEXIBLE SPENDING FUND	WOMEN'S CENTER TRUST FUND	TOTAL AGENCY FUNDS
<b>TOTAL AGENCY FUNDS</b>												
<b>ASSETS - OCTOBER 1, 2010</b>												
CASH AND CASH EQUIVALENTS	\$ 350,882	2,762,215	7,724,467	492,823	176,562	3,713,931	326,197	398,198	(443)	2,099	8,236	15,955,167
ACCOUNTS RECEIVABLE, Net	6,688	-	-	-	-	-	-	-	-	-	-	6,688
DUE FROM OTHER												
GOVERNMENTAL ENTITIES	375,775	-	53,276	-	-	-	3,590	-	-	437	-	433,078
INVENTORY	-	-	-	73,488	-	-	-	-	-	-	-	73,488
TOTAL	\$ 733,345	2,762,215	7,777,743	566,311	176,562	3,713,931	329,787	398,198	(443)	2,536	8,236	16,468,421
<b>ADDITIONS</b>												
CASH AND CASH EQUIVALENTS	\$ 2,443,195	5,922,495	17,729,180	6,760,100	3,046,497	541,560,672	414,663	4,893,076	25,295	318,234	800,761	583,914,168
ACCOUNTS RECEIVABLE, Net	13,570	-	-	-	-	-	-	-	-	-	-	13,570
DUE FROM OTHER												
GOVERNMENTAL ENTITIES	726,164	-	109,649	-	-	-	3,590	-	-	1,395	-	840,798
INVENTORY	-	-	-	115,897	-	-	-	-	-	-	-	115,897
TOTAL	\$ 3,182,929	5,922,495	17,838,829	6,875,997	3,046,497	541,560,672	418,253	4,893,076	25,295	319,629	800,761	584,884,433
<b>DELETIONS</b>												
CASH AND CASH EQUIVALENTS	\$ 2,446,199	6,165,845	16,203,352	6,564,357	3,046,752	541,334,019	427,713	4,913,272	23,613	318,697	794,003	582,237,822
ACCOUNTS RECEIVABLE, Net	13,376	-	-	-	-	-	-	-	-	-	-	13,376
DUE FROM OTHER												
GOVERNMENTAL ENTITIES	791,974	-	106,552	-	-	-	7,180	-	-	873	-	906,579
INVENTORY	-	-	-	146,976	-	-	-	-	-	-	-	146,976
TOTAL	\$ 3,251,549	6,165,845	16,309,904	6,711,333	3,046,752	541,334,019	434,893	4,913,272	23,613	319,570	794,003	583,304,753
<b>ASSETS - SEPTEMBER 30, 2011</b>												
CASH AND CASH EQUIVALENTS	\$ 347,878	2,518,865	9,250,295	688,566	176,307	3,940,584	313,147	378,002	1,239	1,636	14,994	17,631,513
ACCOUNTS RECEIVABLE, Net	6,882	-	-	-	-	-	-	-	-	-	-	6,882
DUE FROM OTHER												
GOVERNMENTAL ENTITIES	309,965	-	56,373	-	-	-	-	-	-	959	-	367,297
INVENTORY	-	-	-	42,409	-	-	-	-	-	-	-	42,409
TOTAL ASSETS	\$ 664,725	2,518,865	9,306,668	730,975	176,307	3,940,584	313,147	378,002	1,239	2,595	14,994	18,048,101
<b>LIABILITIES - OCTOBER 1, 2010</b>												
ACCOUNTS PAYABLE	\$ 177,306	979,414	7,641,192	522,304	35,413	3,713,931	329,787	398,198	(443)	2,536	8,236	13,807,874
DUE TO OTHER												
GOVERNMENTAL ENTITIES	556,039	54,065	136,551	44,007	141,149	-	-	-	-	-	-	931,811
OTHER PAYABLES	-	1,728,736	-	-	-	-	-	-	-	-	-	1,728,736
TOTAL	\$ 733,345	2,762,215	7,777,743	566,311	176,562	3,713,931	329,787	398,198	(443)	2,536	8,236	16,468,421
<b>ADDITIONS</b>												
ACCOUNTS PAYABLE	\$ 276,956	1,515,698	16,294,416	5,814,334	524,403	542,864,288	414,663	4,893,076	30,790	320,220	800,772	573,749,616
DUE TO OTHER												
GOVERNMENTAL ENTITIES	2,549,329	226,535	330,221	179,928	636,966	-	-	-	-	-	-	3,922,979
OTHER PAYABLES	42	2,457,906	69,075	-	18,352	-	-	-	-	-	-	2,545,375
TOTAL	\$ 2,826,327	4,200,139	16,693,712	5,994,262	1,179,721	542,864,288	414,663	4,893,076	30,790	320,220	800,772	580,217,970
<b>DELETIONS</b>												
ACCOUNTS PAYABLE	\$ 257,371	1,492,770	14,709,244	5,642,897	525,634	542,637,635	431,303	4,913,272	29,108	320,161	794,014	571,753,409
DUE TO OTHER												
GOVERNMENTAL ENTITIES	2,637,534	230,298	386,468	186,701	635,990	-	-	-	-	-	-	4,076,991
OTHER PAYABLES	42	2,720,421	69,075	-	18,352	-	-	-	-	-	-	2,807,890
TOTAL	\$ 2,894,947	4,443,489	15,164,787	5,829,598	1,179,976	542,637,635	431,303	4,913,272	29,108	320,161	794,014	578,638,290
<b>LIABILITIES - SEPTEMBER 30, 2011</b>												
ACCOUNTS PAYABLE	\$ 196,891	1,002,342	9,226,364	693,741	34,182	3,940,584	313,147	378,002	1,239	2,595	14,994	15,804,081
DUE TO OTHER												
GOVERNMENTAL ENTITIES	467,834	50,302	80,304	37,234	142,125	-	-	-	-	-	-	777,799
OTHER PAYABLES	-	1,466,221	-	-	-	-	-	-	-	-	-	1,466,221
TOTAL LIABILITIES	\$ 664,725	2,518,865	9,306,668	730,975	176,307	3,940,584	313,147	378,002	1,239	2,595	14,994	18,048,101



## CAPITAL ASSETS

**JEFFERSON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY SOURCE**  
**SEPTEMBER 30, 2011**

	<b>TOTAL</b>
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS:</b>	
LAND	\$ 3,840,787
INFRASTRUCTURE	50,701,638
BUILDINGS AND IMPROVEMENTS	91,300,511
EQUIPMENT	35,797,122
CONSTRUCTION IN PROGRESS	16,840,821
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>\$ 198,480,879</b>

**INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:**

GENERAL FUND	\$ 84,955,867
SPECIAL REVENUE FUND	23,430,825
CAPITAL PROJECTS FUND	87,516,948
GIFTS	2,577,239
	<b>\$ 198,480,879</b>

**JEFFERSON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

FUNCTION	LAND	INFRASTRUCTURE	BUILDINGS & IMPROVEMENTS	EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
GENERAL GOVERNMENT	\$ -	\$ -	\$ 343,427	\$ 4,528,940	\$ -	\$ 4,872,367
JUDICIAL AND LAW ENFORCEMENT	45,446	-	27,880,621	17,137,101	-	45,063,168
HEALTH & WELFARE	14,000	-	891,009	1,056,332	-	1,961,341
MAINTENANCE OF STRUCTURES AND EQUIPMENT	3,781,341	50,701,638	62,185,454	13,074,749	16,840,821	146,584,003
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>\$ 3,840,787</b>	<b>\$ 50,701,638</b>	<b>\$ 91,300,511</b>	<b>\$ 35,797,122</b>	<b>\$ 16,840,821</b>	<b>\$ 198,480,879</b>

JEFFERSON COUNTY, TEXAS  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES BY FUNCTION  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

FUNCTION	BALANCE 10/1/2010	ADDITIONS	DEDUCTIONS	TRANSFERS	BALANCE 9/30/2011
GENERAL GOVERNMENT	\$ 4,924,977	\$ 42,950	\$ (95,560)	\$ -	\$ 4,872,367
JUDICIAL AND LAW ENFORCEMENT	44,878,445	391,951	(207,228)	-	45,063,168
HEALTH AND WELFARE	1,935,122	40,579	(14,360)	-	1,961,341
MAINTENANCE OF STRUCTURES AND EQUIPMENT	133,397,086	13,386,339	(199,422)	-	146,584,003
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>\$ 185,135,630</b>	<b>\$ 13,861,819</b>	<b>\$ (516,570)</b>	<b>\$ -</b>	<b>\$ 198,480,879</b>

# STATISTICAL SECTION

## STATISTICAL SECTION

This part of the Jefferson County, Texas 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.

<b>Contents</b>	<b>Page</b>
Financial Trends <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>	135
Revenue Trends <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	142
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	146
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place</i>	150
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	152

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



JEFFERSON COUNTY, TEXAS  
NET ASSETS BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007 **	2008	2009	2010	2011^	
<b>Governmental activities:</b>										
Invested in capital assets, net of related debt	\$ 30,025,279	\$ 47,464,845	\$ 49,581,705	\$ 51,600,015	\$ 56,750,081	\$ 62,450,468	\$ 68,242,040	\$ 71,336,466	\$ 81,583,824	
Restricted	16,778,702	5,066,000	5,940,456	3,955,825	3,993,898	7,893,536	10,615,478	13,851,538	18,910,796	
Unrestricted	(35,738,030)	(54,782,457)	(49,275,540)	(29,540,936)	(16,829,422)	(17,964,265)	(21,890,574)	(35,286,048)	(48,931,222)	
<b>Total governmental activities net assets</b>	<b>\$ 11,065,951</b>	<b>\$ (2,251,612)</b>	<b>\$ 6,246,621</b>	<b>\$ 26,014,904</b>	<b>\$ 43,914,557</b>	<b>\$ 52,379,739</b>	<b>\$ 56,966,944</b>	<b>\$ 49,901,956</b>	<b>\$ 51,563,398</b>	
<b>Business-type activities:</b>										
Invested in capital assets, net of related debt	\$ 81,221,151	\$ 88,652,366	\$ 87,708,682	\$ 88,876,715	\$ 89,080,109	\$ 88,482,217	\$ 93,237,299	\$ 91,674,403	\$ 90,465,368	
Unrestricted	(5,380,470)	(5,294,847)	(4,764,038)	(175,098)	(760,424)	133,397	1,425,854	2,114,066	377,046	
<b>Total business-type activities net assets</b>	<b>\$ 75,840,681</b>	<b>\$ 83,357,519</b>	<b>\$ 82,944,644</b>	<b>\$ 88,701,617</b>	<b>\$ 88,319,685</b>	<b>\$ 88,615,614</b>	<b>\$ 94,663,153</b>	<b>\$ 93,788,469</b>	<b>\$ 90,842,414</b>	
<b>Reclassifications:</b>										
Invested in capital assets, net of related debt	\$ (53,403,035)	\$ (63,446,642)	\$ (63,373,806)	\$ (64,799,956)	\$ (64,096,344)	\$ (63,016,132)	\$ (61,855,720)	\$ (60,663,707)	\$ (57,637,497)	
Unrestricted	53,403,035	63,446,642	63,373,806	64,799,956	64,096,344	63,016,132	61,855,720	60,663,707	57,637,497	
<b>Total reclassifications</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Primary government:</b>										
Invested in capital assets, net of related debt	\$ 57,843,395	\$ 72,670,569	\$ 73,916,581	\$ 75,676,774	\$ 81,733,846	\$ 87,916,553	\$ 99,623,619	\$ 102,347,162	\$ 114,411,695	
Restricted	16,778,702	5,066,000	5,940,456	3,955,825	3,993,898	7,893,536	10,615,478	13,851,538	18,910,796	
Unrestricted	12,284,535	3,369,338	9,334,228	35,083,922	46,506,498	45,185,264	41,391,000	27,491,725	9,083,321	
<b>Total primary government net assets</b>	<b>\$ 86,906,632</b>	<b>\$ 81,105,907</b>	<b>\$ 89,191,265</b>	<b>\$ 114,716,521</b>	<b>\$ 132,234,242</b>	<b>\$ 140,995,353</b>	<b>\$ 151,630,097</b>	<b>\$ 143,690,425</b>	<b>\$ 142,405,812</b>	

Note: The reclassification is for the debt associated with the construction of Ford Park. The assets are accounted for in the Business-type activities column and the debt is accounted for in the Governmental activities column.

\* Reporting began in fiscal year 2003

\*\* In 2007, the Southeast Texas Government Employee Benefits Pool Fund was reclassified from an Enterprise Fund to an Internal Service Fund.

^ GASB 54 was implemented.

TABLE 2

**JEFFERSON COUNTY, TEXAS**  
**CHANGES IN NET ASSETS**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year								
	2003	2004	2005	2006	2007 **	2008	2009	2010	2011
<b>Expenses</b>									
Governmental activities:									
General Government	\$ 23,307,525	\$ 14,333,080	\$ 14,089,777	\$ 15,048,763	\$ 20,008,549	\$ 20,369,690	\$ 34,940,366	\$ 33,344,391	\$ 34,710,153
Judicial and Law Enforcement	55,493,454	54,948,624	53,370,635	55,468,283	59,282,186	69,170,421	74,059,745	75,939,112	76,819,206
Education and Recreation	817,087	1,244,907	1,119,956	1,140,083	1,713,942	1,931,084	1,611,435	1,637,026	1,313,440
Health and Welfare	6,807,354	7,375,342	9,140,307	8,339,076	8,784,296	10,104,601	11,205,583	10,824,644	9,704,323
Maintenance - Equipment and Structures	11,433,413	11,366,472	11,711,754	47,442,781	18,185,968	21,118,467	35,000,580	18,724,938	13,365,410
Interest and Charges on Long-term Debt	4,221,915	4,155,680	4,251,603	4,128,450	3,985,181	3,804,914	3,715,282	3,587,860	3,388,354
Total governmental activities expenses	<u>\$ 102,080,748</u>	<u>\$ 93,424,105</u>	<u>\$ 93,684,032</u>	<u>\$ 131,567,436</u>	<u>\$ 111,960,122</u>	<u>\$ 126,499,177</u>	<u>\$ 160,532,991</u>	<u>\$ 144,057,971</u>	<u>\$ 139,300,886</u>
Business-type activities:									
Airport	\$ 3,764,211	\$ 3,796,261	\$ 3,573,304	\$ 4,117,325	\$ 4,219,627	\$ 4,902,822	\$ 4,710,467	\$ 5,095,941	\$ 5,506,746
Entertainment Complex	4,148,162	7,522,063	7,195,328	7,392,777	8,685,343	7,648,462	7,977,002	7,889,891	6,866,792
Health Insurance Risk Pool	13,616,447	9,710,612	9,995,778	10,101,217	-	-	-	-	-
Total Business-type expenses	<u>\$ 21,528,820</u>	<u>\$ 21,028,936</u>	<u>\$ 20,764,410</u>	<u>\$ 21,611,319</u>	<u>\$ 12,904,970</u>	<u>\$ 12,551,284</u>	<u>\$ 12,687,469</u>	<u>\$ 12,985,832</u>	<u>\$ 12,373,538</u>
Total primary government expenses	<u>\$ 123,609,568</u>	<u>\$ 114,453,041</u>	<u>\$ 114,448,442</u>	<u>\$ 153,178,755</u>	<u>\$ 124,865,092</u>	<u>\$ 139,050,461</u>	<u>\$ 173,220,460</u>	<u>\$ 157,043,803</u>	<u>\$ 151,674,424</u>
<b>Program Revenues</b>									
Governmental activities:									
Charges for services:									
General Government	\$ 3,732,831	\$ 3,426,449	\$ 3,643,656	\$ 4,616,001	\$ 6,913,696	\$ 6,637,669	\$ 8,741,944	\$ 7,612,696	\$ 8,218,241
Judicial and Law Enforcement	10,819,856	11,331,333	10,283,910	11,587,628	11,434,794	10,700,195	10,434,533	9,376,938	9,679,128
Education and Recreation	152,856	141,031	153,760	223,468	191,921	88,452	208,036	101,907	86,010
Health and Welfare	44,059	318,092	88,359	93,465	86,231	92,009	370,557	575,343	401,929
Maintenance - Equipment and Structures	6,173,296	5,418,454	5,293,623	15,177,669	8,232,587	5,768,735	8,447,195	6,328,641	4,047,555
Operating grants and contributions	8,541,252	7,287,999	9,411,568	36,793,964	11,718,420	14,050,116	30,927,086	15,607,904	16,494,833
Capital grants and contributions	421,644	799,215	3,292,628	2,114,187	1,290,133	269,347	937,390	2,336,880	8,991,187
Total governmental activities program revenues	<u>\$ 29,885,794</u>	<u>\$ 28,722,573</u>	<u>\$ 32,167,504</u>	<u>\$ 70,606,382</u>	<u>\$ 39,867,782</u>	<u>\$ 37,606,523</u>	<u>\$ 60,066,741</u>	<u>\$ 41,940,309</u>	<u>\$ 47,918,883</u>

	Fiscal Year								
	2003	2004	2005	2006	2007 **	2008	2009	2010	2011
<b>Business-type activities:</b>									
Charges for services:									
Airport	\$ 1,725,746	\$ 2,014,163	\$ 2,423,738	\$ 2,693,193	\$ 2,407,949	\$ 3,269,502	\$ 2,999,857	\$ 2,897,411	\$ 3,088,666
Entertainment Complex	2,211,623	3,882,286	3,485,933	2,918,548	3,924,467	3,064,942	3,716,433	3,684,655	2,943,861
Health Insurance Risk Pool	12,857,565	10,303,593	9,263,491	10,973,699	-	-	-	-	-
Operating grants and contributions	-	302,762	247,732	1,390,786	-	-	43,397	-	-
Capital grants and contributions	805,470	1,056,242	476,678	4,395,052	3,725,475	2,741,002	8,278,928	2,145,711	1,100,366
Total business-type activities program revenues	\$ 17,600,404	\$ 17,559,046	\$ 15,897,572	\$ 22,371,278	\$ 10,057,891	\$ 9,075,446	\$ 15,038,615	\$ 8,727,777	\$ 7,132,893
Total primary government program revenues	\$ 47,486,198	\$ 46,281,619	\$ 48,065,076	\$ 92,977,660	\$ 49,925,673	\$ 46,681,969	\$ 75,105,356	\$ 50,668,086	\$ 55,051,776
Net (expense)/revenue									
Governmental activities	\$ (72,194,954)	\$ (64,701,532)	\$ (61,516,528)	\$ (60,961,054)	\$ (72,092,340)	\$ (88,892,654)	\$ (100,466,250)	\$ (102,117,662)	\$ (91,382,003)
Business-type activities	(3,928,416)	(3,469,890)	(4,866,838)	759,959	(2,847,079)	(3,475,838)	2,351,146	(4,258,055)	(5,240,645)
Total primary government net expense	\$ (76,123,370)	\$ (68,171,422)	\$ (66,383,366)	\$ (60,201,095)	\$ (74,939,419)	\$ (92,368,492)	\$ (98,115,104)	\$ (106,375,717)	\$ (96,622,648)
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Taxes:									
Property taxes	\$ 44,992,211	\$ 46,260,529	\$ 57,535,230	\$ 61,247,030	\$ 65,719,324	\$ 72,615,806	\$ 75,616,097	\$ 75,407,511	\$ 73,158,156
Sales taxes	13,446,241	14,288,063	14,743,209	20,150,358	21,654,606	23,906,777	30,410,633	21,361,596	20,961,453
Alcoholic Beverage Tax	395,653	430,130	431,874	494,201	503,134	506,047	614,474	575,928	547,605
Hotel Occupancy Tax	606,190	658,878	709,941	894,368	973,569	1,011,577	1,294,063	893,234	981,619
Investment earnings	2,162,140	552,321	1,174,286	2,735,655	3,373,514	2,871,285	842,485	402,735	266,118
Miscellaneous	37,390	(108,034)	6,406	9,957	214,078	208,499	29,275	26,095	24,164
Transfers	(27,713,099)	(10,697,918)	(4,586,185)	(4,805,971)	(2,086,110)	(3,762,155)	(3,687,832)	(3,330,199)	(2,271,146)
Total governmental activities	\$ 33,926,726	\$ 51,383,969	\$ 70,014,761	\$ 80,725,598	\$ 90,352,115	\$ 97,357,836	\$ 105,119,195	\$ 95,336,900	\$ 93,667,969
Business-type activities:									
Investment earnings	\$ 929	\$ 3,832	\$ 8,673	\$ 15,356	\$ 18,915	\$ 9,467	\$ 2,369	\$ 3,338	\$ 2,979
Miscellaneous	133,291	284,978	-	175,687	-	145	6,192	49,834	20,465
Transfers	27,713,099	10,697,918	4,586,185	4,805,971	2,086,110	3,762,155	3,687,832	3,330,199	2,271,146
Total business-type activities	\$ 27,847,319	\$ 10,986,728	\$ 4,594,858	\$ 4,997,014	\$ 2,105,025	\$ 3,771,767	\$ 3,696,393	\$ 3,383,371	\$ 2,294,590
Total primary government	\$ 61,774,045	\$ 62,370,697	\$ 74,609,619	\$ 85,722,612	\$ 92,457,140	\$ 101,129,603	\$ 108,815,588	\$ 98,720,271	\$ 95,962,559
<b>Changes in Net Assets</b>									
Governmental activities	\$ (38,268,228)	\$ (13,317,563)	\$ 8,498,233	\$ 19,764,544	\$ 18,259,775	\$ 8,465,182	\$ 4,652,945	\$ (6,780,762)	\$ 2,285,966
Business-type activities	23,918,903	7,516,838	(271,980)	5,756,973	(742,054)	295,929	6,047,539	(874,684)	(2,946,055)
Total primary government	\$ (14,349,325)	\$ (5,800,725)	\$ 8,226,253	\$ 25,521,517	\$ 17,517,721	\$ 8,761,111	\$ 10,700,484	\$ (7,655,446)	\$ (660,089)

\* Reporting began in fiscal year 2003.

\*\* In 2007, the Southeast Texas Government Employee Benefits Pool Fund was reclassified from an Enterprise Fund to an Internal Service Fund.

TABLE 3

**JEFFERSON COUNTY, TEXAS**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Hotel Occupancy Tax</u>	<u>Total</u>
2003	\$ 44,992,211	\$ 13,446,241	\$ 395,653	\$ 606,190	\$ 59,440,295
2004	46,260,529	14,288,063	430,130	658,878	61,637,600
2005	57,535,230	14,743,209	431,874	709,941	73,420,254
2006	61,247,030	20,150,358	494,201	894,368	82,785,957
2007	65,719,324	21,654,606	503,134	973,569	88,850,633
2008	72,615,806	23,906,777	506,047	1,011,577	98,040,207
2009	75,616,097	30,410,633	614,474	1,294,063	107,935,267
2010	75,407,511	21,361,596	575,928	893,234	98,238,269
2011	73,158,156	20,961,453	547,605	981,619	95,648,833

\* Reporting began in fiscal year 2003.

TABLE 4

JEFFERSON COUNTY, TEXAS  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 <sup>^</sup>
General Fund:										
Reserved	\$ 869,899	\$ 4,649,448	\$ 4,363,031	\$ 3,660,569	\$ 1,101,397	\$ 1,196,058	\$ 1,124,272	\$ 1,247,682	\$ 1,107,057	
Unreserved	12,288,404	4,408,693	781,091	9,473,913	19,445,189	28,724,474	31,324,562	37,639,200	34,899,538	
Nonspendable										1,023,855
Assigned										3,482,075
Unassigned										31,886,947
Total general fund	<u>\$ 13,158,303</u>	<u>\$ 9,058,141</u>	<u>\$ 5,144,122</u>	<u>\$ 13,134,482</u>	<u>\$ 20,546,586</u>	<u>\$ 29,920,532</u>	<u>\$ 32,448,834</u>	<u>\$ 38,886,882</u>	<u>\$ 36,006,595</u>	<u>\$ 36,392,877</u>
All other governmental funds:										
Reserved	\$ 1,076,205	\$ 757,266	\$ 5,069,747	\$ 5,943,842	\$ 3,958,995	\$ 3,996,377	\$ 7,895,953	\$ 10,617,541	\$ 13,853,088	
Unreserved, reported in:										
Special revenue funds	6,010,336	7,198,968	7,630,588	7,095,623	16,985,952	17,623,438	12,483,025	14,975,902	15,625,403	
Capital project funds	43,983,240	16,025,275	(94,756)	(62,120)	-	(1,618)	(1,618)	-	-	
Debt service funds	-	-	-	257,097	826,359	482,912	287,948	376,688	186,623	
Nonspendable										9,130
Committed										5,150,723
Restricted										17,397,567
Assigned										4,867,061
Unassigned (Deficit)										(4,832,614)
Total all other governmental funds	<u>\$ 51,069,781</u>	<u>\$ 23,981,509</u>	<u>\$ 12,605,579</u>	<u>\$ 13,234,442</u>	<u>\$ 21,771,306</u>	<u>\$ 22,101,109</u>	<u>\$ 20,665,308</u>	<u>\$ 25,970,131</u>	<u>\$ 29,665,114</u>	<u>\$ 22,591,867</u>

<sup>^</sup> GASB Statement 54 was implemented for fiscal year 2011 which changed the classification of fund balance amounts. Prior year amounts have not been restated for the implementation of Statement 54.

JEFFERSON COUNTY, TEXAS  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>REVENUES:</b>										
Property Taxes	\$ 44,994,723	\$ 44,969,987	\$ 46,276,630	\$ 57,343,655	\$ 61,103,193	\$ 65,071,514	\$ 71,516,193	\$ 75,912,693	\$ 75,995,020	\$ 72,959,364
Sales Taxes	14,950,781	14,448,084	15,377,071	15,885,024	21,538,927	23,131,309	25,424,401	32,319,170	22,830,758	22,490,677
Fees	11,613,640	12,674,610	12,441,814	12,058,229	12,752,383	13,232,594	13,844,334	13,372,000	13,247,758	13,176,331
Licenses	456,268	436,896	421,116	404,647	425,438	423,313	409,386	487,856	453,002	407,512
Intergovernmental	8,503,218	8,664,520	7,713,379	10,984,676	39,011,714	12,962,160	14,315,347	30,549,286	17,890,178	23,206,710
Sales, Rental & Services	4,121,657	5,167,036	4,995,661	5,407,000	4,963,482	5,486,288	4,173,703	5,585,920	3,073,201	2,837,483
Fines and Forfeitures	2,734,192	2,644,177	3,118,964	2,897,424	3,538,886	3,008,196	2,181,478	2,076,417	2,199,528	2,072,725
Interest	4,288,596	2,523,171	651,152	1,123,912	2,703,210	3,083,938	2,236,357	1,250,787	692,129	273,177
Miscellaneous	12,803	2,575	8,868	8,256	62,805	17,539	17,936	29,275	26,095	24,164
Contributions and Donations	89,617	298,376	22,400	26,300	10,196	18,968	4,116	1,315,190	31,727	4,041
Total Revenues	\$ 91,765,495	\$ 91,829,432	\$ 91,027,055	\$ 106,139,123	\$ 146,110,234	\$ 126,435,819	\$ 134,123,251	\$ 162,898,594	\$ 136,439,396	\$ 137,452,184
<b>EXPENDITURES:</b>										
General Government	\$ 13,161,103	\$ 14,235,304	\$ 13,167,975	\$ 13,851,082	\$ 15,367,359	\$ 17,962,946	\$ 18,587,891	\$ 20,335,453	\$ 20,853,875	\$ 20,474,698
Judicial and Law Enforcement	52,450,290	54,391,585	53,205,202	52,714,845	53,848,433	60,795,584	69,726,438	69,656,955	72,502,150	73,081,968
Education and Recreation	576,958	817,087	1,089,736	1,117,604	1,137,019	1,717,102	1,915,987	1,579,264	1,614,588	1,298,502
Health and Welfare	6,726,933	6,760,768	7,298,844	7,011,489	8,256,283	8,794,712	10,024,011	10,600,245	10,576,843	9,538,311
Maintenance of Structures and Equipment	9,255,104	9,420,715	9,000,103	11,255,900	43,799,011	15,850,658	19,851,954	36,379,418	17,123,159	12,543,110
Capital Outlay	31,750,330	33,443,927	15,491,047	5,358,002	4,776,391	3,690,980	2,016,129	4,076,087	7,218,487	17,434,755
Debt Services										
Principal	2,945,000	2,980,000	3,250,000	3,335,000	3,890,000	4,045,000	3,510,000	3,660,000	3,760,000	4,942,070
Interest and Commission	3,463,447	4,355,169	4,351,299	4,120,881	4,084,539	3,938,978	3,794,062	3,671,261	3,538,141	3,530,237
Total Expenditures	\$ 120,329,165	\$ 126,404,555	\$ 106,854,206	\$ 98,764,803	\$ 135,159,035	\$ 116,795,960	\$ 129,426,472	\$ 149,958,683	\$ 137,187,243	\$ 142,843,651
Excess (Deficiency) of Revenues Over Expenditures	\$ (28,563,670)	\$ (34,575,123)	\$ (15,827,151)	\$ 7,374,320	\$ 10,951,199	\$ 9,639,859	\$ 4,696,779	\$ 12,939,911	\$ (747,847)	\$ (5,391,467)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfer In	\$ 2,861,537	\$ 3,734,765	\$ 1,316,946	\$ 735,870	\$ 5,508,237	\$ 3,101,422	\$ 8,147,776	\$ 10,267,060	\$ 8,491,580	\$ 2,851,000
Transfer Out	(3,829,056)	(3,564,529)	(2,640,332)	(3,175,594)	(10,514,208)	(5,187,532)	(11,909,931)	(13,954,892)	(11,821,779)	(3,648,785)
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-	2,111,000	-
Capital Lease Obligations	-	337,391	-	-	-	-	-	-	1,751,957	-
Insurance Proceeds	-	-	-	-	10,000,000	2,150,000	157,877	2,556,532	1,314,011	-
Issuance of Debt	12,874,203	14,522,769	1,860,588	3,000,000	-	-	-	-	-	5,550,000
Premium on Debt Issued	-	9,959	-	490	-	-	-	-	-	249,283
Discount on Debt Issued	-	(24,172)	-	-	-	-	-	-	-	-
Payment to Refunding Bond Escrow Agent	-	(11,629,494)	-	-	-	-	-	-	-	(5,672,472)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 11,906,684</b>	<b>\$ 3,386,689</b>	<b>\$ 537,202</b>	<b>\$ 560,766</b>	<b>\$ 4,994,029</b>	<b>\$ 63,890</b>	<b>\$ (3,604,278)</b>	<b>\$ (1,131,300)</b>	<b>\$ 1,846,769</b>	<b>\$ (670,974)</b>
<b>Net Change In Fund Balances</b>	<b>\$ (16,656,986)</b>	<b>\$ (31,188,434)</b>	<b>\$ (15,289,949)</b>	<b>\$ 7,935,086</b>	<b>\$ 15,945,228</b>	<b>\$ 9,703,749</b>	<b>\$ 1,092,501</b>	<b>\$ 11,808,611</b>	<b>\$ 1,098,922</b>	<b>\$ (6,062,441)</b>
<b>Debt Service As A Percentage of Noncapital Expenditures</b>	<b>7.2%</b>	<b>7.2%</b>	<b>8.3%</b>	<b>8.1%</b>	<b>6.1%</b>	<b>7.3%</b>	<b>6.0%</b>	<b>5.3%</b>	<b>5.8%</b>	<b>6.6%</b>

JEFFERSON COUNTY, TEXAS  
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Alcoholic Beverage Tax	Hotel Occupancy Tax	Total
2002	\$ 44,994,723	\$ 14,029,354	\$ 364,440	\$ 556,987 <sup>1</sup>	\$ 59,945,505
2003	44,969,987	13,446,241	395,653	606,190	59,418,071
2004	46,276,630	14,288,063	430,130	658,878	61,653,701
2005	57,343,655	14,743,209	431,874	709,941	73,228,679
2006	61,103,193	20,150,358	494,201	894,368	82,642,120
2007	65,071,514	21,654,606	503,134	973,569	88,202,823
2008	71,516,193	23,906,777	506,047	1,011,577	96,940,594
2009	75,912,693	30,410,633	614,474	1,294,063	108,231,863
2010	75,995,020	21,361,596	575,928	893,234	98,825,778
2011	72,939,364	20,961,453	547,605	981,619	95,450,041

<sup>1</sup> First year of tax.

TABLE 6

**JEFFERSON COUNTY, TEXAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value (a) as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2006	\$ 5,763,919,286	\$ 8,244,921,075	\$ 53,451,410	\$ 3,377,709,770	\$ 3,069,336,201	\$ 14,370,665,340	\$ 0.425	\$ 14,455,989,770	82.89%
2007	5,433,538,560	10,360,470,535	54,889,880	3,872,073,860	3,180,724,674	16,540,248,161	0.400	16,560,749,332	83.98%
2008	6,729,159,173	11,409,878,641	62,781,190	4,196,575,015	3,824,188,028	18,574,205,991	0.390	18,879,604,039	84.29%
2009	7,717,517,403	12,524,372,020	63,467,330	4,907,849,539	4,416,709,776	20,796,496,516	0.365	21,244,031,039	84.26%
2010	7,848,755,180	11,452,048,660	59,394,290	4,831,378,530	3,053,531,674	21,138,044,986	0.365	21,337,887,316	88.20%
2011	8,042,282,874	12,128,893,349	47,961,490	4,820,689,110	2,904,361,132	22,135,465,691	0.365	22,248,999,610	88.85%

Source: Jefferson County Appraisal District

Note: Property in the county is reassessed annually. The county assesses property at 100% of actual value for all types of real and personal property. However, each homestead residential property can only increase by a maximum of 10% in any given year. Estimated actual value is calculated by adding back the loss to the limit on homestead residential properties to the total taxable assessed value. Tax rates are per \$100 of assessed value.

(a) Includes tax-exempt property.

\* Reporting began in fiscal year 2006.

TABLE 7

**JEFFERSON COUNTY, TEXAS  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING (a) GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year	Operating Rate	Debt Service Rate	Total County Rate	Overlapping Rates							Total Direct & Overlapping Rates
				Cities			School Districts				
				Operating Rate	Debt Service Rate	Total City Rate	Operating Rate	Debt Service Rate	Total School Rate	Special Districts	
2006	\$ 0.375	\$ 0.050	\$ 0.425	\$ 0.406	\$ 0.271	\$ 0.677	\$ 1.491	\$ 0.136	\$ 1.627	\$ 0.216	\$ 2.945
2007	0.355	0.045	0.400	0.420	0.232	0.652	1.311	0.119	1.430	0.216	2.698
2008	0.353	0.037	0.390	0.419	0.187	0.606	1.077	0.144	1.221	0.205	2.422
2009	0.331	0.034	0.365	0.385	0.202	0.587	1.058	0.186	1.244	0.217	2.413
2010	0.330	0.035	0.365	0.394	0.199	0.593	1.073	0.220	1.293	0.226	2.477
2011	0.331	0.034	0.365	0.394	0.197	0.591	1.058	0.226	1.284	0.192	2.432

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Source: Jefferson County Tax Assessor Collector

(a) Overlapping rates are those of local governments that apply to property owners within Jefferson County. Not all overlapping rates apply to all Jefferson County property owners. (e.g., the rates for special districts apply only to the proportion of the County's property owners whose property is located within the geographic boundaries of the special district.)

Note: Rates are per \$100 of taxable value. Rates for overlapping entities are an average tax rate of all cities (6), school districts (7), and special districts (13) located within Jefferson County. For fiscal year 2011, total rates ranged between .214 and .792 for cities, 1.113 and 1.4365 for school districts, and .0269 and .4419 for special districts.

\* Reporting began in fiscal year 2006.

TABLE 8

JEFFERSON COUNTY, TEXAS  
PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

Taxpayers	2011			2002		
	Taxable Assessed Value (b)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (b)	Rank	Percentage of Total Taxable Assessed Value
Motiva Refinery	\$ 3,290,808,080	1	14.87%	\$ 756,360,940	3	6.10%
ExxonMobil Oil Corporation	2,066,315,020	2	9.33%	1,698,542,430	1	13.70%
Premcor Refining Group Inc	837,836,260	3	3.79%	366,924,110	5	2.96%
Total Petrochemicals USA	690,374,680	4	3.12%	354,512,820	6	-
Samson Lone Star LP	447,083,400	5	2.02%	-	-	-
BASF-Atofina Joint Venture	389,563,650	6	1.76%	-	-	0.00%
Huntsman Petrochemical Corp	336,448,590	7	1.52%	966,860,980	2	7.80%
Entergy Gulf States Inc.	291,902,970	8	1.32%	210,648,900	7	1.70%
Flint Hills Resources LP	235,948,390	9	1.07%	-	-	-
Sun Marine Terminals Inc	235,602,090	10	1.06%	-	-	0.00%
Chevron USA Inc	-	-	-	397,083,950	4	3.20%
Goodyear Tire & Rubber Co.	-	-	-	210,264,440	8	1.70%
E I Dupont De Nemours	-	-	-	169,360,100	9	1.37%
Southwestern Bell Telephone Co.	-	-	-	122,644,060	10	0.99%
<b>TOTAL</b>	<b>\$8,821,883,130</b>		<b>39.86%</b>	<b>\$5,253,202,730</b>		<b>39.52%</b>

Source: Jefferson County Appraisal District.

(b) Amounts shown for these taxpayers do not include assessed values attributable to certain subsidiaries and affiliates which are not grouped on the tax roll with the taxpayers shown.

TABLE 9

**JEFFERSON COUNTY, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 60,789,229	\$ 59,849,203	98.45%	\$ 629,719	\$ 60,478,922	99.49%
2007	64,529,864	63,544,312	98.47%	699,097	64,243,409	99.56%
2008	70,681,576	69,387,969	98.17%	906,533	70,294,502	99.45%
2009	74,733,065	73,704,158	98.62%	505,747	74,209,905	99.30%
2010	74,430,321	73,446,110	98.68%	201,345	73,647,455	98.95%
2011	79,409,033	77,966,579	98.18%	-	77,966,579	98.18%

\* Reporting began in fiscal year 2006.

TABLE 10

**JEFFERSON COUNTY, TEXAS  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Notes Payable</u>	<u>Capital Leases</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (a)</u>	<u>Per Capita (a)</u>
2006	\$ 79,540,000	\$ 2,648,987	\$ 101,959	\$ 82,290,946	1.20%	\$ 332
2007	75,495,000	2,332,066	52,224	77,879,290	1.09%	\$ 319
2008	71,985,000	2,005,529	-	73,990,529	0.96%	\$ 306
2009	68,325,000	1,669,086	-	69,994,086	0.86%	\$ 289
2010	64,565,000	1,322,435	1,144,977	67,032,412	0.74%	\$ 266
2011	60,770,000	965,267	585,075	62,320,342	0.67%	\$ 247

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(a) See the Schedule of Demographic and Economics Statistics in Table 14 for personal income and population data.

\* Reporting began in fiscal year 2006.

TABLE 11

**JEFFERSON COUNTY, TEXAS  
RATIO OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value (a) of Property</u>	<u>Per Capita (b)</u>
2006	\$ 79,540,000	\$ 337,083	\$ 79,202,917	0.55%	\$ 320
2007	75,495,000	318,212	75,176,788	0.45%	308
2008	71,985,000	76,619	71,908,381	0.38%	297
2009	68,325,000	176,339	68,148,661	0.32%	281
2010	64,565,000	330,833	64,234,167	0.30%	255
2011	60,770,000	701,816	60,068,184	0.27%	238

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(a) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property in Table 6 for property value data.

(b) See the Schedule of Demographic and Economics Statistics in Table 14 for population data.

\* Reporting began in fiscal year 2006.

TABLE 12

**JEFFERSON COUNTY, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2011**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
JEFFERSON COUNTY DIRECT DEBT	\$60,770,000	100.0%	\$60,770,000
Total Direct Debt			<u>\$60,770,000</u>
OVERLAPPING DEBT REPAYED WITH PROPERTY TAXES:			
CITIES:			
BEAUMONT	47,970,000	100.0%	47,970,000
BEVIL OAKS	-	100.0%	-
GROVES	6,935,000	100.0%	6,935,000
NEDERLAND	15,825,000	100.0%	15,825,000
PORT ARTHUR	74,140,000	100.0%	74,140,000
PORT NECHES	15,340,000	100.0%	15,340,000
TAYLOR LANDING	-	100.0%	-
SCHOOL DISTRICTS:			
BEAUMONT	413,625,000	100.0%	413,625,000
HAMSHIRE FANNETT	9,110,000	100.0%	9,110,000
HARDIN JEFFERSON	62,834,069	56.8%	35,689,751
NEDERLAND	8,845,000	100.0%	8,845,000
PORT ARTHUR	282,145,535	100.0%	282,145,535
PORT NECHES	128,326,078	100.0%	128,326,078
SABINE PASS	31,681,529	100.0%	31,681,529
PORT DISTRICTS:			
BEAUMONT	13,630,000	100.0%	13,630,000
PORT ARTHUR	36,859,286	100.0%	36,859,286
SABINE PASS	1,270,000	100.0%	1,270,000
DRAINAGE DISTRICTS:			
DRAINAGE DISTRICTS #3	-	100.0%	-
DRAINAGE DISTRICTS #6	-	100.0%	-
DRAINAGE DISTRICTS #7	-	100.0%	-
NAVIGATION DISTRICTS:			
JEFFERSON COUNTY	14,445,000	100.0%	14,445,000
MUNICIPAL UTILITY DISTRICTS:			
NORTHWEST FOREST	-	100.0%	-
WATER DISTRICTS:			
WATER DISTRICT #10	5,855,000	100.0%	5,855,000
EMERGENCY SERVICE DISTRICTS:			
EMERGENCY SERVICE DISTRICT #1	-	100.0%	-
EMERGENCY SERVICE DISTRICT #2	-	100.0%	-
CONSERVATION DISTRICTS:			
TRINITY BAY	-	100.0%	-
IMPROVEMENT DISTRICT:			
CARDINAL MEADOWS	-	100.0%	-
Total Overlapping Debt			<u>\$1,141,692,179</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$1,202,462,179</u>

Sources: Debt outstanding data was provided by each of the taxing entities.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Jefferson County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(a) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of taxing entity that is within the County's boundaries and dividing it by the taxing entity's total taxable assessed value.

**JEFFERSON COUNTY, TEXAS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(amounts expressed in thousands)**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 3,218,704	\$ 3,293,172	\$ 3,469,794	\$ 3,639,382	\$ 3,502,210	\$ 3,948,502	\$ 4,534,760	\$ 5,060,472	\$ 4,825,201	\$ 5,042,794
Total net debt applicable to limit	87,223	86,262	82,987	82,888	79,203	75,177	71,908	68,149	64,234	60,068
Legal debt margin	<u>\$ 3,131,481</u>	<u>\$ 3,206,910</u>	<u>\$ 3,386,807</u>	<u>\$ 3,556,494</u>	<u>\$ 3,423,007</u>	<u>\$ 3,873,325</u>	<u>\$ 4,462,852</u>	<u>\$ 4,992,323</u>	<u>\$ 4,760,967</u>	<u>\$ 4,982,726</u>
Total net debt applicable to the limit as a percentage of debt limit	2.71%	2.62%	2.39%	2.28%	2.26%	1.90%	1.59%	1.35%	1.33%	1.19%

**Legal Debt Margin Calculation for Fiscal Year 2011**

Assessed Value of Real Property	\$ 20,171,176
Debt limit (25% of assessed value of real property)	5,042,794
Debt applicable to limit:	
General obligation bonds	60,770
Less: Amount set aside for repayment of general obligation debt	702
Total net debt applicable to limit	<u>\$ 60,068</u>
Legal debt margin	<u>\$ 4,982,726</u>

Note: Under Article III, Section 52 of the State Constitution, Jefferson County's outstanding general obligation debt should not exceed 25% of assessed valuation of real property. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

TABLE 14

**JEFFERSON COUNTY, TEXAS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population (a)</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income (b)</u>	<u>Median Age (a)</u>	<u>School Enrollment (a)</u>	<u>Unemployment Rate (b)</u>
2006	247,571	\$ 6,854,993	\$ 27,689	36.5	62,002	6.6%
2007	243,914	\$ 7,152,534	\$ 29,324	36.4	59,776	5.7%
2008	241,975	\$ 7,684,158	\$ 31,756	36.7	62,290	7.3%
2009	242,142	\$ 8,183,189	\$ 33,795	36.5	61,721	10.7%
2010	252,273	\$ 9,099,739	\$ 36,071	35.6	62,433	10.6%
2011	252,273	\$ 9,369,167	\$ 37,139	36.0	63,371	11.7%

## Data sources

(a) Bureau of Census

(b) Texas Workforce Commission

\* Reporting began in fiscal year 2006.

TABLE 15

JEFFERSON COUNTY, TEXAS  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2011			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Motiva Crude Expansion Project	10,241 ^	1	9.71%	-	-	-
State of Texas	5,500	2	5.21%	1,700	5	1.61%
Beaumont ISD	3,000	3	2.84%	2,927	1	2.77%
ExxonMobil Oil Corporation	2,050	4	1.94%	-	-	-
Christus Health Southeast Texas	1,706	5	1.62%	2,600	2	2.46%
Motiva Enterprises	1,340	6	1.27%	-	-	-
Memorial Hermann Baptist Hospital	1,300	7	1.23%	1,500	7	-
City of Beaumont	1,277	8	1.21%	1,300	9	-
Jefferson County	1,179	9	1.12%	1,285	10	1.18%
Port Arthur ISD	1,145	10	1.09%	-	-	0.00%
U.S. Postal Encoding Center	-	-	-	2,023	3	1.91%
E.I. DuPont Sabine River Works	-	-	-	1,920	4	1.82%
Bayer Corporation	-	-	-	1,600	6	1.51%
Huntsman	-	-	-	1,325	8	1.25%
<b>TOTAL</b>	<b>28,738</b>		<b>27.24%</b>	<b>18,180</b>		<b>14.51%</b>

^ Project includes multiple employers on single site.

Source: Employment numbers provided by each entity

TABLE 16

**JEFFERSON COUNTY, TEXAS**  
**FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<u>Full-time Equivalent Employees as of September 30</u>						
<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government	169	176	171	180	170	166
Judicial & Law Enforcement						
Deputies	114	122	124	131	134	131
Detention Officers	222	239	221	240	242	239
Others	439	435	436	441	444	440
Education & Recreation	14	17	18	18	20	14
Health & Welfare	64	55	56	63	63	59
Maintenance - Equipment & Structures						
Road & Bridges	59	71	70	69	68	67
Engineering	10	9	10	10	9	10
Maintenance	31	30	27	30	29	28
Jack Brooks Regional Airport	25	23	26	23	25	25
Ford Park	125	101	79	22	23	19
 TOTAL	 <u>1,272</u>	 <u>1,278</u>	 <u>1,238</u>	 <u>1,227</u>	 <u>1,227</u>	 <u>1,198</u>

\* Reporting began in fiscal year 2006.

TABLE 17

JEFFERSON COUNTY, TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

Function	FISCAL YEAR					
	2006	2007	2008	2009	2010	2011
Judicial & Law Enforcement						
Courts						
Number of Indigent Cases Heard	2,082	2,839	2,984	2,945	2,945	2,490
Number of Justice of Peace Cases	47,627	51,416	50,997	43,326	43,488	44,642
Sheriff						
Number of Arrests	6,147	6,423	6,543	6,404	6,573	6,099
Number of Citations	1,203	1,242	2,300	1,112	1,043	1,241
Jail						
Average Daily Population of Inmates	959	1,171	986	899	910	926
Constables						
Number of Papers Served	21,209	19,874	15,847	15,954	16,967	16,860
Education & Recreation						
Library						
Number of Patron Visits	6,129	5,995	6,300	4,002	1,536	n/a ^
Health & Welfare						
Health & Welfare						
Number of Patients Seen in Clinic	7,363	8,111	8,310	9,375	11,531	11,968
Mosquito Control						
Number of Acreage Sprayed	2,613,632	1,386,752	1,393,743	2,175,872	1,070,464	818,972
Maintenance - Equipment & Structures						
Road & Bridge						
Road Miles Maintained	368	368	370	370	370	370
Airport						
Number of Aircraft Operations	61,856	55,350	32,273	27,891	26,332	22,602
Number of Enplaned	25,687	25,650	22,126	22,174	17,957	18,098
Number of Deplaned	26,219	26,117	22,387	21,588	17,997	18,207
Health Insurance Risk Pool						
Number of Participants in Plan	1,389	1,429	1,490	1,541	1,568	1,550
Entertainment Complex						
Number of Events	199	160	221	183	198	188
Total Attendance	248,639	617,246	280,012	658,337	647,207	629,123

Sources: Various county departments

Note: Indicators are not available for the general government functions.

^ Library was closed 12/31/10.

\* Reporting began in fiscal year 2006.

TABLE 18

**JEFFERSON COUNTY, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	FISCAL YEAR					
	2006	2007	2008	2009	2010	2011
Judicial & Law Enforcement						
Sheriff						
Patrol Units	92	109	119	116	120	122
Aviation Units	3	2	3	3	3	3
Marine Units	3	3	4	9	9	11
Jail						
Dorms	23	23	23	23	23	23
Bed Capacity	1,268	1,268	1,268	1,268	1,268	1,268
Constables						
Patrol Units	29	29	30	31	32	27
Education & Recreation						
Library Holdings (ie books, audio, video)	45,378	44,281	46,104	35,549	36,038	n/a ^
Health & Welfare						
Mosquito Control						
Mosquito Spray Trucks	8	8	8	8	8	8
Weed Control Trucks	2	2	2	2	2	2
Aviation Units	3	3	3	3	3	3
Maintenance - Equipment & Structures						
Road (miles)	368	368	370	370	370	370
Bridges	65	65	65	65	65	65
Airport						
Runways (linear feet)	11,820	11,820	11,820	11,820	11,820	11,820
T-Hangar & Open Span Hangars (square feet)	138,706	154,376	144,276	123,076	123,076	150,470
Office Space (square feet)	15,055	15,535	14,439	14,426	14,426	18,885
Entertainment Complex						
Number of venues	5	5	5	5	5	5
Softball Fields	12	12	12	12	12	12
Exhibit Floor Space (square feet)	153,000	153,000	153,000	153,000	153,000	153,000
Seating Capacity	23,500	23,500	23,500	23,500	23,500	23,500

Sources: Various county departments

Note: Indicators are not available for the general government function.

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