

JEFFERSON COUNTY, TEXAS



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2002

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, 2002

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INTRODUCTORY
SECTION

PATRICK SWAIN
COUNTY AUDITOR
(409) 835-8500



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

March 10, 2003

Honorable District Judges:

Gary Sanderson, Presiding Judge, 60th District Court
Charles Carver, Judge, Criminal District Court
James Mehaffy, Judge, 58th District Court
Milton Shuffield, Judge, 136th District Court
Donald Floyd, Judge, 172nd District Court
Layne Walker, 252nd District Court
Tom Mulvaney, Judge, 279th District Court
Larry Thorne, Judge, 317th District Court

Honorable Commissioners' Court:

Carl Griffith, County Judge
Jimmie Cokinos, Commissioner, Precinct No. 1
Mark Domingue, Commissioner, Precinct No. 2
Waymon Hallmark, Commissioner, Precinct No. 3
Everette "Bo" Alfred, Commissioner, Precinct No. 4

Gentlemen:

We are pleased to submit the Comprehensive Annual Financial Report of Jefferson County, Texas (5County4) for the fiscal year ended September 30, 2002. The primary purpose of this report is to provide the Commissioners' Court, citizens, financial community, and others with detailed information concerning the financial condition and performance of the County.

The Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report (5CAFR4) of Jefferson County, Texas was prepared by the County Auditor's Office. These financial statements have been prepared in conformity with generally accepted accounting principles (5GAAP4) as applied to governmental units. The Governmental Accounting Standards Board (5GASB4) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Responsibility for both the

accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the County. All disclosures necessary to enable the reader to gain a reasonable understanding of the County's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: **introductory, financial, and statistical section**. The **introductory section** includes this transmittal letter, an organizational chart, and a list of elected and appointed officials. The **financial section** includes the general-purpose financial statements and related notes, the combining and individual fund and account group financial statements and schedules, as well as the independent auditor's report. The **statistical section** includes several tables of unaudited data depicting the financial history of the County as well as demographic information of other entities within the County.

The Reporting Entity

This report includes all funds and account groups of the primary government (Jefferson County, Texas). Also considered for inclusion were all potential component units. Component units are legally separate entities for which the primary government is financially accountable. Based on the criteria provided by GASB Statement No. 14, none of the potential component units were included as part of the financial reporting entity.

General Information Regarding The County

The County was created in 1836 and organized in 1837 as one of the original counties of the Republic of Texas. The County 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 2000 population of the County was 252,051.

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 Southeast Texas Regional Airport located between Beaumont and Port Arthur provides passenger and freight service and is currently serviced by one commuter passenger air carrier.

The County provides a full range of services to its citizens. These services include maintenance and construction of roads and bridges; judicial and law enforcement services; and health and welfare services.

Economic Condition and Outlook

The economy of the County is based primarily on petroleum refining; the production and processing of petrochemicals 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.

Major Initiatives

The Commissioners' Court set the property tax rate at \$.365 per \$100 of assessed property valuation to provide funds for expanded services, and debt service for fiscal year 2002. Budget initiatives for fiscal year 2002 include:

- Continuing to provide a competitive compensation package to County Employees. The Commissioners Court implemented a Countywide employee classification and compensation system in October 1997. The Court has remained committed to funding this compensation package in order to retain and attract the best employees for the County
- Funding for a Countywide computer network to be maintained by the Management Information Systems (MIS) department, which will ensure better communications and the sharing of information between County employees.
- Funding in the amount of \$1,661,738 for ongoing and new capital projects. The county will participate in the deepening and widening of the Neches River waterway, several projects on Pleasure Island including construction of a golf course and stabilization of shoreline, and a bulkheading project at Mesquite Point.
- Providing \$967,519 for the Southeast Texas Regional Airport in order to fund operating expenditures.
- Funding \$6,404,809 in Debt Service payments.
- Continuing to maintain the highest level of service to the taxpayers of the County.

Accounting System and Budgetary Controls

The County's accounting records, with the exception of the Enterprise Fund and the Internal Service Funds are maintained on the modified accrual basis whereby revenues are recognized when measurable and available and expenditures are recognized when goods and services are received. The Enterprise and the Internal Service Fund are accounted for using the accrual basis of accounting, under which transactions are recognized when they occur, regardless of the timing of related cash flows.

The County maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Commissioners' Court. 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.

Each July, Commissioners' Court conducts hearings with various department heads to establish priorities and requests for the next fiscal year. The budget process typically lasts from May to September. By late August, Commissioners' Court will present a proposed budget to the citizens during a public hearing. The budget is adopted no later than September 30.

The County Auditor monitors expenditures of the various departments to prevent expenditures from exceeding budgeted appropriations.

Internal Controls

In developing and evaluating the accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

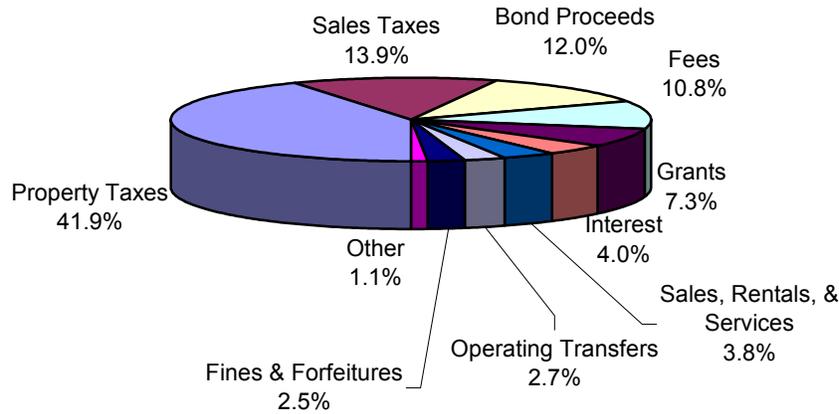
The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

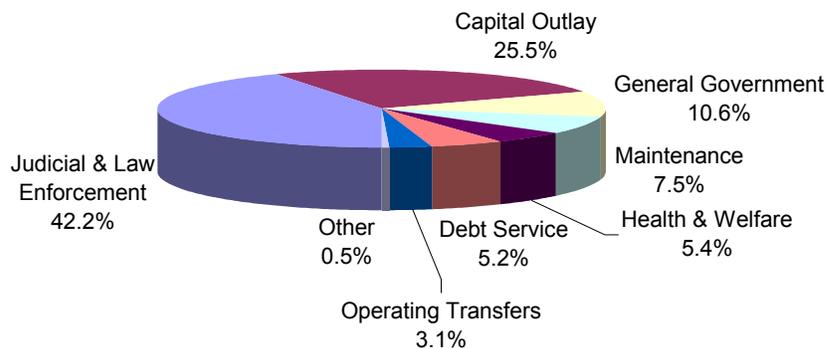
General Financial Information

Governmental funds are used to account for the majority of the County's general activities including the collection and disbursement of restricted monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), the servicing of general long-term debt (debt service funds), and all activities not accounted for in any other fund (general fund). For the year ended September 30, 2002, sources of funds totaled \$107.5 million compared to total uses of funds of \$124.2 million. The fund balances at year-end were \$64.2 million. The following graphs provide sources of funds and uses of funds by function for fiscal year 2001-2002.

Sources of Funds



Uses of Funds by Function



The following schedule presents a summary of general fund, special revenue funds, capital projects funds, and debt service fund revenue and other financing sources and expenditures and other uses for the fiscal year ended September 30, 2002 and the amount and percent of increases and decreases in relation to prior year amounts.

JEFFERSON COUNTY, TEXAS				
Governmental Funds				
Comparative Sources and Uses of Funds				
	FY 2002	FY 2001	Increase (Decrease)	% Increase (Decrease)
SOURCES OF FUNDS				
Taxes:				
Property	\$ 44,994,723	\$ 42,885,676	\$ 2,109,047	4.92%
Sales Taxes	14,950,781	14,051,840	898,941	6.40%
Fees	11,613,640	11,377,989	235,651	2.07%
Licenses	456,268	445,002	11,266	2.53%
Sales, Rentals, and Services	4,121,657	5,586,316	(1,464,659)	(26.22%)
Intergovernmental	599,203	818,648	(219,445)	(26.81%)
Fines and Forfeitures	2,734,192	2,902,650	(168,458)	(5.80%)
Grants and Receipts – Other				
Governments	7,904,015	8,670,250	(766,235)	(8.84%)
Interest	4,288,596	6,348,578	(2,059,982)	(32.45%)
Miscellaneous	12,803	9,260	3,543	38.26%
Contributions and Donations	89,617	82,427	7,190	8.72%
Operating Transfers In	2,861,537	1,549,799	1,311,738	84.64%
Proceeds from Bond Sale	12,874,203	-	12,874,203	100.00%
Total Sources	107,501,235	94,728,435	12,772,800	13.48%
USES OF FUNDS:				
General Government	13,161,103	12,662,674	498,429	3.94%
Judicial and Law Enforcement	52,450,290	50,383,391	2,066,899	4.10%
Education and Recreation	576,958	565,046	11,912	2.11%
Health and Welfare	6,688,425	6,448,683	239,742	3.72%
Contract Services	38,508	399,129	(360,621)	(90.35%)
Maintenance - Equipment and				
Structures	9,255,104	9,615,834	(360,730)	(3.75%)
Capital Outlay	31,750,330	20,911,522	10,838,808	51.83%
Debt Service:				
Principal	2,945,000	2,010,000	935,000	46.52%
Interest and Commission	3,463,447	5,904,993	(2,441,546)	(41.35%)
Operating Transfers Out	3,829,056	3,335,487	493,569	14.80%
Total Uses	124,158,221	112,236,759	11,921,462	10.62%
Increase (Decrease) in				
Fund Balances	(16,656,986)	(17,508,324)	851,338	(4.86%)
Prior Period Adjustments	(76,528)	-	(76,528)	(100.00%)
Fund Balances, October 1	80,961,598	98,469,922	(17,508,324)	(17.78%)
Fund Balances, September 30	64,228,084	80,961,598	(16,733,514)	(20.67%)

The most significant changes in revenue were as follows:

- 1) Sales, Rentals, and Services decreased by \$1,464,659 or 26.22% due to the fiscal year 2001 balance including a one time reimbursement from the Health Insurance Internal Service Fund due to the formation of the Southeast Texas Government Employee Benefit Pool. Also, the decrease in revenue for this category is due to the County's pro rata share of Tobacco Settlement proceeds being reduced by \$248,685 for fiscal year 2002.
- 2) Intergovernmental revenues decreased \$219,445 or 26.81% as a result of \$131,322 reimbursement from FEMA for expenditures related to Tropical Storm Allison in fiscal year 2001.
- 3) Interest revenue decreased by \$2,059,982 or 32.45% due to decreasing fund balances in the Capital Project funds and an overall decrease in the interest rates.
- 4) Operating Transfers In increased by \$1,311,738 or 84.64% as a result of funding improvements to the Postal Encoding building for the new rental contract and final construction costs for the Pleasure Island Golf Course.
- 5) Proceeds from Bond Sale increased by \$12,874,203 or 100.00% as a result of the issuance of a \$13,090,000 in Certificates of Obligation to finance a County wide electronic voting system, County wide 800 MHz radio system, and furniture and fixtures at the Southeast Texas Entertainment Complex.

The most significant changes noted in expenditures were as follows:

- 1) Contract Services decreased by \$360,621 or 90.35% as a result of \$310,058 of expenditures due to Tropical Storm Allison, which were 75% reimbursable from FEMA in fiscal year 2001.
- 2) Capital Outlay increased by \$10,838,808 or 51.83% as a result of construction of a new 48 bed Juvenile Detention facility and construction at the Southeast Texas Entertainment Complex.
- 3) Debt Service Principal increased by \$935,000 or 46.52% as a result of \$840,000 payment for the 2002B General Obligation Refunding Bond.
- 4) Debt Service Interest and Commission decreased by \$2,441,546 or 41.35% as a result of the reduction in the interest payments on the \$55,000,000 Certificates of Obligation.
- 5) Operation Transfers Out increased by \$493,569 or 14.80% as a result of funding improvements to the Postal Encoding building for the new rental contract and final construction costs for the Pleasure Island Golf Course.

Capital Projects. The County maintains an ongoing capital improvement program. General government capital improvements have been funded by general obligation bond proceeds and are accounted for in the Capital Projects Funds. When projects are completed, they are recorded as additions in the General Fixed Assets Account Group. Capital improvements for the Airport are considered proprietary and are accounted for in the Airport Enterprise Fund.

The County expended a total of \$28,673,012 in 2001-2002 for a variety of capital project improvements. As of September 30, 2002, the ending fund balance reserved for capital projects was \$43,983,240.

Enterprise Operations. The County's enterprise endeavor is the operation of the Southeast Texas Regional Airport, the Southeast Texas Government Employee Benefit Pool, and the Southeast Texas Entertainment Complex. A summary of the operations is listed below.

Southeast Texas Regional Airport

	<u>2001-2002</u>	<u>2000-2001</u>
Operating Revenues	\$ 1,921,582	\$ 1,801,872
Operating Expenditures	3,589,142	3,546,404
Operating Loss	(1,667,560)	(1,744,532)
Nonoperating Revenues	1,847	7,219
Transfer from Other Funds	967,519	1,785,688
Net Income (Loss)	(698,194)	48,375

Southeast Texas Government Employee Benefit Pool

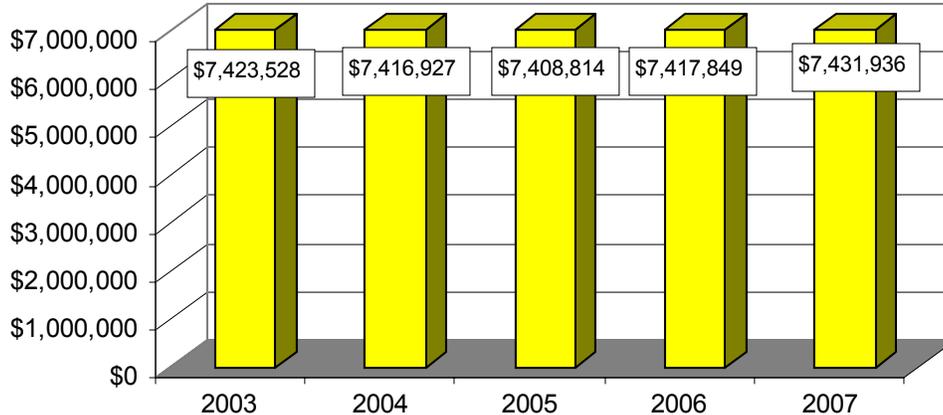
	<u>2001-2002</u>	<u>2000-2001</u>
Operating Revenues	\$ 11,065,944	\$ 6,319,138
Operating Expenditures	13,011,275	7,749,616
Operating Loss	(1,945,331)	(1,430,478)
Nonoperating Revenues	50,241	78,543
Net Loss	(1,895,090)	(1,351,935)

Southeast Texas Entertainment Complex

	<u>2001-2002</u>	<u>2000-2001</u>
Operating Revenues	\$ 29,050	\$ -
Operating Expenditures	185,952	-
Operating Loss	(156,902)	-
Nonoperating Revenues	50	-
Net Loss	(156,852)	-

Debt Administration. At September 30, 2002, the County had debt issues outstanding of \$88,295,000. Bond rating agencies, Moody's and Standard and Poor's rated the County's most recent bond issue "Aa" and "A+" respectively.

Debt Service Requirements (Next Five Years)



Risk Management. The County has established three internal service funds (Life & Retirees' Health Insurance, Liability, and Workers' Compensation) to insure itself against losses normally covered by insurance. The Life & Retirees' Health Insurance Fund is used to accumulate employer and employee contributions, and pay health, dental, and prescription drug claims for Retirees' over 65 and to pay for employees' life insurance premiums. Contributions and interest income totaled \$566,752 while expenditures totaled \$525,911. The purpose of the Liability Fund is to account for the transfers made to cover property damage and personal liability claims. The Workers' Compensation Fund was established to better manage and monitor workers' compensation claims. Contributions from employer and interest on investments totaled \$622,344, while expenditures totaled \$463,619.

Fiduciary Funds. are used to account for assets held on behalf of outsiders, including other governments, or other funds within the County.

Cash Management. The County earned interest revenue of \$4,555,988 on all investments including those of the proprietary funds for the fiscal year ended September 30, 2002. The County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by a financial institution or its agent in the County's name.

Other Information

Independent Audit. An annual audit of the accounting records of the County is made by independent certified public accountants. The accounting firm of Charles E. Reed & Associates,

P.C., CPA~~s~~ was selected by the County Commissioners to perform the current audit. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the **financial section** of this report.

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, 2001. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments. 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 and thanks 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.

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Jefferson County,
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

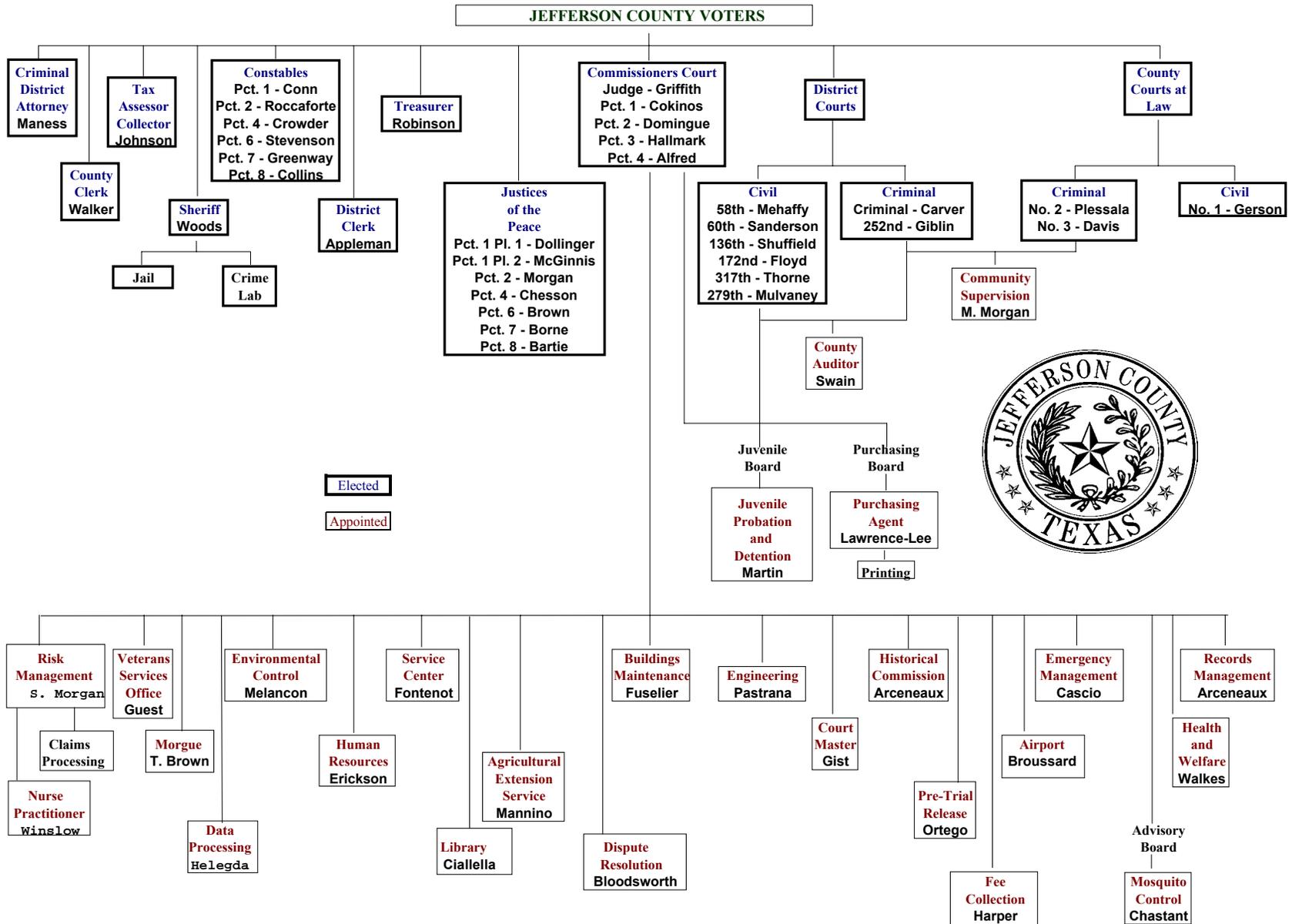


William Patrick Pate
President

Jeffrey L. Essler
Executive Director

ORGANIZATION CHART OF JEFFERSON COUNTY

As of September 30, 2002



ELECTED OFFICIALS

As of September 30, 2002

COMMISSIONERS' COURT

County Judge	Carl Griffith
Commissioner Pct. 1	Jimmie Cokinos
Commissioner Pct. 2	Mark Domingue
Commissioner Pct. 3	Waymon Hallmark
Commissioner Pct. 4	Everette "Bo" Alfred

SHERIFF

Mitch Woods

TAX ASSESSOR - COLLECTOR

Miriam Johnson

DISTRICT CLERK

John Appleman

COUNTY CLERK

Sandy Walker

COUNTY TREASURER

Linda Robinson

JUSTICES OF THE PEACE

J.P. Pct. 1 Pl. 1	Kenneth Dollinger
J.P. Pct. 1 Pl. 2	Vi McGinnis
J.P. Pct. 2	Robert Morgan
J.P. Pct. 4	Ray Chesson
J.P. Pct. 6	Paul Brown
J.P. Pct. 7	John Borne
J.P. Pct. 8	Thurman Bartie

CONSTABLES

Constable Pct. 1	Charles Conn
Constable Pct. 2	Leonard Roccaforte
Constable Pct. 4	Brandon Crowder
Constable Pct. 6	Joe Stevenson
Constable Pct. 7	Jeff Greenway
Constable Pct. 8	Eddie Collins

COUNTY COURTS AT LAW

County Court at Law No. 1	Al Gerson
County Court at Law No. 2	Harold Plessala
County Court at Law No. 3	John Davis

DISTRICT JUDGES

Criminal Court	Charles Carver
252nd District Court	Leonard Giblin
58th District Court	James Mehaffy
60th District Court	Gary Sanderson
136th District Court	Milton Shuffield
172nd District Court	Donald Floyd
279th District Court	Thomas Mulvaney
317th District Court	Larry Thorne

DISTRICT ATTORNEY

Tom Maness

APPOINTED OFFICIALS

As of September 30, 2002

Agricultural Extension Service	Vince Mannino
Airport	Byron Broussard
Auditor	Patrick Swain
Auto Service Center	David Fontenot
Buildings Maintenance	Harry Fuselier
Community Supervision	Montie Morgan
Court Master	Larry Gist
Data Processing	Paul Helegda
Dispute Resolution Center	Cindy Bloodsworth
Emergency Management	John Cascio
Engineering	Jose Pastrana
Environmental Control	Michael Melancon
Fee Collections	Tanya Harper
Health and Welfare	Dr. Cecil Walkes
Human Resources	Cary Erickson
Juvenile Probation & Detention	James Martin
Library	Emil Ciallella
Mosquito Control	Lee Chastant
Morgue	Dr. Tommy Brown
Nurse Practitioner	Anne Winslow
Pre-Trial Release	Russell Ortego
Purchasing Agent\Printing	Alice Brockschmidt
Risk Management\Claims Processing	Shannon Morgan
Veterans Services Office	Hilary Guest

FINANCIAL
SECTION



CHARLES E. REED & ASSOCIATES
A PROFESSIONAL CORPORATION

Certified Public Accountants & Consultants
3636 Professional Drive • Port Arthur, Texas 77642
(409) 983-3277 • Fax (409) 983-3270
Email: reedcpas@pernet.net

Members
American Institute of
Certified Public Accountants
Texas Society of Certified
Public Accountants
AICPA Private Companies
Practice Section

March 10, 2003

INDEPENDENT AUDITOR'S REPORT

To the Honorable Carl R. Griffith, Jr., County Judge
and Members of the Commissioners' Court
Jefferson County, Texas

We have audited the accompanying general purpose financial statements of Jefferson County, Texas, (the "County") as of September 30, 2002, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County as of September 30, 2002, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

March 10, 2003

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In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2003, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and the accompanying financial information listed as schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The Statistical Section as listed in the table of contents has not been audited by us, and, accordingly, we express no opinion on such information.

Charles E. Reed & Associates P.C.

CHARLES E. REED & ASSOCIATES, P.C.
Certified Public Accountants & Consultants

GENERAL PURPOSE
FINANCIAL STATEMENTS

JEFFERSON COUNTY, TEXAS
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 2002
(With comparative totals for September 30, 2001)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (Memorandum Only)	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE	INTERNAL SERVICE	AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	2002	2001
ASSETS AND OTHER DEBITS											
ASSETS:											
CASH AND INVESTMENTS	\$ 11,482,865	6,850,578	45,750,326	1,041,138	186,545	4,403,347	18,119,056	-	-	87,833,855	106,898,607
ACCOUNTS RECEIVABLE, Net	250,713	30,624	-	-	136,370	-	80	-	-	417,787	852,224
INTEREST RECEIVABLE	63,223	21,331	196,049	4,475	365	18,697	-	-	-	304,140	803,701
DELINQUENT TAXES RECEIVABLE, Net	2,294,162	-	-	382,850	-	-	-	-	-	2,677,012	2,606,371
PENALTY AND INTEREST RECEIVABLE, Net	1,220,571	-	-	203,689	-	-	-	-	-	1,424,260	1,618,405
DUE FROM OTHER FUNDS	2,843,449	815,142	-	4,346	320	-	64,519	-	-	3,727,776	4,267,136
DUE FROM OTHER GOVERNMENTAL ENTITIES	1,470,772	656,100	-	-	244,841	657	616,917	-	-	2,989,287	3,412,142
INVENTORY, At Cost	848,792	-	-	-	30,079	-	75,771	-	-	954,642	794,585
PREPAID ITEMS	21,107	3,997	-	-	601	-	-	-	-	25,705	31,538
FIXED ASSETS, Net, where applicable, of Accumulated Depreciation	-	-	-	-	18,593,633	-	-	175,605,861	-	194,199,494	161,882,866
OTHER DEBITS:											
AMOUNTS AVAILABLE IN DEBT SERVICE FUNDS	-	-	-	-	-	-	-	-	1,072,208	1,072,208	879,976
AMOUNTS TO BE PROVIDED FOR: RETIREMENT OF CAPITAL LEASES	-	-	-	-	-	-	-	-	306,349	306,349	555,132
RETIREMENT OF GENERAL LONG-TERM DEBT AND OTHER LIABILITIES	-	-	-	-	-	-	-	-	95,023,289	95,023,289	81,004,513
TOTAL ASSETS AND OTHER DEBITS	\$ 20,495,654	8,377,772	45,946,375	1,636,498	19,192,754	4,422,701	18,876,343	175,605,861	96,401,846	390,955,804	365,607,196

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

[CONTINUED]

JEFFERSON COUNTY, TEXAS
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 2002
(With comparative totals for September 30, 2001)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (Memorandum Only)	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE	INTERNAL SERVICE	AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	2002	2001
LIABILITIES AND FUND EQUITY											
LIABILITIES:											
ACCOUNTS PAYABLE	\$ 3,036,747	600,524	1,963,135	-	333,277	-	14,306,733	-	-	20,240,416	21,807,288
CLAIMS LIABILITY	-	-	-	-	1,437,368	287,934	-	-	-	1,725,302	1,484,485
COMPENSATED ABSENCES PAYABLE	908,515	-	-	-	18,134	-	-	-	-	926,649	742,813
DEFERRED REVENUES	3,381,409	818,746	-	564,290	-	-	-	-	-	4,764,445	4,796,796
DUE TO OTHER FUNDS	320	846,398	-	-	1,371,331	-	1,509,727	-	-	3,727,776	4,267,136
DUE TO OTHER GOVERNMENTAL ENTITIES	360	97,771	-	-	-	-	2,555,959	-	-	2,654,090	3,516,494
OTHER PAYABLES	-	-	-	-	-	-	503,924	-	-	503,924	452,088
CUSTOMER DEPOSITS	10,000	-	-	-	53,023	-	-	-	-	63,023	38,023
COMPENSATED ABSENCES, Non-current	-	-	-	-	207,810	-	-	-	7,582,494	7,790,304	7,739,235
CAPITAL LEASE PAYABLE	-	-	-	-	-	-	-	-	306,349	306,349	555,132
ARBITRAGE LIABILITY	-	-	-	-	-	-	-	-	218,003	218,003	-
BONDS PAYABLE	-	-	-	-	-	-	-	-	88,295,000	88,295,000	74,375,000
TOTAL LIABILITIES	7,337,351	2,363,439	1,963,135	564,290	3,420,943	287,934	18,876,343	-	96,401,846	131,215,281	119,774,490
EQUITY AND OTHER CREDITS											
CONTRIBUTED CAPITAL (net of depreciation)	-	-	-	-	12,877,898	-	-	-	-	12,877,898	13,487,682
INVESTMENTS IN GENERAL FIXED ASSETS	-	-	-	-	-	-	-	175,605,861	-	175,605,861	142,555,110
RETAINED EARNINGS:											
UNRESERVED	-	-	-	-	2,893,913	4,134,767	-	-	-	7,028,680	8,828,316
FUND BALANCES:											
RESERVED FOR INVENTORY	848,792	-	-	-	-	-	-	-	-	848,792	668,846
RESERVED FOR DEBT SERVICE	-	-	-	1,072,208	-	-	-	-	-	1,072,208	879,976
RESERVED FOR CAPITAL PROJECTS	-	-	43,983,240	-	-	-	-	-	-	43,983,240	54,982,260
RESERVED FOR PREPAID ITEMS	21,107	3,997	-	-	-	-	-	-	-	25,104	30,855
UNRESERVED	12,288,404	6,010,336	-	-	-	-	-	-	-	18,298,740	24,399,661
TOTAL EQUITY AND OTHER CREDITS	13,158,303	6,014,333	43,983,240	1,072,208	15,771,811	4,134,767	-	175,605,861	-	259,740,523	245,832,706
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 20,495,654	8,377,772	45,946,375	1,636,498	19,192,754	4,422,701	18,876,343	175,605,861	96,401,846	390,955,804	365,607,196

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

JEFFERSON COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	GOVERNMENTAL FUND TYPES				TOTALS (Memorandum Only)	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	2002	2001
REVENUES:						
TAXES						
PROPERTY	\$ 38,549,023	-	-	6,445,700	44,994,723	42,885,676
SALES TAX	14,393,794	556,987	-	-	14,950,781	14,051,840
FEES	7,799,273	3,814,367	-	-	11,613,640	11,377,989
LICENSES	456,268	-	-	-	456,268	445,002
SALES, RENTALS, AND SERVICES	4,121,657	-	-	-	4,121,657	5,586,316
INTERGOVERNMENTAL	599,203	-	-	-	599,203	818,648
FINES AND FORFEITURES	1,941,572	792,620	-	-	2,734,192	2,902,650
GRANTS AND RECEIPTS - OTHER						
GOVERNMENTS	-	7,677,794	226,221	-	7,904,015	8,670,250
INTEREST	1,219,124	332,875	2,581,618	154,979	4,288,596	6,348,578
MISCELLANEOUS	12,803	-	-	-	12,803	9,260
CONTRIBUTIONS AND DONATIONS	540	82,302	6,775	-	89,617	82,427
TOTAL REVENUES	69,093,257	13,256,945	2,814,614	6,600,679	91,765,495	93,178,636
EXPENDITURES:						
CURRENT:						
GENERAL GOVERNMENT	12,944,169	216,934	-	-	13,161,103	12,662,674
JUDICIAL AND LAW ENFORCEMENT	41,414,932	11,035,358	-	-	52,450,290	50,383,391
EDUCATION AND RECREATION	573,137	3,821	-	-	576,958	565,046
HEALTH AND WELFARE	6,647,318	41,107	-	-	6,688,425	6,448,683
CONTRACT SERVICES	-	38,508	-	-	38,508	399,129
MAINTENANCE - EQUIPMENT						
AND STRUCTURES	9,254,697	407	-	-	9,255,104	9,615,834
CAPITAL OUTLAY	2,166,186	911,132	28,673,012	-	31,750,330	20,911,522
DEBT SERVICE:						
PRINCIPAL	-	-	-	2,945,000	2,945,000	2,010,000
INTEREST AND COMMISSION	-	-	-	3,463,447	3,463,447	5,904,993
TOTAL EXPENDITURES	73,000,439	12,247,267	28,673,012	6,408,447	120,329,165	108,901,272
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,907,182)	1,009,678	(25,858,398)	192,232	(28,563,670)	(15,722,636)
OTHER FINANCING SOURCES (USES):						
PROCEEDS FROM BOND SALE	-	-	12,874,203	-	12,874,203	-
OPERATING TRANSFERS IN	-	799,799	2,061,738	-	2,861,537	1,549,799
OPERATING TRANSFERS OUT	(3,430,780)	(321,713)	(76,563)	-	(3,829,056)	(3,335,487)
TOTAL OTHER FINANCING SOURCES (USES)	(3,430,780)	478,086	14,859,378	-	11,906,684	(1,785,688)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	(7,337,962)	1,487,764	(10,999,020)	192,232	(16,656,986)	(17,508,324)
FUND BALANCES, OCTOBER 1	20,496,265	4,603,097	54,982,260	879,976	80,961,598	98,469,922
PRIOR PERIOD ADJUSTMENT	-	(76,528)	-	-	(76,528)	-
FUND BALANCES, OCTOBER 1 (RESTATED)	20,496,265	4,526,569	54,982,260	879,976	80,885,070	98,469,922
FUND BALANCES, SEPTEMBER 30	\$ 13,158,303	6,014,333	43,983,240	1,072,208	64,228,084	80,961,598

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

JEFFERSON COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ACTUAL AND BUDGET (GAAP) - GENERAL AND DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	GENERAL FUND			DEBT SERVICE FUND		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
TAXES:						
PROPERTY	\$ 38,549,023	38,266,917	282,106	6,445,700	6,333,892	111,808
SALES TAX	14,393,794	14,170,000	223,794	-	-	-
FEES	7,799,273	7,829,810	(30,537)	-	-	-
LICENSE	456,268	458,100	(1,832)	-	-	-
SALES, RENTALS, AND SERVICES	4,121,657	3,765,020	356,637	-	-	-
INTERGOVERNMENTAL	599,203	584,637	14,566	-	-	-
FINES AND FORFEITURES	1,941,572	2,186,000	(244,428)	-	-	-
INTEREST	1,219,124	1,960,000	(740,876)	154,979	163,500	(8,521)
MISCELLANEOUS	12,803	10,000	2,803	-	-	-
CONTRIBUTIONS	540	200	340	-	-	-
TOTAL REVENUES	<u>69,093,257</u>	<u>69,230,684</u>	<u>(137,427)</u>	<u>6,600,679</u>	<u>6,497,392</u>	<u>103,287</u>
EXPENDITURES:						
CURRENT:						
GENERAL GOVERNMENT	12,944,169	13,537,233	593,064	-	-	-
JUDICIAL AND LAW ENFORCEMENT	41,414,932	43,254,180	1,839,248	-	-	-
EDUCATION AND RECREATION	573,137	653,084	79,947	-	-	-
HEALTH AND WELFARE	6,647,318	6,836,342	189,024	-	-	-
MAINTENANCE - EQUIPMENT AND STRUCTURES	9,254,697	11,558,778	2,304,081	-	-	-
CAPITAL OUTLAY	2,166,186	2,624,876	458,690	-	-	-
DEBT SERVICE:						
PRINCIPAL	-	-	-	2,945,000	2,945,000	-
INTEREST AND COMMISSIONS	-	-	-	3,463,447	3,463,447	-
TOTAL EXPENDITURES	<u>73,000,439</u>	<u>78,464,493</u>	<u>5,464,054</u>	<u>6,408,447</u>	<u>6,408,447</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,907,182)</u>	<u>(9,233,809)</u>	<u>5,326,627</u>	<u>192,232</u>	<u>88,945</u>	<u>103,287</u>
OTHER FINANCING SOURCES (USES):						
CAPITAL LEASE OBLIGATIONS	-	-	-	-	-	-
OPERATING TRANSFERS IN	-	-	-	-	-	-
OPERATING TRANSFERS OUT	(3,430,780)	(3,439,890)	9,110	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,430,780)</u>	<u>(3,439,890)</u>	<u>9,110</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	<u>(7,337,962)</u>	<u>(12,673,699)</u>	<u>5,335,737</u>	<u>192,232</u>	<u>88,945</u>	<u>103,287</u>
FUND BALANCES, OCTOBER 1	<u>20,496,265</u>	<u>20,496,265</u>	<u>-</u>	<u>879,976</u>	<u>879,976</u>	<u>-</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 13,158,303</u>	<u>7,822,566</u>	<u>5,335,737</u>	<u>1,072,208</u>	<u>968,921</u>	<u>103,287</u>

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

JEFFERSON COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND EQUITY - ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	ENTERPRISE	INTERNAL SERVICE	TOTALS	
			(Memorandum Only)	
			2002	2001
OPERATING REVENUES:				
CHARGES FOR SERVICES	\$ 13,016,576	1,085,563	14,102,139	9,926,557
OPERATING EXPENSES:				
COST OF SALES AND SERVICES	15,820,168	1,095,395	16,915,563	12,582,704
DEPRECIATION	966,201	-	966,201	968,600
TOTAL OPERATING EXPENSES	16,786,369	1,095,395	17,881,764	13,551,304
OPERATING INCOME (LOSS)	(3,769,793)	(9,832)	(3,779,625)	(3,624,747)
NONOPERATING REVENUES:				
INTEREST	52,138	215,254	267,392	391,693
TOTAL NONOPERATING REVENUES	52,138	215,254	267,392	391,693
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(3,717,655)	205,422	(3,512,233)	(3,233,054)
TRANSFER FROM OTHER FUNDS:				
GENERAL FUND	967,519	-	967,519	1,785,688
NET INCOME (LOSS)	(2,750,136)	205,422	(2,544,714)	(1,447,366)
ADD: DEPRECIATION ON CONTRIBUTED ASSETS	745,078	-	745,078	744,826
INCREASE (DECREASE) IN RETAINED EARNINGS	(2,005,058)	205,422	(1,799,636)	(702,540)
RETAINED EARNINGS, OCTOBER 1	4,898,971	3,929,345	8,828,316	9,530,856
RETAINED EARNINGS, SEPTEMBER 30	2,893,913	4,134,767	7,028,680	8,828,316
CONTRIBUTED CAPITAL, OCTOBER 1	13,487,682	-	13,487,682	14,232,508
ADD: CAPITAL CONTRIBUTIONS	135,294	-	135,294	-
LESS: DEPRECIATION ON CONTRIBUTED ASSETS	(745,078)	-	(745,078)	(744,826)
CONTRIBUTED CAPITAL, SEPTEMBER 30	12,877,898	-	12,877,898	13,487,682
FUND EQUITY, SEPTEMBER 30	\$ 15,771,811	4,134,767	19,906,578	22,315,998

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

JEFFERSON COUNTY, TEXAS
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	ENTERPRISE	INTERNAL SERVICE	TOTALS (Memorandum only)	
			2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:				
OPERATING LOSS	\$ (3,769,793)	(9,832)	(3,779,625)	(3,624,747)
ADJUSTMENTS TO RECONCILE NET OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
DEPRECIATION	966,201	-	966,201	968,600
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(38,758)	394,037	355,279	681,810
(INCREASE) DECREASE IN DUE FROM OTHER FUNDS	(320)	492	172	-
(INCREASE) DECREASE IN DUE FROM OTHER GOVERNMENTAL ENTITIES	(231,826)	(657)	(232,483)	6,332
DECREASE) IN PREPAIDS	82	-	82	-
DECREASE (INCREASE) IN INVENTORY	36,017	-	36,017	(22,809)
INCREASE IN ACCOUNTS PAYABLE	150,601	-	150,601	6,922
INCREASE (DECREASE) IN CLAIMS LIABILITY	270,946	(30,129)	240,817	(382,757)
INCREASE (DECREASE) IN DUE TO OTHER FUNDS	13,929	-	13,929	873,025
(DECREASE) INCREASE IN OTHER LIABILITIES	(22,965)	-	(22,965)	16,848
INCREASE IN CUSTOMER DEPOSITS	25,000	-	25,000	-
TOTAL ADJUSTMENTS	1,168,907	363,743	1,532,650	2,147,971
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(2,600,886)	353,911	(2,246,975)	(1,476,776)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
TRANSFERS FROM OTHER FUNDS	967,519	-	967,519	1,785,688
NET CASH PROVIDED FROM NONCAPITAL FINANCING ACTIVITIES	967,519	-	967,519	1,785,688
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
PAYMENTS FOR CAPITAL ACQUISITIONS AND CONSTRUCTION	(232,078)	-	(232,078)	(2,028,459)
RECEIPTS FROM GRANTS	135,294	-	135,294	-
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(96,784)	-	(96,784)	(2,028,459)
CASH FLOWS FROM INVESTING ACTIVITIES:				
RECEIPTS OF INTEREST	66,303	229,995	296,298	397,115
NET CASH PROVIDED FROM INVESTING ACTIVITIES	66,303	229,995	296,298	397,115
NET CASH INCREASE (DECREASE) FOR THE YEAR	(1,663,848)	583,906	(1,079,942)	(1,322,432)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,850,393	3,819,441	5,669,834	6,992,266
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 186,545	4,403,347	4,589,892	5,669,834

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



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

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 which supersedes all previous pronouncements issued by GASB and the National Council of Governmental Accounting (NCGA) for defining the reporting entity.

In accordance with GASB Statement 14, 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. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14.

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, and Jefferson County Industrial Development Corporation.

B. Basis of Presentation - Fund Accounting

The County uses funds and account groups to report its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

A fund is a separate accounting entity with a set of self-balancing accounts. An account group, on the other hand, is a financial reporting mechanism designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources (General Fixed Assets and General Long-Term Debt). Funds are classified into three primary categories: **Governmental**, **Proprietary**, and **Fiduciary**. Each category, in turn, is further divided into separate fund types.⁴

Governmental Funds are used to account for the majority of the County's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds), the acquisition or construction of general fixed assets (Capital Projects Funds), and the servicing of general long-term debt (Debt Service Funds). The General Fund is used to account for all activities of the County not accounted for in any other fund.

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary and/or useful to sound financial management. Goods and services from such activities are provided either to the public (Enterprise Fund) or financed through charges to users or other departments or agencies primarily within the County (Internal Service Funds) on a cost reimbursement basis.

Fiduciary Funds are used to account for assets held on behalf of outsiders, including other governments, or other funds within the County. Agency funds are used to account for assets that the County holds on behalf of others as their agent.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets.

The basis of accounting is the method by which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The County uses the modified accrual basis of accounting in all governmental fund types and agency funds. Under this basis of accounting, revenues are recognized when they become measurable and available. ⁵Measurable⁴ means the amount of the transaction can be determined and ⁵available⁴ means collected within the



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes that are measurable and available (receivable within the current period and collected within the current period or within 60 days thereafter to be used to pay liabilities of the current period) are recognized as revenue in the year of levy. Property taxes that are measurable, but not available, are recorded, net of estimated uncollectible amounts, as deferred revenues in the year of levy. Such deferred revenues are recognized as revenue in the fiscal year in which they become available.

Expenditures are recognized when the related fund liability is incurred, if measurable, except for expenditures for debt service, and other long-term obligations, which are recognized when paid. Those revenues susceptible to accrual are property taxes, franchise taxes, sales tax, licenses, interest revenue, and charges for services. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types. Under this method revenues are recorded when earned and expenses are recognized when they are incurred.

The County reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition within the current period. In subsequent periods when both requirements for revenue recognition are met, the liability for deferred revenue is removed from the combined balance sheet and the revenue recognized.

In accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, all proprietary funds will continue to follow Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989. The County has elected not to follow FASB pronouncements issued after that date.

D. Budgets

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

- C Department annual budget requests are submitted by the Department or Agency Head to the County Auditor during the third quarter of the fiscal year for the upcoming fiscal year to begin September 30.
- C The County Auditor prepares an estimate of available resources for the upcoming fiscal year.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

- C The County Auditor 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.
- C Public hearings are held on the proposed budget.
- C The Commissioners Court must adopt an annual operating budget by a majority vote of the Commissioner Court before October 1. The adopted budget must be balanced; that is, available resources must be sufficient to support annual appropriations.
- C The department is the legal level of budgetary control. Commissioners Court approval is necessary to transfer appropriations between departments. For the year ending September 30, 2002, Commissioners Court approved \$5,303,924 in budget transfers. Transfers may not increase the total budget.
- C Annual budgets are legally adopted for the General Fund, Debt Service Funds and the Enterprise Fund. Budgets for Grant Funds are established pursuant to grant awards and budgets for Capital Projects are established on a project basis.
- C Appropriations lapse at year-end for all budgeted funds.
- C Budgets are prepared on a basis consistent with GAAP.

E. Cash and Investments

Cash and investments include amounts in demand deposits as well as certificates of deposit, treasury bonds, and cash management account.

State statute authorizes the County to invest in obligations of the U.S. Treasury and Federal Agencies, commercial paper, corporate bonds and repurchase agreements.

Certificates of deposit are reported at carrying amount, which reasonably estimates fair value. Investments in U.S. Federal Agencies, which are all short term, are reported at cost, which approximates fair value. Additional disclosures are also presented in Note 2.

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



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

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. Interfund Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. These receivables and payables are classified as due from other funds and due to other funds on the balance sheet.

H. Inventories

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

I. Fixed Assets

General fixed assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. For proprietary funds, assets are capitalized and reported in the funds that acquire or construct them. All purchased fixed assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value when they are received. The County does not capitalize interest cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the useful lives of the related fixed assets, as applicable.

Public domain (infrastructure) general fixed assets such as roads, bridges, and runways are capitalized, as these assets are immovable and of value to the County. Assets in the general fixed asset account group are not depreciated. Depreciation of buildings, equipment, and vehicles in the proprietary fund types is computed using the straight-line method for 20 to 35 years, 5 to 15 years and 5 years, respectively.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

J. Post-Employment Health Care Benefits

In accordance with County regulations, the following post-employment health care benefits are available:

Retiree Benefits-

In addition to the pension benefits described in Note 8, 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 at least eight years of credited service with the Texas County and District Retirement System (TCDRS) and have attained the age of sixty; or
- B) the employee must have at least thirty years of credited service with TCDRS; or
- C) the employee's age combined with his years of credited service with TCDRS (each rounded down to whole years) is at least seventy-five.

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, B, or C: and,
- B) the employee's spouse has at least attained the age of fifty-seven.

If the employee's spouse is younger than the age of fifty-seven, the spouse may be covered under the County's health insurance program by paying the same spouse dependent premium as regular County employees. When the spouse reaches age fifty-seven, he/she will then be eligible for County-paid insurance.

If an employee retired from the County prior to April 9, 1990 and returned to County employment, he/she is eligible for County-paid health insurance upon retirement if:

- A) at the time of retirement the employee meets the above mentioned requirements; and,
- B) the employee returned to County employment for a period of at least two years of continuous service.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

The County pays 100 percent of health insurance premiums for those retirees and their spouses that qualify. The cost is recognized as an expenditure when the premium is paid each month. In 2002 those costs totaled \$881,626 (net of participant contributions). At September 30, 2002, two hundred sixty-four participants are eligible to receive benefits.

COBRA Benefits-

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the tenth day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date.

K. Compensated Absences

Vested or accumulated sick leave, compensatory time and vacation leave that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated sick leave, compensatory time and vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditures are recorded for these amounts. Vested or accumulated sick leave, compensatory time and vacation leave of proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Governmental Accounting Standards Board (GASB) No. 16, Accounting for Compensated Absences, no liability is recorded for nonvested accumulation rights to receive sick pay benefits.

L. Long-term Liabilities

Long-term liabilities that will be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The general long-term debt is secured by the general credit and taxing powers of the County. Long-term liabilities of all proprietary funds consist of liabilities directly related to, and expected to be paid entirely by the proprietary funds. These liabilities are included in the accounts of such funds.

M. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds. Reserves represent those portions of fund equity not appropriated for expenditure or legally segregated for a specific future use.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. Memorandum Only - Total Columns

Total columns on the general-purpose financial statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made to this data.

P. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the County's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Q. Statement of Cash Flows

For purposes of the statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Restricted assets are not included as cash equivalent for cash flow purposes as these investments are not highly liquid and mature after three months from September 30, 2002.

Note 2 - Cash and Investments

The County's demand deposits and savings accounts issued by the County's depositories were adequately collateralized by either the Federal Depository Insurance Corporation or by collateral (pledged securities) in the County depository's name and pledged to the County, at September 30, 2002.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 2 - Cash and Investments (continued)

Texas Statute and the County's Investment Policy authorizes the County to invest in U. S. Treasury Bills, Notes and Bonds which are backed by the full faith and credit of the United States Government, U. S. Government agency securities and insured time deposits issued by banks domiciled in the State of Texas.

The County pools most of its cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balances in the pooled cash accounts and other checking accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities.

The deposits made by the County are classified as to risk by the three categories described below:

- Category A Insured or collateralized, with securities held by the County or its agent in the County's name.
- Category B Collateralized, with securities held by the counter party's trust department or agent in the County's name.
- Category C Uncollateralized.

Investments made by the County are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- Category 1 Insured or registered, with securities held by the County or its agent in the County's name.
- Category 2 Uninsured and unregistered, with securities held by the counter party's trust department or agent in the County's name.
- Category 3 Uninsured and unregistered, with securities held by the counter parties, or by its trust department or agent but not in the County's name

Cash and investments at September 30, 2002 are shown below:

<u>Unrestricted:</u>	
Investments	\$ 9,050,000
Cash and Certificates of Deposits	78,745,625
Cash on Hand	38,230
Total Cash and Investments	<u><u>\$87,833,855</u></u>



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 2 - Cash and Investments (continued)

	Category			
	A	B	C	Bank Balance
Cash and Certificates of Deposit	\$ 78,745,625	-	-	\$ 78,745,625

	Category			
	1	2	3	Reported Amount/Fair Value
U.S. Federal Agencies	\$ 9,050,000	-	-	\$ 9,050,000

Note 3 - Receivables and Allowance for Doubtful Accounts

Property taxes are levied by Commissioners=Court on October 1 on property values assessed as of January 1 of the same year. The tax levy is billed as soon after October 1 as possible. On February 1 of the following calendar year the 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 receivable, and penalty and interest receivables represent the past twenty years of uncollected tax levies. The allowance for uncollectible was set at thirty percent of the gross tax receivable and fifty percent on penalty and interest as of September 30, 2002. The allowance has been recorded for property taxes, which are estimated to be uncollectible as required by generally accepted accounting principles. The following schedule summarizes the delinquent taxes receivable as of September 30, 2002.

Rate/\$100 Appraisal Value	\$.365
Taxes Receivable, September 30, 2002	\$ 3,824,303
Allowance For Doubtful Accounts	(1,147,291)
Net Receivables, September 30, 2002	\$ 2,677,012

Receivables as of September 30, 2002 consist of the following:



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2002

Note 3 - Receivables and Allowance for Doubtful Accounts (continued)

	General	Special Revenues	Capital Projects	Debt Service	Enterprise	Internal Service	Agency	Totals
Receivables:								
Accounts	\$ 107,130	\$ 3,405	\$ -	\$ -	\$ 149,771	\$ -	\$ 80	\$ 260,386
Employee	143,583	27,219	-	-	4,099	-	-	174,901
Interest	63,223	21,331	196,049	4,475	365	18,697	-	304,140
Taxes	3,277,375	-	-	546,928	-	-	-	3,824,303
Penalty & Interest	2,441,141	-	-	407,377	-	-	-	2,848,518
Gross	6,032,452	51,955	196,049	958,780	154,235	18,697	80	7,412,248
Less: Allow- ance for un- collectibles	(2,203,783)	-	-	(367,766)	(17,500)	-	-	(2,589,049)
Net Total								
Receivables	<u>\$3,828,669</u>	<u>\$ 51,955</u>	<u>\$ 196,049</u>	<u>\$ 591,014</u>	<u>\$ 136,735</u>	<u>\$ 18,697</u>	<u>\$ 80</u>	<u>\$ 4,823,199</u>

Note 4 - Property Taxes

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

For the year ended September 30, 2002, the combined tax rate to finance general government services and the payment of principal and interest on long-term debt was \$.365.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 5 - Changes In General Fixed Assets

A summary of changes in general fixed assets follows:

<u>County Assets</u>	<u>10/01/2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>9/30/2002</u>
Land	\$ 6,207,106	\$ 529,635	\$ --	\$6,736,741
Buildings	52,047,765	1	--	52,047,766
Other Improvements	15,535,499	1,877,972	525	17,412,946
Property and Equipment	23,845,557	2,186,152	1,291,509	24,740,200
Roads, Bridges, and Related Right-of-way	17,060,444	10,343	--	17,070,787
	114,696,371	4,604,103	1,292,035	118,008,440
Construction in Progress	27,858,739	32,343,081	2,604,399	57,597,421
Total Fixed Assets	<u>\$ 142,555,110</u>	<u>\$ 36,947,184</u>	<u>\$ 3,896,434</u>	<u>\$ 175,605,861</u>

A summary of fixed assets of the Enterprise Fund at September 30, 2002 is presented below:

Land	\$ 3,024,815
Buildings and Improvements	34,527,684
Equipment	2,001,154
Road, Bridges and R.O.W.	<u>4,406</u>
Total Assets Before Depreciation	39,558,059
Less: Accumulated Depreciation	<u>(23,094,276)</u>
	16,463,783
Construction in Progress	<u>2,129,850</u>
Total Enterprise Fund	<u>\$ 18,593,633</u>

Note 6 - Operating Leases

County as Lessor

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

The County's airport conducts a major part of its operations from leased facilities, which include office and parking lot spaces for car rental agencies, terminal space for a travel agency, a restaurant and advertising agency, land for a driving range, and hanger space. All leases are classified as operating leases. The rental payments under the leases for the car



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 6 - Operating Leases (continued)

rental agencies are based on a minimum rental plus a percentage of sales. The rental payments under the leases for the travel agency, driving range, restaurant, and advertising agency are based on a percentage of sales. The rental payments under the leases for the hanger spaces 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 two leases for land located in the Private Hangar Park. These leases are classified as operating leases. The rental payments under the leases for the land are a fixed amount for a twenty-five year period. These leases are noncancellable.

The County also leases a building to the U.S. Postal Service. This lease is also classified as an operating lease. The rental payments under the lease for the Postal Service are a fixed amount for a ten-year period. This lease is 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, 2002:

Airport Terminal	\$ 2,705,845
Airport Private Hangar Park and Land	3,249,396
Postal Building	2,200,214
	<u>8,155,455</u>
Less: accumulated depreciation	<u>(1,308,455)</u>
	<u>\$ 6,847,000</u>

The following is a schedule by years of minimum future rentals on noncancellable operating leases as of September 30, 2002:

<u>Fiscal Year Ending September 30</u>	
2003	\$277,182
2004	117,402
2005	37,512
2006	37,512
2007	37,512
2008-2012	160,800
2013-2017	53,760
2018-2022	53,760
2023-2026	<u>40,320</u>
Total	<u>\$815,760</u>



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2002

Note 6 - Operating Leases (continued)

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.

Contingent rentals on Airport cancellable operating leases for the year ended September 30, 2002 are \$130,746.

Note 7 - Long-Term Debt Account Group

The following is a summary of Long-Term Debt transactions for the governmental funds of the County for the year ended September 30, 2002:

	Bonds Payable	Arbitrage Liability	Compensated Absences	Capital Leases
Payable at October 1, 2001	\$74,375,000	\$--	\$7,509,489	\$555,132
Additions	70,715,000	218,003	981,520	--
Reductions	56,795,000	--	908,515	248,783
Payable at September 30, 2002	<u>\$88,295,000</u>	<u>\$218,003</u>	<u>\$7,582,494</u>	<u>\$306,349</u>

Bonds payable at September 30, 2002 are comprised of the following individually issued general obligation bonds:

General Obligation Bonds:

\$6,000,000 1993 Certificates of Obligation due in annual installments from \$100,000 to \$700,000 through August 1, 2010; interest rates ranging from 4.0% to 5.0%.	\$4,775,000
\$19,000,000 1993 Refunding Bonds due in annual installments from \$800,000 to \$1,305,000 through August 1, 2010; interest rates ranging from 4.0% to 5.0%.	7,920,000
\$6,000,000 1999 Certificates of Obligation due in annual installments from \$600,000 to \$1,000,000 through August 1, 2007; interest rates ranging from 3.65% to 4.10%.	4,575,000
\$1,150,000 2000 Certificates of Obligation due in annual installments from \$350,000 to \$400,000 through August 1, 2010; interest rates ranging from 5.25% to 5.4%.	1,150,000
\$13,090,000 2002 Certificates of Obligation due in annual installments from \$650,000 to \$1,165,000 through August 1, 2017; interest rates ranging from 3.75% to 5.0%.	13,090,000
\$57,625,000 2002 Refunding Bonds due in annual installments from \$840,000 to \$5,170,000 through August 1, 2025; interest rates ranging from 3.0% to 5.75%.	<u>56,785,000</u>
Total General Obligation Bonds	<u>\$88,295,000</u>

The annual requirements to amortize bonds outstanding as of September 30, 2002, including interest payments of \$59,800,333 are as follows:



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2002

Note 7 - Long-Term Debt Account Group (continued)

<u>Fiscal Year Ended September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 2,980,000	\$ 4,443,528	\$ 7,423,528
2004	3,095,000	4,321,927	7,416,927
2005	3,215,000	4,193,814	7,408,814
2006	3,360,000	4,057,849	7,417,849
2007	3,520,000	3,911,936	7,431,936
2008-2012	16,430,000	17,289,333	33,719,333
2013-2017	20,790,000	12,793,769	33,583,769
2018-2022	20,125,000	7,204,807	27,329,807
2023-2025	14,780,000	1,583,370	16,363,370
 Total	 <u>\$ 88,295,000</u>	 <u>\$59,800,333</u>	 <u>\$ 148,095,333</u>

There is currently \$1,072,208 available in the Debt Service Funds to service the general obligation bonds. The County has no authorized but unissued bonds at September 30, 2002.

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 is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long Term-Debt Account Group, respectively. The gross amount of assets financed with capital leases is \$1,195,848. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of September 30, 2002.

<u>Fiscal Year Ending September 30</u>	<u>Capital Lease Payable</u>
2003	\$258,806
2004	58,901
Minimum Lease Payments For All Capital Leases	317,707
Less: Amount representing interest at the County's incremental borrowing rate of interest	11,358
Present value of the minimum lease payments	<u>\$306,349</u>

Current Year Refunding Issues:

On May 3, 2002, Jefferson County issued general obligation refunding bonds of \$57,625,000 (par value) with interest rates ranging from 3.0% to 5.75% to advance refund Certificates of Obligation with interest rates ranging from 5.25% to 6.0% and a par value of \$53,850,000. The Certificates of Obligation mature on August 1, 2025 and are callable on August 1, 2010. The general obligation



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 7 - Long-Term Debt Account Group (continued)

refunding bonds were issued at a premium of \$552,107 and, after paying issuance cost of \$389,902, the net proceeds were \$57,787,205. The net proceeds from the issuance of the general obligations bonds were used to purchase U.S. government securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until \$53,850,000 of the Certificates of Obligation are called on August 1, 2010. The advance refunding met the requirements of an in-substance debt defeasance and \$53,850,000 of the Certificates of Obligation were removed from the County's General Long-Term Debt Account Group.

As a result of the advance refunding, the County reduced its total debt service requirements by \$1,705,476, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,007,298.

Prior Refunding Issues:

In prior years, the County issued general obligation bonds to advance refund certain general obligation and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service when due to the earliest call date or to maturity on the old bonds. Accordingly, the trust account assets and the liability for the refunded bonds are not included in the County's financial statements. The following reflects the refunded bonds as of the date of the refunding and as of September 30, 2002:

Type	Refunding Series	Date	Outstanding As of Refunding	Outstanding As of 9/30/02
General Obligation	1990	1993	\$10,300,000	\$7,250,000

Conduit Debt Obligations

The County has issued Housing Finance Corporation Bonds and Health Facilities 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, 2002, there were four series of Jefferson County Housing Finance Corporation Bonds with an aggregate principal amount payable of \$17,580,317, and one series of Jefferson Health Facilities Development Bonds with an aggregate principal amount payable of \$116,650,000.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 7 - Long-Term Debt Account Group (continued)

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. There were no arbitrage rebate payments made during fiscal year 2002. A liability for future arbitrage payments of \$218,003 is recorded in the General Long Term-Debt Account Group.

Note 8 - Texas County and District Retirement System Pension Plan

Plan Description -

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 517 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy -

The employer has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

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

the actuarially determined rate of 10.04% for the months of the accounting year in 2001, and 10.29% for the months of the accounting year in 2002.

The contribution rate payable by the employee members for the calendar year 2002 is the rate of 7.0% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost -

For the employer's accounting year ending September 30, 2002, the annual pension cost for the TCDRS plan for its employees was \$4,716,825, and the actual contributions were \$4,716,824. The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No 27 parameters based on the actuarial valuations as of December 31, 1999 and December 31, 2000, the basis for determining the contribution rates for calendar years 2001 and 2002. The December 31, 2001 actuarial valuation is the most recent valuation.

ACTUARIAL VALUATION INFORMATION

<u>Actuarial valuation date</u>	<u>12/31/99</u>	<u>12/31/00</u>	<u>12/31/01</u>
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, open	level percentage of payroll, open
Amortization period in years	20	20	20
Asset valuation method	long-term appreciation with adjustment	long-term appreciation with adjustment	long-term appreciation with adjustment
<i>Assumptions:</i>			
Investment return ¹	8.00%	8.00%	8.00%
Projected salary increases ¹	5.9%	5.9%	5.5%
Inflation	4.0%	4.0%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

¹ Includes inflation at the stated rate.



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2002

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

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

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/2000	\$4,277,679	100%	\$--
09/30/2001	\$4,385,230	100%	\$--
09/30/2002	\$4,716,825	100%	\$--

**SCHEDULE OF FUNDING PROCESS FOR THE RETIREMENT PLAN
 FOR THE EMPLOYEES OF JEFFERSON COUNTY, TEXAS**

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 ² (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/99	\$ 86,230,634	\$108,541,488	\$22,310,854	79.44%	\$ 42,092,101	53.00%
12/31/00	\$ 95,986,254	\$119,945,586	\$23,959,332	80.02%	\$ 43,137,107	55.54%
12/31/01	\$104,586,446	\$129,816,872	\$25,230,426	80.56%	\$ 44,651,384	56.51%

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



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 9 - Interfund Transactions

Interfund Receivables and Payables for the year ended September 30, 2002 are detailed below:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$2,843,449	\$320
Security Fee Fund	17,115	--
Law Library Fund	17,610	46,005
Juvenile Probation and Detention Fund	10,307	6,230
Bail Bond License Fund	--	7,412
Hotel Occupancy Tax Fund	220,769	--
County Clerk Records Management	44,770	--
District Clerk Records Management	6,482	--
JP Courtroom Technology Fund	3,881	--
Narcotics Task Force GPI	--	208,772
Juvenile Probation Challenge	--	9,110
Juvenile Community Corrections Program	--	885
IV-E Foster Care Fund	--	7,906
Community Supervision	188,301	--
Restitution Center #1	18,046	2
Restitution Center #2	65,955	3
Juvenile Accountability	6,230	155,058
Drug Diversion	6,904	--
Family Group Conferencing Project	--	20,960
Narcotics Task Force 10-3	105,202	47,690
Narcotics Task Force 10-4	103,570	288,541
Drug Intervention Grant	--	17,022
Texas Beach Water Program	--	5,299
Tobacco Prevention Fund	--	828
Violence Against Women #4	--	24,675
Total Special Revenue Funds	<u>815,142</u>	<u>846,398</u>
1993 Bond Refunding	576	--
1993 Certificates of Obligation	420	--
1999 Certificates of Obligation	701	--



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2002

Note 9 - Interfund Transactions (continued)

Interfund Receivables and Payables for the year ended September 30, 2002 (continued)

Fund	Interfund Receivables	Interfund Payables
2000 Certificates of Obligation	\$2,649	\$--
 Total Debt Service Funds	4,346	--
Southeast Texas Regional Airport	320	1,206,910
Southeast Texas Entertainment Complex Fund	--	164,421
Total Enterprise Fund	320	1,371,331
 Treasurer Maintained Fund	64,519	720
County Clerk Fund	--	305,545
District Clerk Fund	--	101,539
Sheriff's Fund	--	103,173
Justice of the Peace Fund	--	169,572
Constables Fund	--	20,910
Tax Assessor-Collector Fund	--	184,833
Adult Probation Fund	--	198,245
Juvenile Probation Fund	--	2,283
Flexible Spending Fund	--	20,000
Restitution Center #1 Fund	--	18,101
Restitution Center #2 Fund	--	66,156
Downtown Jail Lease Fund	--	318,650
Total Agency Funds	64,519	1,509,727
Total	\$3,727,776	\$3,727,776

Interfund Transfers for the year ended September 30, 2002 are detailed below:

Fund	Operating Transfers In	Operating Transfers Out
General Fund	\$--	\$3,430,780
 Juvenile Probation & Detention Fund	--	7,625
Narcotics Task Force GPI	--	311,862
Juvenile Challenge Program Fund	90,1540	--
Juvenile Accountability Program	84,188	--
Safe & Sober Step Program	20,000	--
Law Enforcement Block Grant	1,600	--



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 9 - Interfund Transactions (continued)

Interfund Transfers for the year ended September 30, 2002 (continued)

Fund	Operating Transfers In	Operating Transfers Out
Narcotics Task Force Grant #10-4 Fund	139,027	--
Narcotics Task Force Grant #10-3 Fund	277,835	--
Domestic Violence Grant #11 Fund	43,606	--
Domestic Violence Grant #10-3 Fund	44,214	--
Mentally Impaired Offenders Program	2,226	--
Community Supervision	50,400	2,226
Drug Intervention Grant	49	--
Violence Against Women #3 Grant Fund	35,353	--
Violence Against Women #4 Grant Fund	11,147	--
Total Special Revenue Funds	799,799	321,713
Capital Projects Fund	2,061,738	--
Juvenile Detention Center	--	76,563
Total Capital Projects Funds	2,061,738	76,563
Southeast Texas Regional Airport	967,519	--
Total Enterprise Funds	967,519	--
Total	\$3,829,056	\$3,829,056

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, 2002.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 11 - Individual Funds Deficit Fund Equity and Budgetary Concerns

The following funds had a deficit fund balance as of September 30, 2002:

<u>Special Revenue Funds</u>	
Surveillance Program	\$2,106
Bail Bond License Fund	6,787
Law Library Fund	28,345
Tobacco Prevention Grant	828
Drug Diversion Fund	27,489
Total for Special Revenue Funds	<u>65,555</u>
<u>Enterprise Funds</u>	
Southeast Texas Government Employee Benefit Pool Fund	1,197,025
Southeast Texas Entertainment Complex Fund	156,852
Total for Enterprise Funds	<u>1,353,877</u>
Total Deficit Fund Balances	<u><u>\$1,419,432</u></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 Life and Retirees' Health Insurance Fund for fiscal year 2001 consists of three months of the County's group health insurance transactions, a full year of life insurance transactions, and a full year of Medicare supplement cost for retirees over 65. As of January 1, 2001 all County group health and dental costs are accounted for in the South East Texas Government Employee Benefit Pool (See Note 13). After January 1, 2001, the Life and Retirees' Health Insurance Fund is being utilized to track expenditures related to the County's Life Insurance and Retirees' Medicare Supplement Insurance. The County is fully insured for Life Insurance and Medicare Supplement Insurance. 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



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 12 - Risk Management (continued)

liabilities are calculated considering recent claim settlement trends. Changes in the Life and Retirees' Health Insurance Trust Fund's claims liability (including an estimate for claims incurred but not reported) were:

	<u>2002</u>	<u>2001</u>
Liability for claims, beginning of fiscal year	\$2,806	\$1,433,185
Incurred claims and changes in estimates	525,912	1,576,660
Claim payments	<u>(521,690)</u>	<u>(3,007,039)</u>
Liability for claims, end of fiscal year	<u>\$7,028</u>	<u>\$2,806</u>

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>2002</u>	<u>2001</u>
Liability for claims, beginning of fiscal year	\$250,000	\$271,751
Incurred claims and changes in estimates	105,865	11,454
Claim payments	<u>(97,280)</u>	<u>(33,205)</u>
Liability for claims, end of fiscal year	<u>\$258,585</u>	<u>\$250,000</u>

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. As of October 1, 1999, the County is fully 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. 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:



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 12 - Risk Management (continued)

	<u>2002</u>	<u>2001</u>
Liability for claims, beginning of fiscal year	\$65,256	\$162,306
Incurred claims and changes in estimates	463,619	597,522
Claim payments	<u>(506,554)</u>	<u>(694,572)</u>
Liability for claims, end of fiscal year	<u>\$22,321</u>	<u>\$65,256</u>

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 and health benefits for Pool member employees. The Pool began operations on January 1, 2001, with a residual equity transfer of \$2,050,000 from the Life and Retirees' Health Insurance Fund (formerly the Health Insurance Fund) to cover run in claims for members of the Pool.

Eleven trustees govern the Pool. Four of these trustees are the Jefferson County Auditor, Jefferson County Risk Management Director, Jefferson County Human Resources Director, 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, Jefferson County Drainage District #6, Jefferson County Navigation District, Water District #10, and Port Neches Independent School District. The total number of members in the Pool is 1,784. Operations of the Pool are accounted for as an enterprise fund.

The Pool uses reinsurance agreements to reduce its exposure to large losses on medical and prescription claims. For the fiscal year ended September 30, 2002, the Pool had stop loss insurance contracts to limit the medical and prescription claims per individual member to \$175,000 in a calendar year. The Pool did not exceed these limits as of September 30, 2002.

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.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 13 – Public Entity Risk Pool (continued)

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

	2002	2001
Liability for claims, beginning of fiscal year	\$1,166,422	\$--
Incurred claims and changes in estimates	13,011,275	7,873,971
Claim payments	(12,740,329)	(6,707,549)
Liability for claims, end of fiscal year	<u>\$1,437,368</u>	<u>\$1,166,422</u>

Note 14 - Construction and Other Significant Commitments

As of September 30, 2002, the County had the following commitments with respect to unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Farm to Market 365	\$ 144,997	09/30/2003
Deep & Widening of Ship Channel	166,666	09/30/2003
Pleasure Island Ship Channel	178,200	09/30/2003
Election System	2,131,140	09/30/2003
Southeast Texas Entertainment Complex	31,076,855	11/01/2003
	<u>\$ 33,697,858</u>	

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 resolution of these matters are not expected to have a material effect on the financial condition of the County.



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2002

Note 16 - 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 17 - Segment Information for Enterprise Fund

The County maintains three enterprise funds. The Airport fund provides the operations and maintenance of the Southeast Texas Regional Airport. The Southeast Texas Government Employees Benefit Pool fund provides the accounting of health insurance benefits of the participants. The Southeast Texas Entertainment Complex provides the accounting for the day-to-day operations of the complex. Segment information for the year ended September 30, 2002, is as follows:

	Southeast Texas Regional Airport	Southeast Texas Government Employees Benefit Pool	Southeast Texas Entertainment Complex	Total
Operating revenues	\$ 1,921,582	\$ 11,065,944	\$ 29,050	\$ 13,016,576
Operating expenses:				
Depreciation	963,444	-	2,757	966,201
Other	2,625,698	13,011,275	183,195	15,820,168
Total operating expenses	3,589,142	13,011,275	185,952	16,786,369
Operating loss	(1,667,560)	(1,945,331)	(156,902)	(3,769,793)
Total non-operating revenues	1,847	50,241	50	52,138
Total operating transfers	967,519	-	-	967,519
Net income	(698,194)	(1,895,090)	(156,852)	(2,750,136)
Net decrease in contributed capital	\$ (609,784)	\$ -	\$ -	\$ (609,784)
Net working capital	\$ (1,249,106)	\$ (1,197,025)	\$ (167,881)	\$ (2,614,012)
Net cash provided (used) for operating activities	\$ (886,368)	\$ (1,728,254)	\$ 13,736	\$ (2,600,886)
Net cash provided for non-capital financing activities	\$ 967,519	\$ -	\$ -	\$ 967,519
Acquisition and construction of capital assets	\$ 218,292	\$ -	\$ 13,786	\$ 232,078
Net cash provided for investing activities	\$ 1,847	\$ 64,406	\$ 50	\$ 66,303
Total assets	\$ 18,941,382	\$ 240,343	\$ 11,029	\$ 19,192,754
Long-term liabilities	\$ 207,810	\$ -	\$ -	\$ 207,810
Total fund equity	\$ 17,125,688	\$ (1,197,025)	\$ (156,852)	\$ 15,771,811

Note 18 – Subsequent Events

Bond Refunding

The County is anticipating issuing refunding bonds to defease approximately \$11,355,000 of outstanding County debt. The issuance will take place if market conditions are favorable to achieve savings of approximately \$856,000 in interest cost.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

Note 19 – Recent Accounting Pronouncement – GASB Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments” (“GASB No. 34”)

The County has not completed the process of evaluating the impact that will result from adopting GASB No. 34. The County is therefore unable to disclose the impact that adopting GASB No. 34 will have on the financial position and results of operations of the County when such statement is adopted.

GENERAL FUND

GENERAL FUND

The General Fund is used to account for resources devoted to financing the general services that the County performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the County are included in this fund. This fund is charged with all costs associated with operating the government for which a separate fund has not been established. Included in this fund are the following revenues and expenditures:

Road and Bridge - The revenues and expenditures associated with maintenance of County roadways in each of four precincts:

Road and Bridge #1

Road and Bridge #2

Road and Bridge #3

Road and Bridge #4

Engineering - The revenues and expenditures associated with the operation of the County's engineering department.

Parks and Recreation - The revenues and expenditures associated with the maintenance and development of the County's parks and recreational areas.

Jury - The revenues and expenditures associated with the selection of jurors for the District and County Courts.

Library - The revenues and expenditures associated with the operation of the County's library and related services.

Mosquito Control - The revenues and expenditures associated with the effort to control mosquito and other insect populations within the County.

General Operating - The revenues and expenditures associated with all other County departments for which a separate fund has not been established.

**JEFFERSON COUNTY, TEXAS
GENERAL FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
CASH AND INVESTMENTS	\$ 11,482,865	18,000,097
ACCOUNTS RECEIVABLE, Net	250,713	319,557
INTEREST RECEIVABLE	63,223	194,572
DELINQUENT TAXES RECEIVABLE, Net	2,294,162	2,225,227
PENALTY AND INTEREST RECEIVABLE, Net	1,220,571	1,381,737
DUE FROM OTHER FUNDS	2,843,449	3,752,310
DUE FROM OTHER		
GOVERNMENTAL ENTITIES	1,470,772	1,535,381
INVENTORIES, At Cost	848,792	668,846
PREPAID ITEMS	21,107	26,370
	<u> </u>	<u> </u>
TOTAL ASSETS	\$ <u>20,495,654</u>	<u>28,104,097</u>
<u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES:		
ACCOUNTS PAYABLE	\$ 3,036,747	3,393,596
DEFERRED REVENUES:		
DELINQUENT TAXES	2,160,838	2,087,304
PENALTY AND INTEREST	1,220,571	1,381,737
DUE TO OTHER FUNDS	320	11,185
DUE TO OTHER		
GOVERNMENTAL ENTITIES	360	360
CUSTOMER DEPOSITS	10,000	10,000
COMPENSATED ABSENCES PAYABLE	908,515	723,650
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>7,337,351</u>	<u>7,607,832</u>
FUND BALANCE:		
RESERVE FOR INVENTORIES	848,792	668,846
RESERVE FOR PREPAID ITEMS	21,107	26,370
UNRESERVED	12,288,404	19,801,049
	<u> </u>	<u> </u>
TOTAL FUND BALANCE	<u>13,158,303</u>	<u>20,496,265</u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>20,495,654</u>	<u>28,104,097</u>

**JEFFERSON COUNTY, TEXAS
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
REVENUES:		
TAXES:		
PROPERTY	\$ 38,549,023	36,601,373
SALES TAX	14,393,794	14,051,840
FEES	7,799,273	7,917,813
LICENSES	456,268	445,002
SALES, RENTALS, AND SERVICES	4,121,657	5,586,316
INTERGOVERNMENTAL	599,203	818,648
FINES AND FORFEITURES	1,941,572	2,157,101
INTEREST	1,219,124	1,794,727
MISCELLANEOUS	12,803	9,260
CONTRIBUTIONS AND DONATIONS	540	2,500
	<u>69,093,257</u>	<u>69,384,580</u>
EXPENDITURES:		
GENERAL GOVERNMENT	12,944,169	12,377,689
JUDICIAL AND LAW ENFORCEMENT	41,414,932	39,456,915
EDUCATION AND RECREATION	573,137	554,316
HEALTH AND WELFARE	6,647,318	6,246,256
MAINTENANCE - EQUIPMENT AND STRUCTURES	9,254,697	9,567,209
CAPITAL OUTLAY	2,166,186	2,055,341
	<u>73,000,439</u>	<u>70,257,726</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(3,907,182)</u>	<u>(873,146)</u>
OTHER FINANCING SOURCES (USES):		
OPERATING TRANSFERS OUT	<u>(3,430,780)</u>	<u>(3,110,263)</u>
	<u>(3,430,780)</u>	<u>(3,110,263)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(7,337,962)	(3,983,409)
FUND BALANCES, OCTOBER 1	<u>20,496,265</u>	<u>24,479,674</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 13,158,303</u>	<u>20,496,265</u>

**JEFFERSON COUNTY, TEXAS
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ACTUAL AND BUDGET (GAAP)
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2002 AND 2001**

	2002			2001		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
TAXES:						
PROPERTY	\$ 38,549,023	38,266,917	282,106	36,601,373	36,501,894	99,479
SALES TAX	14,393,794	14,170,000	223,794	14,051,840	13,385,653	666,187
FEES	7,799,273	7,829,810	(30,537)	7,917,813	7,828,242	89,571
LICENSES	456,268	458,100	(1,832)	445,002	469,285	(24,283)
SALES, RENTALS, AND SERVICES	4,121,657	3,765,020	356,637	5,586,316	4,342,509	1,243,807
INTERGOVERNMENTAL	599,203	584,637	14,566	818,648	598,138	220,510
FINES AND FORFEITURES	1,941,572	2,186,000	(244,428)	2,157,101	2,257,258	(100,157)
INTEREST	1,219,124	1,960,000	(740,876)	1,794,727	1,409,468	385,259
MISCELLANEOUS	12,803	10,000	2,803	9,260	1,632	7,628
CONTRIBUTIONS AND DONATIONS	540	200	340	2,500	60	2,440
TOTAL REVENUES	69,093,257	69,230,684	(137,427)	69,384,580	66,794,139	2,590,441
EXPENDITURES:						
GENERAL GOVERNMENT	12,944,169	13,537,233	593,064	12,377,689	12,834,940	457,251
JUDICIAL AND LAW ENFORCEMENT	41,414,932	43,254,180	1,839,248	39,456,915	41,331,292	1,874,377
EDUCATION AND RECREATION	573,137	653,084	79,947	554,316	610,932	56,616
HEALTH AND WELFARE	6,647,318	6,836,342	189,024	6,246,256	6,467,630	221,374
MAINTENANCE - EQUIPMENT AND STRUCTURES	9,254,697	11,558,778	2,304,081	9,567,209	11,084,232	1,517,023
CAPITAL OUTLAY	2,166,186	2,624,876	458,690	2,055,341	2,486,312	430,971
TOTAL EXPENDITURES	73,000,439	78,464,493	5,464,054	70,257,726	74,815,338	4,557,612
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,907,182)	(9,233,809)	5,326,627	(873,146)	(8,021,199)	7,148,053
OTHER FINANCING SOURCES (USES):						
OPERATING TRANSFERS OUT	(3,430,780)	(3,439,890)	9,110	(3,110,263)	(3,110,263)	-
TOTAL OTHER FINANCING SOURCES (USES)	(3,430,780)	(3,439,890)	9,110	(3,110,263)	(3,110,263)	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(7,337,962)	(12,673,699)	5,335,737	(3,983,409)	(11,131,462)	7,148,053
FUND BALANCES, OCTOBER 1	20,496,265	20,496,265	-	24,479,674	24,479,674	-
FUND BALANCES, SEPTEMBER 30	\$ 13,158,303	7,822,566	5,335,737	20,496,265	13,348,212	7,148,053

**JEFFERSON COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET (GAAP)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
GENERAL GOVERNMENT:			
TAX ASSESSOR-COLLECTOR	\$ 2,829,346	3,084,769	255,423
HUMAN RESOURCES	280,078	287,602	7,524
COUNTY AUDITOR	1,041,971	1,112,119	70,148
COUNTY CLERK	1,840,215	1,879,013	38,798
COUNTY JUDGE	819,212	823,499	4,287
RISK MANAGEMENT	210,589	247,116	36,527
COUNTY TREASURER	200,531	216,078	15,547
PRINTING DEPARTMENT	143,303	156,655	13,352
CLAIMS PROCESSING	390,609	390,609	-
FEE COLLECTION	116,379	116,379	-
PURCHASING AGENT	434,464	468,244	33,780
GENERAL SERVICES	3,364,822	3,422,886	58,064
DATA PROCESSING	1,091,054	1,144,662	53,608
VETERANS SERVICE	181,596	187,602	6,006
	<u>12,944,169</u>	<u>13,537,233</u>	<u>593,064</u>
JUDICIAL AND LAW ENFORCEMENT:			
PRE-TRIAL RELEASE	282,501	286,732	4,231
DISTRICT ATTORNEY	4,367,941	4,367,941	-
DISTRICT CLERK	1,391,578	1,410,758	19,180
CRIMINAL DISTRICT COURT	848,262	848,262	-
58TH DISTRICT COURT	202,468	212,132	9,664
60TH DISTRICT COURT	197,491	204,669	7,178
136TH DISTRICT COURT	203,704	206,934	3,230
172ND DISTRICT COURT	203,292	203,292	-
252ND DISTRICT COURT	800,228	800,228	-
279TH DISTRICT COURT	327,507	327,507	-
317TH DISTRICT COURT	310,441	310,562	121
JURY	358,111	367,397	9,286
J.P. PRECINCT NO. 1 - PLACE NO. 1	246,886	257,237	10,351
J.P. PRECINCT NO. 1 - PLACE NO. 2	234,142	260,509	26,367
J.P. PRECINCT NO. 2	219,247	236,309	17,062
J.P. PRECINCT NO. 4	236,498	246,768	10,270
J.P. PRECINCT NO. 6	238,969	239,045	76
J.P. PRECINCT NO. 7	258,318	268,726	10,408
J.P. PRECINCT NO. 8	200,874	233,207	32,333
COUNTY COURT AT LAW NO. 1	313,425	321,932	8,507
COUNTY COURT AT LAW NO. 2	366,310	394,654	28,344
COUNTY COURT AT LAW NO. 3	420,124	428,603	8,479
COURT MASTER	222,812	251,135	28,323
DISPUTE RESOLUTION CENTER	183,996	197,318	13,322
JUVENILE ALTERNATIVE SCHOOL	283,330	298,644	15,314
COMMUNITY SUPERVISION	19,749	19,749	-
SHERIFF	6,691,369	6,923,567	232,198
CRIME LABORATORY	513,903	525,258	11,355
JAIL	16,524,527	17,315,456	790,929
JUVENILE CORRECTIONAL PROBATION	1,178,630	1,344,905	166,275
JUVENILE DETENTION HOME	1,032,869	1,221,032	188,163
CONSTABLE PRECINCT NO. 1	517,448	517,448	-
CONSTABLE PRECINCT NO. 2	323,229	325,603	2,374
CONSTABLE PRECINCT NO. 4	193,362	203,513	10,151
CONSTABLE PRECINCT NO. 6	346,847	347,343	496
CONSTABLE PRECINCT NO. 7	307,904	310,218	2,314
CONSTABLE PRECINCT NO. 8	306,687	479,634	172,947
COUNTY MORGUE	539,953	539,953	-
	<u>41,414,932</u>	<u>43,254,180</u>	<u>1,839,248</u>

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**JEFFERSON COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET (GAAP)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EDUCATION AND RECREATION:			
LIBRARY	237,497	273,693	36,196
AGRICULTURAL EXTENSION SERVICE	335,640	379,391	43,751
TOTAL EDUCATION AND RECREATION	<u>573,137</u>	<u>653,084</u>	<u>79,947</u>
HEALTH AND WELFARE:			
HEALTH AND WELFARE UNIT 1	788,342	919,743	131,401
HEALTH AND WELFARE UNIT 2	835,168	859,278	24,110
NURSE PRACTITIONER	226,908	251,205	24,297
CHILD WELFARE	175,784	185,000	9,216
ENVIRONMENTAL CONTROL	239,823	239,823	-
INDIGENT MEDICAL SERVICE	2,524,597	2,524,597	-
MOSQUITO CONTROL	1,667,902	1,667,902	-
EMERGENCY MANAGEMENT	188,794	188,794	-
TOTAL HEALTH AND WELFARE	<u>6,647,318</u>	<u>6,836,342</u>	<u>189,024</u>
MAINTENANCE - EQUIPMENT & STRUCTURES:			
COURTHOUSE & ANNEXES	2,492,362	2,960,333	467,971
PORT ARTHUR BUILDINGS	523,020	529,219	6,199
MID-COUNTY BUILDINGS	34,184	38,179	3,995
ROAD & BRIDGE PCT. 1	1,429,722	1,863,054	433,332
ROAD & BRIDGE PCT. 2	1,201,543	1,514,915	313,372
ROAD & BRIDGE PCT. 3	1,262,498	1,431,958	169,460
ROAD & BRIDGE PCT. 4	1,060,959	1,685,817	624,858
ENGINEERING	633,417	737,394	103,977
PARKS & RECREATION	48,431	154,967	106,536
SERVICE CENTER	568,561	642,942	74,381
TOTAL MAINTENANCE - EQUIPMENT & STRUCTURES	<u>9,254,697</u>	<u>11,558,778</u>	<u>2,304,081</u>
CAPITAL OUTLAY:			
	<u>2,166,186</u>	<u>2,624,876</u>	<u>458,690</u>
TOTAL OPERATING EXPENDITURES	<u>73,000,439</u>	<u>78,464,493</u>	<u>5,464,054</u>
OTHER FINANCING USES:			
OPERATING TRANSFERS OUT	3,430,780	3,439,890	9,110
TOTAL OTHER FINANCING USES	<u>3,430,780</u>	<u>3,439,890</u>	<u>9,110</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 76,431,219</u>	<u>81,904,383</u>	<u>5,473,164</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.

Security Fee Fund - This fund is used to account for fees collected by the District and County Courts to finance security services and equipment for the County Courthouse.

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.

Voter Registration Fund - This fund is used to account for expenditures made by the registrar's office in connection with voter's registration, which qualify under section 19.004 of the V.T.C.A. Election Code. Financing is provided by the State of Texas under the V.T.C.A. Election Code.

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

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

Law Officer Training Fund - This fund is used to account for receipts from the University of Lamar, which is used to finance the training of law officers.

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

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

D.A.R.E. Contributions Fund - This fund is used to account for public contributions to the D.A.R.E. program.

Mobil Volunteer Program - This fund is used to account for contributions from the ExxonMobil Foundation, Inc. Volunteer Program and the expenditures of those funds.

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.

Hibernia CASA Mediation Fund – This fund is used to account for contributions from Hibernia through CASA for the mediation expenditures in the Family District 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.

Child Welfare Fund - This fund is used to account for federal, state, and local money allocated for the care of foster children 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.

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.

Constable Pct. #4 Forfeiture Fund - This fund is used to account for forfeitures received by Constable Pct. #4 from criminal convictions and the expenditure of those funds.

Constable Pct. #8 Forfeiture Fund - This fund is used to account for forfeitures received by Constable Pct. #8 from criminal convictions and the expenditure of those funds.

Sheriff's Forfeiture Fund - This fund is used to account for forfeitures received by the Sheriff 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.

Narcotics Task Force Fund - This fund is used to account for forfeitures received by the Narcotics Task Force from criminal convictions and the expenditure of those funds.

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 Probation Challenge Program
- Juvenile Community Corrections Program
- IV-E Foster Care Fund
- Mentally Impaired Offenders
- Community Supervision
- Restitution Center #1
- Restitution Center #2
- Surveillance Program
- Community Corrections
- Juvenile Accountability
- Drug Diversion Program

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
US Marshals Warrant Grant
Safe & Sober Step
Law Enforcement Block Grant
Housing Rehabilitation Grant
Narcotics Task Force #10-4
Domestic Violence #11
Narcotics Task Force #10-3
Domestic Violence #10-3
Sewer Improvements Grant
Auto Theft Grant
Sheriff Tobacco Grant
Texas Beach Watch Program
Drug Intervention Grant
Violence Against Women #3
Violence Against Women #4
Tobacco Prevention Grant

**JEFFERSON COUNTY, TEXAS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2002
(With comparative totals for September 30, 2001)**

	LATERAL ROAD FUNDS	BREATH ALCOHOL TESTING FUND	SECURITY FEE FUND	LAW LIBRARY FUND	VOTER REGISTRATION FUND	JUVENILE PROBATION & DETENTION FUND	BAIL BOND LICENSE FUND	LAW OFFICER TRAINING FUND	COUNTY CLERK RECORDS MGMT. AND PRESERVATION FUND	DISTRICT CLERK RECORDS MGMT. AND PRESERVATION FUND	D.A.R.E. CONTRIBUTIONS FUND	MOBIL VOLUNTEER PROGRAM	HOTEL OCCUPANCY TAX FUND	HIBERNIA/CASA MEDIATION FUND
ASSETS														
CASH AND INVESTMENTS	\$ 487,516	59,608	626,791	-	23,566	957,753	-	10,878	222,362	200,122	12,460	14,325	344,087	-
ACCOUNTS RECEIVABLE, Net	-	-	568	50	-	-	1,000	250	-	-	-	2,000	-	-
INTEREST RECEIVABLE	2,096	256	2,695	-	101	5,126	-	47	956	861	53	-	2,186	-
DUE FROM OTHER FUNDS	-	-	17,115	17,610	-	10,307	-	-	44,770	6,482	-	-	220,769	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	-	1,368	18,281	-	-	-	-	-	-	-	-
PREPAID ITEMS	-	-	83	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 489,612	59,864	647,252	17,660	25,035	991,467	1,000	11,175	268,088	207,465	12,513	16,325	567,042	-
LIABILITIES AND FUND BALANCES														
LIABILITIES:														
ACCOUNTS PAYABLE	\$ -	-	2,809	-	-	32,583	375	160	3,407	1,348	-	-	-	-
DUE TO OTHER FUNDS	-	-	-	46,005	-	6,230	7,412	-	-	-	-	-	-	-
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DEFERRED REVENUE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	2,809	46,005	-	38,813	7,787	160	3,407	1,348	-	-	-	-
FUND BALANCES:														
RESERVED FOR PREPAID ITEMS	-	-	83	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED	489,612	59,864	644,360	(28,345)	25,035	952,654	(6,787)	11,015	264,681	206,117	12,513	16,325	567,042	-
TOTAL FUND BALANCES	489,612	59,864	644,443	(28,345)	25,035	952,654	(6,787)	11,015	264,681	206,117	12,513	16,325	567,042	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 489,612	59,864	647,252	17,660	25,035	991,467	1,000	11,175	268,088	207,465	12,513	16,325	567,042	-

[CONTINUED]

**JEFFERSON COUNTY, TEXAS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2002
(With comparative totals for September 30, 2001)**

	SHERIFF AND CONSTABLE EDUCATION FUNDS	TAX OFFICE AUTO DEALER FUNDS	UNCLAIMED FUNDS MANAGEMENT FUNDS	CHILD WELFARE FUND	DISTRICT ATTORNEY FORFEITURE FUND	JP COURTROOM TECHNOLOGY FUND	CONSTABLE PCT. # 4 FORFEITURE FUND	CONSTABLE PCT. # 8 FORFEITURE FUND	SHERIFF'S FORFEITURE FUND	HOT CHECK FUND	NARCOTICS TASK FORCE FUND	PROBATION DEPARTMENT FUNDS	GRANT FUNDS	TOTALS	
														2002	2001
ASSETS															
CASH AND INVESTMENTS	\$ 88,803	68,337	8,571	-	104,875	35,930	139	613	447,433	126,729	1,258,595	1,611,817	139,268	6,850,578	6,033,596
ACCOUNTS RECEIVABLE, Net	-	-	-	-	-	-	-	-	-	-	-	25,833	923	30,624	37,563
INTEREST RECEIVABLE	382	294	-	-	-	154	-	-	-	-	-	5,774	350	21,331	40,146
DUE FROM OTHER FUNDS	-	-	-	-	-	3,881	-	-	-	-	-	285,436	208,772	815,142	433,879
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	-	-	-	175,702	460,749	656,100	1,093,613
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-	3,779	135	3,997	4,485
TOTAL ASSETS	\$ 89,185	68,631	8,571	-	104,875	39,965	139	613	447,433	126,729	1,258,595	2,108,341	810,197	8,377,772	7,643,282
LIABILITIES AND FUND BALANCES															
LIABILITIES:															
ACCOUNTS PAYABLE	\$ -	7,899	-	-	-	-	-	-	3,633	673	-	321,271	226,366	600,524	762,019
DUE TO OTHER FUNDS	-	-	-	-	-	-	-	-	-	-	208,772	172,964	405,015	846,398	1,187,657
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	-	-	-	40,259	57,512	97,771	356,943
DEFERRED REVENUE	-	-	-	-	-	-	-	-	-	-	-	818,746	-	818,746	733,566
TOTAL LIABILITIES	-	7,899	-	-	-	-	-	-	3,633	673	208,772	1,353,240	688,893	2,363,439	3,040,185
FUND BALANCES:															
RESERVED FOR PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-	3,779	135	3,997	4,485
UNRESERVED	89,185	60,732	8,571	-	104,875	39,965	139	613	443,800	126,056	1,049,823	751,322	121,169	6,010,336	4,598,612
TOTAL FUND BALANCES	89,185	60,732	8,571	-	104,875	39,965	139	613	443,800	126,056	1,049,823	755,101	121,304	6,014,333	4,603,097
TOTAL LIABILITIES AND FUND BALANCES	\$ 89,185	68,631	8,571	-	104,875	39,965	139	613	447,433	126,729	1,258,595	2,108,341	810,197	8,377,772	7,643,282

**JEFFERSON COUNTY, TEXAS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for fiscal year ended September 30, 2001)**

	LATERAL ROAD FUND	BREATH ALCOHOL TESTING FUND	SECURITY FEE FUND	LAW LIBRARY FUND	VOTER REGISTRATION FUND	JUVENILE PROBATION & DETENTION FUND	BAIL BOND LICENSE FUND	LAW OFFICER TRAINING FUND	COUNTY CLERK RECORDS MGMT. AND PRESERVATION FUND	DISTRICT CLERK RECORDS MGMT. AND PRESERVATION FUND	D.A.R.E. CONTRIBUTIONS FUND	MOBIL. VOLUNTEER PROGRAM	HOTEL OCCUPANCY TAX FUND	HIBERNIA/CASA MEDIATION FUND
REVENUES:														
TAXES	-	-	-	-	-	-	-	-	-	-	-	-	556,987	-
FEES	-	483	138,551	138,652	-	43,570	3,650	58,530	210,193	65,535	-	-	-	-
FINES AND FORFEITURES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRANTS AND RECEIPTS - OTHER GOVERNMENTS	25,706	-	-	-	-	219,395	-	-	-	-	-	-	-	-
INTEREST	24,680	3,152	30,367	-	1,250	66,216	-	167	15,456	9,833	590	13	10,433	-
MISCELLANEOUS CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	-	4,650	10,500	-	-
TOTAL REVENUES	50,386	3,635	168,918	138,652	1,250	329,181	3,650	58,697	225,649	75,368	5,240	10,513	567,420	-
EXPENDITURES:														
GENERAL GOVERNMENT	-	-	-	-	-	-	-	-	186,585	26,699	-	-	378	-
JUDICIAL AND LAW ENFORCEMENT	-	4,108	73,454	-	-	374,342	9,000	28,065	-	-	3,626	-	-	(875)
EDUCATION AND RECREATION	-	-	-	3,821	-	-	-	-	-	-	-	-	-	-
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	407	-	-	-	-	-	-	-	-	-	-	-	-	-
CONTRACT SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPITAL OUTLAY	-	5,640	-	121,378	-	60,713	-	-	152,480	26,789	-	-	-	-
TOTAL EXPENDITURES	407	9,748	73,454	125,199	-	435,055	9,000	28,065	339,065	53,488	3,626	-	378	(875)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	49,979	(6,113)	95,464	13,453	1,250	(105,874)	(5,350)	30,632	(113,416)	21,880	1,614	10,513	567,042	875
OTHER FINANCING SOURCES (USES):														
OPERATING TRANSFERS IN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPERATING TRANSFERS OUT	-	-	-	-	-	(7,625)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	(7,625)	-	-	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	49,979	(6,113)	95,464	13,453	1,250	(113,499)	(5,350)	30,632	(113,416)	21,880	1,614	10,513	567,042	875
FUND BALANCES, OCTOBER 1 PRIOR PERIOD ADJUSTMENT	439,633	65,977	548,979	(41,798)	23,785	1,065,268	(1,437)	(19,617)	378,097	184,237	10,899	5,812	-	(875)
FUND BALANCES, OCTOBER 1 (Restated)	439,633	65,977	548,979	(41,798)	23,785	1,065,268	(1,437)	(19,617)	378,097	184,237	10,899	5,812	-	(875)
RESIDUAL EQUITY TRANSFER	-	-	-	-	-	885	-	-	-	-	-	-	-	-
FUND BALANCES, SEPTEMBER 30	\$ 489,612	59,864	644,443	(28,345)	25,035	952,654	(6,787)	11,015	264,681	206,117	12,513	16,325	567,042	-

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**JEFFERSON COUNTY, TEXAS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for fiscal year ended September 30, 2001)**

	SHERIFF AND CONSTABLE EDUCATION FUNDS	TAX OFFICE AUTO DEALER FUNDS	UNCLAIMED FUNDS MANAGEMENT FUNDS	CHILD WELFARE FUND	DISTRICT ATTORNEY FORFEITURE FUND	JP COURTROOM TECHNOLOGY FUND	CONSTABLE PCT. #4 FORFEITURE FUND	CONSTABLE PCT. #8 FORFEITURE FUND	SHERIFF'S FORFEITURE FUND	HOT CHECK FUND	NARCOTICS TASK FORCE FUND	PROBATION DEPARTMENT FUNDS	GRANT FUNDS	TOTALS	
														2002	2001
REVENUES:															
TAXES	-	-	-	-	-	-	-	-	-	-	-	-	-	556,987	-
FEES	-	4,103	2,100	-	-	44,870	-	159,318	81,993	14,615	2,848,204	-	-	3,814,367	3,460,176
FINES AND FORFEITURES	-	-	-	-	87,967	-	-	297,810	-	-	406,230	-	-	792,620	745,549
GRANTS AND RECEIPTS - OTHER GOVERNMENTS	32,813	-	-	41,107	-	-	-	-	-	-	-	5,656,140	1,702,633	7,677,794	8,035,006
INTEREST	4,913	25,914	-	-	1,532	835	4	5,877	-	21,208	104,159	6,276	332,875	415,674	
MISCELLANEOUS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	-	-	-	67,152	82,302	79,927
TOTAL REVENUES	37,726	30,017	2,100	41,107	89,499	45,705	4	463,005	81,993	442,053	8,608,503	1,776,061	13,256,945	12,736,332	
EXPENDITURES:															
GENERAL GOVERNMENT	-	3,272	-	-	-	-	-	-	-	-	-	-	-	216,934	284,985
JUDICIAL AND LAW ENFORCEMENT	34,311	-	-	-	46,792	-	267	103,941	47,275	(200)	8,285,650	2,025,602	11,035,358	10,926,476	
EDUCATION AND RECREATION	-	-	-	-	-	-	-	-	-	-	-	-	-	3,821	10,730
HEALTH AND WELFARE	-	-	-	41,107	-	-	-	-	-	-	-	-	-	41,107	202,427
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	407	48,625
CONTRACT SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	38,508	38,508	399,129
CAPITAL OUTLAY	1,783	13,169	-	-	-	6,673	-	66,987	6,660	-	178,544	270,316	911,132	926,420	
TOTAL EXPENDITURES	36,094	16,441	-	41,107	46,792	6,673	267	170,928	53,935	(200)	8,464,194	2,334,426	12,247,267	12,798,792	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,632	13,576	2,100	-	42,707	39,032	(263)	613	292,077	28,058	442,253	144,309	(558,365)	1,009,678	(62,460)
OTHER FINANCING SOURCES (USES):															
OPERATING TRANSFERS IN	-	-	-	-	-	-	-	-	-	-	-	226,968	572,831	799,799	549,799
OPERATING TRANSFERS OUT	-	-	-	-	-	-	-	-	-	-	(311,862)	(2,226)	-	(321,713)	(220,994)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-	-	(311,862)	224,742	572,831	478,086	328,805
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	1,632	13,576	2,100	-	42,707	39,032	(263)	613	292,077	28,058	130,391	369,051	14,466	1,487,764	266,345
FUND BALANCES, OCTOBER 1	87,553	47,156	6,471	-	62,168	933	402	151,723	97,998	919,432	463,463	106,838	4,603,097	4,336,752	
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-	-	-	-	-	(76,528)	-	(76,528)	-	
FUND BALANCES, OCTOBER 1 (Restated)	87,553	47,156	6,471	-	62,168	933	402	151,723	97,998	919,432	386,935	106,838	4,526,569	4,336,752	
RESIDUAL EQUITY TRANSFER	-	-	-	-	-	-	-	-	-	-	(885)	-	-	-	
FUND BALANCES, SEPTEMBER 30	\$ 89,185	60,732	8,571	-	104,875	39,965	139	443,800	126,056	1,049,823	755,101	121,304	6,014,333	4,603,097	

	JUVENILE PROBATION AND DETENTION-- STATE AID	JUVENILE PROBATION CHALLENGE PROGRAM	JUVENILE COMMUNITY CORRECTIONS PROGRAM	IV-E FOSTER CARE FUND	MENTALLY IMPAIRED OFFENDERS PROGRAM	COMMUNITY SUPERVISION	RESTITUTION CENTER #1	RESTITUTION CENTER #2	SURVEILLANCE PROGRAM
ASSETS									
CASH AND INVESTMENTS	\$ 138,117	34,032	93,042	-	50,619	707,598	194,576	229,558	8,090
ACCOUNTS RECEIVABLE, Net	1,027	-	-	-	-	17,667	1,762	1,955	-
INTEREST RECEIVABLE	-	-	-	-	-	5,774	-	-	-
DUED FROM OTHER FUNDS	-	-	-	-	-	188,301	18,046	65,955	-
DUED FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	24,980	-	-	-	507	-
UNREPAID ITEMS	150	-	-	-	-	2,594	245	289	-
TOTAL ASSETS	\$ 139,294	34,032	93,042	24,980	50,619	921,934	214,629	298,264	8,090
LIABILITIES:									
ACCOUNTS PAYABLE	\$ 13,290	2,517	19,440	393	4,851	153,012	41,134	48,681	2,158
DUE TO OTHER FUNDS	-	9,110	885	7,906	-	-	2	3	-
DUE TO OTHER GOVERNMENTAL ENTITIES	-	9,110	31,149	-	-	-	-	-	-
DEFERRED REVENUE	74,013	-	-	-	18,035	267,735	153,497	156,230	8,038
TOTAL LIABILITIES	87,303	20,737	51,474	8,299	22,886	420,747	194,633	204,914	10,196
UNRESERVED BALANCES:									
RESERVED FOR PREPAID ITEMS	150	-	-	-	-	2,594	245	289	-
UNRESERVED	51,841	13,295	41,568	16,681	27,733	498,593	19,751	93,061	(2,106)
TOTAL FUND BALANCES	51,991	13,295	41,568	16,681	27,733	501,187	19,996	93,350	(2,106)
TOTAL LIABILITIES AND FUND BALANCES	\$ 139,294	34,032	93,042	24,980	50,619	921,934	214,629	298,264	8,090

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**JEFFERSON COUNTY, TEXAS
PROBATION DEPARTMENT FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2002**

	<u>COMMUNITY CORRECTIONS</u>	<u>JUVENILE ACCOUNTABILITY</u>	<u>DRUG DIVERSION PROGRAM</u>	<u>2002 TOTAL</u>
<u>ASSETS</u>				
CASH AND INVESTMENTS	\$ 151,843	-	4,342	1,611,817
ACCOUNTS RECEIVABLE, Net	3,422	-	-	25,833
INTEREST RECEIVABLE	-	-	-	5,774
DUE FROM OTHER FUNDS	-	6,230	6,904	285,436
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	150,215	-	175,702
PREPAID ITEMS	501	-	-	3,779
TOTAL ASSETS	<u>\$ 155,766</u>	<u>156,445</u>	<u>11,246</u>	<u>2,108,341</u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 27,551	1,387	6,857	321,271
DUE TO OTHER FUNDS	-	155,058	-	172,964
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	40,259
DEFERRED REVENUE	109,320	-	31,878	818,746
TOTAL LIABILITIES	<u>136,871</u>	<u>156,445</u>	<u>38,735</u>	<u>1,353,240</u>
FUND BALANCES:				
RESERVED FOR PREPAID ITEMS	501	-	-	3,779
UNRESERVED	18,394	-	(27,489)	751,322
TOTAL FUND BALANCES	<u>18,895</u>	<u>-</u>	<u>(27,489)</u>	<u>755,101</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 155,766</u>	<u>156,445</u>	<u>11,246</u>	<u>2,108,341</u>

**JEFFERSON COUNTY, TEXAS
PROBATION DEPARTMENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

	JUVENILE PROBATION AND DETENTION-- STATE AID	JUVENILE PROBATION CHALLENGE PROGRAM	JUVENILE COMMUNITY CORRECTIONS PROGRAM	IV-E FOSTER CARE FUND	MENTALLY IMPAIRED OFFENDERS PROGRAM	COMMUNITY SUPERVISION	RESTITUTION CENTER #1	RESTITUTION CENTER #2	SURVEILLANCE PROGRAM
REVENUES:									
FEEES	\$ -	-	-	-	-	2,228,050	212,192	328,352	-
GRANTS AND RECEIPTS - OTHER GOVERNMENTS	367,543	89,380	384,701	118,587	108,208	1,658,948	920,985	937,378	48,230
INTEREST	-	-	-	-	-	104,159	-	-	-
TOTAL REVENUES	367,543	89,380	384,701	118,587	108,208	3,991,157	1,133,177	1,265,730	48,230
EXPENDITURES:									
JUDICIAL AND LAW ENFORCEMENT	353,676	147,450	371,925	210,508	89,145	3,727,531	1,110,545	1,189,873	50,685
CAPITAL OUTLAY	-	-	-	-	-	8,824	15,254	283	-
TOTAL EXPENDITURES	353,676	147,450	371,925	210,508	89,145	3,736,355	1,125,799	1,190,156	50,685
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,867	(58,070)	12,776	(91,921)	19,063	254,802	7,378	75,574	(2,455)
OTHER FINANCIAL SOURCES (USES):									
OPERATING TRANSFERS IN	-	90,154	-	-	2,226	50,400	-	-	-
OPERATING TRANSFERS OUT	-	-	-	-	-	(2,226)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	90,154	-	-	2,226	48,174	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	13,867	32,084	12,776	(91,921)	21,289	302,976	7,378	75,574	(2,455)
FUND BALANCES, OCTOBER 1	38,124	(18,789)	29,677	108,602	6,444	274,739	12,618	17,776	349
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	(76,528)	-	-	-
FUND BALANCES, OCTOBER 1 (Restated)	38,124	(18,789)	29,677	108,602	6,444	198,211	12,618	17,776	349
RESIDUAL EQUITY TRANSFER	-	-	(885)	-	-	-	-	-	-
FUND BALANCES, SEPTEMBER 30	\$ 51,991	13,295	41,568	16,681	27,733	501,187	19,996	93,350	(2,106)

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**JEFFERSON COUNTY, TEXAS
PROBATION DEPARTMENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

	COMMUNITY CORRECTIONS	JUVENILE ACCOUNTABILITY	DRUG DIVERSION PROGRAM	2002 TOTAL
REVENUES:				
FEES	\$ -	-	79,610	2,848,204
GRANTS AND RECEIPTS - OTHER GOVERNMENTS	670,972	159,937	191,271	5,656,140
INTEREST	-	-	-	104,159
TOTAL REVENUES	670,972	159,937	270,881	8,608,503
EXPENDITURES:				
JUDICIAL AND LAW ENFORCEMENT	649,916	92,163	292,233	8,285,650
CAPITAL OUTLAY	-	153,126	1,057	178,544
TOTAL EXPENDITURES	649,916	245,289	293,290	8,464,194
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	21,056	(85,352)	(22,409)	144,309
OTHER FINANCIAL SOURCES (USES):				
OPERATING TRANSFERS IN	-	84,188	-	226,968
OPERATING TRANSFERS OUT	-	-	-	(2,226)
TOTAL OTHER FINANCING SOURCES (USES)	-	84,188	-	224,742
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	21,056	(1,164)	(22,409)	369,051
FUND BALANCES, OCTOBER 1	(2,161)	1,164	(5,080)	463,463
PRIOR PERIOD ADJUSTMENT	-	-	-	(76,528)
FUND BALANCES, OCTOBER 1 (Restated)	(2,161)	1,164	(5,080)	386,935
RESIDUAL EQUITY TRANSFER	-	-	-	(885)
FUND BALANCES, SEPTEMBER 30	\$ 18,895	-	(27,489)	755,101

JEFFERSON COUNTY, TEXAS
GRANT FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2002

	FAMILY GROUP CONFERENCING PROJECT	US MARSHALS WARRANT GRANT	SAFE & SOBER STEP	LAW ENFORCEMENT BLOCK GRANT	HOUSING REHABILITATION GRANT	NARCOTICS TASK FORCE #10-4	DOMESTIC VIOLENCE #11	NARCOTICS TASK FORCE #10-3	DOMESTIC VIOLENCE #10-3	SEWER IMPROVEMENTS GRANT	AUTO THEFT GRANT	SHERIFF TOBACCO GRANT	TEXAS BEACH WATCH PROGRAM
ASSETS													
CASH AND INVESTMENTS	\$ -	3,236	8,854	1,223	46,752	12,205	4,738	-	47,008	-	215	15,037	-
ACCOUNTS RECEIVABLE , Net	-	-	-	-	-	923	-	-	-	-	-	-	-
INTEREST RECEIVABLE	-	-	38	23	-	-	223	-	-	-	1	65	-
DUE FROM OTHER FUNDS	-	-	-	-	-	103,570	-	105,202	-	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	22,887	-	-	-	7,517	302,652	21,139	-	9,664	-	19,216	-	6,578
PREPAID ITEMS	-	-	-	-	-	135	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 22,887	3,236	8,892	1,246	54,269	419,485	26,100	105,202	56,672	-	19,432	15,102	6,578
LIABILITIES AND FUND BALANCES													
LIABILITIES:													
ACCOUNTS PAYABLE	\$ 1,927	-	-	-	54,269	128,637	7,198	-	-	-	2,379	1,763	1,279
DUE TO OTHER FUNDS	20,960	-	-	-	-	288,541	-	47,690	-	-	-	-	5,299
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	57,512	-	-	-	-	-
TOTAL LIABILITIES	22,887	-	-	-	54,269	417,178	7,198	105,202	-	-	2,379	1,763	6,578
FUND BALANCES:													
RESERVED FOR PREPAID ITEMS	-	-	-	-	-	135	-	-	-	-	-	-	-
UNRESERVED	-	3,236	8,892	1,246	-	2,172	18,902	-	56,672	-	17,053	13,339	-
TOTAL FUND BALANCES	-	3,236	8,892	1,246	-	2,307	18,902	-	56,672	-	17,053	13,339	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 22,887	3,236	8,892	1,246	54,269	419,485	26,100	105,202	56,672	-	19,432	15,102	6,578

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**JEFFERSON COUNTY, TEXAS
GRANT FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2002**

	DRUG INTERVENTION GRANT FUND	VIOLENCE AGAINST WOMEN #3	VIOLENCE AGAINST WOMEN #4	TOBACCO PREVENTION GRANT	2002 GRANT TOTALS
<u>ASSETS</u>					
CASH AND INVESTMENTS	\$ -	-	-	-	139,268
ACCOUNTS RECEIVABLE, Net	-	-	-	-	923
INTEREST RECEIVABLE	-	-	-	-	350
DUE FROM OTHER FUNDS	-	-	-	-	208,772
DUE FROM OTHER GOVERNMENTAL ENTITIES	40,447	-	30,649	-	460,749
PREPAID ITEMS	-	-	-	-	135
TOTAL ASSETS	\$ 40,447	-	30,649	-	810,197
<u>LIABILITIES AND FUND BALANCES</u>					
LIABILITIES:					
ACCOUNTS PAYABLE	\$ 23,425	-	5,489	-	226,366
DUE TO OTHER FUNDS	17,022	-	24,675	828	405,015
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-	57,512
TOTAL LIABILITIES	40,447	-	30,164	828	688,893
FUND BALANCES:					
RESERVED FOR PREPAID ITEMS	-	-	-	-	135
UNRESERVED	-	-	485	(828)	121,169
TOTAL FUND BALANCES	-	-	485	(828)	121,304
TOTAL LIABILITIES AND FUND BALANCES	\$ 40,447	-	30,649	-	810,197

**JEFFERSON COUNTY, TEXAS
GRANT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

	FAMILY GROUP CONFERENCING PROJECT	US MARSHALS WARRANT GRANT	SAFE & SOBER STEP	LAW ENFORCEMENT BLOCK GRANT	HOUSING REHABILITATION GRANT	NARCOTICS TASK FORCE #10-4	DOMESTIC VIOLENCE #11	NARCOTICS TASK FORCE #10-3	DOMESTIC VIOLENCE #10-3	SEWER IMPROVEMENTS GRANT	AUTO THEFT GRANT	SHERIFF TOBACCO GRANT	TEXAS BEACH WATER PROGRAM
REVENUES:													
GRANTS AND RECEIPTS - OTHER GOVERNMENTS	\$ 45,493	-	-	10,444	81,522	382,897	21,139	808,190	75,654	10,500	65,617	15,000	21,658
INTEREST	-	-	471	563	-	-	939	666	2,994	-	219	173	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	100	67,052	-	-	-
TOTAL REVENUES	45,493	-	471	11,007	81,522	382,897	22,078	808,856	78,748	77,552	65,836	15,173	21,658
EXPENDITURES:													
JUDICIAL AND LAW ENFORCEMENT	45,493	-	11,579	1,689	-	512,608	46,782	1,018,664	142,606	-	67,040	1,834	-
CONTRACT SERVICES	-	-	-	-	6,350	-	-	-	-	10,500	-	-	21,658
CAPITAL OUTLAY	-	-	-	13,724	75,172	7,009	-	68,027	-	67,052	-	-	-
TOTAL EXPENDITURES	45,493	-	11,579	15,413	81,522	519,617	46,782	1,086,691	142,606	77,552	67,040	1,834	21,658
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(11,108)	(4,406)	-	(136,720)	(24,704)	(277,835)	(63,858)	-	(1,204)	13,339	-
OTHER FINANCING SOURCES (USES):													
OPERATING TRANSFERS IN TOTAL OTHER FINANCING SOURCES (USES)	-	-	20,000	1,600	-	139,027	43,606	277,835	44,214	-	-	-	-
	-	-	20,000	1,600	-	139,027	43,606	277,835	44,214	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	-	-	8,892	(2,806)	-	2,307	18,902	-	(19,644)	-	(1,204)	13,339	-
FUND BALANCES, OCTOBER 1	-	3,236	-	4,052	-	-	-	-	76,316	-	18,257	-	-
FUND BALANCES, SEPTEMBER 30	\$ -	3,236	8,892	1,246	-	2,307	18,902	-	56,672	-	17,053	13,339	-

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**JEFFERSON COUNTY, TEXAS
GRANT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

	DRUG INTERVENTION GRANT	VIOLENCE AGAINST WOMEN #3	VIOLENCE AGAINST WOMEN #4	TOBACCO PREVENTION GRANT	2002 GRANT TOTALS
REVENUES:					
GRANTS AND RECEIPTS -					
OTHER GOVERNMENTS	79,507	48,833	32,179	4,000	1,702,633
INTEREST	-	187	64	-	6,276
CONTRIBUTIONS AND DONATIONS	-	-	-	-	67,152
	<u>79,507</u>	<u>49,020</u>	<u>32,243</u>	<u>4,000</u>	<u>1,776,061</u>
EXPENDITURES:					
JUDICIAL AND LAW ENFORCEMENT	40,224	89,350	42,905	4,828	2,025,602
CONTRACT SERVICES	-	-	-	-	38,508
CAPITAL OUTLAY	39,332	-	-	-	270,316
	<u>79,556</u>	<u>89,350</u>	<u>42,905</u>	<u>4,828</u>	<u>2,334,426</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(49)</u>	<u>(40,330)</u>	<u>(10,662)</u>	<u>(828)</u>	<u>(558,365)</u>
OTHER FINANCING SOURCES (USES):					
OPERATING TRANSFERS IN	49	35,353	11,147	-	572,831
TOTAL OTHER FINANCING SOURCES (USES)	<u>49</u>	<u>35,353</u>	<u>11,147</u>	<u>-</u>	<u>572,831</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	-	(4,977)	485	(828)	14,466
FUND BALANCES, OCTOBER 1	-	4,977	-	-	106,838
FUND BALANCES, SEPTEMBER 30	<u>\$ -</u>	<u>-</u>	<u>485</u>	<u>(828)</u>	<u>121,304</u>

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:

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

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

Temporary Housing Project - This fund is used to account for the proceeds from the State for construction of temporary housing at the Mid-County Jail Facility.

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.

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

ISTEA Courthouse Preservation Project - This fund is used to account for the restoration and renovation of the County Courthouse. The source of revenues for this fund is State grant and County match combined.

Juvenile Detention Center - This fund is used to account for the construction costs of a forty-eight bed Juvenile Detention Center.

Southeast Texas Entertainment Complex - This fund is used to account for the construction cost of a multi-facility park.

**JEFFERSON COUNTY, TEXAS
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2002
(With comparative totals for September 30, 2001)**

	2002				CAPITAL PROJECTS FUND	ISTEA COURTHOUSE PRESERVATION PROJECT	JUVENILE DETENTION CENTER	SOUTHEAST TEXAS ENTERTAINMENT COMPLEX	TOTALS	
	CERTIFICATE OF OBLIGATION PROJECT	HIGHWAY IMPROVEMENT FUND	TEMPORARY HOUSING PROJECT	1957 ROAD BOND FUND					2002	2001
<u>ASSETS</u>										
CASH AND INVESTMENTS	\$ 12,776,571	1,945,336	333,618	422,942	521,379	137,356	14,709	29,598,415	45,750,326	58,155,371
INTEREST RECEIVABLE	54,933	8,364	1,435	1,818	2,241	-	-	127,258	196,049	513,546
TOTAL ASSETS	\$ <u>12,831,504</u>	<u>1,953,700</u>	<u>335,053</u>	<u>424,760</u>	<u>523,620</u>	<u>137,356</u>	<u>14,709</u>	<u>29,725,673</u>	<u>45,946,375</u>	<u>58,668,917</u>
<u>LIABILITIES AND FUND BALANCES</u>										
LIABILITIES:										
ACCOUNTS PAYABLE	\$ 13,338	5,350	-	48,046	227,901	-	550	1,667,950	1,963,135	3,686,657
TOTAL LIABILITIES	<u>13,338</u>	<u>5,350</u>	<u>-</u>	<u>48,046</u>	<u>227,901</u>	<u>-</u>	<u>550</u>	<u>1,667,950</u>	<u>1,963,135</u>	<u>3,686,657</u>
FUND BALANCES:										
RESERVED FOR CAPITAL PROJECTS	<u>12,818,166</u>	<u>1,948,350</u>	<u>335,053</u>	<u>376,714</u>	<u>295,719</u>	<u>137,356</u>	<u>14,159</u>	<u>28,057,723</u>	<u>43,983,240</u>	<u>54,982,260</u>
TOTAL FUND BALANCES	<u>12,818,166</u>	<u>1,948,350</u>	<u>335,053</u>	<u>376,714</u>	<u>295,719</u>	<u>137,356</u>	<u>14,159</u>	<u>28,057,723</u>	<u>43,983,240</u>	<u>54,982,260</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>12,831,504</u>	<u>1,953,700</u>	<u>335,053</u>	<u>424,760</u>	<u>523,620</u>	<u>137,356</u>	<u>14,709</u>	<u>29,725,673</u>	<u>45,946,375</u>	<u>58,668,917</u>

**JEFFERSON COUNTY, TEXAS
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for fiscal year ended September 30, 2001)**

	2002								TOTALS	
	CERTIFICATE OF OBLIGATION PROJECT	HIGHWAY IMPROVEMENT FUND	TEMPORARY HOUSING PROJECT	1957 ROAD BOND FUND	CAPITAL PROJECTS FUND	ISTEA COURTHOUSE PRESERVATION PROJECT	JUVENILE DETENTION CENTER	SOUTHEAST TEXAS ENTERTAINMENT COMPLEX	2002	2001
REVENUES:										
GRANTS AND RECEIPTS -										
OTHER GOVERNMENTS	\$ -	-	-	-	226,221	-	-	-	226,221	635,244
CONTRIBUTIONS	-	-	-	-	-	-	6,775	-	6,775	-
INTEREST	269,882	102,110	16,980	33,417	19,761	-	48,361	2,091,107	2,581,618	3,984,130
TOTAL REVENUES	<u>269,882</u>	<u>102,110</u>	<u>16,980</u>	<u>33,417</u>	<u>245,982</u>	<u>-</u>	<u>55,136</u>	<u>2,091,107</u>	<u>2,814,614</u>	<u>4,619,374</u>
EXPENDITURES:										
CAPITAL OUTLAY	<u>325,919</u>	<u>144,027</u>	<u>6,174</u>	<u>608,854</u>	<u>2,467,633</u>	<u>-</u>	<u>2,486,593</u>	<u>22,633,812</u>	<u>28,673,012</u>	<u>17,929,761</u>
TOTAL EXPENDITURES	<u>325,919</u>	<u>144,027</u>	<u>6,174</u>	<u>608,854</u>	<u>2,467,633</u>	<u>-</u>	<u>2,486,593</u>	<u>22,633,812</u>	<u>28,673,012</u>	<u>17,929,761</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(56,037)</u>	<u>(41,917)</u>	<u>10,806</u>	<u>(575,437)</u>	<u>(2,221,651)</u>	<u>-</u>	<u>(2,431,457)</u>	<u>(20,542,705)</u>	<u>(25,858,398)</u>	<u>(13,310,387)</u>
OTHER FINANCING SOURCES (USES):										
PROCEEDS FORM BOND SALE	12,874,203	-	-	-	-	-	-	-	12,874,203	-
OPERATING TRANSFERS IN	-	-	-	-	2,061,738	-	-	-	2,061,738	1,000,000
OPERATING TRANSFERS OUT	-	-	-	-	-	-	(76,563)	-	(76,563)	(4,230)
TOTAL OTHER FINANCING SOURCES (USES)	<u>12,874,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,061,738</u>	<u>-</u>	<u>(76,563)</u>	<u>-</u>	<u>14,859,378</u>	<u>995,770</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	<u>12,818,166</u>	<u>(41,917)</u>	<u>10,806</u>	<u>(575,437)</u>	<u>(159,913)</u>	<u>-</u>	<u>(2,508,020)</u>	<u>(20,542,705)</u>	<u>(10,999,020)</u>	<u>(12,314,617)</u>
FUND BALANCES, OCTOBER 1	<u>-</u>	<u>1,990,267</u>	<u>324,247</u>	<u>952,151</u>	<u>455,632</u>	<u>137,356</u>	<u>2,522,179</u>	<u>48,600,428</u>	<u>54,982,260</u>	<u>67,296,877</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 12,818,166</u>	<u>1,948,350</u>	<u>335,053</u>	<u>376,714</u>	<u>295,719</u>	<u>137,356</u>	<u>14,159</u>	<u>28,057,723</u>	<u>43,983,240</u>	<u>54,982,260</u>

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:

1993 Refunding Bond - This fund is used to account for the revenues and expenditures associated with the \$19,000,000 1993 Refunding Bond.

1993 Certificates of Obligation - This fund is used to account for the revenues and expenditures associated with the \$6,000,000 1993 Certificates of Obligation.

1999 Certificates of Obligation - This fund is used to account for the revenues and expenditures associated with the \$6,000,000 1999 Certificates of Obligation.

2000 Certificates of Obligation - This fund is used to account for the revenues and expenditures associated with the remaining \$1,150,000 of the original \$55,000,000 Certificates of Obligation.

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

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

**JEFFERSON COUNTY, TEXAS
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2002**

(With comparative totals for September 30, 2001)

	1993 REFUNDING BOND	1993 CERTIFICATES OF OBLIGATION	1999 CERTIFICATES OF OBLIGATION	2000 CERTIFICATES OF OBLIGATION	2002A REFUNDING BOND	2002B CERTIFICATES OF OBLIGATION	TOTALS	
							2002	2001
ASSETS								
CASH AND INVESTMENTS	\$ 148,917	143,867	209,290	82,686	350,473	105,905	1,041,138	843,717
DELINQUENT TAXES RECEIVABLE, Net	62,965	37,672	53,140	3,184	162,989	62,900	382,850	381,144
PENALTY AND INTEREST RECEIVABLE, Net	33,499	20,043	28,272	1,694	86,716	33,465	203,689	236,668
INTEREST RECEIVABLE	640	619	899	355	1,507	455	4,475	7,469
DUE FROM OTHER FUNDS	576	420	701	2,649	-	-	4,346	5,167
TOTAL ASSETS	\$ 246,597	202,621	292,302	90,568	601,685	202,725	1,636,498	1,474,165
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
DEFERRED REVENUES:								
DELINQUENT TAXES	\$ 59,306	35,483	50,051	2,999	153,517	59,245	360,601	357,521
PENALTY AND INTEREST	33,499	20,043	28,272	1,694	86,716	33,465	203,689	236,668
TOTAL LIABILITIES	92,805	55,526	78,323	4,693	240,233	92,710	564,290	594,189
FUND BALANCES:								
RESERVED FOR DEBT SERVICE	153,792	147,095	213,979	85,875	361,452	110,015	1,072,208	879,976
TOTAL FUND BALANCES	153,792	147,095	213,979	85,875	361,452	110,015	1,072,208	879,976
TOTAL LIABILITIES AND FUND BALANCES	\$ 246,597	202,621	292,302	90,568	601,685	202,725	1,636,498	1,474,165

JEFFERSON COUNTY, TEXAS
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for fiscal year ended September 30, 2001)

	1993 REFUNDING BOND	1993 CERTIFICATES OF OBLIGATION	1999 CERTIFICATES OF OBLIGATION	2000 CERTIFICATES OF OBLIGATION	2002A REFUNDING BOND	2002B CERTIFICATES OF OBLIGATION	TOTALS	
							2002	2001
REVENUES:								
PROPERTY TAXES	\$ 1,240,062	740,363	1,093,341	1,188,807	1,935,472	247,655	6,445,700	6,284,303
INTEREST	26,033	18,143	26,405	51,783	27,852	4,763	154,979	154,047
TOTAL REVENUES	<u>1,266,095</u>	<u>758,506</u>	<u>1,119,746</u>	<u>1,240,590</u>	<u>1,963,324</u>	<u>252,418</u>	<u>6,600,679</u>	<u>6,438,350</u>
EXPENDITURES:								
DEBT SERVICE:								
PRINCIPAL	805,000	475,000	825,000	-	840,000	-	2,945,000	2,010,000
INTEREST AND COMMISSION	416,639	251,018	212,889	1,678,626	761,872	142,403	3,463,447	5,904,993
TOTAL EXPENDITURES	<u>1,221,639</u>	<u>726,018</u>	<u>1,037,889</u>	<u>1,678,626</u>	<u>1,601,872</u>	<u>142,403</u>	<u>6,408,447</u>	<u>7,914,993</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	44,456	32,488	81,857	(438,036)	361,452	110,015	192,232	(1,476,643)
FUND BALANCES, OCTOBER 1	<u>109,336</u>	<u>114,607</u>	<u>132,122</u>	<u>523,911</u>	<u>-</u>	<u>-</u>	<u>879,976</u>	<u>2,356,619</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 153,792</u>	<u>147,095</u>	<u>213,979</u>	<u>85,875</u>	<u>361,452</u>	<u>110,015</u>	<u>1,072,208</u>	<u>879,976</u>

JEFFERSON COUNTY, TEXAS
DEBT SERVICE FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for September 30, 2001)

	<u>2002</u>		<u>FAVORABLE (UNFAVORABLE)</u>	<u>2001</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		<u>ACTUAL</u>
REVENUES:				
PROPERTY TAXES	\$ 6,333,892	6,445,700	111,808	6,284,303
INTEREST	163,500	154,979	(8,521)	154,047
TOTAL REVENUES	<u>6,497,392</u>	<u>6,600,679</u>	<u>103,287</u>	<u>6,438,350</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	2,945,000	2,945,000	-	2,010,000
INTEREST AND COMMISSION	<u>3,463,447</u>	<u>3,463,447</u>	<u>-</u>	<u>5,904,993</u>
TOTAL EXPENDITURES	<u>6,408,447</u>	<u>6,408,447</u>	<u>-</u>	<u>7,914,993</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>\$ 88,945</u>	<u>192,232</u>	<u>103,287</u>	<u>(1,476,643)</u>

JEFFERSON COUNTY, TEXAS
DEBT SERVICE FUNDS
SCHEDULES OF REVENUES AND EXPENDITURES
ACTUAL AND BUDGET (GAAP)
BUDGETED DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	2002		FAVORABLE (UNFAVORABLE)	2001
	BUDGET	ACTUAL		ACTUAL
<u>1993 REFUNDING BOND</u>				
REVENUES:				
PROPERTY TAXES	\$ 1,220,539	1,240,062	19,523	83,793
INTEREST	67,000	26,033	(40,967)	52,314
TOTAL REVENUES	<u>1,287,539</u>	<u>1,266,095</u>	<u>(21,444)</u>	<u>136,107</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	805,000	805,000	-	960,000
INTEREST AND COMMISSION	416,639	416,639	-	458,363
TOTAL EXPENDITURES	<u>1,221,639</u>	<u>1,221,639</u>	<u>-</u>	<u>1,418,363</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>65,900</u>	<u>44,456</u>	<u>(21,444)</u>	<u>(1,282,256)</u>
<u>1993 CERTIFICATES OF OBLIGATION</u>				
REVENUES:				
PROPERTY TAXES	\$ 728,302	740,363	12,061	375,892
INTEREST	28,500	18,143	(10,357)	24,982
TOTAL REVENUES	<u>756,802</u>	<u>758,506</u>	<u>1,704</u>	<u>400,874</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	475,000	475,000	-	450,000
INTEREST AND COMMISSION	251,018	251,018	-	269,237
TOTAL EXPENDITURES	<u>726,018</u>	<u>726,018</u>	<u>-</u>	<u>719,237</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>30,784</u>	<u>32,488</u>	<u>1,704</u>	<u>(318,363)</u>

(CONTINUED)

JEFFERSON COUNTY, TEXAS
DEBT SERVICE FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES
ACTUAL AND BUDGET (GAAP)
BUDGETED DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	<u>2002</u>		<u>FAVORABLE (UNFAVORABLE)</u>	<u>2001</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		<u>ACTUAL</u>
<u>1999 CERTIFICATES OF OBLIGATION</u>				
REVENUES:				
PROPERTY TAXES	\$ 1,045,559	1,093,341	47,782	961,207
INTEREST	800	26,405	25,605	2,790
TOTAL REVENUES	<u>1,046,359</u>	<u>1,119,746</u>	<u>73,387</u>	<u>963,997</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	825,000	825,000	-	600,000
INTEREST AND COMMISSION	212,889	212,889	-	234,780
TOTAL EXPENDITURES	<u>1,037,889</u>	<u>1,037,889</u>	<u>-</u>	<u>834,780</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ <u>8,470</u>	<u>81,857</u>	<u>73,387</u>	<u>129,217</u>
<u>2000 CERTIFICATES OF OBLIGATION</u>				
REVENUES:				
PROPERTY TAXES	\$ 3,339,492	1,188,807	(2,150,685)	4,863,411
INTEREST	67,200	51,783	(15,417)	73,961
TOTAL REVENUES	<u>3,406,692</u>	<u>1,240,590</u>	<u>(2,166,102)</u>	<u>4,937,372</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	-	-	-	-
INTEREST AND COMMISSION	1,678,626	1,678,626	-	4,942,613
TOTAL EXPENDITURES	<u>1,678,626</u>	<u>1,678,626</u>	<u>-</u>	<u>4,942,613</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>1,728,066</u>	<u>(438,036)</u>	<u>(2,166,102)</u>	<u>(5,241)</u>

(CONTINUED)

JEFFERSON COUNTY, TEXAS
DEBT SERVICE FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES
ACTUAL AND BUDGET (GAAP)
BUDGETED DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	<u>2002</u>		<u>FAVORABLE (UNFAVORABLE)</u>	<u>2001</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		<u>ACTUAL</u>
<u>2002A REFUNDING BOND</u>				
REVENUES:				
PROPERTY TAXES	\$ -	1,935,472	1,935,472	-
INTEREST	-	27,852	27,852	-
	<u>-</u>	<u>1,963,324</u>	<u>1,963,324</u>	<u>-</u>
TOTAL REVENUES	<u>-</u>	<u>1,963,324</u>	<u>1,963,324</u>	<u>-</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	840,000	840,000	-	-
INTEREST AND COMMISSION	761,872	761,872	-	-
	<u>1,601,872</u>	<u>1,601,872</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,601,872</u>	<u>1,601,872</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	\$ <u>(1,601,872)</u>	<u>361,452</u>	<u>1,963,324</u>	<u>-</u>
<u>2002B CERTIFICATES OF OBLIGATION</u>				
REVENUES:				
PROPERTY TAXES	\$ -	247,655	247,655	-
INTEREST	-	4,763	4,763	-
	<u>-</u>	<u>252,418</u>	<u>252,418</u>	<u>-</u>
TOTAL REVENUES	<u>-</u>	<u>252,418</u>	<u>252,418</u>	<u>-</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	-	-	-	-
INTEREST AND COMMISSION	142,403	142,403	-	-
	<u>142,403</u>	<u>142,403</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>142,403</u>	<u>142,403</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	\$ <u>(142,403)</u>	<u>110,015</u>	<u>252,418</u>	<u>-</u>

ENTERPRISE FUND

ENTERPRISE FUND

The Enterprise Fund is used to account for certain activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges. Included in this heading is the following individual fund:

Airport Enterprise Fund - This fund is used to account for the operation of the Southeast Texas Regional Airport.

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

Southeast Texas Entertainment Complex – This fund is used to account for the revenues and expenditures of the day-to-day operations of the Southeast Texas Entertainment Complex.

**JEFFERSON COUNTY, TEXAS
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2002
(With comparative totals for September 30, 2001)**

	AIRPORT	SOUTHEAST	SOUTHEAST	TOTALS	
	ENTERPRISE	TEXAS GOVERNMENT	TEXAS		
	FUND	EMPLOYEE BENEFIT	ENTERTAINMENT	2002	2001
		POOL FUND	COMPLEX FUND		
<u>ASSETS</u>					
CASH AND INVESTMENTS	\$ -	186,545	-	186,545	1,850,393
ACCOUNTS RECEIVABLE, Net	136,047	323	-	136,370	97,612
INTEREST RECEIVABLE	-	365	-	365	14,530
DUE FROM OTHER FUNDS	320	-	-	320	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	191,731	53,110	-	244,841	13,015
PREPAID ITEMS	601	-	-	601	683
INVENTORY, At Cost	30,079	-	-	30,079	66,096
TOTAL ASSETS	358,778	240,343	-	599,121	2,042,329
FIXED ASSETS					
LAND, BUILDINGS AND EQUIPMENT	39,544,273	-	13,786	39,558,059	39,452,079
ACCUMULATED DEPRECIATION	(23,091,519)	-	(2,757)	(23,094,276)	(22,128,075)
CONSTRUCTION IN PROGRESS	2,129,850	-	-	2,129,850	2,003,752
TOTAL FIXED ASSETS	18,582,604	-	11,029	18,593,633	19,327,756
TOTAL ASSETS	\$ 18,941,382	240,343	11,029	19,192,754	21,370,085
<u>LIABILITIES AND EQUITY</u>					
LIABILITIES:					
ACCOUNTS PAYABLE	\$ 329,817	-	3,460	333,277	182,676
CLAIMS LIABILITY	-	1,437,368	-	1,437,368	1,166,422
DUE TO OTHER FUNDS	1,206,910	-	164,421	1,371,331	1,357,402
COMPENSATED ABSENCES	18,134	-	-	18,134	19,163
CUSTOMER DEPOSITS	53,023	-	-	53,023	28,023
TOTAL LIABILITIES	1,607,884	1,437,368	167,881	3,213,133	2,753,686
LONG-TERM LIABILITIES:					
COMPENSATED ABSENCES	207,810	-	-	207,810	229,746
TOTAL LONG-TERM LIABILITIES	207,810	-	-	207,810	229,746
TOTAL LIABILITIES	1,815,694	1,437,368	167,881	3,420,943	2,983,432
EQUITY:					
CONTRIBUTED CAPITAL	12,877,898	-	-	12,877,898	13,487,682
RETAINED EARNINGS (DEFICIT)	4,247,790	(1,197,025)	(156,852)	2,893,913	4,898,971
TOTAL EQUITY	17,125,688	(1,197,025)	(156,852)	15,771,811	18,386,653
TOTAL LIABILITIES AND EQUITY	\$ 18,941,382	240,343	11,029	19,192,754	21,370,085

JEFFERSON COUNTY, TEXAS
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	AIRPORT ENTERPRISE FUND	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFIT POOL FUND	SOUTHEAST TEXAS ENTERTAINMENT COMPLEX FUND	TOTALS (Memorandum Only)	
				2002	2001
OPERATING REVENUES:					
CHARGES FOR SERVICES	\$ 1,921,582	11,065,944	29,050	13,016,576	8,121,010
OPERATING EXPENSES:					
COST OF SALES AND SERVICES	2,625,698	13,011,275	183,195	15,820,168	10,327,420
DEPRECIATION	963,444	-	2,757	966,201	968,600
TOTAL OPERATING EXPENSES	3,589,142	13,011,275	185,952	16,786,369	11,296,020
OPERATING (LOSS)	(1,667,560)	(1,945,331)	(156,902)	(3,769,793)	(3,175,010)
NONOPERATING REVENUES:					
INTEREST	1,847	50,241	50	52,138	85,762
TOTAL NONOPERATING REVENUES	1,847	50,241	50	52,138	85,762
(LOSS) BEFORE OPERATING TRANSFERS	(1,665,713)	(1,895,090)	(156,852)	(3,717,655)	(3,089,248)
TRANSFER FROM OTHER FUNDS:					
GENERAL FUND	967,519	-	-	967,519	1,785,688
NET (LOSS)	(698,194)	(1,895,090)	(156,852)	(2,750,136)	(1,303,560)
ADD: DEPRECIATION ON CONTRIBUTED ASSETS	745,078	-	-	745,078	744,826
(DECREASE) IN RETAINED EARNINGS	46,884	(1,895,090)	(156,852)	(2,005,058)	(558,734)
RETAINED EARNINGS, OCTOBER 1	4,200,906	698,065	-	4,898,971	3,407,705
RESIDUAL EQUITY TRANSFER	-	-	-	-	2,050,000
RETAINED EARNINGS, SEPTEMBER 30	4,247,790	(1,197,025)	(156,852)	2,893,913	4,898,971
CONTRIBUTED CAPITAL, OCTOBER 1	13,487,682	-	-	13,487,682	14,232,508
ADD: CAPITAL CONTRIBUTIONS	135,294	-	-	135,294	-
LESS: DEPRECIATION ON CONTRIBUTED ASSETS	(745,078)	-	-	(745,078)	(744,826)
CONTRIBUTED CAPITAL, SEPTEMBER 30	12,877,898	-	-	12,877,898	13,487,682
FUND EQUITY, SEPTEMBER 30	\$ 17,125,688	(1,197,025)	(156,852)	15,771,811	18,386,653

JEFFERSON COUNTY, TEXAS
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	AIRPORT ENTERPRISE FUND	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFIT POOL FUND	SOUTHEAST TEXAS ENTERTAINMENT COMPLEX FUND	TOTALS (Memorandum only)	
				2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:					
OPERATING LOSS	\$ (1,667,560)	(1,945,331)	(156,902)	(3,769,793)	(3,175,010)
ADJUSTMENTS TO RECONCILE NET OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
DEPRECIATION	963,444	-	2,757	966,201	968,600
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(38,491)	(267)	-	(38,758)	137,442
(INCREASE) IN DUE FROM OTHER FUNDS	(320)	-	-	(320)	-
(INCREASE) IN DUE FROM OTHER GOVERNMENTAL ENTITIES	(178,716)	(53,110)	-	(231,826)	-
DECREASE IN PREPAIDS	82	-	-	82	-
(INCREASE) DECREASE IN INVENTORY	36,017	-	-	36,017	(22,809)
INCREASE IN ACCOUNTS PAYABLE	147,141	-	3,460	150,601	6,922
INCREASE IN CLAIMS LIABILITY	-	270,946	-	270,946	1,166,422
INCREASE (DECREASE) IN DUE TO OTHER FUNDS	(150,000)	(492)	164,421	13,929	873,517
INCREASE (DECREASE) IN OTHER LIABILITIES	(22,965)	-	-	(22,965)	16,848
INCREASE IN CUSTOMER DEPOSITS	25,000	-	-	25,000	-
TOTAL ADJUSTMENTS	781,192	217,077	170,638	1,168,907	3,146,942
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(886,368)	(1,728,254)	13,736	(2,600,886)	(28,068)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
TRANSFERS FROM OTHER FUNDS	967,519	-	-	967,519	1,785,688
RESIDUAL EQUITY TRANSFER	-	-	-	-	2,050,000
NET CASH PROVIDED FROM NONCAPITAL FINANCING ACTIVITIES	967,519	-	-	967,519	3,835,688
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
PAYMENTS FOR CAPITAL ACQUISITIONS AND CONSTRUCTION	(218,292)	-	(13,786)	(232,078)	(2,028,459)
RECEIPTS FROM GRANTS	135,294	-	-	135,294	-
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(82,998)	-	(13,786)	(96,784)	(2,028,459)
CASH FLOWS FROM INVESTING ACTIVITIES:					
RECEIPTS OF INTEREST	1,847	64,406	50	66,303	71,232
NET CASH PROVIDED FROM INVESTING ACTIVITIES	1,847	64,406	50	66,303	71,232
NET CASH INCREASE (DECREASE) FOR THE YEAR	-	(1,663,848)	-	(1,663,848)	1,850,393
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	-	1,850,393	-	1,850,393	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ -	186,545	-	186,545	1,850,393

**JEFFERSON COUNTY, TEXAS
AIRPORT ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
ACCOUNTS RECEIVABLE, Net	\$ 136,047	97,556
DUE FROM OTHER FUNDS	320	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	191,731	13,015
PREPAID ITEMS	601	683
INVENTORY, At Cost	<u>30,079</u>	<u>66,096</u>
 TOTAL ASSETS	 <u>358,778</u>	 <u>177,350</u>
 FIXED ASSETS		
LAND, BUILDINGS AND EQUIPMENT	39,544,273	39,452,079
ACCUMULATED DEPRECIATION	(23,091,519)	(22,128,075)
CONSTRUCTION IN PROGRESS	<u>2,129,850</u>	<u>2,003,752</u>
 TOTAL FIXED ASSETS	 <u>18,582,604</u>	 <u>19,327,756</u>
 TOTAL ASSETS	 <u>\$ 18,941,382</u>	 <u>19,505,106</u>
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
ACCOUNTS PAYABLE	\$ 329,817	182,676
DUE TO OTHER FUNDS	1,206,910	1,356,910
COMPENSATED ABSENCES	18,134	19,163
CUSTOMER DEPOSITS	<u>53,023</u>	<u>28,023</u>
 TOTAL LIABILITIES	 <u>1,607,884</u>	 <u>1,586,772</u>
 LONG-TERM LIABILITIES:		
COMPENSATED ABSENCES	<u>207,810</u>	<u>229,746</u>
 TOTAL LONG-TERM LIABILITIES	 <u>207,810</u>	 <u>229,746</u>
 TOTAL LIABILITIES	 <u>1,815,694</u>	 <u>1,816,518</u>
 EQUITY:		
CONTRIBUTED CAPITAL	12,877,898	13,487,682
RETAINED EARNINGS	<u>4,247,790</u>	<u>4,200,906</u>
 TOTAL EQUITY	 <u>17,125,688</u>	 <u>17,688,588</u>
 TOTAL LIABILITIES AND EQUITY	 <u>\$ 18,941,382</u>	 <u>19,505,106</u>

**JEFFERSON COUNTY, TEXAS
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND EQUITY
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES:		
FEES:		
FIELD USAGE	\$ 135,697	107,367
FLOWAGE	41,506	60,814
ADVERTISING DISPLAYS	17,195	21,000
SALES, RENTALS AND SERVICES:		
AVIATION FUEL SALES	793,951	612,182
RENTAL CAR CONTRACTS	210,746	277,914
HANGER RENTAL	123,753	136,111
OFFICE SPACE RENTAL	300,055	254,366
PASSENGER FACILITY CHARGE	188,795	212,441
LAND SPACE	99,598	53,645
MISCELLANEOUS	10,286	66,032
	<u>1,921,582</u>	<u>1,801,872</u>
OPERATING EXPENSES:		
AVIATION FUEL	540,906	420,254
PERSONAL SERVICES	1,154,883	1,210,902
EMPLOYEE BENEFITS	405,282	400,164
MATERIALS AND SUPPLIES	74,683	78,812
MAINTENANCE AND REPAIRS	103,232	147,970
UTILITIES	186,262	218,843
DEPRECIATION	963,444	968,600
MISCELLANEOUS	160,450	100,859
	<u>3,589,142</u>	<u>3,546,404</u>
OPERATING LOSS	<u>(1,667,560)</u>	<u>(1,744,532)</u>
NONOPERATING REVENUES:		
INTEREST	1,847	7,219
	<u>1,847</u>	<u>7,219</u>
LOSS BEFORE OPERATING TRANSFERS	(1,665,713)	(1,737,313)
TRANSFER FROM OTHER FUNDS:		
GENERAL FUND	967,519	1,785,688
NET (INCOME) LOSS	(698,194)	48,375
ADD: DEPRECIATION ON CONTRIBUTED ASSETS	745,078	744,826
NET INCREASE (DECREASE) IN RETAINED EARNINGS	46,884	793,201
RETAINED EARNINGS, OCTOBER 1	4,200,906	3,407,705
RETAINED EARNINGS, SEPTEMBER 30	<u>4,247,790</u>	<u>4,200,906</u>
CONTRIBUTED CAPITAL, OCTOBER 1	13,487,682	14,232,508
ADD: CAPITAL CONTRIBUTIONS	135,294	-
LESS: DEPRECIATION ON CONTRIBUTED ASSETS	(745,078)	(744,826)
CONTRIBUTED CAPITAL, SEPTEMBER 30	<u>12,877,898</u>	<u>13,487,682</u>
FUND EQUITY, SEPTEMBER 30	<u>\$ 17,125,688</u>	<u>17,688,588</u>

**JEFFERSON COUNTY, TEXAS
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
OPERATING LOSS	\$ (1,667,560)	(1,744,532)
ADJUSTMENTS TO RECONCILE NET OPERATING LOSS		
DEPRECIATION	963,444	968,600
(DECREASE) INCREASE IN ACCOUNTS RECEIVABLE	(38,491)	137,498
(INCREASE) IN DUE FROM OTHER GOVERNMENTAL ENTITIES	(178,716)	-
(INCREASE) IN DUE FROM OTHER FUNDS	(320)	-
DECREASE IN PREPAIDS	82	-
DECREASE (INCREASE) IN INVENTORY	36,017	(22,809)
INCREASE IN ACCOUNTS PAYABLE	147,141	6,922
(DECREASE) INCREASE IN DUE TO OTHER FUNDS	(150,000)	873,025
(DECREASE) INCREASE IN OTHER LIABILITIES	(22,965)	16,848
INCREASE IN CUSTOMER DEPOSITS	25,000	-
	<u>781,192</u>	<u>1,980,084</u>
TOTAL ADJUSTMENTS		
NET CASH (USED) PROVIDED FOR OPERATING ACTIVITIES	<u>(886,368)</u>	<u>235,552</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
TRANSFERS FROM OTHER FUNDS	<u>967,519</u>	<u>1,785,688</u>
NET CASH PROVIDED FOR NON-CAPITAL FINANCING ACTIVITIES	<u>967,519</u>	<u>1,785,688</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
PAYMENTS FOR CAPITAL ACQUISITIONS AND CONSTRUCTION	(218,292)	(2,028,459)
RECEIPTS FROM GRANTS	<u>135,294</u>	<u>-</u>
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(82,998)</u>	<u>(2,028,459)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
RECEIPTS OF INTEREST	<u>1,847</u>	<u>7,219</u>
NET CASH PROVIDED FROM INVESTING ACTIVITIES	<u>1,847</u>	<u>7,219</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ -</u>	<u>-</u>

JEFFERSON COUNTY, TEXAS
SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFIT POOL FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2002 AND 2001

	2002	2001
<u>ASSETS</u>		
CASH AND INVESTMENTS	\$ 186,545	1,850,393
ACCOUNTS RECEIVABLE, Net	323	56
INTEREST RECEIVABLE	365	14,530
DUE FROM OTHER GOVERNMENTAL ENTITIES	53,110	-
TOTAL ASSETS	\$ 240,343	1,864,979
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
CLAIMS LIABILITY	\$ 1,437,368	1,166,422
DUE TO OTHER FUNDS	-	492
TOTAL LIABILITIES	1,437,368	1,166,914
EQUITY:		
RETAINED EARNINGS (DEFICIT)	(1,197,025)	698,065
TOTAL EQUITY	(1,197,025)	698,065
TOTAL LIABILITIES AND EQUITY	\$ 240,343	1,864,979

JEFFERSON COUNTY, TEXAS
SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFIT POOL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES:		
EMPLOYEE CONTRIBUTIONS	\$ 1,258,574	893,543
EMPLOYER CONTRIBUTIONS	9,759,990	4,953,644
OTHER CONTRIBUTIONS AND REFUNDS	<u>47,380</u>	<u>471,951</u>
TOTAL OPERATING REVENUES	<u>11,065,944</u>	<u>6,319,138</u>
OPERATING EXPENSES:		
ADMINISTRATIVE EXPENSES	1,036,191	549,667
CLAIMS EXPENSES	<u>11,975,084</u>	<u>7,199,949</u>
TOTAL OPERATING EXPENSES	<u>13,011,275</u>	<u>7,749,616</u>
NET OPERATING (LOSS)	<u>(1,945,331)</u>	<u>(1,430,478)</u>
NONOPERATING REVENUES:		
INTEREST	<u>50,241</u>	<u>78,543</u>
TOTAL NONOPERATING REVENUES	<u>50,241</u>	<u>78,543</u>
NET (LOSS)	(1,895,090)	(1,351,935)
RETAINED EARNINGS, OCTOBER 1	698,065	-
RESIDUAL EQUITY TRANSFER	<u>-</u>	<u>2,050,000</u>
RETAINED EARNINGS (DEFICIT), SEPTEMBER 30	<u>\$ (1,197,025)</u>	<u>698,065</u>

JEFFERSON COUNTY, TEXAS
SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFIT POOL FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
OPERATING (LOSS)	\$ <u>(1,945,331)</u>	<u>(1,430,478)</u>
ADJUSTMENTS TO RECONCILE NET OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
(INCREASE) IN ACCOUNTS RECEIVABLE	(267)	(56)
(INCREASE) IN DUE FROM OTHER GOVERNMENTAL ENTITIES	(53,110)	-
INCREASE IN CLAIMS LIABILITY	270,946	1,166,422
DECREASE IN DUE TO OTHER FUNDS	<u>(492)</u>	<u>492</u>
TOTAL ADJUSTMENTS	<u>217,077</u>	<u>1,166,858</u>
NET CASH (USED) BY OPERATING ACTIVITIES	<u>(1,728,254)</u>	<u>(263,620)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
RESIDUAL EQUITY TRANSFER	<u>-</u>	<u>2,050,000</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>-</u>	<u>2,050,000</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
RECEIPTS OF INTEREST	<u>64,406</u>	<u>64,013</u>
NET CASH PROVIDED BY INVESTMENT ACTIVITIES	<u>64,406</u>	<u>64,013</u>
NET INCREASE IN CASH	(1,663,848)	1,850,393
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,850,393</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 186,545</u>	<u>1,850,393</u>

JEFFERSON COUNTY, TEXAS
SOUTHEAST TEXAS ENTERTAINMENT COMPLEX FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
FIXED ASSETS		
LAND, BUILDINGS AND EQUIPMENT	\$ 13,786	-
ACCUMULATED DEPRECIATION	<u>(2,757)</u>	<u>-</u>
TOTAL FIXED ASSETS	<u>11,029</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 11,029</u></u>	<u><u>-</u></u>
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
ACCOUNTS PAYABLE	\$ 3,460	-
DUE TO OTHER FUNDS	<u>164,421</u>	<u>-</u>
TOTAL LIABILITIES	<u>167,881</u>	<u>-</u>
EQUITY:		
RETAINED DEFICIT	<u>(156,852)</u>	<u>-</u>
TOTAL EQUITY	<u>(156,852)</u>	<u>-</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$ 11,029</u></u>	<u><u>-</u></u>

JEFFERSON COUNTY, TEXAS
SOUTHEAST TEXAS ENTERTAINMENT COMPLEX FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES:		
FEES: ADVERTISING	\$ 750	-
SALES: BASEBALL	17,055	-
SALES: SOFTBALL	<u>11,245</u>	<u>-</u>
TOTAL OPERATING REVENUES	<u>29,050</u>	<u>-</u>
OPERATING EXPENSES:		
MATERIALS AND SUPPLIES	1,050	-
MAINTENANCE AND REPAIRS	13,020	-
UTILITIES	8,476	-
DEPRECIATION	2,757	-
MISCELLANEOUS	<u>160,649</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>185,952</u>	<u>-</u>
NET OPERATING INCOME (LOSS)	<u>(156,902)</u>	<u>-</u>
NONOPERATING REVENUES:		
INTEREST	<u>50</u>	<u>-</u>
TOTAL NONOPERATING REVENUES	<u>50</u>	<u>-</u>
NET INCOME (LOSS)	(156,852)	-
RETAINED EARNINGS, OCTOBER 1	<u>-</u>	<u>-</u>
RETAINED EARNINGS, SEPTEMBER 30	<u><u>\$ (156,852)</u></u>	<u><u>-</u></u>

JEFFERSON COUNTY, TEXAS
SOUTHEAST TEXAS ENTERTAINMENT COMPLEX FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
OPERATING (LOSS)	\$ (156,902)	-
ADJUSTMENTS TO RECONCILE NET OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
DEPRECIATION	2,757	-
INCREASE IN ACCOUNTS PAYABLE	3,460	-
INCREASE IN DUE TO OTHER FUNDS	<u>164,421</u>	<u>-</u>
TOTAL ADJUSTMENTS	<u>170,638</u>	<u>-</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>13,736</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
PAYMENTS FOR CAPITAL ACQUISITIONS AND CONSTRUCTION	<u>(13,786)</u>	<u>-</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(13,786)</u>	<u>-</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
RECEIPTS OF INTEREST	<u>50</u>	<u>-</u>
NET CASH PROVIDED BY INVESTMENT ACTIVITIES	<u>50</u>	<u>-</u>
NET INCREASE IN CASH	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ -</u>	<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:

Life & Retirees' Health Insurance Fund - This fund is used to account for the County's life insurance benefit and also account for the Medicare supplement insurance for retirees over 65.

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.

**JEFFERSON COUNTY, TEXAS
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2002
(With comparative totals for September 30, 2001)**

	LIFE & RETIREES'			TOTALS	
	HEALTH INSURANCE FUND	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	2002	2001
<u>ASSETS</u>					
CASH AND INVESTMENTS	\$ 613,807	499,185	3,290,355	4,403,347	3,819,441
ACCOUNTS RECEIVABLE, Net	-	-	-	-	394,037
INTEREST RECEIVABLE	2,639	2,146	13,912	18,697	33,438
DUE FROM OTHER FUNDS	-	-	-	-	492
DUE FROM OTHER GOVERNMENTAL ENTITIES	657	-	-	657	-
TOTAL ASSETS	\$ <u>617,103</u>	<u>501,331</u>	<u>3,304,267</u>	<u>4,422,701</u>	<u>4,247,408</u>
<u>LIABILITIES AND EQUITY</u>					
LIABILITIES:					
CLAIMS LIABILITY	\$ <u>7,028</u>	<u>258,585</u>	<u>22,321</u>	<u>287,934</u>	<u>318,063</u>
TOTAL LIABILITIES	<u>7,028</u>	<u>258,585</u>	<u>22,321</u>	<u>287,934</u>	<u>318,063</u>
EQUITY:					
RETAINED EARNINGS	<u>610,075</u>	<u>242,746</u>	<u>3,281,946</u>	<u>4,134,767</u>	<u>3,929,345</u>
TOTAL EQUITY	<u>610,075</u>	<u>242,746</u>	<u>3,281,946</u>	<u>4,134,767</u>	<u>3,929,345</u>
TOTAL LIABILITIES AND EQUITY	\$ <u>617,103</u>	<u>501,331</u>	<u>3,304,267</u>	<u>4,422,701</u>	<u>4,247,408</u>

**JEFFERSON COUNTY, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)**

	LIFE & RETIREES'			TOTALS	
	HEALTH INSURANCE FUND	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	2002	2001
OPERATING REVENUES:					
EMPLOYEE CONTRIBUTIONS	\$ 13,383	-	-	13,383	270,290
EMPLOYER CONTRIBUTIONS	516,796	86,000	462,481	1,065,277	1,395,712
OTHER CONTRIBUTIONS AND REFUNDS	6,903	-	-	6,903	139,545
TOTAL OPERATING REVENUES	<u>537,082</u>	<u>86,000</u>	<u>462,481</u>	<u>1,085,563</u>	<u>1,805,547</u>
OPERATING EXPENSES:					
CONTRACTUAL SERVICES	525,911	105,865	463,619	1,095,395	2,250,562
MISCELLANEOUS	-	-	-	-	4,722
TOTAL OPERATING EXPENSES	<u>525,911</u>	<u>105,865</u>	<u>463,619</u>	<u>1,095,395</u>	<u>2,255,284</u>
OPERATING INCOME (LOSS)	<u>11,171</u>	<u>(19,865)</u>	<u>(1,138)</u>	<u>(9,832)</u>	<u>(449,737)</u>
NONOPERATING REVENUES					
INTEREST	29,670	25,721	159,863	215,254	305,931
TOTAL NONOPERATING REVENUES	<u>29,670</u>	<u>25,721</u>	<u>159,863</u>	<u>215,254</u>	<u>305,931</u>
NET INCOME (LOSS)	40,841	5,856	158,725	205,422	(143,806)
RETAINED EARNINGS, OCTOBER 1	569,234	236,890	3,123,221	3,929,345	6,123,151
RESIDUAL EQUITY TRANSFER	-	-	-	-	(2,050,000)
RETAINED EARNINGS, SEPTEMBER 30	<u>\$ 610,075</u>	<u>242,746</u>	<u>3,281,946</u>	<u>4,134,767</u>	<u>3,929,345</u>

JEFFERSON COUNTY, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	LIFE & RETIREES'			TOTALS	
	HEALTH	LIABILITY	WORKERS'		
	INSURANCE	INSURANCE	COMPENSATION		
	FUND	FUND	FUND	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS)	\$ 11,171	(19,865)	(1,138)	(9,832)	(449,737)
ADJUSTMENTS TO RECONCILE NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
(INCREASE) DECREASE IN:					
ACCOUNTS RECEIVABLE	119,675	-	274,362	394,037	544,368
DUE FROM OTHER FUNDS	492	-	-	492	(492)
DUE FROM OTHER GOVERNMENTAL ENTITIES	(657)	-	-	(657)	6,332
INCREASE (DECREASE) IN:					
CLAIMS LIABILITY	4,221	8,585	(42,935)	(30,129)	(1,549,179)
TOTAL ADJUSTMENTS	123,731	8,585	231,427	363,743	(998,971)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	134,902	(11,280)	230,289	353,911	(1,448,708)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
RESIDUAL EQUITY TRANSFER	-	-	-	-	(2,050,000)
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	-	-	-	-	(2,050,000)
CASH FLOWS FROM INVESTMENT ACTIVITIES:					
RECEIPTS OF INTEREST	31,069	27,847	171,079	229,995	325,883
NET CASH PROVIDED BY INVESTMENT ACTIVITIES	31,069	27,847	171,079	229,995	325,883
NET INCREASE (DECREASE) IN CASH	165,971	16,567	401,368	583,906	(3,172,825)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	447,836	482,618	2,888,987	3,819,441	6,992,266
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 613,807	499,185	3,290,355	4,403,347	3,819,441

**JEFFERSON COUNTY, TEXAS
LIFE AND RETIREES HEALTH INSURANCE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
CASH AND INVESTMENTS	\$ 613,807	447,836
ACCOUNTS RECEIVABLE, Net		119,675
INTEREST RECEIVABLE	2,639	4,038
DUE FROM OTHER FUNDS	-	492
DUE FROM OTHER GOVERNMENTAL ENTITIES	<u>657</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 617,103</u>	<u>572,041</u>
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
CLAIMS LIABILITY	<u>\$ 7,028</u>	<u>2,807</u>
TOTAL LIABILITIES	<u>7,028</u>	<u>2,807</u>
EQUITY:		
RETAINED EARNINGS	<u>610,075</u>	<u>569,234</u>
TOTAL EQUITY	<u>610,075</u>	<u>569,234</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 617,103</u>	<u>572,041</u>

JEFFERSON COUNTY, TEXAS
LIFE AND RETIREES HEALTH INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES:		
EMPLOYEE CONTRIBUTIONS	\$ 13,383	270,290
EMPLOYER CONTRIBUTIONS	516,796	654,101
OTHER CONTRIBUTIONS AND REFUNDS	<u>6,903</u>	<u>139,545</u>
TOTAL OPERATING REVENUES	<u>537,082</u>	<u>1,063,936</u>
OPERATING EXPENSES:		
CONTRACTUAL SERVICES	525,911	1,641,586
MISCELLANEOUS	<u>-</u>	<u>4,722</u>
TOTAL OPERATING EXPENSES	<u>525,911</u>	<u>1,646,308</u>
NET OPERATING INCOME (LOSS)	<u>11,171</u>	<u>(582,372)</u>
NONOPERATING REVENUES:		
INTEREST	<u>29,670</u>	<u>89,612</u>
TOTAL NONOPERATING REVENUES	<u>29,670</u>	<u>89,612</u>
NET INCOME (LOSS)	40,841	(492,760)
RETAINED EARNINGS, OCTOBER 1	569,234	3,111,994
RESIDUAL EQUITY TRANSFER	<u>-</u>	<u>(2,050,000)</u>
RETAINED EARNINGS, SEPTEMBER 30	<u>\$ 610,075</u>	<u>569,234</u>

JEFFERSON COUNTY, TEXAS
LIFE AND RETIREES HEALTH INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
OPERATING INCOME (LOSS)	\$ <u>11,171</u>	<u>(582,372)</u>
ADJUSTMENTS TO RECONCILE NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	119,675	787,003
(INCREASE) IN DUE FROM OTHER FUNDS	492	(492)
DECREASE IN DUE FROM OTHER GOVERNMENTAL ENTITIES	(657)	6,332
(DECREASE) IN CLAIMS LIABILITY	<u>4,221</u>	<u>(1,430,378)</u>
TOTAL ADJUSTMENTS	<u>123,731</u>	<u>(637,535)</u>
NET CASH (USED) BY OPERATING ACTIVITIES	<u>134,902</u>	<u>(1,219,907)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
RESIDUAL EQUITY TRANSFER	<u>-</u>	<u>(2,050,000)</u>
NET CASH (USED) BY FINANCING ACTIVITIES	<u>-</u>	<u>(2,050,000)</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
RECEIPTS OF INTEREST	<u>31,069</u>	<u>112,913</u>
NET CASH PROVIDED BY INVESTMENT ACTIVITIES	<u>31,069</u>	<u>112,913</u>
NET (DECREASE) IN CASH	165,971	(3,156,994)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>447,836</u>	<u>3,604,830</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ <u>613,807</u></u>	<u><u>447,836</u></u>

**JEFFERSON COUNTY, TEXAS
LIABILITY INSURANCE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
CASH AND INVESTMENTS	\$ 499,185	482,618
INTEREST RECEIVABLE	<u>2,146</u>	<u>4,272</u>
TOTAL ASSETS	<u>\$ 501,331</u>	<u>486,890</u>
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
CLAIMS LIABILITY	\$ <u>258,585</u>	<u>250,000</u>
TOTAL LIABILITIES	<u>258,585</u>	<u>250,000</u>
EQUITY:		
RETAINED EARNINGS	<u>242,746</u>	<u>236,890</u>
TOTAL EQUITY	<u>242,746</u>	<u>236,890</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 501,331</u>	<u>486,890</u>

**JEFFERSON COUNTY, TEXAS
LIABILITY INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES:		
EMPLOYER CONTRIBUTIONS	\$ 86,000	86,000
OPERATING EXPENSES:		
CONTRACTUAL SERVICES	105,865	11,454
TOTAL OPERATING EXPENSES	105,865	11,454
NET OPERATING INCOME (LOSS)	(19,865)	74,546
NONOPERATING REVENUES:		
INTEREST	25,721	29,245
TOTAL NONOPERATING REVENUES	25,721	29,245
NET INCOME	5,856	103,791
RETAINED EARNINGS, OCTOBER 1	236,890	133,099
RETAINED EARNINGS, SEPTEMBER 30	\$ <u>242,746</u>	<u>236,890</u>

**JEFFERSON COUNTY, TEXAS
LIABILITY INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
OPERATING INCOME	\$ (19,865)	74,546
ADJUSTMENTS TO RECONCILE NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
(DECREASE) INCREASE IN CLAIMS LIABILITY	<u>8,585</u>	<u>(21,751)</u>
TOTAL ADJUSTMENTS	<u>8,585</u>	<u>(21,751)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(11,280)</u>	<u>52,795</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
RECEIPTS OF INTEREST	<u>27,847</u>	<u>28,109</u>
NET CASH PROVIDED BY INVESTMENT ACTIVITIES	<u>27,847</u>	<u>28,109</u>
NET INCREASE IN CASH	16,567	80,904
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>482,618</u>	<u>401,714</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 499,185</u>	<u>482,618</u>

**JEFFERSON COUNTY, TEXAS
WORKERS' COMPENSATION FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
CASH AND INVESTMENTS	\$ 3,290,355	2,888,987
ACCOUNTS RECEIVABLE, Net	-	274,362
INTEREST RECEIVABLE	13,912	25,128
	<hr/>	<hr/>
TOTAL ASSETS	\$ <u>3,304,267</u>	<u>3,188,477</u>
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
CLAIMS LIABILITY	\$ <u>22,321</u>	<u>65,256</u>
	<hr/>	<hr/>
TOTAL LIABILITIES	<u>22,321</u>	<u>65,256</u>
EQUITY:		
RETAINED EARNINGS	<u>3,281,946</u>	<u>3,123,221</u>
	<hr/>	<hr/>
TOTAL EQUITY	<u>3,281,946</u>	<u>3,123,221</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND EQUITY	\$ <u>3,304,267</u>	<u>3,188,477</u>

**JEFFERSON COUNTY, TEXAS
WORKERS' COMPENSATION FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES:		
EMPLOYER CONTRIBUTIONS	\$ 462,481	655,611
TOTAL OPERATING REVENUES	<u>462,481</u>	<u>655,611</u>
OPERATING EXPENSES:		
CONTRACTUAL SERVICES	<u>463,619</u>	<u>597,522</u>
TOTAL OPERATING EXPENSES	<u>463,619</u>	<u>597,522</u>
NET OPERATING INCOME (LOSS)	<u>(1,138)</u>	<u>58,089</u>
NONOPERATING REVENUES:		
INTEREST	<u>159,863</u>	<u>187,074</u>
TOTAL NONOPERATING REVENUES	<u>159,863</u>	<u>187,074</u>
NET INCOME	158,725	245,163
RETAINED EARNINGS, OCTOBER 1	<u>3,123,221</u>	<u>2,878,058</u>
RETAINED EARNINGS, SEPTEMBER 30	<u>\$ 3,281,946</u>	<u>3,123,221</u>

**JEFFERSON COUNTY, TEXAS
WORKERS' COMPENSATION FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
OPERATING INCOME (LOSS)	\$ <u>(1,138)</u>	<u>58,089</u>
ADJUSTMENTS TO RECONCILE NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
(INCREASE) IN ACCOUNTS RECEIVABLE	274,362	(242,635)
(DECREASE) IN CLAIMS LIABILITY	<u>(42,935)</u>	<u>(97,050)</u>
TOTAL ADJUSTMENTS	<u>231,427</u>	<u>(339,685)</u>
NET CASH (USED) BY OPERATING ACTIVITIES	<u>230,289</u>	<u>(281,596)</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
RECEIPTS OF INTEREST	<u>171,079</u>	<u>184,861</u>
NET CASH PROVIDED BY INVESTMENT ACTIVITIES	<u>171,079</u>	<u>184,861</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	401,368	(96,735)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,888,987</u>	<u>2,985,722</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,290,355</u>	<u>2,888,987</u>

AGENCY FUNDS

AGENCY FUNDS

The Agency 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 by the Clerk of the County Courts.

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

Payroll Fund - This fund is used to account for the County's payroll checks and the related disbursements made from monies withheld from individuals, and the County's payment of payroll related taxes and deductions.

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

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

Constables Fund - This fund is used to account for the collection and distribution of money by the Constables.

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

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

D.A.R.E. Contributions Fund - This fund is used to account for public contributions to the D.A.R.E. program.

Mobil Volunteer Program - This fund is used to account for contributions from the ExxonMobil Foundation, Inc. Volunteer Program and the expenditures of those funds.

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.

Hibernia CASA Mediation Fund – This fund is used to account for contributions from Hibernia through CASA for the mediation expenditures in the Family District 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.

Child Welfare Fund - This fund is used to account for federal, state, and local money allocated for the care of foster children 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.

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.

Narcotics Task Force Seizure Fund - This fund is used to account for the seized and forfeited personal property of persons arrested in connection with the Jefferson County Narcotics Task Force.

Adult Probation Fund - This fund is used to account for the collection and distribution of money collected by the Community Supervision Department.

Juvenile Probation Fund - This fund is used to account for the collection and distribution of money collected 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.

Restitution Center #1 Fund - This fund is used to account for the collection and distribution of money collected by the Restitution Center #1.

Restitution Center #2 Fund - This fund is used to account for the collection and distribution of money collected by the Restitution Center #2.

Downtown Jail Lease Fund - This fund is used to account for the collection and distribution of money collected from the downtown jail management agreement.

**JEFFERSON COUNTY, TEXAS
AGENCY FUNDS
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
CASH AND INVESTMENTS	\$ 18,119,056	18,195,992
ACCOUNTS RECEIVABLE, Net	80	3,455
DUE FROM OTHER FUNDS	64,519	75,288
DUE FROM OTHER GOVERNMENTAL ENTITIES	616,917	770,133
INVENTORY	<u>75,771</u>	<u>59,643.00</u>
 TOTAL ASSETS	 <u>\$ 18,876,343</u>	 <u>19,104,511</u>
<u>LIABILITIES</u>		
ACCOUNTS PAYABLE	\$ 14,306,733	13,782,340
DUE TO OTHER FUNDS	1,509,727	1,710,892
DUE TO OTHER GOVERNMENTAL ENTITIES	2,555,959	3,159,191
OTHER PAYABLES	<u>503,924</u>	<u>452,088</u>
 TOTAL LIABILITIES	 <u>\$ 18,876,343</u>	 <u>19,104,511</u>

JEFFERSON COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for September 30, 2001)

	TREASURER MAINTAINED FUND	COUNTY CLERK FUND	DISTRICT CLERK FUND	PAYROLL FUND	SHERIFF'S FUND	JUSTICE OF THE PEACE FUND	CONSTABLES' FUND	TAX ASSESSOR COLLECTOR FUND	DISTRICT ATTORNEY'S SEIZURE FUND	NARCOTICS TASK FORCE SEIZURE FUND	ADULT PROBATION FUND	JUVENILE PROBATION FUND	FLEXIBLE SPENDING FUND
ASSETS - OCTOBER 1, 2001													
CASH AND INVESTMENTS	\$ 278,815	1,154,497	11,328,141	3,320	561,294	200,723	16,457	3,367,730	150,316	201,878	855,443	1,949	18,552
ACCOUNTS RECEIVABLE, Net	60	-	-	-	-	-	-	3,395	-	-	-	-	-
DUE FROM OTHER FUNDS	75,288	-	-	-	-	-	-	-	-	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	24,954	-	-	-	-	-	-	-	-	-	-
INVENTORY	-	-	-	-	59,643	-	-	-	-	-	-	-	-
TOTAL	354,163	1,154,497	11,353,095	3,320	620,937	200,723	16,457	3,371,125	150,316	201,878	855,443	1,949	18,552
ADDITIONS													
CASH AND INVESTMENTS	911,243	3,636,102	42,189,737	62,304,305	5,259,520	2,906,393	339,192	373,577,564	115,939	460,410	4,382,169	41,376	292,544
ACCOUNTS RECEIVABLE, Net	160	-	-	-	-	-	-	-	-	-	-	-	-
DUE FROM OTHER FUNDS	129,036	-	-	-	-	-	-	-	-	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	27,267	-	-	-	-	-	-	-	-	-	-
INVENTORY	-	-	-	-	75,771	-	-	-	-	-	-	-	-
TOTAL	1,040,439	3,636,102	42,217,004	62,304,305	5,335,291	2,906,393	339,192	373,577,564	115,939	460,410	4,382,169	41,376	292,544
DELETIONS													
CASH AND INVESTMENTS	948,083	3,555,080	42,039,927	62,304,623	5,407,301	2,921,123	334,739	373,816,450	147,677	436,892	4,313,916	40,725	281,913
ACCOUNTS RECEIVABLE, Net	140	-	-	-	-	-	-	3,395	-	-	-	-	-
DUE FROM OTHER FUNDS	139,805	-	-	-	-	-	-	-	-	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	24,954	-	-	-	-	-	-	-	-	-	-
INVENTORY	-	-	-	-	59,643	-	-	-	-	-	-	-	-
TOTAL	1,088,028	3,555,080	42,064,881	62,304,623	5,466,944	2,921,123	334,739	373,819,845	147,677	436,892	4,313,916	40,725	281,913
ASSETS - SEPTEMBER 30, 2002													
CASH AND INVESTMENTS	241,975	1,235,519	11,477,951	3,002	413,513	185,993	20,910	3,128,844	118,578	225,396	923,696	2,600	29,183
ACCOUNTS RECEIVABLE, Net	80	-	-	-	-	-	-	-	-	-	-	-	-
DUE FROM OTHER FUNDS	64,519	-	-	-	-	-	-	-	-	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	27,267	-	-	-	-	-	-	-	-	-	-
INVENTORY	-	-	-	-	75,771	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 306,574	1,235,519	11,505,218	3,002	489,284	185,993	20,910	3,128,844	118,578	225,396	923,696	2,600	29,183

[CONTINUED]

JEFFERSON COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for September 30, 2001)

	RESTITUTION	RESTITUTION	DOWNTOWN	TOTAL	
	CENTER #1	CENTER #2	JAIL LEASE	2002	2001
	FUND	FUND	FUND		
<u>ASSETS - OCTOBER 1, 2001</u>					
CASH AND INVESTMENTS	\$ 19,397	37,480	-	18,195,992	20,668,002
ACCOUNTS RECEIVABLE, Net	-	-	-	3,455	9,078
DUE FROM OTHER FUNDS	-	-	-	75,288	105,557
DUE FROM OTHER					
GOVERNMENTAL ENTITIES	-	-	745,179	770,133	1,192,970
INVENTORY	-	-	-	59,643	55,277
TOTAL	19,397	37,480	745,179	19,104,511	22,030,884
<u>ADDITIONS</u>					
CASH AND INVESTMENTS	525,782	742,961	5,571,530	503,256,767	467,314,430
ACCOUNTS RECEIVABLE, Net	-	-	-	160	351,772,852
DUE FROM OTHER FUNDS	-	-	-	129,036	75,288
DUE FROM OTHER					
GOVERNMENTAL ENTITIES	-	-	1,401,655	1,428,922	781,353
INVENTORY	-	-	-	75,771	4,366
TOTAL	525,782	742,961	6,973,185	504,890,656	819,948,289
<u>DELETIONS</u>					
CASH AND INVESTMENTS	515,684	698,040	5,571,530	503,333,703	469,786,440
ACCOUNTS RECEIVABLE, Net	-	-	-	3,535	351,778,475
DUE FROM OTHER FUNDS	-	-	-	139,805	105,557
DUE FROM OTHER					
GOVERNMENTAL ENTITIES	-	-	1,557,184	1,582,138	1,204,190
INVENTORY	-	-	-	59,643	-
TOTAL	515,684	698,040	7,128,714	505,118,824	822,874,662
<u>ASSETS - SEPTEMBER 30, 2002</u>					
CASH AND INVESTMENTS	29,495	82,401	-	18,119,056	18,195,992
ACCOUNTS RECEIVABLE, Net	-	-	-	80	3,455
DUE FROM OTHER FUNDS	-	-	-	64,519	75,288
DUE FROM OTHER					
GOVERNMENTAL ENTITIES	-	-	589,650	616,917	770,133
INVENTORY	-	-	-	75,771	59,643
TOTAL ASSETS	\$ 29,495	82,401	589,650	18,876,343	19,104,511

[CONTINUED]

JEFFERSON COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for September 30, 2001)

	TREASURER MAINTAINED FUND	COUNTY CLERK FUND	DISTRICT CLERK FUND	PAYROLL FUND	SHERIFF'S FUND	JUSTICE OF THE PEACE FUND	CONSTABLES' FUND	TAX ASSESSOR COLLECTOR FUND	DISTRICT ATTORNEY'S SEIZURE FUND	NARCOTICS TASK FORCE SEIZURE FUND	ADULT PROBATION FUND	JUVENILE PROBATION FUND	FLEXIBLE SPENDING FUND
LIABILITIES - OCTOBER 1, 2001													
ACCOUNTS PAYABLE	\$ 133,968	405,317	11,258,544	3,320	501,604	23,085	-	64,137	150,316	201,878	679,861	310	18,552
DUE TO OTHER FUNDS	465	297,092	94,551	-	119,333	177,638	16,457	367,527	-	-	175,582	1,639	-
DUE TO OTHER GOVERNMENTAL ENTITIES	219,730	-	-	-	-	-	-	2,939,461	-	-	-	-	-
OTHER PAYABLES	-	452,088	-	-	-	-	-	-	-	-	-	-	-
TOTAL	354,163	1,154,497	11,353,095	3,320	620,937	200,723	16,457	3,371,125	150,316	201,878	855,443	1,949	18,552
ADDITIONS													
ACCOUNTS PAYABLE	37,200	433,334	40,497,410	95,163,821	3,935,664	515,481	198,281	306,943,665	115,939	460,410	4,183,924	39,093	292,544
DUE TO OTHER FUNDS	7,335	2,046,185	1,486,712	-	1,231,517	1,669,503	140,909	310,112,575	-	-	198,245	2,283	20,000
DUE TO OTHER GOVERNMENTAL ENTITIES	938,135	103,791	238,791	-	175,367	724,199	-	275,204,240	-	-	-	-	-
OTHER PAYABLES	-	1,052,792	-	-	-	-	-	-	-	-	-	-	-
TOTAL	982,670	3,636,102	42,222,913	95,163,821	5,342,548	2,909,183	339,190	892,260,480	115,939	460,410	4,382,169	41,376	312,544
DELETIONS													
ACCOUNTS PAYABLE	32,708	412,601	40,352,275	95,164,139	4,051,157	522,145	198,281	306,452,356	147,677	436,892	4,138,334	39,086	301,913
DUE TO OTHER FUNDS	7,080	2,037,732	1,479,724	-	1,247,677	1,677,569	136,456	310,295,269	-	-	175,582	1,639	-
DUE TO OTHER GOVERNMENTAL ENTITIES	990,471	103,791	238,791	-	175,367	724,199	-	275,755,136	-	-	-	-	-
OTHER PAYABLES	-	1,000,956	-	-	-	-	-	-	-	-	-	-	-
TOTAL	1,030,259	3,555,080	42,070,790	95,164,139	5,474,201	2,923,913	334,737	892,502,761	147,677	436,892	4,313,916	40,725	301,913
LIABILITIES - SEPTEMBER 30, 2002													
ACCOUNTS PAYABLE	138,460	426,050	11,403,679	3,002	386,111	16,421	-	555,446	118,578	225,396	725,451	317	9,183
DUE TO OTHER FUNDS	720	305,545	101,539	-	103,173	169,572	20,910	184,833	-	-	198,245	2,283	20,000
DUE TO OTHER GOVERNMENTAL ENTITIES	167,394	-	-	-	-	-	-	2,388,565	-	-	-	-	-
OTHER PAYABLES	-	503,924	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	\$ 306,574	1,235,519	11,505,218	3,002	489,284	185,993	20,910	3,128,844	118,578	225,396	923,696	2,600	29,183

JEFFERSON COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
(With comparative totals for September 30, 2001)

	RESTITUTION	RESTITUTION	DOWNTOWN	TOTAL	
	CENTER #1	CENTER #2	JAIL LEASE	2002	2001
	FUND	FUND	FUND		
<u>LIABILITIES - OCTOBER 1, 2001</u>					
ACCOUNTS PAYABLE	\$ 3,547	12,937	324,964	13,782,340	15,877,464
DUE TO OTHER FUNDS	15,850	24,543	420,215	1,710,892	2,516,758
DUE TO OTHER					
GOVERNMENTAL ENTITIES	-	-	-	3,159,191	3,165,635
OTHER PAYABLES	-	-	-	452,088	471,027
TOTAL	19,397	37,480	745,179	19,104,511	22,030,884
<u>ADDITIONS</u>					
ACCOUNTS PAYABLE	507,681	652,261	271,000	454,247,708	133,947,060
DUE TO OTHER FUNDS	18,100	90,699	329,870	317,353,933	74,259,646
DUE TO OTHER					
GOVERNMENTAL ENTITIES	-	-	-	277,384,523	286,263,323
OTHER PAYABLES	-	-	-	1,052,792	497,995
TOTAL	525,781	742,960	600,870	1,050,038,956	494,968,024
<u>DELETIONS</u>					
ACCOUNTS PAYABLE	499,834	648,953	324,964	453,723,315	136,042,184
DUE TO OTHER FUNDS	15,849	49,086	431,435	317,555,098	75,065,512
DUE TO OTHER					
GOVERNMENTAL ENTITIES	-	-	-	277,987,755	286,269,767
OTHER PAYABLES	-	-	-	1,000,956	516,934
TOTAL	515,683	698,039	756,399	1,050,267,124	497,894,397
<u>LIABILITIES - SEPTEMBER 30, 2002</u>					
ACCOUNTS PAYABLE	11,394	16,245	271,000	14,306,733	13,782,340
DUE TO OTHER FUNDS	18,101	66,156	318,650	1,509,727	1,710,892
DUE TO OTHER					
GOVERNMENTAL ENTITIES	-	-	-	2,555,959	3,159,191
OTHER PAYABLES	-	-	-	503,924	452,088
TOTAL LIABILITIES	\$ 29,495	82,401	589,650	18,876,343	19,104,511

GENERAL FIXED ASSETS

ACCOUNT GROUP

GENERAL FIXED ASSETS ACCOUNT GROUP

This group of accounts is used to account for tangible assets of the County having a useful life longer than one year and monetary value large enough to warrant maintaining custodial records on the property.

**JEFFERSON COUNTY, TEXAS
COMPARATIVE SCHEDULES OF GENERAL
FIXED ASSETS BY SOURCE
SEPTEMBER 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<u>GENERAL FIXED ASSETS</u>		
LAND	\$ 6,736,741	6,207,106
BUILDINGS	52,047,766	52,047,765
IMPROVEMENTS OTHER THAN BUILDINGS	17,412,946	15,535,499
PROPERTY AND EQUIPMENT	24,740,200	23,845,557
ROADS, BRIDGES, AND RIGHT-OF-WAY	17,070,787	17,060,444
CONSTRUCTION IN PROGRESS	<u>57,597,421</u>	<u>27,858,739</u>
 TOTAL GENERAL FIXED ASSETS	 <u>\$ 175,605,861</u>	 <u>142,555,110</u>
<u>INVESTMENTS IN GENERAL FIXED ASSETS FROM:</u>		
CURRENT REVENUES	\$ 133,549,161	125,874,759
BOND ISSUES	37,733,906	13,923,713
STATE GRANTS	4,043,821	2,475,865
FEDERAL GRANTS	232,893	232,893
GIFTS AND FORFEITURES	<u>46,080</u>	<u>47,880</u>
 TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	 <u>\$ 175,605,861</u>	 <u>142,555,110</u>

JEFFERSON COUNTY, TEXAS
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2002

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	PROPERTY AND EQUIPMENT	ROADS, BRIDGES AND RIGHT-OF-WAY	TOTAL
GENERAL GOVERNMENT:						
COUNTY AUDITOR	\$ -	-	-	107,509	-	107,509
COUNTY CLERK	-	-	-	1,077,512	-	1,077,512
COUNTY ENGINEER	-	-	1,228	278,560	-	279,788
COUNTY JUDGE	-	-	-	83,834	-	83,834
COUNTY TREASURER	-	-	-	26,662	-	26,662
FEE COLLECTIONS	-	-	85	6,323	-	6,408
GENERAL SERVICES	-	2,080	532	194,541	-	197,153
HISTORICAL COMMISSION	-	-	-	13,641	-	13,641
HUMAN RESOURCES	-	-	-	24,977	-	24,977
LIBRARY	-	-	-	112,116	-	112,116
MAINTENANCE	-	-	-	-	-	-
BEAUMONT	1,922,658	27,303,424	14,801,953	647,895	-	44,675,930
MID-COUNTY	-	178,750	81,117	30,003	-	289,870
PORT ARTHUR	413,089	2,864,470	446,086	159,807	-	3,883,452
MIS - DATA PROCESSING	-	-	16,933	602,367	-	619,300
PRINTING	-	-	504	68,973	-	69,477
PURCHASING	-	-	17,106	74,803	-	91,909
RISK MANAGEMENT	-	-	226	40,966	-	41,192
SERVICE CENTER - BEAUMONT	113,314	820,755	447,964	224,230	-	1,606,263
TAX ASSESSOR/COLLECTOR	-	246,786	3,700	518,083	-	768,569
VOTING MACHINES	-	-	280,352	43,208	-	323,560
TOTAL GENERAL GOVERNMENT	\$ 2,449,061	31,416,265	16,097,786	4,336,010	-	54,299,122
JUDICIAL AND LAW ENFORCEMENT:						
ADULT PROBATION	\$ -	810,068	12,144	484,237	-	1,306,449
BOOT CAMP	-	5,413	12,185	155,345	-	172,943
CONSTABLES	-	-	12,367	779,075	-	791,442
COUNTY COURTS	-	-	-	119,707	-	119,707
COUNTY MORGUE	-	618,056	-	100,673	-	718,729
COURT OF APPEALS	-	-	-	18,275	-	18,275
COURT COORDINATOR	-	-	-	22,301	-	22,301
CRIME LAB	-	-	3,924	376,860	-	380,784
CRIMINAL & DISTRICT COURTS	-	-	-	380,675	-	380,675
DISPUTE RESOLUTION	-	-	-	21,570	-	21,570
DISTRICT ATTORNEY	-	-	3,973	588,533	-	592,506
DISTRICT CLERK	-	-	6,415	237,808	-	244,223
DRUG IMPACT COURT	-	-	-	47,224	-	47,224
JUSTICE OF THE PEACE COURTS	-	47,678	326	285,041	-	333,045
JUVENILE PROBATION & DETENTION	45,446	60,452	6,099	315,789	-	427,786
LAW LIBRARY	-	-	-	8,800	-	8,800
PRESS ROOM - 4TH FLOOR	-	-	-	1,550	-	1,550
PRE-TRIAL RELEASE	-	-	-	24,029	-	24,029
SHERIFF & JAIL	1,739,593	18,037,205	522,607	4,349,212	-	24,648,617
TOTAL JUDICIAL AND LAW ENFORCEMENT	\$ 1,785,039	19,578,872	580,040	8,316,704	-	30,260,655
ROAD AND BRIDGES:						
PRECINCT OFFICES	\$ -	-	-	40,278	-	40,278
PRECINCT SERVICE CENTERS	326,973	183,355	359,970	8,116,102	12,338,599	21,324,999
PARKS & RECREATION	2,161,668	-	58,132	106,641	-	2,326,441
ROADS, BRIDGES & ROW	-	-	-	-	4,710,413	4,710,413
TOTAL ROAD AND BRIDGES	\$ 2,488,641	183,355	418,102	8,263,021	17,049,012	28,402,131

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JEFFERSON COUNTY, TEXAS
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2002

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	PROPERTY AND EQUIPMENT	ROADS, BRIDGES AND RIGHT-OF-WAY	TOTAL
CHARITIES, HEALTH AND WELFARE:						
AGRICULTURE	\$ -	-	-	111,889	-	111,889
ENVIRONMENTAL CONTROL	-	-	-	99,470	-	99,470
CHILD WELFARE	-	-	-	29,198	-	29,198
HEALTH & WELFARE I	-	-	-	206,450	-	206,450
HEALTH & WELFARE II	14,000	238,582	10,640	153,061	-	416,283
MOSQUITO CONTROL	-	610,261	62,468	545,235	-	1,217,964
NURSE PRACTITIONER	-	-	-	18,983	-	18,983
TOTAL CHARITIES, HEALTH AND WELFARE	\$ 14,000	848,843	73,108	1,164,286	-	2,100,237
COOPERATIVE WORK:						
EMERGENCY MANAGEMENT	\$ -	309	1,038	61,865	-	63,212
VETERANS SERVICES	-	-	-	33,313	-	33,313
TOTAL COOPERATIVE WORK	\$ -	309	1,038	95,178	-	96,525
STATE/ FEDERAL GRANT:						
STATE/FEDERAL GRANT	\$ -	20,122	242,872	2,565,001	21,775	2,849,770
TOTAL STATE/FEDERAL GRANT	\$ -	20,122	242,872	2,565,001	21,775	2,849,770
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS AND ACTIVITIES	\$ 6,736,741	52,047,766	17,412,946	24,740,200	17,070,787	118,008,440
CONSTRUCTION IN PROGRESS					\$	57,597,421
TOTAL GENERAL FIXED ASSETS					\$	175,605,861

**JEFFERSON COUNTY, TEXAS
SCHEDULE OF CHANGES IN FIXED ASSETS - BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

<u>FUNCTION AND ACTIVITY</u>	<u>10/1/2001</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>9/30/2002</u>
GENERAL GOVERNMENT:				
COUNTY AUDITOR	\$ 92,562	19,377	4,430	107,509
COUNTY CLERK	1,533,273	120,057	575,818	1,077,512
COUNTY ENGINEER	266,559	17,624	4,395	279,788
COUNTY JUDGE	70,032	16,397	2,595	83,834
COUNTY TREASURER	26,799	4,663	4,800	26,662
FEE COLLECTIONS	6,408	-	-	6,408
GENERAL SERVICES	197,441	-	288	197,153
HISTORICAL COMMISSION	13,641	-	-	13,641
HUMAN RESOURCES	24,376	1,251	650	24,977
LIBRARY	108,241	4,689	814	112,116
MAINTENANCE				
BEAUMONT	43,036,406	1,656,571	17,047	44,675,930
MID-COUNTY	289,870	-	-	289,870
PORT ARTHUR	3,862,397	21,755	700	3,883,452
MIS - DATA PROCESSING	598,633	37,512	16,845	619,300
PRINTING	73,221	1,850	5,594	69,477
PURCHASING	91,737	3,422	3,250	91,909
RISK MANAGEMENT	36,165	6,278	1,251	41,192
SERVICE CENTER - BEAUMONT	1,565,960	60,145	19,842	1,606,263
TAX ASSESSOR/COLLECTOR	764,871	18,162	14,464	768,569
VOTING MACHINES	323,560	-	-	323,560
TOTAL GENERAL GOVERNMENT	\$ 52,982,152	1,989,753	672,783	54,299,122
JUDICIAL AND LAW ENFORCEMENT:				
ADULT PROBATION	\$ 1,287,884	52,338	33,773	1,306,449
BOOT CAMP	175,373	-	2,430	172,943
CONSTABLES	803,981	52,212	64,751	791,442
COUNTY COURTS	119,863	2,472	2,628	119,707
COUNTY MORGUE	721,614	1,745	4,630	718,729
COURT OF APPEALS	18,275	-	-	18,275
COURT COORDINATOR	24,296	-	1,995	22,301
CRIME LAB	373,678	7,356	250	380,784
CRIMINAL & DISTRICT COURTS	368,862	23,253	11,440	380,675
DISPUTE RESOLUTION	22,174	1,449	2,053	21,570
DISTRICT ATTORNEY	563,318	45,917	16,729	592,506
DISTRICT CLERK	225,528	26,991	8,296	244,223
DRUG IMPACT COURT	44,578	4,005	1,359	47,224
JUSTICE OF THE PEACE COURTS	335,248	2,853	5,056	333,045
JUVENILE PROBATION & DETENTION	360,161	68,575	950	427,786
LAW LIBRARY	8,800	-	-	8,800
PRESS ROOM - 4TH FLOOR	1,550	-	-	1,550
PRE-TRIAL RELEASE	22,778	1,251	-	24,029
SHERIFF & JAIL	24,467,916	400,496	219,795	24,648,617
TOTAL JUDICIAL AND LAW ENFORCEMENT	\$ 29,945,877	690,913	376,135	30,260,655
ROAD AND BRIDGES:				
PRECINCT OFFICES	\$ 33,699	6,579	-	40,278
PRECINCT SERVICE CENTERS	20,644,585	876,777	196,363	21,324,999
PARKS & RECREATION	1,740,208	586,233	-	2,326,441
ROADS, BRIDGES & ROW	4,700,070	10,343	-	4,710,413
TOTAL ROAD AND BRIDGES	\$ 27,118,562	1,479,932	196,363	28,402,131

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JEFFERSON COUNTY, TEXAS
SCHEDULE OF CHANGES IN FIXED ASSETS - BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

<u>FUNCTION AND ACTIVITY</u>	<u>10/1/2001</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>9/30/2002</u>
HEALTH AND WELFARE:				
AGRICULTURE	\$ 108,845	3,544	500	111,889
ENVIRONMENTAL CONTROL	94,748	4,722	-	99,470
CHILD WELFARE	26,718	2,480	-	29,198
HEALTH & WELFARE I	207,402	2,108	3,060	206,450
HEALTH & WELFARE II	416,323	210	250	416,283
MOSQUITO CONTROL	1,193,210	25,754	1,000	1,217,964
NURSE PRECTIONER	16,729	2,254	-	18,983
TOTAL HEALTH AND WELFARE	<u>\$ 2,063,975</u>	<u>41,072</u>	<u>4,810</u>	<u>2,100,237</u>
COOPERATIVE WORK:				
EMERGENCY MANAGEMENT	\$ 40,791	22,471	50	63,212
VETERANS SERVICES	26,198	8,747	1,632	33,313
TOTAL COOPERATIVE WORK	<u>\$ 66,989</u>	<u>31,218</u>	<u>1,682</u>	<u>96,525</u>
STATE/ FEDERAL GRANT:				
STATE/FEDERAL GRANT	\$ 2,518,816	371,215	40,261	2,849,770
TOTAL STATE/FEDERAL GRANT	<u>\$ 2,518,816</u>	<u>371,215</u>	<u>40,261</u>	<u>2,849,770</u>
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS AND ACTIVITIES	\$ 114,696,371	4,604,103	1,292,034	118,008,440
CONSTRUCTION IN PROGRESS	\$ 27,858,739	32,343,081	2,604,399	57,597,421
TOTAL GENERAL FIXED ASSETS	<u>\$ 142,555,110</u>	<u>36,947,184</u>	<u>3,896,433</u>	<u>175,605,861</u>

GENERAL LONG-TERM DEBT

ACCOUNT GROUP

GENERAL LONG-TERM DEBT ACCOUNT GROUP

This group of accounts is used to record and account for the general obligation bonded debt, long-term leases, compensated absences liability, and other long term liabilities of the County.

JEFFERSON COUNTY, TEXAS
COMPARATIVE SCHEDULES OF GENERAL LONG-TERM DEBT
SEPTEMBER 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR PAYMENT OF GENERAL LONG-TERM DEBT		
<hr/>		
AMOUNT AVAILABLE IN DEBT SERVICE FUNDS	\$ 1,072,208	879,976
AMOUNT TO BE PROVIDED FOR:		
RETIREMENT OF CAPITAL LEASES	306,349	555,132
RETIREMENT OF GENERAL LONG-TERM DEBT		
OTHER LIABILITIES	<u>95,023,289</u>	<u>81,004,513</u>
TOTAL AMOUNT AVAILABLE AND TO BE PROVIDED	<u>\$ 96,401,846</u>	<u>82,439,621</u>
GENERAL LONG-TERM DEBT OBLIGATIONS		
<hr/>		
COMPENSATED ABSENCES	\$ 7,582,494	7,509,489
CAPITAL LEASES PAYABLE	306,349	555,132
ARBITRAGE LIABILITY	218,003	-
BONDS PAYABLE	<u>88,295,000</u>	<u>74,375,000</u>
TOTAL GENERAL LONG-TERM DEBT OBLIGATIONS	<u>\$ 96,401,846</u>	<u>82,439,621</u>

JEFFERSON COUNTY, TEXAS
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

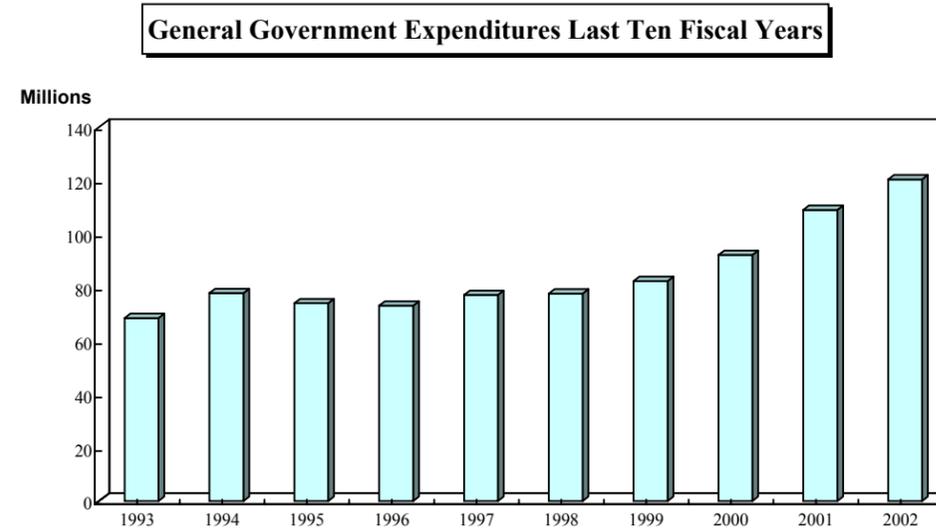
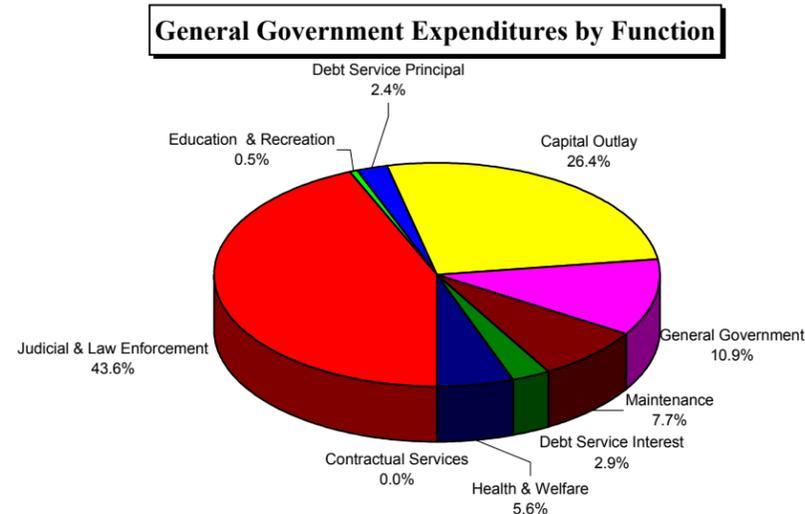
	<u>BALANCE</u> <u>10/01/2001</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>09/30/2002</u>
COMPENSATED ABSENCES	\$ 7,509,489	981,520	908,515	7,582,494
CAPITAL LEASES PAYABLE	555,132	-	248,783	306,349
ARBITRAGE LIABILITY	-	218,003	-	218,003
BONDS PAYABLE	<u>74,375,000</u>	<u>70,715,000</u>	<u>56,795,000</u>	<u>88,295,000</u>
TOTALS	<u>\$ 82,439,621</u>	<u>71,914,523</u>	<u>57,952,298</u>	<u>96,401,846</u>

STATISTICAL SECTION

TABLE 1

**JEFFERSON COUNTY, TEXAS
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION (a)
LAST TEN FISCAL YEARS
(Unaudited)**

FISCAL YEAR	GENERAL GOVERNMENT	JUDICIAL AND LAW ENFORCEMENT	EDUCATION AND RECREATION	HEALTH AND WELFARE	CONTRACTUAL SERVICES	PARTICIPATION WITH OTHER GOVERNMENTAL AGENCIES	MAINTENANCE EQUIPMENT AND STRUCTURES	CAPITAL OUTLAY	DEBT SERVICE PRINCIPAL	DEBT SERVICE INTEREST/ COMMISSION	TOTAL EXPENDITURES
1993	\$ 10,283,807	\$ 34,051,640	\$ 810,289	\$ 7,156,744	\$ 1,539,975	\$ -	\$ 5,505,871	\$ 5,308,129	\$ 2,250,000	\$ 1,549,299	\$ 68,455,754
1994	11,181,815	38,362,335	955,341	7,231,696	1,400,338	23,000	4,841,213	9,983,387	2,654,042	1,113,074	77,746,241
1995	11,754,509	41,526,888	426,438	7,007,316	578,466	-	5,195,709	3,755,289	2,475,000	1,298,255	74,017,870
1996	9,250,555	41,474,153	489,097	6,529,535	365,688	-	7,805,386	3,991,974	1,960,000	1,242,522	73,108,910
1997	10,646,320	43,243,192	524,963	5,612,021	49,352	-	8,351,767	5,264,113	2,220,000	1,189,927	77,101,655
1998	10,229,806	44,081,194	486,719	5,150,674	30,180	-	8,215,782	5,839,748	2,485,000	1,101,286	77,620,389
1999	10,348,142	47,441,074	513,718	5,199,497	39,053	-	8,698,584	6,594,022	2,405,000	1,067,213	82,306,303
2000	11,626,757	49,543,078	516,098	6,180,430	9,684	-	9,542,345	10,881,982	2,670,000	1,112,364	92,082,738
2001	12,662,674	50,383,391	565,046	6,448,683	399,129	-	9,615,834	20,911,522	2,010,000	5,904,993	108,901,272
2002	13,161,103	52,450,290	576,958	6,688,425	38,508	-	9,255,104	31,750,330	2,945,000	3,463,447	120,329,165

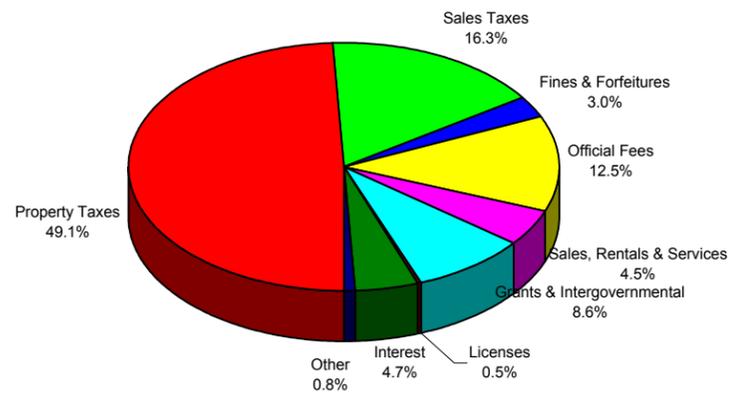


(a) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

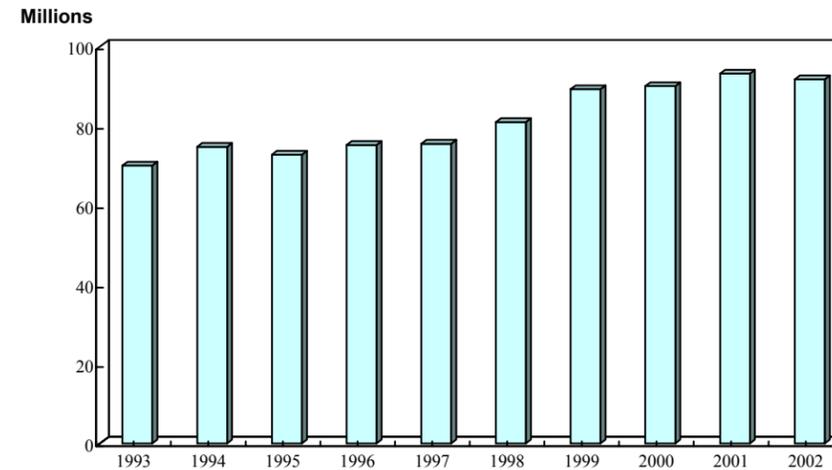
**JEFFERSON COUNTY, TEXAS
GENERAL REVENUES BY SOURCE (a)
LAST TEN FISCAL YEARS
(Unaudited)**

FISCAL YEAR	PROPERTY TAXES	SALES AND USE TAX	OFFICIAL FEES	FINES AND FORFEITURES	SALES, RENTALS AND SERVICES	REPAYMENTS AND REFUNDS	GRANTS AND RECEIPTS FROM OTHER GOVERNMENTS	INTEREST ON INVESTMENTS	LICENSES	OTHER REVENUES	TOTAL REVENUES
1993	\$ 30,540,252	\$ 12,734,254	\$ 13,777,264	\$ 2,315,753	\$ 306,996	\$ 36,146	\$ 8,985,651	\$ 894,066	\$ 401,240	\$ 23,727	\$ 70,015,349
1994	30,552,260	13,114,976	16,573,764	1,873,298	275,903	-	10,096,303	1,426,883	451,223	400,140	74,764,750
1995	32,377,831	13,389,266	12,948,940	2,126,374	258,202	15,093	8,886,600	2,060,575	479,260	220,737	72,762,878
1996	37,703,857	13,148,044	10,851,762	1,322,376	553,732	443	8,241,356	2,339,855	506,414	551,513	75,219,352
1997	38,879,048	12,622,841	9,575,098	1,963,894	1,825,690	16,057	7,382,249	2,288,536	447,001	517,853	75,518,267
1998	39,950,551	15,247,440	10,262,716	2,334,443	1,909,543	29,933	7,969,156	2,469,724	473,567	354,407	81,001,480
1999	42,347,242	13,502,676	10,679,407	2,922,403	7,563,814	21,229	8,408,841	2,638,316	450,865	721,015	89,255,808
2000	42,624,272	13,860,790	10,731,563	3,365,240	4,727,874	13,792	8,378,371	5,183,310	487,024	656,689	90,028,925
2001	42,885,676	14,051,840	11,377,989	2,902,650	5,586,316	9,260	8,670,250	6,348,578	445,002	901,075	93,178,636
2002	44,994,723	14,950,781	11,613,640	2,734,192	4,121,657	12,803	7,904,015	4,288,596	456,268	688,820	91,765,495

General Revenues by Source



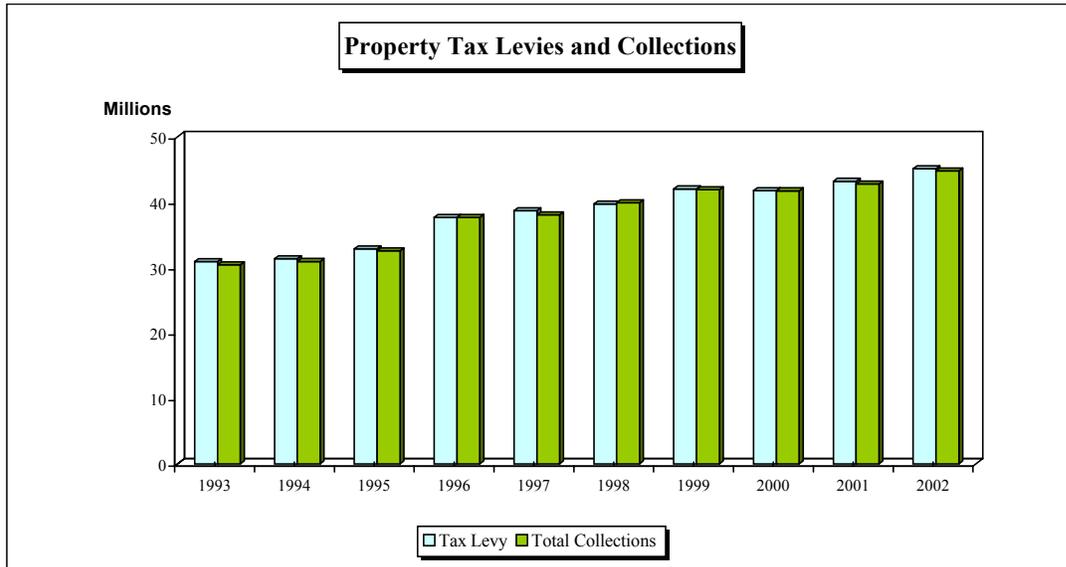
General Revenues Last Ten Fiscal Years



(a) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

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

FISCAL YEAR ENDED	AD VALOREM TAX LEVY OCTOBER 1	CURRENT TAX COLLECTIONS (a)	PERCENTAGE OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	RATIO COLLECTIONS TO CURRENT TAX LEVY	DELINQUENT TAXES RECEIVABLE (c)	
				(b)			PERSONAL PROPERTY	REAL PROPERTY
1993	\$ 30,911,951	\$ 30,176,334	97.62%	\$ 262,886	\$ 30,439,220	98.47%	\$ 904,058	\$ 2,143,915
1994	31,330,904	30,606,048	97.69%	321,478	30,927,526	98.71%	893,851	2,419,040
1995	32,854,258	32,197,200	98.00%	370,326	32,567,526	99.13%	850,476	2,602,595
1996	37,684,064	37,006,664	98.20%	656,942	37,663,606	99.95%	829,927	2,470,587
1997	38,690,064	37,691,228	97.42%	353,536	38,044,764	98.33%	913,773	2,895,521
1998	39,702,445	39,100,364	98.48%	802,333	39,902,697	100.50%	902,166	2,590,099
1999	42,022,635	41,426,352	98.58%	487,145	41,913,497	99.74%	942,589	2,599,166
2000	41,752,443	41,099,423	98.44%	637,887	41,737,310	99.96%	847,217	2,530,086
2001	43,189,589	42,274,843	97.88%	491,497	42,766,340	99.02%	960,641	2,746,345
2002	45,121,395	44,239,041	98.04%	549,226	44,788,267	99.26%	974,866	2,839,324



- (a) Taxes levied in any year which are collected commencing October 1 of such year through September 30 of the following year are shown as current collections. Such amounts include collections of the current levy after February 1, which is the date taxes become legally delinquent.
- (b) Non-current collections of property taxes during the period beginning on October 1 of the year indicated and ending September 30 of the following year are shown as delinquent collections.
- (c) The accumulation of all unpaid ad valorem taxes at the end of the collection period on October 1 of the year indicated and ending September 30, of the following year, is shown as delinquent taxes receivable.

JEFFERSON COUNTY, TEXAS
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX YEARS
(Unaudited)

TAX YEAR	ASSESSED VALUE					ASSESSMENT RATIO	ESTIMATED ACTUAL VALUE
	REAL PROPERTY	LESS (a) EXEMPTIONS	REAL PROPERTY (NET)	PERSONAL PROPERTY	TOTAL (b)		
1993	\$ 9,674,283,760	\$ 2,264,030,584	\$ 7,410,253,176	\$ 2,325,784,960	\$ 9,736,038,136	100%	\$ 12,000,068,720
1994	9,873,231,860	2,358,578,278	7,514,653,582	2,169,594,586	9,684,248,168	100%	12,042,826,446
1995	10,273,009,120	2,329,299,106	7,943,710,014	2,244,296,720	10,188,006,734	100%	12,517,305,840
1996	10,224,058,800	2,078,894,772	8,145,164,028	2,388,550,990	10,533,715,018	100%	12,612,609,790
1997	10,283,130,071	1,822,642,260	8,460,487,811	2,451,323,011	10,911,810,822	100%	12,734,453,082
1998	10,500,099,232	1,442,037,494	9,058,061,738	2,470,696,101	11,528,757,839	100%	12,970,795,333
1999	11,568,619,310	2,417,269,942	9,151,349,368	2,313,195,563	11,464,544,931	100%	13,881,814,873
2000	12,041,159,841	2,686,528,239	9,354,631,602	2,511,856,478	11,866,488,080	100%	14,553,016,319
2001	12,874,817,840	3,387,835,847	9,486,981,993	2,908,371,590	12,395,353,583	100%	15,783,189,430
2002	13,172,689,320	3,752,507,933	9,420,181,387	2,755,215,650	12,175,397,037	100%	15,927,904,970

- (a) Exemptions are evenly divided between regular homesteads, homestead property of persons 65 years or older, veteran, abatements, charitable organizations, agriculture, and pollution control.
- (b) Net of exemptions.

TABLE 5

JEFFERSON COUNTY, TEXAS
PROPERTY TAX RATES (per \$100 valuation)
DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN TAX YEARS
(Unaudited)

PURPOSE	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
COUNTY-WIDE TAXING JURISDICTION:										
JEFFERSON COUNTY	0.365000	0.365000	0.365000	0.365000	0.365000	0.365000	0.370000	0.370000	0.340000	0.320000
CITIES:										
BEAUMONT	0.670000	0.635000	0.635000	0.635000	0.635000	0.615000	0.615000	0.615000	0.615000	0.615000
GROVES	0.799000	0.756750	0.748000	0.748000	0.748000	0.718000	0.700000	0.710000	0.712000	0.712000
NEDERLAND	0.660000	0.650000	0.650000	0.650000	0.700000	0.700000	0.700000	0.700000	0.700000	0.700000
PORT ARTHUR	0.775000	0.775000	0.775000	0.775000	0.775000	0.775000	0.775000	0.775000	0.775000	0.775000
PORT NECHES	0.678000	0.669000	0.660000	0.660000	0.660000	0.689000	0.689000	0.689000	0.750000	0.750000
SCHOOL DISTRICTS:										
BEAUMONT	1.540000	1.540000	1.520000	1.500000	1.500000	1.480000	1.440000	1.417600	1.385000	1.351000
HAMSHIRE FANNETT	1.640000	1.650000	1.550000	1.540000	1.714241	1.480000	1.490000	1.490000	1.490000	1.490000
HARDIN JEFFERSON	1.605000	1.485000	1.486500	1.533000	1.485000	1.430000	1.620000	1.480000	1.480000	1.430000
NEDERLAND	1.560000	1.530000	1.540000	1.510000	1.510000	1.470436	1.430000	1.450000	1.450000	1.450000
PORT ARTHUR	1.532000	1.531967	1.500000	1.500000	1.489000	1.489000	1.489000	1.489000	1.460000	1.420000
PORT NECHES	1.656362	1.677181	1.684053	1.703027	1.734542	1.667155	1.544297	1.370000	1.400000	1.400000
SABINE PASS	1.689000	1.685000	1.680000	1.645000	1.500000	1.500000	1.500000	1.500000	1.545000	1.450000
PORT DISTRICTS:										
BEAUMONT	0.090300	0.090378	0.098750	0.081382	0.082435	0.088382	0.073970	0.073970	0.074963	0.073550
PORT ARTHUR	0.131277	0.131937	0.138556	0.146490	0.139785	0.158451	0.153870	0.163211	0.169288	0.054840
SABINE PASS	0.295151	0.262177	0.270458	0.280136	0.239110	0.122124	0.151591	0.127832	0.110924	0.089670
DRAINAGE DISTRICTS:										
DRAINAGE DISTRICTS #3	0.307738	0.307738	0.307738	0.375863	0.432500	0.443544	0.448014	0.439461	0.425000	0.039943
DRAINAGE DISTRICTS #6	0.200039	0.200039	0.200039	0.200039	0.200039	0.200039	0.200039	0.196898	0.171780	0.164680
DRAINAGE DISTRICTS #7	0.188100	0.170500	0.170500	0.170500	0.172102	0.172102	0.172102	0.174452	0.179697	0.159500
NAVIGATION DISTRICTS:										
JEFFERSON COUNTY	0.033023	0.023023	0.023023	0.017808	0.018000	0.019468	0.019468	0.019000	0.012450	0.011990
MUNICIPAL UTILITY DISTRICTS:										
BEVIL OAKS	0.000000	0.000000	0.306541	0.323262	0.342720	0.356171	0.404123	0.460865	0.348875	0.352220
NORTHWEST FOREST	0.759377	0.777595	0.755752	0.761977	0.837500	0.850000	0.979574	1.139085	0.971805	0.978390
WATER DISTRICTS:										
WATER DISTRICT #10	0.420812	0.315373	0.307688	0.369312	0.408747	0.428613	0.463235	0.424528	0.434411	0.383980
FIRE DISTRICTS:										
RURAL FIRE #1	0.036327	0.035718	0.030018	0.028888	0.030000	0.029204	0.029260	0.029260	0.029260	0.029260
EMERGENCY SERVICE DISTRICTS:										
EMERGENCY SERVICE DISTRICT #1	0.061688	0.047210	0.058574	0.061958	0.063775	0.062538	0.066265	0.076619	0.065021	0.063570
CONSERVATION DISTRICTS:										
TRINITY BAY	0.468270	0.468270	0.518190	0.503920	0.503920	0.503920	0.521240	0.461600	0.419500	0.442000
IMPROVEMENT DISTRICT:										
CARDINAL MEADOWS	0.206966	0.334901	0.332707	0.339887	0.338402	0.395117	0.392988	0.428936	0.417647	0.416330

**JEFFERSON COUNTY, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2001
(Unaudited)**

Assessed Value of Real Property	\$13,172,689,320
---------------------------------	------------------

Assessed Value of All Taxable Property	\$15,927,904,970
--	------------------

**Bonds Issued Under Article III,
Section 52 of the Texas Constitution:**

The County is authorized under Article III, Section 52 of the State Constitution to issue bonds payable from ad valorem taxes for the construction and maintenance of roads. There is no constitutional or statutory limit as to the rate on bonds issued pursuant to such constitutional provision. However, the amount of bonds which may be issued is limited to 25% of the assessed valuation of real property in the County.

Debt Limit, 25% of Real Property Assessed Value	\$3,293,172,330
---	-----------------

Amount of Debt Applicable to Constitutional
Debt Limit:

Total Bonded Applicable Debt	\$88,295,000		
Less Amount Available in Debt Service Fund	1,072,208		87,222,792

LEGAL DEBT MARGIN, BONDS ISSUED UNDER ARTICLE III, SECTION 52 OF THE TEXAS CONSTITUTION	\$3,205,949,538
---	-----------------

Bonds Issued Under Article VIII, Section 9:

In addition to unlimited tax bonds, the County may issue statutorially authorized bonds payable from the proceeds of a limited ad valorem tax provided for in Article VII, Section 9 of the State Constitution. Such constitutional provision provides that a county is limited to an ad valorem tax rate of \$.80 per \$100 of assessed valuation for general fund, permanent improvement fund, road and bridge fund, and jury fund purposes.

Certain of the County's bonds payable from such limited tax may be issued under the provisions of Chapter 2, Title 22, Vernon's Texas Civil Statutes. The principal amount of all bonds which may be issued under the provision of such Chapter is limited in the aggregate to 5% of the assessed valuation. The debt limit under Chapter 2, Title 22 is approximately \$796,395,248 compared to applicable bonds outstanding at September 30, 2002 of \$88,295,000.

TABLE 7

JEFFERSON COUNTY, TEXAS
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Estimated Population (a)	Taxable Assessed Valuation	Funded Debt Outstanding at End of Year (b)	Less Amount Available in Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1993	239,397	\$ 9,736,038,136	\$ 22,100,000	\$ 800,477	\$ 21,299,523	0.22%	89
1994	239,397	9,684,248,168	27,550,000	1,343,774	26,206,226	0.27%	109
1995	239,397	10,544,711,730	25,075,000	1,265,514	23,809,486	0.23%	99
1996	239,397	10,310,184,489	25,165,000	1,600,651	23,564,349	0.23%	98
1997	239,397	10,915,966,140	22,945,000	1,625,341	21,319,659	0.20%	89
1998	239,397	11,525,176,229	20,460,000	1,940,029	18,519,971	0.16%	77
1999	239,397	11,464,544,931	24,055,000	1,887,549	22,167,451	0.19%	93
2000	239,397	11,866,488,079	76,385,000	2,356,619	74,028,381	0.62%	309
2001	252,051	12,395,353,583	74,375,000	879,976	73,495,024	0.59%	292
2002	252,051	12,175,397,037	88,295,000	1,072,208	87,222,792	0.72%	346

(a) U.S. Census Bureau estimate.

(b) Includes all General Obligation Bonds and Certificates of Obligation Bonds which are supported by property tax revenues.

TABLE 8

JEFFERSON COUNTY, TEXAS
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL
EXPENDITURES
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Debt Service			General Expenditures	Ratio of Debt Service To General Expenditures
	Principle	Interest	Total Debt Service		
1993	\$ 2,250,000	\$ 1,549,299	\$ 3,799,299	\$ 68,455,754	5.55%
1994	2,654,042	1,113,074	3,767,116	77,746,241	4.85%
1995	2,475,000	1,298,255	3,773,255	74,017,870	5.10%
1996	1,960,000	1,242,522	3,202,522	73,108,910	4.38%
1997	2,220,000	1,186,050	3,406,050	77,101,655	4.42%
1998	2,485,000	1,097,308	3,582,308	77,620,389	4.62%
1999	2,405,000	1,062,311	3,467,311	82,336,303	4.21%
2000	2,670,000	1,107,602	3,777,602	92,082,738	4.10%
2001	2,010,000	5,901,345	7,911,345	108,901,272	7.26%
2002	2,945,000	3,459,809	6,404,809	120,329,165	5.32%

TABLE 9

JEFFERSON COUNTY, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2002
(Unaudited)

	Net Outstanding Debt	Applicable %	Applicable Share of Debt
COUNTY-WIDE TAXING JURISDICTION:			
JEFFERSON COUNTY	\$88,295,000	100.00%	<u>\$88,295,000</u>
Total Direct Debt			\$88,295,000
CITIES:			
BEAUMONT	76,362,576	100.00%	76,362,576
GROVES	12,570,000	100.00%	12,570,000
NEDERLAND	19,645,000	100.00%	19,645,000
PORT ARTHUR	82,340,000	100.00%	82,340,000
PORT NECHES	16,370,000	100.00%	16,370,000
SCHOOL DISTRICTS:			
BEAUMONT	52,875,000	100.00%	52,875,000
HAMSHIRE FANNETT	9,200,000	100.00%	9,200,000
HARDIN JEFFERSON	5,620,000	55.00%	3,091,000
NEDERLAND	16,345,000	100.00%	16,345,000
PORT ARTHUR	7,250,000	100.00%	7,250,000
PORT NECHES	31,500,000	100.00%	31,500,000
SABINE PASS	10,000,000	100.00%	10,000,000
PORT DISTRICTS:			
BEAUMONT	33,744,995	100.00%	33,744,995
PORT ARTHUR	29,315,000	100.00%	29,315,000
SABINE PASS	1,287,716	100.00%	1,287,716
DRAINAGE DISTRICTS:			
DRAINAGE DISTRICTS #3	-	100.00%	-
DRAINAGE DISTRICTS #6	-	100.00%	-
DRAINAGE DISTRICTS #7	-	100.00%	-
NAVIGATION DISTRICTS:			
JEFFERSON COUNTY	-	100.00%	-
MUNICIPAL UTILITY DISTRICTS:			
BEVIL OAKS	-	100.00%	-
NORTHWEST FOREST	520,000	100.00%	520,000
WATER DISTRICTS:			
WATER DISTRICT #10	4,439,609	100.00%	4,439,609
FIRE DISTRICTS:			
RURAL FIRE #1	-	100.00%	-
EMERGENCY SERVICE DISTRICTS:			
EMERGENCY SERVICE DISTRICT #1	-	100.00%	-
CONSERVATION DISTRICTS:			
TRINITY BAY	1,315,000	100.00%	1,315,000
IMPROVEMENT DISTRICT:			
CARDINAL MEADOWS	45,577	100.00%	<u>37,603</u>
Total Overlapping Debt			<u>408,208,499</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$496,503,499</u></u>

TABLE 10

**JEFFERSON COUNTY, TEXAS
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

EMPLOYMENT STATISTICS

Fiscal Year	Civilian Labor Force	Total Employment	Total Unemployment	Percent Unemployment
1993	120,862	108,304	12,558	10.4%
1994	119,328	107,900	11,428	9.6%
1995	118,929	108,026	10,903	9.2%
1996	116,281	106,190	10,091	8.7%
1997	116,262	107,549	8,713	7.5%
1998	116,920	108,941	7,979	6.8%
1999	116,585	107,064	9,521	8.2%
2000	115,746	106,791	8,955	7.7%
2001	114,082	105,059	9,023	7.9%
2002(a)	114,560	105,777	8,783	7.7%

POPULATION STATISTICS

Year (b)	County	City of Beaumont	City of Pt. Arthur	Beaumont, Pt. Arthur, Orange MSA
1960	245,659	119,175	66,676	306,016
1970	246,402	117,548	57,371	347,568
1980	250,938	118,102	61,195	375,497
1990	239,397	114,323	58,724	361,226
2000	252,051	113,866	57,755	385,090

(a) Average through end of September, 2002. Labor Market Statistics - TWC.

(b) U.S. Census estimates.

JEFFERSON COUNTY, TEXAS
PROPERTY VALUE AND CONSTRUCTION
LAST TEN TAX YEARS
(Unaudited)

TAX YEAR	PROPERTY VALUE (a)			CONSTRUCTION (c)		
	ESTIMATED ACTUAL VALUE	EXEMPTIONS (b)	TAXABLE VALUE	COMMERCIAL	RESIDENTIAL	TOTAL
1993	\$ 12,000,068,720	\$ 2,264,030,584	\$ 9,736,038,136	(d)	(d)	-
1994	12,042,826,446	2,358,578,278	9,684,248,168	(d)	(d)	-
1995	12,517,305,840	2,329,299,106	10,188,006,734	(d)	(d)	-
1996	12,612,609,790	2,078,894,772	10,533,715,018	\$71,031,491	\$27,971,959	\$99,003,450
1997	12,734,453,082	1,822,642,260	10,911,810,822	87,731,204	48,236,969	135,968,173
1998	12,970,795,333	1,442,037,494	11,528,757,839	68,450,070	53,510,726	121,960,796
1999	13,881,814,873	2,417,269,942	11,464,544,931	141,727,689	65,338,286	207,065,975
2000	14,553,016,318	2,686,528,239	11,866,488,079	79,227,703	71,689,240	150,916,943
2001	15,783,189,430	3,387,835,847	12,395,353,583	165,015,042	79,655,952	244,670,994
2002	15,927,904,970	3,752,507,933	12,175,397,037	244,704,858	84,473,346	329,178,204

- (a) The property value used is the certified appraised value from the Jefferson County Appraisal District.
(b) Exemptions are evenly divided between regular homesteads, homestead property of persons 65 years or older, veteran, abatements, charitable organizations, agriculture, and pollution control.
(c) Jefferson County estimate.
(d) Information not available.

TABLE 12

**JEFFERSON COUNTY, TEXAS
PRINCIPAL TAXPAYERS
OCTOBER 1, 2002 (a)
(Unaudited)**

TAXPAYERS	2002 TAXABLE VALUATIONS (b)	PERCENTAGE OF TOTAL TAXABLE VALUATION
MOBIL OIL CORPORATION	\$1,598,846,640	13.13%
HUNTSMAN PETROCHEMICAL CORP.	907,979,960	7.46%
MOTIVA REFINERY	774,964,250	6.37%
AMERICAN PETROFINA MKT INC.	408,780,910	3.36%
CHEVRON USA INC.	360,784,140	2.96%
PREMCOR REFINING GROUP INC.	341,814,250	2.81%
ENERGY GULF STATES INC.	209,227,600	1.72%
GOODYEAR TIRE & RUBBER CO.	197,990,780	1.63%
E I DUPONT DE NEMOURS	144,543,540	1.19%
SOUTHWESTERN BELL TELEPHONE CO.	121,552,980	1.00%
BASF CORPORATION	111,641,370	0.92%
CENTANA ENERGY MARKETING CO.	100,643,760	0.83%
AIR LIQUIDE AMERICAN CORP.	96,336,670	0.79%
BEAUMONT METHANOL LP	87,458,540	0.72%
INEOS ARCYLICS INC.	80,896,570	0.66%
SUN MARINE TERMINALS INC.	78,007,220	0.64%
PORT ARTHUR COKER COMPANY LP	49,837,750	0.41%
WALMART STORES INC #8275	47,289,780	0.39%
PRAXAIR INC	43,369,650	0.36%
BASF/FINA JOINT VENTURE	39,857,400	0.33%
TOTAL	\$5,801,823,760	47.65%

(a) Tax roll for fiscal year 2002

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

JEFFERSON COUNTY, TEXAS
MISCELLANEOUS STATISTICS (a)
SEPTEMBER 30, 2002
(Unaudited)

DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Principal	Interest	Total Outstanding Debt	% of Principal Retired
2003	\$ 2,980,000	\$ 4,443,528	\$ 7,423,528	
2004	3,095,000	4,321,927	7,416,927	
2005	3,215,000	4,193,814	7,408,814	
2006	3,360,000	4,057,849	7,417,849	
2007	3,520,000	3,911,936	7,431,936	25.05%
2008	3,005,000	3,756,896	6,761,896	
2009	3,170,000	3,616,564	6,786,564	
2010	3,290,000	3,465,714	6,755,714	
2011	3,400,000	3,307,314	6,707,314	
2012	3,565,000	3,142,845	6,707,845	47.82%
2013	3,755,000	2,966,908	6,721,908	
2014	3,920,000	2,790,970	6,710,970	
2015	4,135,000	2,576,989	6,711,989	
2016	4,380,000	2,349,826	6,729,826	
2017	4,600,000	2,109,076	6,709,076	70.50%
2018	3,600,000	1,865,689	5,465,689	
2019	3,795,000	1,658,689	5,453,689	
2020	4,045,000	1,440,476	5,485,476	
2021	4,220,000	1,228,114	5,448,114	
2022	4,465,000	1,011,839	5,476,839	88.95%
2023	4,705,000	783,008	5,488,008	
2024	4,905,000	528,937	5,433,937	
2025	5,170,000	271,425	5,441,425	100.00%
	<u>\$88,295,000</u>	<u>\$59,800,333</u>	<u>\$148,095,333</u>	
		Average (2002/2025)	\$6,438,928	
		Maximum	\$7,431,936	

TAX DEBT OUTSTANDING

Debt Outstanding

Refunding Bonds, Series 1993	\$ 7,920,000
Certificates of Obligation, Series 1993	4,775,000
Certificates of Obligation, Series 1999	4,575,000
Certificates of Obligation, Series 2000	1,150,000
Refunding Bonds, Series 2002A	13,090,000
Certificates of Obligation, Series 2002B	56,785,000
	<u>\$88,295,000</u>

AUTHORIZED BUT UNISSUED DEBT

The County has no authorized but unissued bonds.

(a) Annual financial disclosure in compliance with the Securities Exchange Commission's Rule 15c2-12.

JEFFERSON COUNTY, TEXAS
MISCELLANEOUS STATISTICS (a)
SEPTEMBER 30, 2002
(Unaudited)

TAXABLE ASSESSED VALUATION BY CATEGORY (b)

	Tax Year 2002		Tax Year 2001		Tax Year 2000		Tax Year 1999		Tax Year 1998		Tax Year 1997		Tax Year 1996	
	Amount	Percent												
Real Property														
Single Family	\$4,220,923,925	28.80%	\$4,075,296,708	27.83%	\$3,999,069,829	29.53%	\$3,896,472,948	30.13%	\$3,598,257,065	27.74%	\$3,543,861,610	27.83%	\$3,493,669,690	27.70%
Multifamily	241,085,860	1.64%	245,217,620	1.68%	243,916,706	1.80%	216,391,630	1.67%	216,916,690	1.67%	218,527,700	1.72%	213,981,980	1.70%
Vacant Lots/Tracts	139,157,198	0.95%	134,340,908	0.92%	129,095,323	0.95%	132,587,713	1.03%	133,103,063	1.03%	131,514,110	1.03%	132,984,770	1.05%
Acreage	154,237,056	1.05%	159,062,184	1.09%	146,953,525	1.08%	150,330,183	1.16%	149,924,931	1.16%	158,732,800	1.25%	163,363,600	1.30%
Farm & Ranch	61,389,380	0.42%	59,503,380	0.41%	56,192,160	0.41%	53,026,890	0.41%	50,181,220	0.39%	47,701,000	0.37%	44,802,990	0.36%
Improvements														
Commercial	1,096,269,768	7.48%	1,060,807,384	7.25%	1,050,438,014	7.76%	1,027,128,602	7.94%	1,017,963,004	7.85%	985,487,400	7.74%	973,363,140	7.72%
Industrial	5,783,320,130	39.46%	5,662,003,740	38.69%	5,185,387,860	38.28%	4,960,200,570	38.35%	5,018,535,020	38.70%	4,893,121,751	38.42%	5,008,190,810	39.71%
Oil/Gas/Minerals	142,139,140	0.97%	270,938,440	1.85%	160,107,180	1.18%	113,830,640	0.88%	238,917,570	1.84%	229,385,590	1.80%	111,464,410	0.88%
Personal Property														
Utilities	561,071,290	3.83%	601,153,810	4.11%	539,177,540	3.98%	519,675,680	4.02%	546,070,220	4.21%	510,028,870	4.01%	519,455,160	4.12%
Commercial	870,211,260	5.94%	853,081,970	5.83%	819,536,498	6.05%	786,845,863	6.08%	737,972,643	5.69%	715,792,208	5.62%	699,556,580	5.55%
Industrial	1,368,145,730	9.33%	1,497,201,470	10.23%	1,195,980,600	8.83%	1,063,416,710	8.22%	1,212,597,568	9.35%	1,268,701,483	9.96%	1,220,195,380	9.67%
Other Personal	19,257,940	0.13%	17,192,570	0.11%	18,779,490	0.15%	14,261,270	0.11%	48,997,590	0.37%	31,624,560	0.25%	31,581,280	0.24%
Total Appraised	\$14,657,208,677	100.00%	\$14,635,800,184	100.00%	\$13,544,634,725	100.00%	\$12,934,168,699	100.00%	\$12,969,436,584	100.00%	\$12,734,479,082	100.00%	\$12,612,609,790	100.00%
Less: Deductions	2,481,811,640		2,240,446,601		1,678,146,646		1,469,623,768		1,444,260,355		1,818,512,942		2,302,425,301	
Net Taxable Value	<u>\$12,175,397,037</u>		<u>\$12,395,353,583</u>		<u>\$11,866,488,079</u>		<u>\$11,464,544,931</u>		<u>\$11,525,176,229</u>		<u>\$10,915,966,140</u>		<u>\$10,310,184,489</u>	

(a) Annual financial disclosure in compliance with the Securities Exchange Commission's Rule 15c2-12.

(b) Valuations and deductions shown above do not reflect continuing adjustments to the tax base and such figures may differ from those presented elsewhere herein.

JEFFERSON COUNTY, TEXAS
MISCELLANEOUS STATISTICS (a)
SEPTEMBER 30, 2002
(Unaudited)

INCOME DISTRIBUTION AND EFFECTIVE BUYING INCOME (b)

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Retail Sales by Store Group (000's)										
Building Materials & Garden Supplies	\$254,483	\$204,620	\$201,216	\$194,050	\$181,757	\$167,231	\$151,555	\$143,822	\$136,414	\$135,652
General Merchandise Stores	454,715	451,112	444,679	357,861	350,591	402,966	370,061	341,725	322,684	305,832
Food Stores	444,522	440,756	420,161	412,267	404,806	398,493	419,389	421,577	403,934	407,881
Automotive Dealers & Service Stations	532,848	544,258	516,746	478,287	456,465	415,005	389,147	348,575	312,338	336,461
Apparel and Accessory Stores	113,475	116,262	111,874	112,458	104,795	97,838	102,094	104,633	106,409	107,975
Furniture and Home Furnishing Stores	210,044	213,246	209,974	203,380	188,859	191,628	185,102	172,530	145,652	129,495
Eating and Drinking Establishments	283,912	275,277	267,306	263,478	247,955	238,373	220,634	233,556	230,727	238,286
Miscellaneous Retail	532,928	493,003	453,063	403,669	372,600	363,676	352,450	355,775	309,670	296,558
Effective Buying Income (EBI) (000's)										
Total EBI	(c)	(c)	(c)	(c)	(c)	(c)	3,322,295	3,634,096	3,504,016	3,256,175
Median Households EBI	(c)	(c)	(c)	(c)	(c)	(c)	28,164	31,426	30,104	28,435
Percent of Households EBI										
\$10,000-\$19,999	(c)	(c)	(c)	(c)	(c)	(c)	37.0%	16.9%	17.4%	18.3%
\$20,000-\$34,999	(c)	(c)	(c)	(c)	(c)	(c)	22.0%	20.9%	21.4%	22.4%
\$35,000-\$49,999	(c)	(c)	(c)	(c)	(c)	(c)	17.0%	17.0%	17.5%	17.9%
\$50,000 and Over	(c)	(c)	(c)	(c)	(c)	(c)	24.0%	28.4%	26.2%	23.0%

(a) Annual financial disclosure in compliance with the Securities Exchange Commission's Rule 15c2-12.

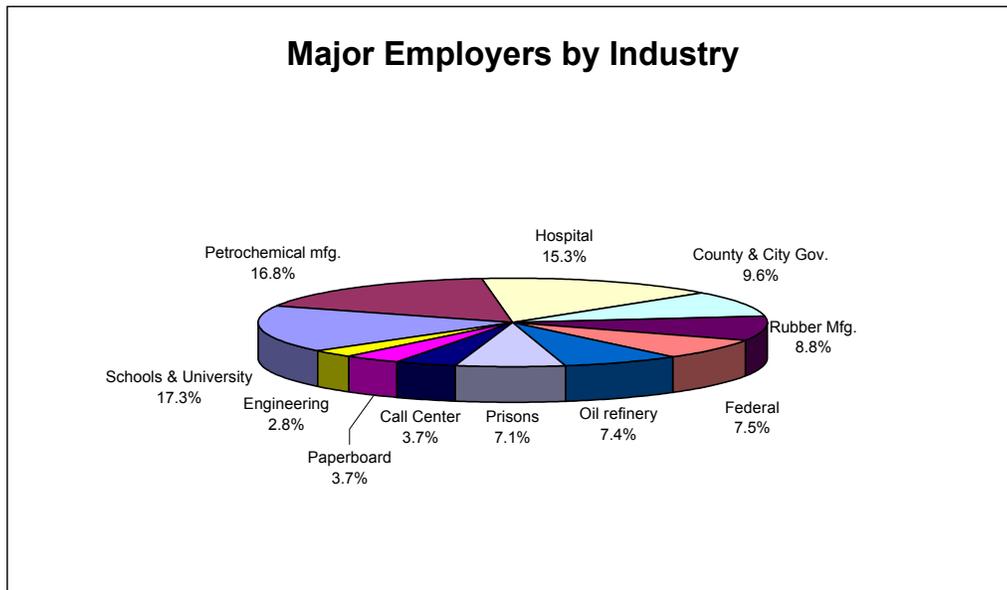
(b) State of Texas Comptroller's Office.

(c) Information no longer available.

**JEFFERSON COUNTY, TEXAS
MISCELLANEOUS STATISTICS (a)
SEPTEMBER 30, 2002
(Unaudited)**

MAJOR EMPLOYERS CITY AND METRO AREA (b)

Company	Industry	Employees
Beaumont ISD	School District	2,927
Christus Saint Elizabeth Hospital	Hospital	2,600
U. S. Postal Encoding Center	Federal Government	2,023
E.I. DuPont -Sabine River Works	Petrochemical mfg.	1,920
Lamar University	University	1,700
Bayer Corporation	Synthetic Rubber Mfg.	1,600
Memorial Hermann Baptist Hospital	Hospital	1,500
Huntsman	Petrochemical mfg.	1,325
City of Beaumont	City Government	1,300
County of Jefferson	County Government	1,285
ExxonMobil Oil Corporation	Petrochemical mfg.	1,250
Motiva Enterprises	Oil refinery	1,200
Federal Bureau of Prisons	Prison	1,006
West Teleservices Corp.	Call Center	1,000
Westvaco	Paperboard	980
Texas Department of Criminal Justice	Prison	894
Premcor Refining Group Inc.	Oil refinery	781
Ameripol Synpol	Synthetic Rubber Mfg.	756
Petrocon Engineering	Engineering	750



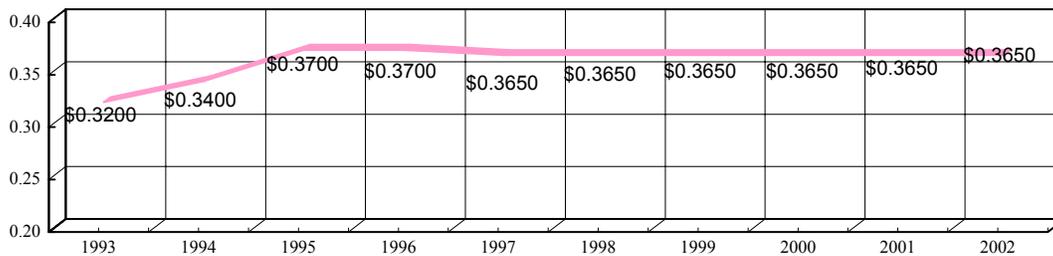
(a) Annual financial disclosure in compliance with the Securities Exchange Commission's Rule 15c2-12.
 (b) Beaumont Chamber of Commerce.

**JEFFERSON COUNTY, TEXAS
MISCELLANEOUS STATISTICS (a)
SEPTEMBER 30, 2002
(Unaudited)**

TAX RATE DISTRIBUTION

	Tax Year									
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Operations	\$0.2832	\$0.3034	\$0.3373	\$0.3373	\$0.3311	\$0.3364	\$0.3318	\$0.3116	\$0.3128	\$0.3212
Debt	0.0368	0.0366	0.0327	0.0327	0.0339	0.0286	0.0332	0.0534	0.0522	0.0438
Totals	\$0.3200	\$0.3400	\$0.3700	\$0.3700	\$0.3650	\$0.3650	\$0.3650	\$0.3650	\$0.3650	\$0.3650

Tax Rate Last Ten Years



(a) Annual financial disclosure in compliance with the Securities Exchange Commission's Rule 15c2-12.