

# JEFFERSON COUNTY, TEXAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended  
September 30, 2015



# JEFFERSON COUNTY, TEXAS



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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, 2015

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INTRODUCTORY  
SECTION

**PATRICK SWAIN**  
COUNTY AUDITOR  
(409) 835-8500



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

March 17, 2016

Citizens of Jefferson County, Texas:

Honorable District Judges:

Gary Sanderson, Presiding Judge, 60th District Court  
John Stevens, Jr., Judge, Criminal District Court  
Kent Walston, Judge, 58th District Court  
Milton Shuffield, Judge, 136th District Court  
Donald Floyd, Judge, 172nd District Court  
Raquel West, 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, 2015. 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 unmodified ("clean") opinion on the County's financial statements for the year ended September 30, 2015. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' 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 2015 population of the County was 252,235. 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

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 is also home to the largest military off-load port in the world.

Several large projects are in construction, permitting, and development for the area and the County continues to work with other taxing entities to create a business environment conducive to this growth. These include such notables as Lucite, Air Products, Vitol, Golden Pass Products, OCI, and Exxon Mobil.

Petrochemical expansions at the Motiva, Total, and Valero facilities located in Jefferson County represent approximately \$15 billion in project improvements. In addition, hundreds of millions of dollars are being spent on terminal and pipeline facilities to support these projects. Construction of the Trans-Canada Keystone XL pipeline which will deliver Canadian tar sands crude to Jefferson County and help in relieving our dependence on oil from more politically volatile regions is awaiting federal permit approval. In addition, recent rail terminal facility expansions and new construction has significantly increased the transportation of Canadian tar sands oil and bitumen to our area for processing by area refineries.

Cheniere, one of two companies with Liquefied Natural Gas Terminals on the border of the Texas/Louisiana Coast, is completing construction of a \$10 billion liquefaction facility. Golden Pass LNG opened their terminal in mid 2011. With their opening, our ship channel is now home to over

40% of the nation's LNG capacity. Golden Pass LNG has filed with federal authorities for permits allowing it to build a \$10 billion gas liquefaction facility in Jefferson County.

The County has participated in a study by the U.S. Army Corps of Engineers into the feasibility of deepening the Sabine-Neches waterway. This will allow ports in Southeast Texas, the third largest in the nation, to accommodate newer deep draft vessels and thus remain competitive with other ports on the Gulf Coast. Recently, the U.S. Army Corps of Engineers issued their "Chief's Report" which paves the way for federal funding of this project. The U S House and Senate recently passed legislation which was signed by the President authorizing the construction of the waterway improvements at a cost in excess of \$1 billion. Congressional appropriations for the project are expected shortly.

The County continues to work with industry leaders, the Texas Workforce Commission, Lamar Institute of Technology, Lamar University and non-profit groups to supply a workforce able to handle the growing labor needs of the County. This is especially critical given the interest of the international community in locating facilities in our county.

The resurgence in U. S. oil and gas exploration and production has made the County the place of choice for those industrial sectors seeking to exploit opportunities to profit from historically low priced energy commodities. Our excellent water bound, rail, highway, and pipeline infrastructure, the readily availability of water resources, and our business-friendly governmental environment, coupled with a lower than average tax environment, has caught the attention of energy and manufacturing companies worldwide. As a result, the County fully expects a significant increase in industrial and commercial ad valorem values over the next ten years.

### ***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 32.0% of total general fund expenditures and transfers. This falls within the policy guidelines.

### ***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 2015. Budget initiatives for fiscal year 2015 included:

- Maintained the same property tax rate which was 2.9% below the effective tax rate.
- Provided a 2% salary increase for all employees.

- Commissioners' Court would utilize previously transferred funds to complete outstanding capital projects.
- Maintain capital expenditures for durable goods to replace needed equipment to necessary levels.

## **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, 2014. This was the seventeenth 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. This report 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





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Jefferson County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

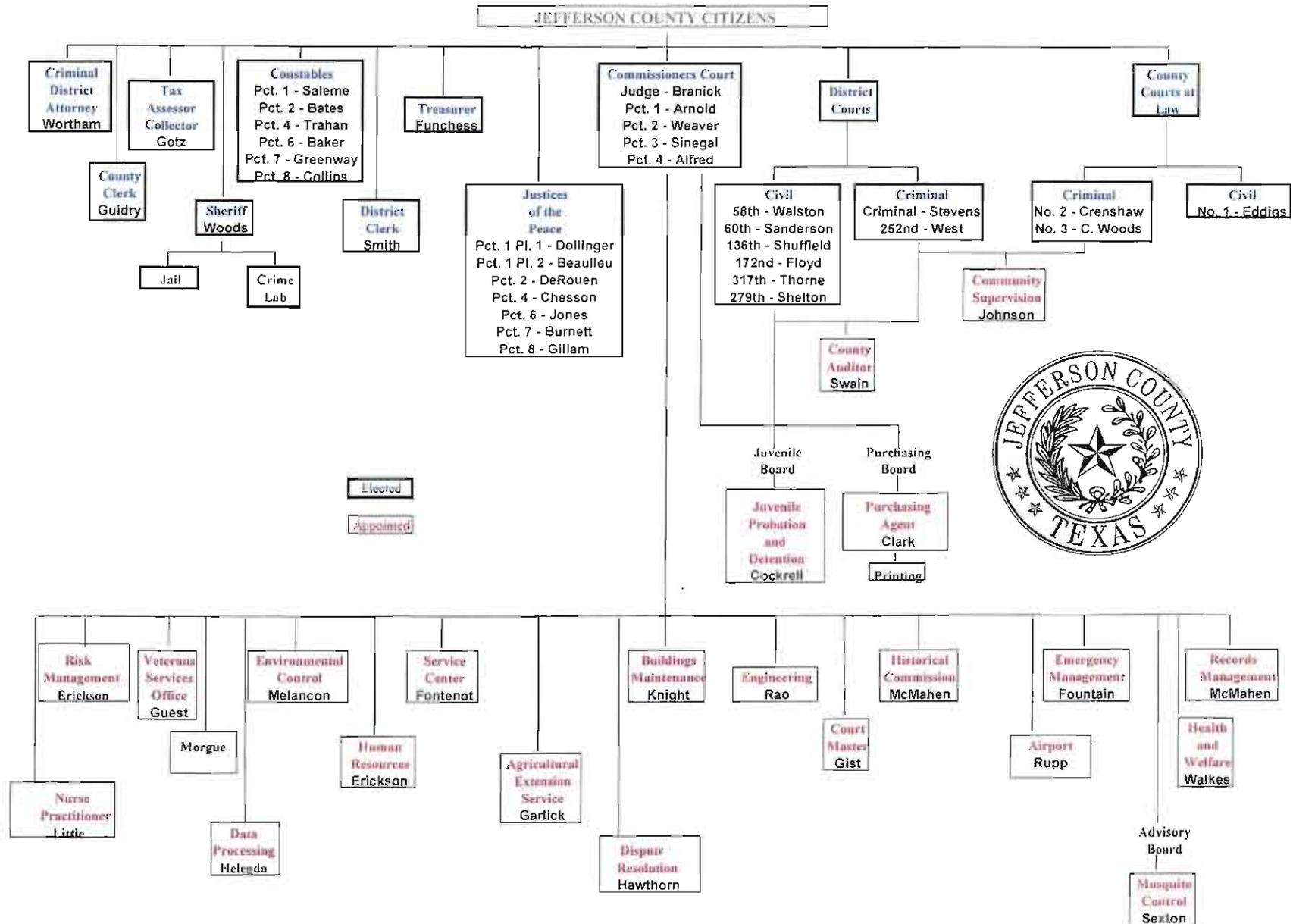
**September 30, 2014**

Executive Director/CEO



# ORGANIZATION CHART OF JEFFERSON COUNTY

As of September 30, 2015



## ELECTED OFFICIALS

As of September 30, 2015

### COMMISSIONERS' COURT

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

SHERIFF Mitch Woods

TAX ASSESSOR - COLLECTOR Allison Getz

DISTRICT CLERK Janie Smith

COUNTY CLERK Carolyn Guidry

COUNTY TREASURER Tim Funchess

### JUSTICES OF THE PEACE

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

### CONSTABLES

Constable Pct. 1	Niek Salemc
Constable Pct. 2	Christopher Bates
Constable Pct. 4	James Trahan
Constable Pct. 6	Dana Baker
Constable Pct. 7	Jeffrey Greenway
Constable Pct. 8	Eddie Collins

### COUNTY COURTS AT LAW

County Court at Law No. 1	Gerald Eddins
County Court at Law No. 2	Cory Crenshaw
County Court at Law No. 3	Clint Woods

### DISTRICT JUDGES

Criminal Court	John Stevens, Jr.
252nd District Court	Raquel West
58th District Court	Kent Walston
60th District Court	Gary Sanderson
136th District Court	Milton Shuffield
172nd District Court	Donald Floyd
279th District Court	Randy Shelton
317th District Court	Larry Thome

DISTRICT ATTORNEY Bob Wortham

## APPOINTED OFFICIALS

As of September 30, 2015

Agricultural Extension Service	Starla Garlick
Airport	Alex Rupp
Auditor	Patrick Swain
Auto Service Center	David Fontenot
Buildings Maintenance	David Knight
Community Supervision	Jerry Johnson
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	Edward Cockrell
Mosquito Control	Kevin Sexton
Nurse Practitioner	Leslie Little
Purchasing Agent\Printing	Deborah Clark
Risk Management	Cary Erickson
Veterans Services Office	Hilary Guest



FINANCIAL  
SECTION



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

**INDEPENDENT AUDITORS' REPORT**

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

**Report on the Financial Statements**

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, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Jefferson County, Texas' basic financial statements as listed in the table of contents.

*Management's Responsibility for the Financial Statements*

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

*Auditors' Responsibility*

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Texas, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note I to the financial statements, in 2015 the County adopted new accounting guidance, Governmental Accounting Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Governmental Accounting Standards (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—General Fund, pension information, and the Other Post Employment Benefit – Schedule of Funding Progress 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jefferson County, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and capital asset schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and capital asset schedules are fairly stated, in all material respects, in relation to the basic 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2016 on our consideration of Jefferson County, Texas' 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* in considering Jefferson County, Texas' internal control over financial reporting and compliance.

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

Waco, Texas  
March 17, 2016



*Jefferson County, Texas*  
*Management's Discussion and Analysis*

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, 2015. 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 and deferred outflows of resources of Jefferson County exceeded its liabilities at the close of fiscal year 2015 by \$94,019,823 (net position), a decrease of \$2,191,936 in net position from the previous year. As a result, the county's overall financial position has deteriorated from the previous year.
- Of the net position, \$137,700,866 is net investment in capital assets, \$24,695,909 is restricted for specific uses, and \$(68,376,952) is unrestricted.
- As of the close of fiscal year 2015, Jefferson County's governmental funds reported combined ending fund balances of \$76,509,321, a decrease of \$1,381,289 in comparison with the prior year. About 43% of the total amount, \$32,564,805 is available for spending at the county's discretion (unassigned fund balance).
- At the end of fiscal year 2015, unassigned fund balance for the General Fund was \$37,054,620, or 32.0% of total General Fund expenditures and transfers. In addition, the General Fund had a nonspendable fund balance of \$873,260 and assigned fund balance of \$9,952,977.
- The Capital Projects Fund is classified as a major fund. It had a restricted fund balance of \$5,789,022 and a committed fund balance of \$2,707,279.
- The County's total bonds payable decreased by \$4,836,869 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.

*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 Position presents information on all County assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference

*Jefferson County, Texas*  
*Management's Discussion and Analysis*

representing net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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.

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

*Jefferson County, Texas*  
*Management's Discussion and Analysis*

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 74 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 30 of this report.

*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 69 of this report.

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*Management's Discussion and Analysis*

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 position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$94,019,823 for fiscal year 2015 and \$96,211,759 for fiscal year 2014.

**Condensed Statement of Net Position**  
**September 30, 2015**  
**Primary Government**

	Governmental Activities	Business-type Activities	Reclassifications	Total
Current and other assets	\$102,112,513	\$ 1,165,563	\$ -	\$103,278,076
Capital Assets	95,253,769	83,107,097	-	178,360,866
<b>Total Assets</b>	<b>\$197,366,282</b>	<b>\$ 84,272,660</b>	<b>\$ -</b>	<b>\$281,638,942</b>
Deferred Outflows of Resources				
Deferred Loss on Refunding	\$ 1,152,975	\$ -	\$ -	\$ 1,152,975
Deferred Outflows Related to Pensions	13,502,109	247,493	-	13,749,602
<b>Total Deferred Outflows of Resources</b>	<b>\$ 14,655,084</b>	<b>\$ 247,493</b>	<b>\$ -</b>	<b>\$ 14,902,577</b>
Current and other liabilities	\$ 12,667,639	\$ 913,917	\$ -	\$ 13,581,556
Long-term liabilities	187,806,143	1,133,997	-	188,940,140
<b>Total Liabilities</b>	<b>\$200,473,782</b>	<b>\$ 2,047,914</b>	<b>\$ -</b>	<b>\$202,521,696</b>
<b>Net Position:</b>				
Net investment in capital assets	\$ 93,814,603	\$ 83,107,097	\$ (39,220,834)	\$137,700,866
Restricted net position	24,695,909	-	-	24,695,909
Unrestricted net position	(106,962,928)	(634,858)	39,220,834	(68,376,952)
<b>Total Net Position</b>	<b>\$ 11,547,584</b>	<b>\$ 82,472,239</b>	<b>\$ -</b>	<b>\$ 94,019,823</b>

*Jefferson County, Texas*  
*Management's Discussion and Analysis*

Condensed Statement of Net Position  
September 30, 2014  
Primary Government

	Governmental Activities	Business-type Activities	Reclassifications	Total
Current and other assets	\$ 98,226,987	\$ 1,561,890	\$ -	\$ 99,788,877
Capital Assets	87,103,428	84,297,573	-	171,401,001
<b>Total Assets</b>	<b>\$185,330,415</b>	<b>\$ 85,859,463</b>	<b>\$ -</b>	<b>\$271,189,878</b>
Deferred Outflows of Resources				
Deferred Loss on Refunding	\$ 1,324,830	\$ -	\$ -	\$ 1,324,830
Total Deferred Outflows of Resources	\$ 1,324,830	\$ -	\$ -	\$ 1,324,830
Current and other liabilities	\$ 7,340,425	\$ 848,194	\$ -	\$ 8,188,619
Long-term liabilities	129,727,596	234,161	-	129,961,757
<b>Total Liabilities</b>	<b>\$137,068,021</b>	<b>\$ 1,082,355</b>	<b>\$ -</b>	<b>\$138,150,376</b>
Net Position:				
Net investment in capital assets	\$ 85,095,478	\$ 84,297,573	\$ (43,072,050)	\$126,321,001
Restricted net position	28,919,622	-	-	28,919,622
Unrestricted net position	(64,427,876)	479,535	43,072,050	(20,876,291)
<b>Total Net Position</b>	<b>\$ 49,587,224</b>	<b>\$ 84,777,108</b>	<b>\$ -</b>	<b>\$134,364,332</b>

The largest portion of the County's current fiscal year net position (146.4 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 position (26.3 percent) represents resources that are subject to external restrictions on how they may be used. The County's current fiscal year net position is reduced by (72.7 percent) for the negative unrestricted net position. Unrestricted net position may be negative when entities incur long-term liabilities which are not offset by corresponding assets or when it covers post-retirement benefits on a pay-as-you-go basis rather than advance-funding such costs in a trust account.

At the end of the fiscal year 2015 and the 2014 fiscal year, the County report positive net position in two of the three categories as a whole. The County reported positive balances in two of the three categories of net position for its governmental activities for

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fiscal year 2015 and fiscal year 2014. Business-type activities had positive balances in one of the categories of net position for fiscal year 2015 and fiscal year 2014.

The County had a reclassification of \$39,220,834 in fiscal year 2015 and \$43,072,050 in the prior fiscal year to move the debt associated with the construction of Ford Park from Unrestricted net position to Net investment in capital assets. The capital assets are reported in the business-type activities and the debt is reported in the governmental activities. The County's net position decreased by \$2,191,936 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, 2015

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 21,266,721	\$ 6,939,251	\$ 28,205,972
Operating grants and contributions	10,935,535	-	10,935,535
Capital grants and contributions	8,711,241	2,442,839	11,154,080
General revenues:			
Taxes - levied for general purposes	76,925,495	-	76,925,495
Taxes - levied for debt service	6,197,358	-	6,197,358
Sales Taxes	24,995,680	-	24,995,680
Investment earnings	468,561	788	469,349
Miscellaneous	29,686	52,260	81,946
Total revenues	<u>149,530,277</u>	<u>9,435,138</u>	<u>158,965,415</u>
Expenses:			
General government	40,203,444	-	40,203,444
Judicial and law enforcement	80,018,632	-	80,018,632
Education and recreation	1,425,539	-	1,425,539
Health and welfare	10,362,461	-	10,362,461
Maintenance - equipment and structures	14,076,436	-	14,076,436
Interest and charges on long-term debt	1,423,776	-	1,423,776
Airport	-	5,894,518	5,894,518
Entertainment Complex	-	7,752,545	7,752,545
Total expenses	<u>147,510,288</u>	<u>13,647,063</u>	<u>161,157,351</u>
Excess (deficiency) before special items and transfers	2,019,989	(4,211,925)	(2,191,936)
Transfers	<u>(2,594,492)</u>	<u>2,594,492</u>	<u>-</u>
Change in net position	<u>(574,503)</u>	<u>(1,617,433)</u>	<u>(2,191,936)</u>
Net position - beginning	49,587,224	84,777,108	134,364,332
Prior period adjustment	<u>(37,465,137)</u>	<u>(687,436)</u>	<u>(38,152,573)</u>
Net position - beginning - restated	<u>12,122,087</u>	<u>84,089,672</u>	<u>96,211,759</u>
Net position - ending	<u>\$ 11,547,584</u>	<u>\$ 82,472,239</u>	<u>\$ 94,019,823</u>

*Jefferson County, Texas*  
*Management's Discussion and Analysis*

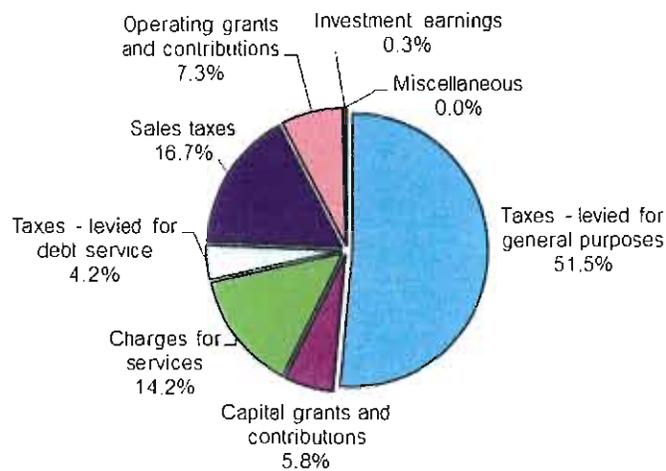
Statement of Activities  
For the Year Ended September 30, 2014

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 22,334,745	\$ 10,091,010	\$ 32,425,755
Operating grants and contributions	13,417,014	-	13,417,014
Capital grants and contributions	4,287,420	231,418	4,518,838
General revenues:			
Taxes - levied for general purposes	78,592,069	-	78,592,069
Taxes - levied for debt service	6,024,469	-	6,024,469
Sales Taxes	25,829,624	-	25,829,624
Investment earnings	311,546	550	312,096
Miscellaneous	30,355	52,457	82,812
Total revenues	<u>150,827,242</u>	<u>10,375,435</u>	<u>161,202,677</u>
Expenses:			
General government	42,933,889	-	42,933,889
Judicial and law enforcement	82,058,360	-	82,058,360
Education and recreation	1,416,537	-	1,416,537
Health and welfare	10,570,568	-	10,570,568
Maintenance - equipment and structures	14,859,687	-	14,859,687
Interest and charges on long-term debt	1,611,661	-	1,611,661
Airport	-	6,943,749	6,943,749
Entertainment Complex	-	9,760,675	9,760,675
Total expenses	<u>153,450,702</u>	<u>16,704,424</u>	<u>170,155,126</u>
Excess (deficiency) before special items and transfers	(2,623,460)	(6,328,989)	(8,952,449)
Transfers	<u>(3,470,353)</u>	<u>3,470,353</u>	<u>-</u>
Change in net position	<u>(6,093,813)</u>	<u>(2,858,636)</u>	<u>(8,952,449)</u>
Net position - beginning	56,297,440	87,635,744	143,933,184
Prior period adjustment	(616,403)	-	(616,403)
Net position - beginning - restated	<u>55,681,037</u>	<u>87,635,744</u>	<u>143,316,781</u>
Net position - ending	<u>\$ 49,587,224</u>	<u>\$ 84,777,108</u>	<u>\$ 134,364,332</u>

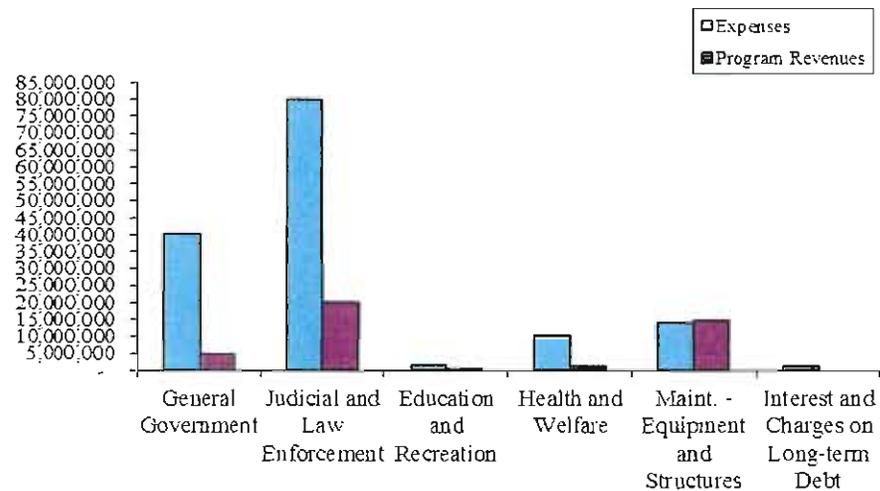
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Management's Discussion and Analysis*

*Governmental activities*

Revenues by Source - Governmental Activities  
Year Ended September 30, 2015



Expenses and Program Revenues - Governmental Activities  
Year Ended September 30, 2015



*Jefferson County, Texas  
Management's Discussion and Analysis*

Governmental activities decreased the County's net position by \$574,503.

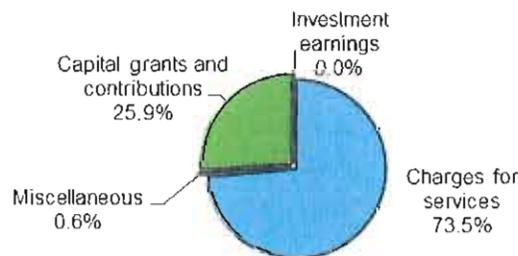
- Due to several recent construction projects, Capital Assets have increased by about \$8.2 million which were partially offset by issuance of a new capital lease of \$1.7 million for the purchase of electronic election system.
- Bonds Payable decreased by about \$4.8 million which provided increases to Net Position.
- These increases just discussed were offset mostly due to the increase in the OPEB (Other Post Employment Benefits) Obligation of about \$13 million. 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 57.

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***

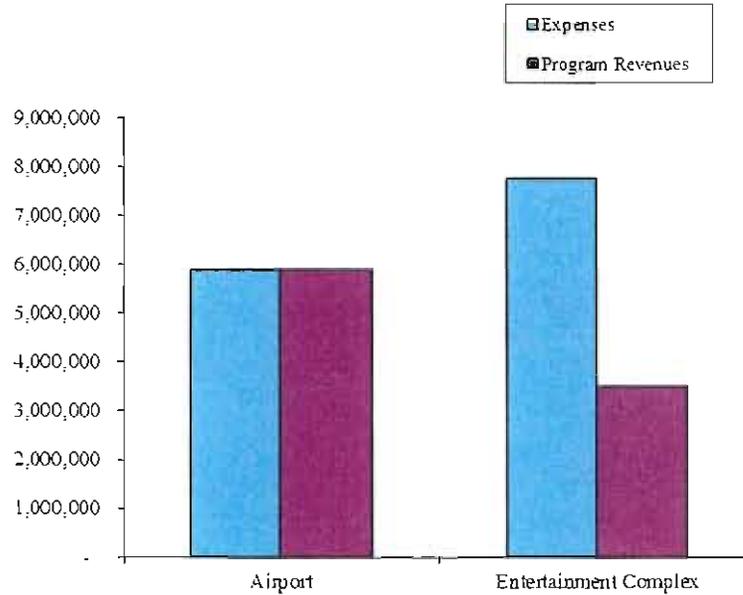
Business-type activities decreased the County's net position by \$1,617,433. The largest area of decline is reduction in Net Investment in Capital Assets due to depreciation of assets. The other area of decline is due to implementation of GASB 68 and recording Pension Liability. The County continues to look for additional revenues sources as well as cost saving measures to have these business-type activities self-supporting without having to rely on transfers from the General Fund to subsidize operations.

Revenue by Source - Business-type Activities  
Year Ended September 30, 2015



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Management's Discussion and Analysis*

Expenses and Program Revenues - Business-type Activities  
Year Ended September 30, 2015



**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 \$76,509,321, a decrease of \$1,381,289 in comparison with the prior year. About 43% of this total amount (\$32,564,805) 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 \$37,054,620, while total fund balance reached \$47,880,857. 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

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*Management's Discussion and Analysis*

expenditures and transfers. Unassigned fund balance represents 32.2 percent of total General Fund expenditures and transfers, while total fund balances represents 41.4 percent of that same amount.

The fund balance of the County's General Fund increased by \$616,457 during the current fiscal year. This increase is in most part due to decreases in transfers to other funds.

The Capital Projects Fund has a total fund balance of \$8,496,301, of which \$5,061,920 is restricted for maintenance of structures and equipment, \$727,102 is restricted for public interest, and \$2,707,279 is committed for construction contracts. The net decrease in fund balance during the current year in the Capital Projects Fund was \$2,708,105. This decrease was in large part as progression of ongoing projects which funding had already been provided in prior years.

*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, 2015, unrestricted net position is \$(984,088), a decrease of \$289,808 from the prior year. This decrease is mostly due to decrease 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, 2015, unrestricted net assets are \$349,230, a decrease of \$137,149 from the prior year. This decrease is mostly due to decrease in transfers from the General Fund.

**General Fund Budgetary Highlights**

The total original budget adopted on September 22, 2014 did not have to be amended during the year. Budget transfers were done during the year to adjust departments as needed.

During the year actual revenues and transfers were more than budgetary estimates by \$3,926,881. Actual expenditures and transfers were less than budgetary estimates by \$6,771,959. The budget had a projected reduction of \$10,082,383 to the fund balance. The net effect of over-realization of revenues and under-utilization of appropriations resulted in a positive variance of \$10,698,840 thus causing the addition to the existing fund balance of \$616,457 on a budgetary basis.

The largest positive variance of \$2,253,964 is due to an increase in Sales Tax revenue. The area continues to have growth due to several large industrial expansions.

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*Management's Discussion and Analysis*

Revenue from Property Taxes had the largest negative variance of \$216,496 due to a settlement for a contested property tax valuation for one of the large industrial taxpayers. This settlement resulted in a reduction of about \$655 thousand in property tax revenue.

An additional transfer in the amount of \$1.2 million was made to Liability Claims account that was not part of the original budget to provide additional funding for litigation expenditures.

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 \$4.3 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, 2015, amounted to \$178,360,866 (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, 2015, the ending fund balance for all capital projects funds was \$9.99 million.

For further information regarding capital assets, see Note 5.

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Management's Discussion and Analysis*

	Balance September 30, 2015	Balance September 30, 2014
<u>Governmental Activities:</u>		
Land	\$ 3,840,787	\$ 3,840,787
Construction in progress	19,964,968	14,283,860
Infrastructure	59,114,166	58,543,801
Buildings & Improvements	102,718,113	98,773,482
Equipment	41,301,248	38,704,189
	<u>226,939,282</u>	<u>214,146,119</u>
Less: Accumulated depreciation	<u>(131,685,513)</u>	<u>(127,042,691)</u>
Total governmental activities	<u>\$ 95,253,769</u>	<u>\$ 87,103,428</u>
 <u>Business-type Activities:</u>		
Land	\$ 5,154,600	\$ 5,154,600
Construction in progress	2,893,850	753,686
Buildings & Improvements	129,843,264	129,259,814
Equipment	12,335,094	12,399,535
	<u>150,226,808</u>	<u>147,567,635</u>
Less: Accumulated depreciation	<u>(67,119,711)</u>	<u>(63,270,062)</u>
Total business-type activities	<u>\$ 83,107,097</u>	<u>\$ 84,297,573</u>

*Long-Term Debt.* At September 30, 2015, the County had a total long-term debt outstanding of \$188,940,140. 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.

	Outstanding at September 30, 2015	Outstanding at September 30, 2014 - Restated
<u>Governmental Activities:</u>		
Bonds Payable	\$ 44,444,323	\$ 49,281,192
Capital leases	1,707,363	-
Claims & Judgments	2,685,623	2,547,790
Compensated Absences	12,156,652	12,174,444
Pension Liability	47,988,665	46,361,282
OPEB Obligations	78,823,517	65,724,170
Total governmental activities	<u>\$ 187,806,143</u>	<u>\$ 176,088,878</u>
 <u>Business-type Activities:</u>		
Compensated Absences	\$ 254,368	\$ 234,161
Pension Liability	879,629	849,799
Total business-type activities	<u>\$ 1,133,997</u>	<u>\$ 1,083,960</u>

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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 Aa2 and AA- respectively.

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

The Commissioner's Court adopted the County's 2015-2016 budget on September 21, 2015 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 2015 and estimated revenues to be received in fiscal year 2016. The total resources for all funds for fiscal year 2016 are estimated to be \$167.9 million. The budget was adopted with estimated expenditures in the amount of \$129.5 million. The 2015-2016 budget forecast utilizing \$9,952,977 of fund balance.

For 2015-2016, the property tax rate will remain at \$.365 per \$100 of taxable assessed value and taxable assessed property values are anticipated to decrease just below 2% for the 2015-2016 budget year.

The average unemployment rate for Jefferson County for September 2015 was 7.8%; this is a decrease from the prior year rate of 6.6%. The state's average unemployment rate for September 2015 was 4.4%.

**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 POSITION  
SEPTEMBER 30, 2015

	PRIMARY GOVERNMENT			
	GOVERNMENTAL	BUSINESS-TYPE	RECLASSIFICATIONS	TOTAL
	ACTIVITIES	ACTIVITIES		
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 65,451,645	726,766	-	66,178,411
INVESTMENTS	15,115,306	-	-	15,115,306
INTEREST RECEIVABLE	29,202	23	-	29,225
ACCOUNTS RECEIVABLE, Net	326,004	167,192	-	493,196
DUE FROM OTHER GOVERNMENTAL ENTITIES	10,752,831	100,780	-	10,853,611
INVENTORIES, At Cost	538,522	160,864	-	699,386
PREPAID ITEMS	391,273	9,938	-	401,211
DELINQUENT TAXES RECEIVABLE, Net	4,380,003	-	-	4,380,003
PENALTY AND INTEREST RECEIVABLE, Net	2,223,235	-	-	2,223,235
OTHER RECEIVABLES, Net	2,828,992	-	-	2,828,992
DEPOSITS	75,500	-	-	75,500
<b>CAPITAL ASSETS:</b>				
LAND	3,840,787	5,154,600	-	8,995,387
CONSTRUCTION IN PROGRESS	19,964,968	2,893,850	-	22,858,818
OTHER CAPITAL ASSETS, Net of depreciation	71,448,014	75,058,647	-	146,506,661
<b>TOTAL ASSETS</b>	<b>\$ 197,366,282</b>	<b>84,272,660</b>	<b>-</b>	<b>281,638,942</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
DEFERRED LOSS ON BOND REFUNDING	\$ 1,152,975	-	-	1,152,975
DEFERRED OUTFLOWS RELATED TO PENSIONS	13,502,109	247,493	-	13,749,602
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 14,655,084</b>	<b>247,493</b>	<b>-</b>	<b>14,902,577</b>
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 11,204,348	543,043	-	11,747,391
INTEREST PAYABLE	255,687	-	-	255,687
DUE TO OTHER GOVERNMENTAL ENTITIES	520,095	-	-	520,095
UNEARNED REVENUE	687,509	217,237	-	904,746
CUSTOMER DEPOSITS	-	153,637	-	153,637
<b>LONG-TERM LIABILITIES</b>				
DUE WITHIN ONE YEAR	8,427,693	62,601	-	8,490,294
DUE IN MORE THAN ONE YEAR	179,378,450	1,071,396	-	180,449,846
<b>TOTAL LIABILITIES</b>	<b>\$ 200,473,782</b>	<b>2,047,914</b>	<b>-</b>	<b>202,521,696</b>
<b>NET POSITION</b>				
NET INVESTMENT IN CAPITAL ASSETS	\$ 93,814,603	83,107,097	(39,220,834)	137,700,866
<b>RESTRICTED FOR:</b>				
DEBT SERVICE	1,096,051	-	-	1,096,051
CONSTRUCTION	50,077	-	-	50,077
PUBLIC INTEREST	3,353,863	-	-	3,353,863
JUDICIAL & LAW ENFORCEMENT	4,908,014	-	-	4,908,014
EDUCATION & RECREATION	1,468,983	-	-	1,468,983
HEALTH & WELFARE	8,427,577	-	-	8,427,577
MAINTENANCE OF STRUCTURES & EQUIPMENT	5,391,344	-	-	5,391,344
UNRESTRICTED	(106,962,928)	(634,858)	39,220,834	(68,376,952)
<b>TOTAL NET POSITION</b>	<b>\$ 11,547,584</b>	<b>82,472,239</b>	<b>-</b>	<b>94,019,823</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, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>PRIMARY GOVERNMENT</b>				
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	\$ 40,203,444	\$ 4,697,503	\$ -	\$ -
JUDICIAL AND LAW ENFORCEMENT	80,018,632	10,602,406	9,465,689	-
EDUCATION AND RECREATION	1,425,539	73,649	67	-
HEALTH AND WELFARE	10,362,461	411,006	1,003,582	-
MAINTENANCE - EQUIPMENT AND STRUCTURES	14,076,436	5,482,157	466,197	8,711,241
INTEREST AND CHARGES ON LONG-TERM DEBT	1,423,776	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 147,510,288</b>	<b>\$ 21,266,721</b>	<b>\$ 10,935,535</b>	<b>\$ 8,711,241</b>
BUSINESS-TYPE ACTIVITIES:				
AIRPORT	5,894,518	3,493,616	-	2,396,173
ENTERTAINMENT COMPLEX	7,752,545	3,445,635	-	46,666
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 13,647,063</b>	<b>\$ 6,939,251</b>	<b>\$ -</b>	<b>\$ 2,442,839</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 161,157,351</b>	<b>\$ 28,205,972</b>	<b>\$ 10,935,535</b>	<b>\$ 11,154,080</b>

GENERAL REVENUES

TAXES:

PROPERTY TAXES LEVIED FOR GENERAL PURPOSES

PROPERTY TAXES LEVIED FOR DEBT SERVICE

SALES TAXES

UNRESTRICTED INVESTMENT EARNINGS

MISCELLANEOUS

TRANSFERS

TOTAL GENERAL REVENUE AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION - BEGINNING

PRIOR PERIOD ADJUSTMENT

NET POSITION - BEGINNING, Restated

NET POSITION - ENDING

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

NET (EXPENSES) REVENUES AND CHANGES IN NET  
POSITION

PRIMARY GOVERNMENT		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (35,505,941)	\$ -	\$ (35,505,941)
(59,950,537)	-	(59,950,537)
(1,351,823)	-	(1,351,823)
(8,947,873)	-	(8,947,873)
583,159	-	583,159
(1,423,776)	-	(1,423,776)
<u>\$ (106,596,791)</u>	<u>\$ -</u>	<u>\$ (106,596,791)</u>
-	(4,729)	(4,729)
-	(4,260,244)	(4,260,244)
<u>\$ -</u>	<u>\$ (4,264,973)</u>	<u>\$ (4,264,973)</u>
<u>\$ (106,596,791)</u>	<u>\$ (4,264,973)</u>	<u>\$ (110,861,764)</u>
\$ 76,925,495	\$ -	\$ 76,925,495
6,197,358	-	6,197,358
24,995,680	-	24,995,680
468,561	788	469,349
29,686	52,260	81,946
(2,594,492)	2,594,492	-
<u>\$ 106,022,288</u>	<u>\$ 2,647,540</u>	<u>\$ 108,669,828</u>
\$ (574,503)	\$ (1,617,433)	\$ (2,191,936)
49,587,224	84,777,108	134,364,332
(37,465,137)	(687,436)	(38,152,573)
<u>12,122,087</u>	<u>84,089,672</u>	<u>96,211,759</u>
<u>\$ 11,547,584</u>	<u>\$ 82,472,239</u>	<u>\$ 94,019,823</u>

JEFFERSON COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015

	GENERAL	CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 31,906,974	8,810,135	22,235,619	62,952,728
INVESTMENTS	15,115,306	-	-	15,115,306
ACCOUNTS RECEIVABLE, Net	133,348	-	163,267	296,615
INTEREST RECEIVABLE	18,988	3,377	7,530	29,895
DUE FROM OTHER FUNDS	3,612,248	-	23,248	3,635,496
DUE FROM OTHER GOVERNMENTAL ENTITIES	7,179,202	296,136	3,107,123	10,582,461
DELINQUENT TAXES RECEIVABLE, Net	4,272,106	-	107,897	4,380,003
PENALTY AND INTEREST RECEIVABLE, Net	2,168,468	-	54,767	2,223,235
INVENTORIES, At Cost	482,768	-	55,754	538,522
PREPAID ITEM	390,492	-	781	391,273
<b>TOTAL ASSETS</b>	<b>\$ 65,279,900</b>	<b>9,109,648</b>	<b>25,755,986</b>	<b>100,145,534</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 8,958,897	317,211	1,909,536	11,185,644
COMPENSATED ABSENCES PAYABLE	22,527	-	-	22,527
DUE TO OTHER FUNDS	-	-	1,484,981	1,484,981
DUE TO OTHER GOVERNMENTAL ENTITIES	360	-	519,735	520,095
EARNED REVENUE	11,676	-	675,833	687,509
<b>TOTAL LIABILITIES</b>	<b>\$ 8,993,460</b>	<b>317,211</b>	<b>4,590,085</b>	<b>13,900,756</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
UNAVAILABLE REVENUE- PROPERTY TAXES	\$ 6,240,042	-	148,151	6,388,193
UNAVAILABLE REVENUE- INMATE HOUSING	2,165,541	-	-	2,165,541
UNAVAILABLE REVENUE- GRANTS	-	296,136	885,587	1,181,723
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 8,405,583</b>	<b>296,136</b>	<b>1,033,738</b>	<b>9,735,457</b>
<b>FUND BALANCES:</b>				
<b>NONSPENDABLE FOR:</b>				
INVENTORY	\$ 482,768	-	55,754	538,522
PREPAID ITEMS	390,492	-	781	391,273
<b>RESTRICTED FOR:</b>				
DEBT SERVICE	-	-	1,069,797	1,069,797
CONSTRUCTION	-	-	50,077	50,077
PUBLIC INTEREST	-	727,102	2,570,226	3,297,328
JUDICIAL & LAW ENFORCEMENT	-	-	4,908,014	4,908,014
EDUCATION & RECREATION	-	-	1,468,983	1,468,983
HEALTH & WELFARE	-	-	8,427,577	8,427,577
MAINTENANCE OF STRUCTURES & EQUIPMENT	-	5,061,920	329,424	5,391,344
<b>COMMITTED FOR:</b>				
CONSTRUCTION CONTRACTS	-	2,707,279	3,941,806	6,649,085
ASSIGNED FOR CAPITAL PROJECTS	-	-	1,799,539	1,799,539
ASSIGNED FOR ADOPTED BUDGET UTILIZATION OF FUND BALANCE	9,952,977	-	-	9,952,977
UNASSIGNED (DEFICIT)	37,054,620	-	(4,489,813)	32,564,805
<b>TOTAL FUND BALANCES</b>	<b>\$ 47,880,857</b>	<b>8,496,301</b>	<b>20,132,163</b>	<b>76,509,321</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 65,279,900</b>	<b>9,109,648</b>	<b>25,755,986</b>	<b>100,145,534</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 POSITION**  
**SEPTEMBER 30, 2015**

Total fund balances for governmental funds \$ 76,509,321

Total net position reported for governmental activities in the statement of net position 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	19,964,968	
Infrastructure, net of \$39,190,806 accumulated depreciation	19,923,360	
Buildings, net of \$66,666,395 accumulated depreciation	39,051,718	
Equipment, net of \$28,828,312 accumulated depreciation	<u>12,472,936</u>	
Total capital assets		95,253,769

Long-term assets are not recognized in the current period and accordingly are not reported as fund assets. Balances as of September 30, 2015 were:

Accrued interest receivable	<u>\$ (1,277)</u>	(1,277)
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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 Position. Balances as of September 30, 2015 were:

Accrued interest on bonds and loans	\$ (255,687)	
Bonds payable	(40,660,000)	
OPEB Obligations	(78,823,517)	
Pension Liability	(47,988,665)	
Capital leases	(1,707,363)	
Compensated absences	(12,134,125)	
Pensions - Contributions after 12/31/2014	9,259,693	
Pensions - Economic/demographic (gains) or losses	3,480,069	
Pensions - Investment (gains) or losses	762,347	
Gain/Loss on Refunding Bonds	1,152,975	
Premium/Discounts on Bonds	<u>(3,784,323)</u>	
		(170,698,596)

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 Position. Internal service fund net position are: (2,080,082)

Some of the County's receivables are classified as long-term and therefore are not reported in the funds. Receivable reported net of \$2,243,357 allowance for uncollectible accounts. 2,828,992

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 reported as available resources in the funds. 9,735,457

Total net position of governmental activities \$ 11,547,584

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, 2015

	GENERAL	CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 76,668,604	-	6,182,154	82,850,758
SALES TAXES	23,703,964	-	1,291,716	24,995,680
FEES	9,473,369	-	4,864,247	14,337,616
LICENSES	459,198	-	-	459,198
INTERGOVERNMENTAL	1,757,619	998,739	13,912,006	16,668,364
SALES, RENTAL & SERVICES	1,974,325	251,658	2,528,431	4,754,414
FINES AND FORFEITURES	1,927,212	-	193,648	2,120,860
INTEREST	331,955	45,173	101,635	478,763
MISCELLANEOUS	29,495	-	-	29,495
CONTRIBUTIONS AND DONATIONS	375	2,500	54,967	57,842
<b>TOTAL REVENUES</b>	<b>\$ 116,326,116</b>	<b>1,298,070</b>	<b>29,128,804</b>	<b>146,752,990</b>
<b>EXPENDITURES:</b>				
<b>CURRENT</b>				
GENERAL GOVERNMENT	\$ 23,352,652	-	434,275	23,786,927
JUDICIAL AND LAW ENFORCEMENT	66,182,403	-	14,364,433	80,546,836
EDUCATION AND RECREATION	382,440	-	1,057,539	1,439,979
HEALTH AND WELFARE	10,123,450	-	356,068	10,479,518
MAINTENANCE OF STRUCTURES AND EQUIPMENT	12,137,612	-	40,593	12,178,205
CAPITAL OUTLAY	-	5,595,294	7,233,879	12,829,173
DEBT SERVICE				
PRINCIPAL	-	-	4,420,000	4,420,000
INTEREST AND COMMISSION	-	-	1,695,044	1,695,044
<b>TOTAL EXPENDITURES</b>	<b>\$ 112,178,557</b>	<b>5,595,294</b>	<b>29,601,831</b>	<b>147,375,682</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 4,147,559</b>	<b>(4,297,224)</b>	<b>(473,027)</b>	<b>(622,692)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	\$ -	89,478	1,509,239	1,598,717
TRANSFERS OUT	(3,531,102)	(207,722)	(325,853)	(4,064,677)
CAPITAL LEASE OBLIGATION	-	1,707,363	-	1,707,363
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (3,531,102)</b>	<b>1,589,119</b>	<b>1,183,386</b>	<b>(758,597)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 616,457</b>	<b>(2,708,105)</b>	<b>710,359</b>	<b>(1,381,289)</b>
<b>FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT</b>	<b>\$ 47,264,400</b>	<b>11,204,406</b>	<b>19,383,474</b>	<b>77,852,280</b>
	-	-	38,330	38,330
<b>FUND BALANCE, BEGINNING (Restated)</b>	<b>\$ 47,264,400</b>	<b>11,204,406</b>	<b>19,421,804</b>	<b>77,890,610</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 47,880,857</b>	<b>8,496,301</b>	<b>20,132,163</b>	<b>76,509,321</b>

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, 2015

Net change in fund balances - total governmental funds \$ (1,381,289)

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	\$ 14,249,114	
Capital asset donations to Business type activities	(128,532)	
Net adjustment for sale or disposal of capital assets	(33,848)	
Depreciation Expense	<u>(5,936,393)</u>	
Net adjustment		8,150,341

Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, 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 Position.

Debt issued:		
Capital Lease	\$ (1,707,363)	
Repayments:		
To paying agent for bond principal	<u>4,420,000</u>	
Net adjustment		2,712,637

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 nine balances.

Compensated absences	\$ (8,380)	
OPEB Obligations	(13,099,347)	
Pension Liability	(1,627,383)	
Pensions - Economic/demographic (gains) or losses	3,480,069	
Pensions - Investment (gains) of losses	762,347	
Pensions - Difference in Contributions	401,878	
Amortization of bond premium	416,869	
Amortization of refunding difference	(171,855)	
Accrued interest on debt	<u>26,254</u>	
Combined adjustment		(9,819,548)

Internal service funds are used by the County. The net change in position of the internal service funds are reported with governmental activities. (2,336,373)

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. 111,675

Because some revenues will not be collected for several months after the County's fiscal year end, they do not provide current financial resources and they are not reported as revenues in the funds. 1,988,054

Total change in net position of governmental activities \$ (574,503)

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

**JEFFERSON COUNTY, TEXAS**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2015**

	<u>ENTERPRISE FUNDS</u>			
	JACK			INTERNAL
	BROOKS			SERVICE
	REGIONAL	FORD PARK	TOTAL	FUNDS
	<u>AIRPORT</u>	<u>FORD PARK</u>	<u>TOTAL</u>	<u>FUNDS</u>
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 20,773	705,993	726,766	2,498,917
ACCOUNTS RECEIVABLE, Net	34,716	132,476	167,192	29,389
INTEREST RECEIVABLE	-	23	23	584
DUE FROM OTHER GOVERNMENTAL ENTITIES	100,780	-	100,780	170,370
PREPAID ITEMS	77	9,861	9,938	-
INVENTORY, At Cost	111,031	49,833	160,864	-
DEPOSITS	-	-	-	75,500
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 267,377</b>	<b>898,186</b>	<b>1,165,563</b>	<b>2,774,760</b>
<b>NONCURRENT ASSETS:</b>				
<b>CAPITAL ASSETS:</b>				
LAND	3,024,815	2,129,785	5,154,600	-
CONSTRUCTION IN PROGRESS	2,893,850	-	2,893,850	-
OTHER CAPITAL ASSETS, NET OF DEPRECIATION	<u>24,736,773</u>	<u>50,321,874</u>	<u>75,058,647</u>	<u>-</u>
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 30,655,438</b>	<b>52,451,659</b>	<b>83,107,097</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ 30,922,815</b>	<b>53,349,845</b>	<b>84,272,660</b>	<b>2,774,760</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
DEFERRED OUTFLOWS RELATED TO PENSIONS	\$ 247,493	-	247,493	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 247,493</b>	<b>-</b>	<b>247,493</b>	<b>-</b>
<b>LIABILITIES:</b>				
<b>CURRENT LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 290,929	252,114	543,043	18,704
CLAIMS LIABILITY	-	-	-	2,685,623
DUE TO OTHER FUNDS	-	-	-	2,150,515
CURRENT PORTION - COMPENSATED ABSENCES	23,532	39,069	62,601	-
UNEARNED REVENUE	36,736	180,501	217,237	-
CUSTOMER DEPOSITS	76,365	77,272	153,637	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 427,562</b>	<b>548,956</b>	<b>976,518</b>	<b>4,854,842</b>
<b>NONCURRENT LIABILITIES:</b>				
NONCURRENT PORTION - COMPENSATED ABSENCES	191,767	-	191,767	-
PENSION LIABILITY	879,629	-	879,629	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 1,071,396</b>	<b>-</b>	<b>1,071,396</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 1,498,958</b>	<b>548,956</b>	<b>2,047,914</b>	<b>4,854,842</b>
<b>NET POSITION:</b>				
NET INVESTMENT IN CAPITAL ASSETS UNRESTRICTED	\$ 30,655,438 (984,088)	52,451,659 349,230	83,107,097 (634,858)	- (2,080,082)
<b>TOTAL NET POSITION</b>	<b>\$ 29,671,350</b>	<b>52,800,889</b>	<b>82,472,239</b>	<b>(2,080,082)</b>

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

JEFFERSON COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION -  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	ENTERPRISE FUNDS			INTERNAL SERVICE FUNDS
	JACK BROOKS REGIONAL AIRPORT	FORD PARK	TOTAL	
<b>OPERATING REVENUES:</b>				
CHARGES FOR SERVICES	\$ 3,493,616	3,445,635	6,939,251	16,985,217
EMPLOYEE CONTRIBUTIONS	-	-	-	2,156,897
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 3,493,616</b>	<b>3,445,635</b>	<b>6,939,251</b>	<b>19,142,114</b>
<b>OPERATING EXPENSES:</b>				
SALARIES & BENEFITS	\$ 1,688,707	1,468,411	3,157,118	-
MATERIALS AND SUPPLIES	77,520	118,065	195,585	-
MAINTENANCE AND REPAIRS	123,446	353,834	477,280	-
UTILITIES	205,619	896,190	1,101,809	-
COST OF GOODS SOLD	1,792,341	1,710,543	3,502,884	-
MISCELLANEOUS	429,409	106,073	535,482	-
ADMINISTRATIVE	-	692,345	692,345	1,782,985
INCURRED & ESTIMATED CLAIMS	-	-	-	20,224,953
DEPRECIATION	1,577,476	2,407,084	3,984,560	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 5,894,518</b>	<b>7,752,545</b>	<b>13,647,063</b>	<b>22,007,938</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (2,400,902)</b>	<b>(4,306,910)</b>	<b>(6,707,812)</b>	<b>(2,865,824)</b>
<b>NONOPERATING REVENUES:</b>				
INTEREST REVENUE	\$ 737	51	788	4,691
GAIN/(LOSS) ON SALE OF CAPITAL ASSETS	139	-	139	-
REFUNDS AND RECOVERIES	52,121	-	52,121	524,760
<b>TOTAL NONOPERATING REVENUES</b>	<b>\$ 52,997</b>	<b>51</b>	<b>53,048</b>	<b>529,451</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>\$ (2,347,905)</b>	<b>(4,306,859)</b>	<b>(6,654,764)</b>	<b>(2,336,373)</b>
CAPITAL CONTRIBUTIONS	2,396,173	175,198	2,571,371	-
TRANSFER IN	750,000	1,715,960	2,465,960	-
<b>CHANGE IN NET POSITION</b>	<b>\$ 798,268</b>	<b>(2,415,701)</b>	<b>(1,617,433)</b>	<b>(2,336,373)</b>
NET POSITION, BEGINNING	29,560,518	55,216,590	84,777,108	256,291
PRIOR PERIOD ADJUSTMENT	(687,436)	-	(687,436)	-
NET POSITION, BEGINNING - Restated	\$ 28,873,082	55,216,590	84,089,672	256,291
<b>NET POSITION, ENDING</b>	<b>\$ 29,671,350</b>	<b>52,800,889</b>	<b>82,472,239</b>	<b>(2,080,082)</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, 2015

	ENTERPRISE FUNDS			INTERNAL SERVICE FUNDS
	JACK BROOKS REGIONAL		TOTAL	
	AIRPORT	FORD PARK		
CASH FLOWS FROM OPERATING ACTIVITIES:				
RECEIPTS FROM CUSTOMERS AND USERS	\$ 3,515,885	3,430,169	6,946,054	1,615,524
RECEIPTS FROM EMPLOYEES	-	-	-	2,158,010
PAYMENTS TO SUPPLIERS	(2,474,967)	(3,903,569)	(6,378,536)	(1,780,542)
PAYMENTS TO EMPLOYEES	(1,728,801)	(1,463,410)	(3,192,211)	-
INTERNAL ACTIVITY-RECEIPTS(PAYMENTS) FROM (TO) OTHER FUNDS	-	-	-	17,568,110
CLAIMS PAID	-	-	-	(20,087,120)
OTHER RECEIPTS	16,113	-	16,113	524,909
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (671,770)</b>	<b>(1,936,810)</b>	<b>(2,608,580)</b>	<b>(1,109)</b>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
TRANSFERS (TO) FROM OTHER FUNDS	\$ 750,000	1,715,960	2,465,960	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>\$ 750,000</b>	<b>1,715,960</b>	<b>2,465,960</b>	<b>-</b>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
CAPITAL GRANTS FROM FEDERAL ENTITIES	\$ 2,426,966	-	2,426,966	-
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(2,685,695)	-	(2,685,695)	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	7,663	-	7,663	-
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<b>\$ (251,066)</b>	<b>-</b>	<b>(251,066)</b>	<b>-</b>
CASH FLOWS FROM INVESTMENT ACTIVITIES:				
RECEIPTS OF INTEREST	743	35	778	4,607
<b>NET CASH PROVIDED BY INVESTMENT ACTIVITIES</b>	<b>\$ 743</b>	<b>35</b>	<b>778</b>	<b>4,607</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - BEGINNING</b>	<b>\$ (172,093)</b>	<b>(220,815)</b>	<b>(392,908)</b>	<b>3,498</b>
CASH AND CASH EQUIVALENTS - ENDING	20,773	705,993	726,766	2,498,917
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
OPERATING INCOME (LOSS)	\$ (2,400,902)	(4,306,910)	(6,707,812)	(2,865,824)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION	1,577,476	2,407,084	3,984,560	-
OTHER NON-OPERATING REVENUES (EXPENSES)	52,121	-	52,121	524,760
CHANGES IN ASSETS AND LIABILITIES:				
ACCOUNTS RECEIVABLE	27,582	(71,157)	(43,575)	1,262
DUE FROM OTHER GOVERNMENTAL ENTITIES	(36,008)	-	(36,008)	47,902
PREPAID ITEMS	-	(6,947)	(6,947)	-
INVENTORY	77,231	(18,065)	59,166	-
DEFERRED OUTFLOWS RELATED TO PENSIONS	(85,130)	-	(85,130)	-
CUSTOMER DEPOSITS	-	34,617	34,617	-
ACCOUNTS PAYABLE	76,137	(8,453)	67,684	2,443
CLAIMS LIABILITY	-	-	-	137,833
OTHER LIABILITIES	39,723	33,021	72,744	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (671,770)</b>	<b>(1,936,810)</b>	<b>(2,608,580)</b>	<b>(1,109)</b>
NON-CASH OPERATING, CAPITAL AND RELATED FINANCING, AND INVESTING ACTIVITIES				
CAPITAL CONTRIBUTIONS	\$ -	175,198	175,198	-

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

**JEFFERSON COUNTY, TEXAS  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
SEPTEMBER 30, 2015**

	<b>TOTALS</b>
<b><u>ASSETS</u></b>	
CASH AND CASH EQUIVALENTS	\$ 15,891,776
ACCOUNTS RECEIVABLE, Net	6,060
DUE FROM OTHER GOVERNMENTAL ENTITIES	392,851
 TOTAL ASSETS	 \$ 16,290,687
<b><u>LIABILITIES</u></b>	
ACCOUNTS PAYABLE	\$ 12,427,300
DUE TO OTHER GOVERNMENTAL ENTITIES	838,097
OTHER PAYABLES	3,025,290
 TOTAL LIABILITIES	 \$ 16,290,687

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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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"), GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* ("GASB 39"), and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, ("GASB 61").

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 or if operational responsibility for the component unit rests with management of 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 provides services almost entirely to the County. The Pool is accounted for as an internal service fund.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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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 67, *Financial Reporting for Pension Plans* ("GASB 67"), replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. GASB 67 enhances note disclosures and RSI for both defined benefit and defined contribution plans. The plan, Texas County and District Retirement System, implemented GASB 67.

GASB Statement 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"), replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Implementation of GASB 68 is reflected in the County's financial statements.

GASB Statement 69, *Government Combinations and Disposals of Government Operations* ("GASB 69"), requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. Implementation of GASB 69 did not have an impact on the County's reporting disclosures.

GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Dates*, ("GASB 71"), amends GASB 68. Implementation of GASB 71 is reflected in the County's financial statements.

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

Government-wide Statements

Government-wide financial statements consist of the Statement of Net Position 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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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

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 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, deferred outflows (inflows) of resources, and current liabilities are generally included on their balance sheets. Their reported fund balance (net position) is considered a measure of "available spendable resources." Governmental fund operating



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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

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-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.

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

**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:



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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

**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 – 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: 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, and Women’s Center Trust Fund.

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.

- 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, 2015

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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, 2015

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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, 2014 and past due after January 31, 2015. 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 unearned 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, 2015

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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. 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.

The cost of governmental fund type inventories and prepaid items are recorded as expenditures when consumed rather than when they are purchased (consumption method).

**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, 2015

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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 Position. 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, 2015

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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 position. Bond premiums and discounts 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. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses.

**M. Deferred outflows/inflows of resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category. It is deferred loss on refunding bonds reported in the government-wide statement of net position. A deferred loss on refunding bonds results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is deferred inflows related to pensions

In addition to liabilities in the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**N. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are legally due. Benefit payments and refunds are



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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

recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

**O. Net Position and Fund Balances**

Net Position Classifications

Net position represents the difference between assets, deferred outflows (inflows) of resources, and liabilities.

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

In the proprietary fund financial statements and in the government-wide financial statements, restricted net position is 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.
- **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.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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

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. When it is appropriate for fund balance to be assigned, the Commissioners' Court retains the responsibility to assign funds. Assignments may occur subsequent to fiscal year end.
- 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.

**P. 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.

**Q. 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, 2015:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
U.S. Agency Securities	\$14,115,593	996
Money Market Account	7,713	30
Certificates of Deposits	992,000	633
Total	<u>\$15,115,306</u>	972



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 2 - Deposits and Investments - continued**

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 1,096 days with a stated final maturity date not to exceed 3 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, 2015, all of the County’s purchased investments in U.S. Agency Securities were rated AA+ and Aaa 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, 2015, the County had one investment that was with Federal Home Loan Bank (FHLB), and six investments that were 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 \$81,462,467 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, Hampshire Fannett Independent School District, Port Neches-Groves Independent School District, Beaumont Independent School District, City of Beaumont, City of Groves, City of Nederland, City of Port Neches, City of Bevil Oaks, Emergency Service District #1, Emergency Service District #3, and the Emergency Service District #4. 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



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

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

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, 2015, 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, 2015. 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 \$4,380,003 as of September 30, 2015 are reported net of an allowance for uncollectible taxes of \$1,877,144.

Penalty and Interest receivables of \$2,223,235 as of September 30, 2015 are reported net of an allowance for uncollectible accounts of \$3,334,853.

Receivables as of September 30, 2015 consist of the following:

	General	Capital Projects Fund	Non Major Funds	Jack Brooks Regional Airport	Ford Park	Internal Service Funds	Agency Funds	Total
<b>Receivables:</b>								
Accounts	\$ 101,893	\$ -	\$ 157,981	\$ 34,310	\$ 134,513	\$ 29,389	\$ 6,060	\$ 464,146
Employee	31,455	-	5,286	528	-	-	-	37,269
Taxes	6,103,008	-	154,139	-	-	-	-	6,257,147
Penalty & Interest	5,421,170	-	136,918	-	-	-	-	5,558,088
Inter- governmental	7,179,202	296,136	3,107,123	100,780	-	170,370	392,851	11,246,462
<b>Gross</b>								
Receivables	\$ 18,836,728	\$ 296,136	\$ 3,561,447	\$ 135,618	\$ 134,513	\$ 199,759	\$ 398,911	\$ 23,563,112
<b>Less: Allowance</b>								
for								
Uncollectibles	5,083,604	-	128,393	122	2,037	-	-	5,214,156
<b>Net total</b>								
receivables	\$ 13,753,124	\$ 296,136	\$ 3,433,054	\$ 135,496	\$ 132,476	\$ 199,759	\$ 398,911	\$ 18,348,956



JEFFERSON COUNTY, TEXAS  
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**Note 3 - Property Taxes and Other Receivables (continued)**

As of September, 30, 2015, the various components of unearned revenue reported in the governmental funds were as follows:

	Unearned
Advanced Funding (General Fund)	\$ 11,676
Advanced Funding (Non-major Special Revenue Funds)	675,833
Total Unearned Revenue for Governmental Funds	\$ 687,509

**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.

The composition of interfund balances as of September 30, 2015, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 1,461,733
	Internal Service funds	2,150,515
Nonmajor governmental funds	Nonmajor governmental funds	23,248
	Total	\$ 3,635,496

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, 2015:

	Transfers Out:			
	General Fund	Capital Project Fund	Nonmajor Governmental	Total
Transfers In:				
General	\$ -	\$ -	\$ -	\$ -
Capital Projects Fund	89,478	-	-	89,478
Nonmajor Funds	975,664	207,722	325,853	1,509,239
Jack Brooks Regional Airport	750,000	-	-	750,000
Ford Park	1,715,960	-	-	1,715,960
	\$ 3,531,102	\$ 207,722	\$ 325,853	\$ 4,064,677



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
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**Note 4 – Interfund Receivables, Payables, and Transfers – continued**

Transfers in the amount of \$750,000 from the General Fund to the Jack Brooks Regional Airport were to subsidize operations at the airport. Transfers in the amount of \$1,715,960 to Ford Park were to subsidize operations of the complex. All other transfers are routine in nature such as grant matches, ongoing capital projects, and residual fund balance transfers for close out of funds.

Transfers in the amount of \$128,532 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.

**Note 5 – Capital Assets**

Capital asset activity for the year ended September 30, 2015 was as follows:

	Balance October 1, 2014	Additions	Deletions	Transfer	Balance September 30, 2015
Governmental Activities:					
Land	\$ 3,840,787	\$ -	\$ -	\$ -	\$ 3,840,787
Construction work in progress	14,283,860	10,038,686	-	(4,357,578)	19,964,968
Total capital assets not depreciated	\$ 18,124,647	\$ 10,038,686	\$ -	\$ (4,357,578)	\$ 23,805,755
Infrastructure	58,543,801	-	-	570,365	59,114,166
Buildings & Improvements	98,773,482	157,418	-	3,787,213	102,718,113
Equipment	38,704,189	3,924,478	(1,327,419)	-	41,301,248
Total capital assets depreciated	\$ 196,021,472	\$ 4,081,896	\$ (1,327,419)	\$ 4,357,578	\$ 203,133,527
Less accumulated depreciation for:					
Infrastructure	(37,908,280)	(1,282,526)	-	-	(39,190,806)
Buildings & Improvements	(61,825,889)	(1,840,506)	-	-	(63,666,395)
Equipment	(27,308,522)	(2,813,361)	1,293,571	-	(28,828,312)
Total accumulated depreciation	\$ (127,042,691)	\$ (5,936,393)	\$ 1,293,571	\$ -	\$ (131,685,513)
Total capital assets depreciated, net	\$ 68,978,781	\$ (1,854,497)	\$ (33,848)	\$ 4,357,578	\$ 71,448,014
Governmental activities capital assets, net	\$ 87,103,428	\$ 8,184,189	\$ (33,848)	\$ -	\$ 95,253,769



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

	Balance October 1, 2014	Additions	Dcletions	Transfer	Balance September 30, 2015
<b>Business-type Activities:</b>					
Land	\$ 5,154,600	\$ -	\$ -	\$ -	\$ 5,154,600
Construction work in progress	753,686	2,635,478	-	(495,314)	2,893,850
Total capital assets not depreciated	\$ 5,908,286	\$ 2,635,478	\$ -	\$ (495,314)	\$ 8,048,450
Buildings & Improvements	129,259,814	142,132	(53,996)	495,314	129,843,264
Equipment	12,399,535	23,999	(88,440)	-	12,335,094
Total eapital assets depreciated	\$ 141,659,349	\$ 166,131	\$ (142,436)	\$ 495,314	\$ 142,178,358
<b>Less accumulated depreciation for:</b>					
Buildings & Improvements	(55,211,899)	(3,288,032)	49,180	-	(58,450,751)
Equipment	(8,058,163)	(696,528)	85,731	-	(8,668,960)
Total accumulated depreciation	\$ (63,270,062)	\$ (3,984,560)	\$ 134,911	\$ -	\$ (67,119,711)
Total capital assets depreciated, net	\$ 78,389,287	\$ (3,818,429)	\$ (7,525)	\$ 495,314	\$ 75,058,647
Business-type activities eapital assets, net	\$ 84,297,573	\$ (1,182,951)	\$ (7,525)	\$ -	\$ 83,107,097

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

**Governmental activities:**

General Government	\$ 596,856
Judicial & Law Enforcement	2,601,147
Health & Welfare	74,253
Maintenance - Equipment & Structures	<u>2,664,137</u>

Total depreciation expense - governmental activities	<u>\$5,936,393</u>
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**Business-type activities:**

Southeast Texas Regional Airport	\$1,577,476
Ford Park	<u>2,407,084</u>

Total depreciation expense - business-type activities	<u>\$3,984,560</u>
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JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**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 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 eight 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.

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, 2015:

Airport Terminal & Buildings	\$ 12,222,487
Airport Private Hangar Park and Land	3,249,396
	<u>\$ 15,471,883</u>
Less: accumulated depreciation	(4,156,346)
	<u>\$ 11,315,537</u>

The following is a schedule by years of minimum future rentals on noncancellable operating leases as of September 30, 2015:



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

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

<u>Fiscal Year Ending September 30</u>	
2016	\$ 263,024
2017	263,024
2018	259,824
2019	225,502
2020	226,731
2021-2025	855,276
2026-2030	378,667
2031-2035	319,078
2036-2040	329,620
2041-2044	<u>241,639</u>
 Total	 <u>\$ 3,362,385</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, 2015.

**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 2012 Refunding Bonds and 72% (\$1,630,834) 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 \$54,195,000.

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

\$1,340,000 2013 Refunding Bonds due in annual installments from \$265,000 to \$275,000 through August 1, 2018; interest rates ranging from .62% to 1.93%.	\$805,000
\$47,305,000 2012 Refunding Bonds due in annual installments from \$780,000 to \$4,465,000 through August 1, 2025; interest rates ranging from 2.0% to 5.0%.	37,590,000
\$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%.	<u>2,265,000</u>
Total General Obligation Bonds	<u><u>\$40,660,000</u></u>



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

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

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

Fiscal Year Ended September 30	Governmental Activities		Total
	Principal	Interest	
2016	\$ 4,590,000	\$ 1,534,121	\$ 6,124,121
2017	4,690,000	1,410,930	6,100,930
2018	3,640,000	1,264,257	4,904,257
2019	3,450,000	1,158,000	4,608,000
2020	3,620,000	1,020,000	4,640,000
2021-2025	20,670,000	2,398,000	23,068,000
<b>Total</b>	<b>\$ 40,660,000</b>	<b>\$ 8,785,308</b>	<b>\$ 49,445,308</b>

There is currently \$1,069,797 available in the Debt Service Funds to service the general obligation bonds. The County has no authorized but unissued bonds at September 30, 2015.

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.

**Capital Lease Obligations:**

The county has entered into lease agreement for financing the acquisition of electronic election system hardware and software. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date. The asset acquired through capital leases is recorded at \$1,707,363 for governmental funds. The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, were as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>
2016	\$ 369,835
2017	369,835
2018	369,835
2019	369,835
2020	369,836
Total minimum lease payments	\$ 1,849,176
Less: amount representing interest	(141,813)
Present value of minimum lease payments	<u>\$ 1,707,363</u>



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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

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, 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, 2015, there were two series of Jefferson County Housing Finance Corporation Bonds with an aggregate principal amount payable of \$12,413,837, and one series of Jefferson Industrial Development Bonds with an aggregate principal amount payable of \$45,510,000.

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, 2015, there are no estimated liabilities for arbitrage rebate on governmental debt. 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, 2015 was as follows:



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

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

	Beginning Balance - Restated	Additions	Reductions	Ending Balance	Due within One Year
<b>Governmental Activities:</b>					
Bonds Payable					
General obligation bonds	\$ 45,080,000	\$ -	\$ (4,420,000)	\$ 40,660,000	\$ 4,590,000
Less deferred amounts:					
Premiums	4,201,192	-	(416,869)	3,784,323	-
Total bonds payable	\$ 49,281,192	\$ -	\$ (4,836,869)	\$ 44,444,323	\$ 4,590,000
Capital Leases	-	1,707,363	-	1,707,363	369,835
Claims and Judgments	2,547,790	22,628,819	(22,490,986)	2,685,623	2,685,623
Compensated Absences	12,174,444	951,813	(969,605)	12,156,652	782,235
Pension Liability	46,361,282	21,754,938	(20,127,555)	47,988,665	-
OPEB Obligations	65,724,170	20,847,988	(7,748,641)	78,823,517	-
<b>Governmental Activities</b>					
Long-term liabilities	\$ 176,088,878	\$ 67,890,921	\$(56,173,656)	\$ 187,806,143	\$ 8,427,693
<b>Business-type Activities:</b>					
Compensated Absences	\$ 234,161	\$ 73,807	\$ (53,600)	\$ 254,368	\$ 62,601
Pension Liability	849,799	398,767	(368,937)	879,629	-
<b>Business-type Activities</b>					
Long-term liabilities	\$ 1,083,960	\$ 472,574	\$ (422,537)	\$ 1,133,997	\$ 62,601

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. Pension liabilities are normally liquidated by the corresponding funds in governmental activities and by the corresponding enterprise fund for business type activities. OPEB Obligations are normally liquidated by the general fund.

**Note 8 – Defined Benefit Pension Plan**

**Plan Description.** The County participates in 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 nontraditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tcdrs.org](http://www.tcdrs.org).

All eligible employees of the County are required to participate in TCDRS.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**Note 8 – Defined Benefit Pension Plan - continued**

**Benefits Provided.** TCDRS provides retirement, disability and death benefits for all of its fulltime employees. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

Members can retire at age 60 and above with 8 or more years of service, with 20 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 eight 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 contributions 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 contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

***Employees covered by benefit terms***

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	733
Inactive employees entitled to but not yet receiving benefits	568
Active employees	<u>1.203</u>
	<u>2.504</u>

**Contributions.** The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 17.41% and 17.66% in calendar years 2014



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 8 – Defined Benefit Pension Plan - continued**

and 2015, respectively. The County's contributions to TCDRS for the year ended September 30, 2015, were \$11,476,313, and were equal to the required contributions.

**Net Pension Liability.** The County's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

***Actuarial Assumptions***

The Total Pension Liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.5% per year
Investment rate of return	8.1%, net of pension plan investment expense, including inflation

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

The actuarial assumptions that determined the total pension liability as of December 31, 2014, were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2015 information for a 7 to 10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years,



JEFFERSON COUNTY, TEXAS  
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**Note 8 – Defined Benefit Pension Plan - continued**

and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

Asset Class	Benchmark	Target Allocation <sup>(1)</sup>	Geometric Real Rate of Return (Expected minus Inflation) <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities - Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index	11.00%	5.35%
International Equities - Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	-0.20%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

<sup>(1)</sup> Target asset allocation adopted at the April 2015 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return in addition to assumed inflation of 1.7% per Cliffwater's 2015 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
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**Note 8 – Defined Benefit Pension Plan - continued**

and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

*Changes in the Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2013	\$ 389,135,022	\$ 341,923,940	\$ 47,211,082
Changes for the year:			
Service Cost	8,802,884	-	8,802,884
Interest on total pension liability (1)	31,100,211	-	31,100,211
Effect of economic/demographic gains or losses	970,401	-	970,401
Refund of contributions	(603,550)	(603,550)	-
Benefit payments	(18,768,699)	(18,768,699)	-
Administrative expenses	-	(270,923)	270,923
Member contributions	-	4,514,879	(4,514,879)
Net investment income	-	23,395,891	(23,395,891)
Employer contributions	-	11,131,001	(11,131,001)
Other (2)	-	445,436	(445,436)
Balance at 12/31/2014	<u>\$ 410,636,269</u>	<u>\$ 361,767,975</u>	<u>\$ 48,868,294</u>

- (1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest
- (2) Relates to allocation of system-wide items.

*Sensitivity Analysis*

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1%) or 1-percentage-higher (9.1%) than the current rate:



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

**Note 8 – Defined Benefit Pension Plan - continued**

	1% Decrease 7.1%	Current Discount Rate 8.1%	1% Increase 9.1%
Total pension liability	\$ 461,960,556	\$ 410,636,269	\$ 368,137,840
Fiduciary net position	<u>361,767,975</u>	<u>361,767,975</u>	<u>361,767,975</u>
Net pension liability/(asset)	<u>\$ 100,192,581</u>	<u>\$ 48,868,294</u>	<u>\$ 6,369,865</u>

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan’s Fiduciary Net Position is available in a separately-issued TCDRS financial report. The report may be obtained on the Internet at [www.tcdrs.org](http://www.tcdrs.org).

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2015, the County recognized pension expense of \$8,468,035.

At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 776,321
Difference between projected and actual investment earnings	-	3,543,858
Contributions subsequent to the measurement date	-	<u>9,429,423</u>
Total	<u>\$ -</u>	<u>\$ 13,749,602</u>

\$9,429,423 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2015. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

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**Note 8 – Defined Benefit Pension Plan - continued**

Year Ended December 31,	
2015	\$ 1,080,045
2016	1,080,045
2017	1,080,045
2018	1,080,044
Thereafter	-

**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, 2014
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%
General Inflation Rate	3.00%

**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:



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

**Note 9 – Other Post-Employment Benefits (continued)**

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:

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, 2015, there were 570 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),



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**Note 9 – Other Post-Employment Benefits (continued)**

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 2015 the total contribution was \$4,094,919.

The calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuation for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

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, 2014 as required by GASB. The County's annual OPEB cost for the current year is as follows:

Annual Required Contribution	\$ 18,219,021
Interest on prior year Net OPEB Obligation	2,628,967
Adjustment to ARC	<u>(3,654,649)</u>
Annual OPEB Cost	\$ 17,193,339
County's Contribution made	<u>(4,094,919)</u>
Increase in Net OPEB Obligation	\$ 13,098,420
Net OPEB Obligation - beginning of year	<u>\$ 65,724,170</u>
Net OPEB Obligation - end of year	<u><u>\$ 78,822,590</u></u>



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

**Note 9 – Other Post-Employment Benefits (continued)**

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Contributed	Net OPEB Obligation
09/30/2013	\$16,497,527	21.20%	\$52,495,987
09/30/2014	\$17,017,533	22.27%	\$65,724,170
09/30/2015	\$17,193,339	23.86%	\$78,822,590

**Funded Status and Funding Progress -**

As of October 1, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$170,556,354, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$170,556,354. The covered payroll (annual payroll of active employees covered by the plan) was \$65,067,626, and the ratio of the UAAL to the covered payroll was 262%.

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.

In the October 1, 2014, actuarial valuation, a 4% discount rate and a general inflation rate of 3.00% per year was used. The medical trend rates 10% for 2015, 9.5% in 2016, 9.0% in the third year,



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**Note 9 – Other Post-Employment Benefits (continued)**

8.50% in the fourth year, and ultimately grading down to 4.5% per year after the twelfth year 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, 2015.

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

The following funds had deficit equity balances as of September 30, 2015:



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

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

<u>Governmental Activities</u>	
Law Library	\$ 1,139
Juvenile Probation and Detention - State Aid	15,075
Mental Health Services	8,289
Juvenile Drug Court	4,913
Drug Diversion Program	4,203
Juvenile TJPC A	57,201
Sheriff Training Grant	1,938
JAG Grant	8,094
Sheriff Dept Grants	95
Auto Theft Grant	6,754
Drug Intervention Grant	140
Cheek Water and Sewer Phase 4	88,969
CETRZ Grant	395,226
Total for Governmental Activities	<u>\$ 592,036</u>

<u>Business-type Activities</u>	
Southeast Texas Government Employee Benefits Pool Fund	<u>\$2,809,885</u>
Total for Business-type Activities	<u>\$2,809,885</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>2015</u>	<u>2014</u>
Liability for claims, beginning of fiscal year	\$371,096	\$370,760
Incurred claims and changes in estimates	1,327,720	268,378
Claim payments	<u>(389,841)</u>	<u>(268,042)</u>
Liability for claims, end of fiscal year	<u>\$1,308,975</u>	<u>\$371,096</u>



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

**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:

	2015	2014
Liability for claims, beginning of fiscal year	\$396,044	\$301,481
Incurred claims and changes in estimates	864,227	774,404
Claim payments	(724,048)	(679,841)
Liability for claims, end of fiscal year	\$536,223	\$396,044

**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 1,652. Operations of the Pool are accounted for as an internal service fund.



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

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

The Pool uses reinsurance agreements to reduce its exposure to large losses on medical and prescription claims. For the fiscal year ended September 30, 2015, the Pool had stop loss insurance contracts to limit the medical and prescription claims per individual member to \$250,000 in a calendar year with a \$1,250,000 aggregating group deductible. The Pool did not exceed these limits during fiscal year 2015 but did exceed these limits by \$78,291 during fiscal year 2014, and by \$187,182 during fiscal year 2013.

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:

	2015	2014
Liability for claims, beginning of fiscal year	\$1,780,650	\$1,625,837
Incurred claims and changes in estimates	20,436,872	18,709,205
Claim payments	(21,377,097)	(18,554,392)
Liability for claims, end of fiscal year	\$840,425	\$1,780,650

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, 2015, the County had the following commitments with respect to unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Courthouse Restoration	\$ 2,507,179	09/30/2016
Public Health Building	237,807	12/31/2015
Roads	245,822	03/31/2016
McFaddin National Wildlife Refuge Dune Restoration	3,300,060	12/31/2016
Public Interest Projects	358,217	09/30/2016
	\$ 6,649,085	



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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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 fund level financial statements for the year ended September 30, 2015, increases to beginning fund balance in the amount of \$38,330 were made to Non Major Special Revenue funds for Juvenile Community Corrections Program (\$34,163) and to Juvenile Advocate Incentive (\$4,167) for corrections to prior year adjustments to revenues.

As a result of implementing GASB Statement 68, the County has decreased beginning net position as of October 1, 2014 by \$37,503,467 for the governmental activities. This decrease results from recording Net Pension liability of \$46,361,282 which was partially offset by a Deferred Outflow of Resources for Contributions made after 12/31/2013 of \$8,857,815. In addition, the County has decreased beginning net position as of October 1, 2014 by \$687,436 for the business-type activities. This decrease results from recording Net Pension liability of \$849,799 which was partially offset by a Deferred Outflow of Resources for Contributions made after 12/31/2013 of \$162,363.

The total effect of these adjustments decreased beginning net position of the governmental activities by \$37,465,137 and decrease beginning net position of the business-type activities by \$687,436.

**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.

**Note 18 – Recent Accounting Pronouncements**

GASB Statement 72, *Fair Value Measurement and Application* (“GASB 72”), addresses accounting and financial reporting issues related to fair value measurements by providing guidance for determining a fair value measurement for financial reporting purposes and guidance for applying fair value to certain investments and disclosures related to all fair value measurements. GASB 72 will be implemented by the County in fiscal year 2016 and the impact has not yet been determined.

GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB*



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**Note 18 – Recent Accounting Pronouncements - continued**

*Statements 67 and 68* (“GASB 73”), establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. GASB 73 will be implemented by the County in fiscal year 2016 and the impact has not yet been determined.

GASB Statement 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* (“GASB 74”), replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. GASB 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. GASB 74 will be implemented by the County in fiscal year 2017 and the impact has not yet been determined.

GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* (“GASB 75”), replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB 75 require governments to report a liability on the face of the financial statements for the OPEB that they provide. GASB 75 will be implemented by the County in fiscal year 2018 and the impact has not yet been determined.

GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (“GASB 76”), has the objective to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (“GAAP”). GASB 76 will be implemented by the County in fiscal year 2016 and the impact has not yet been determined.

GASB Statement 77, *Tax Abatement Disclosures* (“GASB 77”), requires governments that enter into tax abatement agreements to make certain disclosures concerning the agreements to be able to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future. GASB 77 will be implemented by the County in fiscal year 2016 and the impact has not yet been determined.

GASB Statement 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans* (“GASB 78”), amends the scope and applicability of GASB 68 in association with pensions provided through certain multiple-employer defined benefit pension plans and to state of local governmental employers whose employees are provided with such pensions. GASB 78 will be implemented by the County in fiscal year 2016 and the impact has not yet been determined.

GASB Statement 79, *Certain External Investment Pools and Pool Participants* (“GASB 79”), establishes criteria for an external investment pool to qualify for making the election to measure all of



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 18 – Recent Accounting Pronouncements - continued**

its investments at amortized cost for financial reporting purposes. GASB 79 will be implemented by the County in fiscal year 2016 and the impact has not yet been determined.



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, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>TAXES:</b>				
PROPERTY	\$ 76,885,100	76,885,100	76,668,604	(216,496)
SALES TAX	21,450,000	21,450,000	23,703,964	2,253,964
FEES	8,680,744	8,680,744	9,473,369	792,625
LICENSES	418,200	418,200	459,198	40,998
SALES, RENTALS, AND SERVICES	1,429,876	1,429,876	1,974,325	544,449
INTERGOVERNMENTAL	1,574,315	1,574,315	1,757,619	183,304
FINES AND FORFEITURES	1,725,000	1,725,000	1,927,212	202,212
INTEREST	212,000	212,000	331,955	119,955
MISCELLANEOUS	24,000	24,000	29,495	5,495
CONTRIBUTIONS AND DONATIONS	-	-	375	375
<b>TOTAL REVENUES</b>	<b>\$ 112,399,235</b>	<b>112,399,235</b>	<b>116,326,116</b>	<b>3,926,881</b>
<b>EXPENDITURES:</b>				
GENERAL GOVERNMENT	\$ 23,355,928	24,446,442	23,352,652	1,093,790
JUDICIAL AND LAW ENFORCEMENT	69,404,254	69,549,855	66,182,403	3,367,452
EDUCATION AND RECREATION	404,159	404,159	382,440	21,719
HEALTH AND WELFARE	10,791,110	10,819,132	10,123,450	695,682
MAINTENANCE - EQUIPMENT AND STRUCTURES	13,649,961	13,696,346	12,137,612	1,558,734
CAPITAL OUTLAY	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 117,605,412</b>	<b>118,915,934</b>	<b>112,178,557</b>	<b>6,737,377</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (5,206,177)</b>	<b>(6,516,699)</b>	<b>4,147,559</b>	<b>10,664,258</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS OUT	(4,876,206)	(3,565,684)	(3,531,102)	34,582
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (4,876,206)</b>	<b>(3,565,684)</b>	<b>(3,531,102)</b>	<b>34,582</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (10,082,383)</b>	<b>(10,082,383)</b>	<b>616,457</b>	<b>10,698,840</b>
<b>FUND BALANCES, BEGINNING</b>	<b>\$ 47,264,400</b>	<b>47,264,400</b>	<b>47,264,400</b>	<b>-</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 37,182,017</b>	<b>37,182,017</b>	<b>47,880,857</b>	<b>10,698,840</b>



JEFFERSON COUNTY, TEXAS  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2015

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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 Capital Project Fund – Capital Projects Fund which is considered a major fund does not have a legally adopted budget.

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

Commissioners' Court approved approximately \$1 million in budget transfers over the original budget for General Services for additional cost for funding to the Liability Claims account.

In addition, the Court approved approximately \$350,000 in budget transfers over the original budget for the increased cost for indigent defense. 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 \$6,771,959 in actual savings from the total budget, with the assistance from all County departments.

**JEFFERSON COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS**

Plan Year Ended December 31	<u>2014</u>
<b>Total Pension Liability</b>	
Service Cost	\$ 8,802,884
Interest total pension liability	31,100,211
Effect of economic/demographic (gains) or losses	970,401
Benefit payments/refunds of contributions	<u>( 19,372,249)</u>
Net change in total pension liability	\$ 21,501,247
Total pension liability - beginning	<u>389,135,022</u>
Total pension liability - ending (a)	<u>\$ 410,636,269</u>
<b>Plan Fiduciary Net Position</b>	
Employer contributions	\$ 11,131,001
Member contributions	4,514,879
Investment income net of investment expenses	23,395,891
Benefit payments refunds of contributions	<u>( 19,372,249)</u>
Administrative expenses	<u>( 270,923)</u>
Other	<u>445,436</u>
Net change in plan fiduciary net position	\$ 19,844,035
Plan fiduciary net position - beginning	<u>341,923,940</u>
Plan fiduciary net position - ending (b)	<u>\$ 361,767,975</u>
Net pension liability - ending (a) - (b)	<u>\$ 48,868,294</u>
Fiduciary net position as a percentage of total pension liability	88.10%
Pensionable covered payroll	\$ 63,934,561
Net pension liability as a percentage of covered payroll	76.43%

\* Reporting began in fiscal year 2015.

**JEFFERSON COUNTY, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<u>Fiscal Year Ended</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll (1)</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	10,889,473	10,889,473	-	63,521,999	17.1%
2015	11,476,313	11,476,313	-	65,197,649	17.6%

(1) Payroll is calculated based on contributions as reported to TCDRS.

*\* Information prior to fiscal year 2014 is not available.*

**JEFFERSON COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

<b>Valuation Timing</b>	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
<b>Actuarial Cost Method</b>	Entry age normal
<b>Asset Valuation Method</b>	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
<b>Inflation</b>	3.0%
<b>Salary Increases</b>	Annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.
<b>Investment Rate of Return</b>	8.10%
<b>Cost-of Living Adjustments</b>	Cost-of-Living Adjustments are not considered to be substantively automatic under GASB 68. Therefore, no assumption for the future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
<b>Retirement Age</b>	Experience-based tables of rates based on a study of the period 2009-2012.
<b>Turnover</b>	New employees are assumed to replace any terminated members and have similar entry ages.
<b>Mortality</b>	
Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Tables for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-deposition members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.
<b>Other Information</b>	There were no benefit changes during the year.

**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]
2013	10/1/2012	\$0	\$149,094,287	\$149,094,287	0%	\$62,180,294	239.78%
2014	10/1/2013	\$0	\$159,551,852 ^	\$159,551,852	0%	\$63,647,485	250.68%
2015	10/1/2014	\$0	\$170,556,354	\$170,556,354	0%	\$65,067,626	262.12%

\* Actuarial liability determined under the projected unit credit cost method.

^ Actuarial accrued liability estimated based on roll-forward of prior year October 1 valuation results.

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, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<b>GENERAL GOVERNMENT:</b>				
TAX ASSESSOR-COLLECTOR	\$ 3,668,340	3,668,340	3,517,206	151,134
HUMAN RESOURCES	430,962	430,962	376,157	54,805
COUNTY AUDITOR	1,421,573	1,421,573	1,363,388	58,185
COUNTY CLERK	2,217,027	2,217,027	2,130,778	86,249
COUNTY JUDGE	894,428	894,428	825,128	69,300
RISK MANAGEMENT	240,745	240,745	228,692	12,053
COUNTY TREASURER	378,326	378,326	369,794	8,532
PRINTING DEPARTMENT	168,274	168,274	148,241	20,033
PURCHASING AGENT	547,371	547,371	496,973	50,398
GENERAL SERVICES	9,988,708	11,042,419	10,833,956	208,463
DATA PROCESSING	2,076,244	2,113,047	1,971,981	141,066
VOTERS REGISTRATION DEPARTMENT	226,010	226,010	207,586	18,424
ELECTIONS DEPARTMENT	815,383	815,383	605,345	210,038
VETERANS SERVICE	282,537	282,537	277,427	5,110
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 23,355,928</b>	<b>24,446,442</b>	<b>23,352,652</b>	<b>1,093,790</b>
<b>JUDICIAL AND LAW ENFORCEMENT:</b>				
DISTRICT ATTORNEY	\$ 6,481,869	6,481,869	6,006,333	475,536
DISTRICT CLERK	1,799,632	1,799,632	1,759,989	39,643
CRIMINAL DISTRICT COURT	1,509,101	1,509,101	1,408,957	100,144
58TH DISTRICT COURT	305,686	305,686	283,960	21,726
60TH DISTRICT COURT	287,724	287,724	281,685	6,039
136TH DISTRICT COURT	293,706	293,706	291,170	2,536
172ND DISTRICT COURT	295,125	295,125	262,815	32,310
252ND DISTRICT COURT	1,158,506	1,358,506	1,356,812	1,694
279TH DISTRICT COURT	387,285	412,285	410,156	2,129
317TH DISTRICT COURT	699,183	790,183	754,761	35,422
JURY	1,086,240	795,240	766,944	28,296
J.P. PRECINCT NO. 1 - PLACE NO. 1	355,094	355,094	342,468	12,626
J.P. PRECINCT NO. 1 - PLACE NO. 2	349,550	349,550	324,912	24,638
J.P. PRECINCT NO. 2	330,558	330,558	282,561	47,997
J.P. PRECINCT NO. 4	355,319	355,319	337,629	17,690
J.P. PRECINCT NO. 6	364,634	364,634	348,028	16,606
J.P. PRECINCT NO. 7	362,270	362,270	317,186	45,084
J.P. PRECINCT NO. 8	364,959	364,959	319,578	45,381
COUNTY COURT AT LAW NO. 1	474,535	474,535	458,790	15,745
COUNTY COURT AT LAW NO. 2	653,755	644,153	590,116	54,037
COUNTY COURT AT LAW NO. 3	635,528	672,130	644,545	27,585
COURT MASTER	483,603	494,103	465,840	28,263
DISPUTE RESOLUTION CENTER	254,682	254,682	202,966	51,716
JUVENILE ALTERNATIVE SCHOOL	381,977	381,977	337,127	44,850
COMMUNITY SUPERVISION	14,728	14,728	14,259	469
SHERIFF	13,169,790	13,196,368	12,455,543	740,825
CRIME LABORATORY	1,469,693	1,469,693	1,337,962	131,731
JAIL	27,520,354	27,520,354	26,859,063	661,291
JUVENILE CORRECTIONAL PROBATION	1,602,440	1,602,440	1,379,633	222,807
JUVENILE DETENTION HOME	2,042,112	2,042,112	1,789,213	252,899
CONSTABLE PRECINCT NO. 1	784,351	810,851	740,764	70,087
CONSTABLE PRECINCT NO. 2	464,729	464,729	446,432	18,297
CONSTABLE PRECINCT NO. 4	426,867	426,867	389,192	37,675
CONSTABLE PRECINCT NO. 6	569,176	569,176	556,526	12,650
CONSTABLE PRECINCT NO. 7	455,985	455,985	437,194	18,791
CONSTABLE PRECINCT NO. 8	453,508	458,531	443,333	15,198
COUNTY MORGUE	740,000	785,000	777,961	7,039
<b>TOTAL JUDICIAL AND LAW ENFORCEMENT</b>	<b>\$ 69,404,254</b>	<b>69,549,855</b>	<b>66,182,403</b>	<b>3,367,452</b>

(CONTINUED)

JEFFERSON COUNTY, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (GAAP)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>EDUCATION AND RECREATION:</b>				
AGRICULTURAL EXTENSION SERVICE	\$ 404,159	404,159	382,440	21,719
TOTAL EDUCATION AND RECREATION	\$ 404,159	404,159	382,440	21,719
<b>HEALTH AND WELFARE:</b>				
PUBLIC HEALTH UNIT 1	\$ 1,308,594	1,267,355	1,169,089	98,266
PUBLIC HEALTH UNIT 2	1,256,570	1,233,831	1,160,679	73,152
NURSE PRACTITIONER	299,070	299,070	287,160	11,910
CHILD WELFARE	153,900	153,900	115,787	38,113
ENVIRONMENTAL CONTROL	408,121	408,121	392,096	16,025
INDIGENT MEDICAL SERVICE	4,900,891	4,992,891	4,960,137	32,754
MOSQUITO CONTROL	2,189,276	2,189,276	1,771,414	417,862
EMERGENCY MANAGEMENT	224,688	224,688	217,088	7,600
TOBACCO SETTLEMENT FUND	50,000	50,000	50,000	-
TOTAL HEALTH AND WELFARE	\$ 10,791,110	10,819,132	10,123,450	695,682
<b>MAINTENANCE - EQUIPMENT &amp; STRUCTURES:</b>				
COURTHOUSE & ANNEXES	\$ 2,754,648	2,769,117	2,525,011	244,106
PORT ARTHUR BUILDINGS	746,362	759,246	700,948	58,298
MID-COUNTY BUILDINGS	232,228	232,228	195,953	36,275
ROAD & BRIDGE PCT. 1	1,644,279	1,644,279	1,439,171	205,108
ROAD & BRIDGE PCT. 2	1,855,393	1,786,925	1,630,947	155,978
ROAD & BRIDGE PCT. 3	1,751,562	1,751,562	1,582,571	168,991
ROAD & BRIDGE PCT. 4	2,174,214	2,269,214	1,994,511	274,703
ENGINEERING	985,864	985,864	926,173	59,691
PARKS & RECREATION	197,532	190,032	118,249	71,783
SERVICE CENTER	1,307,879	1,307,879	1,024,078	283,801
TOTAL MAINTENANCE - EQUIPMENT & STRUCTURES	\$ 13,649,961	13,696,346	12,137,612	1,558,734
<b>CAPITAL OUTLAY:</b>				
	\$ -	-	-	-
TOTAL OPERATING EXPENDITURES	\$ 117,605,412	118,915,934	112,178,557	6,737,377
<b>OTHER FINANCING USES:</b>				
TRANSFERS OUT	\$ 4,876,206	3,565,684	3,531,102	34,582
TOTAL OTHER FINANCING USES	\$ 4,876,206	3,565,684	3,531,102	34,582
TOTAL GENERAL FUND EXPENDITURES	\$ 122,481,618	122,481,618	115,709,659	6,771,959

# NONMAJOR GOVERNMENTAL FUNDS

JEFFERSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - SUMMARY  
 SEPTEMBER 30, 2015

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 19,261,464	1,875,050	1,099,105	22,235,619
ACCOUNTS RECEIVABLE, Net	142,277	20,990	-	163,267
INTEREST RECEIVABLE	6,411	706	413	7,530
DUE FROM OTHER FUNDS	23,248	-	-	23,248
DUE FROM OTHER GOVERNMENTAL ENTITIES	1,508,157	1,598,966	-	3,107,123
DELINQUENT TAXES RECEIVABLE, Net	-	-	107,897	107,897
PENALTY AND INTEREST RECEIVABLE, Net	-	-	54,767	54,767
INVENTORY, At Cost	55,754	-	-	55,754
PREPAID ITEM	781	-	-	781
<b>TOTAL ASSETS</b>	<b>\$ 20,998,092</b>	<b>3,495,712</b>	<b>1,262,182</b>	<b>25,755,986</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 872,514	992,788	44,234	1,909,536
DUE TO OTHER FUNDS	875,700	609,281	-	1,484,981
DUE TO OTHER GOVERNMENTAL ENTITIES	519,735	-	-	519,735
UNEARNED REVENUE	675,833	-	-	675,833
<b>TOTAL LIABILITIES</b>	<b>\$ 2,943,782</b>	<b>1,602,069</b>	<b>44,234</b>	<b>4,590,085</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
UNAVAILABLE REVENUE- PROPERTY TAXES	\$ -	-	148,151	148,151
UNAVAILABLE REVENUE- GRANTS	490,361	395,226	-	885,587
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 490,361</b>	<b>395,226</b>	<b>148,151</b>	<b>1,033,738</b>
<b>FUND BALANCES:</b>				
<b>NONSPENDABLE FOR:</b>				
INVENTORY	\$ 55,754	-	-	55,754
PREPAID ITEMS	781	-	-	781
<b>RESTRICTED FOR:</b>				
DEBT SERVICE	-	-	1,069,797	1,069,797
CONSTRUCTION	-	50,077	-	50,077
PUBLIC INTEREST	2,570,226	-	-	2,570,226
JUDICIAL & LAW ENFORCEMENT	4,908,014	-	-	4,908,014
EDUCATION & RECREATION	1,468,983	-	-	1,468,983
HEALTH & WELFARE	8,427,577	-	-	8,427,577
MAINTENANCE OF STRUCTURES & EQUIPMENT	329,424	-	-	329,424
<b>COMMITTED FOR:</b>				
CONSTRUCTION CONTRACTS	-	3,941,806	-	3,941,806
ASSIGNED FOR CAPITAL PROJECTS	-	1,799,539	-	1,799,539
UNASSIGNED (DEFICIT)	(196,810)	(4,293,005)	-	(4,489,815)
<b>TOTAL FUND BALANCES</b>	<b>\$ 17,563,949</b>	<b>1,498,417</b>	<b>1,069,797</b>	<b>20,132,163</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 20,998,092</b>	<b>3,495,712</b>	<b>1,262,182</b>	<b>25,755,986</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, 2015

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
PROPERTY TAXES	\$ -	-	6,182,154	6,182,154
SALES TAXES	1,291,716	-	-	1,291,716
FEES	4,864,247	-	-	4,864,247
INTERGOVERNMENTAL	8,689,966	5,222,040	-	13,912,006
SALES, RENTAL & SERVICES	1,033,489	1,494,942	-	2,528,431
FINES AND FORFEITURES	193,648	-	-	193,648
CONTRIBUTIONS AND DONATIONS	4,967	50,000	-	54,967
INTEREST	80,947	5,127	15,561	101,635
<b>TOTAL REVENUES</b>	<b>\$ 16,158,980</b>	<b>6,772,109</b>	<b>6,197,715</b>	<b>29,128,804</b>
<b>EXPENDITURES:</b>				
<b>CURRENT</b>				
GENERAL GOVERNMENT	\$ 434,275	-	-	434,275
JUDICIAL AND LAW ENFORCEMENT	14,364,433	-	-	14,364,433
EDUCATION AND RECREATION	1,057,539	-	-	1,057,539
HEALTH AND WELFARE	356,068	-	-	356,068
MAINTENANCE OF STRUCTURES AND EQUIPMENT	40,593	-	-	40,593
CAPITAL OUTLAY	-	7,233,879	-	7,233,879
DEBT SERVICE				
PRINCIPAL	-	-	4,420,000	4,420,000
INTEREST AND COMMISSION	-	-	1,695,044	1,695,044
<b>TOTAL EXPENDITURES</b>	<b>\$ 16,252,908</b>	<b>7,233,879</b>	<b>6,115,044</b>	<b>29,601,831</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (93,928)</b>	<b>(461,770)</b>	<b>82,671</b>	<b>(473,027)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	\$ 1,137,084	372,155	-	1,509,239
TRANSFERS OUT	(325,853)	-	-	(325,853)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 811,231</b>	<b>372,155</b>	<b>-</b>	<b>1,183,386</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 717,303</b>	<b>(89,615)</b>	<b>82,671</b>	<b>710,359</b>
FUND BALANCES, BEGINNING	\$ 16,808,316	1,588,032	987,126	19,383,474
PRIOR PERIOD ADJUSTMENT	38,330	-	-	38,330
FUND BALANCE, BEGINNING (Restated)	\$ 16,846,646	1,588,032	987,126	19,421,804
FUND BALANCES, ENDING	<u>\$ 17,563,949</u>	<u>1,498,417</u>	<u>1,069,797</u>	<u>20,132,163</u>

# 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.

**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 mentioned 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, Sheriff's Commissary, Sheriff – Spindletop Grant, 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 Grant A – State Aid  
Mentally Impaired Offenders  
Community Supervision  
Women’s Center  
Mental Health Services  
Community Corrections  
DWI Pretrial Diversion  
Juvenile Drug Court  
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  
Sheriff Training Grant  
JAG Grant  
Sheriff Dept Grants  
SCAAP Grant  
Crime Victims Clearing - 1  
Regional Communication  
Crime Victims Clearing - 2  
EMPG Grant  
Forensic Science Improvement Grant  
Port Security Grants  
Auto Theft Grant  
FEMA Emergency  
Drug Intervention Grant  
Violence Against Women - 1  
Violence Against Women - 2  
Family Treatment Court  
SHSP & LETPP Grants  
Cheek Water and Sewer Phase 4



JEFFERSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
 SEPTEMBER 30, 2015

	LATERAL ROAD FUNDS	BREATH ALCOHOL TESTING FUND	LAW LIBRARY FUND	JUVENILE PROBATON & DETENTION FUND
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 350.097	24.133	12,178	542.036
ACCOUNTS RECEIVABLE, Net	-	-	-	-
INTEREST RECEIVABLE	132	9	3	212
DUE FROM OTHER FUNDS	-	-	-	23,248
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	3,788
INVENTORY, At Cost	-	-	-	-
PREPAID ITEMS	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 350.229</u>	<u>24,142</u>	<u>12,181</u>	<u>569,284</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 20.805	-	13,320	2,587
DUE TO OTHER FUNDS	-	-	-	-
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-
UNEARNED REVENUE - GRANTS	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>\$ 20.805</u>	<u>-</u>	<u>13,320</u>	<u>2,587</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
UNAVAILABLE REVENUE-GRANTS	\$ -	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>				
NONSPENDABLE FOR:				
INVENTORY	\$ -	-	-	-
PREPAID ITEMS	-	-	-	-
RESTRICTED FOR:				
PUBLIC INTEREST	-	-	-	-
JUDICIAL & LAW ENFORCEMENT	-	24,142	-	566,697
EDUCATION & RECREATION	-	-	-	-
HEALTH & WELFARE	-	-	-	-
MAINTENANCE OF STRUCTURES & EQUIPMENT	329,424	-	-	-
UNASSIGNED (DEFICIT)	-	-	(1,139)	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 329,424</u>	<u>24,142</u>	<u>(1,139)</u>	<u>566,697</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 350.229</u>	<u>24,142</u>	<u>12,181</u>	<u>569,284</u>

COUNTY CLERK RECORDS MGMT. AND PRESERVATION FUND	COUNTY CLERK RECORDS ARCHIVE FUND	ASAP CONSTABLE PCT \$ PROGRAM	COUNTY RECORDS MGMT. AND PRESERVATION FUND
848,473	565,161	-	666,952
-	-	-	-
307	199	-	245
-	-	-	-
-	-	92,125	-
-	-	-	-
-	-	-	-
<u>848,780</u>	<u>565,360</u>	<u>92,125</u>	<u>667,197</u>
-	55,479	33,483	1,749
-	-	58,642	-
-	-	-	-
-	-	-	-
-	55,479	92,125	1,749
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
848,780	509,881	-	665,448
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>848,780</u>	<u>509,881</u>	<u>-</u>	<u>665,448</u>
<u>848,780</u>	<u>565,360</u>	<u>92,125</u>	<u>667,197</u>

JEFFERSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
 SEPTEMBER 30, 2015

	JUSTICE COURT BUILDING SECURITY	HOTEL OCCUPANCY TAX FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUNB
<b>ASSETS:</b>			
CASH AND CASH EQUIVALENTS	\$ 94,848	1,404,060	16,873
ACCOUNTS RECEIVABLE, Net	-	105,329	-
INTEREST RECEIVABLE	35	492	6
DUE FROM OTHER FUNDS	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-
INVENTORY, At Cost	-	-	-
PREPAID ITEMS	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 94,883</b>	<b>1,509,881</b>	<b>16,879</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
ACCOUNTS PAYABLE	\$ -	40,898	228
DUE TO OTHER FUNDS	-	-	-
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-
UNEARNED REVENUE - GRANTS	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>40,898</b>	<b>228</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
UNAVAILABLE REVENUE-GRANTS	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>			
<b>NONSPENDABLE FOR:</b>			
INVENTORY	\$ -	-	-
PREPAID ITEMS	-	-	-
<b>RESTRICTED FOR:</b>			
PUBLIC INTEREST	-	-	-
JUDICIAL & LAW ENFORCEMENT	94,883	-	16,651
EDUCATION & RECREATION	-	1,468,983	-
HEALTH & WELFARE	-	-	-
MAINTENANCE OF STRUCTURES & EQUIPMENT	-	-	-
UNASSIGNED (DEFICIT)	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 94,883</b>	<b>1,468,983</b>	<b>16,651</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 94,883</b>	<b>1,509,881</b>	<b>16,879</b>

SHERIFF AND CONSTABLE EDUCATION FUND	TAX OFFICE AUTO DEALER FUND	UNCLAIMED FUNDS MANAGEMENT FUND	FAMILY PROTECTION FUND	DISTRICT ATTORNEY FORFEITURE FUND	BOT CHECK FUND	JP COURTROOM TECHNOLOGY FUND
26.083	158.654	149.949	17.333	244.097	60,202	521.230
-	-	-	-	-	-	-
9	60	-	6	-	-	195
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>26.092</u>	<u>158.714</u>	<u>149.949</u>	<u>17.339</u>	<u>244.097</u>	<u>60,202</u>	<u>521.425</u>
348	-	10.420	-	-	1.182	151
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>348</u>	<u>-</u>	<u>10.420</u>	<u>-</u>	<u>-</u>	<u>1.182</u>	<u>151</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	158.714	139.529	-	-	-	-
25.744	-	-	17.339	244.097	59,020	521.274
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>25.744</u>	<u>158.714</u>	<u>139.529</u>	<u>17.339</u>	<u>244.097</u>	<u>59,020</u>	<u>521.274</u>
<u>26.092</u>	<u>158.714</u>	<u>149.949</u>	<u>17.339</u>	<u>244.097</u>	<u>60,202</u>	<u>521.425</u>

JEFFERSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
 SEPTEMBER 30, 2015

	DISTRICT CLERK RECORDS MANAGEMENT	COUNTY CLERK ELECTION CONTRACTS	COUNTY CLERK HAVA FUND	CHILD ABUSE PREVENTION	SHERIFF'S SPECIAL REVENUE FUNDS
ASSETS:					
CASH AND CASH EQUIVALENTS	\$ 2,187	22,080	35,334	7,115	1,845,416
ACCOUNTS RECEIVABLE, Net	-	-	-	-	30,134
INTEREST RECEIVABLE	-	8	13	3	174
DUE FROM OTHER FUNDS	-	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	-	649,979
INVENTORY, At Cost	-	-	-	-	55,754
PREPAID ITEMS	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,187</b>	<b>22,088</b>	<b>35,347</b>	<b>7,118</b>	<b>2,581,457</b>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES:					
ACCOUNTS PAYABLE	\$ 640	-	-	-	157,083
DUE TO OTHER FUNDS	-	-	-	-	587,167
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-
UNEARNED REVENUE - GRANTS	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 640</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>744,250</b>
DEFERRED INFLOWS OF RESOURCES:					
UNAVAILABLE REVENUE-GRANTS	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
FUND BALANCES:					
NONSPENDABLE FOR:					
INVENTORY	\$ -	-	-	-	55,754
PREPAID ITEMS	-	-	-	-	-
RESTRICTED FOR:					
PUBLIC INTEREST JUDICIAL & LAW ENFORCEMENT	-	22,088	35,347	-	-
EDUCATION & RECREATION	1,547	-	-	7,118	1,781,453
HEALTH & WELFARE	-	-	-	-	-
MAINTENANCE OF STRUCTURES & EQUIPMENT	-	-	-	-	-
UNASSIGNED (DEFICIT)	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,547</b>	<b>22,088</b>	<b>35,347</b>	<b>7,118</b>	<b>1,837,207</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 2,187</b>	<b>22,088</b>	<b>35,347</b>	<b>7,118</b>	<b>2,581,457</b>

GUARDIANSHIP FEE FUND	JUVENILE DELINQUENCY PREVENTION	DISTRICT COURT RECORDS TECHNOLOGY	PROBATION DEPARTMENT FUNDS	GRANT FUNDS	TOTAL
190.568	82.587	125.130	2,677,130	8,571,558	19,261,464
-	-	-	6,814	-	142,277
71	31	46	930	3,225	6,411
-	-	-	-	-	23,248
-	-	-	179,877	582,388	1,508,157
-	-	-	-	-	55,754
-	-	-	781	-	781
<u>190.639</u>	<u>82.618</u>	<u>125.176</u>	<u>2,865,532</u>	<u>9,157,171</u>	<u>20,998,092</u>
200	-	-	502,745	31,196	872,514
-	-	-	44,586	185,305	875,700
-	-	-	519,735	-	519,735
-	-	-	675,833	-	675,833
<u>200</u>	<u>-</u>	<u>-</u>	<u>1,742,899</u>	<u>216,501</u>	<u>2,943,782</u>
-	-	-	-	490,361	490,361
-	-	-	-	490,361	490,361
-	-	-	-	-	55,754
-	-	-	781	-	781
190,439	-	-	-	-	2,570,226
-	82,618	125,176	1,211,533	128,722	4,908,014
-	-	-	-	-	1,468,983
-	-	-	-	8,427,577	8,427,577
-	-	-	-	-	329,424
-	-	-	(89,681)	(105,990)	(196,810)
<u>190.439</u>	<u>82.618</u>	<u>125.176</u>	<u>1,122,633</u>	<u>8,450,309</u>	<u>17,563,949</u>
<u>190.639</u>	<u>82.618</u>	<u>125.176</u>	<u>2,865,532</u>	<u>9,157,171</u>	<u>20,998,092</u>

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, 2015

	LATERAL ROAD FUND	BREATH ALCOHOL TESTING FUND	LAW LIBRARY FUND	JUVENILE PROBATION & DETENTION FUND
<b>REVENUES:</b>				
TAXES	\$ -	-	-	-
FEEs	-	10,936	61,600	29,885
FINES AND FORFEITURES	-	-	-	-
SALES, RENTAL & SERVICES	-	-	11	-
INTERGOVERNMENTAL	29,249	-	-	248,425
INTEREST	1,618	115	6	2,233
CONTRIBUTIONS AND DONATIONS	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 30,867</b>	<b>11,051</b>	<b>61,617</b>	<b>280,543</b>
<b>EXPENDITURES:</b>				
GENERAL GOVERNMENT	\$ -	-	-	-
JUDICIAL AND LAW ENFORCEMENT	-	17,575	-	288,305
EDUCATION AND RECREATION	-	-	63,973	-
HEALTH AND WELFARE	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	40,593	-	-	-
CAPITAL OUTLAY	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 40,593</b>	<b>17,575</b>	<b>63,973</b>	<b>288,305</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (9,726)</b>	<b>(6,524)</b>	<b>(2,356)</b>	<b>(7,762)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	\$ -	-	-	59,244
TRANSFERS OUT	-	-	-	(7,704)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>51,540</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (9,726)</b>	<b>(6,524)</b>	<b>(2,356)</b>	<b>43,778</b>
FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT	\$ 339,150	30,666	1,217	522,919
	-	-	-	-
FUND BALANCES, BEGINNING (Restated)	\$ 339,150	30,666	1,217	522,919
FUND BALANCES, ENDING	<b>\$ 329,424</b>	<b>24,142</b>	<b>(1,139)</b>	<b>566,697</b>

COUNTY CLERK RECORDS MGMT. AND PRESERVATION FUND	COUNTY CLERK RECORDS ARCHIVE FUND	ASAP CONSTABLE PCT 8 PROGRAM	COUNTY RECORDS MGMT. AND PRESERVATION FUND
-	-	-	-
412,025	429,538	-	213,233
-	-	-	-
-	-	3,577	-
-	-	758,782	-
3,186	1,964	-	2,631
-	-	-	-
<u>415,211</u>	<u>431,502</u>	<u>762,359</u>	<u>215,864</u>
156,046	202,198	-	60,367
-	-	762,359	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>156,046</u>	<u>202,198</u>	<u>762,359</u>	<u>60,367</u>
259,165	229,304	-	155,497
-	-	-	-
-	-	-	-
-	-	-	-
<u>259,165</u>	<u>229,304</u>	<u>-</u>	<u>155,497</u>
589,615	280,577	-	509,951
-	-	-	-
<u>589,615</u>	<u>280,577</u>	<u>-</u>	<u>509,951</u>
<u>848,780</u>	<u>509,881</u>	<u>-</u>	<u>665,448</u>

[CONTINUED]

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, 2015

	JUSTICE COURT BUILDING SECURITY	HOTEL OCCUPANCY TAX FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND
<b>REVENUES:</b>			
TAXES	\$ -	1,291,716	-
FEES	10,858	-	7,275
FINES AND FORFEITURES	-	-	-
SALES, RENTAL & SERVICES	-	12,038	-
INTERGOVERNMENTAL	-	-	-
INTEREST	401	5,355	66
CONTRIBUTIONS AND DONATIONS	-	67	-
<b>TOTAL REVENUES</b>	<b>\$ 11,259</b>	<b>1,309,176</b>	<b>7,341</b>
<b>EXPENDITURES:</b>			
GENERAL GOVERNMENT	\$ -	-	-
JUDICIAL AND LAW ENFORCEMENT	-	-	3,644
EDUCATION AND RECREATION	-	993,566	-
HEALTH AND WELFARE	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-
CAPITAL OUTLAY	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>993,566</b>	<b>3,644</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 11,259</b>	<b>315,610</b>	<b>3,697</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
TRANSFERS IN	\$ -	-	-
TRANSFERS OUT	-	(164,433)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>(164,433)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 11,259</b>	<b>151,177</b>	<b>3,697</b>
FUND BALANCES, BEGINNING	\$ 83,624	1,317,806	12,954
PRIOR PERIOD ADJUSTMENT	-	-	-
FUND BALANCES, BEGINNING (Restated)	\$ 83,624	1,317,806	12,954
FUND BALANCES, ENDING	<u>\$ 94,883</u>	<u>1,468,983</u>	<u>16,651</u>

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
-	-	-	-	-	-	-
-	4,009	18,440	16,185	-	20,032	43,908
-	-	-	-	68,964	-	-
-	-	-	-	-	-	-
29,231	-	-	-	-	-	-
159	2,655	-	44	527	-	2,304
-	-	-	-	-	-	-
<u>29,390</u>	<u>6,664</u>	<u>18,440</u>	<u>16,229</u>	<u>69,491</u>	<u>20,032</u>	<u>46,212</u>
-	-	-	-	-	-	-
32,091	-	-	15,000	81,759	5,853	27,934
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>32,091</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>81,759</u>	<u>5,853</u>	<u>27,934</u>
<u>(2,701)</u>	<u>6,664</u>	<u>18,440</u>	<u>1,229</u>	<u>(12,268)</u>	<u>14,179</u>	<u>18,278</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(2,701)</u>	<u>6,664</u>	<u>18,440</u>	<u>1,229</u>	<u>(12,268)</u>	<u>14,179</u>	<u>18,278</u>
28,445	152,050	121,089	16,110	256,365	44,841	502,996
-	-	-	-	-	-	-
<u>28,445</u>	<u>152,050</u>	<u>121,089</u>	<u>16,110</u>	<u>256,365</u>	<u>44,841</u>	<u>502,996</u>
<u>25,744</u>	<u>158,714</u>	<u>139,529</u>	<u>17,339</u>	<u>244,097</u>	<u>59,020</u>	<u>521,274</u>

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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, 2015

	DISTRICT CLERK RECORDS MANAGEMENT	COUNTY CLERK ELECTION CONTRACTS	COUNTY CLERK HAVA FUND	CHILD ABUSE PREVENTION	SHERIFF'S SPECIAL REVENUE FUNDS
<b>REVENUES:</b>					
TAXES	\$ -	-	-	-	-
FEEs	16,948	-	-	2,041	373,995
FINES AND FORFEITURES	-	-	-	-	124,684
SALES, RENTAL & SERVICES	-	22,968	26,352	-	968,366
INTERGOVERNMENTAL	-	-	-	-	2,099,556
INTEREST	2	72	151	28	4,963
CONTRIBUTIONS AND DONATIONS	-	-	-	-	4,900
<b>TOTAL REVENUES</b>	<b>\$ 16,950</b>	<b>23,040</b>	<b>26,503</b>	<b>2,069</b>	<b>3,576,464</b>
<b>EXPENDITURES:</b>					
GENERAL GOVERNMENT	\$ -	8,864	-	-	-
JUDICIAL AND LAW ENFORCEMENT	20,128	-	-	-	4,029,166
EDUCATION AND RECREATION	-	-	-	-	-
HEALTH AND WELFARE	-	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 20,128</b>	<b>8,864</b>	<b>-</b>	<b>-</b>	<b>4,029,166</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (3,178)</b>	<b>14,176</b>	<b>26,503</b>	<b>2,069</b>	<b>(452,702)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
TRANSFERS IN	\$ -	-	-	-	550,000
TRANSFERS OUT	-	-	-	-	(20,330)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>529,670</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (3,178)</b>	<b>14,176</b>	<b>26,503</b>	<b>2,069</b>	<b>76,968</b>
FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT	\$ 4,725	7,912	8,844	5,049	1,760,239
	-	-	-	-	-
FUND BALANCES, BEGINNING (Restated)	\$ 4,725	7,912	8,844	5,049	1,760,239
FUND BALANCES, ENDING	\$ 1,547	22,088	35,347	7,118	1,837,207

GUARDIANSHIP FEE FUND	JUVENILE DELINQUENCY PREVENTION	DISTRICT COURT RECORDS TECHNOLOGY	PROBATION DEPARTMENT FUNDS	GRANT FUNDS	TOTAL
-	-	-	-	-	1,291,716
29,140	135	32,735	3,131,329	-	4,864,247
-	-	-	-	-	193,648
-	-	-	-	177	1,033,489
-	-	-	4,705,719	819,004	8,689,966
802	367	489	12,713	38,096	80,947
-	-	-	-	-	4,967
<u>29,942</u>	<u>502</u>	<u>33,224</u>	<u>7,849,761</u>	<u>857,277</u>	<u>16,158,980</u>
6,800	-	-	-	-	434,275
-	-	-	8,146,214	934,405	14,364,433
-	-	-	-	-	1,057,539
-	-	-	-	356,068	356,068
-	-	-	-	-	40,593
-	-	-	-	-	-
<u>6,800</u>	<u>-</u>	<u>-</u>	<u>8,146,214</u>	<u>1,290,473</u>	<u>16,252,908</u>
<u>23,142</u>	<u>502</u>	<u>33,224</u>	<u>(296,453)</u>	<u>(433,196)</u>	<u>(93,928)</u>
-	-	-	143,713	384,127	1,137,084
-	-	-	(133,386)	-	(325,853)
-	-	-	10,327	384,127	811,231
<u>23,142</u>	<u>502</u>	<u>33,224</u>	<u>(286,126)</u>	<u>(49,069)</u>	<u>717,303</u>
167,297	82,116	91,952	1,370,429	8,499,378	16,808,316
-	-	-	38,330	-	38,330
<u>167,297</u>	<u>82,116</u>	<u>91,952</u>	<u>1,408,759</u>	<u>8,499,378</u>	<u>16,846,646</u>
<u>190,439</u>	<u>82,618</u>	<u>125,176</u>	<u>1,122,633</u>	<u>8,450,309</u>	<u>17,563,949</u>



**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS**  
**SEPTEMBER 30, 2015**

	JUVENILE PROBATION AND DETENTION-- STATE AID	JUVENILE COMMUNITY CORRECTIONS PROGRAM	IV-E FOSTER CARE FUND	JUVENILE GRANT A - STATE AID
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 26,954	-	523,882	-
ACCOUNTS RECEIVABLE, Net	-	-	-	-
INTEREST RECEIVABLE	-	-	198	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	4,558	-	-	119,787
PREPAID ITEMS	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 31,512</b>	<b>-</b>	<b>524,080</b>	<b>119,787</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 2,291	-	217	52,431
DUE TO OTHER FUNDS	-	-	-	-
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-
UNEARNED REVENUE	44,296	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 46,587</b>	<b>-</b>	<b>217</b>	<b>52,431</b>
<b>FUND BALANCES:</b>				
NONSPENDABLE FOR: PREPAID ITEMS	\$ -	-	-	-
RESTRICTED FOR: JUDICIAL & LAW ENFORCEMENT	-	-	523,863	67,356
UNASSIGNED (DEFICIT)	(15,075)	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ (15,075)</b>	<b>-</b>	<b>523,863</b>	<b>67,356</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 31,512</b>	<b>-</b>	<b>524,080</b>	<b>119,787</b>

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JEFFERSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -  
 SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS  
 SEPTEMBER 30, 2015

	MENTALLY IMPAIRED OFFENDERS PROGRAM	COMMUNITY SUPERVISION	WOMEN'S CENTER	MENTAL HEALTH SERVICES
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 60,588	968,072	603,878	-
ACCOUNTS RECEIVABLE, Net	-	3,652	2,146	-
INTEREST RECEIVABLE	-	722	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	-
PREPAID ITEMS	-	540	92	-
<b>TOTAL ASSETS</b>	<b>\$ 60,588</b>	<b>972,986</b>	<b>606,116</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 5,778	241,236	75,530	5,792
DUE TO OTHER FUNDS	-	-	-	2,497
DUE TO OTHER GOVERNMENTAL ENTITIES	29,961	-	266,947	-
UNEARNED REVENUE	23,344	197,260	241,103	-
<b>TOTAL LIABILITIES</b>	<b>\$ 59,083</b>	<b>438,496</b>	<b>583,580</b>	<b>8,289</b>
<b>FUND BALANCES:</b>				
NONSPENDABLE FOR PREPAID ITEMS	\$ -	540	92	-
RESTRICTED FOR: JUDICIAL & LAW ENFORCEMENT	1,505	533,950	22,444	-
UNASSIGNED (DEFICIT)	-	-	-	(8,289)
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,505</b>	<b>534,490</b>	<b>22,536</b>	<b>(8,289)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 60,588</b>	<b>972,986</b>	<b>606,116</b>	<b>-</b>

COMMUNITY CORRECTIONS	DWI PRETRIAL DIVERSION	JUVENILE DRUG COURT	DRUG DIVERSION PROGRAM	JUVENILE ACCOUNT. #2	JUVENILE TJPC A	JUVENILE ADVOCATE INCENTIVE	2015 TOTAL
345,797	50,023	-	97,936	-	-	-	2,677,130
1,016	-	-	-	-	-	-	6,814
-	-	-	-	-	10	-	930
-	-	55,532	-	-	-	-	179,877
149	-	-	-	-	-	-	781
<u>346,962</u>	<u>50,023</u>	<u>55,532</u>	<u>97,936</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>2,865,532</u>
18,196	2,857	34,193	27,763	-	36,461	-	502,745
-	-	21,339	-	-	20,750	-	44,586
222,827	-	-	-	-	-	-	519,735
90,541	-	4,913	74,376	-	-	-	675,833
<u>331,564</u>	<u>2,857</u>	<u>60,445</u>	<u>102,139</u>	<u>-</u>	<u>57,211</u>	<u>-</u>	<u>1,742,899</u>
149	-	-	-	-	-	-	781
15,249	47,166	-	-	-	-	-	1,211,533
-	-	(4,913)	(4,203)	-	(57,201)	-	(89,681)
<u>15,398</u>	<u>47,166</u>	<u>(4,913)</u>	<u>(4,203)</u>	<u>-</u>	<u>(57,201)</u>	<u>-</u>	<u>1,122,633</u>
<u>346,962</u>	<u>50,023</u>	<u>55,532</u>	<u>97,936</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>2,865,532</u>



**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, 2015**

	JUVENILE PROBATION AND DETENTION- STATE AID	JUVENILE COMMUNITY CORRECTIONS PROGRAM	IV-E FOSTER CARE FUND	JUVENILE GRANT A - STATE AID
<b>REVENUES:</b>				
FEES	\$ -	-	-	-
INTERGOVERNMENTAL	50,144	-	-	119,787
INTEREST	-	-	2,491	-
<b>TOTAL REVENUES</b>	<b>\$ 50,144</b>	<b>-</b>	<b>2,491</b>	<b>119,787</b>
<b>EXPENDITURES:</b>				
JUDICIAL AND LAW ENFORCEMENT	\$ 55,443	-	59,522	52,431
CAPITAL OUTLAY	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 55,443</b>	<b>-</b>	<b>59,522</b>	<b>52,431</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (5,299)</b>	<b>-</b>	<b>(57,031)</b>	<b>67,356</b>
<b>OTHER FINANCIAL SOURCES (USES):</b>				
TRANSFERS IN	\$ -	-	-	-
TRANSFERS OUT	-	(2,278)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>(2,278)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (5,299)</b>	<b>(2,278)</b>	<b>(57,031)</b>	<b>67,356</b>
<b>FUND BALANCES, BEGINNING</b>	<b>(9,776)</b>	<b>(31,885)</b>	<b>580,894</b>	<b>-</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>34,163</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES, OCTOBER 1 (Restated)</b>	<b>\$ (9,776)</b>	<b>2,278</b>	<b>580,894</b>	<b>-</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ (15,075)</b>	<b>-</b>	<b>523,863</b>	<b>67,356</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, 2015**

	MENTALLY IMPAIRED OFFENDERS PROGRAM	COMMUNITY SUPERVISION	WOMEN'S CENTER	MENTAL HEALTH SERVICES
<b>REVENUES:</b>				
FEEs	\$ -	2,758,934	222,400	-
INTERGOVERNMENTAL	96,802	1,631,461	984,674	110,765
INTEREST	-	9,523	-	-
<b>TOTAL REVENUES</b>	<b>\$ 96,802</b>	<b>4,399,918</b>	<b>1,207,074</b>	<b>110,765</b>
<b>EXPENDITURES:</b>				
JUDICIAL AND LAW ENFORCEMENT	\$ 120,017	4,066,436	1,461,240	130,331
CAPITAL OUTLAY	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 120,017</b>	<b>4,066,436</b>	<b>1,461,240</b>	<b>130,331</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (23,215)</b>	<b>333,482</b>	<b>(254,166)</b>	<b>(19,566)</b>
<b>OTHER FINANCIAL SOURCES (USES):</b>				
TRANSFERS IN	\$ -	-	-	-
TRANSFERS OUT	-	(127,646)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>(127,646)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (23,215)</b>	<b>205,836</b>	<b>(254,166)</b>	<b>(19,566)</b>
FUND BALANCES, BEGINNING	24,720	328,654	276,702	11,277
PRIOR PERIOD ADJUSTMENT	-	-	-	-
<b>FUND BALANCES, OCTOBER 1 (Restated)</b>	<b>\$ 24,720</b>	<b>328,654</b>	<b>276,702</b>	<b>11,277</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 1,505</b>	<b>534,490</b>	<b>22,536</b>	<b>(8,289)</b>

COMMUNITY CORRECTIONS	DWI PRETRIAL DIVERSION	JUVENILE DRUG COURT	DRUG DIVERSION PROGRAM	JUVENILE ACCOUNT. #2	JUVENILE TJPC A	JUVENILE ADVOCATE INCENTIVE	2015 TOTAL
-	69,257	-	80,692	-	46	-	3,131,329
308,476	-	81,831	409,067	-	912,712	-	4,705,719
-	-	-	-	-	699	-	12,713
<u>308,476</u>	<u>69,257</u>	<u>81,831</u>	<u>489,759</u>	<u>-</u>	<u>913,457</u>	<u>-</u>	<u>7,849,761</u>
426,589	22,091	102,150	610,374	-	1,039,590	-	8,146,214
-	-	-	-	-	-	-	-
<u>426,589</u>	<u>22,091</u>	<u>102,150</u>	<u>610,374</u>	<u>-</u>	<u>1,039,590</u>	<u>-</u>	<u>8,146,214</u>
(118,113)	47,166	(20,319)	(120,615)	-	(126,133)	-	(296,453)
-	-	16,067	127,646	-	-	-	143,713
-	-	-	-	(6)	-	(3,456)	(133,386)
-	-	16,067	127,646	(6)	-	(3,456)	10,327
(118,113)	47,166	(4,252)	7,031	(6)	(126,133)	(3,456)	(286,126)
133,511	-	(661)	(11,234)	6	68,932	(711)	1,370,429
-	-	-	-	-	-	4,167	38,330
<u>133,511</u>	<u>-</u>	<u>(661)</u>	<u>(11,234)</u>	<u>6</u>	<u>68,932</u>	<u>3,456</u>	<u>1,408,759</u>
<u>15,398</u>	<u>47,166</u>	<u>(4,913)</u>	<u>(4,203)</u>	<u>-</u>	<u>(57,201)</u>	<u>-</u>	<u>1,122,633</u>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - GRANT FUNDS**  
**SEPTEMBER 30, 2015**

	FAMILY GROUP CONFERENCING PROJECT	SHERIFF TRAINING GRANT	JAG GRANT	SHERIFF DEPT GRANTS
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 33,500	-	-	-
INTEREST RECEIVABLE	13	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	<u>-</u>	<u>1,949</u>	<u>-</u>	<u>18,991</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>33,513</u></b>	<b><u>1,949</u></b>	<b><u>-</u></b>	<b><u>18,991</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ -	-	-	862
DUE TO OTHER FUNDS	<u>-</u>	<u>1,938</u>	<u>8,094</u>	<u>18,224</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>-</u></b>	<b><u>1,938</u></b>	<b><u>8,094</u></b>	<b><u>19,086</u></b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
UNAVAILABLE REVENUE-GRANTS	\$ <u>-</u>	<u>1,949</u>	<u>-</u>	<u>-</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ <u>-</u></b>	<b><u>1,949</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES:</b>				
RESTRICTED FOR:				
JUDICIAL & LAW ENFORCEMENT	\$ 33,513	-	-	-
HEALTH & WELFARE	-	-	-	-
UNASSIGNED (DEFICIT)	<u>-</u>	<u>(1,938)</u>	<u>(8,094)</u>	<u>(95)</u>
<b>TOTAL FUND BALANCES</b>	<b>\$ <u>33,513</u></b>	<b><u>(1,938)</u></b>	<b><u>(8,094)</u></b>	<b><u>(95)</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ <u>33,513</u></b>	<b><u>1,949</u></b>	<b><u>-</u></b>	<b><u>18,991</u></b>

<u>SCAAP GRANT</u>	<u>CRIME VICTIMS CLEARING - 1</u>	<u>REGIONAL COMMUNICATION</u>	<u>CRIME VICTIMS CLEARING - 2</u>	<u>EMPG GRANT</u>	<u>FORENSIC SCIENCE IMPROVEMENT GRANT</u>
30,578	7,997	61,641	-	93,670	237
12	-	23	-	35	-
-	5,779	-	10,496	-	-
<u>30,590</u>	<u>13,776</u>	<u>61,664</u>	<u>10,496</u>	<u>93,705</u>	<u>237</u>
-	13,037	533	-	309	-
-	-	-	9,222	-	-
-	13,037	533	9,222	309	-
-	-	-	-	-	-
-	-	-	-	-	-
30,590	739	61,131	1,274	-	237
-	-	-	-	93,396	-
-	-	-	-	-	-
<u>30,590</u>	<u>739</u>	<u>61,131</u>	<u>1,274</u>	<u>93,396</u>	<u>237</u>
<u>30,590</u>	<u>13,776</u>	<u>61,664</u>	<u>10,496</u>	<u>93,705</u>	<u>237</u>

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - GRANT FUNDS**  
**SEPTEMBER 30, 2015**

		<u>PORT SECURITY GRANTS</u>	<u>AUTO THEFT GRANT</u>	<u>FEMA EMERGENCY</u>	<u>DRUG INTERVENTION GRANT</u>
<b>ASSETS:</b>					
CASH AND CASH EQUIVALENTS	\$	-	-	8,331,039	-
INTEREST RECEIVABLE		-	-	3,142	-
DUE FROM OTHER GOVERNMENTAL ENTITIES		-	29,780	366,692	4,835
<b>TOTAL ASSETS</b>	<b>\$</b>	<u>-</u>	<u>29,780</u>	<u>8,700,873</u>	<u>4,835</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>					
<b>LIABILITIES:</b>					
ACCOUNTS PAYABLE	\$	-	4,579	-	2,923
DUE TO OTHER FUNDS		-	25,196	-	1,912
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<u>-</u>	<u>29,775</u>	<u>-</u>	<u>4,835</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
UNAVAILABLE REVENUE-GRANTS	\$	-	6,759	366,692	140
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$</b>	<u>-</u>	<u>6,759</u>	<u>366,692</u>	<u>140</u>
<b>FUND BALANCES:</b>					
RESTRICTED FOR:					
JUDICIAL & LAW ENFORCEMENT	\$	-	-	-	-
HEALTH & WELFARE		-	-	8,334,181	-
UNASSIGNED (DEFICIT)		-	(6,754)	-	(140)
<b>TOTAL FUND BALANCES</b>	<b>\$</b>	<u>-</u>	<u>(6,754)</u>	<u>8,334,181</u>	<u>(140)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$</b>	<u>-</u>	<u>29,780</u>	<u>8,700,873</u>	<u>4,835</u>

<u>VIOLENCE AGAINST WOMEN - 1</u>	<u>VIOLENCE AGAINST WOMEN - 2</u>	<u>FAMILY TREATMENT COURT</u>	<u>SHSP &amp; LETPP GRANTS</u>	<u>CHEEK WATER AND SEWER PHASE 4</u>	<u>2015 GRANT TOTALS</u>
-	1,163	-	-	11,733	8,571,558
-	-	-	-	-	3,225
<u>17,689</u>	<u>5,989</u>	<u>5,647</u>	<u>-</u>	<u>114,541</u>	<u>582,388</u>
<u>17,689</u>	<u>7,152</u>	<u>5,647</u>	<u>-</u>	<u>126,274</u>	<u>9,157,171</u>
500	7,152	1,301	-	-	31,196
<u>17,189</u>	<u>-</u>	<u>2,828</u>	<u>-</u>	<u>100,702</u>	<u>185,305</u>
<u>17,689</u>	<u>7,152</u>	<u>4,129</u>	<u>-</u>	<u>100,702</u>	<u>216,501</u>
<u>-</u>	<u>-</u>	<u>280</u>	<u>-</u>	<u>114,541</u>	<u>490,361</u>
<u>-</u>	<u>-</u>	<u>280</u>	<u>-</u>	<u>114,541</u>	<u>490,361</u>
-	-	1,238	-	-	128,722
-	-	-	-	-	8,427,577
-	-	-	-	(88,969)	(105,990)
<u>-</u>	<u>-</u>	<u>1,238</u>	<u>-</u>	<u>(88,969)</u>	<u>8,450,309</u>
<u>17,689</u>	<u>7,152</u>	<u>5,647</u>	<u>-</u>	<u>126,274</u>	<u>9,157,171</u>

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, 2015

	FAMILY GROLP CONFERENCING PROJECT	SHERIFF TRAINING GRANT	JAG GRANT	SHERIFF DEPT GRANTS
<b>REVENUES:</b>				
INTERGOVERNMENTAL	\$ -	18,077	16,171	46,096
INTEREST	150	-	-	-
SALES, RENTAL & SERVICES	177	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 327</b>	<b>18,077</b>	<b>16,171</b>	<b>46,096</b>
<b>EXPENDITURES:</b>				
JUDICIAL AND LAW ENFORCEMENT	\$ 1,412	10,833	15,347	46,600
HEALTH & WELFARE	-	-	-	-
CAPITAL OUTLAY	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,412</b>	<b>10,833</b>	<b>15,347</b>	<b>46,600</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (1,085)</b>	<b>7,244</b>	<b>824</b>	<b>(504)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	\$ -	-	-	11,837
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>11,837</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,085)</b>	<b>7,244</b>	<b>824</b>	<b>11,333</b>
FUND BALANCES, BEGINNING	34,598	(9,182)	(8,918)	(11,428)
<b>FUND BALANCES, ENDING</b>	<b>\$ 33,513</b>	<b>(1,938)</b>	<b>(8,094)</b>	<b>(95)</b>

SCAAP GRANT	CRIME VICTIMS CLEARING - 1	REGIONAL COMMUNICATION	CRIME VICTIMS CLEARING - 2	EMPG GRANT	FORENSIC SCIENCE IMPROVEMENT GRANT
17,676	5,778	-	50,000	30,753	-
161	4	284	-	393	8
-	-	-	-	-	-
<u>17,837</u>	<u>5,782</u>	<u>284</u>	<u>50,000</u>	<u>31,146</u>	<u>8</u>
7,553	22,766	6,317	258,188	-	2,321
-	-	-	-	42,153	-
-	-	-	-	-	-
<u>7,553</u>	<u>22,766</u>	<u>6,317</u>	<u>258,188</u>	<u>42,153</u>	<u>2,321</u>
<u>10,284</u>	<u>(16,984)</u>	<u>16,033</u>	<u>(208,188)</u>	<u>(11,007)</u>	<u>(2,313)</u>
-	16,987	-	212,350	-	-
-	16,987	-	212,350	-	-
10,284	3	(6,033)	4,162	(11,007)	(2,313)
20,306	736	67,164	(2,888)	104,403	2,550
<u>30,590</u>	<u>739</u>	<u>61,131</u>	<u>1,274</u>	<u>93,396</u>	<u>237</u>

[CONTINUED]

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, 2015

	PORT SECURITY GRANTS	AUTO THEFT GRANT	FEMA EMERGENCY	DRUG INTERVENTION GRANT
REVENUES:				
INTERGOVERNMENTAL	\$ 146,299	85,965	16,314	51,979
INTEREST	-	-	36,992	-
SALES, RENTAL & SERVICES	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 146,299</b>	<b>85,965</b>	<b>53,306</b>	<b>51,979</b>
EXPENDITURES:				
JUDICIAL AND LAW ENFORCEMENT	\$ 195,723	111,874	-	52,119
HEALTH & WELFARE	-	-	-	-
CAPITAL OUTLAY	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 195,723</b>	<b>111,874</b>	<b>-</b>	<b>52,119</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (49,424)	(25,909)	53,306	(140)
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	\$ 20,330	25,770	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ 20,330	25,770	-	-
NET CHANGE IN FUND BALANCES	\$ (29,094)	(139)	53,306	(140)
FUND BALANCES, BEGINNING	29,094	(6,615)	8,280,875	-
FUND BALANCES, ENDING	\$ -	(6,754)	8,334,181	(140)

VIOLENCE AGAINST WOMEN - 1	VIOLENCE AGAINST WOMEN - 2	FAMILY TREATMENT COURT	SHSP & LETPP GRANTS	CHEEK WATER AND SEWER PHASE 4	2015 GRANT TOTALS
80,000	5,989	30,533	59,915	157,459	819,004
3	-	-	-	101	38,096
-	-	-	-	-	177
<u>80,003</u>	<u>5,989</u>	<u>30,533</u>	<u>59,915</u>	<u>157,560</u>	<u>857,277</u>
163,361	12,220	27,771	-	-	934,405
-	-	-	59,915	254,000	356,068
-	-	-	-	-	-
<u>163,361</u>	<u>12,220</u>	<u>27,771</u>	<u>59,915</u>	<u>254,000</u>	<u>1,290,473</u>
(83,358)	(6,231)	2,762	-	(96,440)	(433,196)
90,612	6,231	-	-	-	384,127
<u>90,622</u>	<u>6,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>384,127</u>
7,264	-	2,762	-	(96,440)	(49,069)
(7,264)	-	(1,524)	-	7,471	8,499,378
-	-	1,238	-	(88,969)	8,450,309



# 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:

**BP Settlement Shoreline** - This fund is used to account for the proceeds received related to the BP Deepwater Horizon lawsuit settlement. Planned expenditures for these proceeds will be for the County shoreline and dune restoration project starting in Sabine Pass to High Island.

**Southeast Texas Entertainment Complex** – This fund is used to account for the construction costs of a multi-facility park which has been renamed Ford Park.

**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.

**GLO Ike Round 2** – This fund is used to account for the grants from the General Land Office for the McFaddin National Wildlife Refuge Dune Restoration project.

**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.

**CETRZ Grant** - This fund is used to account for the revenues and expenditures related to the County Energy Transportation Reinvestment Zone (CETRZ) Grant from the State of Texas. This grant will be used to rehabilitate County roads within all the Road & Bridge precincts.

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

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

**Ford Park Kayak Launch** - This fund is used to account for the expenditures for the construction of the Katherine Huey Phelan Kayak Launch from funding received from a private donation. Kayak launch will be located adjacent to the Ben J Rogers Regional Visitors Center.



JEFFERSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS  
 SEPTEMBER 30, 2015

	BP SETTLEMENT SHORELINE	SOUTHEAST TEXAS ENTERTAINMENT COMPLEX	1957 ROAD BOND FUND	GLO I KE ROUND 2
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 1,496,261	-	206,080	-
ACCOUNTS RECEIVABLE, Net	-	-	-	-
INTEREST RECEIVABLE	564	-	78	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	572,158
<b>TOTAL ASSETS</b>	<b>\$ 1,496,825</b>	<b>-</b>	<b>206,158</b>	<b>572,158</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ -	-	23,818	207,441
DUE TO OTHER FUNDS	-	-	-	364,717
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>-</b>	<b>23,818</b>	<b>572,158</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
UNAVAILABLE REVENUE- GRANTS	\$ -	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>				
RESTRICTED FOR CONSTRUCTION	\$ -	-	-	-
COMMITTED FOR CONSTRUCTION CONTRACTS	-	-	-	3,300,060
ASSIGNED FOR CAPITAL PROJECTS	1,496,825	-	182,340	-
UNASSIGNED (DEFICIT)	-	-	-	(3,300,060)
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,496,825</b>	<b>-</b>	<b>182,340</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,496,825</b>	<b>-</b>	<b>206,158</b>	<b>572,158</b>

TCEQ - FIRST TIME SEWER	CETRZ GRANT	KEITH LAKE FISH PASS	ORA CAPITAL GRANTS	FORD PARK KAYAK LAUNCH	TOTAL
14	-	120,329	2,322	50,044	1,875,050
-	-	-	20,990	-	20,990
-	-	45	-	19	706
-	835,889	-	190,919	-	1,598,966
14	835,889	120,374	214,231	50,063	3,495,712
-	663,868	-	97,661	-	992,788
-	172,021	-	72,543	-	609,281
-	835,889	-	170,204	-	1,602,069
-	395,226	-	-	-	395,226
-	395,226	-	-	-	395,226
14	-	-	-	50,063	50,077
-	245,822	-	395,924	-	3,941,806
-	-	120,374	-	-	1,799,539
-	(641,048)	-	(351,897)	-	(4,293,005)
14	(395,226)	120,374	44,027	50,063	1,498,417
14	835,889	120,374	214,231	50,063	3,495,712

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, 2015

	BP SETTLEMENT SHORELINE	SOUTHEAST TEXAS ENTERTAINMENT COMPLEX	1957 ROAD BOND FUND	GLO I KE ROUND 2
<b>REVENUES:</b>				
INTERGOVERNMENTAL	\$ -	-	-	572,158
SALES, RENTAL & SERVICES	1,494,942	-	-	-
CONTRIBUTIONS	-	-	-	-
INTEREST	1,883	-	1,114	-
<b>TOTAL REVENUES</b>	<u>\$ 1,496,825</u>	<u>-</u>	<u>1,114</u>	<u>572,158</u>
<b>EXPENDITURES:</b>				
CAPITAL OUTLAY	\$ -	-	147,545	572,158
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>-</u>	<u>147,545</u>	<u>572,158</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 1,496,825</u>	<u>-</u>	<u>(146,431)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	\$ -	164,433	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ -</u>	<u>164,433</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 1,496,825</u>	<u>164,433</u>	<u>(146,431)</u>	<u>-</u>
<b>FUND BALANCES, BEGINNING</b>	<u>-</u>	<u>(164,433)</u>	<u>328,771</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u><u>\$ 1,496,825</u></u>	<u><u>-</u></u>	<u><u>182,340</u></u>	<u><u>-</u></u>

TCEQ - FIRST TIME SEWER	CETRZ GRANT	KEITH LAKE FISH PASS	ORA CAPITAL GRANTS	FORD PARK KAYAK LAUNCH	TOTAL
-	440,663	1,564,124	2,645,095	-	5,222,040
-	-	-	-	-	1,494,942
-	-	-	-	50,000	50,000
-	-	1,826	241	63	5,127
-	440,663	1,565,950	2,645,336	50,063	6,772,109
-	1,038,611	2,814,124	2,661,441	-	7,233,879
-	1,038,611	2,814,124	2,661,441	-	7,233,879
-	(597,948)	(1,248,174)	(16,105)	50,063	(461,770)
-	207,722	-	-	-	372,155
-	207,722	-	-	-	372,155
-	(390,226)	(1,248,174)	(16,105)	50,063	(89,615)
14	(5,000)	1,368,548	60,132	-	1,588,032
14	(395,226)	120,374	44,027	50,063	1,498,417



# 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:

**2012 Refunding Bond** - This fund is used to account for the revenues and expenditures associated with the \$47,305,000 General Obligation Refunding Bonds issued in May 2012.

**2013 Refunding Bond** - This fund is used to account for the revenues and expenditures associated with the \$1,340,000 General Obligation Refunding Bonds issued in October 2013.

**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.



JEFFERSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NON MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE  
 SEPTEMBER 30, 2015

		<u>2012 REFUNDING BOND</u>	<u>2013 REFUNDING BOND</u>
<b>ASSETS:</b>			
CASH AND CASH EQUIVALENTS	\$	823,307	54,346
INTEREST RECEIVABLE		309	20
DELINQUENT TAXES RECEIVABLE, Net		80,290	5,008
PENALTY AND INTEREST RECEIVABLE, Net		<u>40,754</u>	<u>2,542</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>944,660</u></b>	<b><u>61,916</u></b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
ACCOUNTS PAYABLE	\$	<u>32,916</u>	<u>2,053</u>
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b><u>32,916</u></b>	<b><u>2,053</u></b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
UNAVAILABLE REVENUE-PROPERTY TAXES	\$	<u>110,244</u>	<u>6,876</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$</b>	<b><u>110,244</u></b>	<b><u>6,876</u></b>
 <b>FUND BALANCES:</b>			
RESTRICTED FOR DEBT SERVICE	\$	<u>801,500</u>	<u>52,987</u>
<b>TOTAL FUND BALANCES</b>	<b>\$</b>	<b><u>801,500</u></b>	<b><u>52,987</u></b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	 <b>\$</b>	 <b><u>944,660</u></b>	 <b><u>61,916</u></b>

<b>2011 REFUNDING BOND</b>	<b>TOTAL</b>
221,452	1,099,105
84	413
22,599	107,897
<u>11,471</u>	<u>54,767</u>
<u>255,606</u>	<u>1,262,182</u>
<u>9,265</u>	<u>44,234</u>
<u>9,265</u>	<u>44,234</u>
<u>31,031</u>	<u>148,151</u>
<u>31,031</u>	<u>148,151</u>
<u>215,310</u>	<u>1,069,797</u>
<u>215,310</u>	<u>1,069,797</u>
<u>255,606</u>	<u>1,262,182</u>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

	2012	2013
	REFUNDING	REFUNDING
	BOND	BOND
	<u>                    </u>	<u>                    </u>
<b>REVENUES:</b>		
PROPERTY TAXES	\$ 4,600,942	287,408
INTEREST	11,565	788
	<u>                    </u>	<u>                    </u>
<b>TOTAL REVENUES</b>	<b>\$ 4,612,507</b>	<b>288,196</b>
<b>EXPENDITURES:</b>		
DEBT SERVICE:		
PRINCIPAL	\$ 3,070,000	265,000
INTEREST AND COMMISSION	1,578,500	14,344
	<u>                    </u>	<u>                    </u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,648,500</b>	<b>279,344</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>		
<b>    OVER EXPENDITURES</b>	<b>\$ (35,993)</b>	<b>8,852</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (35,993)</b>	<b>8,852</b>
<b>FUND BALANCES, BEGINNING</b>	<u>837,493</u>	<u>44,135</u>
<b>FUND BALANCES, ENDING</b>	<u><u>\$ 801,500</u></u>	<u><u>52,987</u></u>

<u>2011 REFUNDING BOND</u>	<u>TOTAL</u>
1,293,804	6,182,154
<u>3,208</u>	<u>15,561</u>
<u>1,297,012</u>	<u>6,197,715</u>
1,085,000	4,420,000
<u>102,200</u>	<u>1,695,044</u>
<u>1,187,200</u>	<u>6,115,044</u>
<u>109,812</u>	<u>82,671</u>
109,812	82,671
<u>105,498</u>	<u>987,126</u>
<u><u>215,310</u></u>	<u><u>1,069,797</u></u>

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, 2015

	<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	\$ 5,992,867	5,992,867	6,182,154	189,287
INTEREST	8,865	8,865	15,561	6,696
TOTAL REVENUES	<u>\$ 6,001,732</u>	<u>6,001,732</u>	<u>6,197,715</u>	<u>195,983</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 4,420,000	4,420,000	4,420,000	-
INTEREST AND COMMISSION	1,703,644	1,703,644	1,695,044	8,600
TOTAL EXPENDITURES	<u>\$ 6,123,644</u>	<u>6,123,644</u>	<u>6,115,044</u>	<u>8,600</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (121,912)</u>	<u>(121,912)</u>	<u>82,671</u>	<u>204,583</u>
NET CHANGE IN FUND BALANCES	\$ (121,912)	(121,912)	82,671	204,583
FUND BALANCES, BEGINNING	<u>987,126</u>	<u>987,126</u>	<u>987,126</u>	<u>-</u>
FUND BALANCES, ENDING	<u><u>\$ 865,214</u></u>	<u><u>865,214</u></u>	<u><u>1,069,797</u></u>	<u><u>204,583</u></u>

JEFFERSON COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)  
DEBT SERVICE - 2012 REFUNDING BONDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 4,460,023	4,460,023	4,600,942	140,919
INTEREST	<u>6,500</u>	<u>6,500</u>	<u>11,565</u>	<u>5,065</u>
TOTAL REVENUES	\$ <u>4,466,523</u>	<u>4,466,523</u>	<u>4,612,507</u>	<u>145,984</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 3,070,000	3,070,000	3,070,000	-
INTEREST AND COMMISSION	<u>1,580,800</u>	<u>1,580,800</u>	<u>1,578,500</u>	<u>2,300</u>
TOTAL EXPENDITURES	\$ <u>4,650,800</u>	<u>4,650,800</u>	<u>4,648,500</u>	<u>2,300</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>(184,277)</u>	<u>(184,277)</u>	<u>(35,993)</u>	<u>148,284</u>
NET CHANGE IN FUND BALANCE	\$ (184,277)	(184,277)	(35,993)	148,284
FUND BALANCES, BEGINNING	<u>837,493</u>	<u>837,493</u>	<u>837,493</u>	<u>-</u>
FUND BALANCES, ENDING	\$ <u><u>653,216</u></u>	<u><u>653,216</u></u>	<u><u>801,500</u></u>	<u><u>148,284</u></u>

JEFFERSON COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)  
DEBT SERVICE - 2013 REFUNDING BOND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<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	\$ 278,570	278,570	287,408	8,838
INTEREST	465	465	788	323
TOTAL REVENUES	<u>\$ 279,035</u>	<u>279,035</u>	<u>288,196</u>	<u>9,161</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 265,000	265,000	265,000	-
INTEREST AND COMMISSION	18,344	18,344	14,344	4,000
TOTAL EXPENDITURES	<u>\$ 283,344</u>	<u>283,344</u>	<u>279,344</u>	<u>4,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (4,309)</u>	<u>(4,309)</u>	<u>8,852</u>	<u>13,161</u>
NET CHANGE IN FUND BALANCE	\$ (4,309)	(4,309)	8,852	13,161
FUND BALANCES, BEGINNING	<u>44,135</u>	<u>44,135</u>	<u>44,135</u>	<u>-</u>
FUND BALANCES, ENDING	<u><u>\$ 39,826</u></u>	<u><u>39,826</u></u>	<u><u>52,987</u></u>	<u><u>13,161</u></u>

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, 2015

	<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	\$ 1,254,274	1,254,274	1,293,804	39,530
INTEREST	<u>1,900</u>	<u>1,900</u>	<u>3,208</u>	<u>1,308</u>
TOTAL REVENUES	\$ <u>1,256,174</u>	<u>1,256,174</u>	<u>1,297,012</u>	<u>40,838</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 1,085,000	1,085,000	1,085,000	-
INTEREST AND COMMISSION	<u>104,500</u>	<u>104,500</u>	<u>102,200</u>	<u>2,300</u>
TOTAL EXPENDITURES	\$ <u>1,189,500</u>	<u>1,189,500</u>	<u>1,187,200</u>	<u>2,300</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>66,674</u>	<u>66,674</u>	<u>109,812</u>	<u>43,138</u>
NET CHANGE IN FUND BALANCE	\$ 66,674	66,674	109,812	43,138
FUND BALANCES, BEGINNING	<u>105,498</u>	<u>105,498</u>	<u>105,498</u>	<u>-</u>
FUND BALANCES, ENDING	\$ <u><u>172,172</u></u>	<u><u>172,172</u></u>	<u><u>215,310</u></u>	<u><u>43,138</u></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 POSITION -**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2015**

	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFITS POOL FUND	TOTAL
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 1,622,253	876,664	-	2,498,917
ACCOUNTS RECEIVABLE	-	-	29,389	29,389
INTEREST RECEIVABLE	253	331	-	584
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	170,370	170,370
INSURANCE DEPOSIT	-	75,500	-	75,500
<b>TOTAL ASSETS</b>	<b>\$ 1,622,506</b>	<b>952,495</b>	<b>199,759</b>	<b>2,774,760</b>
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ -	-	18,704	18,704
CLAIMS LIABILITY	1,308,975	536,223	840,425	2,685,623
DUE TO OTHER FUNDS	-	-	2,150,515	2,150,515
<b>TOTAL LIABILITIES</b>	<b>\$ 1,308,975</b>	<b>536,223</b>	<b>3,009,644</b>	<b>4,854,842</b>
<b>NET POSITION:</b>				
UNRESTRICTED	\$ 313,531	416,272	(2,809,885)	(2,080,082)
<b>TOTAL NET POSITION</b>	<b>\$ 313,531</b>	<b>416,272</b>	<b>(2,809,885)</b>	<b>(2,080,082)</b>

JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION -  
 INTERNAL SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFITS POOL FUND	TOTAL
<b>OPERATING REVENUES:</b>				
EMPLOYEE CONTRIBUTIONS	\$ -	-	2,156,897	2,156,897
CHARGES FOR SERVICES	<u>1,660,000</u>	<u>500,000</u>	<u>14,825,217</u>	<u>16,985,217</u>
<b>TOTAL OPERATING REVENUES</b>	<b>\$ <u>1,660,000</u></b>	<b><u>500,000</u></b>	<b><u>16,982,114</u></b>	<b><u>19,142,114</u></b>
<b>OPERATING EXPENSES:</b>				
ADMINISTRATIVE	\$ -	-	1,782,985	1,782,985
INCURRED & ESTIMATED CLAIMS	<u>1,327,720</u>	<u>864,226</u>	<u>18,033,007</u>	<u>20,224,953</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ <u>1,327,720</u></b>	<b><u>864,226</u></b>	<b><u>19,815,992</u></b>	<b><u>22,007,938</u></b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ <u>332,280</u></b>	<b><u>(364,226)</u></b>	<b><u>(2,833,878)</u></b>	<b><u>(2,865,824)</u></b>
<b>NONOPERATING REVENUES:</b>				
INTEREST	\$ 1,439	3,209	43	4,691
REFUNDS AND RECOVERIES	<u>-</u>	<u>63</u>	<u>524,697</u>	<u>524,760</u>
<b>TOTAL NONOPERATING REVENUES</b>	<b>\$ <u>1,439</u></b>	<b><u>3,272</u></b>	<b><u>524,740</u></b>	<b><u>529,451</u></b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 333,719</b>	<b>(360,954)</b>	<b>(2,309,138)</b>	<b>(2,336,373)</b>
<b>NET POSITION, BEGINNING</b>	<b><u>(20,188)</u></b>	<b><u>777,226</u></b>	<b><u>(500,747)</u></b>	<b><u>256,291</u></b>
<b>NET POSITION, ENDING</b>	<b>\$ <u><u>313,531</u></u></b>	<b><u><u>416,272</u></u></b>	<b><u><u>(2,809,885)</u></u></b>	<b><u><u>(2,080,082)</u></u></b>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS -**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

	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	\$ -	-	1,615,524	1,615,524
RECEIPTS FROM EMPLOYEES	-	-	2,158,010	2,158,010
PAYMENTS TO SUPPLIERS	-	-	(1,780,542)	(1,780,542)
INTERNAL ACTIVITY-RECEIPTS(PAYMENTS) FROM (TO) OTHER FUNDS	1,660,000	500,000	15,408,110	17,568,110
CLAIMS PAID	(389,841)	(724,047)	(18,973,232)	(20,087,120)
OTHER RECEIPTS	-	63	524,846	524,909
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 1,270,159</b>	<b>(223,984)</b>	<b>(1,047,284)</b>	<b>(1,109)</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES:</b>				
INTEREST	\$ 1,289	2,966	352	4,607
<b>NET CASH PROVIDED BY INVESTMENT ACTIVITIES</b>	<b>\$ 1,289</b>	<b>2,966</b>	<b>352</b>	<b>4,607</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - BEGINNING</b>	<b>\$ 1,271,448</b>	<b>(221,018)</b>	<b>(1,046,932)</b>	<b>3,498</b>
	350,805	1,097,682	1,046,932	2,495,419
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>\$ 1,622,253</b>	<b>876,664</b>	<b>-</b>	<b>2,498,917</b>
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES:</b>				
OPERATING INCOME(LOSS)	\$ 332,280	(364,226)	(2,833,878)	(2,865,824)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
OTHER NON-OPERATING REVENUES	-	63	524,697	524,760
CHANGES IN ASSETS AND LIABILITIES:				
ACCOUNTS RECEIVABLE	-	-	1,262	1,262
INSURANCE DEPOSIT	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	47,902	47,902
ACCOUNTS PAYABLE	-	-	2,443	2,443
CLAIMS LIABILITY	937,879	140,179	(940,225)	137,833
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 1,270,159</b>	<b>(223,984)</b>	<b>(1,047,284)</b>	<b>(1,109)</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, 2015**

	TREASURER MAINTAINED FUND	COUNTY CLERK FUND	DISTRICT CLERK FUND	SHERIFF'S FUND	JUSTICE OF THE PEACE FUND
<b>TOTAL AGENCY FUNDS</b>					
<b>ASSETS - OCTOBER 1, 2014</b>					
CASH AND CASH EQUIVALENTS	\$ 395,279	4,005,141	6,396,417	412,765	185,601
ACCOUNTS RECEIVABLE, Net	7,410	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	341,282	-	68,294	-	-
TOTAL	<u>\$ 743,971</u>	<u>4,005,141</u>	<u>6,464,711</u>	<u>412,765</u>	<u>185,601</u>
<b>ADDITIONS</b>					
CASH AND CASH EQUIVALENTS	\$ 2,017,355	4,409,929	5,919,386	5,123,427	3,277,384
ACCOUNTS RECEIVABLE, Net	6,060	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	374,413	-	47,508	-	-
TOTAL	<u>\$ 2,397,828</u>	<u>4,409,929</u>	<u>5,966,894</u>	<u>5,123,427</u>	<u>3,277,384</u>
<b>DELETIONS</b>					
CASH AND CASH EQUIVALENTS	\$ 2,009,664	4,703,872	6,858,479	5,273,568	3,303,551
ACCOUNTS RECEIVABLE, Net	7,410	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	372,968	-	68,294	-	-
TOTAL	<u>\$ 2,390,042</u>	<u>4,703,872</u>	<u>6,926,773</u>	<u>5,273,568</u>	<u>3,303,551</u>
<b>ASSETS - SEPTEMBER 30, 2015</b>					
CASH AND CASH EQUIVALENTS	\$ 402,970	3,711,198	5,457,324	262,624	159,434
ACCOUNTS RECEIVABLE, Net	6,060	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	342,727	-	47,508	-	-
TOTAL ASSETS	<u>\$ 751,757</u>	<u>3,711,198</u>	<u>5,504,832</u>	<u>262,624</u>	<u>159,434</u>
<b>LIABILITIES - OCTOBER 1, 2014</b>					
ACCOUNTS PAYABLE DUE TO OTHER GOVERNMENTAL ENTITIES	\$ 248,761	710,851	6,398,355	357,120	33,213
OTHER PAYABLES	495,210	66,896	66,356	55,645	152,388
TOTAL	<u>\$ 743,971</u>	<u>4,005,141</u>	<u>6,464,711</u>	<u>412,765</u>	<u>185,601</u>
<b>ADDITIONS</b>					
ACCOUNTS PAYABLE DUE TO OTHER GOVERNMENTAL ENTITIES	\$ 117,910	119,445	4,139,455	1,801,468	281,287
OTHER PAYABLES	1,900,444	63,590	97,031	62,462	134,394
TOTAL	<u>\$ 2,018,354</u>	<u>1,017,709</u>	<u>4,236,486</u>	<u>1,863,930</u>	<u>415,681</u>
<b>DELETIONS</b>					
ACCOUNTS PAYABLE DUE TO OTHER GOVERNMENTAL ENTITIES	\$ 110,284	207,978	5,115,259	1,958,426	289,460
OTHER PAYABLES	1,900,284	66,896	81,106	55,645	152,388
TOTAL	<u>\$ 2,010,568</u>	<u>1,311,652</u>	<u>5,196,365</u>	<u>2,014,071</u>	<u>441,848</u>
<b>LIABILITIES - SEPTEMBER 30, 2015</b>					
ACCOUNTS PAYABLE DUE TO OTHER GOVERNMENTAL ENTITIES	\$ 256,387	622,318	5,422,551	200,162	25,040
OTHER PAYABLES	495,370	63,590	82,281	62,462	134,394
TOTAL LIABILITIES	<u>\$ 751,757</u>	<u>3,711,198</u>	<u>5,504,832</u>	<u>262,624</u>	<u>159,434</u>

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
4,243,100	168,377	393,959	3,803	27,525	23,902	16,253,869
-	-	-	-	-	-	7,410
-	-	-	-	1,290	-	410,866
<u>4,243,100</u>	<u>168,377</u>	<u>393,959</u>	<u>3,803</u>	<u>28,815</u>	<u>23,902</u>	<u>16,674,145</u>
596,752,200	384,661	5,118,921	21,148	309,982	479,445	623,813,838
-	-	-	-	-	-	6,060
-	-	-	-	2,616	-	424,537
<u>596,752,200</u>	<u>384,661</u>	<u>5,118,921</u>	<u>21,148</u>	<u>312,598</u>	<u>479,445</u>	<u>624,244,435</u>
595,971,855	153,560	5,077,228	20,668	316,561	488,925	624,177,931
-	-	-	-	-	-	7,410
-	-	-	-	1,290	-	442,552
<u>595,971,855</u>	<u>153,560</u>	<u>5,077,228</u>	<u>20,668</u>	<u>317,851</u>	<u>488,925</u>	<u>624,627,893</u>
5,023,445	399,478	435,652	4,283	20,946	14,422	15,891,776
-	-	-	-	-	-	6,060
-	-	-	-	2,616	-	392,851
<u>5,023,445</u>	<u>399,478</u>	<u>435,652</u>	<u>4,283</u>	<u>23,562</u>	<u>14,422</u>	<u>16,290,687</u>
4,243,100	168,377	393,959	3,803	28,815	23,902	12,610,256
-	-	-	-	-	-	836,495
-	-	-	-	-	-	3,227,394
<u>4,243,100</u>	<u>168,377</u>	<u>393,959</u>	<u>3,803</u>	<u>28,815</u>	<u>23,902</u>	<u>16,674,145</u>
597,513,473	384,661	5,119,276	23,682	314,905	479,445	610,295,007
-	-	-	-	-	-	2,257,921
-	-	-	-	-	-	834,674
<u>597,513,473</u>	<u>384,661</u>	<u>5,119,276</u>	<u>23,682</u>	<u>314,905</u>	<u>479,445</u>	<u>613,387,602</u>
596,733,128	153,560	5,077,583	23,202	320,158	488,925	610,477,963
-	-	-	-	-	-	2,256,319
-	-	-	-	-	-	1,036,778
<u>596,733,128</u>	<u>153,560</u>	<u>5,077,583</u>	<u>23,202</u>	<u>320,158</u>	<u>488,925</u>	<u>613,771,060</u>
5,023,445	399,478	435,652	4,283	23,562	14,422	12,427,300
-	-	-	-	-	-	838,097
-	-	-	-	-	-	3,025,290
<u>5,023,445</u>	<u>399,478</u>	<u>435,652</u>	<u>4,283</u>	<u>23,562</u>	<u>14,422</u>	<u>16,290,687</u>



# CAPITAL ASSETS

**JEFFERSON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY SOURCE**  
**SEPTEMBER 30, 2015**

	<u>TOTAL</u>
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS:</b>	
LAND	\$ 3,840,787
INFRASTRUCTURE	59,114,166
BUILDINGS AND IMPROVEMENTS	102,718,113
EQUIPMENT	41,301,248
CONSTRUCTION IN PROGRESS	<u>19,964,968</u>
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>\$ <u>226,939,282</u></b>

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

GENERAL FUND	\$ 88,061,474
SPECIAL REVENUE FUND	33,646,254
CAPITAL PROJECTS FUND	102,625,998
GIFTS	<u>2,605,556</u>
	<b>\$ <u>226,939,282</u></b>

**JEFFERSON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<u>FUNCTION</u>	<u>LAND</u>	<u>INFRASTRUCTURE</u>
GENERAL GOVERNMENT	\$ -	\$ -
JUDICIAL AND LAW ENFORCEMENT	45,446	-
HEALTH & WELFARE	14,000	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	<u>3,781,341</u>	<u>59,114,166</u>
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b><u><u>\$ 3,840,787</u></u></b>	<b><u><u>\$ 59,114,166</u></u></b>

<u>BUILDINGS &amp; IMPROVEMENTS</u>	<u>EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>TOTAL</u>
\$ 475,678	\$ 6,314,757	\$ -	\$ 6,790,435
31,377,253	19,553,531	61,463	51,037,693
1,545,740	1,033,203	1,887,342	4,480,285
<u>69,319,442</u>	<u>14,399,757</u>	<u>18,016,163</u>	<u>164,630,869</u>
<u>\$ 102,718,113</u>	<u>\$ 41,301,248</u>	<u>\$ 19,964,968</u>	<u>\$ 226,939,282</u>

JEFFERSON COUNTY, TEXAS  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES BY FUNCTION  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

FUNCTION	BALANCE 10/1/2014	ADDITIONS	DEDUCTIONS	TRANSFERS	BALANCE 9/30/2015
GENERAL GOVERNMENT	\$ 5,245,959	\$ 1,848,765	\$ (304,289)	\$ -	\$ 6,790,435
JUDICIAL AND LAW ENFORCEMENT	50,112,416	1,729,309	(804,032)	-	51,037,693
HEALTH AND WELFARE	2,706,612	1,895,933	(122,260)	-	4,480,285
MAINTENANCE OF STRUCTURES AND EQUIPMENT	156,081,132	8,646,575	(96,838)	-	164,630,869
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<u>\$ 214,146,119</u>	<u>\$ 14,120,582</u>	<u>\$ (1,327,419)</u>	<u>\$ -</u>	<u>\$ 226,939,282</u>

# 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>	139
Revenue Trends <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	146
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>	150
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>	154
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>	156

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 POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year									
	2006	2007 **	2008	2009	2010	2011 ^	2012	2013	2014	2015
<b>Governmental activities:</b>										
Net Investment in capital assets	\$ 51,600,015	\$ 56,750,081	\$ 62,450,468	\$ 68,242,040	\$ 71,336,466	\$ 81,583,824	\$ 82,640,727	\$ 84,123,857	\$ 85,095,478	\$ 93,814,603
Restricted	3,955,825	3,993,898	7,893,536	10,615,478	13,851,538	18,910,796	18,017,919	25,433,198	28,919,622	24,695,909
Unrestricted	(29,540,936)	(16,829,422)	(17,964,265)	(21,890,574)	(35,286,048)	(48,931,222)	(43,402,923)	(53,259,615)	(64,427,876)	(106,962,928)
Total governmental activities net position	\$ 26,014,904	\$ 43,914,557	\$ 52,379,739	\$ 56,966,944	\$ 49,901,956	\$ 51,563,398	\$ 57,255,723	\$ 56,297,440	\$ 49,587,224	\$ 11,547,584
<b>Business-type activities:</b>										
Net Investment in capital assets	\$ 88,876,715	\$ 89,080,109	\$ 88,482,217	\$ 93,237,299	\$ 91,674,403	\$ 90,465,368	\$ 90,441,044	\$ 87,043,444	\$ 84,297,573	\$ 83,107,097
Unrestricted	(175,098)	(760,424)	133,397	1,425,854	2,114,066	377,046	620,635	592,300	479,535	(634,858)
Total business-type activities net position	\$ 88,701,617	\$ 88,319,685	\$ 88,615,614	\$ 94,663,153	\$ 93,788,469	\$ 90,842,414	\$ 91,061,679	\$ 87,635,744	\$ 84,777,108	\$ 82,472,239
<b>Reclassifications:</b>										
Net Investment in capital assets	\$ (64,799,956)	\$ (64,096,344)	\$ (63,016,132)	\$ (61,855,720)	\$ (60,663,707)	\$ (57,637,497)	\$ (50,438,282)	\$ (46,786,666)	\$ (43,072,050)	\$ (39,220,834)
Unrestricted	64,799,956	64,096,344	63,016,132	61,855,720	60,663,707	57,637,497	50,438,282	46,786,666	43,072,050	39,220,834
Total reclassifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Primary government:</b>										
Net Investment in capital assets	\$ 75,676,774	\$ 81,733,846	\$ 87,916,553	\$ 99,623,619	\$ 102,347,162	\$ 114,411,695	\$ 122,643,489	\$ 124,380,635	\$ 126,321,001	\$ 137,700,866
Restricted	3,955,825	3,993,898	7,893,536	10,615,478	13,851,538	18,910,796	18,017,919	25,433,198	28,919,622	24,695,909
Unrestricted	35,083,922	46,506,498	45,185,264	41,391,000	27,491,725	9,083,321	7,655,994	(5,880,649)	(20,876,291)	(68,376,952)
Total primary government net position	\$ 114,716,521	\$ 132,234,242	\$ 140,995,353	\$ 151,630,097	\$ 143,690,425	\$ 142,405,812	\$ 148,317,402	\$ 143,933,184	\$ 134,364,332	\$ 94,019,823

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.

\*\* 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 POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year									
	2006	2007 **	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental activities:</b>										
General Government	\$ 15,048,763	\$ 20,008,549	\$ 20,369,690	\$ 34,940,366	\$ 33,344,391	\$ 34,710,153	\$ 32,862,570	\$ 37,253,918	\$ 42,933,889	\$ 40,203,444
Judicial and Law Enforcement	55,468,283	59,282,186	69,170,421	74,059,745	75,939,112	76,819,206	81,522,130	85,995,590	82,058,360	80,018,632
Education and Recreation	1,140,083	1,713,942	1,931,034	1,611,435	1,637,026	1,313,440	1,315,819	1,369,159	1,416,537	1,425,539
Health and Welfare	8,339,076	8,784,296	10,104,601	11,265,583	10,824,644	9,704,323	17,758,075	10,917,065	10,570,568	10,362,461
Maintenance - Equipment and Structures	47,442,781	18,185,968	21,118,467	35,000,580	18,724,938	13,365,410	15,552,976	17,162,873	14,859,687	14,076,436
Interest and Charges on Long-term Debt	4,128,450	3,985,181	3,804,914	3,715,282	3,587,860	3,388,354	1,936,302	1,762,428	1,611,661	1,423,776
Total governmental activities expenses	\$ 131,567,436	\$ 111,960,122	\$ 126,499,177	\$ 169,532,991	\$ 144,037,971	\$ 139,300,886	\$ 150,947,872	\$ 154,461,033	\$ 153,450,702	\$ 147,510,288
<b>Business-type activities:</b>										
Airport	\$ 4,117,325	\$ 4,219,627	\$ 4,902,822	\$ 4,710,467	\$ 5,095,941	\$ 5,506,746	\$ 6,618,247	\$ 7,386,238	\$ 6,943,749	\$ 5,894,518
Entertainment Complex	7,392,777	8,685,343	7,648,462	7,977,002	7,889,891	6,866,792	10,248,457	9,771,707	9,760,675	7,752,545
Health Insurance Risk Pool	10,101,217	-	-	-	-	-	-	-	-	-
Total business-type expenses	\$ 21,611,319	\$ 12,904,970	\$ 12,551,284	\$ 12,687,469	\$ 12,985,832	\$ 12,373,538	\$ 16,866,704	\$ 17,157,945	\$ 16,704,424	\$ 13,647,063
Total primary government expenses	\$ 153,178,755	\$ 124,865,092	\$ 139,050,461	\$ 182,220,460	\$ 157,043,803	\$ 151,674,424	\$ 167,814,576	\$ 171,618,978	\$ 170,155,126	\$ 161,157,351
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General Government	\$ 4,616,001	\$ 6,913,696	\$ 6,637,669	\$ 8,741,944	\$ 7,612,696	\$ 8,218,241	\$ 9,076,015	\$ 7,279,674	\$ 6,234,887	\$ 4,697,503
Judicial and Law Enforcement	11,587,628	11,434,794	10,700,195	10,434,533	9,376,938	9,679,128	9,859,550	9,234,538	10,067,596	10,602,406
Education and Recreation	223,468	191,921	88,452	208,036	101,907	86,010	74,005	84,613	66,517	73,649
Health and Welfare	93,465	86,231	92,009	370,557	575,343	401,929	369,503	392,612	430,032	411,006
Maintenance - Equipment and Structures	15,177,669	8,232,587	5,768,735	8,447,195	6,328,641	4,047,555	5,362,121	5,837,681	5,535,713	5,482,157
Operating grants and contributions	36,793,964	11,718,420	14,050,116	30,927,086	15,607,904	16,494,833	18,243,076	19,150,824	13,417,014	10,935,535
Capital grants and contributions	2,114,187	1,290,133	269,347	937,390	2,336,880	8,091,187	11,938,532	5,222,624	4,287,420	8,711,241
Total governmental activities program revenues	\$ 70,606,382	\$ 39,867,782	\$ 37,606,523	\$ 60,066,741	\$ 41,940,309	\$ 47,918,883	\$ 54,922,802	\$ 47,202,566	\$ 40,039,179	\$ 40,913,497
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Airport	\$ 2,693,193	\$ 2,407,949	\$ 3,269,502	\$ 2,999,857	\$ 2,897,411	\$ 3,088,666	\$ 3,712,848	\$ 3,978,820	\$ 4,526,324	\$ 3,493,616
Entertainment Complex	2,918,548	3,924,467	3,064,942	3,716,433	3,684,655	2,943,861	6,274,380	5,536,308	5,564,686	3,445,635
Health Insurance Risk Pool	10,973,699	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,390,786	-	-	43,397	-	-	-	-	-	-
Capital grants and contributions	4,395,052	3,725,475	2,741,002	8,278,928	2,145,711	1,100,366	1,960,880	943,357	231,418	2,442,839
Total business-type activities program revenues	\$ 22,371,278	\$ 10,057,891	\$ 9,075,446	\$ 15,038,615	\$ 8,727,777	\$ 7,132,893	\$ 11,948,108	\$ 10,458,485	\$ 10,322,428	\$ 9,382,090
Total primary government program revenues	\$ 92,977,660	\$ 49,925,673	\$ 46,681,969	\$ 75,105,356	\$ 50,668,086	\$ 55,051,776	\$ 66,870,910	\$ 57,661,051	\$ 50,361,607	\$ 50,295,587
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (60,961,054)	\$ (72,092,340)	\$ (88,892,654)	\$ (100,466,250)	\$ (102,117,662)	\$ (91,382,003)	\$ (96,025,070)	\$ (107,258,467)	\$ (113,411,523)	\$ (106,596,791)
Business-type activities	759,959	(2,847,079)	(3,475,838)	2,351,346	(4,258,055)	(5,240,645)	(4,918,596)	(6,699,460)	(6,381,996)	(4,264,973)
Total primary government net expense	\$ (60,201,095)	\$ (74,939,419)	\$ (92,368,492)	\$ (98,115,104)	\$ (106,375,717)	\$ (96,622,648)	\$ (100,943,666)	\$ (113,957,927)	\$ (119,793,519)	\$ (110,861,764)

	2006	2007 **	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
<b>Taxes:</b>										
Property taxes	\$ 75,616,097	\$ 65,719,324	\$ 72,615,806	\$ 75,616,097	\$ 75,407,511	\$ 73,158,156	\$ 79,416,013	\$ 81,036,649	\$ 84,616,538	\$ 83,122,853
Sales taxes	30,410,633	21,654,606	23,906,777	30,410,633	21,361,596	20,961,453	23,864,675	24,695,194	24,064,857	23,047,286
Alcoholic Beverage Tax	614,474	503,134	506,047	614,474	575,928	547,605	484,988	475,162	614,384	656,678
Hotel Occupancy Tax	1,294,063	973,569	1,011,577	1,294,063	893,234	981,619	1,064,165	1,015,651	1,150,383	1,291,716
Investment earnings	2,735,655	3,373,514	2,871,285	842,485	402,735	266,118	541,703	281,672	311,546	468,561
Miscellaneous	9,957	214,078	208,499	29,275	26,095	24,164	25,206	35,918	30,355	29,686
Transfers	(4,805,971)	(2,086,110)	(3,762,155)	(3,687,832)	(3,330,199)	(2,271,146)	(4,183,564)	(3,223,628)	(3,470,353)	(2,594,492)
<b>Total governmental activities</b>	<b>\$ 105,874,908</b>	<b>\$ 90,352,115</b>	<b>\$ 97,357,836</b>	<b>\$ 105,119,195</b>	<b>\$ 95,336,900</b>	<b>\$ 93,667,969</b>	<b>\$ 101,213,186</b>	<b>\$ 106,316,648</b>	<b>\$ 107,317,710</b>	<b>\$ 106,022,288</b>
<b>Business-type activities:</b>										
Investment earnings	\$ 15,356	\$ 18,915	\$ 9,467	\$ 2,369	\$ 3,338	\$ 2,979	\$ 935	\$ 269	\$ 550	\$ 788
Miscellaneous	175,687	-	145	6,192	49,834	20,465	71,950	49,628	52,457	52,260
Transfers	(4,805,971)	2,086,110	3,762,155	3,687,832	3,330,199	2,271,146	4,183,564	3,223,628	3,470,353	2,594,492
<b>Total business-type activities</b>	<b>\$ (4,997,014)</b>	<b>\$ 2,105,025</b>	<b>\$ 3,771,767</b>	<b>\$ 3,696,393</b>	<b>\$ 3,363,371</b>	<b>\$ 2,294,590</b>	<b>\$ 4,256,449</b>	<b>\$ 3,273,525</b>	<b>\$ 3,523,360</b>	<b>\$ 2,647,540</b>
<b>Total primary government</b>	<b>\$ 110,871,922</b>	<b>\$ 92,457,140</b>	<b>\$ 101,129,603</b>	<b>\$ 108,815,588</b>	<b>\$ 98,720,271</b>	<b>\$ 95,962,559</b>	<b>\$ 105,469,635</b>	<b>\$ 109,590,173</b>	<b>\$ 110,841,070</b>	<b>\$ 108,669,828</b>
<b>Changes in Net Position</b>										
Governmental activities	\$ 44,913,854	\$ 18,259,775	\$ 8,465,182	\$ 4,652,945	\$ (6,780,762)	\$ 2,285,966	\$ 5,188,116	\$ (941,849)	\$ (6,093,813)	\$ (574,503)
Business-type activities	5,756,973	(742,054)	295,929	6,047,539	(874,684)	(2,946,055)	(662,147)	(3,425,935)	(2,858,636)	(1,617,433)
<b>Total primary government</b>	<b>\$ 50,670,827</b>	<b>\$ 17,517,721</b>	<b>\$ 8,761,111</b>	<b>\$ 10,700,484</b>	<b>\$ (7,655,446)</b>	<b>\$ (660,089)</b>	<b>\$ 4,525,969</b>	<b>\$ (4,367,784)</b>	<b>\$ (8,952,449)</b>	<b>\$ (2,191,936)</b>

\*\* 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)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Hotel Occupancy Tax</b>	<b>Total</b>
2006	\$ 61,247,030	\$ 20,150,358	\$ 494,201	\$ 894,368	\$ 73,420,254
2007	65,719,324	21,654,606	503,134	973,569	82,785,957
2008	72,615,806	23,906,777	506,047	1,011,577	88,850,633
2009	75,616,097	30,410,633	614,474	1,294,063	98,040,207
2010	75,407,511	21,361,596	575,928	893,234	107,935,267
2011	73,158,156	20,961,453	547,605	981,619	98,238,269
2012	79,416,013	23,864,675	484,988	1,064,165	95,648,833
2013	83,036,649	24,695,194	475,162	1,015,651	104,829,841
2014	84,616,538	24,064,857	614,384	1,150,383	110,446,162
2015	83,122,853	23,047,286	656,678	1,291,716	108,118,533

TABLE 4

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011 <sup>^</sup>	2012	2013	2014	2015
General Fund:										
Reserved	\$ 1,101,397	\$ 1,196,058	\$ 1,124,272	\$ 1,247,682	\$ 1,107,057					
Unreserved	19,445,189	28,724,474	31,324,562	37,639,200	34,899,538					
Nonspendable						1,023,855	898,536	1,043,407	897,102	873,260
Assigned						3,482,075	2,295,347	4,312,676	10,082,383	9,952,977
Unassigned						31,886,947	39,034,450	41,269,536	36,284,915	37,054,620
Total general fund	<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>	<u>\$ 42,228,333</u>	<u>\$ 46,625,619</u>	<u>\$ 47,264,400</u>	<u>\$ 47,880,857</u>
All other governmental funds:										
Reserved	\$ 3,958,995	\$ 3,996,377	\$ 7,895,953	\$ 10,617,541	\$ 13,853,088					
Unreserved, reported in:										
Special revenue funds	16,985,952	17,623,438	12,483,025	14,975,902	15,625,403					
Capital project funds	-	(1,618)	(1,618)	-	-					
Debt service funds	826,359	482,912	287,948	376,688	186,623					
Nonspendable						9,130	58,197	41,047	49,781	56,535
Restricted						17,397,567	18,116,476	25,561,948	28,846,726	24,613,120
Committed						5,150,723	3,047,323	1,902,675	2,919,885	6,649,085
Assigned						4,867,061	8,499,277	2,064,217	1,697,319	1,799,539
Unassigned (Deficit)						(4,832,614)	(2,670,874)	(787,118)	(2,925,831)	(4,489,815)
Total all other governmental funds	<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>	<u>\$ 27,050,399</u>	<u>\$ 28,782,769</u>	<u>\$ 30,587,880</u>	<u>\$ 28,628,464</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>REVENUES:</b>										
Property Taxes	\$ 61,103,193	\$ 65,071,514	\$ 71,516,193	\$ 75,912,693	\$ 75,995,020	\$ 72,959,364	\$ 79,446,316	\$ 82,593,407	\$ 84,262,722	\$ 82,850,758
Sales Taxes	21,538,927	23,131,309	25,424,401	32,319,170	22,830,758	22,490,677	25,413,828	26,186,007	25,829,624	24,995,680
Fees	12,752,383	13,232,594	13,844,334	13,372,000	13,247,758	13,176,331	13,056,182	13,101,871	13,811,818	14,337,616
Licenses	425,438	423,313	409,386	487,856	453,002	407,512	465,720	590,148	480,386	459,198
Intergovernmental	39,011,714	12,962,160	14,315,347	30,549,286	17,890,178	23,206,710	30,138,180	23,807,603	18,488,048	16,668,364
Sales, Rental & Services	4,963,482	5,486,288	4,173,703	5,585,920	3,073,201	2,837,483	3,819,630	3,369,016	3,053,808	4,754,414
Fines and Forfeitures	3,538,886	3,008,196	2,181,478	2,076,417	2,199,528	2,072,725	2,130,801	2,074,656	1,900,630	2,120,860
Interest	2,703,210	3,083,938	2,236,357	1,250,787	692,129	273,177	536,993	254,207	307,434	478,763
Miscellaneous	62,805	17,539	17,936	29,275	26,095	24,164	25,206	35,918	30,355	29,495
Contributions and Donations	10,196	18,968	4,116	1,315,190	31,727	4,041	1,412,098	4,700	184,819	57,842
<b>Total Revenues</b>	<b>\$ 146,110,234</b>	<b>\$ 126,435,819</b>	<b>\$ 134,123,251</b>	<b>\$ 162,898,594</b>	<b>\$ 136,439,396</b>	<b>\$ 137,452,184</b>	<b>\$ 156,444,954</b>	<b>\$ 152,017,533</b>	<b>\$ 148,349,644</b>	<b>\$ 146,752,990</b>
<b>EXPENDITURES:</b>										
General Government	\$ 15,367,359	\$ 17,962,946	\$ 18,587,891	\$ 20,335,453	\$ 20,853,875	\$ 20,474,698	\$ 20,252,981	\$ 21,237,703	\$ 22,666,968	\$ 23,786,927
Judicial and Law Enforcement	53,848,433	60,795,584	69,726,438	69,656,955	72,502,150	73,081,968	79,934,077	84,561,028	80,101,133	80,546,836
Education and Recreation	1,137,019	1,717,102	1,915,987	1,579,264	1,614,588	1,298,502	1,304,505	1,361,048	1,409,870	1,439,979
Health and Welfare	8,256,283	8,794,712	10,024,011	10,600,245	10,576,843	9,538,311	10,345,286	10,622,898	10,416,839	10,479,518
Maintenance of Structures and Equipment	43,799,011	15,850,658	19,851,954	36,379,418	17,123,159	12,543,110	12,115,480	11,792,372	12,677,678	12,178,205
Capital Outlay	4,776,391	3,690,980	2,016,129	4,076,087	7,218,487	17,434,755	11,913,277	6,777,118	8,270,112	12,829,173
Debt Services										
Principal	3,890,000	4,045,000	3,510,000	3,860,000	3,760,000	4,942,070	55,731,843	4,344,169	4,498,094	4,420,000
Interest and Commission	4,084,539	3,938,978	3,794,062	3,671,261	3,538,141	3,530,237	4,123,025	1,976,429	1,922,689	1,695,044
<b>Total Expenditures</b>	<b>\$ 135,159,035</b>	<b>\$ 116,795,960</b>	<b>\$ 129,426,472</b>	<b>\$ 149,958,683</b>	<b>\$ 137,187,243</b>	<b>\$ 142,843,651</b>	<b>\$ 195,720,474</b>	<b>\$ 142,672,765</b>	<b>\$ 141,963,383</b>	<b>\$ 147,375,682</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 10,951,199</b>	<b>\$ 9,639,859</b>	<b>\$ 4,696,779</b>	<b>\$ 12,939,911</b>	<b>\$ (747,847)</b>	<b>\$ (5,391,467)</b>	<b>\$ (39,275,520)</b>	<b>\$ 9,344,768</b>	<b>\$ 6,386,261</b>	<b>\$ (622,692)</b>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfer In	\$ 5,508,237	\$ 3,101,422	\$ 8,147,776	\$ 10,267,060	\$ 8,491,580	\$ 2,851,000	\$ 6,709,370	\$ 6,590,699	\$ 5,310,045	\$ 1,598,717
Transfer Out	(10,514,208)	(5,187,532)	(11,909,931)	(13,954,892)	(11,821,779)	(3,648,785)	(9,523,951)	(9,789,377)	(8,167,733)	(4,064,677)
Proceeds from Sale of Capital Assets	-	-	-	-	2,111,000	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	1,751,957	-	-	-	-	1,707,363
Insurance Proceeds	10,000,000	2,130,000	157,877	2,556,532	1,314,011	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	5,550,000	47,305,000	-	1,340,000	-
Premium on Debt Issued	-	-	-	-	-	209,283	4,970,522	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	(5,672,472)	-	-	(1,298,192)	-
<b>Total Other Financing Sources (Uses)</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>\$ 49,460,941</b>	<b>\$ (3,198,678)</b>	<b>\$ (2,815,880)</b>	<b>\$ (758,597)</b>
<b>Net Change In Fund Balances</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>\$ 10,185,421</b>	<b>\$ 6,146,090</b>	<b>\$ 3,570,381</b>	<b>\$ (1,381,289)</b>
<b>Debt Service As A Percentage of Noncapital Expenditures</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>	<b>32.0%</b>	<b>4.6%</b>	<b>4.7%</b>	<b>4.6%</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
2006	\$ 61,103,193	\$ 20,150,358	\$ 494,201	\$ 894,368	\$ 82,642,120
2007	65,071,514	21,654,606	503,134	973,509	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	72,959,364	20,961,453	547,605	981,619	95,450,041
2012	79,446,316	23,864,675	484,988	1,064,165	104,860,144
2013	82,593,407	24,695,194	475,162	1,015,651	108,779,414
2014	84,262,722	24,064,857	614,384	1,150,383	110,092,346
2015	82,850,758	23,047,286	656,678	1,291,716	107,846,438

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%
2012	7,989,089,195	12,510,887,710	51,129,790	5,421,135,950	2,819,185,882	23,153,056,763	0.365	23,199,553,509	89.32%
2013	7,912,100,439	14,408,052,759	62,242,770	6,068,922,220	3,198,328,907	25,252,989,281	0.365	25,274,550,281	88.83%
2014	7,974,453,458	17,857,917,342	66,248,570	6,675,937,170	6,667,443,764	25,907,112,776	0.365	25,914,410,662	79.55%
2015	8,081,673,579	16,701,727,909	68,532,930	6,926,838,120	6,385,170,071	25,393,602,467	0.365	25,404,515,574	79.94%

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.

TABLE 7

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

Fiscal Year	Overlapping Rates											Total Direct & Overlapping Rates
				Cities		School Districts						
	Operating Rate	Debt Service Rate	Total County Rate	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	
2012	0.336	0.029	0.365	0.401	0.185	0.586	1.059	0.230	1.289	0.193	2.433	
2013	0.340	0.025	0.365	0.412	0.182	0.594	1.059	0.217	1.276	0.194	2.429	
2014	0.341	0.024	0.365	0.419	0.189	0.608	1.058	0.235	1.293	0.193	2.459	
2015	0.340	0.025	0.365	0.430	0.186	0.616	1.059	0.244	1.303	0.203	2.487	

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 2014, total rates ranged between .2158 and .7920 for cities, 1.12 and 1.434 for school districts, and .0286 and .5734 for special districts.

TABLE 8

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

Taxpayers	2015			2006		
	Taxable Assessed Value (b)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (b)	Rank	Percentage of Total Taxable Assessed Value
Motiva Refinery	\$ 5,105,290,380	1	20.10%	\$ 851,955,020	2	5.93%
ExxonMobil Oil Corporation	2,373,637,534	2	9.35%	1,834,347,120	1	12.76%
Premcor Refining Group Inc	1,070,844,203	3	4.22%	486,682,210	4	3.39%
Total Petrochemicals USA	813,675,000	4	3.20%	398,391,950	5	2.77%
Huntsman Petrochemical Corp	396,122,490	5	1.56%	781,330,160	3	5.44%
Chevron Phillips Chemical Co	370,139,650	6	1.46%	292,795,180	6	2.04%
Sunoco Partners Mktg & Term LP	349,630,290	7	1.38%	-	-	-
BASF-Atofina Joint Venture	326,059,730	8	1.28%	-	-	-
Entergy Texas Inc.	297,924,820	9	1.17%	241,884,430	7	1.68%
Enterprise Texas Pipeline LP	289,651,870	10	1.14%	-	-	-
Goodyear Tire & Rubber Co.	-	-	-	202,105,580	8	1.41%
Port Arthur Coker Company LP	-	-	-	147,417,950	9	1.03%
E I Dupont De Nemours	-	-	-	134,039,950	10	0.93%
<b>TOTAL</b>	<b>\$11,392,975,967</b>		<b>44.86%</b>	<b>\$5,370,949,550</b>		<b>37.38%</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	\$ 60,781,088	\$ 59,849,203	98.47%	\$ 687,188	\$ 60,536,391	99.60%
2007	64,519,705	63,544,312	98.49%	762,482	64,306,794	99.67%
2008	70,671,952	69,387,969	98.18%	1,030,560	70,418,529	99.64%
2009	74,722,657	73,704,158	98.64%	727,510	74,431,668	99.61%
2010	74,410,829	73,446,110	98.70%	626,148	74,072,258	99.54%
2011	79,156,074	77,966,579	98.50%	780,482	78,747,061	99.48%
2012	83,545,215	82,381,734	98.61%	685,052	83,066,786	99.43%
2013	89,361,867	88,220,195	98.72%	560,942	88,781,137	99.35%
2014	92,542,074	91,329,673	98.69%	446,025	91,775,698	99.17%
2015	91,217,652	89,902,191	98.56%	-	89,902,191	98.56%

TABLE 10

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Notes Payable</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (a)</b>	<b>Per Capita (a)</b>
2006	\$ 79,392,478	\$ 2,648,987	\$ 101,959	\$ 82,143,424	1.20%	\$ 332
2007	75,385,127	2,332,066	52,224	77,769,417	1.09%	\$ 319
2008	71,912,777	2,005,529	-	73,918,306	0.96%	\$ 305
2009	68,290,426	1,669,086	-	69,959,512	0.85%	\$ 289
2010	64,553,045	1,322,435	1,144,977	67,020,457	0.74%	\$ 266
2011	60,664,579	965,267	585,075	62,214,921	0.66%	\$ 247
2012	56,704,005	597,263	-	57,301,268	0.59%	\$ 227
2013	52,482,467	218,094	-	52,700,561	0.55%	\$ 209
2014	49,281,192	-	-	49,281,192	0.49%	\$ 195
2015	44,444,323	-	1,707,363	46,151,686	0.46%	\$ 183

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.

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	\$ 79,392,478	\$ 337,083	\$ 79,055,395	0.55%	\$ 319
2007	75,385,127	318,212	75,066,915	0.45%	308
2008	71,912,777	76,619	71,836,158	0.38%	297
2009	68,290,426	176,339	68,114,087	0.32%	281
2010	64,553,045	330,833	64,222,212	0.30%	255
2011	60,664,579	354,241	60,310,338	0.27%	239
2012	56,704,005	716,106	55,987,899	0.24%	221
2013	52,482,467	901,217	51,581,250	0.20%	205
2014	49,281,192	1,010,241	48,270,951	0.19%	191
2015	44,444,323	1,096,051	43,348,272	0.17%	172

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.

TABLE 12

JEFFERSON COUNTY, TEXAS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF SEPTEMBER 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
JEFFERSON COUNTY DIRECT DEBT	\$44,444,323	100.0%	\$44,444,323
<b>Total Direct Debt</b>			<b>\$44,444,323</b>
OVERLAPPING DEBT REPAID WITH PROPERTY TAXES:			
CITIES:			
BEAUMONT	217,504,350	100.0%	217,504,350
BEVIL OAKS	1,930,000	100.0%	1,930,000
GROVES	3,230,000	100.0%	3,230,000
NEDERLAND	12,345,000	100.0%	12,345,000
PORT ARTHUR	61,645,000	100.0%	61,645,000
PORT NECHES	12,610,000	100.0%	12,610,000
TAYLOR LANDING	-	100.0%	-
SCHOOL DISTRICTS:			
BEAUMONT	379,005,000	100.0%	379,005,000
HAMSHIRE FANNETT	24,230,000	100.0%	24,230,000
HARDIN JEFFERSON	31,185,230	52.7%	16,434,616
NEDERLAND	32,170,000	100.0%	32,170,000
PORT ARTHUR	247,535,000	100.0%	247,535,000
PORT NECHES	106,262,532	100.0%	106,262,532
SABINE PASS	28,126,175	100.0%	28,126,175
PORT DISTRICTS:			
BEAUMONT	4,190,000	100.0%	4,190,000
PORT ARTHUR	29,120,000	100.0%	29,120,000
SABINE PASS	905,000	100.0%	905,000
DRAINAGE DISTRICTS:			
DRAINAGE DISTRICTS #3	1,323,142	100.0%	1,323,142
DRAINAGE DISTRICTS #6	-	100.0%	-
DRAINAGE DISTRICTS #7	15,481,000	100.0%	15,481,000
NAVIGATION DISTRICTS:			
JEFFERSON COUNTY	-	100.0%	-
MUNICIPAL UTILITY DISTRICTS:			
NORTHWEST FOREST	-	100.0%	-
WATER DISTRICTS:			
WATER DISTRICT #10	5,065,000	100.0%	5,065,000
EMERGENCY SERVICE DISTRICTS:			
EMERGENCY SERVICE DISTRICT #1	-	100.0%	-
EMERGENCY SERVICE DISTRICT #2	-	100.0%	-
EMERGENCY SERVICE DISTRICT #3	-	100.0%	-
CONSERVATION DISTRICTS:			
TRINITY BAY	-	100.0%	-
IMPROVEMENT DISTRICT:			
CARDINAL MEADOWS	-	100.0%	-
<b>Total Overlapping Debt</b>			<b>\$1,199,111,815</b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>\$1,243,556,138</b>

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										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 3,639,382	\$ 3,502,210	\$ 3,948,502	\$ 4,534,760	\$ 5,060,472	\$ 4,825,201	\$ 5,042,794	\$ 5,124,994	\$ 5,580,038	\$ 6,458,093	\$ 6,195,850
Total net debt applicable to limit	<u>82,888</u>	<u>79,203</u>	<u>75,177</u>	<u>71,908</u>	<u>68,149</u>	<u>64,234</u>	<u>60,416</u>	<u>60,416</u>	<u>48,404</u>	<u>44,070</u>	<u>39,564</u>
Legal debt margin	<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>\$ 4,982,378</u>	<u>\$ 5,064,578</u>	<u>\$ 5,531,634</u>	<u>\$ 6,414,023</u>	<u>\$ 6,156,286</u>
Total net debt applicable to the limit as a percentage of debt limit	2.28%	2.26%	1.90%	1.59%	1.35%	1.33%	1.20%	1.18%	0.87%	0.68%	0.64%

**Legal Debt Margin Calculation for Fiscal Year 2015**

Assessed Value of Real Property	\$ 24,783,401
Debt limit (25% of assessed value of real property)	6,195,850
Debt applicable to limit:	
General obligation bonds	40,660
Less: Amount set aside for repayment of general obligation debt	<u>1,096</u>
Total net debt applicable to limit	<u>\$ 39,564</u>
Legal debt margin	<u>\$ 6,156,286</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%
2012	252,802	\$ 9,786,471	\$ 38,712	35.9	63,371	10.2%
2013	251,813	\$ 9,658,791	\$ 38,357	36.0	63,433	10.1%
2014	252,358	\$ 10,083,721	\$ 39,958	35.9	63,350	7.8%
2015	252,235	\$ 9,971,354	\$ 39,532	35.9	61,768	6.6%

Data sources

(a) Bureau of Census

(b) Texas Workforce Commission

TABLE 15

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

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of Texas	4,229	1	4.08%	4,372	1	4.21%
Beaumont ISD	2,672	2	2.58%	2,890	3	2.78%
ExxonMobil Oil Corporation	2,000	3	1.93%	2,150	4	2.07%
Christus Health Southeast Texas	1,991	4	1.92%	3,003	2	2.89%
Memorial Hermann Baptist Hospital	1,553	5	1.50%	1,556	6	1.50%
Motiva Enterprises	1,540	6	1.49%	-	-	-
Port Arthur ISD	1,263	7	1.22%	1,235	8	-
City of Beaumont	1,235	8	1.19%	1,283	7	1.23%
Jefferson County	1,182	9	1.14%	1,147	9	-
Valero	845	10	0.82%	-	-	-
U S Postal Encoding	-	-	-	1,081	10	1.04%
E.I. DuPont Sabine River Works	-	-	-	1,686	5	1.62%
<b>TOTAL</b>	<b>18,510</b>		<b>17.87%</b>	<b>20,403</b>		<b>17.34%</b>

Source: Employment numbers provided by each entity

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

Function	Full-time Equivalent Employees as of September 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	169	176	171	180	170	166	164	166	165	165
Judicial & Law Enforcement										
Deputies	114	122	124	131	134	131	134	138	138	143
Detention Officers	222	239	221	240	242	239	238	241	238	237
Others	439	435	436	441	444	440	442	436	443	440
Education & Recreation	14	17	18	18	20	14	15	15	15	15
Health & Welfare	64	55	56	63	63	59	60	60	60	60
Maintenance - Equipment & Structures										
Road & Bridges	59	71	70	69	68	67	66	64	64	60
Engineering	10	9	10	10	9	10	10	10	10	10
Maintenance	31	30	27	30	29	28	28	30	27	28
Jack Brooks Regional Airport	25	23	26	23	25	25	23	24	25	24
Ford Park	125	101	79	22	23	19	20	23	21	20
<b>TOTAL</b>	<b>1,272</b>	<b>1,278</b>	<b>1,238</b>	<b>1,227</b>	<b>1,227</b>	<b>1,198</b>	<b>1,200</b>	<b>1,207</b>	<b>1,206</b>	<b>1,202</b>

Sources: County and Ford Park payroll records

TABLE 17

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

Function	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Judicial & Law Enforcement										
Courts										
Number of Indigent Cases Heard	2,082	2,839	2,984	2,945	2,945	2,490	2,413	3,249	3,392	3,727
Number of Justice of Peace Cases	47,627	51,416	50,997	43,326	43,488	44,642	48,363	43,205	41,359	33,717
Sheriff										
Number of Arrests	6,147	6,423	6,543	6,404	6,573	6,099	6,023	5,898	5,517	5,730
Number of Citations	1,203	1,242	2,300	1,112	1,043	1,241	1,081	915	1,558	1,615
Jail										
Average Daily Population of Inmates	959	1,171	986	899	910	926	815	767	855	830
Constables										
Number of Papers Served	21,209	19,874	15,847	15,954	16,967	16,860	15,344	15,472	17,348	18,276
Education & Recreation										
Library										
Number of Patron Visits	6,129	5,995	6,300	4,002	1,536	n/a ^	n/a ^	n/a ^	n/a ^	n/a ^
Health & Welfare										
Health & Welfare										
Number of Patients Seen in Clinic	7,363	8,111	8,310	9,375	11,531	11,968	11,644	7,433	11,314	10,508
Mosquito Control										
Number of Acreage Sprayed	2,613,632	1,386,752	1,393,743	2,175,872	1,070,464	818,972	1,328,128	700,672	1,048,256	563,520
Maintenance - Equipment & Structures										
Road & Bridge										
Road Miles Maintained	368	368	370	370	370	370	369	370	370	369
Airport										
Number of Aircraft Operations	61,856	55,350	32,273	27,891	26,332	22,602	22,515	20,351	19,109	15,462
Number of Enplaned	25,687	25,650	22,126	22,174	17,957	18,098	5,666	24,669	36,605	34,879
Number of Deplaned	26,219	26,117	22,387	21,588	17,997	18,207	5,328	24,351	35,340	34,517
Health Insurance Risk Pool										
Number of Participants in Plan	1,389	1,429	1,490	1,541	1,568	1,550	1,581	1,612	1,807	1,652
Entertainment Complex										
Number of Events	199	160	221	183	198	188	185	176	174	170
Total Attendance	248,639	617,246	280,012	658,337	647,207	629,123	712,688	668,718	650,089	303,562

Sources: Various county departments

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

^ Library was closed 12/31/10.

TABLE 18

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

Function	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Judicial & Law Enforcement										
Sheriff										
Patrol Units	92	109	119	116	120	122	122	126	121	123
Aviation Units	3	2	3	3	3	3	4	4	3	3
Marine Units	3	3	4	9	9	11	11	11	11	11
Jail										
Dorms	23	23	23	23	23	23	23	23	23	23
Bed Capacity	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268
Constables										
Patrol Units	29	29	30	31	32	27	24	29	32	28
Education & Recreation										
Library Holdings (ic 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	8	8	8	8
Weed Control Trucks	2	2	2	2	2	2	2	2	2	2
Aviation Units	3	3	3	3	3	3	3	3	3	3
Maintenance - Equipment & Structures										
Road (miles)	368	368	370	370	370	370	369	370	370	369
Bridges	65	65	65	65	65	65	65	65	65	65
Airport										
Runways (linear feet)	11,820	11,820	11,820	11,820	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	150,470	150,470	150,470	150,470
Office Space (square feet)	15,055	15,535	14,439	14,426	14,426	18,885	18,885	43,850	43,850	43,850
Entertainment Complex										
Number of venues	5	5	5	5	5	5	5	5	5	5
Softball Fields	12	12	12	12	12	12	12	12	12	12
Exhibit Floor Space (square feet)	142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000
Seating Capacity	23,500	23,500	23,500	23,500	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.

^ Library was closed 12/31/10.

