

# JEFFERSON COUNTY, TEXAS



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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, 2005

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



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

March 23, 2006

Citizens of Jefferson County, Texas:

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, Judge, 252nd District Court  
Rickey Williams, Judge, 279th District Court  
Larry Thorne, Judge, 317th District Court

Honorable Commissioners' Court:

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

The County Auditor's Office ("the Auditor's Office") is pleased to present the Comprehensive Annual Financial Report ("CAFR") of Jefferson County, Texas (the "County") for the fiscal year ended September 30, 2005. This report is submitted in accordance with Section 114.025 of the Texas Local Government Code and has been prepared by the County Auditor's staff.

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

Edwards, Tate, & Fontenote, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the County's financial statements for the year ended September 30, 2005. The independent auditor's report is located at the front of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

Jefferson County was created in 1836 and organized in 1837 as one of the original counties of the Republic of Texas. It is a 954 square mile county that is located on the upper Texas Coast and is a component of the Beaumont-Port Arthur-Orange Metropolitan Statistical Area. According to the U.S. Department of Commerce-Bureau of the Census, the 2000 population of the County was 252,051. The County is empowered to levy a property tax on both real and personal property located within its boundaries.

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

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

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

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

## **FACTORS AFFECTING FINANCIAL CONDITIONS**

### ***Local economy***

The 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 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.

There has been a recent boom in the last few years in the retail development and new housing, along with major expansions at the local hospitals. Also, the local university is in the process of several construction projects such as its third dormitory, a dining hall, and a student recreation center.

Three companies are planning to build Liquefied Natural Gas Terminals on the border of the Texas/Louisiana coast along the Sabine/Neches waterway. Each terminal is estimated to take three years to build and would bring construction and permanent jobs to the area.

The low supply of gasoline has created the need for increased refining capacity for crude oil. Refineries are examining the viability of increased refining capacity in the area and Commissioners' Court will be reviewing incentives to attract this expansion.

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

During fiscal year 2005, Commissioners' Court established a policy guideline for budgetary and planning purposes of building and maintaining an unreserved, undesignated fund balance in the general fund of between 5 and 15 percent of total general fund expenditures. The County ended the fiscal year with an unreserved, undesignated fund balance of 13.1% of total general fund expenditures. This falls within the policy guidelines.

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

### ***Major Initiatives***

The Commissioners' Court set the property tax rate at \$ .425 per \$100 of assessed property valuation to provide funds for services, and debt service for fiscal year 2005. Budget initiatives for fiscal year 2005 include:

- Continue to hold Salary levels for classified employees to the 2001/2002 pay scales.
- Continue to reduce funding to new capital projects
- Freeze open positions during the budget year including elimination of positions through attrition.
- Continue to reduce capital expenditures to necessary levels.
- Funding \$7,392,373 in Debt Service payments.
- Continuing to maintain the highest level of service to the taxpayers of the County.

### **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, 2004. This was the eighth consecutive year that the government has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **ACKNOWLEDGEMENTS**

The preparation of this report could not have been accomplished without the dedicated services of the staff of the County Auditor's Office. I express my sincere appreciation to all the members of this office who contributed to its preparation. Also, I express my appreciation 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.

### **REQUEST FOR INFORMATION**

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

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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Jefferson County,  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2004.

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.



*Carla E. Perry*

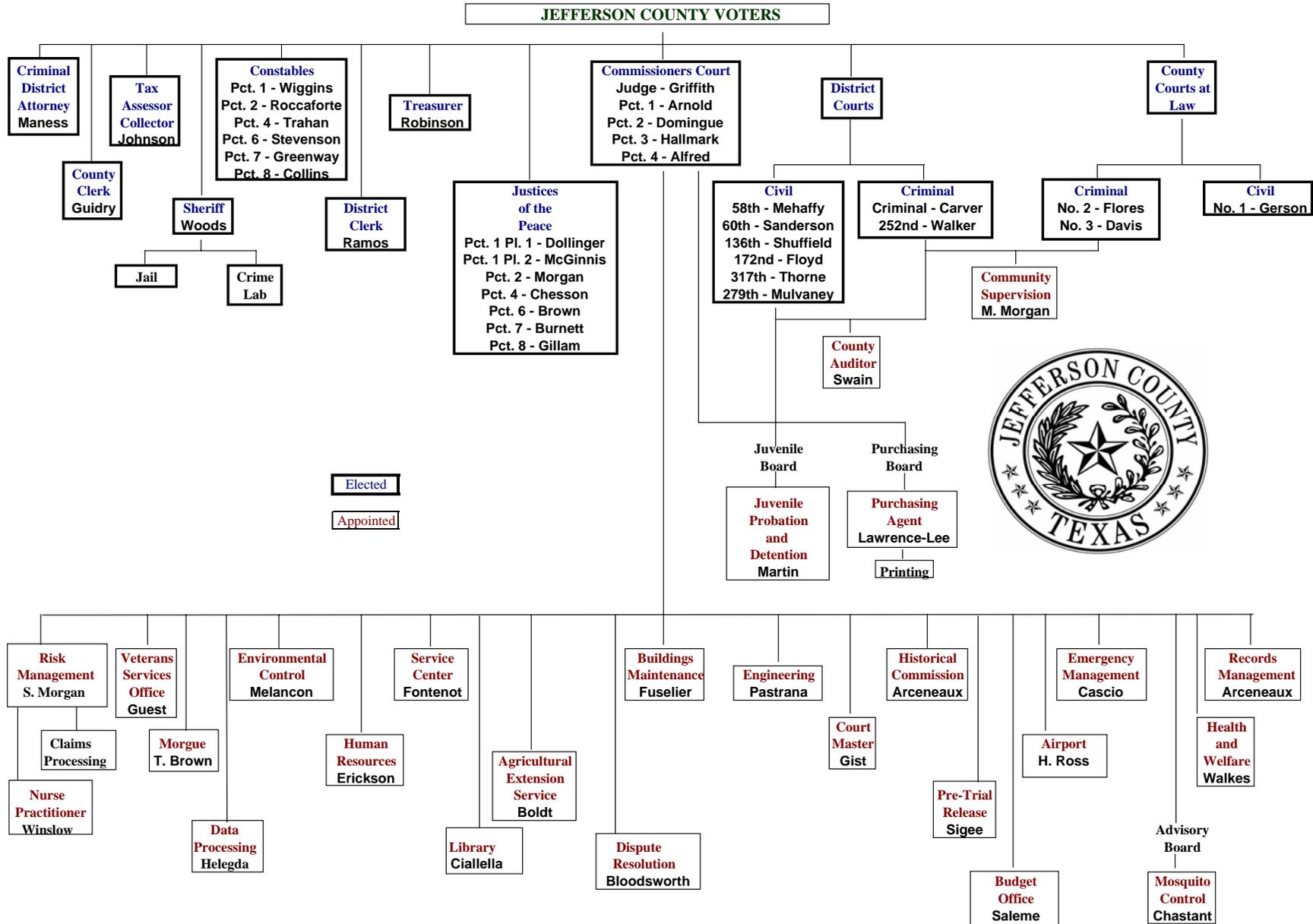
President

*Jeffrey R. Ennis*

Executive Director

# ORGANIZATION CHART OF JEFFERSON COUNTY

As of September 30, 2005



## **ELECTED OFFICIALS**

As of September 30, 2005

### **COMMISSIONERS' COURT**

County Judge	Carl Griffith
Commissioner Pct. 1	Eddie Arnold
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**

Lolita Ramos

### **COUNTY CLERK**

Carolyn Guidry

### **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	Brad Burnett
J.P. Pct. 8	Tom Gillam

### **CONSTABLES**

Constable Pct. 1	Charles Wiggins
Constable Pct. 2	Leonard Roccaforte
Constable Pct. 4	James Trahan
Constable Pct. 6	Joe Stevenson
Constable Pct. 7	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	Lupe Flores
County Court at Law No. 3	John Davis

### **DISTRICT JUDGES**

Criminal Court	Charles Carver
252nd District Court	Layne Walker
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, 2005

Agricultural Extension Service	Kelby Boldt
Airport	Hal Ross
Auditor	Patrick Swain
Auto Service Center	David Fontenot
Budget Officer	LeRoy Saleme
Buildings Maintenance	Harry Fuselier
Community Supervision	Montie Morgan
Court Master	Larry Gist
Data Processing	Paul Helegda
Dispute Resolution Center	Cindy Bloodworth
Emergency Management	John Cascio
Engineering	Jose Pastrana
Environmental Control	Michael Melancon
Health and Welfare	Dr. Cecil Walkes
Human Resources	Cary Erickson
Juvenile Probation & Detention	James Martin
Library	Emil Ciallella
Mosquito Control	Lee Chastant
Nurse Practitioner	Anne Winslow
Pre-Trial Release	Thomas Sigee, Sr.
Purchasing Agent/Printing	Naomi Lee
Risk Management/Claims Processing	Shannon Morgan
Veterans Services Office	Hilary Guest

**FINANCIAL  
SECTION**

# Edwards, Tate & Fontenote, LLP

## Certified Public Accountants

March 17, 2006

### **INDEPENDENT AUDITOR'S REPORT**

County Judge, Carl Griffith  
and Members of Commissioners Court of  
Jefferson County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Texas (the "County"), as of and for the year ended September 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on the respective financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Texas as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

County Judge, Carl Griffith  
and Members of Commissioners Court of  
Jefferson County, Texas  
Page 2  
March 17, 2006

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2006, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and Statement of Revenues and Expenditures – Budget and Actual (GAAP) - General Fund are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The Introductory Section, Combining and Individual Fund Information and Other Supplementary Information and Statistical Section are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The Combining and Individual Fund Information and Other Supplementary Information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

*Edwards, Tate & Fontenot, LLP*

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

This section of the Jefferson County, Texas (the "County") Comprehensive Annual Financial Report ("CAFR") presents a narrative overview and analysis of the financial activities of the primary government for the fiscal ended September 30, 2005. Please read it in conjunction with the transmittal letter in the introductory section of this report and the County's basic financial statements following this section.

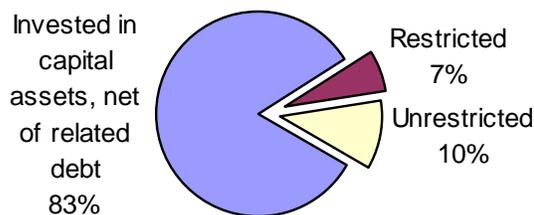
**Financial Highlights**

*Government-wide*

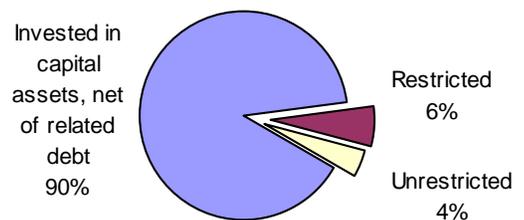
The total government-wide assets of the County exceeded the liabilities at September 30, 2005 by \$89,191,265. This is comparable to the previous year when assets exceeded liabilities by \$81,105,907.

- Total net assets of the primary government are comprised of the following:
  - (1) Capital assets, net of related debt, of \$73,916,581 include land, improvements, construction in progress, and other capital assets, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction in capital assets. An increase of 2% from the prior year is primarily due to continued construction of Ford Park and equipment purchases using the 2005 Tax Anticipation Notes.
  - (2) Net assets of \$5,066,000 are restricted by constraints imposed from outside the County such as debt obligations, laws or regulation. This 17% increase from the prior year is due primarily due to unspent proceeds of the 2005 Tax Anticipation Notes.
  - (3) Unrestricted net assets of \$9,334,228 represent the portion available to meet ongoing obligations to citizens and creditors, which is an increase of 177% from the prior year which is primarily due to the rebuilding of the general fund's fund balance.

**NET ASSETS BY CATEGORY  
September 30, 2005**



**NET ASSETS BY CATEGORY  
September 30, 2004**



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

***Fund Level***

- As of September 30, 2005, the County governmental funds reported combined fund balances of \$26,368,924. Approximately 64% of the combined fund balances, \$16,764,513, is available to meet the County's current and future needs (unreserved fund balances).
- At the end of the fiscal year, unreserved fund balance for the General fund was \$9,473,913, or 13% of total General fund expenditures and 12% of General fund revenues. In addition, the General fund had a reserved fund balance of \$3,660,569.
- In fiscal year 2005, the County issued \$3 million of debt to purchase equipment and renovations to several County facilities. Note 7 to the financial statements provides detail of long-term debt.

**Overview Of the Financial Statements**

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

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

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

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

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

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

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

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

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

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

The County maintains 82 individual government funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the major governmental funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds are maintained two ways. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the operations of an airport and entertainment complex and to account for the public entity risk pool that provides health insurance benefits. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its life insurance benefit and Medicare supplement insurance for retirees over 65, liability activities, and workers compensation.

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

Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

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

*Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found starting on page 33 of this report.

*Required Supplementary Information* is presented concerning the County's General Fund budgetary schedule. The County adopts an annual budget for this fund. A budgetary comparison schedule, which includes the original and final amended budget and actual figures, has been provided to demonstrate compliance with this budget. Required supplementary information can be found starting on page 65 of this report.

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

**Government-Wide Financial Statements**

As noted earlier, net assets may serve over time as useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$89,191,265 for fiscal year 2005 and \$81,105,907 for fiscal year 2004. Net assets increased primarily due to the rebuilding of the general fund's fund balance.

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

**Statement of Net Assets**  
**September 30, 2005**  
**Primary Government**

	Governmental Activities	Business-type Activities	Reclassifications	Total
Current and other assets	\$ 43,089,373	\$ (1,092,313)	\$ -	\$41,997,060
Capital Assets	68,990,205	87,708,682	-	156,698,887
Total Assets	<u>112,079,578</u>	<u>86,616,369</u>	<u>-</u>	<u>198,695,947</u>
Current and other liabilities	10,191,595	3,428,166	-	13,619,761
Long-term liabilities	95,641,362	243,559	-	95,884,921
Total Liabilities	<u>105,832,957</u>	<u>3,671,725</u>	<u>-</u>	<u>109,504,682</u>
Net Assets:				
Invested in capital assets, net of related debt	49,581,705	87,708,682	(63,373,806)	73,916,581
Restricted net assets	5,940,456	-	-	5,940,456
Unrestricted net assets	(49,275,540)	(4,764,038)	63,373,806	9,334,228
Total Net Assets	<u>\$ 6,246,621</u>	<u>\$ 82,944,644</u>	<u>\$ -</u>	<u>\$89,191,265</u>

**Statement of Net Assets**  
**September 30, 2004**  
**Primary Government**

	Governmental Activities	Business-type Activities	Reclassifications	Total
Current and other assets	\$ 34,190,482	\$ (1,551,453)	\$ -	\$ 32,639,029
Capital Assets	68,019,954	88,652,366	-	156,672,320
Total Assets	<u>102,210,436</u>	<u>87,100,913</u>	<u>-</u>	<u>189,311,349</u>
Current and other liabilities	8,391,960	3,502,685	-	11,894,645
Long-term liabilities	96,070,088	240,709	-	96,310,797
Total Liabilities	<u>104,462,048</u>	<u>3,743,394</u>	<u>-</u>	<u>108,205,442</u>
Net Assets:				
Invested in capital assets, net of related debt	47,464,845	88,652,366	(63,446,642)	72,670,569
Restricted net assets	5,066,000	-	-	5,066,000
Unrestricted net assets	(54,782,457)	(5,294,847)	63,446,642	3,369,338
Total Net Assets	<u>\$ (2,251,612)</u>	<u>\$ 83,357,519</u>	<u>\$ -</u>	<u>\$ 81,105,907</u>

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

The largest portion of the County's current fiscal year net assets (82.9 percent) reflects its investments in capital assets (e.g. land, improvements, buildings, equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. The main use of these capital assets is to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the County's current fiscal year net assets (10.5 percent) represents unrestricted net assets, which may be used to meet the County's ongoing obligations to citizens and creditors.

The remaining balance of the County's current fiscal year net assets (6.6 percent) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the County reported positive net assets in two of the three categories of net assets for its governmental activities and positive net assets in two of the three categories for its business-type activities. Unrestricted net assets for governmental activities were negative \$49,275,540. Unrestricted net assets for business-type activities were negative \$4,764,038.

The County had a reclassification of \$63,373,806 to move the debt associated with the construction of Ford Park from Unrestricted net assets to Invested in capital assets, net of related debt. The capital assets are reported in the business-type activities and the debt is reported in the governmental activities.

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

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

Statement of Activities  
For the Year Ended September 30, 2005

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 19,463,308	\$ 15,173,162	\$ 34,636,470
Operating grants and contributions	9,411,568	247,732	9,659,300
Capital grants and contributions	3,292,628	476,678	3,769,306
General revenues:			
Taxes - levied for general purposes	50,578,977	-	50,578,977
Taxes - levied for debt service	6,956,253	-	6,956,253
Sales Taxes	15,885,024	-	15,885,024
Investment earnings	1,174,286	8,673	1,182,959
Miscellaneous	6,406	-	6,406
Total revenues	<u>106,768,450</u>	<u>15,906,245</u>	<u>122,674,695</u>
Expenses:			
General government	14,089,777	-	14,089,777
Judicial and law enforcement	53,370,635	-	53,370,635
Education and recreation	584,989	-	584,989
Health and welfare	7,080,846	-	7,080,846
Maintenance - equipment and structures	11,711,754	-	11,711,754
Contract services	2,594,428	-	2,594,428
Interest and charges on long-term debt	4,251,603	-	4,251,603
Airport	-	3,573,304	3,573,304
Entertainment Complex	-	7,195,328	7,195,328
Health Insurance Risk Pool	-	9,995,778	9,995,778
Total expenses	<u>93,684,032</u>	<u>20,764,410</u>	<u>114,448,442</u>
Excess (deficiency) before special items and transfers	13,084,418	(4,858,165)	8,226,253
Transfers	<u>(4,586,185)</u>	<u>4,586,185</u>	<u>-</u>
Change in net assets	<u>8,498,233</u>	<u>(271,980)</u>	<u>8,226,253</u>
Net assets - beginning	(2,251,612)	83,357,519	81,105,907
Prior period adjustment	-	(140,895)	(140,895)
Net assets - beginning - restated	<u>(2,251,612)</u>	<u>83,216,624</u>	<u>80,965,012</u>
Net assets - ending	<u>\$ 6,246,621</u>	<u>\$ 82,944,644</u>	<u>\$ 89,191,265</u>

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

Statement of Activities  
For the Year Ended September 30, 2004 - Restated

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 20,635,359	\$ 16,200,042	\$ 36,835,401
Operating grants and contributions	7,287,999	302,762	7,590,761
Capital grants and contributions	799,215	1,056,242	1,855,457
General revenues:			
Taxes - levied for general purposes	38,503,656	-	38,503,656
Taxes - levied for debt service	7,756,873	-	7,756,873
Sales Taxes	15,377,071	-	15,377,071
Gain/Loss on sale of capital assets	(147,615)	-	(147,615)
Investment earnings	552,321	3,832	556,153
Miscellaneous	39,581	284,978	324,559
Total revenues	<u>90,804,460</u>	<u>17,847,856</u>	<u>108,652,316</u>
Expenses:			
General government	14,333,080	-	14,333,080
Judicial and law enforcement	54,948,624	-	54,948,624
Education and recreation	661,892	-	661,892
Health and welfare	7,332,338	-	7,332,338
Maintenance - equipment and structures	11,302,172	-	11,302,172
Contract services	690,319	-	690,319
Interest and charges on long-term debt	4,155,680	-	4,155,680
Airport	-	3,796,261	3,796,261
Entertainment Complex	-	7,522,063	7,522,063
Health Insurance Risk Pool	-	9,710,612	9,710,612
Total expenses	<u>93,424,105</u>	<u>21,028,936</u>	<u>114,453,041</u>
Excess (deficiency) before special items and transfers	(2,619,645)	(3,181,080)	(5,800,725)
Transfers	(10,697,918)	10,697,918	-
Change in net assets	<u>(13,317,563)</u>	<u>7,516,838</u>	<u>(5,800,725)</u>
Net assets - beginning	11,065,951	75,766,701	86,832,652
Prior period adjustment	-	73,980	73,980
Net assets - beginning - restated	<u>11,065,951</u>	<u>75,840,681</u>	<u>86,906,632</u>
Net assets - ending	<u>\$ (2,251,612)</u>	<u>\$ 83,357,519</u>	<u>\$ 81,105,907</u>

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

**Revenues**

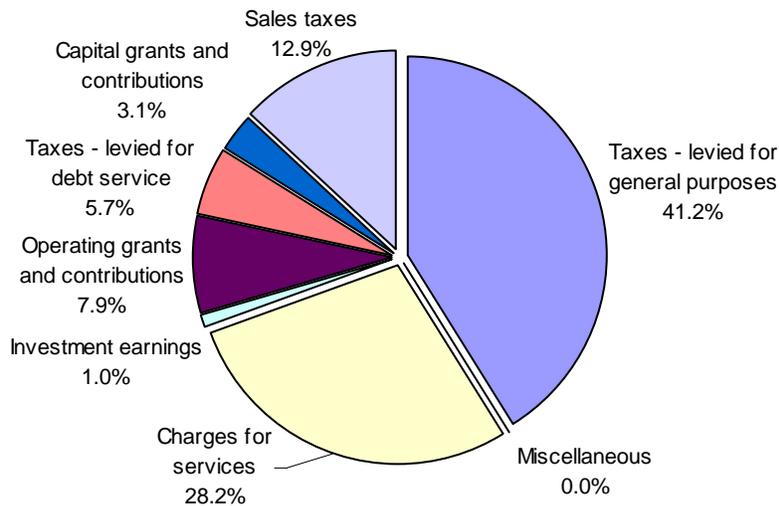
For fiscal year ended September 30, 2005, revenues for the primary government totaled \$122,674,695. These revenues can be divided by activity type; governmental activities \$102,182,265 and business-type activities totaled \$20,492,430.

Property taxes of \$57,535,230 were the largest revenue source for governmental activities and 46.9% of total revenues. The tax rate was \$.425 per \$100 of assessed value for fiscal year 2005 and was \$.365 per \$100 of assessed value for fiscal year 2004. The assessed taxable value increased in fiscal year 2005 to \$13,528,578,028 from the assessed taxable value in fiscal year 2004 of \$12,601,681,238.

Program revenues are derived from the program itself and reduce the cost of the function to the County. Total program revenues were \$48,065,076 or 39.2% of total revenues. The largest portion of program revenues is charges for services of \$34,636,470 (28.2%). Of that \$19,463,308 is from governmental activities, which represents receipts fees collected by the tax collector, automobile registration, and charges for other services. The business-type charges of \$15,173,162, primarily is premiums of the Public entity risk pool. The other portions of program revenues are operating grant and contributions of \$9,659,300 (7.9%) and capital grants and contributions of \$3,769,306 (3.1%). These represent receipts from various federal, state, and local agencies.

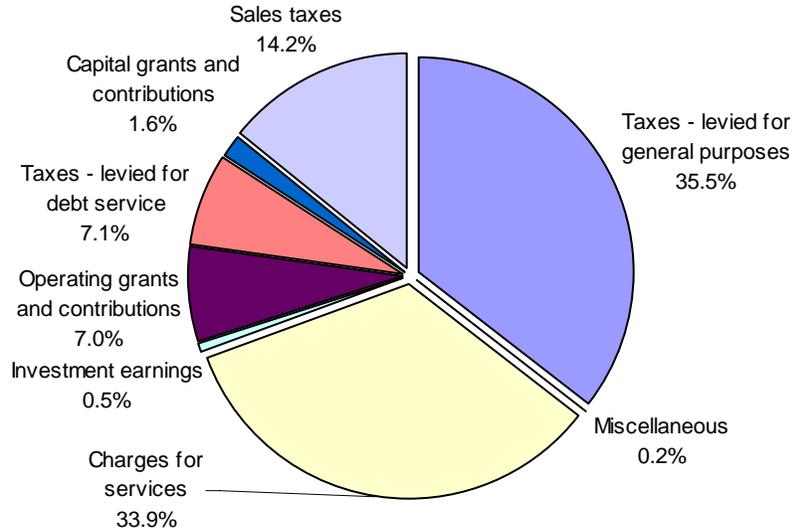
General revenues are revenues that cannot be assigned to a specific function. They consist of property taxes (discussed above), sales taxes of \$15,885,024 (12.9% of total revenues), earnings on investments of \$1,182,959 (1.0% of total revenues), and miscellaneous income of \$6,406 (less than .1% of total revenues).

**REVENUES BY SOURCE**  
Year Ended September 30, 2005



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

REVENUES BY SOURCE  
Year Ended September 30, 2004



***Expenses***

For fiscal year ended September 30, 2005, expenses for the primary government totaled \$114,448,442. These expenses divided by activity type; governmental activities of \$93,684,032 and business-type activities of \$20,764,410.

The governmental activity, Judicial and Law Enforcement of \$53,370,635 is the County's largest function in the expenses at 46.6% of total expenses, a decrease of \$1,577,989 from fiscal year 2004 of \$54,948,624. The decrease is partly due to decreases in overall expenses and the end of the Narcotics Grant program.

Maintenance-Equipment and Structures governmental activities function of \$11,711,754 or 10.3% of total expenses increased \$409,582 from fiscal year 2004 of \$11,302,172.

Health and Welfare governmental activities function of \$7,080,846 or 6.2% of total expenses decreased \$251,492 from fiscal year 2004 of \$7,332,338. This decrease is primarily due to decrease in indigent health care cost of last year.

General Government governmental activities function of \$14,089,777 or 12.3% of total expenses decreased \$243,303 from fiscal year 2004 of \$14,333,080.

Airport business-type activities function of \$3,573,304 or 3.1% of total expenses decreased \$222,957 from fiscal year 2004 of \$3,796,261. This decrease is primarily due to decrease in overall expenses.

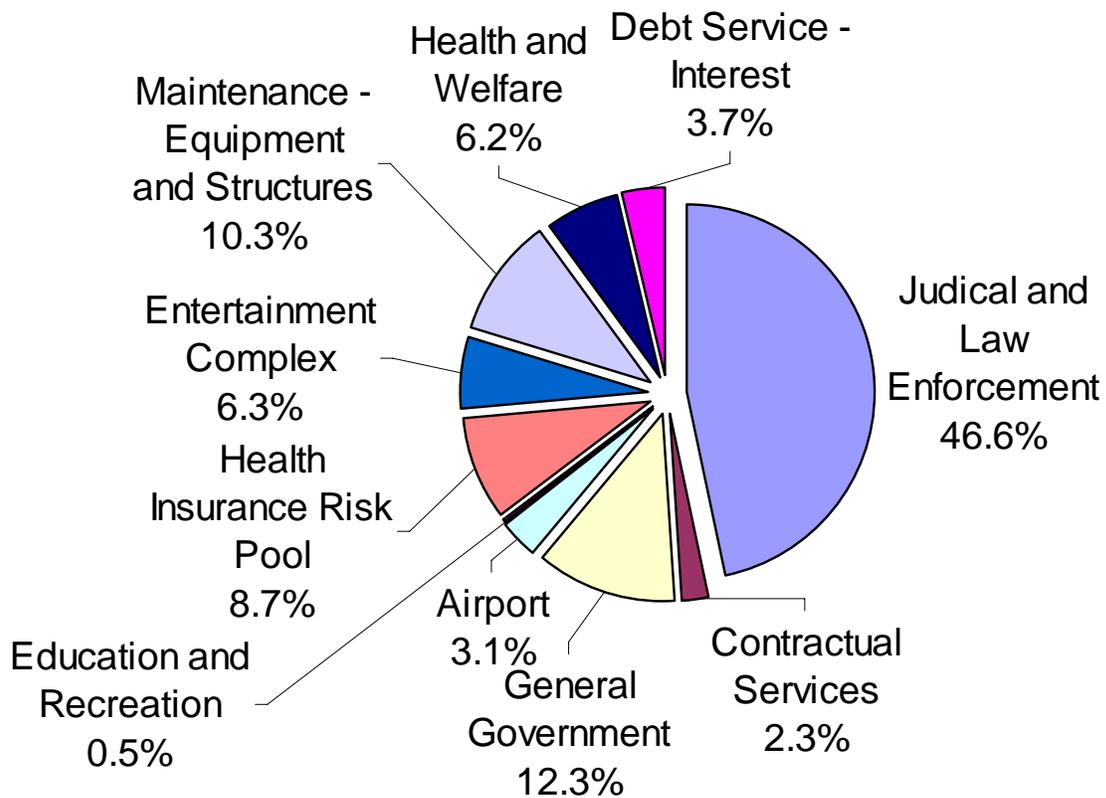
**Jefferson County, Texas**  
**Management's Discussion and Analysis (Unaudited)**

Entertainment Complex business-type activities function of \$7,195,328 or 6.3% of total expenses decreased \$326,735 from fiscal year 2004 of \$7,522,063. This decrease is primarily due to decrease in overall expenses.

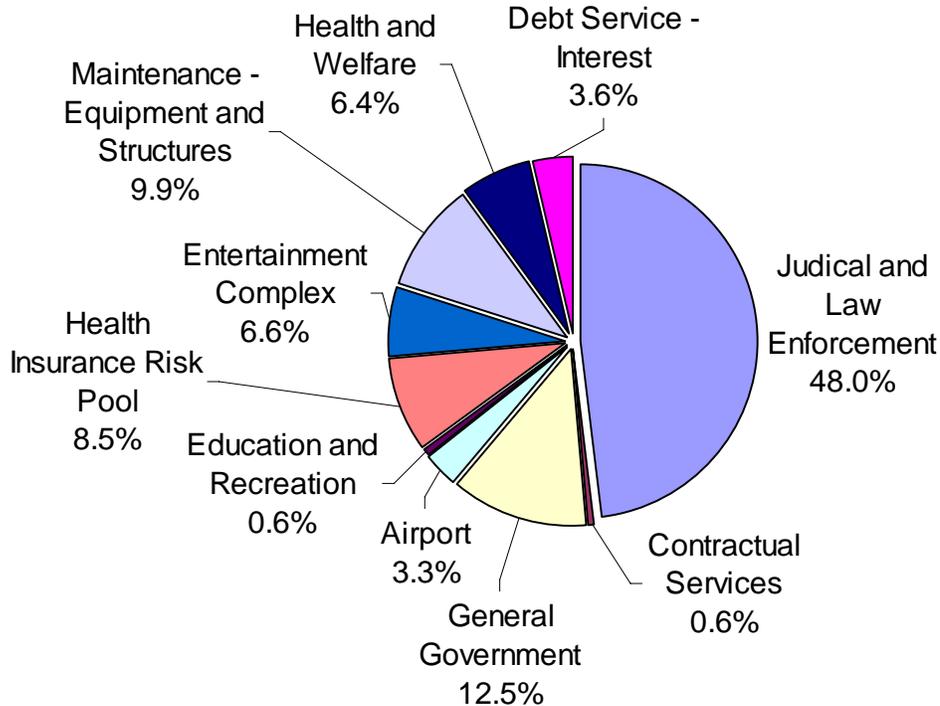
Health Insurance Risk Pool business-type activities function of \$9,995,778 or 8.7% of total expenses increased \$285,166 from fiscal year 2004 of \$9,710,612. This increase is primarily due to increase in health care cost.

The remaining governmental activities expense functions are Education and Recreation of \$584,989 or .5%, Contract Services of \$2,594,428 or 2.3%, and Debt Service - Interest and charges of \$4,251,603 or 3.7%.

**EXPENSES BY FUNCTION**  
**Year Ended September 30, 2005**



EXPENSES BY FUNCTION  
Year Ended September 30, 2004, Restated



**Financial Analysis of Major Funds**

**Governmental Funds.** The County's major general government functions are contained in the General Fund. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending the end of the fiscal year.

The General Fund is the chief operating fund of the County. At September 30, 2005, the General Fund reported a positive net change in fund balance of \$7,306,223. The change in fund balance was attributable to an increase in sales tax and interest revenue and other revenues as well as a savings in expenditures due to vacancies and other overall savings in departments.

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

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

The Southeast Texas Regional Airport Fund is used to account for the day-to-day operation of the County airport. As of September 30, 2005, net assets are made up of \$18,414,959 net assets invested in capital assets and \$1,430,626 negative unrestricted net assets.

The Southeast Texas Government Employee Benefit Pool Fund is used to account for the County's Public Entity Risk Pool, which provided group health insurance for member governments. As of September 30, 2005, net assets are made up of \$1,245,685 negative unrestricted net assets.

The Ford Park Fund is used to account for the day-to-day operation of Ford Park. As of September 30, 2005, net assets are made up of \$69,293,723 net assets invested in capital assets and \$2,087,727 negative unrestricted net assets.

**General Fund Budgetary Highlights**

There was no difference between the total original budget and the total final amended budget. During the year actual revenues were more than budgetary estimates by \$1,671,528. Actual expenditures were less than budgetary estimates by \$5,075,106. The revised budget projected addition of \$559,589 to fund balance. The net effect of over-realization of revenues and under-utilization of appropriations resulted in a positive variance of \$7,306,223 thus causing the addition to the existing fund balance of \$6,746,634 on a budgetary basis.

The major budget variances were increased revenues in sales taxes and interest as well as \$2.8 in savings due to vacancies and another \$2.2 in savings due to departments cutting expenditures to only necessary levels. Budget variances are not expected to impact future services or liquidity.

**Capital Assets and Debt Administration**

*Capital Assets.* The County's investment in capital assets for its governmental and business-type activities as of September 30, 2005, amounted to \$73,916,581 (net of accumulated depreciation). This investment in capital assets includes land, improvements, structures, park improvements and facilities, infrastructure, equipment, vehicles, machinery, other tangible and intangible assets, and construction in progress.

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

- μ The County had a variety of buildings improvements, purchases of equipment, and continued construction of an entertainment complex.
- μ At September 30, 2005, the ending fund balance for Capital Projects Funds was \$5.6 million which is reserved for capital projects.

For further information regarding capital assets, see Note 5.

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

	<b>Balance</b>	<b>Balance</b>
Governmental Activities:	<b>September 30, 2005</b>	<b>September 30, 2004</b>
Land	\$ 4,696,008	\$ 4,696,008
Construction in progress	3,616,293	6,222,411
Infrastructure	46,613,865	45,539,973
Buildings & Improvements	85,163,407	84,913,779
Equipment	20,628,735	15,971,674
	<u>160,718,308</u>	<u>157,343,845</u>
Less: Accumulated depreciation	<u>(91,728,103)</u>	<u>(89,323,891)</u>
Total governmental activities	<u>\$ 68,990,205</u>	<u>\$ 68,019,954</u>
Business-type Activities:		
Land	\$ 5,154,600	\$ 5,154,600
Construction in progress	3,488,651	5,168,849
Buildings & Improvements	99,030,288	95,601,577
Equipment	10,745,706	10,420,202
	<u>118,419,245</u>	<u>116,345,228</u>
Less: Accumulated depreciation	<u>(30,710,563)</u>	<u>(27,692,859)</u>
Total business-type activities	<u>\$ 87,708,682</u>	<u>\$ 88,652,369</u>

*Long-term Debt.* At September 30, 2005, the County had a total long-term debt outstanding of \$97,725,447. Refer to Note 7 for further information on the County's long-term debt. County officials, citizens and investors will find the ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita as useful indicators of the County's debt position. This information is presented in the statistical section of this report.

	<b>Outstanding at</b>	<b>Outstanding at</b>
Governmental Activities:	<b>September 30, 2005</b>	<b>September 30, 2004</b>
Bonds Payable	\$ 83,244,829	\$ 83,542,180
Capital leases	184,905	263,297
Notes Payable	2,956,576	3,255,108
Claims & Judgements	441,760	272,402
Compensated Absences	9,255,052	9,009,503
Total governmental activities	<u>\$ 96,083,122</u>	<u>\$ 96,342,490</u>
Business-type Activities:		
Compensated Absences	\$ 243,559	\$ 240,709
Claims & Judgements	1,398,766	981,597
Total business-type activities	<u>\$ 1,642,325</u>	<u>\$ 1,222,306</u>

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

**Economic Factors**

The Commissioner's Court adopted the County's 2005-2006 Budget on September 29, 2005 for the general fund and debt service funds. The Budget was adopted based on estimated balances that would be available at the end of fiscal year 2005 and estimated revenues to be received in fiscal year 2006. The total resources for all funds for fiscal year 2006 are estimated to be \$104.1 million. The budget was adopted with estimated expenditures in the amount of \$93.7 million. The 2005-2006 Budget adds \$153,278 to fund balance.

For 2005-2006, the property tax rate will continued to be \$.425 per \$100 of taxable assessed value and taxable assessed property values are anticipated to grow by 6% for the 2005-2006 Budget year.

The average unemployment rate for Jefferson County for calendar year 2005 was 7.9%; this is a favorable decrease from the prior year rate of 8.4%. The state's average unemployment rate for calendar year 2005 was 5.4%.

On September 24, 2005, Hurricane Rita made landfall and hit the Gulf Coast area. See note 18 for further discussion on the effects on the County. Due to the rebuilding effects of the area resulting from the storm, it is likely that sales taxes for the fiscal year 2006 will exceed original budget estimates.

**Request for Information**

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

**BASIC  
FINANCIAL STATEMENTS**

**JEFFERSON COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2005**

	PRIMARY GOVERNMENT			
	GOVERNMENTAL	BUSINESS-TYPE	RECLASSIFICATIONS	TOTAL
	ACTIVITIES	ACTIVITIES		
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 18,408,681	598,804	-	19,007,485
INVESTMENTS	7,830,723	-	-	7,830,723
INTEREST RECEIVABLE	177,952	25	-	177,977
ACCOUNTS RECEIVABLE, Net	163,924	681,356	-	845,280
INTERNAL BALANCES	3,135,045	(3,135,045)	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	5,542,160	684,688	-	6,226,848
INVENTORIES, At Cost	637,948	77,462	-	715,410
PREPAID ITEMS	120,036	397	-	120,433
DELINQUENT TAXES RECEIVABLE, Net	2,896,156	-	-	2,896,156
PENALTY AND INTEREST RECEIVABLE, Net	1,582,149	-	-	1,582,149
OTHER RECEIVABLES, Net	2,424,458	-	-	2,424,458
DEFERRED CHARGES	160,141	-	-	160,141
DEPOSITS	10,000	-	-	10,000
<b>CAPITAL ASSETS:</b>				
LAND	4,696,008	5,154,600	-	9,850,608
CONSTRUCTION IN PROGRESS	3,616,293	3,488,651	-	7,104,944
OTHER CAPITAL ASSETS, Net of depreciation	60,677,904	79,065,431	-	139,743,335
<b>TOTAL ASSETS</b>	<b>\$ 112,079,578</b>	<b>86,616,369</b>	<b>-</b>	<b>198,695,947</b>
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 8,046,588	973,635	-	9,020,223
INTEREST PAYABLE	707,743	-	-	707,743
DUE TO OTHER GOVERNMENTAL ENTITIES	376,858	-	-	376,858
UNEARNED REVENUE	608,696	1,005,208	-	1,613,904
CLAIMS LIABILITY	441,760	1,398,766	-	1,840,526
CUSTOMER DEPOSITS	9,950	50,557	-	60,507
<b>LONG-TERM LIABILITIES</b>				
DUE WITHIN ONE YEAR	4,994,299	41,063	-	5,035,362
DUE IN MORE THAN ONE YEAR	90,647,063	202,496	-	90,849,559
<b>TOTAL LIABILITIES</b>	<b>105,832,957</b>	<b>3,671,725</b>	<b>-</b>	<b>109,504,682</b>
<b>NET ASSETS</b>				
INVESTED IN CAPITAL ASSETS, net of related debt	49,581,705	87,708,682	(63,373,806)	73,916,581
<b>RESTRICTED FOR:</b>				
DEBT SERVICE	285,346	-	-	285,346
CAPITAL PROJECTS	5,655,110	-	-	5,655,110
UNRESTRICTED	(49,275,540)	(4,764,038)	63,373,806	9,334,228
<b>TOTAL NET ASSETS</b>	<b>6,246,621</b>	<b>82,944,644</b>	<b>-</b>	<b>89,191,265</b>

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

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

**JEFFERSON COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		TOTAL
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
<b>PRIMARY GOVERNMENT</b>							
GOVERNMENTAL ACTIVITIES:							
GENERAL GOVERNMENT	\$ 14,089,777	\$ 3,643,656	\$ 2,044	\$ 1,827,856	\$ (8,616,221)	\$ -	\$ (8,616,221)
JUDICIAL AND LAW ENFORCEMENT	53,370,635	10,283,910	6,228,291	78,051	(36,780,383)	-	(36,780,383)
EDUCATION AND RECREATION	584,989	153,760	2,920	-	(428,309)	-	(428,309)
HEALTH AND WELFARE	7,080,846	88,359	322,657	998,378	(5,671,452)	-	(5,671,452)
MAINTENANCE - EQUIPMENT AND STRUCTURES	11,711,754	5,293,623	336,376	388,343	(5,693,412)	-	(5,693,412)
CONTRACT SERVICES	2,594,428	-	2,519,280	-	(75,148)	-	(75,148)
INTEREST AND CHARGES ON LONG-TERM DEBT	4,251,603	-	-	-	(4,251,603)	-	(4,251,603)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>93,684,032</b>	<b>19,463,308</b>	<b>9,411,568</b>	<b>3,292,628</b>	<b>(61,516,528)</b>	<b>-</b>	<b>(61,516,528)</b>
BUSINESS-TYPE ACTIVITIES:							
AIRPORT	3,573,304	2,423,738	122,586	430,012	-	(596,968)	(596,968)
ENTERTAINMENT COMPLEX	7,195,328	3,485,933	125,146	46,666	-	(3,537,583)	(3,537,583)
HEALTH INSURANCE RISK POOL	9,995,778	9,263,491	-	-	-	(732,287)	(732,287)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>20,764,410</b>	<b>15,173,162</b>	<b>247,732</b>	<b>476,678</b>	<b>-</b>	<b>(4,866,838)</b>	<b>(4,866,838)</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 114,448,442</b>	<b>\$ 34,636,470</b>	<b>\$ 9,659,300</b>	<b>\$ 3,769,306</b>	<b>\$ (61,516,528)</b>	<b>\$ (4,866,838)</b>	<b>\$ (66,383,366)</b>
GENERAL REVENUES							
TAXES:							
PROPERTY TAXES LEVIED FOR GENERAL PURPOSES					50,578,977	-	50,578,977
PROPERTY TAXES LEVIED FOR DEBT SERVICE					6,956,253	-	6,956,253
SALES TAXES					15,885,024	-	15,885,024
UNRESTRICTED INVESTMENT EARNINGS					1,174,286	8,673	1,182,959
MISCELLANEOUS					6,406	-	6,406
TRANSFERS					(4,586,185)	4,586,185	-
<b>TOTAL GENERAL REVENUE AND TRANSFERS</b>					<b>70,014,761</b>	<b>4,594,858</b>	<b>74,609,619</b>
CHANGE IN NET ASSETS					8,498,233	(271,980)	8,226,253
NET ASSETS - BEGINNING					(2,251,612)	83,357,519	81,105,907
PRIOR PERIOD ADJUSTMENT					-	(140,895)	(140,895)
NET ASSETS - BEGINNING, Restated					<u>(2,251,612)</u>	<u>83,216,624</u>	<u>80,965,012</u>
NET ASSETS - ENDING					<u>\$ 6,246,621</u>	<u>\$ 82,944,644</u>	<u>\$ 89,191,265</u>

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

**JEFFERSON COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2005**

	GENERAL	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>			
CASH AND CASH EQUIVALENTS	\$ 2,457,234	15,098,718	17,555,952
INVESTMENTS	7,830,723	-	7,830,723
ACCOUNTS RECEIVABLE, Net	137,486	24,253	161,739
DELINQUENT TAXES RECEIVABLE, Net	2,538,204	357,952	2,896,156
PENALTY AND INTEREST RECEIVABLE, Net	1,386,603	195,546	1,582,149
INTEREST RECEIVABLE	88,136	79,895	168,031
DUE FROM OTHER FUNDS	913,976	176,158	1,090,134
DUE FROM OTHER GOVERNMENTAL ENTITIES	3,018,218	2,523,942	5,542,160
ADVANCES TO OTHER FUNDS	2,905,971	-	2,905,971
INVENTORIES, At Cost	637,948	-	637,948
PREPAID ITEM	116,650	3,386	120,036
<b>TOTAL ASSETS</b>	<b>\$ 22,031,149</b>	<b>18,459,850</b>	<b>40,490,999</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
ACCOUNTS PAYABLE	\$ 5,070,149	2,976,439	8,046,588
DUE TO OTHER FUNDS	-	868,342	868,342
DUE TO OTHER GOVERNMENTAL ENTITIES	360	376,498	376,858
DEFERRED REVENUE	3,747,963	1,004,129	4,752,092
CUSTOMER DEPOSITS	9,950	-	9,950
COMPENSATED ABSENCES PAYABLE	68,245	-	68,245
<b>TOTAL LIABILITIES</b>	<b>8,896,667</b>	<b>5,225,408</b>	<b>14,122,075</b>
<b>FUND BALANCES:</b>			
RESERVED FOR INVENTORIES	637,948	-	637,948
RESERVED FOR PREPAID ITEMS	116,650	3,386	120,036
RESERVED FOR DEBT SERVICE	-	285,346	285,346
RESERVED FOR CAPITAL PROJECTS	-	5,655,110	5,655,110
RESERVED FOR ADVANCES	2,905,971	-	2,905,971
UNRESERVED FOR CAPITAL PROJECTS	-	(62,120)	(62,120)
UNRESERVED FOR DEBT SERVICE	-	257,097	257,097
UNRESERVED FOR SPECIAL REVENUES	-	7,095,623	7,095,623
UNRESERVED	9,473,913	-	9,473,913
<b>TOTAL FUND BALANCES</b>	<b>13,134,482</b>	<b>13,234,442</b>	<b>26,368,924</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 22,031,149</b>	<b>18,459,850</b>	<b>40,490,999</b>

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

**JEFFERSON COUNTY, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2005**

Total fund balances for governmental funds \$ 26,368,924

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

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

Land	\$ 4,696,008	
Construction in progress	3,616,293	
Infrastructure, net of \$29,983,161 accumulated depreciation	16,630,704	
Buildings, net of \$50,556,027 accumulated depreciation	34,607,380	
Equipment, net of \$11,188,915 accumulated depreciation	<u>9,439,820</u>	
Total capital assets		68,990,205

Long-term assets are not recognized in the current period and accordingly are not reported as fund assets. Balances as of September 30, 2005 were:

Deferred Charges	<u>160,141</u>	
		160,141

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

Balance as of September 30, 2005 were:

Accrued interest on bonds and loans	\$ (707,743)	
Bonds payable	(83,430,000)	
Notes payable	(2,956,576)	
Capital leases	(184,905)	
Compensated absences	(9,186,807)	
Gain/Loss on Refunding Bonds	171,559	
Premium/Discounts on Bonds	<u>13,612</u>	
		(96,280,860)

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

440,357

Some of the County's receivables are classified as long-term and therefore are not reported in the funds.

2,424,458

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

4,143,396

Total net assets of governmental activities:

\$ 6,246,621

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

**JEFFERSON COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	GENERAL	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>			
PROPERTY TAXES	\$ 50,249,372	7,094,283	57,343,655
SALES TAXES	15,175,083	709,941	15,885,024
FEES	8,277,876	3,780,353	12,058,229
LICENSES	404,647	-	404,647
INTERGOVERNMENTAL	1,136,563	9,848,113	10,984,676
SALES, RENTAL & SERVICES	4,313,279	1,093,721	5,407,000
FINES AND FORFEITURES	2,047,997	849,427	2,897,424
INTEREST	580,219	543,693	1,123,912
MISCELLANEOUS	8,256	-	8,256
CONTRIBUTIONS AND DONATIONS	-	26,300	26,300
<b>TOTAL REVENUES</b>	<u>82,193,292</u>	<u>23,945,831</u>	<u>106,139,123</u>
<b>EXPENDITURES:</b>			
CURRENT			
GENERAL GOVERNMENT	13,474,229	376,853	13,851,082
JUDICIAL AND LAW ENFORCEMENT	42,063,798	10,651,047	52,714,845
EDUCATION AND RECREATION	480,685	101,952	582,637
HEALTH AND WELFARE	6,853,582	157,907	7,011,489
MAINTENANCE OF STRUCTURES AND EQUIPMENT	9,350,893	39,369	9,390,262
CONTRACT SERVICES	-	2,927,177	2,927,177
CAPITAL OUTLAY	-	4,831,430	4,831,430
DEBT SERVICE			
PRINCIPAL	-	3,335,000	3,335,000
INTEREST AND COMMISSION	-	4,057,373	4,057,373
BOND ISSUANCE COST	-	63,508	63,508
<b>TOTAL EXPENDITURES</b>	<u>72,223,187</u>	<u>26,541,616</u>	<u>98,764,803</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>9,970,105</u>	<u>(2,595,785)</u>	<u>7,374,320</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
TRANSFERS IN	3,236	732,634	735,870
TRANSFERS OUT	(2,667,118)	(508,476)	(3,175,594)
ISSUANCE OF DEBT	-	3,000,000	3,000,000
PREMIUM ON DEBT ISSUED	-	490	490
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,663,882)</u>	<u>3,224,648</u>	<u>560,766</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>7,306,223</u>	<u>628,863</u>	<u>7,935,086</u>
<b>FUND BALANCES, BEGINNING</b>	5,144,122	12,605,579	17,749,701
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>684,137</u>	<u>-</u>	<u>684,137</u>
<b>FUND BALANCE, BEGINNING (Restated)</b>	<u>5,828,259</u>	<u>12,605,579</u>	<u>18,433,838</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 13,134,482</u>	<u>13,234,442</u>	<u>26,368,924</u>

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

**JEFFERSON COUNTY, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**SEPTEMBER 30, 2005**

Net change in fund balances - total governmental funds \$ 7,935,086

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures exceeded depreciation in the current period. 2,591,712

Capital asset donations to Business type activities (1,621,461)

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

Debt issued:			
Loans		(3,000,000)	
Repayments:			
To paying agent for bond principal		3,335,000	
Principal on Notes Payable		78,392	
Capital Lease principal		298,532	
Net adjustment		711,924	711,924

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather as is accrues. The adjustment combines the net changes of 6 balances.

Compensated absences	\$ (219,269)	
Amortization of bond premium	1,358	
Amortization of bond discount	(1,576)	
Amortization of advanced refunding difference	(37,431)	
Accrued interest on debt	(25,679)	
Amortization of deferred charges	41,908	
Combined adjustment	(240,689)	(240,689)

Internal service funds are used by the County. The net expense of the internal service funds are reported with governmental activities. (980,451)

Some of the County's receivables are classified as long-term and therefore the net of revenue and bad debt expense associated with these receivables are not reported in the funds. (89,463)

Because some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenue and are deferred in the governmental funds. Deferred revenues decreased by this amount in the current period. 191,575

Total change in net assets of governmental activities \$ 8,498,233

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

**JEFFERSON COUNTY, TEXAS  
STATEMENT OF NET ASSETS -  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2005**

	ENTERPRISE FUNDS					
	SOUTHEAST TEXAS REGIONAL AIRPORT	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFIT POOL FUND	FORD PARK	TOTAL	INTERNAL SERVICE FUNDS	
	<b>ASSETS:</b>					
	<b>CURRENT ASSETS:</b>					
CASH AND CASH EQUIVALENTS	\$ -	-	598,804	598,804	852,729	
ACCOUNTS RECEIVABLE, Net	103,920	225,558	351,878	681,356	2,185	
INTEREST RECEIVABLE	-	-	25	25	9,921	
DUE FROM OTHER FUNDS	-	-	-	-	7,282	
DUE FROM OTHER GOVERNMENTAL ENTITIES	402,945	156,597	125,146	684,688	-	
PREPAID ITEMS	397	-	-	397	-	
INVENTORY, At Cost	59,869	-	17,593	77,462	-	
DEPOSITS	-	-	-	-	10,000	
<b>TOTAL CURRENT ASSETS</b>	<b>567,131</b>	<b>382,155</b>	<b>1,093,446</b>	<b>2,042,732</b>	<b>882,117</b>	
<b>NONCURRENT ASSETS:</b>						
<b>CAPITAL ASSETS:</b>						
LAND	3,024,815	-	2,129,785	5,154,600	-	
CONSTRUCTION IN PROGRESS	2,237,449	-	1,251,202	3,488,651	-	
OTHER CAPITAL ASSETS, NET OF DEPRECIATION	13,152,695	-	65,912,736	79,065,431	-	
<b>TOTAL NONCURRENT ASSETS</b>	<b>18,414,959</b>	<b>-</b>	<b>69,293,723</b>	<b>87,708,682</b>	<b>-</b>	
<b>TOTAL ASSETS</b>	<b>\$ 18,982,090</b>	<b>382,155</b>	<b>70,387,169</b>	<b>89,751,414</b>	<b>882,117</b>	
<b>LIABILITIES:</b>						
<b>CURRENT LIABILITIES:</b>						
ACCOUNTS PAYABLE	\$ 481,814	-	491,821	973,635	-	
CLAIMS LIABILITY	-	1,398,766	-	1,398,766	441,760	
DUE TO OTHER FUNDS	-	229,074	-	229,074	-	
CURRENT PORTION - COMPENSATED ABSENCES	10,813	-	30,250	41,063	-	
DEFERRED REVENUE	3,173	-	1,002,035	1,005,208	-	
CUSTOMER DEPOSITS	50,557	-	-	50,557	-	
<b>TOTAL CURRENT LIABILITIES</b>	<b>546,357</b>	<b>1,627,840</b>	<b>1,524,106</b>	<b>3,698,303</b>	<b>441,760</b>	
<b>NONCURRENT LIABILITIES</b>						
ADVANCES FROM OTHER FUNDS	1,248,904	-	1,657,067	2,905,971	-	
NONCURRENT PORTION - COMPENSATED ABSENCES	202,496	-	-	202,496	-	
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>1,451,400</b>	<b>-</b>	<b>1,657,067</b>	<b>3,108,467</b>	<b>-</b>	
<b>TOTAL LIABILITIES</b>	<b>1,997,757</b>	<b>1,627,840</b>	<b>3,181,173</b>	<b>6,806,770</b>	<b>441,760</b>	
<b>NET ASSETS:</b>						
INVESTED IN CAPITAL ASSETS	18,414,959	-	69,293,723	87,708,682	-	
UNRESTRICTED	(1,430,626)	(1,245,685)	(2,087,727)	(4,764,038)	440,357	
<b>TOTAL NET ASSETS</b>	<b>\$ 16,984,333</b>	<b>(1,245,685)</b>	<b>67,205,996</b>	<b>82,944,644</b>	<b>440,357</b>	

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

**JEFFERSON COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET ASSETS -**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	ENTERPRISE FUNDS				
	SOUTHEAST TEXAS REGIONAL AIRPORT	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFIT POOL FUND	FORD PARK	TOTAL	
	<b>OPERATING REVENUES:</b>				
	CHARGES FOR SERVICES	\$ 2,423,738	7,835,700	3,467,617	13,727,055
EMPLOYEE CONTRIBUTIONS	-	1,000,859	-	1,000,859	
<b>TOTAL OPERATING REVENUES</b>	<u>2,423,738</u>	<u>8,836,559</u>	<u>3,467,617</u>	<u>14,727,914</u>	
<b>OPERATING EXPENSES:</b>					
SALARIES & BENEFITS	1,313,793	-	1,188,944	2,502,737	
MATERIALS AND SUPPLIES	51,495	-	32,985	84,480	
MAINTENANCE AND REPAIRS	86,023	-	209,478	295,501	
UTILITIES	241,673	-	1,010,383	1,252,056	
COST OF GOODS SOLD	846,589	-	1,943,467	2,790,056	
MISCELLANEOUS	260,208	-	244	260,452	
ADMINISTRATIVE	-	801,142	567,722	1,368,864	
INCURRED & ESTIMATED CLAIMS	-	9,194,636	-	9,194,636	
DEPRECIATION	785,370	-	2,242,105	3,027,475	
<b>TOTAL OPERATING EXPENSES</b>	<u>3,585,151</u>	<u>9,995,778</u>	<u>7,195,328</u>	<u>20,776,257</u>	
<b>OPERATING INCOME (LOSS)</b>	<u>(1,161,413)</u>	<u>(1,159,219)</u>	<u>(3,727,711)</u>	<u>(6,048,343)</u>	
<b>NONOPERATING REVENUES</b>					
INTERGOVERNMENTAL	552,598	-	125,146	677,744	
INTEREST REVENUE	8,016	-	657	8,673	
GAIN ON SALE OF CAPITAL ASSETS	11,847	-	-	11,847	
REFUNDS AND RECOVERIES	-	426,932	18,316	445,248	
<b>TOTAL NONOPERATING REVENUES</b>	<u>572,461</u>	<u>426,932</u>	<u>144,119</u>	<u>1,143,512</u>	
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(588,952)</u>	<u>(732,287)</u>	<u>(3,583,592)</u>	<u>(4,904,831)</u>	
CAPITAL CONTRIBUTIONS	30,645	-	1,637,482	1,668,127	
TRANSFER IN	700,000	525,000	1,739,724	2,964,724	
TRANSFERS OUT	-	-	-	-	
<b>CHANGE IN NET ASSETS</b>	<u>141,693</u>	<u>(207,287)</u>	<u>(206,386)</u>	<u>(271,980)</u>	
<b>NET ASSETS (DEFICIT), BEGINNING</b>	<u>16,842,640</u>	<u>(1,038,398)</u>	<u>67,553,277</u>	<u>83,357,519</u>	
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>(140,895)</u>	<u>(140,895)</u>	
<b>NET ASSETS (DEFICIT), BEGINNING - Restated</b>	<u>16,842,640</u>	<u>(1,038,398)</u>	<u>67,412,382</u>	<u>83,216,624</u>	
<b>NET ASSETS, ENDING</b>	<u>\$ 16,984,333</u>	<u>(1,245,685)</u>	<u>67,205,996</u>	<u>82,944,644</u>	

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

INTERNAL  
SERVICE  
FUNDS

714,798  
25,910  
740,708

-  
-  
-  
-  
-  
-  
1,333,670  
-

1,333,670  
(592,962)

-  
50,374  
-  
87,137  
137,511

(455,451)

-  
113,286  
(638,286)

(980,451)

1,420,808  
-  
1,420,808

440,357

**JEFFERSON COUNTY, TEXAS**  
**STATEMENT OF CASH FLOWS -**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	SOUTHEAST TEXAS REGIONAL AIRPORT	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFIT POOL FUND	FORD PARK	TOTAL	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
RECEIPTS FROM CUSTOMERS AND USERS	\$ 2,460,690	7,687,607	2,899,215	13,047,512	-
RECEIPTS FROM EMPLOYEES	-	1,000,859	-	1,000,859	26,815
PAYMENTS TO SUPPLIERS	(1,381,747)	(801,142)	(3,956,781)	(6,139,670)	-
PAYMENTS TO EMPLOYEES	(1,323,791)	-	(1,142,241)	(2,466,032)	-
INTERNAL ACTIVITY-RECEIPTS(PAYMENT) FROM (TO) OTHER FUNDS	(552,332)	154,333	-	(397,999)	715,409
CLAIMS PAID	-	(8,777,467)	-	(8,777,467)	(1,164,312)
OTHER RECEIPTS/(PAYMENTS)	129,821	210,810	-	340,631	77,702
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(667,359)</b>	<b>(525,000)</b>	<b>(2,199,807)</b>	<b>(3,392,166)</b>	<b>(344,386)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
TRANSFERS (TO) FROM OTHER FUNDS	700,000	525,000	1,739,724	2,964,724	(525,000)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>700,000</b>	<b>525,000</b>	<b>1,739,724</b>	<b>2,964,724</b>	<b>(525,000)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
CAPITAL GRANTS FROM FEDERAL ENTITIES	399,533	-	-	399,533	-
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(452,553)	-	(9,777)	(462,330)	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	11,847	-	-	11,847	-
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<b>(41,173)</b>	<b>-</b>	<b>(9,777)</b>	<b>(50,950)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES:</b>					
RECEIPTS OF INTEREST	8,532	-	1,061	9,593	43,321
<b>NET CASH PROVIDED BY INVESTMENT ACTIVITIES</b>	<b>8,532</b>	<b>-</b>	<b>1,061</b>	<b>9,593</b>	<b>43,321</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - BEGINNING - Restated</b>	<b>-</b>	<b>-</b>	<b>(468,799)</b>	<b>(468,799)</b>	<b>(826,065)</b>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>\$ -</b>	<b>-</b>	<b>598,804</b>	<b>598,804</b>	<b>852,729</b>
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES:</b>					
OPERATING INCOME(LOSS)	\$ (1,161,413)	(1,159,219)	(3,727,711)	(6,048,343)	(592,962)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
DEPRECIATION	785,370	-	2,242,105	3,027,475	-
OTHER NON-OPERATING REVENUES (EXPENSES)	122,586	426,932	143,462	692,980	87,137
CHANGES IN ASSETS AND LIABILITIES:					
ACCOUNTS RECEIVABLE	41,556	(216,122)	(172,737)	(347,303)	(1,248)
DUE FROM OTHER GOVERNMENTAL ENTITIES	7,235	(148,093)	(125,146)	(266,004)	611
DUE FROM OTHER FUNDS	-	-	-	-	(7,282)
PREPAID ITEMS	-	-	-	-	-
INVENTORY	(5,392)	-	21,779	16,387	-
CUSTOMER DEPOSITS	(2,466)	-	(5,800)	(8,266)	-
ACCOUNTS PAYABLE	109,633	-	(180,426)	(70,793)	-
CLAIMS LIABILITY	-	417,169	-	417,169	169,358
DUE TO OTHER FUNDS	(552,332)	154,333	-	(397,999)	-
OTHER LIABILITIES	(12,136)	-	(395,333)	(407,469)	-
<b>NET CASH (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (667,359)</b>	<b>(525,000)</b>	<b>(2,199,807)</b>	<b>(3,392,166)</b>	<b>(344,386)</b>
<b>NON-CASH OPERATING, CAPITAL AND RELATED FINANCING, AND INVESTING ACTIVITIES</b>					
CAPITAL CONTRIBUTIONS	\$ 30,645	-	1,637,482	1,668,127	-

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

**JEFFERSON COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2005**

	<u><b>TOTALS</b></u>
<u><b>ASSETS</b></u>	
CASH AND INVESTMENTS	\$ 14,820,748
ACCOUNTS RECEIVABLE, Net	8,809
DUE FROM OTHER GOVERNMENTAL ENTITIES	370,387
INVENTORY	<u>48,206</u>
TOTAL ASSETS	\$ <u><u>15,248,150</u></u>
<u><b>LIABILITIES</b></u>	
ACCOUNTS PAYABLE	\$ 13,771,625
DUE TO OTHER GOVERNMENTAL ENTITIES	663,705
OTHER PAYABLES	<u>812,820</u>
TOTAL LIABILITIES	\$ <u><u>15,248,150</u></u>

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

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

**A. Reporting Entity**

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

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

As required by GAAP, the financial statements of the reporting entity include those of the County (the primary government) and its component units in conformity with GASB Statement No. 14, *The Financial Reporting Entity*, 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.

**Blended Component Units:**

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

**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.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

**B. Implementation of New Standards**

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

GASB Statement No. 40, *Deposits and Investment Risk Disclosures – an amendment of GASB 3* (“GASB 40”), modifies disclosures to limit required disclosures to:

- Deposits that are not covered by depository insurance and are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution’s trust department or agent but not in the depositor-government’s name.
- Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty’s trust department or agent but not in the government’s name.

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

Government-wide Statements

Government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is financially accountable.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Fines and forfeitures are recognized when they have been assessed and adjudicated and earned. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Statement of Activities demonstrates the degree to which the direct expenses of the County’s programs are offset by those programs’ revenues. Program revenues include; 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the program and; 2) grants and contributions that are restricted to meeting the operational and/or capital requirements of a particular program. Program revenues include those generated from General Government, Judicial and Law Enforcement, Education and Recreation,



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

Health and Welfare, Contract Services, and Maintenance of Equipment and Structures. Taxes and other items not included among program revenues are reported instead as general revenues. In miscellaneous general revenues are non-program specific contributions.

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

**Fund-level Statements**

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

All proprietary funds, including the enterprise funds and internal service funds, and fiduciary funds, including agency funds, are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses. These funds are accounted for using a cost of service or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or non-current) associated with their activity are included in the funds' balance sheets. The Agency funds are custodial in nature and involve no measurement of results of operations.

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

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

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

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

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

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

**Southeast Texas Government Employee Benefit Pool** – used to account for the County's Public Entity Risk Pool, which provides group health insurance programs for member governments including comprehensive major medical and dental care. The Pool is financed primarily through premiums from members.

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

Additionally, the County reports the following fund types:

**Internal Service Funds** – used to account for the financing of goods and services provided by one department or agency of the County to other County departments or agencies on a cost reimbursement basis. The County reports three internal service fund: 1) Life & Retirees' Health Insurance – to account for the County's life insurance benefit and for the Medicare supplement insurance for retirees over 65, 2) Liability Insurance – to account for the County's contribution and payment for liability claims, 3) Workers' Compensation – to account for County's contribution and payment for workers' compensation claims.

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

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

The County applies all GASB pronouncements as well as the Financial Accounting Standards Board ('FASB') pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, to proprietary funds, under the provision of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing goods in connection with the proprietary fund's principal operations. The principal operating revenues of the Southeast Texas Regional Airport and Ford Park are user fees. Operating revenues of the Southeast Texas Government Employee Benefit Pool are comprised of premiums from members. Operating revenues in the Internal Service Funds consist primarily of charges to the various County departments.

Operating expenses in the enterprise and internal service funds include the cost of sales and services, administrative expenses, incurred and estimated claims, salaries & benefits, materials and supplies, maintenance and repairs, utilities, miscellaneous, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

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

**D. Budgets**

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

- Department annual budget requests are submitted by the Department or Agency Head to the County Budget office during the third quarter of the fiscal year for the upcoming fiscal year to begin October 1.
- The County Budget office prepares an estimate of available resources for the upcoming fiscal year.
- The County Budget office prepares the proposed annual operating budget to be presented to the Commissioners' Court for their consideration. The budget represents the financial plan for the new fiscal year.
- Public hearings are held on the proposed budget.
- The Commissioners' Court must adopt an annual operating budget by a majority vote of the Commissioners' Court before October 1. The adopted budget must be balanced; that is, available resources must be sufficient to support annual appropriations.
- The department is the legal level of budgetary control. Commissioners' Court approval is necessary to transfer appropriations between departments. Transfers may not increase the total budget.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

- The Commissioners' Court may approve expenditures as an amendment to the budget in an emergency situation that could not have been foreseen at the time the original budget was approved.
- Annual budgets are legally adopted for the General Fund and Debt Service Funds. Budgets for Grant Funds are established pursuant to grant awards and budgets for Capital Projects are established on a project basis.
- Appropriations lapse at year-end for all budgeted funds.
- Budgets are prepared on a basis consistent with GAAP.

**E. Deposits and Investments**

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

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

Investments for the County are stated at fair value.

**F. Encumbrances**

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

**G. Receivables and Payables**

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2004 and past due after January 31, 2005. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

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

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

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

**H. Interfund Transactions**

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

**I. Inventories and Prepaid Items**

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

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

**J. Deferred Charges on Bonds Payable**

Deferred charges consist on issuance cost of the bonds. Such costs are amortized on a straight-line basis over the term of the bonds.

**K. Capital Assets and Infrastructure**

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

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

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

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

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

**L. Compensated Absences**

Accumulated compensatory leave, vacation and sick leave that are expected to be liquidated with expendable available financial resources are reported as expenditures in the respective governmental funds. Accumulated compensated absences that are not expected to be liquidated with expendable available resources are reported as long-term liabilities in the governmental activities column of the government-wide Statement of Net Assets. The majority of these have typically been liquidated from the General Fund in previous years. Accumulated compensated absences of Proprietary funds are recorded as an expense and liability in the respective fund and the business-type activities column of the government-wide Statement of Activities as the benefit accrues for the employee.

Employees are allowed to accrue 13 days of sick leave per year. Sick leave benefits are recognized as expenditures as they are used by the employees. Employees may accumulate up to 1,440 hours of sick leave. For employees with 8 years of service and hired prior to October 1, 2002, unused sick leave benefits are paid at 50% at termination. For employees with 8 years of service and hired after October 1, 2003, unused sick leave benefits are paid at 10% at termination.

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

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

**M. Long-Term Obligations**

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

**N. Net Assets and Fund Balances**

Net Assets Classifications

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

Reservations, Designations, and Restrictions

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. These specific purposes include: capital projects, debt service, inventories, prepaids, and advances. Designations of fund balance represent tentative management plans that are subject to change.

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

**O. Statement of Cash Flows**

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

**P. Use of Estimates**

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

**Note 2 - Deposits and Investments**

The County had the following investments as of September 30, 2005:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
U.S. Agency Securities	\$7,830,723	24



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

Interest Rate Risk – Fair value fluctuates with interest rates and increasing rates may cause fair value to decline below cost. In compliance with the County’s Investment Policy, the County minimized interest rate risk by limiting the weighted average maturity of the portfolio to 365 days with a stated final maturity date not to exceed 3 years from the date of purchase. In addition, the portfolio is structured so that securities mature to meet cash flow requirements, thereby avoiding the need to sell securities prior to maturity and below the original cost.

Credit Risk – In compliance with the County’s investment policy, as of September 30, 2005, all of the County’s purchased investments in U.S. Agency Securities were rated AAA and Aa2 by Standard & Poor’s and Moody’s respectively.

Concentration Risk – The County’s investment policy is to diversify its portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of investment. As of September 30, 2005, the County had two investments that were both with Federal National Mortgage Association (FNMA).

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County’s investment policy is to have all checking accounts and certificates of deposits placed at the County Depository Bank under a depository contract. The \$30,190,104 bank balance was covered by federal depository insurance or collateralized with securities held by the Federal Reserve Bank of Boston. Ford Park (enterprise fund) had three bank accounts not with the depository bank with a bank balance of \$481,579 which left \$381,579 exposed to custodial credit risk because only \$100,000 was covered by the federal depository insurance.

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

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

Beaumont Independent School District, City of Beaumont, City of Groves, City of Nederland, City of Port Neches, City of Bevil Oaks and the Emergency Service District #1. Collections of these taxes and remittance of them to the various districts are accounted for in the Tax Assessor - Collector Agency Fund. The County is permitted by the State Constitution to levy taxes up to \$.80 per \$100 of assessed valuation for general government services and the payment of principal and interest on Long-Term Debt. In addition to its taxes subject to the \$.80 tax limitation, the County’s voters have authorized the levy of a special tax of \$.15 per \$100 assessed valuation solely for road maintenance



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2005

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

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, 2005, the combined tax rate to finance general government services and the payment of principal and interest on long-term debt was \$.425.

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 receivables, and penalty and interest receivables represent the past thirty years of uncollected tax levies. The allowance for uncollectible was set at thirty percent of the gross tax receivable and fifty percent on penalty and interest as of September 30, 2005. The allowance has been recorded for property taxes and Penalty and Interest, which are estimated to be uncollectible as required by generally accepted accounting.

Property tax receivables of \$2,896,156 as of September 30, 2005 are reported net of an allowance for uncollectible taxes of \$1,241,210.

Penalty and Interest receivables of \$1,582,149 as of September 30, 2005 are reported net of an allowance for uncollectible accounts of \$1,582,149.

Receivables as of September 30, 2005 consist of the following:

	General	Non Major Funds	Southeast Texas Regional Airport	Southeast Texas Government Employee Benefit Pool Fund	Ford Park	Internal Service Funds	Agency Funds	Total
Receivables:								
Accounts	28,123	392,962	121,210	225,558	351,878	2,185	8,809	1,130,725
Employee	109,363	23,076	2,710	-	-	-	-	135,149
Taxes	3,626,006	511,360	-	-	-	-	-	4,137,366
Penalty & Interest	2,773,206	391,092	-	-	-	-	-	3,164,298
Intergovernmental Fines & Court Cost	3,018,218 4,411,030	2,523,942 -	402,945 -	156,597 -	125,146 -	- -	370,387 -	6,597,235 4,411,030
Gross Receivables	13,965,946	3,842,432	526,865	382,155	477,024	2,185	379,196	19,575,803
Less: Allowance for Uncollectibles	4,460,977	740,739	20,000	-	-	-	-	5,221,716
Net total receivables	9,504,969	3,101,693	506,865	382,155	477,024	2,185	379,196	14,354,087



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

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

As of September, 30, 2005, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent Property Taxes Receivable (General Fund)	\$ 3,631,292	\$ -
Delinquent Property Taxes Receivable (Debt Service Funds)	512,104	-
Advanced Funding	<u>-</u>	<u>608,696</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 4,143,396</u>	<u>\$ 608,696</u>

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

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

The composition of interfund balances as of September 30, 2005, is as follows:



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2005

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

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 684,902
	Southeast Texas Government Employee Benefits Pool Fund	229,074
Nonmajor governmental funds	Nonmajor governmental funds	176,158
Internal Service Funds	Nonmajor governmental funds	<u>7,282</u>
	Total	<u><u>\$1,097,416</u></u>

Advances from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Southeast Texas Regional Airport	\$1,248,904
	Ford Park	<u>1,657,067</u>
	Total	<u><u>\$2,905,971</u></u>

Advances were made to Ford Park to cover excess expenses over revenues due to start up of operations of the multi facility complex. Advances were made to the Southeast Texas Regional Airport for capital purchases that should be repaid by federal grants and Passenger Facility Charges.

The following is a summary of the County's transfers for the year ended September 30, 2005:

	<u>Transfers Out:</u>			
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Internal Service Funds</u>	<u>Total</u>
<b>Transfers In:</b>				
General	\$ -	\$ 3,236	\$ -	\$ 3,236
Nonmajor Funds	227,394	505,240	-	732,634
Southeast Texas Regional Airport	700,000	-	-	700,000
Southeast Texas Governmental Employee Benefit Pool	-	-	525,000	525,000
Ford Park	1,739,724	-	-	1,739,724
Internal Service	<u>-</u>	<u>-</u>	<u>113,286</u>	<u>113,286</u>
	<u>\$ 2,667,118</u>	<u>\$ 508,476</u>	<u>\$ 638,286</u>	<u>\$ 3,813,880</u>

The transfer from the General fund to the Southeast Texas Regional Airport was to subsidize operations at the airport. All of the transfers to Ford Park were to subsidize operations of the complex. The two transfers from the internal service fund were to close the Life and Retirees Health Insurance fund. All other transfers are routine in nature.



**JEFFERSON COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2005**

**Note 5 – Capital Assets**

Capital asset activity for the year ended September 30, 2005 was as follows:

	Balance October 1, 2004	Additions	Deletions	Transfer	Balance September 30, 2005
Governmental Activities:					
Land	\$ 4,696,008	\$ -	\$ -	\$ -	\$ 4,696,008
Construction work in progress	6,222,411	2,640,088	-	(5,246,206)	3,616,293
Total capital assets not depreciated	10,918,419	2,640,088	-	(5,246,206)	8,312,301
Infrastructure	45,539,973	1,073,892	-	-	46,613,865
Buildings & Improvements	84,913,779	375,117	(125,489)	-	85,163,407
Equipment	15,971,674	6,030,261	(1,373,200)	-	20,628,735
Total capital assets depreciated	146,425,426	7,479,270	(1,498,689)	-	152,406,007
Less accumulated depreciation for:					
Infrastructure	(28,851,168)	(1,131,993)	-	-	(29,983,161)
Buildings & Improvements	(49,430,148)	(1,163,045)	37,166	-	(50,556,027)
Equipment	(11,042,575)	(1,407,527)	1,261,187	-	(11,188,915)
Total accumulated depreciation	(89,323,891)	(3,702,565)	1,298,353	-	(91,728,103)
Total capital assets depreciated, net	57,101,535	3,776,705	(200,336)	-	60,677,904
Governmental activities capital assets, net	\$ 68,019,954	\$ 6,416,793	\$ (200,336)	\$ (5,246,206)	\$ 68,990,205

	Balance October 1, 2004	Additions	Deletions	Transfer	Balance September 30, 2005
Business-type Activities					
Land	\$ 5,154,600	\$ -	\$ -	\$ -	\$ 5,154,600
Construction work in progress	5,168,849	1,618,650	(73,719)	(3,225,129)	3,488,651
Total capital assets not depreciated	10,323,449	1,618,650	(73,719)	(3,225,129)	8,643,251
Buildings & Improvements	95,601,577	3,428,711	-	-	99,030,288
Equipment	10,420,202	335,279	(9,775)	-	10,745,706
Total capital assets depreciated	106,021,779	3,763,990	(9,775)	-	109,775,994
Less accumulated depreciation for:					
Buildings & Improvements	(25,205,983)	(2,415,310)	-	-	(27,621,293)
Equipment	(2,486,876)	(612,169)	9,775	-	(3,089,270)
Total accumulated depreciation	(27,692,859)	(3,027,479)	9,775	-	(30,710,563)
Total capital assets depreciated, net	78,328,920	736,511	-	-	79,065,431
Business-type activities capital assets, net	\$ 88,652,369	\$ 2,355,161	\$ (73,719)	\$ (3,225,129)	\$ 87,708,682



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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**Note 5 – Capital Assets – continued**

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

**Governmental activities:**

General Government	\$ 144,717
Judicial & Law Enforcement	1,301,806
Health & Welfare	54,508
Maintenance - Equipment & Structures	<u>2,201,534</u>
Total depreciation expense - governmental activities	<u><u>\$3,702,565</u></u>

**Business-type activities:**

Southeast Texas Regional Airport	\$ 785,370
Ford Park	<u>2,242,105</u>
Total depreciation expense - business-type activities	<u><u>\$3,027,475</u></u>

**Note 6 - Operating Leases**

**County as Lessor**

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

The County's airport conducts a major part of its operations from leased facilities, which include office and parking lot spaces for car rental agencies, terminal space for a travel agency, 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 rental agencies and driving range are based on a minimum rental plus a percentage of sales. The rental payments under the leases for the advertising agency are based on a percentage of sales. The rental payments under the leases for the hanger spaces, travel agent, and restaurant 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 five leases for land located either in the Private Hangar Park or surrounding the Airport. These leases are classified as operating leases. The rental payments under the leases for the land are a fixed amount for a twenty-five or thirty year period. These leases are noncancellable.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

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 five-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, 2005:

Airport Terminal	\$ 2,719,863
Airport Private Hangar Park and Land	3,249,396
Postal Building	3,062,698
	<u>9,031,957</u>
Less: accumulated depreciation	<u>(2,162,144)</u>
	<u>\$ 6,869,813</u>

The following is a schedule by years of minimum future rentals on noncancellable operating leases as of September 30, 2005:

<u>Fiscal Year Ending September 30</u>	
2006	\$ 610,771
2007	611,909
2008	292,349
2009	132,569
2010	132,569
2011-2015	609,845
2016-2020	511,620
2021-2025	511,620
2026-2030	<u>397,761</u>
Total	<u>\$ 3,811,013</u>

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

Contingent rentals on Airport cancellable operating leases for the year ended September 30, 2005 are \$187,204.



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2005

**Note 7 - Long-Term Debt**

**General Obligation Bonds**

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental-type activities. The original amount of general obligation bonds issued in prior years was \$90,920,000. During the year, general obligation bonds totaling \$3,000,000 were issued to fund various vehicle and equipment purchases and renovations to County buildings.

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

\$1,505,000 2003 Certificates of Obligation due in annual installments from \$20,000 to \$280,000 through August 1, 2018; interest rates ranging from 2.0% to 4.35%.	\$1,465,000
\$11,550,000 2003 Refunding Bonds due in annual installments from \$1,535,000 to \$1,780,000 through August 1, 2010; interest rates ranging from 2.0% to 3.5%.	8,445,000
\$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%.	1,950,000
\$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%.	11,065,000
\$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%.	56,355,000
\$3,000,000 2005 Tax Anticipation Notes due in annual installments from \$445,000 to \$545,000 through August 1, 2011; interest rates ranging from 3.25% to 3.50%.	3,000,000
Total General Obligation Bonds	\$83,430,000

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

Fiscal Year Ended September 30	<u>Governmental Activities</u>		Total
	Principal	Interest	
2006	\$ 3,890,000	\$ 4,070,309	\$ 7,960,309
2007	4,045,000	3,921,363	7,966,363
2008	3,510,000	3,786,513	7,296,513
2009	3,660,000	3,662,188	7,322,188
2010	3,760,000	3,529,638	7,289,638
2011-2015	19,880,000	15,067,244	34,947,244
2016-2020	21,220,000	9,493,339	30,713,339
2021-2025	23,465,000	3,823,323	27,288,323
Total	\$ 83,430,000	\$ 47,353,917	\$ 130,783,917



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

There is currently \$542,443 available in the Debt Service Funds to service the general obligation bonds. The County has no authorized but unissued bonds at September 30, 2005.

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

**Notes Payable:**

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

<u>Fiscal Year Ended September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 307,589	\$ 87,473	\$ 395,062
2007	316,921	78,141	395,062
2008	326,537	68,526	395,063
2009	336,443	58,619	395,062
2010	346,651	48,411	395,062
2011-2014	<u>1,322,435</u>	<u>85,235</u>	<u>1,407,670</u>
Total	<u>\$ 2,956,576</u>	<u>\$ 426,405</u>	<u>\$ 3,382,981</u>

**Capital Lease Obligations:**

The county has entered into lease agreements for financing the acquisition of an Automatic Indexing System and computer equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The assets acquired through capital leases are recorded at \$337,391 for governmental funds. The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2005, were as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>
2006	\$ 91,654
2007	53,618
2008	<u>53,618</u>
Total minimum lease payments	198,890
Less: amount representing interest	<u>(13,985)</u>
Present value of minimum lease payments	<u>\$ 184,905</u>



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

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, 2005:

Type	Refunding Series	Date	Outstanding As of Refunding	Outstanding As of 9/30/05
General Obligation	2000	2002	\$53,850,000	\$53,850,000
General Obligation	1993	2003	11,355,000	8,485,000

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, 2005, there were four series of Jefferson County Housing Finance Corporation Bonds with an aggregate principal amount payable of \$17,032,816, and one series of Jefferson Health Facilities Development Bonds with an aggregate principal amount payable of \$109,895,000.

Arbitrage Rebate Liability

The Tax Reform Act of 1986 established regulations for the rebate to the federal government of arbitrage earnings on certain local government bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Issuing governments must calculate any rebate due and remit the amount due at least every five years. As of September 30, 2005, there are no estimated liabilities for arbitrage rebate on governmental debt. The Debt Service fund and the residual balance in the capital project fund have typically been used to liquidate the arbitrage liability in previous years.

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2005 was as follows:



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2005

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Governmental Activities:</b>					
Bonds Payable					
General obligation bonds	83,765,000	3,000,000	(3,335,000)	83,430,000	3,890,000
Less deferred amounts:				0	
Premiums	7,583	-	(1,358)	6,225	-
Discounts	(21,413)	-	1,576	(19,837)	-
Difference on refunding	(208,990)	-	37,431	(171,559)	-
Total bonds payable	83,542,180	3,000,000	(3,297,351)	83,244,829	3,890,000
Capital leases	263,297	-	(78,392)	184,905	91,654
Notes Payable	3,255,108	-	(298,532)	2,956,576	307,589
Claims and Judgements	272,402	1,333,670	(1,164,312)	441,760	441,760
Compensated Absences	9,009,503	864,771	(619,222)	9,255,052	705,056
Governmental Activities				96,083,122	
Long-term liabilities	96,342,490	5,198,441	(5,457,809)	96,083,122	5,436,059
<b>Business-type Activities:</b>					
Compensated Absences	240,709	39,726	(36,876)	243,559	41,063
Claims and Judgements	981,597	9,995,778	(9,578,609)	1,398,766	1,398,766
Business-type Activities					
Long-term liabilities	1,222,306	10,035,504	(9,615,485)	1,642,325	1,439,829

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

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

**Plan Description -**

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 559 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.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

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 the actuarially determined rate of 10.77% for the months of the accounting year in 2004, and 10.63% for the months of the accounting year in 2005.

The contribution rate payable by the employee members for the calendar year 2005 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, 2005, the annual pension cost for the TCDRS plan for its employees was \$4,866,377, and the actual contributions were \$4,866,377. 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, 2002 and December 31, 2003, the basis for determining the contribution rates for calendar years 2004 and 2005. The December 31, 2004 actuarial valuation is the most recent valuation.



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
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**Note 8 - Texas County and District Retirement System Pension Plan (continued)**

**ACTUARIAL VALUATION INFORMATION**

<u>Actuarial valuation date</u>	<u>12/31/02</u>	<u>12/31/03</u>	<u>12/31/04</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 <sup>1</sup>	8.0%	8.0%	8.0%
Projected salary increases <sup>1</sup>	5.5%	5.5%	5.5%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

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

**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
<u>09/30/2003</u>	<u>\$4,894,067</u>	<u>100%</u>	<u>\$--</u>
<u>09/30/2004</u>	<u>\$4,895,319</u>	<u>100%</u>	<u>\$--</u>
<u>09/30/2005</u>	<u>\$4,866,377</u>	<u>100%</u>	<u>\$--</u>



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2005

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

**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 <sup>2</sup> (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/02	\$108,433,555	\$135,799,382	\$27,365,827	79.85%	\$ 46,967,899	58.26%
12/31/03	\$116,833,336	\$142,942,931	\$26,109,594	81.73%	\$ 46,262,050	56.44%
12/31/04	\$127,250,559	\$153,290,096	\$26,039,537	83.01%	\$ 46,629,434	55.84%

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

**Note 9 - Post-Employment Health Care Benefits**

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

Retiree Benefits –

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

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

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



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
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**Note 9 - Post-Employment Health Care Benefits - continued**

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

Retiree Spouse Benefits

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

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

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

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

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

The costs are recognized as expenditures when the premiums are paid each month. In 2005 those costs totaled \$1,376,058 (net of participant contributions). At September 30, 2005, three hundred seventy-nine 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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 9 - Post-Employment Health Care Benefits - continued**

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.

**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, 2005.

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

The following funds had a deficit equity balances as of September 30, 2005:

<u>Governmental-type Activities</u>	
Bail Bond License Fund	\$19,574
Community Supervision	273,373
Surveillance Program	3,833
Community Corrections	2,682
FEMA Emergency	106,069
Auto Theft Grant	77
Sheriff Tobacco Grant	1,124
1957 Road Bond Fund	62,120
Total for Governmental-type Activities	<hr/> \$468,852 <hr/>



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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

<u>Business-type Activities</u>	
Southeast Texas Government Employee Benefit Pool Fund	<u>\$ 1,245,685</u>
Total for Business-type Activities	<u><u>\$ 1,245,685</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 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 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>2005</u>	<u>2004</u>
Liability for claims, beginning of fiscal year	\$8,092	\$8,517
Incurred claims and changes in estimates	731,483	706,422
Claim payments	<u>(730,122)</u>	<u>(706,847)</u>
Liability for claims, end of fiscal year	<u>\$9,453</u>	<u>\$8,092</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:



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2005

**Note 12 - Risk Management (continued)**

	2005	2004
Liability for claims, beginning of fiscal year	\$259,310	\$261,568
Incurred claims and changes in estimates	288,438	111,111
Claim payments	(191,556)	(113,369)
Liability for claims, end of fiscal year	\$356,192	\$259,310

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

	2005	2004
Liability for claims, beginning of fiscal year	\$5,000	\$10,600
Incurred claims and changes in estimates	314,749	514,715
Claim payments	(242,634)	(520,315)
Liability for claims, end of fiscal year	\$76,115	\$5,000

**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.

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



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2005

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

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, and Jefferson County Navigation District. The total number of members in the Pool is 1,158. 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, 2005, 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 exceeded these limits by \$46,768 during fiscal year 2005, \$309,891 during fiscal year 2004 and \$44,656 during fiscal year 2003.

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

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

	2005	2004
Liability for claims, beginning of fiscal year	\$981,597	\$1,691,870
Incurred claims and changes in estimates	9,995,778	9,710,612
Claim payments	(9,578,609)	(10,420,885)
Liability for claims, end of fiscal year	\$1,398,766	\$981,597

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

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

As of September 30, 2005, the County had the following commitments with respect to unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Energy Conservation	\$ 238,471	11/30/2005
Southeast Texas Entertainment Complex	978,209	01/01/2007
	\$ 1,216,680	



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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**Note 15 - Contingent Liabilities**

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

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

**Note 16 - Prior Period Adjustments**

In the financial statements for the year ended September 30, 2005, the following adjustments were made to beginning fund balance for the General Fund:

	<u>General Fund</u>
Beginning Fund Balance	\$ 5,144,122
Reduction in expenditures	<u>684,137</u>
Beginning Fund Balance, as Restated	<u>\$ 5,828,259</u>

The adjustment was made to correct liability for compensated absences for September 30, 2004 in the governmental fund statements. This prior period adjustment had no effect on the government-wide statements since the total compensated absences balance remained the same.

In the financial statements for the year ended September 30, 2005, the following adjustments were made to beginning net assets for business-type activities for Ford Park:

	<u>Ford Park</u>
Beginning Net Assets	\$ 67,553,277
Correction of errors	<u>(140,895)</u>
Beginning Fund Balance, as Restated	<u>\$ 67,412,382</u>

The adjustment was made to correct cash, account receivable, and deferred revenue balances for September 30, 2004.

**Note 17 - Restatements and Reclassifications**

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005

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**Note 18 – Natural Disasters**

On September 24, 2005, Hurricane Rita made landfall and hit the Gulf Coast area. The storm caused an estimated \$38,000,000 of damage to County facilities and infrastructure. The County has incurred additional expenditures totaling \$26,896,000 through February 2006. The costs incurred as of September 30, 2005 amounted to \$2,110,149. The County is working with the Federal Emergency Management Agency (FEMA) and the County insurance carrier to recover these costs. The qualified expenditures that were for debris collection and emergency protective measures before, during, and after the storm will be reimbursed at 100% less salvage value for any equipment purchased; therefore the County is expecting to receive \$2,025,589. The expenditures incurred after September 30, 2005 are also expected to be reimbursed at 100% if they were related to emergency protective measures and debris collection and were incurred on or before October 27, 2005. The costs related to permanent repair and restoration of facilities and infrastructure are reimbursed at 75% by FEMA less any amounts received from insurance carriers.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**JEFFERSON COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2005**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
TAXES:				
PROPERTY	\$ 49,814,244	49,814,244	50,249,372	435,128
SALES TAX	14,516,782	14,516,782	15,175,083	658,301
FEEES	8,162,791	8,162,791	8,277,876	115,085
LICENSES	396,450	396,450	404,647	8,197
SALES, RENTALS, AND SERVICES	4,471,668	4,471,668	4,313,279	(158,389)
INTERGOVERNMENTAL	639,780	639,780	1,136,563	496,783
FINES AND FORFEITURES	1,852,068	1,852,068	2,047,997	195,929
INTEREST	143,914	143,914	580,219	436,305
MISCELLANEOUS	2,303	2,303	8,256	5,953
<b>TOTAL REVENUES</b>	<u>80,000,000</u>	<u>80,000,000</u>	<u>82,193,292</u>	<u>2,193,292</u>
<b>EXPENDITURES:</b>				
GENERAL GOVERNMENT	18,785,243	14,576,992	13,474,229	1,102,763
JUDICIAL AND LAW ENFORCEMENT	42,640,929	44,490,157	42,063,798	2,426,359
EDUCATION AND RECREATION	510,261	542,940	480,685	62,255
HEALTH AND WELFARE	7,026,371	7,438,049	6,853,582	584,467
MAINTENANCE - EQUIPMENT AND STRUCTURES	9,538,668	10,226,964	9,350,893	876,071
CAPITAL OUTLAY	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>78,501,472</u>	<u>77,275,102</u>	<u>72,223,187</u>	<u>5,051,915</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>1,498,528</u>	<u>2,724,898</u>	<u>9,970,105</u>	<u>7,245,207</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	525,000	525,000	3,236	(521,764)
TRANSFERS OUT	(1,463,939)	(2,690,309)	(2,667,118)	23,191
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(938,939)</u>	<u>(2,165,309)</u>	<u>(2,663,882)</u>	<u>(498,573)</u>
<b>NET CHANGE IN FUND BALANCES</b>	559,589	559,589	7,306,223	6,746,634
<b>FUND BALANCES, BEGINNING</b>	5,144,122	5,144,122	5,144,122	-
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	684,137	684,137
<b>FUND BALANCES, ENDING</b>	<u>\$ 5,703,711</u>	<u>5,703,711</u>	<u>13,134,482</u>	<u>7,430,771</u>



JEFFERSON COUNTY, TEXAS  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2005

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**1. Budgetary Basis**

- Budgets are prepared on a basis consistent with GAAP.
- The department is the legal level of budgetary control. Commissioners' Court approval is necessary to transfer appropriations between departments. Transfers may not increase the total budget.
- Annual budgets are legally adopted for the General Fund and the Debt Service Funds.

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

For fiscal year 2004, Commissioners' Court set a property tax rate which was above the rollback rate as part of the effective tax rate calculation. As a precaution of a potential rollback election, Commissioners' Court approved a budget that reduced all departments by approximately 9% of their salary budgets and placed \$3,774,210 in a contingency line item under the General Services division. The rollback petition failed and Commissioners' Court approved a budget transfer to move the funding back to the departments less \$208,540. The \$208,540 was the amount saved during the first quarter of fiscal year 2005 from unfilled staff positions.

Commissioners' Court approved \$1,166,370 in transfers to Ford Park to subsidize operations during fiscal year 2005 that were not budgeted and budget transfers were made from the contingency appropriation.

Commissioners' Court also approved a budget transfer of \$197,062 over the original budget for Road and Bridge Pct 1 in order to pay additional material cost due to the year end inventory adjustment.

COMBINING AND INDIVIDUAL FUND  
INFORMATION AND OTHER  
SUPPLEMENTARY INFORMATION

**JEFFERSON COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (GAAP)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNT</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>GENERAL GOVERNMENT:</b>				
TAX ASSESSOR-COLLECTOR	\$ 2,692,920	2,888,456	2,678,079	210,377
HUMAN RESOURCES	242,633	263,278	252,521	10,757
COUNTY AUDITOR	1,073,217	1,107,767	1,041,115	66,652
COUNTY CLERK	1,694,680	1,741,890	1,618,597	123,293
COUNTY JUDGE	693,183	736,441	651,137	85,304
RISK MANAGEMENT	192,196	206,975	191,046	15,929
COUNTY TREASURER	192,216	206,103	201,065	5,038
PRINTING DEPARTMENT	125,923	126,381	96,985	29,396
CLAIMS PROCESSING	393,550	406,644	330,458	76,186
BUDGET OFFICE	172,817	181,231	147,697	33,534
PURCHASING AGENT	459,880	460,284	425,215	35,069
GENERAL SERVICES	9,535,335	4,862,705	4,564,734	297,971
DATA PROCESSING	1,116,315	1,175,920	1,095,315	80,605
VETERANS SERVICE	200,378	212,917	180,265	32,652
<b>TOTAL GENERAL GOVERNMENT</b>	<b>18,785,243</b>	<b>14,576,992</b>	<b>13,474,229</b>	<b>1,102,763</b>
<b>JUDICIAL AND LAW ENFORCEMENT:</b>				
PRE-TRIAL RELEASE	265,041	286,688	208,704	77,984
DISTRICT ATTORNEY	3,959,538	4,342,389	4,050,149	292,240
DISTRICT CLERK	1,230,825	1,315,587	1,222,310	93,277
CRIMINAL DISTRICT COURT	940,220	959,409	906,230	53,179
58TH DISTRICT COURT	150,667	161,248	153,321	7,927
60TH DISTRICT COURT	149,299	159,712	148,547	11,165
136TH DISTRICT COURT	195,767	208,715	193,791	14,924
172ND DISTRICT COURT	162,087	172,878	160,568	12,310
252ND DISTRICT COURT	974,436	1,051,836	1,049,097	2,739
279TH DISTRICT COURT	302,048	314,530	293,188	21,342
317TH DISTRICT COURT	331,606	343,951	295,559	48,392
JURY	357,074	365,844	363,410	2,434
J.P. PRECINCT NO. 1 - PLACE NO. 1	231,025	248,200	235,168	13,032
J.P. PRECINCT NO. 1 - PLACE NO. 2	233,974	250,416	234,500	15,916
J.P. PRECINCT NO. 2	210,383	226,016	221,151	4,865
J.P. PRECINCT NO. 4	216,388	231,647	219,112	12,535
J.P. PRECINCT NO. 6	233,814	254,520	224,997	29,523
J.P. PRECINCT NO. 7	246,992	267,770	251,034	16,736
J.P. PRECINCT NO. 8	230,651	246,480	211,959	34,521
COUNTY COURT AT LAW NO. 1	299,308	322,539	315,430	7,109
COUNTY COURT AT LAW NO. 2	442,680	419,767	401,049	18,718
COUNTY COURT AT LAW NO. 3	450,633	441,128	392,953	48,175
COURT MASTER	376,257	384,179	350,398	33,781
DISPUTE RESOLUTION CENTER	166,049	177,700	168,178	9,522
JUVENILE ALTERNATIVE SCHOOL	315,443	343,014	331,899	11,115
COMMUNITY SUPERVISION	13,628	13,628	9,808	3,820
SHERIFF	6,449,353	6,895,531	6,501,369	394,162
CRIME LABORATORY	508,973	542,061	481,843	60,218
JAIL	18,028,912	18,298,727	17,734,470	564,257
JUVENILE CORRECTIONAL PROBATION	1,210,276	1,198,541	963,223	235,318
JUVENILE DETENTION HOME	1,335,387	1,347,387	1,127,393	219,994
CONSTABLE PRECINCT NO. 1	516,461	563,704	553,646	10,058
CONSTABLE PRECINCT NO. 2	317,426	341,142	335,159	5,983
CONSTABLE PRECINCT NO. 4	185,876	210,638	209,149	1,489
CONSTABLE PRECINCT NO. 6	342,452	373,359	362,501	10,858
CONSTABLE PRECINCT NO. 7	305,317	328,363	318,704	9,659
CONSTABLE PRECINCT NO. 8	493,663	578,913	570,176	8,737
COUNTY MORGUE	261,000	302,000	293,655	8,345
<b>TOTAL JUDICIAL AND LAW ENFORCEMENT</b>	<b>42,640,929</b>	<b>44,490,157</b>	<b>42,063,798</b>	<b>2,426,359</b>

[CONTINUED]

**JEFFERSON COUNTY, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET (GAAP)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>EDUCATION AND RECREATION:</b>				
LIBRARY	230,750	243,195	216,412	26,783
AGRICULTURAL EXTENSION SERVICE	279,511	299,745	264,273	35,472
<b>TOTAL EDUCATION AND RECREATION</b>	<b>510,261</b>	<b>542,940</b>	<b>480,685</b>	<b>62,255</b>
<b>HEALTH AND WELFARE:</b>				
HEALTH AND WELFARE UNIT 1	809,357	845,663	735,294	110,369
HEALTH AND WELFARE UNIT 2	785,429	831,505	782,099	49,406
NURSE PRACTITIONER	225,651	241,615	223,502	18,113
CHILD WELFARE	182,600	182,600	171,606	10,994
ENVIRONMENTAL CONTROL	227,678	243,817	233,854	9,963
INDIGENT MEDICAL SERVICE	3,109,526	3,225,595	2,925,405	300,190
MOSQUITO CONTROL	1,522,881	1,691,815	1,615,024	76,791
EMERGENCY MANAGEMENT	163,249	175,439	166,798	8,641
<b>TOTAL HEALTH AND WELFARE</b>	<b>7,026,371</b>	<b>7,438,049</b>	<b>6,853,582</b>	<b>584,467</b>
<b>MAINTENANCE - EQUIPMENT &amp; STRUCTURES:</b>				
COURTHOUSE & ANNEXES	2,587,682	2,794,155	2,600,615	193,540
PORT ARTHUR BUILDINGS	490,612	518,952	500,820	18,132
MID-COUNTY BUILDINGS	38,600	38,600	29,462	9,138
ROAD & BRIDGE PCT. 1	1,163,457	1,336,488	1,336,467	21
ROAD & BRIDGE PCT. 2	1,114,062	1,175,137	1,080,089	95,048
ROAD & BRIDGE PCT. 3	1,384,701	1,405,747	1,239,711	166,036
ROAD & BRIDGE PCT. 4	1,340,068	1,354,825	1,196,155	158,670
ENGINEERING	640,584	645,768	614,184	31,584
PARKS & RECREATION	137,957	173,447	73,333	100,114
SERVICE CENTER	640,945	783,845	680,057	103,788
<b>TOTAL MAINTENANCE - EQUIPMENT &amp; STRUCTURES</b>	<b>9,538,668</b>	<b>10,226,964</b>	<b>9,350,893</b>	<b>876,071</b>
<b>CAPITAL OUTLAY:</b>				
TOTAL OPERATING EXPENDITURES	78,501,472	77,275,102	72,223,187	5,051,915
<b>OTHER FINANCING USES:</b>				
TRANSFERS OUT	1,463,939	2,690,309	2,667,118	23,191
<b>TOTAL OTHER FINANCING USES</b>	<b>1,463,939</b>	<b>2,690,309</b>	<b>2,667,118</b>	<b>23,191</b>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 79,965,411</b>	<b>79,965,411</b>	<b>74,890,305</b>	<b>5,075,106</b>

# NONMAJOR GOVERNMENTAL FUNDS

**JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY  
SEPTEMBER 30, 2005**

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<b>ASSETS:</b>				
CASH AND INVESTMENTS	\$ 8,764,245	5,836,963	497,510	15,098,718
ACCOUNTS RECEIVABLE, Net	24,253	-	-	24,253
DELINQUENT TAXES RECEIVABLE, Net	-	-	357,952	357,952
PENALTY AND INTEREST RECEIVABLE, Net	-	-	195,546	195,546
INTEREST RECEIVABLE	34,874	41,481	3,540	79,895
DUE FROM OTHER FUNDS	176,158	-	-	176,158
DUE FROM OTHER GOVERNMENTAL ENTITIES	2,523,942	-	-	2,523,942
PREPAID ITEM	3,386	-	-	3,386
<b>TOTAL ASSETS</b>	<b>\$ 11,526,858</b>	<b>5,878,444</b>	<b>1,054,548</b>	<b>18,459,850</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 2,922,592	53,847	-	2,976,439
DUE TO OTHER FUNDS	636,735	231,607	-	868,342
DUE TO OTHER GOVERNMENTAL ENTITIES	376,498	-	-	376,498
DEFERRED REVENUE	492,024	-	512,105	1,004,129
<b>TOTAL LIABILITIES</b>	<b>4,427,849</b>	<b>285,454</b>	<b>512,105</b>	<b>5,225,408</b>
<b>FUND BALANCES:</b>				
RESERVED FOR PREPAID ITEMS	3,386	-	-	3,386
RESERVED FOR DEBT SERVICE	-	-	285,346	285,346
RESERVED FOR CAPITAL PROJECTS	-	5,655,110	-	5,655,110
UNRESERVED FOR DEBT SERVICE	-	-	257,097	257,097
UNRESERVED FOR CAPITAL PROJECTS	-	(62,120)	-	(62,120)
UNRESERVED FOR SPECIAL REVENUES	7,095,623	-	-	7,095,623
<b>TOTAL FUND BALANCES</b>	<b>7,099,009</b>	<b>5,592,990</b>	<b>542,443</b>	<b>13,234,442</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 11,526,858</b>	<b>5,878,444</b>	<b>1,054,548</b>	<b>18,459,850</b>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SUMMARY**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
PROPERTY TAXES	\$ -	-	7,094,283	7,094,283
SALES TAXES	709,941	-	-	709,941
FEES	3,780,353	-	-	3,780,353
INTERGOVERNMENTAL	8,091,051	1,757,062	-	9,848,113
SALES, RENTAL & SERVICES	-	1,093,721	-	1,093,721
FINES AND FORFEITURES	849,427	-	-	849,427
CONTRIBUTIONS AND DONATIONS	26,300	-	-	26,300
INTEREST	298,912	182,397	62,384	543,693
<b>TOTAL REVENUES</b>	<b>13,755,984</b>	<b>3,033,180</b>	<b>7,156,667</b>	<b>23,945,831</b>
<b>EXPENDITURES:</b>				
CURRENT				
GENERAL GOVERNMENT	376,853	-	-	376,853
JUDICIAL AND LAW ENFORCEMENT	10,651,047	-	-	10,651,047
EDUCATION AND RECREATION	101,952	-	-	101,952
HEALTH AND WELFARE	157,907	-	-	157,907
MAINTENANCE OF STRUCTURES AND EQUIPMENT	39,369	-	-	39,369
CONTRACT SERVICES	2,927,177	-	-	2,927,177
CAPITAL OUTLAY	-	4,831,430	-	4,831,430
DEBT SERVICE				
PRINCIPAL	-	-	3,335,000	3,335,000
INTEREST AND COMMISSION	-	-	4,057,373	4,057,373
BOND ISSUANCE COST	-	63,508	-	63,508
<b>TOTAL EXPENDITURES</b>	<b>14,254,305</b>	<b>4,894,938</b>	<b>7,392,373</b>	<b>26,541,616</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(498,321)</b>	<b>(1,861,758)</b>	<b>(235,706)</b>	<b>(2,595,785)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	470,025	262,502	107	732,634
TRANSFERS OUT	(507,030)	(1,446)	-	(508,476)
ISSUANCE OF DEBT	-	3,000,000	-	3,000,000
PREMIUM ON DEBT ISSUED	-	490	-	490
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(37,005)</b>	<b>3,261,546</b>	<b>107</b>	<b>3,224,648</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(535,326)</b>	<b>1,399,788</b>	<b>(235,599)</b>	<b>628,863</b>
<b>FUND BALANCES, BEGINNING</b>	<b>7,634,335</b>	<b>4,193,202</b>	<b>778,042</b>	<b>12,605,579</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 7,099,009</b>	<b>5,592,990</b>	<b>542,443</b>	<b>13,234,442</b>

# SPECIAL REVENUE FUNDS

## SPECIAL REVENUE FUNDS

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

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

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

**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 their records and the expenditure of those funds.

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

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

**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.

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

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

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

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

**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 Community Corrections Program
- IV-E Foster Care Fund
- Juvenile Accountability ISP/5
- Mentally Impaired Offenders
- Community Supervision
- Women’s Center
- 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  
Step Grants  
Diabetes Prevention Grant  
Law Enforcement Block Grant  
Hamshire Water & Sewer Grant  
Narcotics Task Force #13  
Crime Victims #13  
VINE  
Crime Victims #12  
Meadows Foundation Grant  
Hurricane Conference Grant  
FEMA Emergency  
Auto Theft Grant  
Sheriff Tobacco Grant  
Drug Intervention Grant  
Violence Against Women #3  
Violence Against Women #4  
Forensic Science Improvement Grant  
Cheek Step Sewer Improvements  
Community Emergency Response Grant  
High Intensity Drug Traffic Grant  
Loan Star Libraries Grant  
EMPG Grant  
SCAAP Grant

**JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
SEPTEMBER 30, 2005**

	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	COUNTY CLERK RECORDS ARCHIVE FUND	COUNTY RECORDS MGMT. AND PRESERVATION FUND	D.A.R.E. CONTRIBUTIONS FUND	MOBIL VOLUNTEER PROGRAM	HOTEL OCCUPANCY TAX FUND	HIBERNIA/CASA MEDIATION FUND	
<b>ASSETS</b>																<b>ASSETS</b>
CASH AND CASH EQUIVALENTS	\$ 537,996	50,292	419,361	32,435	23,777	607,193	-	82,542	335,481	369,030	240,299	15,697	-	863,660	5,089	CASH A
ACCOUNTS RECEIVABLE, Net	-	-	-	-	-	-	-	875	-	-	-	-	-	-	-	ACCOU
INTEREST RECEIVABLE	3,850	360	2,898	138	170	9,365	-	591	2,124	2,349	1,675	112	-	5,628	-	INTERE
DUE FROM OTHER FUNDS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DUE FR
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	18,297	-	-	-	-	-	-	-	-	-	GOVE
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	PREPAI
<b>TOTAL ASSETS</b>	<b>\$ 541,846</b>	<b>50,652</b>	<b>422,259</b>	<b>32,573</b>	<b>23,947</b>	<b>634,855</b>	<b>-</b>	<b>84,008</b>	<b>337,605</b>	<b>371,379</b>	<b>241,974</b>	<b>15,809</b>	<b>-</b>	<b>869,288</b>	<b>5,089</b>	<b>TOTAL</b>
<b>LIABILITIES AND FUND BALANCES</b>																<b>LIABIL</b>
<b>LIABILITIES:</b>																<b>LIABIL</b>
ACCOUNTS PAYABLE	\$ 9,664	1,292	22,618	9,852	-	13,077	562	500	9,840	5,266	2,212	5,597	-	57,286	140	ACCO
DUE TO OTHER FUNDS	-	-	-	-	-	-	19,012	-	-	-	-	-	-	-	-	DUE T
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DUE T
DEFERRED REVENUE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	GOV
<b>TOTAL LIABILITIES</b>	<b>9,664</b>	<b>1,292</b>	<b>22,618</b>	<b>9,852</b>	<b>-</b>	<b>13,077</b>	<b>19,574</b>	<b>500</b>	<b>9,840</b>	<b>5,266</b>	<b>2,212</b>	<b>5,597</b>	<b>-</b>	<b>57,286</b>	<b>140</b>	<b>TOT</b>
<b>FUND BALANCES:</b>																<b>FUND B</b>
RESERVED FOR PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	RESEI
UNRESERVED	532,182	49,360	399,641	22,721	23,947	621,778	(19,574)	83,508	327,765	366,113	239,762	10,212	-	812,002	4,949	UNRE
<b>TOTAL FUND BALANCES</b>	<b>532,182</b>	<b>49,360</b>	<b>399,641</b>	<b>22,721</b>	<b>23,947</b>	<b>621,778</b>	<b>(19,574)</b>	<b>83,508</b>	<b>327,765</b>	<b>366,113</b>	<b>239,762</b>	<b>10,212</b>	<b>-</b>	<b>812,002</b>	<b>4,949</b>	<b>TOT</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 541,846</b>	<b>50,652</b>	<b>422,259</b>	<b>32,573</b>	<b>23,947</b>	<b>634,855</b>	<b>-</b>	<b>84,008</b>	<b>337,605</b>	<b>371,379</b>	<b>241,974</b>	<b>15,809</b>	<b>-</b>	<b>869,288</b>	<b>5,089</b>	<b>TOTAL FUND</b>

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**JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
SEPTEMBER 30, 2005**

	SHERIFF AND CONSTABLE EDUCATION FUNDS	TAX OFFICE AUTO DEALER FUNDS	UNCLAIMED FUNDS MANAGEMENT FUNDS	FAMILY PROTECTION FUND	DISTRICT ATTORNEY FORFEITURE FUND	JP COURTROOM TECHNOLOGY FUND	DISTRICT CLERK RECORDS MANAGEMENT	CONSTABLE PCT. # 8 FORFEITURE FUND	SHERIFF'S FORFEITURE FUND	HOT CHECK FUND	NARCOTICS TASK FORCE FUND	PROBATION DEPARTMENT FUNDS	GRANT FUNDS	TOTAL
CASH AND CASH EQUIVALENTS	\$ 44,234	86,898	16,163	24,689	162,222	159,343	49,891	1	1,374,350	158,127	969,852	2,081,578	54,045	8,764,245
ACCOUNTS RECEIVABLE, Net	10	-	-	-	-	-	-	-	355	-	-	22,388	625	24,253
PREPAID RECEIVABLE	318	622	-	168	-	1,116	336	-	-	-	-	2,926	128	34,874
FROM OTHER FUNDS	-	-	-	-	-	-	-	-	-	-	-	8	176,150	176,158
FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	-	-	-	46,563	2,459,082	2,523,942
DEFERRED ITEMS	-	-	-	-	-	-	-	-	52	-	-	3,243	91	3,386
<b>TOTAL ASSETS</b>	<b>\$ 44,562</b>	<b>87,520</b>	<b>16,163</b>	<b>24,857</b>	<b>162,222</b>	<b>160,459</b>	<b>50,227</b>	<b>1</b>	<b>1,374,757</b>	<b>158,127</b>	<b>969,852</b>	<b>2,156,706</b>	<b>2,690,121</b>	<b>11,526,858</b>
<b>LIABILITIES:</b>														
ACCOUNTS PAYABLE	\$ 1,025	-	996	-	-	2,448	598	-	29,456	2,308	-	377,819	2,370,036	2,922,592
DUES TO OTHER FUNDS	-	-	-	-	-	-	-	-	-	-	192,425	66,008	359,290	636,735
DUES TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	-	-	-	355,621	20,877	376,498
DEFERRED REVENUE	-	-	-	-	-	-	-	-	-	-	-	492,024	-	492,024
<b>TOTAL LIABILITIES</b>	<b>1,025</b>	<b>-</b>	<b>996</b>	<b>-</b>	<b>-</b>	<b>2,448</b>	<b>598</b>	<b>-</b>	<b>29,456</b>	<b>2,308</b>	<b>192,425</b>	<b>1,291,472</b>	<b>2,750,203</b>	<b>4,427,849</b>
<b>BALANCES:</b>														
DEFERRED FOR PREPAID ITEMS	-	-	-	-	-	-	-	-	52	-	-	3,243	91	3,386
RESERVED	43,537	87,520	15,167	24,857	162,222	158,011	49,629	1	1,345,249	155,819	777,427	861,991	(60,173)	7,095,623
<b>TOTAL FUND BALANCES</b>	<b>43,537</b>	<b>87,520</b>	<b>15,167</b>	<b>24,857</b>	<b>162,222</b>	<b>158,011</b>	<b>49,629</b>	<b>1</b>	<b>1,345,301</b>	<b>155,819</b>	<b>777,427</b>	<b>865,234</b>	<b>(60,082)</b>	<b>7,099,009</b>
<b>TOTAL LIABILITIES AND DEFERRED BALANCES</b>	<b>\$ 44,562</b>	<b>87,520</b>	<b>16,163</b>	<b>24,857</b>	<b>162,222</b>	<b>160,459</b>	<b>50,227</b>	<b>1</b>	<b>1,374,757</b>	<b>158,127</b>	<b>969,852</b>	<b>2,156,706</b>	<b>2,690,121</b>	<b>11,526,858</b>

**JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	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	COUNTY CLERK RECORDS ARCHIVE FUND	COUNTY RECORDS MGMT. AND PRESERVATION FUND	D.A.R.E. CONTRIBUTIONS FUND	MOBIL VOLUNTEER PROGRAM	HOTEL OCCUPANCY TAX FUND	HIBERNIA/CASA MEDIATION FUND
<b>REVENUES:</b>															<b>RI</b>
TAXES	-	-	-	-	-	-	-	-	-	-	-	-	-	709,941	-
FEES	-	-	146,683	152,726	-	31,753	4,875	41,464	251,535	268,692	56,814	-	-	151,691	-
FINES AND FORFEITURES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INTERGOVERNMENTAL	29,897	-	-	-	-	126,695	-	-	-	-	-	-	-	-	-
INTEREST	18,736	1,736	16,733	532	826	57,863	-	2,606	10,678	10,484	8,215	537	69	24,536	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	-	-	4,600	-	-	-
<b>TOTAL REVENUES</b>	<b>48,633</b>	<b>1,736</b>	<b>163,416</b>	<b>153,258</b>	<b>826</b>	<b>216,311</b>	<b>4,875</b>	<b>44,070</b>	<b>262,213</b>	<b>279,176</b>	<b>65,029</b>	<b>5,137</b>	<b>69</b>	<b>886,168</b>	<b>-</b>
<b>EXPENDITURES:</b>															<b>EI</b>
GENERAL GOVERNMENT	-	-	-	-	-	-	-	-	228,473	88,977	57,703	-	-	-	-
JUDICIAL AND LAW ENFORCEMENT	-	8,449	588,635	-	-	177,845	9,056	5,340	-	-	-	9,540	-	-	3,086
EDUCATION AND RECREATION	-	-	-	75,498	-	-	-	-	-	-	-	-	23,534	-	-
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	39,369	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CONTRACT SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	534,967	-
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>39,369</b>	<b>8,449</b>	<b>588,635</b>	<b>75,498</b>	<b>-</b>	<b>177,845</b>	<b>9,056</b>	<b>5,340</b>	<b>228,473</b>	<b>88,977</b>	<b>57,703</b>	<b>9,540</b>	<b>23,534</b>	<b>534,967</b>	<b>3,086</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>9,264</b>	<b>(6,713)</b>	<b>(425,219)</b>	<b>77,760</b>	<b>826</b>	<b>38,466</b>	<b>(4,181)</b>	<b>38,730</b>	<b>33,740</b>	<b>190,199</b>	<b>7,326</b>	<b>(4,403)</b>	<b>(23,465)</b>	<b>351,201</b>	<b>(3,086)</b>
<b>OTHER FINANCING SOURCES (USES):</b>															<b>O'</b>
TRANSFERS IN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANSFERS OUT	-	-	-	-	-	(7,248)	-	-	-	-	-	-	-	(201,162)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,248)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(201,162)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>9,264</b>	<b>(6,713)</b>	<b>(425,219)</b>	<b>77,760</b>	<b>826</b>	<b>31,218</b>	<b>(4,181)</b>	<b>38,730</b>	<b>33,740</b>	<b>190,199</b>	<b>7,326</b>	<b>(4,403)</b>	<b>(23,465)</b>	<b>150,039</b>	<b>(3,086)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>522,918</b>	<b>56,073</b>	<b>824,860</b>	<b>(55,039)</b>	<b>23,121</b>	<b>590,560</b>	<b>(15,393)</b>	<b>44,778</b>	<b>294,025</b>	<b>175,914</b>	<b>232,436</b>	<b>14,615</b>	<b>23,465</b>	<b>661,963</b>	<b>8,035</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 532,182</b>	<b>49,360</b>	<b>399,641</b>	<b>22,721</b>	<b>23,947</b>	<b>621,778</b>	<b>(19,574)</b>	<b>83,508</b>	<b>327,765</b>	<b>366,113</b>	<b>239,762</b>	<b>10,212</b>	<b>-</b>	<b>812,002</b>	<b>4,949</b>

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**JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	SHERIFF AND CONSTABLE EDUCATION FUNDS	TAX OFFICE AUTO DEALER FUNDS	UNCLAIMED FUNDS MANAGEMENT FUNDS	FAMILY PROTECTION FUND	DISTRICT ATTORNEY FORFEITURE FUND	JP COURTROOM TECHNOLOGY FUND	DISTRICT CLERK RECORDS MANAGEMENT	CONSTABLE PCT. #8 FORFEITURE FUND	SHERIFF'S FORFEITURE FUND	HOT CHECK FUND	NARCOTICS TASK FORCE FUND	PROBATION DEPARTMENT FUNDS	GRANT FUNDS	TOTAL
<b>REVENUES:</b>														
TAXES	-	-	-	-	-	-	-	-	-	-	-	-	-	709,941
FEES	-	2,915	1,318	18,220	-	66,785	49,915	-	28,498	99,556	1,990	2,404,923	-	3,780,353
FINES AND FORFEITURES	-	-	-	-	79,571	-	-	-	722,500	-	47,356	-	-	849,427
INTERGOVERNMENTAL	29,708	-	-	-	-	-	-	-	-	-	-	4,327,177	3,577,574	8,091,051
INTEREST	1,484	18,932	-	696	5,004	5,001	935	-	36,580	-	29,952	43,822	2,955	298,912
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	-	-	-	21,700	26,300
<b>TOTAL REVENUES</b>	<b>31,192</b>	<b>21,847</b>	<b>1,318</b>	<b>18,916</b>	<b>84,575</b>	<b>71,786</b>	<b>50,850</b>	<b>-</b>	<b>787,578</b>	<b>99,556</b>	<b>79,298</b>	<b>6,775,922</b>	<b>3,602,229</b>	<b>13,755,984</b>
<b>EXPENDITURES:</b>														
GENERAL GOVERNMENT	-	1,700	-	-	-	-	-	-	-	-	-	-	-	376,853
JUDICIAL AND LAW ENFORCEMENT	11,485	-	-	15,000	103,941	17,335	1,221	484	864,214	96,189	-	7,045,116	1,694,111	10,651,047
EDUCATION AND RECREATION	-	-	-	-	-	-	-	-	-	-	-	-	2,920	101,952
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	-	-	-	-	157,907	157,907
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	39,369
CONTRACT SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	2,392,210	2,927,177
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>11,485</b>	<b>1,700</b>	<b>-</b>	<b>15,000</b>	<b>103,941</b>	<b>17,335</b>	<b>1,221</b>	<b>484</b>	<b>864,214</b>	<b>96,189</b>	<b>-</b>	<b>7,045,116</b>	<b>4,247,148</b>	<b>14,254,305</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>19,707</b>	<b>20,147</b>	<b>1,318</b>	<b>3,916</b>	<b>(19,366)</b>	<b>54,451</b>	<b>49,629</b>	<b>(484)</b>	<b>(76,636)</b>	<b>3,367</b>	<b>79,298</b>	<b>(269,194)</b>	<b>(644,919)</b>	<b>(498,321)</b>
<b>OTHER FINANCING SOURCES (USES):</b>														
TRANSFERS IN	-	-	-	-	-	-	-	-	-	-	-	9,432	460,593	470,025
TRANSFERS OUT	-	-	-	-	-	-	-	-	-	-	(293,200)	(2,184)	(3,236)	(507,030)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(293,200)</b>	<b>7,248</b>	<b>457,357</b>	<b>(37,005)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>19,707</b>	<b>20,147</b>	<b>1,318</b>	<b>3,916</b>	<b>(19,366)</b>	<b>54,451</b>	<b>49,629</b>	<b>(484)</b>	<b>(76,636)</b>	<b>3,367</b>	<b>(213,902)</b>	<b>(261,946)</b>	<b>(187,562)</b>	<b>(535,326)</b>
	23,830	67,373	13,849	20,941	181,588	103,560	-	485	1,421,937	152,452	991,329	1,127,180	127,480	7,634,335
<b>FUND BALANCES, ENDING</b>	<b>\$ 43,537</b>	<b>87,520</b>	<b>15,167</b>	<b>24,857</b>	<b>162,222</b>	<b>158,011</b>	<b>49,629</b>	<b>1</b>	<b>1,345,301</b>	<b>155,819</b>	<b>777,427</b>	<b>865,234</b>	<b>(60,082)</b>	<b>7,099,009</b>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS**  
**SEPTEMBER 30, 2005**

	JUVENILE PROBATION AND DETENTION-- STATE AID	JUVENILE COMMUNITY CORRECTIONS PROGRAM	IV-E FOSTER CARE FUND	JUVENILE ACCOUNTABILITY ISP/5	MENTALLY IMPAIRED OFFENDERS PROGRAM	COMMUNITY SUPERVISION	WOMENS' CENTER	SURVEILLANCE PROGRAM	COMMUNITY CORRECTIONS	JUVENILE ACCOUNTABILITY ISP/4	DRUG DIVERSION PROGRAM	2005 TOTAL
<b>ASSETS:</b>												
CASH AND CASH EQUIVALENTS	\$ 133,729	142,679	1,047,248	-	44,414	125,840	367,210	7,609	122,638	-	90,211	2,081,578
ACCOUNTS RECEIVABLE, Net	390	-	-	-	-	16,387	1,285	-	3,718	-	608	22,388
INTEREST RECEIVABLE	-	-	-	-	-	2,926	-	-	-	-	-	2,926
DUE FROM OTHER FUNDS	-	-	-	-	-	8	-	-	-	-	-	8
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	35,130	-	5,448	-	-	-	5,985	-	46,563
PREPAID ITEMS	57	-	-	-	-	2,373	180	-	545	-	88	3,243
<b>TOTAL ASSETS</b>	<b>\$ 134,176</b>	<b>142,679</b>	<b>1,047,248</b>	<b>35,130</b>	<b>44,414</b>	<b>152,982</b>	<b>368,675</b>	<b>7,609</b>	<b>126,901</b>	<b>5,985</b>	<b>90,907</b>	<b>2,156,706</b>
<b>LIABILITIES AND FUND BALANCES</b>												
<b>LIABILITIES:</b>												
ACCOUNTS PAYABLE	\$ 21,779	36,403	678	-	4,902	211,153	48,820	2,994	31,674	-	19,416	377,819
DUE TO OTHER FUNDS	-	-	-	13,781	-	46,234	8	-	-	5,985	-	66,008
DUE TO OTHER GOVERNMENTAL ENTITIES	56,526	79,096	-	21,349	25,082	-	148,673	-	9,568	-	15,327	355,621
DEFERRED REVENUE	-	-	-	-	14,353	168,968	156,406	8,448	88,341	-	55,508	492,024
<b>TOTAL LIABILITIES</b>	<b>78,305</b>	<b>115,499</b>	<b>678</b>	<b>35,130</b>	<b>44,337</b>	<b>426,355</b>	<b>353,907</b>	<b>11,442</b>	<b>129,583</b>	<b>5,985</b>	<b>90,251</b>	<b>1,291,472</b>
<b>FUND BALANCES:</b>												
RESERVED FOR PREPAID ITEMS	57	-	-	-	-	2,373	180	-	545	-	88	3,243
UNRESERVED	55,814	27,180	1,046,570	-	77	(275,746)	14,588	(3,833)	(3,227)	-	568	861,991
<b>TOTAL FUND BALANCES</b>	<b>55,871</b>	<b>27,180</b>	<b>1,046,570</b>	<b>-</b>	<b>77</b>	<b>(273,373)</b>	<b>14,768</b>	<b>(3,833)</b>	<b>(2,682)</b>	<b>-</b>	<b>656</b>	<b>865,234</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 134,176</b>	<b>142,679</b>	<b>1,047,248</b>	<b>35,130</b>	<b>44,414</b>	<b>152,982</b>	<b>368,675</b>	<b>7,609</b>	<b>126,901</b>	<b>5,985</b>	<b>90,907</b>	<b>2,156,706</b>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	JUVENILE PROBATION AND DETENTION-- STATE AID	JUVENILE COMMUNITY CORRECTIONS PROGRAM	IV-E FOSTER CARE FUND	JUVENILE ACCOUNTABILITY ISP/5	MENTALLY IMPAIRED OFFENDERS PROGRAM	COMMUNITY SUPERVISION	WOMENS' CENTER	SURVEILLANCE PROGRAM	COMMUNITY CORRECTIONS	JUVENILE ACCOUNTABILITY ISP/4	DRUG DIVERSION PROGRAM	2005 TOTAL
<b>REVENUES:</b>												
FEES	\$ -	-	-	-	-	2,162,207	214,818	-	-	-	27,898	2,404,923
INTERGOVERNMENTAL INTEREST	519,313	365,022	410,752	65,386	70,071	1,148,448	825,285	49,350	513,974	5,985	353,591	4,327,177
	-	-	-	199	-	43,623	-	-	-	-	-	43,822
<b>TOTAL REVENUES</b>	<b>519,313</b>	<b>365,022</b>	<b>410,752</b>	<b>65,585</b>	<b>70,071</b>	<b>3,354,278</b>	<b>1,040,103</b>	<b>49,350</b>	<b>513,974</b>	<b>5,985</b>	<b>381,489</b>	<b>6,775,922</b>
<b>EXPENDITURES:</b>												
JUDICIAL AND LAW ENFORCEMENT CAPITAL OUTLAY	470,306	336,835	17,780	74,352	90,952	3,669,687	1,232,395	53,604	654,621	6,650	437,934	7,045,116
	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>470,306</b>	<b>336,835</b>	<b>17,780</b>	<b>74,352</b>	<b>90,952</b>	<b>3,669,687</b>	<b>1,232,395</b>	<b>53,604</b>	<b>654,621</b>	<b>6,650</b>	<b>437,934</b>	<b>7,045,116</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>49,007</b>	<b>28,187</b>	<b>392,972</b>	<b>(8,767)</b>	<b>(20,881)</b>	<b>(315,409)</b>	<b>(192,292)</b>	<b>(4,254)</b>	<b>(140,647)</b>	<b>(665)</b>	<b>(56,445)</b>	<b>(269,194)</b>
<b>OTHER FINANCIAL SOURCES (USES):</b>												
TRANSFERS IN	-	-	-	8,767	-	-	-	-	-	665	-	9,432
TRANSFERS OUT	-	-	-	-	-	-	-	-	-	(2,184)	-	(2,184)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,767</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,519)</b>	<b>-</b>	<b>7,248</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>49,007</b>	<b>28,187</b>	<b>392,972</b>	<b>-</b>	<b>(20,881)</b>	<b>(315,409)</b>	<b>(192,292)</b>	<b>(4,254)</b>	<b>(140,647)</b>	<b>(2,184)</b>	<b>(56,445)</b>	<b>(261,946)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>6,864</b>	<b>(1,007)</b>	<b>653,598</b>	<b>-</b>	<b>20,958</b>	<b>42,036</b>	<b>207,060</b>	<b>421</b>	<b>137,965</b>	<b>2,184</b>	<b>57,101</b>	<b>1,127,180</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 55,871</b>	<b>27,180</b>	<b>1,046,570</b>	<b>-</b>	<b>77</b>	<b>(273,373)</b>	<b>14,768</b>	<b>(3,833)</b>	<b>(2,682)</b>	<b>-</b>	<b>656</b>	<b>865,234</b>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - GRANT FUNDS**  
**SEPTEMBER 30, 2005**

	FAMILY GROUP CONFERENCING PROJECT	US MARSHALS WARRANT GRANT	STEP GRANTS	DIABETES PREVENTION GRANT	LAW ENFORCEMENT BLOCK GRANT	HAMSHIRE WATER & SEWER GRANT	NARCOTICS TASK FORCE #13	CRIME VICTIMS #13	VINE	CRIME VICTIMS #12	MEADOWS FOUNDATION GRANT	HURRIANCE CONFERENCE GRANT	FEMA EMERGENCY
<b>ASSETS:</b>													
CASH AND CASH EQUIVALENTS	\$ 2,218	-	-	-	3,607	5,955	-	-	186	-	6,722	10	-
ACCOUNTS RECEIVABLE , Net	-	-	-	-	-	-	-	-	-	-	-	-	-
INTEREST RECEIVABLE	-	-	-	-	32	-	-	-	1	-	-	-	-
DUE FROM OTHER FUNDS	-	-	-	-	-	-	176,150	-	-	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	14,227	36,542	-	-	3,257	-	-	36,035	-	-	2,281,053
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,218</b>	<b>-</b>	<b>14,227</b>	<b>36,542</b>	<b>3,639</b>	<b>5,955</b>	<b>179,407</b>	<b>-</b>	<b>187</b>	<b>36,035</b>	<b>6,722</b>	<b>10</b>	<b>2,281,053</b>
<b>LIABILITIES AND FUND BALANCES</b>													
<b>LIABILITIES:</b>													
ACCOUNTS PAYABLE	\$ -	-	120	7,047	319	5,955	-	-	-	10,299	904	-	2,314,183
DUE TO OTHER FUNDS	-	-	14,107	29,495	-	-	170,506	-	-	19,874	-	-	72,939
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	8,901	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>14,227</b>	<b>36,542</b>	<b>319</b>	<b>5,955</b>	<b>179,407</b>	<b>-</b>	<b>-</b>	<b>30,173</b>	<b>904</b>	<b>-</b>	<b>2,387,122</b>
<b>FUND BALANCES:</b>													
RESERVED FOR PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED	2,218	-	-	-	3,320	-	-	-	187	5,862	5,818	10	(106,069)
<b>TOTAL FUND BALANCES</b>	<b>2,218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187</b>	<b>5,862</b>	<b>5,818</b>	<b>10</b>	<b>(106,069)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,218</b>	<b>-</b>	<b>14,227</b>	<b>36,542</b>	<b>3,639</b>	<b>5,955</b>	<b>179,407</b>	<b>-</b>	<b>187</b>	<b>36,035</b>	<b>6,722</b>	<b>10</b>	<b>2,281,053</b>

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - GRANT FUNDS**  
**SEPTEMBER 30, 2005**

	<u>AUTO THEFT GRANT</u>	<u>SHERIFF TOBACCO GRANT</u>	<u>DRUG INTERVENTION GRANT FUND</u>	<u>VIOLENCE AGAINST WOMEN #3</u>	<u>VIOLENCE AGAINST WOMEN #4</u>	<u>FORENSIC SCIENCE IMPROVEMENT GRANT</u>	<u>CHEEK STEP SEWER IMPROVEMENTS</u>	<u>COMMUNITY EMERGENCY RESPONSE GRANT</u>	<u>HIGH INTENSITY DRUG TRAFFIC</u>	<u>LOAN STAR LIBRARIES GRANT</u>	<u>EMPG GRANT</u>	<u>SCAAP GRANT</u>	<u>2005 GRANT TOTALS</u>
<b>ASSETS:</b>													
CASH AND CASH EQUIVALENTS	\$ -	-	-	7,280	725	-	7,500	899	2,310	340	15,222	1,071	54,045
ACCOUNTS RECEIVABLE , Net	625	-	-	-	-	-	-	-	-	-	-	-	625
INTEREST RECEIVABLE	-	-	-	1	-	-	-	4	11	-	74	5	128
DUE FROM OTHER FUNDS	-	-	-	-	-	-	-	-	-	-	-	-	176,150
DUE FROM OTHER GOVERNMENTAL ENTITIES	21,784	-	40,025	2,399	7,187	-	-	7,384	-	-	9,189	-	2,459,082
PREPAID ITEMS	91	-	-	-	-	-	-	-	-	-	-	-	91
<b>TOTAL ASSETS</b>	<b>\$ 22,500</b>	<b>-</b>	<b>40,025</b>	<b>9,680</b>	<b>7,912</b>	<b>-</b>	<b>7,500</b>	<b>8,287</b>	<b>2,321</b>	<b>340</b>	<b>24,485</b>	<b>1,076</b>	<b>2,690,121</b>
<b>LIABILITIES AND FUND BALANCES</b>													
<b>LIABILITIES:</b>													
ACCOUNTS PAYABLE	\$ 3,811	76	5,174	-	6,626	-	7,500	6,664	-	338	1,020	-	2,370,036
DUE TO OTHER FUNDS	18,766	1,048	22,875	9,680	-	-	-	-	-	-	-	-	359,290
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	11,976	-	-	-	-	-	-	-	-	-	20,877
<b>TOTAL LIABILITIES</b>	<b>22,577</b>	<b>1,124</b>	<b>40,025</b>	<b>9,680</b>	<b>6,626</b>	<b>-</b>	<b>7,500</b>	<b>6,664</b>	<b>-</b>	<b>338</b>	<b>1,020</b>	<b>-</b>	<b>2,750,203</b>
<b>FUND BALANCES:</b>													
RESERVED FOR PREPAID ITEMS	91	-	-	-	-	-	-	-	-	-	-	-	91
UNRESERVED	(168)	(1,124)	-	-	1,286	-	-	1,623	2,321	2	23,465	1,076	(60,173)
<b>TOTAL FUND BALANCES</b>	<b>(77)</b>	<b>(1,124)</b>	<b>-</b>	<b>-</b>	<b>1,286</b>	<b>-</b>	<b>-</b>	<b>1,623</b>	<b>2,321</b>	<b>2</b>	<b>23,465</b>	<b>1,076</b>	<b>(60,082)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 22,500</b>	<b>-</b>	<b>40,025</b>	<b>9,680</b>	<b>7,912</b>	<b>-</b>	<b>7,500</b>	<b>8,287</b>	<b>2,321</b>	<b>340</b>	<b>24,485</b>	<b>1,076</b>	<b>2,690,121</b>

**JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -  
 SPECIAL REVENUE - GRANT FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	FAMILY GROUP CONFERENCING PROJECT	US MARSHALS WARRANT GRANT	STEP GRANTS	DIABETES PREVENTION GRANT	LAW ENFORCEMENT BLOCK GRANT	HAMSHIRE WATER & SEWER GRANT	NARCOTICS TASK FORCE #13	CRIME VICTIMS #13	VINE	CRIME VICTIMS #12	MEADOWS FOUNDATION GRANT	HURRIANCE CONFERENCE GRANT	FEMA EMERGENCY
<b>REVENUES:</b>													
INTERGOVERNMENTAL	\$ 6,567	-	32,047	36,542	18,460	47,325	600,759	53,150	71,420	36,035	-	2,000	2,283,722
INTEREST	-	-	-	-	587	-	852	150	187	-	-	-	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	-	20,000	1,700	-
<b>TOTAL REVENUES</b>	<b>6,567</b>	<b>-</b>	<b>32,047</b>	<b>36,542</b>	<b>19,047</b>	<b>47,325</b>	<b>601,611</b>	<b>53,300</b>	<b>71,607</b>	<b>36,035</b>	<b>20,000</b>	<b>3,700</b>	<b>2,283,722</b>
<b>EXPENDITURES:</b>													
JUDICIAL AND LAW ENFORCEMENT	4,409	-	41,107	-	30,437	-	894,811	146,540	71,420	45,864	14,182	-	-
EDUCATION AND RECREATION	-	-	-	-	-	-	-	-	-	-	-	-	-
HEALTH & WELFARE	-	-	-	36,542	-	47,325	-	-	-	-	-	3,690	-
CONTRACT SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	2,392,210
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>4,409</b>	<b>-</b>	<b>41,107</b>	<b>36,542</b>	<b>30,437</b>	<b>47,325</b>	<b>894,811</b>	<b>146,540</b>	<b>71,420</b>	<b>45,864</b>	<b>14,182</b>	<b>3,690</b>	<b>2,392,210</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,158</b>	<b>-</b>	<b>(9,060)</b>	<b>-</b>	<b>(11,390)</b>	<b>-</b>	<b>(293,200)</b>	<b>(93,240)</b>	<b>187</b>	<b>(9,829)</b>	<b>5,818</b>	<b>10</b>	<b>(108,488)</b>
<b>OTHER FINANCING SOURCES (USES):</b>													
TRANSFERS IN	-	-	9,060	-	2,051	-	293,200	60,748	-	15,691	-	-	-
TRANSFERS OUT	-	(3,236)	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(3,236)</b>	<b>9,060</b>	<b>-</b>	<b>2,051</b>	<b>-</b>	<b>293,200</b>	<b>60,748</b>	<b>-</b>	<b>15,691</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,158</b>	<b>(3,236)</b>	<b>-</b>	<b>-</b>	<b>(9,339)</b>	<b>-</b>	<b>-</b>	<b>(32,492)</b>	<b>187</b>	<b>5,862</b>	<b>5,818</b>	<b>10</b>	<b>(108,488)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>60</b>	<b>3,236</b>	<b>-</b>	<b>-</b>	<b>12,659</b>	<b>-</b>	<b>-</b>	<b>32,492</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,419</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 2,218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187</b>	<b>5,862</b>	<b>5,818</b>	<b>10</b>	<b>(106,069)</b>

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**JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -  
 SPECIAL REVENUE - GRANT FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	AUTO THEFT GRANT	SHERIFF TOBACCO GRANT	DRUG INTERVENTION GRANT	VIOLENCE AGAINST WOMEN #3	VIOLENCE AGAINST WOMEN #4	FORENSIC SCIENCE IMPROVEMENT GRANT	CHEEK STEP SEWER IMPROVEMENTS	COMMUNITY EMERGENCY RESPONSE GRANT	HIGH INTENSITY DRUG TRAFFIC	LOAN STAR LIBRARIES GRANT	EMPG GRANT	SCAAP GRANT	2005 GRANT TOTALS
<b>REVENUES:</b>													
INTERGOVERNMENTAL	\$ 50,787	15,000	97,892	73,044	7,187	78,051	28,862	7,384	-	2,920	28,420	-	3,577,574
INTEREST	96	69	-	2	-	-	-	40	162	-	503	307	2,955
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	-	-	-	21,700
<b>TOTAL REVENUES</b>	<b>50,883</b>	<b>15,069</b>	<b>97,892</b>	<b>73,046</b>	<b>7,187</b>	<b>78,051</b>	<b>28,862</b>	<b>7,424</b>	<b>162</b>	<b>2,920</b>	<b>28,923</b>	<b>307</b>	<b>3,602,229</b>
<b>EXPENDITURES:</b>													
JUDICIAL AND LAW ENFORCEMENT	73,097	19,541	97,892	126,915	9,583	78,206	-	-	-	-	-	40,107	1,694,111
EDUCATION AND RECREATION	-	-	-	-	-	-	-	-	-	2,920	-	-	2,920
HEALTH & WELFARE	-	-	-	-	-	-	28,862	7,384	-	-	34,104	-	157,907
CONTRACT SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	2,392,210
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>73,097</b>	<b>19,541</b>	<b>97,892</b>	<b>126,915</b>	<b>9,583</b>	<b>78,206</b>	<b>28,862</b>	<b>7,384</b>	<b>-</b>	<b>2,920</b>	<b>34,104</b>	<b>40,107</b>	<b>4,247,148</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(22,214)</b>	<b>(4,472)</b>	<b>-</b>	<b>(53,869)</b>	<b>(2,396)</b>	<b>(155)</b>	<b>-</b>	<b>40</b>	<b>162</b>	<b>-</b>	<b>(5,181)</b>	<b>(39,800)</b>	<b>(644,919)</b>
<b>OTHER FINANCING SOURCES (USES):</b>													
TRANSFERS IN	22,137	-	-	53,869	3,682	155	-	-	-	-	-	-	460,593
TRANSFERS OUT	-	-	-	-	-	-	-	-	-	-	-	-	(3,236)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>22,137</b>	<b>-</b>	<b>-</b>	<b>53,869</b>	<b>3,682</b>	<b>155</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>457,357</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(77)</b>	<b>(4,472)</b>	<b>-</b>	<b>-</b>	<b>1,286</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>162</b>	<b>-</b>	<b>(5,181)</b>	<b>(39,800)</b>	<b>(187,562)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>-</b>	<b>3,348</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,583</b>	<b>2,159</b>	<b>2</b>	<b>28,646</b>	<b>40,876</b>	<b>127,480</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ (77)</b>	<b>(1,124)</b>	<b>-</b>	<b>-</b>	<b>1,286</b>	<b>-</b>	<b>-</b>	<b>1,623</b>	<b>2,321</b>	<b>2</b>	<b>23,465</b>	<b>1,076</b>	<b>(60,082)</b>

# CAPITAL PROJECTS FUNDS

## CAPITAL PROJECTS FUNDS

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

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

**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.

**2005 Tax Anticipation Notes** - This fund is used to account for the expenditures of proceeds from \$3,000,000 in Tax Anticipation Notes issued in May 2005. The proceeds will be spent on a variety of projects. The projects included vehicles, equipment, renovations for Jail, Justice of the Peace court room and Constable's office.

**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 costs of a multi-facility park which has been renamed Ford Park.

**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 800 MHz radio system, and furniture and fixtures at Ford Park.

**2003B Certificates of Obligation** - This fund is used to account for the expenditure of proceeds from \$1,505,000 in Certificates of Obligation issued in May 2003. The proceeds will be spent on Energy Conservation measures for County buildings.

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

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

**West Port Arthur Ambient Air Monitoring Station** - This fund is used to account for the expenditures related to the installation, operation and maintaining of an ambient air monitoring station in the vicinity of the Memorial High Ninth Grade Campus in Port Arthur. Funds to purchase, install, and maintain this station are from penalties assessed by the Texas Commission on Environmental Quality.

**Southeast Texas Regional Air Monitoring Network** - This fund is used to account for the expenditures related to the enhancement of seven air monitoring stations in Southeast Texas. Funds to enhance the air stations are from penalties assessed by the Texas Commission on Environmental Quality.

**JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS  
SEPTEMBER 30, 2005**

	HIGHWAY IMPROVEMENT FUND	TEMPORARY HOUSING PROJECT	1957 ROAD BOND FUND	CAPITAL PROJECTS FUND	2005 TAX ANTICIPATION NOTES	JUVENILE DETENTION CENTER	SOUTHEAST TEXAS ENTERTAINMENT COMPLEX	2002B CERTIFICATE OF OBLIGATION PROJECT	2003B CERTIFICATE OF OBLIGATION PROJECT	KEITH LAKE FISH PASS	ALTERNATIVE FUEL VEHICLE PROJECT	WEST PORT ARTHUR AMBIENT AIR MONITORING STATION	SOUTHEAST TEXAS REGIONAL AIR MONITORING NETWORK	TOTAL
<b>ASSETS:</b>														
CASH AND CASH EQUIVALENTS	\$ 313,990	-	-	426,464	1,962,850	-	186,564	1,982,768	94,462	237,805	4,695	338,261	289,104	5,836,963
ACCOUNTS RECEIVABLE, Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INTEREST RECEIVABLE	2,247	-	-	2,758	14,048	-	1,335	14,191	676	1,702	34	2,421	2,069	41,481
<b>TOTAL ASSETS</b>	<b>\$ 316,237</b>	<b>-</b>	<b>-</b>	<b>429,222</b>	<b>1,976,898</b>	<b>-</b>	<b>187,899</b>	<b>1,996,959</b>	<b>95,138</b>	<b>239,507</b>	<b>4,729</b>	<b>340,682</b>	<b>291,173</b>	<b>5,878,444</b>
<b>LIABILITIES AND FUND BALANCES</b>														
<b>LIABILITIES:</b>														
ACCOUNTS PAYABLE	\$ -	-	18,548	6,868	25,625	-	-	2,806	-	-	-	-	-	53,847
DUE TO OTHER FUNDS	-	-	43,572	188,035	-	-	-	-	-	-	-	-	-	231,607
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>62,120</b>	<b>194,903</b>	<b>25,625</b>	<b>-</b>	<b>-</b>	<b>2,806</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285,454</b>
<b>FUND BALANCES:</b>														
UNRESERVED	-	-	(62,120)	-	-	-	-	-	-	-	-	-	-	(62,120)
RESERVED FOR CAPITAL PROJECTS	316,237	-	-	234,319	1,951,273	-	187,899	1,994,153	95,138	239,507	4,729	340,682	291,173	5,655,110
<b>TOTAL FUND BALANCES</b>	<b>316,237</b>	<b>-</b>	<b>(62,120)</b>	<b>234,319</b>	<b>1,951,273</b>	<b>-</b>	<b>187,899</b>	<b>1,994,153</b>	<b>95,138</b>	<b>239,507</b>	<b>4,729</b>	<b>340,682</b>	<b>291,173</b>	<b>5,592,990</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 316,237</b>	<b>-</b>	<b>-</b>	<b>429,222</b>	<b>1,976,898</b>	<b>-</b>	<b>187,899</b>	<b>1,996,959</b>	<b>95,138</b>	<b>239,507</b>	<b>4,729</b>	<b>340,682</b>	<b>291,173</b>	<b>5,878,444</b>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	HIGHWAY IMPROVEMENT FUND	TEMPORARY HOUSING PROJECT	1957 ROAD BOND FUND	CAPITAL PROJECTS FUND	2005 TAX ANTICIPATION NOTES	JUVENILE DETENTION CENTER	SOUTHEAST TEXAS ENTERTAINMENT COMPLEX	2002B CERTIFICATE OF OBLIGATION PROJECT	2003B CERTIFICATE OF OBLIGATION PROJECT	KEITH LAKE FISH PASS	ALTERNATIVE FUEL VEHICLE PROJECT	WEST PORT ARTHUR AMBIENT AIR MONITORING STATION	SOUTHEAST TEXAS REGIONAL AIR MONITORING NETWORK	TOTAL
<b>REVENUES:</b>														
INTERGOVERNMENTAL	\$ -	-	-	489,314	-	-	974,748	-	-	293,000	-	-	-	1,757,062
SALES, RENTAL & SERVICES	-	-	-	-	-	-	-	-	95,343	382,092	331,872	284,414	1,093,721	
INTEREST	14,862	45	289	7,249	55,580	3	4,110	71,893	6,164	3,435	8,810	6,759	182,397	
<b>TOTAL REVENUES</b>	<u>14,862</u>	<u>45</u>	<u>289</u>	<u>496,563</u>	<u>55,580</u>	<u>3</u>	<u>978,858</u>	<u>71,893</u>	<u>3,198</u>	<u>394,507</u>	<u>385,527</u>	<u>340,682</u>	<u>291,173</u>	<u>3,033,180</u>
<b>EXPENDITURES:</b>														
BOND ISSUANCE COST	-	-	-	-	63,508	-	-	-	-	-	-	-	-	63,508
CAPITAL OUTLAY	724,302	-	120,418	302,799	1,041,289	-	918,150	1,188,674	-	155,000	380,798	-	-	4,831,430
<b>TOTAL EXPENDITURES</b>	<u>724,302</u>	<u>-</u>	<u>120,418</u>	<u>302,799</u>	<u>1,104,797</u>	<u>-</u>	<u>918,150</u>	<u>1,188,674</u>	<u>-</u>	<u>155,000</u>	<u>380,798</u>	<u>-</u>	<u>-</u>	<u>4,894,938</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(709,440)</u>	<u>45</u>	<u>(120,129)</u>	<u>193,764</u>	<u>(1,049,217)</u>	<u>3</u>	<u>60,708</u>	<u>(1,116,781)</u>	<u>3,198</u>	<u>239,507</u>	<u>4,729</u>	<u>340,682</u>	<u>291,173</u>	<u>(1,861,758)</u>
<b>OTHER FINANCING SOURCES (USES):</b>														
TRANSFERS IN	-	-	-	61,340	-	-	201,162	-	-	-	-	-	-	262,502
TRANSFERS OUT	-	(1,339)	-	-	-	(107)	-	-	-	-	-	-	-	(1,446)
ISSUANCE OF DEBT	-	-	-	-	3,000,000	-	-	-	-	-	-	-	-	3,000,000
PREMIUM ON DEBT ISSUED	-	-	-	-	490	-	-	-	-	-	-	-	-	490
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(1,339)</u>	<u>-</u>	<u>61,340</u>	<u>3,000,490</u>	<u>(107)</u>	<u>201,162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,261,546</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(709,440)</u>	<u>(1,294)</u>	<u>(120,129)</u>	<u>255,104</u>	<u>1,951,273</u>	<u>(104)</u>	<u>261,870</u>	<u>(1,116,781)</u>	<u>3,198</u>	<u>239,507</u>	<u>4,729</u>	<u>340,682</u>	<u>291,173</u>	<u>1,399,788</u>
<b>FUND BALANCES, BEGINNING</b>	<u>1,025,677</u>	<u>1,294</u>	<u>58,009</u>	<u>(20,785)</u>	<u>-</u>	<u>104</u>	<u>(73,971)</u>	<u>3,110,934</u>	<u>91,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,193,202</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 316,237</u>	<u>-</u>	<u>(62,120)</u>	<u>234,319</u>	<u>1,951,273</u>	<u>-</u>	<u>187,899</u>	<u>1,994,153</u>	<u>95,138</u>	<u>239,507</u>	<u>4,729</u>	<u>340,682</u>	<u>291,173</u>	<u>5,592,990</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:

**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.

**2003A Refunding Bond** - This fund is used to account for the revenues and expenditures associated with the \$11,550,000 General Obligation Refunding Bonds issued in May 2003.

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

**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NON MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE**  
**SEPTEMBER 30, 2005**

	<b>1999</b>	<b>2000</b>	<b>2002A</b>	<b>2002B</b>	<b>2003A</b>	<b>2003B</b>	<b>TOTAL</b>
	<b>CERTIFICATES</b>	<b>CERTIFICATES</b>	<b>REFUNDING</b>	<b>CERTIFICATES</b>	<b>REFUNDING</b>	<b>CERTIFICATES</b>	
	<b>OF</b>	<b>OF</b>	<b>BOND</b>	<b>OF</b>	<b>BOND</b>	<b>OF</b>	
	<b>OBLIGATION</b>	<b>OBLIGATION</b>	<b>OBLIGATION</b>	<b>OBLIGATION</b>	<b>OBLIGATION</b>	<b>OBLIGATION</b>	<b>TOTAL</b>
<b>ASSETS:</b>							
CASH AND CASH EQUIVALENTS	\$ 69,781	4,508	209,578	82,780	124,501	6,362	497,510
DELINQUENT TAXES RECEIVABLE, Net	61,842	4,112	181,808	-	105,142	5,048	357,952
PENALTY AND INTEREST RECEIVABLE, Net	33,784	2,246	99,321	-	57,438	2,757	195,546
INTEREST RECEIVABLE	497	32	1,491	589	886	45	3,540
<b>TOTAL ASSETS</b>	<b>\$ 165,904</b>	<b>10,898</b>	<b>492,198</b>	<b>83,369</b>	<b>287,967</b>	<b>14,212</b>	<b>1,054,548</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES:</b>							
DEFERRED REVENUES:							
DELINQUENT TAXES	\$ 54,691	3,636	160,784	-	92,984	4,464	316,559
PENALTY AND INTEREST	33,784	2,246	99,321	-	57,438	2,757	195,546
<b>TOTAL LIABILITIES</b>	<b>88,475</b>	<b>5,882</b>	<b>260,105</b>	<b>-</b>	<b>150,422</b>	<b>7,221</b>	<b>512,105</b>
<b>FUND BALANCES:</b>							
RESERVED FOR DEBT SERVICE	77,429	-	12,500	60,417	133,333	1,667	285,346
UNRESERVED	-	5,016	219,593	22,952	4,212	5,324	257,097
<b>TOTAL FUND BALANCES</b>	<b>77,429</b>	<b>5,016</b>	<b>232,093</b>	<b>83,369</b>	<b>137,545</b>	<b>6,991</b>	<b>542,443</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 165,904</b>	<b>10,898</b>	<b>492,198</b>	<b>83,369</b>	<b>287,967</b>	<b>14,212</b>	<b>1,054,548</b>

**JEFFERSON COUNTY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	<b>1999</b>	<b>2000</b>	<b>2002A</b>	<b>2002B</b>	<b>2003A</b>	<b>2003B</b>	<b>TOTAL</b>
	<b>CERTIFICATES OF OBLIGATION</b>	<b>CERTIFICATES OF OBLIGATION</b>	<b>REFUNDING BOND</b>	<b>CERTIFICATES OF OBLIGATION</b>	<b>REFUNDING BOND</b>	<b>CERTIFICATES OF OBLIGATION</b>	
<b>REVENUES:</b>							
PROPERTY TAXES	\$ 1,024,952	67,801	3,016,001	1,157,571	1,743,617	84,341	7,094,283
INTEREST	11,974	468	23,766	12,604	12,865	707	62,384
<b>TOTAL REVENUES</b>	<b>1,036,926</b>	<b>68,269</b>	<b>3,039,767</b>	<b>1,170,175</b>	<b>1,756,482</b>	<b>85,048</b>	<b>7,156,667</b>
<b>EXPENDITURES:</b>							
DEBT SERVICE:							
PRINCIPAL	900,000	-	145,000	700,000	1,570,000	20,000	3,335,000
INTEREST AND COMMISSION	115,961	64,375	3,016,376	522,925	276,500	61,236	4,057,373
<b>TOTAL EXPENDITURES</b>	<b>1,015,961</b>	<b>64,375</b>	<b>3,161,376</b>	<b>1,222,925</b>	<b>1,846,500</b>	<b>81,236</b>	<b>7,392,373</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>20,965</b>	<b>3,894</b>	<b>(121,609)</b>	<b>(52,750)</b>	<b>(90,018)</b>	<b>3,812</b>	<b>(235,706)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
TRANSFERS IN	107	-	-	-	-	-	107
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>107</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>21,072</b>	<b>3,894</b>	<b>(121,609)</b>	<b>(52,750)</b>	<b>(90,018)</b>	<b>3,812</b>	<b>(235,599)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>56,357</b>	<b>1,122</b>	<b>353,702</b>	<b>136,119</b>	<b>227,563</b>	<b>3,179</b>	<b>778,042</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 77,429</b>	<b>5,016</b>	<b>232,093</b>	<b>83,369</b>	<b>137,545</b>	<b>6,991</b>	<b>542,443</b>

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

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 7,261,964	7,261,964	7,094,283	(167,681)
INTEREST	30,733	30,733	62,384	31,651
TOTAL REVENUES	<u>7,292,697</u>	<u>7,292,697</u>	<u>7,156,667</u>	<u>(136,030)</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	3,335,000	3,335,000	3,335,000	-
INTEREST AND COMMISSION	<u>4,060,450</u>	<u>4,060,450</u>	<u>4,057,373</u>	<u>3,077</u>
TOTAL EXPENDITURES	<u>7,395,450</u>	<u>7,395,450</u>	<u>7,392,373</u>	<u>3,077</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(102,753)</u>	<u>(102,753)</u>	<u>(235,706)</u>	<u>(132,953)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>107</u>	<u>107</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>107</u>	<u>107</u>
NET CHANGE IN FUND BALANCES	(102,753)	(102,753)	(235,599)	(132,846)
FUND BALANCES, BEGINNING	<u>778,042</u>	<u>778,042</u>	<u>778,042</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 675,289</u>	<u>675,289</u>	<u>542,443</u>	<u>(132,846)</u>

**JEFFERSON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)**  
**DEBT SERVICE - 1999 CERTIFICATES OF OBLIGATION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 1,047,437	1,047,437	1,024,952	(22,485)
INTEREST	8,316	8,316	11,974	3,658
TOTAL REVENUES	<u>1,055,753</u>	<u>1,055,753</u>	<u>1,036,926</u>	<u>(18,827)</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	900,000	900,000	900,000	-
INTEREST AND COMMISSION	117,550	117,550	115,961	1,589
TOTAL EXPENDITURES	<u>1,017,550</u>	<u>1,017,550</u>	<u>1,015,961</u>	<u>1,589</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>38,203</u>	<u>38,203</u>	<u>20,965</u>	<u>(20,416)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS IN	-	-	107	107
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>107</u>	<u>107</u>
NET CHANGE IN FUND BALANCE	38,203	38,203	21,072	(20,309)
FUND BALANCES, BEGINNING	<u>56,357</u>	<u>56,357</u>	<u>56,357</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 94,560</u>	<u>94,560</u>	<u>77,429</u>	<u>(20,309)</u>

**JEFFERSON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)**  
**DEBT SERVICE - 2000 CERTIFICATES OF OBLIGATION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 69,612	69,612	67,801	(1,811)
INTEREST	332	332	468	136
TOTAL REVENUES	<u>69,944</u>	<u>69,944</u>	<u>68,269</u>	<u>(1,675)</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	-	-	-	-
INTEREST AND COMMISSION	<u>64,375</u>	<u>64,375</u>	<u>64,375</u>	<u>-</u>
TOTAL EXPENDITURES	<u>64,375</u>	<u>64,375</u>	<u>64,375</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>5,569</u>	<u>5,569</u>	<u>3,894</u>	<u>(1,675)</u>
NET CHANGE IN FUND BALANCE	5,569	5,569	3,894	(1,675)
FUND BALANCES, BEGINNING	<u>1,122</u>	<u>1,122</u>	<u>1,122</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 6,691</u>	<u>6,691</u>	<u>5,016</u>	<u>(1,675)</u>

**JEFFERSON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)**  
**DEBT SERVICE - 2002A REFUNDING BOND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 3,083,608	3,083,608	3,016,001	(67,607)
INTEREST	12,595	12,595	23,766	11,171
 TOTAL REVENUES	 <u>3,096,203</u>	 <u>3,096,203</u>	 <u>3,039,767</u>	 <u>(56,436)</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	145,000	145,000	145,000	-
INTEREST AND COMMISSION	3,016,376	3,016,376	3,016,376	-
 TOTAL EXPENDITURES	 <u>3,161,376</u>	 <u>3,161,376</u>	 <u>3,161,376</u>	 <u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>(65,173)</u>	 <u>(65,173)</u>	 <u>(121,609)</u>	 <u>(56,436)</u>
NET CHANGE IN FUND BALANCE	(65,173)	(65,173)	(121,609)	(56,436)
FUND BALANCES, BEGINNING	<u>353,702</u>	<u>353,702</u>	<u>353,702</u>	-
FUND BALANCES, ENDING	<u>\$ 288,529</u>	<u>288,529</u>	<u>232,093</u>	<u>(56,436)</u>

**JEFFERSON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)**  
**DEBT SERVICE - 2002B CERTIFICATES OF OBLIGATION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 1,191,956	1,191,956	1,157,571	(34,385)
INTEREST	7,285	7,285	12,604	5,319
TOTAL REVENUES	<u>1,199,241</u>	<u>1,199,241</u>	<u>1,170,175</u>	<u>(29,066)</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	700,000	700,000	700,000	-
INTEREST AND COMMISSION	<u>522,925</u>	<u>522,925</u>	<u>522,925</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,222,925</u>	<u>1,222,925</u>	<u>1,222,925</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(23,684)</u>	<u>(23,684)</u>	<u>(52,750)</u>	<u>(29,066)</u>
NET CHANGE IN FUND BALANCE	(23,684)	(23,684)	(52,750)	(29,066)
FUND BALANCES, BEGINNING	<u>136,119</u>	<u>136,119</u>	<u>136,119</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 112,435</u>	<u>112,435</u>	<u>83,369</u>	<u>(29,066)</u>

**JEFFERSON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)**  
**DEBT SERVICE - 2003A REFUNDING BOND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 1,782,621	1,782,621	1,743,617	(39,004)
INTEREST	2,051	2,051	12,865	10,814
TOTAL REVENUES	<u>1,784,672</u>	<u>1,784,672</u>	<u>1,756,482</u>	<u>(28,190)</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	1,570,000	1,570,000	1,570,000	-
INTEREST AND COMMISSION	<u>276,500</u>	<u>276,500</u>	<u>276,500</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,846,500</u>	<u>1,846,500</u>	<u>1,846,500</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(61,828)</u>	<u>(61,828)</u>	<u>(90,018)</u>	<u>(28,190)</u>
NET CHANGE IN FUND BALANCE	(61,828)	(61,828)	(90,018)	(28,190)
FUND BALANCES, BEGINNING	<u>227,563</u>	<u>227,563</u>	<u>227,563</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 165,735</u>	<u>165,735</u>	<u>137,545</u>	<u>(28,190)</u>

**JEFFERSON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)**  
**DEBT SERVICE - 2003B CERTIFICATES OF OBLIGATION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 86,730	86,730	84,341	(2,389)
INTEREST	154	154	707	553
TOTAL REVENUES	<u>86,884</u>	<u>86,884</u>	<u>85,048</u>	<u>(1,836)</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	20,000	20,000	20,000	-
INTEREST AND COMMISSION	<u>62,724</u>	<u>62,724</u>	<u>61,236</u>	<u>1,488</u>
TOTAL EXPENDITURES	<u>82,724</u>	<u>82,724</u>	<u>81,236</u>	<u>1,488</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,160</u>	<u>4,160</u>	<u>3,812</u>	<u>(348)</u>
NET CHANGE IN FUND BALANCE	4,160	4,160	3,812	(348)
FUND BALANCES, BEGINNING	<u>3,179</u>	<u>3,179</u>	<u>3,179</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 7,339</u>	<u>7,339</u>	<u>6,991</u>	<u>(348)</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**  
**COMBINING STATEMENT OF NET ASSETS -**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2005**

	LIFE & RETIREES'			TOTAL
	HEALTH INSURANCE FUND	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 2,620	360,352	489,757	852,729
ACCOUNTS RECEIVABLE, Net	2,185	-	-	2,185
INTEREST RECEIVABLE	4,648	1,768	3,505	9,921
DUE FROM OTHER FUNDS	-	-	7,282	7,282
INSURANCE DEPOSIT	-	-	10,000	10,000
<b>TOTAL ASSETS</b>	<u>\$ 9,453</u>	<u>362,120</u>	<u>510,544</u>	<u>882,117</u>
<b>LIABILITIES:</b>				
CLAIMS LIABILITY	<u>\$ 9,453</u>	<u>356,192</u>	<u>76,115</u>	<u>441,760</u>
<b>TOTAL LIABILITIES</b>	<u>9,453</u>	<u>356,192</u>	<u>76,115</u>	<u>441,760</u>
<b>NET ASSETS:</b>				
UNRESTRICTED	<u>-</u>	<u>5,928</u>	<u>434,429</u>	<u>440,357</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ -</u></u>	<u><u>5,928</u></u>	<u><u>434,429</u></u>	<u><u>440,357</u></u>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET ASSETS -**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	<b>LIFE &amp; RETIREES'</b>			
	<b>HEALTH</b>	<b>LIABILITY</b>	<b>WORKERS'</b>	
	<b>INSURANCE</b>	<b>INSURANCE</b>	<b>COMPENSATION</b>	
	<b>FUND</b>	<b>FUND</b>	<b>FUND</b>	<b>TOTAL</b>
<b>OPERATING REVENUES:</b>				
EMPLOYEE CONTRIBUTIONS	\$ 25,910	-	-	25,910
CHARGES TO DEPARTMENTS	689,810	-	24,988	714,798
<b>TOTAL OPERATING REVENUES</b>	<u>715,720</u>	<u>-</u>	<u>24,988</u>	<u>740,708</u>
<b>OPERATING EXPENSES:</b>				
INCURRED & ESTIMATED CLAIMS	731,483	288,439	313,748	1,333,670
<b>TOTAL OPERATING EXPENSES</b>	<u>731,483</u>	<u>288,439</u>	<u>313,748</u>	<u>1,333,670</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(15,763)</u>	<u>(288,439)</u>	<u>(288,760)</u>	<u>(592,962)</u>
<b>NONOPERATING REVENUES</b>				
INTEREST	22,346	10,483	17,545	50,374
REFUNDS AND RECOVERIES	4,356	69,018	13,763	87,137
<b>TOTAL NONOPERATING REVENUES</b>	<u>26,702</u>	<u>79,501</u>	<u>31,308</u>	<u>137,511</u>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	10,939	(208,938)	(257,452)	(455,451)
TRANSFERS IN	-	113,286	-	113,286
TRANSFERS OUT	(638,286)	-	-	(638,286)
<b>CHANGE IN NET ASSETS</b>	<u>(627,347)</u>	<u>(95,652)</u>	<u>(257,452)</u>	<u>(980,451)</u>
<b>NET ASSETS, BEGINNING</b>	<u>627,347</u>	<u>101,580</u>	<u>691,881</u>	<u>1,420,808</u>
<b>NET ASSETS, ENDING</b>	<u>\$ -</u>	<u>5,928</u>	<u>434,429</u>	<u>440,357</u>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS -**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	<b>LIFE &amp; RETIREES'</b>			
	<b>HEALTH</b>	<b>LIABILITY</b>	<b>WORKERS'</b>	
	<b>INSURANCE</b>	<b>INSURANCE</b>	<b>COMPENSATION</b>	
	<b>FUND</b>	<b>FUND</b>	<b>FUND</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
RECEIPTS FROM EMPLOYEES	\$ 26,815	-	-	26,815
INTERNAL ACTIVITY-RECEIPTS(PAYMENT) FROM (TO) OTHER FUNDS	690,421	-	24,988	715,409
CLAIMS PAID	(730,122)	(191,557)	(242,633)	(1,164,312)
OTHER RECEIPTS/(PAYMENTS)	<u>2,203</u>	<u>69,018</u>	<u>6,481</u>	<u>77,702</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(10,683)</u>	<u>(122,539)</u>	<u>(211,164)</u>	<u>(344,386)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
OPERATING SUBSIDIES AND TRANSFERS WITH OTHER FUNDS	<u>(638,286)</u>	<u>113,286</u>	<u>-</u>	<u>(525,000)</u>
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>(638,286)</u>	<u>113,286</u>	<u>-</u>	<u>(525,000)</u>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES:</b>				
INTEREST	<u>18,781</u>	<u>9,331</u>	<u>15,209</u>	<u>43,321</u>
NET CASH PROVIDED BY INVESTMENT ACTIVITIES	<u>18,781</u>	<u>9,331</u>	<u>15,209</u>	<u>43,321</u>
NET INCREASE (DECREASE) IN CASH	(630,188)	78	(195,955)	(826,065)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>632,808</u>	<u>360,274</u>	<u>685,712</u>	<u>1,678,794</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 2,620</u>	<u>360,352</u>	<u>489,757</u>	<u>852,729</u>
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET</b>				
<b>CASH PROVIDED(USED) BY OPERATING ACTIVITIES:</b>				
OPERATING INCOME(LOSS)	\$ (15,763)	(288,439)	(288,760)	(592,962)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH				
PROVIDED BY OPERATING ACTIVITIES:				
OTHER NON-OPERATING REVENUES	4,356	69,018	13,763	87,137
CHANGES IN ASSETS AND LIABILITIES:				
ACCOUNTS RECEIVABLE	(1,248)	-	-	(1,248)
DUE FROM OTHER GOVERNMENTAL ENTITIES	611	-	-	611
DUE FROM OTHER FUNDS	-	-	(7,282)	(7,282)
CLAIMS LIABILITY	<u>1,361</u>	<u>96,882</u>	<u>71,115</u>	<u>169,358</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (10,683)</u>	<u>(122,539)</u>	<u>(211,164)</u>	<u>(344,386)</u>

# FIDUCIARY FUNDS

## FIDUCIARY FUNDS

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

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

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

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

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

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

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

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

**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.

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

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

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

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

**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	TREASURER MAINTAINED FUND	COUNTY CLERK FUND	DISTRICT CLERK FUND	SHERIFF'S FUND	JUSTICE OF THE PEACE FUND	TAX ASSESSOR COLLECTOR FUND	DISTRICT ATTORNEY'S SEIZURE FUND	NARCOTICS TASK FORCE SEIZURE FUND	COMMUNITY SUPERVISION TRUST FUND	JUVENILE PROBATION TRUST FUND	FLEXIBLE SPENDING FUND	WOMENS' CENTER TRUST FUND	TOTAL AGENCY FUNDS
<b>TOTAL AGENCY FUNDS</b>													
<b>ASSETS - OCTOBER 1, 2004 - Restated</b>													
CASH AND INVESTMENTS	\$ 620,844	1,506,825	7,530,972	369,894	217,505	3,151,491	273,137	183,424	620,245	331	7,595	5,926	14,488,189
ACCOUNTS RECEIVABLE, Net DUE FROM OTHER	10,391	-	-	-	-	-	-	-	-	-	-	-	10,391
GOVERNMENTAL ENTITIES INVENTORY	263,495	-	109,021	-	-	-	1,245	-	-	-	-	-	373,761
TOTAL	894,730	1,506,825	7,639,993	421,907	217,505	3,151,491	274,382	183,424	620,245	331	7,595	5,926	14,924,354
<b>ADDITIONS</b>													
CASH AND INVESTMENTS	1,857,191	4,293,292	14,914,473	8,587,792	4,720,184	419,658,492	274,224	35,523	3,826,597	32,028	297,413	448,595	458,945,804
ACCOUNTS RECEIVABLE, Net DUE FROM OTHER	8,809	-	-	-	-	-	-	-	-	-	-	-	8,809
GOVERNMENTAL ENTITIES INVENTORY	288,516	-	64,617	-	-	-	17,254	-	-	-	-	-	370,387
TOTAL	2,154,516	4,293,292	14,979,090	8,635,998	4,720,184	419,658,492	291,478	35,523	3,826,597	32,028	297,413	448,595	459,373,206
<b>DELETIONS</b>													
CASH AND INVESTMENTS	2,226,341	4,425,656	15,568,733	8,536,600	4,728,129	418,149,299	187,783	75,315	3,929,629	32,028	300,813	452,919	458,613,245
ACCOUNTS RECEIVABLE, Net DUE FROM OTHER	10,391	-	-	-	-	-	-	-	-	-	-	-	10,391
GOVERNMENTAL ENTITIES INVENTORY	263,495	-	109,021	-	-	-	1,245	-	-	-	-	-	373,761
TOTAL	2,500,227	4,425,656	15,677,754	8,588,613	4,728,129	418,149,299	189,028	75,315	3,929,629	32,028	300,813	452,919	459,049,410
<b>ASSETS - SEPTEMBER 30, 2005</b>													
CASH AND INVESTMENTS	251,694	1,374,461	6,876,712	421,086	209,560	4,660,684	359,578	143,632	517,213	331	4,195	1,602	14,820,748
ACCOUNTS RECEIVABLE, Net DUE FROM OTHER	8,809	-	-	-	-	-	-	-	-	-	-	-	8,809
GOVERNMENTAL ENTITIES INVENTORY	288,516	-	64,617	-	-	-	17,254	-	-	-	-	-	370,387
TOTAL ASSETS	\$ 549,019	1,374,461	6,941,329	469,292	209,560	4,660,684	376,832	143,632	517,213	331	4,195	1,602	15,248,150
<b>LIABILITIES - OCTOBER 1, 2004 - Restated</b>													
ACCOUNTS PAYABLE DUE TO OTHER	\$ 172,030	374,983	7,493,898	299,355	34,818	3,151,491	274,382	183,424	620,245	331	7,595	5,926	12,618,478
GOVERNMENTAL ENTITIES OTHER PAYABLES	453,643	11,140	56,245	38,369	157,741	-	-	-	-	-	-	-	717,138
TOTAL	625,673	1,340,251	7,550,143	337,724	192,559	3,151,491	274,382	183,424	620,245	331	7,595	5,926	14,289,744
<b>ADDITIONS</b>													
ACCOUNTS PAYABLE DUE TO OTHER	34,800	516,965	13,087,082	6,929,543	665,902	419,775,134	290,233	35,523	3,691,177	24,984	297,413	417,022	445,765,778
GOVERNMENTAL ENTITIES OTHER PAYABLES	1,582,257	2,110,893	1,880,305	1,060,285	2,144,196	-	-	-	-	-	-	-	8,777,936
TOTAL	1,617,057	4,074,937	14,967,387	7,989,828	2,810,098	419,775,134	290,233	35,523	3,691,177	24,984	297,413	417,022	455,990,793
<b>DELETIONS</b>													
ACCOUNTS PAYABLE DUE TO OTHER	33,000	347,431	13,679,301	6,819,009	663,499	418,265,941	187,783	75,315	3,794,209	24,984	300,813	421,346	444,612,631
GOVERNMENTAL ENTITIES OTHER PAYABLES	1,660,711	2,104,909	1,896,900	1,039,251	2,129,598	-	-	-	-	-	-	-	8,831,369
TOTAL	1,693,711	4,040,727	15,576,201	7,858,260	2,793,097	418,265,941	187,783	75,315	3,794,209	24,984	300,813	421,346	455,032,387
<b>LIABILITIES - SEPTEMBER 30, 2005</b>													
ACCOUNTS PAYABLE DUE TO OTHER	173,830	544,517	6,901,679	409,889	37,221	4,660,684	376,832	143,632	517,213	331	4,195	1,602	13,771,625
GOVERNMENTAL ENTITIES OTHER PAYABLES	375,189	17,124	39,650	59,403	172,339	-	-	-	-	-	-	-	663,705
TOTAL LIABILITIES	\$ 549,019	1,374,461	6,941,329	469,292	209,560	4,660,684	376,832	143,632	517,213	331	4,195	1,602	15,248,150

# CAPITAL ASSETS

**JEFFERSON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY SOURCE**  
**SEPTEMBER 30, 2005**

	<u><b>TOTAL</b></u>
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS:</b>	
LAND	\$ 4,696,008
INFRASTRUCTURE	46,613,865
BUILDINGS AND IMPROVEMENTS	85,163,407
EQUIPMENT	20,628,735
CONSTRUCTION IN PROGRESS	<u>3,616,293</u>
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>\$ <u>160,718,308</u></b>

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

GENERAL FUND	\$ 89,559,455
SPECIAL REVENUE FUND	3,548,148
CAPITAL PROJECTS FUND	65,033,466
GIFTS	<u>2,577,239</u>
	<b>\$ <u>160,718,308</u></b>

**JEFFERSON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

<u>FUNCTION</u>	<u>LAND</u>	<u>INFRASTRUCTURE</u>	<u>BUILDINGS &amp; IMPROVEMENTS</u>	<u>EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>TOTAL</u>
GENERAL GOVERNMENT	\$ -	\$ -	\$ 292,963	\$ 1,467,930	\$ 2,125	\$ 1,763,018
JUDICIAL AND LAW ENFORCEMENT	45,446	-	27,255,702	10,068,319	-	37,369,467
HEALTH & WELFARE	14,000	-	873,514	583,361	-	1,470,875
MAINTENANCE OF STRUCTURES AND EQUIPMENT	4,636,562	46,613,865	56,741,228	8,509,125	3,614,168	120,114,948
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>\$ 4,696,008</b>	<b>\$ 46,613,865</b>	<b>\$ 85,163,407</b>	<b>\$ 20,628,735</b>	<b>\$ 3,616,293</b>	<b>\$ 160,718,308</b>

**JEFFERSON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

<u>FUNCTION</u>	<u>BALANCE 10/1/2004</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>TRANSFERS</u>	<u>BALANCE 9/30/2005</u>
GENERAL GOVERNMENT	\$ 2,186,958	\$ 12,288	\$ (436,228)	\$ -	\$ 1,763,018
JUDICIAL AND LAW ENFORCEMENT	36,073,967	1,942,031	(646,531)	-	37,369,467
HEALTH AND WELFARE	1,397,256	137,537	(63,918)	-	1,470,875
MAINTENANCE OF STRUCTURES AND EQUIPMENT	<u>117,685,664</u>	<u>2,781,295</u>	<u>(352,011)</u>	<u>-</u>	<u>120,114,948</u>
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<u><u>\$ 157,343,845</u></u>	<u><u>\$ 4,873,151</u></u>	<u><u>\$ (1,498,688)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 160,718,308</u></u>

# STATISTICAL SECTION

**JEFFERSON COUNTY, TEXAS**  
**GOVERNMENT-WIDE EXPENSES BY FUNCTION \***  
**SEPTEMBER 30, 2005**

	<b>FISCAL YEAR</b> <b>2003</b>	<b>FISCAL YEAR</b> <b>2004 - Restated</b>	<b>FISCAL YEAR</b> <b>2005</b>
GENERAL GOVERNMENT	\$ 23,307,525	\$ 14,333,080	\$ 14,089,777
JUDICIAL AND LAW ENFORCMENT	55,493,454	54,948,624	53,370,635
EDUCATION AND RECREATION	582,284	661,892	584,989
HEALTH AND WELFARE	6,799,713	7,332,338	7,080,846
CONTRACTUAL SERVICES	242,444	690,319	2,594,428
MAINTENANCE - EQUIPMENT AND STRUCTURES	11,433,413	11,302,172	11,711,754
DEBT SERVICE - INTEREST	4,221,915	4,155,680	4,251,603
AIRPORT	3,764,211	3,796,261	3,573,304
ENTERTAINMENT COMPLEX	4,148,162	7,522,063	7,195,328
HEALTH INSURANCE RISK POOL	13,616,447	9,710,612	9,995,778
<b>TOTAL EXPENSES</b>	<b>\$ 123,609,568</b>	<b>\$ 114,453,041</b>	<b>\$ 114,448,442</b>

\* Reporting for government-wide expenses by function began in fiscal year 2003

**JEFFERSON COUNTY, TEXAS  
GOVERNMENT-WIDE REVENUES \*  
SEPTEMBER 30, 2005**

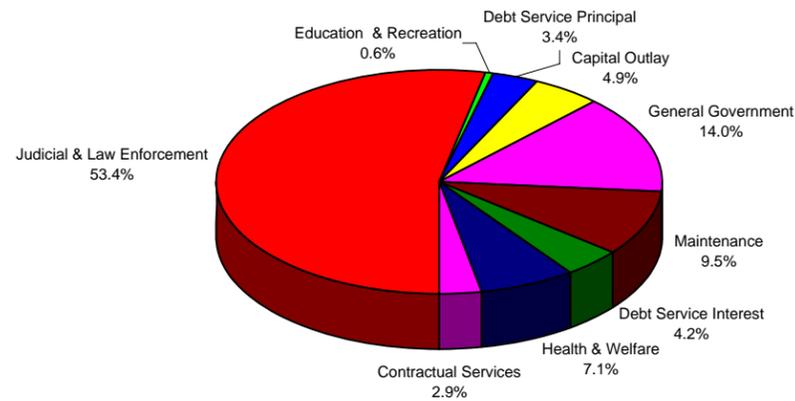
	<u>FISCAL YEAR 2003</u>	<u>FISCAL YEAR 2004</u>	<u>FISCAL YEAR 2005</u>
CHARGES FOR SERVICES	\$ 37,717,832	\$ 36,835,401	\$ 34,636,470
OPERATING GRANTS AND CONTRIBUTIONS	8,541,252	7,590,761	9,659,300
CAPITAL GRANTS AND CONTRIBUTIONS	1,227,114	1,855,457	3,769,306
TAXES	59,440,295	61,637,600	73,420,254
INVESTMENT INCOME	2,163,069	556,153	1,182,959
OTHER	170,681	176,944	6,406
<b>TOTAL REVENUES</b>	<u>\$ 109,260,243</u>	<u>\$ 108,652,316</u>	<u>\$ 122,674,695</u>

\* Reporting for government-wide revenues began in fiscal year 2003

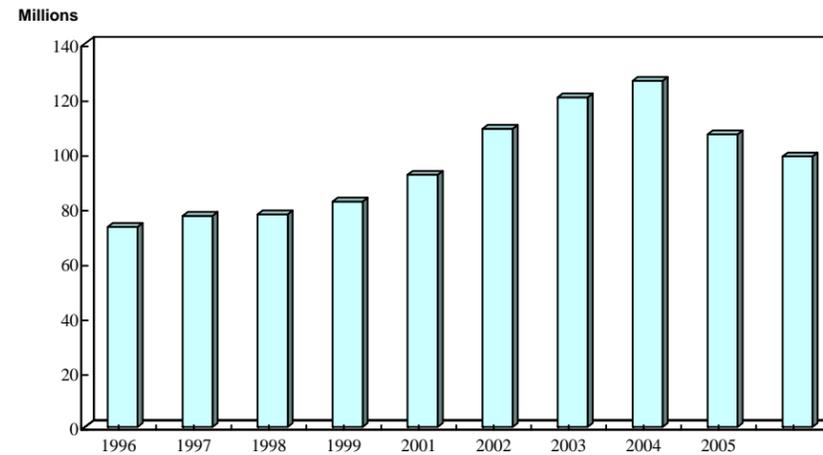
**JEFFERSON COUNTY, TEXAS  
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION (a)  
LAST TEN FISCAL YEARS  
(Unaudited)**

FISCAL YEAR	GENERAL GOVERNMENT	JUDICIAL AND LAW ENFORCEMENT	EDUCATION AND RECREATION	HEALTH AND WELFARE	CONTRACTUAL SERVICES	MAINTENANCE EQUIPMENT AND STRUCTURES	CAPITAL OUTLAY	DEBT SERVICE PRINCIPAL	DEBT SERVICE INTEREST/ COMMISSION	TOTAL EXPENDITURES
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
2003	14,235,304	54,391,585	582,284	6,753,127	242,444	9,420,715	33,443,927	2,980,000	4,355,169	126,404,555
2004	13,167,975	53,205,202	506,721	7,255,840	690,319	8,935,803	15,491,047	3,250,000	4,351,299	106,854,206
2005	13,851,082	52,714,845	582,637	7,011,489	2,927,177	9,390,262	4,831,430	3,335,000	4,120,881	98,764,803

**General Government Expenditures by Function**



**General Government Expenditures Last Ten Fiscal Years**

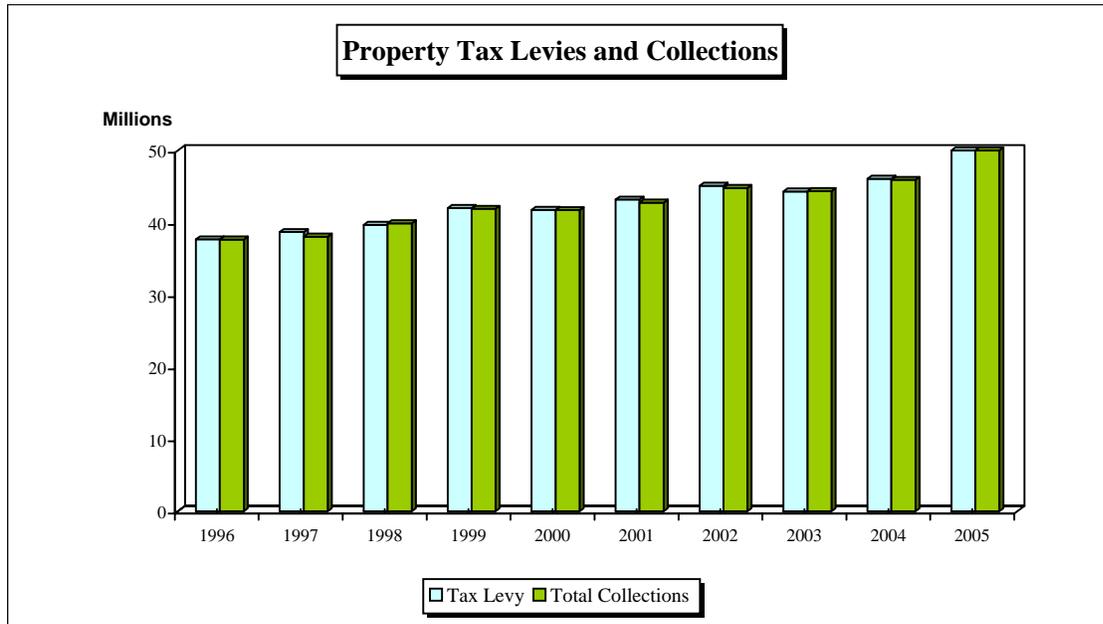


(a) Includes General, Special Revenue, Capital Projects and Debt Service Funds.



**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 (b)	TOTAL TAX COLLECTIONS	RATIO COLLECTIONS TO CURRENT TAX LEVY
1996	\$ 37,684,064	\$37,006,664	98.20%	\$656,942	\$37,663,606	99.95%
1997	38,690,064	37,691,228	97.42%	353,536	38,044,764	98.33%
1998	39,702,445	39,100,364	98.48%	802,333	39,902,697	100.50%
1999	42,022,635	41,426,352	98.58%	487,145	41,913,497	99.74%
2000	41,752,443	41,099,423	98.44%	637,887	41,737,310	99.96%
2001	43,189,589	42,274,843	97.88%	491,497	42,766,340	99.02%
2002	45,121,395	44,239,041	98.04%	549,226	44,788,267	99.26%
2003	44,319,875	43,495,625	98.14%	855,279	44,350,904	100.07%
2004	46,085,188	45,211,674	98.10%	714,333	45,926,007	99.65%
2005	57,311,457	56,137,699	97.95%	529,143	56,666,842	98.88%



- (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.

**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)		
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
2003	13,879,174,631	4,159,350,333	9,719,824,298	2,881,856,940	12,601,681,238	100%	16,761,031,571
2004	14,557,527,010	4,091,571,282	10,465,955,728	3,062,622,300	13,528,578,028	100%	17,620,149,310
2005	15,598,910,420	4,601,530,770	10,997,379,650	3,373,285,690	14,370,665,340	100%	18,972,196,110

- (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 7

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

PURPOSE	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
<b>COUNTY-WIDE TAXING JURISDICTION:</b>										
JEFFERSON COUNTY	0.425000	0.425000	0.365000	0.365000	0.365000	0.365000	0.365000	0.365000	0.365000	0.370000
<b>CITIES:</b>										
BEAUMONT	0.659000	0.664000	0.670000	0.670000	0.635000	0.635000	0.635000	0.635000	0.615000	0.615000
BEVIL OAKS	0.260000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
GROVES	0.742600	0.765600	0.772577	0.799000	0.756750	0.748000	0.748000	0.748000	0.718000	0.700000
NEDERLAND	0.652456	0.658903	0.660000	0.660000	0.650000	0.650000	0.650000	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	0.704000	0.704000	0.675000	0.678000	0.669000	0.660000	0.660000	0.660000	0.689000	0.689000
<b>SCHOOL DISTRICTS:</b>										
BEAUMONT	1.540000	1.540000	1.540000	1.540000	1.540000	1.520000	1.500000	1.500000	1.480000	1.440000
HAMSHIRE FANNETT	1.695000	1.735000	1.640000	1.640000	1.650000	1.550000	1.540000	1.714241	1.480000	1.490000
HARDIN JEFFERSON	1.580000	1.560000	1.563000	1.605000	1.485000	1.486500	1.533000	1.485000	1.430000	1.620000
NEDERLAND	1.550000	1.550000	1.550000	1.560000	1.530000	1.540000	1.510000	1.510000	1.470436	1.430000
PORT ARTHUR	1.681000	1.624155	1.500000	1.532000	1.531967	1.500000	1.500000	1.489000	1.489000	1.489000
PORT NECHES	1.619000	1.627792	1.633300	1.656362	1.677181	1.684053	1.703027	1.734542	1.667155	1.544297
SABINE PASS	1.675000	1.695600	1.689000	1.689000	1.685000	1.680000	1.645000	1.500000	1.500000	1.500000
<b>PORT DISTRICTS:</b>										
BEAUMONT	0.083519	0.085750	0.088390	0.090300	0.090378	0.098750	0.081382	0.082435	0.088382	0.073970
PORT ARTHUR	0.128150	0.121909	0.130870	0.131277	0.131937	0.138556	0.146490	0.139785	0.158451	0.153870
SABINE PASS	0.183709	0.251337	0.308060	0.295151	0.262177	0.270458	0.280136	0.239110	0.122124	0.151591
<b>DRAINAGE DISTRICTS:</b>										
DRAINAGE DISTRICTS #3	0.328317	0.308660	0.324568	0.307738	0.307738	0.307738	0.375863	0.432500	0.443544	0.448014
DRAINAGE DISTRICTS #6	0.200039	0.200039	0.200039	0.200039	0.200039	0.200039	0.200039	0.200039	0.200039	0.200039
DRAINAGE DISTRICTS #7	0.179063	0.188100	0.188100	0.188100	0.170500	0.170500	0.170500	0.172102	0.172102	0.172102
<b>NAVIGATION DISTRICTS:</b>										
JEFFERSON COUNTY	0.029699	0.031021	0.031868	0.033023	0.023023	0.023023	0.017808	0.018000	0.019468	0.019468
<b>MUNICIPAL UTILITY DISTRICTS:</b>										
BEVIL OAKS	0.000000	0.000000	0.000000	0.000000	0.000000	0.306541	0.323262	0.342720	0.356171	0.404123
NORTHWEST FOREST	0.376700	0.380000	0.767898	0.759377	0.777595	0.755752	0.761977	0.837500	0.850000	0.979574
<b>WATER DISTRICTS:</b>										
WATER DISTRICT #10	0.335167	0.348306	0.370988	0.420812	0.315373	0.307688	0.369312	0.408747	0.428613	0.463235
<b>EMERGENCY SERVICE DISTRICTS:</b>										
EMERGENCY SERVICE DISTRICT #1	0.057728	0.061688	0.061688	0.047210	0.058574	0.061958	0.063775	0.062538	0.066265	0.076619
EMERGENCY SERVICE DISTRICT #2	0.027648	0.037015	0.036327	0.035718	0.030018	0.028888	0.030000	0.029204	0.029260	0.029260
<b>CONSERVATION DISTRICTS:</b>										
TRINITY BAY	0.410360	0.450360	0.468270	0.468270	0.518190	0.503920	0.503920	0.503920	0.521240	0.461600
<b>IMPROVEMENT DISTRICT:</b>										
CARDINAL MEADOWS	0.467537	0.467537	0.206966	0.334901	0.332707	0.339887	0.338402	0.395117	0.392988	0.428936

**JEFFERSON COUNTY, TEXAS**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**SEPTEMBER 30, 2005**  
**(Unaudited)**

Assessed Value of Real Property	\$15,598,910,420
---------------------------------	------------------

Assessed Value of All Taxable Property	\$18,972,196,110
--	------------------

**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	\$3,899,727,605
---	-----------------

Amount of Debt Applicable to Constitutional

Debt Limit:

Total Bonded Applicable Debt	\$83,430,000	
Less Amount Available in Debt Service Fund	542,443	82,887,557

LEGAL DEBT MARGIN, BONDS ISSUED  
 UNDER ARTICLE III, SECTION 52  
 OF THE TEXAS CONSTITUTION

\$3,816,840,048

**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 Government Code 1301.003 (c). The principal amount of all bonds which may be issued under the provision of such Code is limited in the aggregate to 5% of the assessed valuation. The debt limit under Government Code 1301.003 (c) is approximately \$948,609,805 compared to applicable bonds outstanding at September 30, 2005 of \$83,430,000.

**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
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
2003	252,051	12,601,681,238	87,015,000	753,427	86,261,573	0.68%	342
2004	252,051	13,528,578,028	83,765,000	778,042	82,986,958	0.61%	329
2005	252,051	14,370,665,340	83,430,000	542,443	82,887,557	0.58%	329

(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 10

**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
	Principal	Interest	Total Debt Service		
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%
2003	2,980,000	4,355,169	7,335,169	126,404,555	5.80%
2004	3,250,000	4,351,299	7,601,299	106,854,206	7.11%
2005	3,335,000	4,057,373	7,392,373	98,764,803	7.48%

**JEFFERSON COUNTY, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**SEPTEMBER 30, 2005**  
**(Unaudited)**

	Net Outstanding Debt	Applicable %	Applicable Share of Debt
COUNTY-WIDE TAXING JURISDICTION:			
JEFFERSON COUNTY	\$83,430,000	100.00%	<u>\$83,430,000</u>
<b>Total Direct Debt</b>			<b>\$83,430,000</b>
CITIES:			
BEAUMONT	94,580,000	100.00%	94,580,000
BEVIL OAKS	-	100.00%	-
GROVES	12,010,000	100.00%	12,010,000
NEDERLAND	17,310,000	100.00%	17,310,000
PORT ARTHUR	72,895,000	100.00%	72,895,000
PORT NECHES	17,220,000	100.00%	17,220,000
SCHOOL DISTRICTS:			
BEAUMONT	43,605,000	100.00%	43,605,000
HAMSHIRE FANNETT	13,358,935	100.00%	13,358,935
HARDIN JEFFERSON	5,114,939	55.00%	2,813,216
NEDERLAND	14,245,000	100.00%	14,245,000
PORT ARTHUR	77,570,496	100.00%	77,570,496
PORT NECHES	25,399,652	100.00%	25,399,652
SABINE PASS	8,775,000	100.00%	8,775,000
PORT DISTRICTS:			
BEAUMONT	25,885,000	100.00%	25,885,000
PORT ARTHUR	24,395,000	100.00%	24,395,000
SABINE PASS	1,025,993	100.00%	1,025,993
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	-	100.00%	-
WATER DISTRICTS:			
WATER DISTRICT #10	5,890,000	100.00%	5,890,000
EMERGENCY SERVICE DISTRICTS:			
EMERGENCY SERVICE DISTRICT #1	-	100.00%	-
EMERGENCY SERVICE DISTRICT #2	-	100.00%	-
CONSERVATION DISTRICTS:			
TRINITY BAY	-	100.00%	-
IMPROVEMENT DISTRICT:			
CARDINAL MEADOWS	20,054	100.00%	<u>20,054</u>
<b>Total Overlapping Debt</b>			<b><u>456,998,346</u></b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b><u><u>\$540,428,346</u></u></b>

TABLE 12

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

EMPLOYMENT STATISTICS

Calendar Year	Civilian Labor Force	Total Employment	Total Unemployment	Percent Unemployment
1996	116,775	106,641	10,134	8.7%
1997	116,861	108,103	8,758	7.5%
1998	117,411	109,399	8,012	6.8%
1999	117,130	107,563	9,567	8.2%
2000	112,767	105,437	7,330	6.5%
2001	111,524	103,503	8,021	7.2%
2002	112,786	103,875	8,911	7.9%
2003	114,516	104,505	10,011	8.7%
2004	113,919	104,385	9,534	8.4%
2005(a)	114,434	105,382	9,052	7.9%

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 December, 2005 (not finalized). 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
1996	\$12,612,609,790	\$2,302,425,301	\$10,310,184,489	\$71,031,491	\$27,971,959	\$99,003,450
1997	12,734,479,082	1,818,512,942	10,915,966,140	87,731,204	48,236,969	135,968,173
1998	12,969,436,584	1,444,260,355	11,525,176,229	68,450,070	53,510,726	121,960,796
1999	12,934,168,699	1,469,623,768	11,464,544,931	141,727,689	65,338,286	207,065,975
2000	13,544,634,725	1,678,146,646	11,866,488,079	79,227,703	71,689,240	150,916,943
2001	14,635,800,184	2,240,446,601	12,395,353,583	165,015,042	79,655,952	244,670,994
2002	14,657,208,677	2,481,811,640	12,175,397,037	244,704,858	84,473,346	329,178,204
2003	15,412,010,106	2,810,328,868	12,601,681,238	50,600,293	64,577,708	115,178,001
2004	16,201,558,057	2,672,980,029	13,528,578,028	171,640,144	74,140,707	245,780,851
2005	17,440,001,541	3,069,336,201	14,370,665,340	199,980,049	71,085,219	271,065,268

- (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.

TABLE 14

**JEFFERSON COUNTY, TEXAS  
PRINCIPAL TAXPAYERS  
OCTOBER 1, 2005 (a)  
(Unaudited)**

TAXPAYERS	2005 TAXABLE VALUATIONS (b)	PERCENTAGE OF TOTAL TAXABLE VALUATION
MOBIL OIL CORPORATION	\$1,834,347,120	12.76%
MOTIVA REFINERY	851,955,020	5.93%
HUNTSMAN PETROCHEMICAL CORP.	781,330,160	5.44%
PREMCO REFINING GROUP INC.	486,682,210	3.39%
AMERICAN PETROFINA MKT INC.	398,391,950	2.77%
CHEVRON PHILLIPS CHEMICAL CO.	292,795,180	2.04%
ENTERGY GULF STATES INC.	241,884,430	1.68%
GOODYEAR TIRE & RUBBER CO.	202,105,580	1.41%
PORT ARTHUR COKER COMPANY LP	147,417,950	1.03%
E I DUPONT DE NEMOURS	134,039,950	0.93%
SUN MARINE TERMINALS INC.	107,108,830	0.75%
SOUTHWESTERN BELL TELEPHONE CO.	99,295,180	0.69%
AIR LIQUIDE AMERICAN CORP.	92,581,770	0.64%
BASF CORPORATION	89,074,100	0.62%
LUCITE INTERNATIONAL	77,502,930	0.54%
CENTANA ENERGY MARKETING CO.	68,899,200	0.48%
ARKEMA INC	68,717,480	0.48%
WALMART STORES INC #8275	64,342,490	0.45%
CHEVRON U S A INC.	57,705,870	0.40%
NOBLE ENERGY INC	54,993,790	0.38%
<b>TOTAL</b>	<b>\$6,151,171,190</b>	<b>42.80%</b>

(a) Tax roll for fiscal year 2006

(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, 2005**  
**(Unaudited)**

**DEBT SERVICE REQUIREMENTS**

Fiscal Year Ended 9/30	Principal	Interest	Total Outstanding Debt	% of Principal Retired
2006	\$ 3,890,000	\$ 4,070,309	\$ 7,960,309	
2007	4,045,000	3,921,363	7,966,363	
2008	3,510,000	3,786,513	7,296,513	
2009	3,660,000	3,662,188	7,322,188	
2010	3,760,000	3,529,638	7,289,638	28.93%
2011	3,970,000	3,382,688	7,352,688	
2012	3,590,000	3,198,206	6,788,206	
2013	3,780,000	3,021,269	6,801,269	
2014	4,160,000	2,844,331	7,004,331	
2015	4,380,000	2,620,750	7,000,750	55.65%
2016	4,635,000	2,383,787	7,018,787	
2017	4,865,000	2,132,518	6,997,518	
2018	3,880,000	1,877,869	5,757,869	
2019	3,795,000	1,658,689	5,453,689	
2020	4,045,000	1,440,476	5,485,476	79.13%
2021	4,220,000	1,228,114	5,448,114	
2022	4,465,000	1,011,839	5,476,839	
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>\$83,430,000</u>	<u>\$47,353,917</u>	<u>\$130,783,917</u>	
		Average (2006/2025)	\$6,539,196	
		Maximum	\$7,966,363	

**TAX DEBT OUTSTANDING**

Debt Outstanding

Certificates of Obligation, Series 1999	\$ 1,950,000
Certificates of Obligation, Series 2000	1,150,000
Refunding Bonds, Series 2002A	56,355,000
Certificates of Obligation, Series 2002B	11,065,000
Refunding Bonds, Series 2003A	8,445,000
Certificates of Obligation, Series 2003B	1,465,000
Tax Anticipation Notes, Series 2005	3,000,000
	<u>\$83,430,000</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, 2005  
(Unaudited)**

**TAXABLE ASSESSED VALUATION BY CATEGORY (b)**

	Tax Year 2005		Tax Year 2004		Tax Year 2003		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	\$5,330,704,948	30.57%	\$5,019,009,794	30.98%	\$4,657,937,080	30.22%	\$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	297,863,010	1.71%	283,864,632	1.75%	275,694,986	1.79%	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	167,492,878	0.96%	148,472,821	0.92%	133,327,406	0.86%	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	168,230,556	0.96%	160,803,650	0.99%	149,942,400	0.97%	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	100,067,220	0.57%	93,008,940	0.57%	69,192,240	0.45%	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	1,558,519,449	8.94%	1,375,998,420	8.49%	1,181,939,916	7.67%	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	6,134,786,170	35.18%	5,773,564,450	35.64%	5,901,205,250	38.29%	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	251,176,130	1.44%	222,829,630	1.38%	118,601,850	0.77%	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	579,875,790	3.32%	564,226,960	3.48%	582,503,280	3.78%	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	993,613,140	5.70%	941,567,320	5.81%	851,527,978	5.53%	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	1,835,057,870	10.52%	1,597,831,160	9.86%	1,471,725,230	9.55%	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	22,614,380	0.13%	20,380,280	0.13%	18,412,490	0.12%	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	\$17,440,001,541	100.00%	\$16,201,558,057	100.00%	\$15,412,010,106	100.00%	\$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	3,069,336,201		2,672,980,029		2,810,328,868		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>\$14,370,665,340</u>		<u>\$13,528,578,028</u>		<u>\$12,601,681,238</u>		<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, 2005**  
**(Unaudited)**

**INCOME DISTRIBUTION AND EFFECTIVE BUYING INCOME (b)**

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
<b>Retail Sales by Store Group (000's)</b>										
Building Materials & Garden Supplies	\$231,764	\$254,142	\$280,949	\$254,512	\$204,620	\$201,216	\$194,050	\$181,757	\$167,231	\$151,555
General Merchandise Stores	535,363	472,909	476,344	454,701	451,112	444,679	357,861	350,591	402,966	370,061
Food Stores	475,960	458,867	433,638	440,352	440,756	420,161	412,267	404,806	398,493	419,389
Automotive Dealers & Service Stations	549,048	536,835	565,849	544,729	544,258	516,746	478,287	456,465	415,005	389,147
Apparel and Accessory Stores	114,215	114,567	116,452	113,541	116,262	111,874	112,458	104,795	97,838	102,094
Furniture and Home Furnishing Stores	204,166	204,349	198,658	210,155	213,246	209,974	203,380	188,859	191,628	185,102
Eating and Drinking Establishments	314,395	299,563	291,338	284,074	275,277	267,306	263,478	247,955	238,373	220,634
Miscellaneous Retail	622,059	578,501	558,802	539,879	493,003	453,063	403,669	372,600	363,676	352,450
<b>Effective Buying Income (EBI) (000's)</b>										
Total EBI	(c)	3,322,295								
Median Households EBI	(c)	28,164								
<b>Percent of Households EBI</b>										
\$10,000-\$19,999	(c)	37.0%								
\$20,000-\$34,999	(c)	22.0%								
\$35,000-\$49,999	(c)	17.0%								
\$50,000 and Over	(c)	24.0%								

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

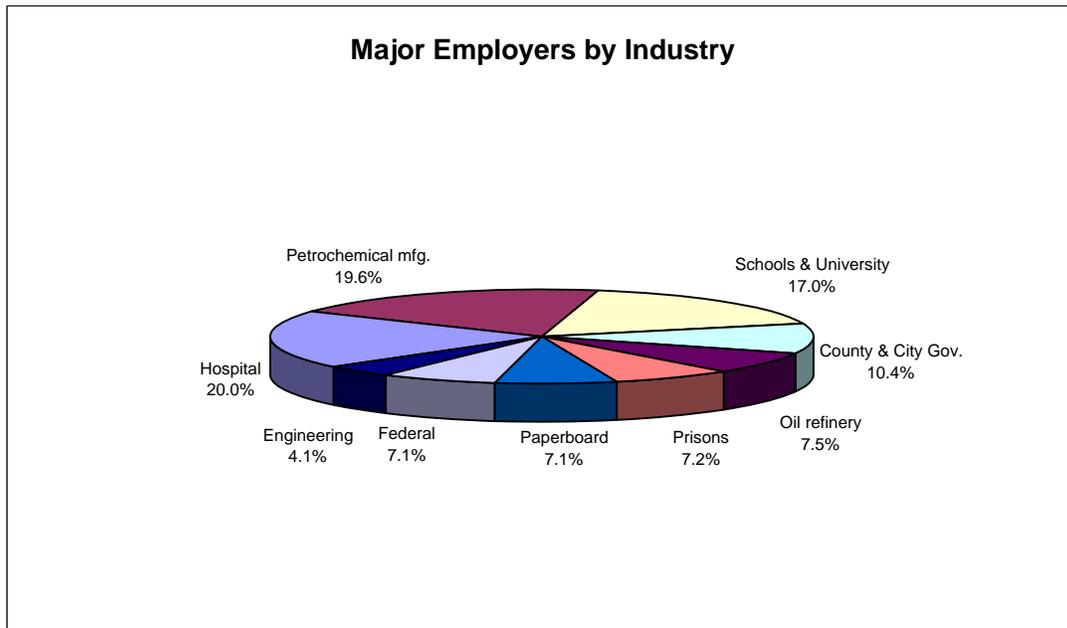
(b) State of Texas Comptroller's Office.

(c) Information no longer available.

**JEFFERSON COUNTY, TEXAS  
MISCELLANEOUS STATISTICS (a)  
SEPTEMBER 30, 2005  
(Unaudited)**

**MAJOR EMPLOYERS CITY AND METRO AREA (b)**

Company	Industry	Employees
Beaumont ISD	School District	2,840
Christus Saint Elizabeth Hospital	Hospital	2,500
Memorial Hermann Baptist Hospital	Hospital	2,250
ExxonMobil Oil Corporation	Petrochemical mfg.	2,150
Westvaco	Paperboard	1,690
U. S. Postal Encoding Center	Federal Government	1,686
E.I. DuPont -Sabine River Works	Petrochemical mfg.	1,450
City of Beaumont	City Government	1,450
Lamar University	University	1,200
Huntsman	Petrochemical mfg.	1,041
County of Jefferson	County Government	1,005
ENGlobal	Engineering	980
Motiva Enterprises	Oil refinery	975
Federal Bureau of Prisons	Prison	960
Valero Refining Group Inc.	Oil refinery	800
Texas Department of Criminal Justice	Prison	750



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

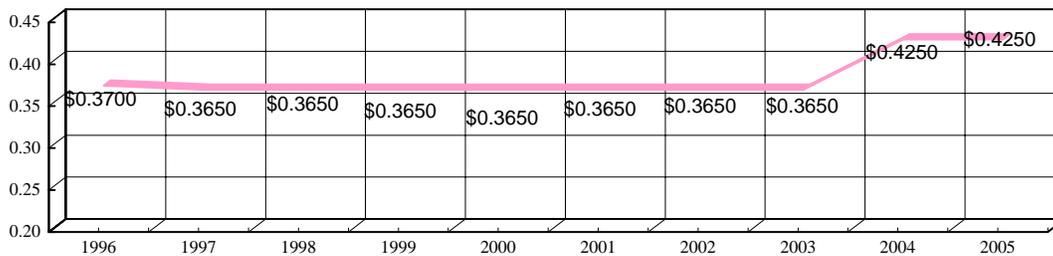
(b) Beaumont Chamber of Commerce.

**JEFFERSON COUNTY, TEXAS  
MISCELLANEOUS STATISTICS (a)  
SEPTEMBER 30, 2005  
(Unaudited)**

**TAX RATE DISTRIBUTION**

	Tax Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Operations	\$0.3373	\$0.3311	\$0.3364	\$0.3318	\$0.3116	\$0.3128	\$0.3212	\$0.3050	\$0.3725	\$0.3750
Debt	0.0327	0.0339	0.0286	0.0332	0.0534	0.0522	0.0438	0.0600	0.0525	0.0500
<b>Totals</b>	<b>\$0.3700</b>	<b>\$0.3650</b>	<b>\$0.4250</b>	<b>\$0.4250</b>						

**Tax Rate Last Ten Years**



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