

JEFFERSON COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended
September 30, 2008



JEFFERSON COUNTY, TEXAS



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

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, 2008

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INTRODUCTORY

SECTION

PATRICK SWAIN
COUNTY AUDITOR
(409) 835-8500



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

March 30, 2009

Citizens of Jefferson County, Texas:

Honorable District Judges:

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

Honorable Commissioners' Court:

Ronald Walker, County Judge
Eddie Arnold, Commissioner, Precinct No. 1
Mark Domingue, Commissioner, Precinct No. 2
Michael "Shane" Sinegal, Commissioner, Precinct No. 3
Everette "Bo" Alfred, Commissioner, Precinct No. 4

The County Auditor's Office ("the Auditor's Office") is pleased to present the Comprehensive Annual Financial Report ("CAFR") of Jefferson County, Texas (the "County") for the fiscal year ended September 30, 2008. 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.

Gayle W. Botley & Associates, Certified Public Accountants, have issued an unqualified ("clean") opinion on the County's financial statements for the year ended September 30, 2008. 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 authorized by the Texas Constitution and Statutes that includes construction and maintenance of roads and bridges, health and housing services, assistance to indigents, juvenile and adult justice programs, economic development, recreation and cultural enrichment, an airport, an entertainment complex, and general administration.

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

The County is required to adopt a final budget 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 information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates. During fiscal year 2008, the County and its residents continue recovery efforts related to Hurricane Rita, which struck the County and surrounding Gulf Coast areas in late September 2005. The area was struck again with a relatively minor storm, Hurricane Humberto in 2007. In September 2008, Hurricane Ike impacted the area. As one of the largest and most devastating storms in history, encompassing the entire Gulf of Mexico at one point, the storm surge from Hurricane Ike completely obliterated some areas around the County. While the damage to the County itself was not as severe as with Rita, many residents had to relocate, businesses were closed and the rebuilding began again. While still striving to return to pre-storm conditions, County leaders continue to push for funding that will enable the community to fully recover and continue to grow.

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

The County is traversed by Interstate Highway 10, US Highways 90 and 69-96-287, State Highways 73, 87, and 105 and three farm-to-market roads. Rail and motor freight carriers also provide freight service to the County. The 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.

The County continues to grow with several industrial expansion projects underway. Motiva will increase its current refining capacity to become the largest refinery in the United States. Eastman Chemical plans to build a gasification facility in the County. Management from each of these companies is currently evaluating several options in order to continue these projects despite the current U.S. economic crisis.

The County will continue to monitor the events associated with the U.S. economy crisis such as nationwide job losses, Wall Street market down turns, and significant fluctuations in crude oil prices in order to make decisions accordingly to minimize any negative events to the overall financial position of the County.

Long-term financial planning & Relevant financial policies

Commissioners' Court continue to follow their policy guideline for budgetary and planning purposes of building and maintaining an unreserved, undesignated fund balance in the general fund of at least 15% of total general fund expenditures and transfers. The County ended the fiscal year with an unreserved, undesignated fund balance of 29.7% of total general fund expenditures and transfers. This falls within the policy guidelines.

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

Major Initiatives

The Commissioners' Court set the property tax rate at \$.390 per \$100 of assessed property valuation to provide funds for services, and debt service for fiscal year 2008. Budget initiatives for fiscal year 2008 included:

- Provide taxpayers a .01 cent tax rate decrease.
- Provide a 7% salary increase to all employees.
- Negotiate a new four year union contract with the Deputy Sheriff & correction Officers Association and the Deputy Constable Association.
- Provide additional funding to capital projects.
- Provide necessary funding to continue replacing needed capital equipment.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jefferson County, Texas for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2007. This was the eleventh consecutive year that the government has achieved this prestigious award.

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

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

ACKNOWLEDGEMENTS

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

REQUEST FOR INFORMATION

This financial report is designed to provide an overview of the County's finances for individuals who are interested in this information. Questions concerning any of the data provided in this report or requests for additional information should be addressed to the County Auditor's Office, 1149 Pearl Street 7th 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, 2007

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.



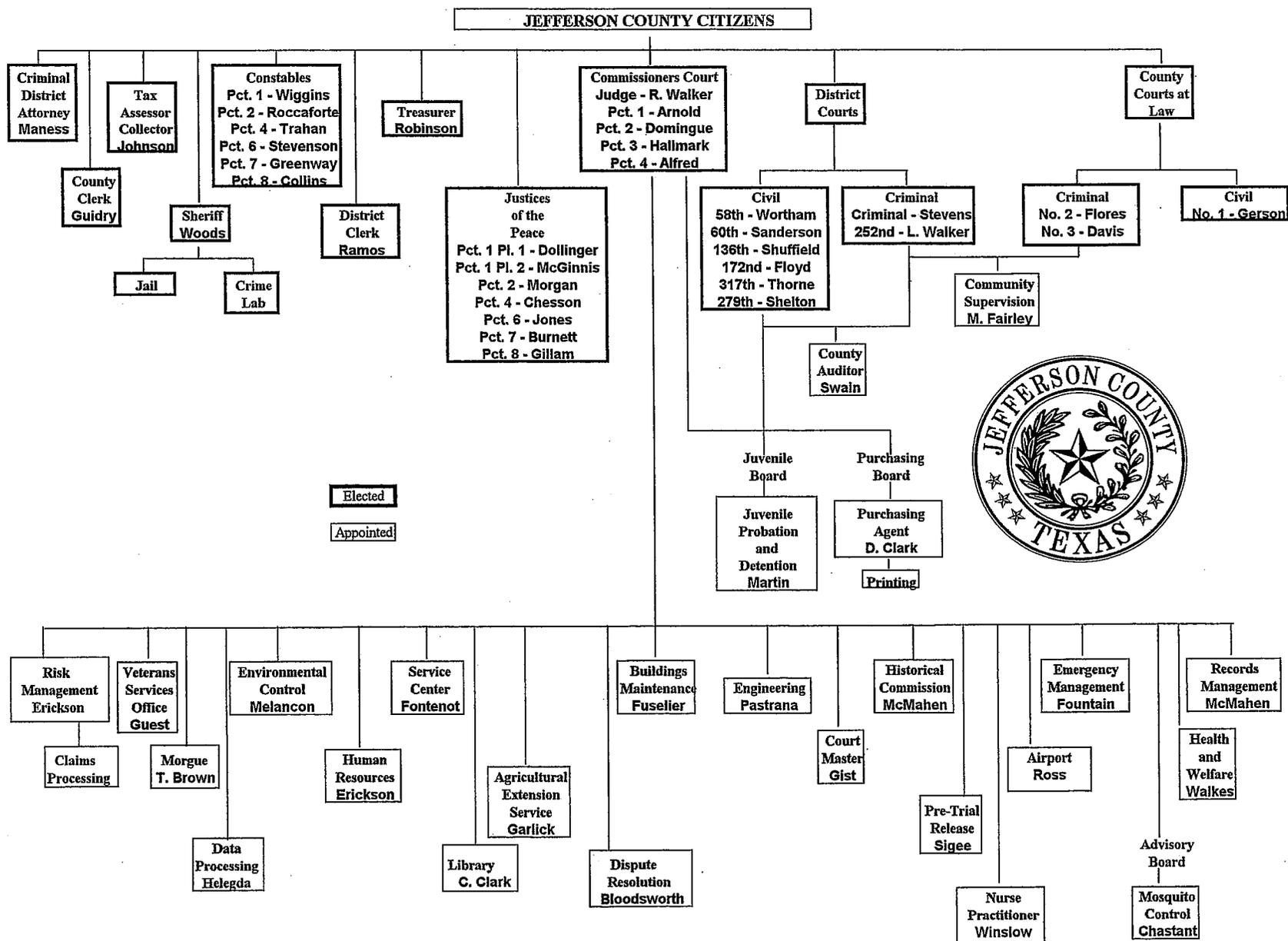
President

Executive Director



ORGANIZATION CHART OF JEFFERSON COUNTY

As of September 30, 2008



Elected

Appointed

ELECTED OFFICIALS

As of September 30, 2008

COMMISSIONERS' COURT

County Judge	Ronald Walker
Commissioner Pct. 1	Eddie Arnold
Commissioner Pct. 2	Mark Domingue
Commissioner Pct. 3	Waymon Hallmark
Commissioner Pct. 4	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	Duce Jones
J.P. Pct. 7	Brad Burnett
J.P. Pct. 8	Tom Gillam

CONSTABLES

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

COUNTY COURTS AT LAW

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

DISTRICT JUDGES

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

DISTRICT ATTORNEY

Tom Maness

APPOINTED OFFICIALS

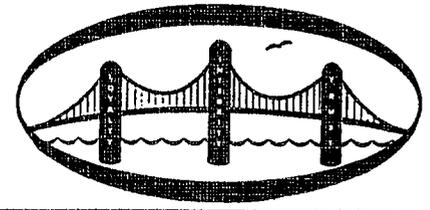
As of September 30, 2008

Agricultural Extension Service	Starla Garlick
Airport	Hal Ross
Auditor	Patrick Swain
Auto Service Center	David Fontenot
Buildings Maintenance	Harry Fuselier
Community Supervision	Michael Fairley
Court Master	Larry Gist
Data Processing	Paul Helegda
Dispute Resolution Center	Cindy Bloodsworth
Emergency Management	Greg Fountain
Engineering	Jose Pastrana
Environmental Control	Michael Melancon
Health and Welfare	Dr. Cecil Walkes
Human Resources	Cary Erickson
Juvenile Probation & Detention	James Martin
Library	Chad Clark
Mosquito Control	Lee Chastant
Nurse Practitioner	Anne Winslow
Pre-Trial Release	Thomas Sigee, Sr.
Purchasing Agent\Printing	Deborah Clark
Risk Management\Claims Processing	Cary Erickson
Veterans Services Office	Hilary Guest



FINANCIAL

SECTION



INDEPENDENT AUDITOR'S REPORT

County Judge, Ron Walker 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, 2008, 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 opinions.

In our opinion, the financial statements referred to above presents 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, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 19, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial

reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be 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 the Governmental Accounting Standards Board. 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 opinions 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.

Gayle W. Botley & Associates

Gayle W. Botley & Associates
Port Arthur, Texas

March 19, 2009

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

As management of Jefferson County, we offer readers of the Jefferson County's financial statement this narrative overview and analysis of the financial activities of the county for the fiscal year ended September 30, 2008. Please read it in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of Jefferson County exceeded its liabilities at the close of fiscal year 2008 by \$140,995,353 (net assets). Of this amount, \$45,185,264 (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The county's total net assets increased by \$8,761,111. As a result, the county's overall financial position has improved from the previous year.
- As of the close of fiscal year 2008, Jefferson County's governmental funds reported combined ending fund balances of \$53,114,142, an increase of \$1,092,501 in comparison with the prior year. About 83% of the total amount, \$44,093,917 is available for spending at the county's discretion (unreserved, undesignated fund balance).
- At the end of fiscal year 2008, unreserved, undesignated fund balance for the general fund was \$31,324,562, or 30 percent of total general fund expenditures and transfers. In addition, the General fund had a reserve fund balance of \$1,124,272.
- The FEMA Emergency fund is classified as a major fund. It had an unreserved fund balance of \$3,514,777.
- The County's total debt decreased by \$3,472,350 during the current fiscal year.

Overview of the Financial Statements

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

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

The Statement of Net 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.

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

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

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

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

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

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

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.

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

The County maintains 107 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. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its liability activities, workers compensation, and the public entity risk pool that provides health insurance benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County's only fiduciary funds are 15 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 31 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 61 of this report.

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

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

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$140,995,353 for fiscal year 2008 and \$132,234,242 for fiscal year 2007.

Condensed Statement of Net Assets
September 30, 2008
Primary Government

	Governmental Activities	Business-type Activities	Reclassifications	Total
Current and other assets	\$ 80,541,408	\$ 2,922,892	\$ -	\$83,464,300
Capital Assets	73,424,865	88,482,217	-	161,907,082
Total Assets	<u>\$153,966,273</u>	<u>\$ 91,405,109</u>	<u>\$ -</u>	<u>\$245,371,382</u>
Current and other liabilities	\$ 15,536,485	\$ 2,541,898	\$ -	\$ 18,078,383
Long-term liabilities	86,050,049	247,597	-	86,297,646
Total Liabilities	<u>\$101,586,534</u>	<u>\$ 2,789,495</u>	<u>\$ -</u>	<u>\$104,376,029</u>
Net Assets:				
Invested in capital assets, net of related debt	\$ 62,450,468	\$ 88,482,217	\$ (63,016,132)	\$ 87,916,553
Restricted net assets	7,893,536	-	-	7,893,536
Unrestricted net assets	(17,964,265)	133,397	63,016,132	45,185,264
Total Net Assets	<u>\$ 52,379,739</u>	<u>\$ 88,615,614</u>	<u>\$ -</u>	<u>\$140,995,353</u>

Condensed Statement of Net Assets
September 30, 2007
Primary Government

	Governmental Activities	Business-type Activities	Reclassifications	Total
Current and other assets	\$ 72,647,464	\$ 1,003,516	\$ -	\$ 73,650,980
Capital Assets	70,533,027	89,066,109	-	159,599,136
Total Assets	<u>\$143,180,491</u>	<u>\$ 90,069,625</u>	<u>\$ -</u>	<u>\$233,250,116</u>
Current and other liabilities	\$ 10,566,360	\$ 1,520,032	\$ -	\$ 12,086,392
Long-term liabilities	88,699,574	229,908	-	88,929,482
Total Liabilities	<u>\$ 99,265,934</u>	<u>\$ 1,749,940</u>	<u>\$ -</u>	<u>\$101,015,874</u>
Net Assets:				
Invested in capital assets, net of related debt	\$ 56,750,081	\$ 89,080,109	\$ (64,096,344)	\$ 81,733,846
Restricted net assets	3,993,898	-	-	3,993,898
Unrestricted net assets	(16,829,422)	(760,424)	64,096,344	46,506,498
Total Net Assets	<u>\$ 43,914,557</u>	<u>\$ 88,319,685</u>	<u>\$ -</u>	<u>\$132,234,242</u>

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

The largest portion of the County's current fiscal year net assets (62.4 percent) reflects its investments in capital assets (e.g. land, improvements, buildings, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The main use of these capital assets is to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the County's current fiscal year net assets (32.0 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 (5.6 percent) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year 2008 and fiscal year 2007, the County reported positive net assets in all three categories of net assets for Jefferson County as a whole, and report positive balances in two of the three categories of net assets for its governmental activities. Unrestricted net assets for governmental activities were negative \$17,964,265 for fiscal year 2008 and \$16,829,422 for fiscal year 2007. Business-type activities had positive balances in two of the categories of net assets for fiscal year 2008 and only one category for the prior fiscal year. Unrestricted net assets for business-type activities were negative \$760,424 for fiscal year 2007.

The County had a reclassification of \$63,016,132 in fiscal year 2008 and \$64,096,344 in the prior fiscal year 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 County's net assets increased by \$8,761,111 during the current fiscal year.

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, 2008

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 23,287,060	\$ 6,334,444	\$ 29,621,504
Operating grants and contributions	14,050,116	-	14,050,116
Capital grants and contributions	269,347	2,741,002	3,010,349
General revenues:			
Taxes - levied for general purposes	65,816,477	-	65,816,477
Taxes - levied for debt service	6,799,329	-	6,799,329
Sales Taxes	25,424,401	-	25,424,401
Investment earnings	2,871,285	9,467	2,880,752
Miscellaneous	208,499	145	208,644
Total revenues	<u>138,726,514</u>	<u>9,085,058</u>	<u>147,811,572</u>
Expenses:			
General government	20,369,690	-	20,369,690
Judicial and law enforcement	69,170,421	-	69,170,421
Education and recreation	1,931,084	-	1,931,084
Health and welfare	10,104,601	-	10,104,601
Maintenance - equipment and structures	21,118,467	-	21,118,467
Interest and charges on long-term debt	3,804,914	-	3,804,914
Airport	-	4,902,822	4,902,822
Entertainment Complex	-	7,648,462	7,648,462
Total expenses	<u>126,499,177</u>	<u>12,551,284</u>	<u>139,050,461</u>
Excess (deficiency) before special items and transfers	12,227,337	(3,466,226)	8,761,111
Transfers	(3,762,155)	3,762,155	-
Change in net assets	<u>8,465,182</u>	<u>295,929</u>	<u>8,761,111</u>
Net assets - beginning	<u>43,914,557</u>	<u>88,319,685</u>	<u>132,234,242</u>
Net assets - ending	<u>\$ 52,379,739</u>	<u>\$ 88,615,614</u>	<u>\$ 140,995,353</u>

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

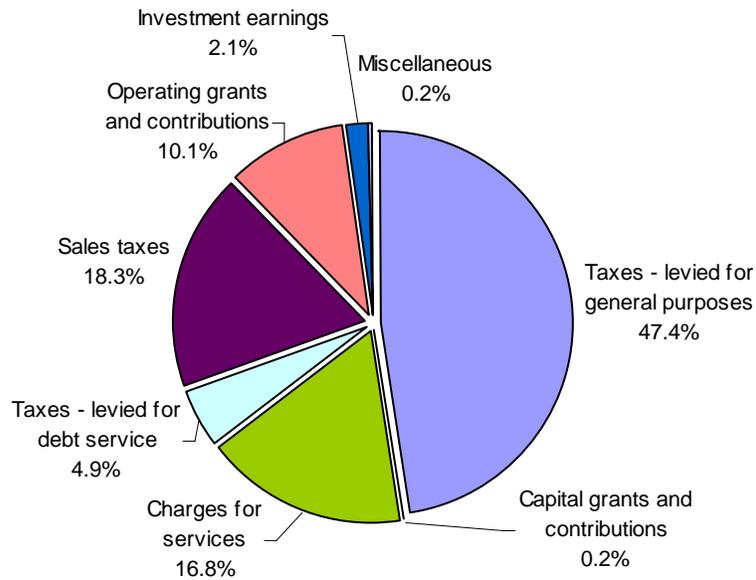
Statement of Activities
For the Year Ended September 30, 2007

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 26,859,229	\$ 6,332,416	\$ 33,191,645
Operating grants and contributions	11,718,420	-	11,718,420
Capital grants and contributions	1,290,133	3,725,475	5,015,608
General revenues:			
Taxes - levied for general purposes	58,264,774	-	58,264,774
Taxes - levied for debt service	7,454,550	-	7,454,550
Sales Taxes	23,131,309	-	23,131,309
Investment earnings	3,373,514	18,915	3,392,429
Miscellaneous	214,078	-	214,078
Total revenues	<u>132,306,007</u>	<u>10,076,806</u>	<u>142,382,813</u>
Expenses:			
General government	20,008,549	-	20,008,549
Judicial and law enforcement	59,282,186	-	59,282,186
Education and recreation	1,713,942	-	1,713,942
Health and welfare	8,784,296	-	8,784,296
Maintenance - equipment and structures	18,185,968	-	18,185,968
Interest and charges on long-term debt	3,985,181	-	3,985,181
Airport	-	4,219,627	4,219,627
Entertainment Complex	-	8,685,343	8,685,343
Total expenses	<u>111,960,122</u>	<u>12,904,970</u>	<u>124,865,092</u>
Excess (deficiency) before special items and transfers	20,345,885	(2,828,164)	17,517,721
Transfers	<u>(2,086,110)</u>	<u>2,086,110</u>	<u>-</u>
Change in net assets	<u>18,259,775</u>	<u>(742,054)</u>	<u>17,517,721</u>
Net assets - beginning	26,014,904	88,701,617	114,716,521
Prior period adjustment	<u>(360,122)</u>	<u>360,122</u>	<u>-</u>
Net assets - beginning - restated	<u>25,654,782</u>	<u>89,061,739</u>	<u>114,716,521</u>
Net assets - ending	<u>\$ 43,914,557</u>	<u>\$ 88,319,685</u>	<u>\$ 132,234,242</u>

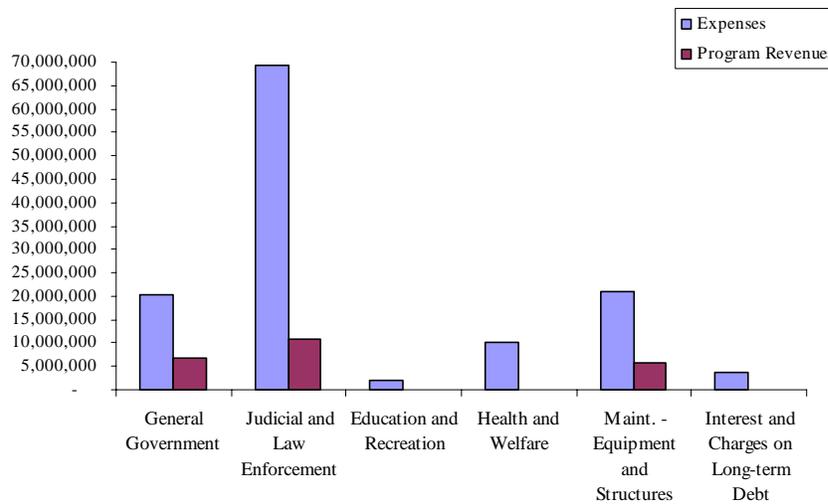
*Jefferson County, Texas
Management's Discussion and Analysis (Unaudited)*

Governmental activities

Revenues by Source - Governmental Activities
Year Ended September 30, 2008



Expenses and Program Revenues - Governmental Activities
Year Ended September 30, 2008



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

Governmental activities increased the county's net assets by \$8,465,182, thereby accounting for 97 percent of the total growth in the net assets of Jefferson County. Key elements of this increase are as follows:

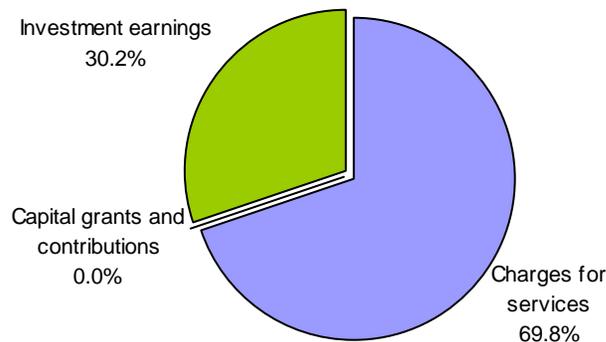
- Property tax revenue increased by \$6,896,482 (10.5 percent) during the year. Most of this increase is due to a 12.3 percent increase in property valuations.
- Sales Tax revenue increased by \$2,293,092 (9.9 percent) during the year. The County continues to experience economic growth due to industrial plant expansions.

For the most part, increases in expenses closely paralleled inflation and growth in demand for services. Other increases in expenses typically had corresponding revenue sources.

Business-type activities

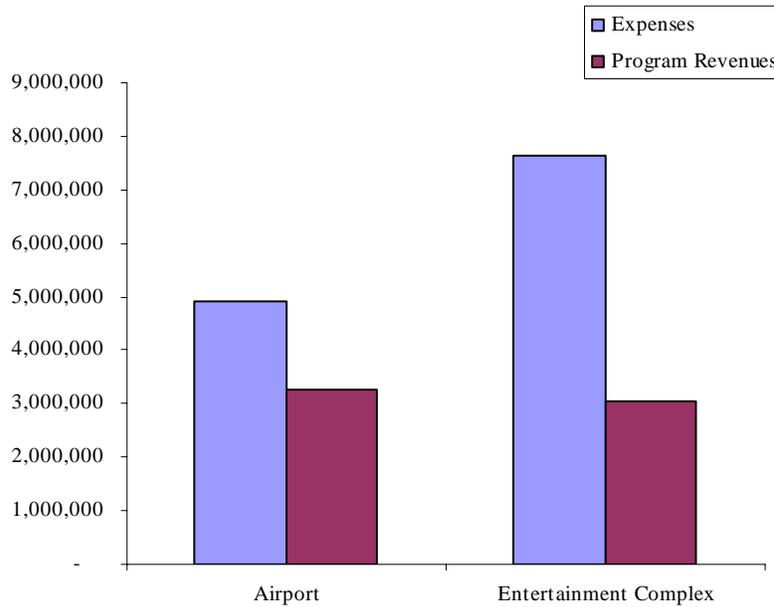
Business-type activities increased the county's net assets by \$295,929 which accounts for the other 3 percent of the total growth in the net assets for the County and is less than 1 percent change in business type activities.

Revenue by Source - Business-type Activities
Year Ended September 30, 2008



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

Expenses and Program Revenues - Business-type Activities
Year Ended September 30, 2008



Financial Analysis of the Government's Funds

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

As of the end of the current fiscal year, Jefferson County's governmental funds reported combined ending fund balances of \$53,114,142, an increase of \$1,092,501 in comparison with the prior year. About 83% of this total amount (\$44,348,037) constitutes unreserved, undesignated fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$31,324,562, while total fund balance reached \$32,448,834. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers. Unreserved, undesignated fund balance

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

represents 29.7 percent of total general fund expenditures and transfers, while total fund balances represents 30.7 percent of that same amount.

The fund balance of the County's General Fund increased by \$2,528,302 during the current fiscal year. Revenues increase by about \$7.3 million overall or 7.2%. Property tax revenue increased almost \$6.9 million due to a 12.3% increase in property tax valuations. Sales tax revenue continues to increase with another \$2.2 million in fiscal year 2008. Expenditures increased by about \$7.2 million overall or 8.4%. Most of this increase is due to 7% salary increases to nonunion employees, and the following increases for employees covered by collective bargaining agreements: 12% for Constable Deputies, 14% for Sheriff Deputies, and 8% for Detention Officers

The FEMA Emergency Fund has a total fund balance of \$3,514,777, all of which is unreserved for special revenue funds. The net decrease in fund balance during the current year in the FEMA Emergency Fund was \$3,551,982. This decrease was as a result of additional cost associated with Hurricane Gustav and Hurricane Ike.

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

The Southeast Texas Regional Airport Fund is used to account for the day-to-day operation of the County airport. As of September 30, 2008, unrestricted net assets are \$75,748, an increase of \$288,282 from the prior year. This increase is in large part due additional transfers from the General Fund.

The Ford Park Fund is used to account for the day-to-day operation of Ford Park. As of September 30, 2008, unrestricted net assets are \$57,649, an increase of \$605,539 from the prior year. This increase is in large part due to additional transfers from the General Fund.

General Fund Budgetary Highlights

During the year actual revenues were more than budgetary estimates by \$5,046,759. Actual expenditures and transfers were less than budgetary estimates by \$4,642,593. The revised budget had a projected reduction of \$7,161,050 to the fund balance. The net effect of over-realization of revenues and under-utilization of appropriations resulted in a positive variance of \$9,689,352 thus causing the addition to the existing fund balance of \$2,528,302 on a budgetary basis.

Sales taxes revenue had the largest budget variance of \$4,922,824. The area continues to experience good economic growth due to several large industrial expansions and sales tax revenue is expected to remain strong.

Many departments achieved savings over the fiscal year mostly due to unfilled staff positions and moving employees through their salary ranges whereby leaving unspent

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

funds. The total amount of savings for salary and fringe benefits was about \$2.4 million. Departments also did well in controlling their spending in other budgetary areas.

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

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2008, amounted to \$87,916,553 (net of accumulated depreciation). This investment in capital assets includes land, improvements, structures, park improvements and facilities, infrastructure, equipment, vehicles, machinery, other tangible and intangible assets, and construction in progress.

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

- The County had a variety of building improvements, purchases of equipment, and continued construction of an entertainment complex.
- At September 30, 2008, the ending fund balance for Capital Projects Funds was \$7.8 million which is reserved for capital projects.

For further information regarding capital assets, see Note 5.

<u>Governmental Activities:</u>	<u>Balance</u> <u>September 30, 2008</u>	<u>Balance</u> <u>September 30, 2007</u>
Land	\$ 4,696,008	\$ 4,696,008
Construction in progress	4,269,674	4,432,320
Infrastructure	43,957,512	43,351,118
Buildings & Improvements	88,936,547	87,645,043
Equipment	31,797,536	26,758,807
	<u>173,657,277</u>	<u>166,883,296</u>
Less: Accumulated depreciation	<u>(100,232,412)</u>	<u>(96,350,269)</u>
Total governmental activities	<u>\$ 73,424,865</u>	<u>\$ 70,533,027</u>
<u>Business-type Activities:</u>		
Land	\$ 5,154,600	\$ 5,154,600
Construction in progress	4,250,951	4,765,146
Buildings & Improvements	107,633,512	104,331,794
Equipment	11,333,605	11,185,494
	<u>128,372,668</u>	<u>125,437,034</u>
Less: Accumulated depreciation	<u>(39,890,451)</u>	<u>(36,356,925)</u>
Total business-type activities	<u>\$ 88,482,217</u>	<u>\$ 89,080,109</u>

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

Long-term Debt. At September 30, 2008, the County had a total long-term debt outstanding of \$86,297,646. 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.

<u>Governmental Activities:</u>	<u>Outstanding at September 30, 2008</u>	<u>Outstanding at September 30, 2007</u>
Bonds Payable	\$ 71,912,777	\$ 75,385,127
Capital leases	-	52,224
Arbitrage liability	-	28,528
Notes Payable	2,005,529	2,332,066
Claims & Judgments	1,988,273	1,628,317
Compensated Absences	10,143,470	9,273,312
Total governmental activities	<u>\$ 86,050,049</u>	<u>\$ 88,699,574</u>
<u>Business-type Activities:</u>		
Compensated Absences	\$ 247,597	\$ 229,908
Total business-type activities	<u>\$ 247,597</u>	<u>\$ 229,908</u>

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

Economic Factors and Next Year's Budgets and Rates

The Commissioner's Court adopted the County's 2008-2009 Budget on September 29, 2008 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 2008 and estimated revenues to be received in fiscal year 2009. The total resources for all funds for fiscal year 2009 are estimated to be \$147.1 million. The budget was adopted with estimated expenditures in the amount of \$125.4 million. The 2008-2009 Budget forecast utilization of \$11,068,031 of fund balance.

For 2008-2009, the property tax rate will decrease \$.025 to be \$.365 per \$100 of taxable assessed value and taxable assessed property values are anticipated to grow by 12.0% for the 2008-2009 Budget year.

The average unemployment rate for Jefferson County for September 2008 was 7.4%; this is an increase from the prior year rate of 5.7%. The state's average unemployment rate for September 2008 was 5.1%.

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

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. – 7th Floor, Beaumont, Texas 77701.

BASIC
FINANCIAL STATEMENTS

JEFFERSON COUNTY, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2008

	PRIMARY GOVERNMENT			
	GOVERNMENTAL	BUSINESS-TYPE		
	ACTIVITIES	ACTIVITIES	RECLASSIFICATIONS	TOTAL
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 9,182,388	760,047	-	9,942,435
INVESTMENTS	54,000,584	-	-	54,000,584
INTEREST RECEIVABLE	968,792	120	-	968,912
ACCOUNTS RECEIVABLE, Net	622,467	563,252	-	1,185,719
INTERNAL BALANCES	354,054	(354,054)	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	5,403,705	1,740,839	-	7,144,544
INVENTORIES, At Cost	794,631	187,823	-	982,454
PREPAID ITEMS	332,058	24,865	-	356,923
DELINQUENT TAXES RECEIVABLE, Net	4,076,726	-	-	4,076,726
PENALTY AND INTEREST RECEIVABLE, Net	2,148,092	-	-	2,148,092
OTHER RECEIVABLES, Net	2,530,166	-	-	2,530,166
DEFERRED CHARGES	74,745	-	-	74,745
DEPOSITS	53,000	-	-	53,000
CAPITAL ASSETS:				
LAND	4,696,008	5,154,600	-	9,850,608
CONSTRUCTION IN PROGRESS	4,269,674	4,250,951	-	8,520,625
OTHER CAPITAL ASSETS, Net of depreciation	64,459,183	79,076,666	-	143,535,849
TOTAL ASSETS	\$ 153,966,273	91,405,109	-	245,371,382
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 14,035,274	1,646,883	-	15,682,157
INTEREST PAYABLE	610,365	-	-	610,365
DUE TO OTHER GOVERNMENTAL ENTITIES	234,378	-	-	234,378
UNEARNED REVENUE	646,518	817,066	-	1,463,584
CUSTOMER DEPOSITS	9,950	77,949	-	87,899
LONG-TERM LIABILITIES				
DUE WITHIN ONE YEAR	6,754,324	60,901	-	6,815,225
DUE IN MORE THAN ONE YEAR	79,295,725	186,696	-	79,482,421
TOTAL LIABILITIES	\$ 101,586,534	2,789,495	-	104,376,029
NET ASSETS				
INVESTED IN CAPITAL ASSETS, net of related debt	\$ 62,450,468	88,482,217	(63,016,132)	87,916,553
RESTRICTED FOR:				
DEBT SERVICE	76,619	-	-	76,619
CAPITAL PROJECTS	7,816,917	-	-	7,816,917
UNRESTRICTED	(17,964,265)	133,397	63,016,132	45,185,264
TOTAL NET ASSETS	\$ 52,379,739	88,615,614	-	140,995,353

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, 2008**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES:							
GENERAL GOVERNMENT	\$ 20,369,690	\$ 6,637,669	\$ 16,609	\$ -	\$ (13,715,412)	\$ -	\$ (13,715,412)
JUDICIAL AND LAW ENFORCEMENT	69,170,421	10,700,195	9,654,608	-	(48,815,618)	-	(48,815,618)
EDUCATION AND RECREATION	1,931,084	88,452	6,423	-	(1,836,209)	-	(1,836,209)
HEALTH AND WELFARE	10,104,601	92,009	2,577,779	-	(7,434,813)	-	(7,434,813)
MAINTENANCE - EQUIPMENT AND STRUCTURES	21,118,467	5,768,735	1,794,697	269,347	(13,285,688)	-	(13,285,688)
INTEREST AND CHARGES ON LONG-TERM DEBT	3,804,914	-	-	-	(3,804,914)	-	(3,804,914)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 126,499,177	\$ 23,287,060	\$ 14,050,116	\$ 269,347	\$ (88,892,654)	\$ -	\$ (88,892,654)
BUSINESS-TYPE ACTIVITIES:							
AIRPORT	4,902,822	3,269,502	-	2,126,218	-	492,898	492,898
ENTERTAINMENT COMPLEX	7,648,462	3,064,942	-	614,784	-	(3,968,736)	(3,968,736)
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 12,551,284	\$ 6,334,444	\$ -	\$ 2,741,002	\$ -	\$ (3,475,838)	\$ (3,475,838)
TOTAL PRIMARY GOVERNMENT	\$ 139,050,461	\$ 29,621,504	\$ 14,050,116	\$ 3,010,349	\$ (88,892,654)	\$ (3,475,838)	\$ (92,368,492)
GENERAL REVENUES							
TAXES:							
PROPERTY TAXES LEVIED FOR GENERAL PURPOSES					\$ 65,816,477	\$ -	\$ 65,816,477
PROPERTY TAXES LEVIED FOR DEBT SERVICE					6,799,329	-	6,799,329
SALES TAXES					25,424,401	-	25,424,401
UNRESTRICTED INVESTMENT EARNINGS					2,871,285	9,467	2,880,752
MISCELLANEOUS					208,499	145	208,644
TRANSFERS					(3,762,155)	3,762,155	-
TOTAL GENERAL REVENUE AND TRANSFERS					\$ 97,357,836	\$ 3,771,767	\$ 101,129,603
CHANGE IN NET ASSETS					\$ 8,465,182	\$ 295,929	\$ 8,761,111
NET ASSETS - BEGINNING					43,914,557	88,319,685	132,234,242
NET ASSETS - ENDING					\$ 52,379,739	\$ 88,615,614	\$ 140,995,353

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

**JEFFERSON COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2008**

	GENERAL	FEMA EMERGENCY	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 3,275,001	-	3,383,933	6,658,934
INVESTMENTS	30,396,972	7,389,193	16,214,419	54,000,584
ACCOUNTS RECEIVABLE, Net	191,969	-	24,216	216,185
INTEREST RECEIVABLE	157,103	18,920	41,166	217,189
DUE FROM OTHER FUNDS	1,302,675	-	28,448	1,331,123
DUE FROM OTHER GOVERNMENTAL ENTITIES	3,250,922	-	2,060,390	5,311,312
DELINQUENT TAXES RECEIVABLE, Net	3,690,754	-	385,972	4,076,726
PENALTY AND INTEREST RECEIVABLE, Net	1,944,717	-	203,375	2,148,092
INVENTORIES, At Cost	794,631	-	-	794,631
PREPAID ITEM	329,641	-	2,417	332,058
TOTAL ASSETS	\$ 45,334,385	7,408,113	22,344,336	75,086,834
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 7,128,066	3,893,336	3,013,872	14,035,274
COMPENSATED ABSENCES PAYABLE	34,847	-	-	34,847
DUE TO OTHER FUNDS	-	-	977,069	977,069
DUE TO OTHER GOVERNMENTAL ENTITIES	195,836	-	38,542	234,378
DEFERRED REVENUE	5,516,852	-	1,164,322	6,681,174
CUSTOMER DEPOSITS	9,950	-	-	9,950
TOTAL LIABILITIES	\$ 12,885,551	3,893,336	5,193,805	21,972,692
FUND BALANCES:				
RESERVED FOR INVENTORIES	\$ 794,631	-	-	794,631
RESERVED FOR PREPAID ITEMS	329,641	-	2,417	332,058
RESERVED FOR DEBT SERVICE	-	-	76,619	76,619
RESERVED FOR CAPITAL PROJECTS	-	-	7,816,917	7,816,917
UNRESERVED FOR CAPITAL PROJECTS	-	-	(1,618)	(1,618)
UNRESERVED FOR DEBT SERVICE	-	-	287,948	287,948
UNRESERVED FOR SPECIAL REVENUES	-	3,514,777	8,968,248	12,483,025
UNRESERVED	31,324,562	-	-	31,324,562
TOTAL FUND BALANCES	\$ 32,448,834	3,514,777	17,150,531	53,114,142
TOTAL LIABILITIES AND FUND BALANCES	\$ 45,334,385	7,408,113	22,344,336	75,086,834

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, 2008

Total fund balances for governmental funds \$ 53,114,142

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		4,269,674	
Infrastructure, net of \$30,767,491 accumulated depreciation		13,190,021	
Buildings, net of \$54,299,728 accumulated depreciation		34,636,819	
Equipment, net of \$15,165,193 accumulated depreciation		16,632,343	
Total capital assets			73,424,865

Long-term assets are not recognized in the current period and accordingly are not reported as fund assets. Balances as of September 30, 2008 were:

Accrued interest receivable	\$	746,383	
Deferred Charges		74,745	
			821,128

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, 2008 were:

Accrued interest on bonds and loans	\$	(610,365)	
Bonds payable		(71,985,000)	
Notes payable		(2,005,529)	
Compensated absences		(10,108,623)	
Gain/Loss on Refunding Bonds		59,266	
Premium/Discounts on Bonds		12,957	
			(84,637,294)

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

1,092,076

Some of the County's receivables are classified as long-term and therefore are not reported in the funds. Receivable reported net of \$2,301,341 allowance for uncollectible accounts.

2,530,166

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.

6,034,656

Total net assets of governmental activities

\$ 52,379,739

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, 2008**

	GENERAL	FEMA EMERGENCY	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
PROPERTY TAXES	\$ 64,727,215	-	6,788,978	71,516,193
SALES TAXES	24,412,824	-	1,011,577	25,424,401
FEES	9,088,900	-	4,755,434	13,844,334
LICENSES	409,386	-	-	409,386
INTERGOVERNMENTAL	2,514,625	853,708	10,947,014	14,315,347
SALES, RENTAL & SERVICES	3,851,987	-	321,716	4,173,703
FINES AND FORFEITURES	1,955,433	-	226,045	2,181,478
INTEREST	1,155,234	322,505	758,618	2,236,357
MISCELLANEOUS	17,936	-	-	17,936
CONTRIBUTIONS AND DONATIONS	90	-	4,026	4,116
TOTAL REVENUES	\$ 108,133,630	1,176,213	24,813,408	134,123,251
EXPENDITURES:				
CURRENT				
GENERAL GOVERNMENT	\$ 18,012,107	-	575,784	18,587,891
JUDICIAL AND LAW ENFORCEMENT	55,793,264	-	13,933,174	69,726,438
EDUCATION AND RECREATION	588,282	-	1,327,705	1,915,987
HEALTH AND WELFARE	7,689,958	-	2,334,053	10,024,011
MAINTENANCE OF STRUCTURES AND EQUIPMENT	11,841,717	7,086,072	924,165	19,851,954
CAPITAL OUTLAY	-	-	2,016,129	2,016,129
DEBT SERVICE				
PRINCIPAL	-	-	3,510,000	3,510,000
INTEREST AND COMMISSION	-	-	3,794,062	3,794,062
TOTAL EXPENDITURES	\$ 93,925,328	7,086,072	28,415,072	129,426,472
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 14,208,302	(5,909,859)	(3,601,664)	4,696,779
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	\$ -	2,200,000	5,947,776	8,147,776
TRANSFERS OUT	(11,680,000)	-	(229,931)	(11,909,931)
INSURANCE PROCEEDS	-	157,877	-	157,877
TOTAL OTHER FINANCING SOURCES (USES)	\$ (11,680,000)	2,357,877	5,717,845	(3,604,278)
NET CHANGE IN FUND BALANCES	\$ 2,528,302	(3,551,982)	2,116,181	1,092,501
FUND BALANCES, BEGINNING	\$ 29,920,532	7,066,759	15,034,350	52,021,641
FUND BALANCES, ENDING	\$ 32,448,834	3,514,777	17,150,531	53,114,142

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, 2008

Net change in fund balances - total governmental funds \$ 1,092,501

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

Capital Expenditures	\$ 8,323,718	
Depreciation Expense	<u>(4,820,135)</u>	
Net adjustment		3,503,583

Capital asset donations to Business type activities (611,745)

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.

Repayments:		
To paying agent for bond principal	\$ 3,510,000	
Principal on Notes Payable	326,537	
Capital Lease principal	<u>52,224</u>	
Net adjustment		3,888,761

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

Compensated absences	\$ (879,256)	
Arbitrage liability	28,528	
Amortization of bond premium	1,358	
Amortization of bond discount	(1,577)	
Amortization of advanced refunding difference	(37,431)	
Accrued interest on debt	26,735	
Amortization of deferred charges	<u>(28,465)</u>	
Combined adjustment		(890,108)

Internal service funds are used by the County. The net expense of the internal service funds are reported with governmental activities. (343,123)

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. 725,700

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. 1,099,613

Total change in net assets of governmental activities \$ 8,465,182

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

**JEFFERSON COUNTY, TEXAS
STATEMENT OF NET ASSETS -
PROPRIETARY FUNDS
SEPTEMBER 30, 2008**

	<u>ENTERPRISE FUNDS</u>			
	<u>SOUTHEAST</u>			<u>INTERNAL SERVICE FUNDS</u>
	<u>TEXAS</u>			
	<u>REGIONAL</u>			
<u>AIRPORT</u>	<u>FORD PARK</u>	<u>TOTAL</u>		
ASSETS:				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ -	760,047	760,047	2,523,454
ACCOUNTS RECEIVABLE, Net	160,611	402,641	563,252	406,282
INTEREST RECEIVABLE	120	-	120	5,220
DUE FROM OTHER GOVERNMENTAL ENTITIES	1,740,839	-	1,740,839	92,393
PREPAID ITEMS	215	24,650	24,865	-
INVENTORY, At Cost	175,057	12,766	187,823	-
DEPOSITS	-	-	-	53,000
TOTAL CURRENT ASSETS	\$ 2,076,842	1,200,104	3,276,946	3,080,349
NONCURRENT ASSETS:				
CAPITAL ASSETS:				
LAND	3,024,815	2,129,785	5,154,600	-
CONSTRUCTION IN PROGRESS	4,250,951	-	4,250,951	-
OTHER CAPITAL ASSETS, NET OF DEPRECIATION	16,316,403	62,760,263	79,076,666	-
TOTAL NONCURRENT ASSETS	\$ 23,592,169	64,890,048	88,482,217	-
TOTAL ASSETS	\$ 25,669,011	66,090,152	91,759,163	3,080,349
LIABILITIES:				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE	\$ 1,379,273	267,610	1,646,883	-
CLAIMS LIABILITY	-	-	-	1,988,273
DUE TO OTHER FUNDS	354,054	-	354,054	-
CURRENT PORTION - COMPENSATED ABSENCES	33,942	26,959	60,901	-
DEFERRED REVENUE	8,345	808,721	817,066	-
CUSTOMER DEPOSITS	38,784	39,165	77,949	-
TOTAL CURRENT LIABILITIES	\$ 1,814,398	1,142,455	2,956,853	1,988,273
NONCURRENT LIABILITIES:				
NONCURRENT PORTION - COMPENSATED ABSENCES	186,696	-	186,696	-
TOTAL NONCURRENT LIABILITIES	\$ 186,696	-	186,696	-
TOTAL LIABILITIES	\$ 2,001,094	1,142,455	3,143,549	1,988,273
NET ASSETS:				
INVESTED IN CAPITAL ASSETS	\$ 23,592,169	64,890,048	88,482,217	-
UNRESTRICTED	75,748	57,649	133,397	1,092,076
TOTAL NET ASSETS	\$ 23,667,917	64,947,697	88,615,614	1,092,076

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, 2008

	ENTERPRISE FUNDS			INTERNAL SERVICE FUNDS
	SOUTHEAST			
	TEXAS			
	REGIONAL			
	AIRPORT	FORD PARK	TOTAL	
OPERATING REVENUES:				
CHARGES FOR SERVICES	\$ 3,269,502	3,064,942	6,334,444	11,718,107
EMPLOYEE CONTRIBUTIONS	-	-	-	1,587,857
TOTAL OPERATING REVENUES	\$ 3,269,502	3,064,942	6,334,444	13,305,964
OPERATING EXPENSES:				
SALARIES & BENEFITS	\$ 1,561,722	1,309,408	2,871,130	-
MATERIALS AND SUPPLIES	137,015	165,173	302,188	-
MAINTENANCE AND REPAIRS	122,768	141,024	263,792	-
UTILITIES	194,138	1,302,240	1,496,378	-
COST OF GOODS SOLD	1,499,485	1,743,278	3,242,763	-
MISCELLANEOUS	168,070	57,634	225,704	-
ADMINISTRATIVE	-	608,192	608,192	897,032
INCURRED & ESTIMATED CLAIMS	-	-	-	13,043,887
DEPRECIATION	1,220,851	2,321,513	3,542,364	-
TOTAL OPERATING EXPENSES	\$ 4,904,049	7,648,462	12,552,511	13,940,919
OPERATING INCOME (LOSS)	\$ (1,634,547)	(4,583,520)	(6,218,067)	(634,955)
NONOPERATING REVENUES:				
INTEREST REVENUE	\$ 9,467	-	9,467	101,269
GAIN/(LOSS) ON SALE OF CAPITAL ASSETS	1,227	-	1,227	-
REFUNDS AND RECOVERIES	145	-	145	190,563
TOTAL NONOPERATING REVENUES	\$ 10,839	-	10,839	291,832
INCOME (LOSS) BEFORE TRANSFERS	\$ (1,623,708)	(4,583,520)	(6,207,228)	(343,123)
CAPITAL CONTRIBUTIONS	2,126,218	614,784	2,741,002	-
TRANSFER IN	941,275	2,820,880	3,762,155	-
CHANGE IN NET ASSETS	\$ 1,443,785	(1,147,856)	295,929	(343,123)
NET ASSETS (DEFICIT), BEGINNING	22,224,132	66,095,553	88,319,685	1,435,199
NET ASSETS (DEFICIT), ENDING	\$ 23,667,917	64,947,697	88,615,614	1,092,076

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

**JEFFERSON COUNTY, TEXAS
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	<u>ENTERPRISE FUNDS</u>			
	<u>SOUTHEAST TEXAS REGIONAL AIRPORT</u>			<u>INTERNAL SERVICE FUNDS</u>
	<u>FORD PARK</u>	<u>TOTAL</u>		
CASH FLOWS FROM OPERATING ACTIVITIES:				
RECEIPTS FROM CUSTOMERS AND USERS	\$ 3,199,182	3,131,697	6,330,879	11,222,826
RECEIPTS FROM EMPLOYEES	-	-	-	1,587,857
PAYMENTS TO SUPPLIERS	(2,079,134)	(4,114,221)	(6,193,355)	(908,333)
PAYMENTS TO EMPLOYEES	(1,523,820)	(1,405,714)	(2,929,534)	-
INTERNAL ACTIVITY-RECEIPTS(PAYMENT) FROM (TO) OTHER FUNDS	37,579	-	37,579	495,493
CLAIMS PAID	-	-	-	(13,080,787)
OTHER RECEIPTS	1,372	-	1,372	197,497
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (364,821)	(2,388,238)	(2,753,059)	(485,447)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
TRANSFERS (TO) FROM OTHER FUNDS	\$ 941,275	2,820,880	3,762,155	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ 941,275	2,820,880	3,762,155	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
CAPITAL GRANTS FROM FEDERAL ENTITIES	\$ 829,515	-	829,515	-
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(1,415,316)	-	(1,415,316)	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	\$ (585,801)	-	(585,801)	-
CASH FLOWS FROM INVESTMENT ACTIVITIES:				
RECEIPTS OF INTEREST	9,347	-	9,347	113,399
NET CASH PROVIDED BY INVESTMENT ACTIVITIES	\$ 9,347	-	9,347	113,399
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - BEGINNING	\$ -	432,642	432,642	(372,048)
CASH AND CASH EQUIVALENTS - ENDING	\$ -	760,047	760,047	2,523,454
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES:				
OPERATING INCOME(LOSS)	\$ (1,634,547)	(4,583,520)	(6,218,067)	(634,955)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION	1,220,851	2,321,513	3,542,364	-
OTHER NON-OPERATING REVENUES (EXPENSES)	1,372	-	1,372	190,563
CHANGES IN ASSETS AND LIABILITIES:				
ACCOUNTS RECEIVABLE	(58,555)	(116,062)	(174,617)	(383,223)
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	31,875
INSURANCE DEPOSITS	-	-	-	(18,000)
PREPAID ITEMS	-	(24,650)	(24,650)	-
INVENTORY	(100,503)	14,653	(85,850)	-
CUSTOMER DEPOSITS	(8,925)	(24,750)	(33,675)	-
ACCOUNTS PAYABLE	142,845	(187,425)	(44,580)	-
CLAIMS LIABILITY	-	-	-	359,956
DUE TO OTHER FUNDS	37,579	-	37,579	(31,663)
OTHER LIABILITIES	35,062	212,003	247,065	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (364,821)	(2,388,238)	(2,753,059)	(485,447)
NON-CASH OPERATING, CAPITAL AND RELATED FINANCING, AND INVESTING ACTIVITIES				
CAPITAL CONTRIBUTIONS	\$ 43,627	614,784	658,411	-

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, 2008

	TOTALS
<u>ASSETS</u>	
CASH AND CASH EQUIVALENTS	\$ 16,638,151
ACCOUNTS RECEIVABLE, Net	5,731
DUE FROM OTHER GOVERNMENTAL ENTITIES	281,768
INVENTORY	44,189
 TOTAL ASSETS	 \$ 16,969,839
<u>LIABILITIES</u>	
ACCOUNTS PAYABLE	\$ 14,459,333
DUE TO OTHER GOVERNMENTAL ENTITIES	622,883
OTHER PAYABLES	1,887,623
 TOTAL LIABILITIES	 \$ 16,969,839

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





JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

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 internal service 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, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

B. 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, Health and Welfare, Contract Services, and Maintenance of Equipment and Structures. Taxes and other items not included among program revenues are reported instead as general revenues.

Miscellaneous general revenues consist of non-program specific contributions.

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

Fund-level Statements

All governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes and other revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on governmental long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Grant and entitlement revenues are also



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

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:

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

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

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

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.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

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

Additionally, the County reports the following fund types:

Internal Service Funds – used to account for the financing of goods and services provided by one department or agency of the County to other County departments or agencies on a cost reimbursement basis. The County reports three internal service fund: 1) Liability Insurance – to account for the County’s contribution and payment for liability claims, 2) Workers’ Compensation – to account for County’s contribution and payment for workers’ compensation claims, and 3) Southeast Texas Government Employee Benefits Pool - to account for the County’s Public Entity Risk Pool, which provides group health insurance programs for member governments including comprehensive major medical and dental care.

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

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

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

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

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



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

C. Budgets

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

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



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

D. 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.

E. 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.

F. Receivables and Payables

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2007 and past due after January 31, 2008. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

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

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

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



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

resources. Interfund activity reflected in "due to" or "due from" is eliminated on the government-wide statements.

G. Interfund Transactions

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

H. 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.

I. 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.

J. Capital Assets and Infrastructure

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

Capital assets of the County are defined as assets with individual costs of \$10,000 or more and estimated useful lives in excess of one year. All capital assets are stated at historical cost or



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

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

K. Compensated Absences

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

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

Employees with more than one year of service accrue from two to five weeks vacation per year, depending on years of service. Unused vacation benefits lapse on March 15 for the previous



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

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.

L. Long-Term Obligations

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

M. Net Assets and Fund Balances

Net Assets Classifications

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

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.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

N. Statement of Cash Flows

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

O. Use of Estimates

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

Note 2 - Deposits and Investments

The County had the following investments as of September 30, 2008:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
U.S. Agency Securities	\$43,000,584	123
Certificates of Deposits	<u>11,000,000</u>	62
Total	<u>\$54,000,584</u>	111

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, 2008, all of the County’s purchased investments in U.S. Agency Securities were rated AAA and Aaa by Standard & Poor’s and Moody’s respectively.

Concentration Risk – The County’s investment policy is to diversify its portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of investment. As of September 30, 2008, the County had eight investments that were with Federal Home Loan Bank (FHLB) and four investments that were with Fannie Mae (FNMA).



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 2 - Deposits and Investments (continued)

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 \$22,580,882 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 \$552,665 which left \$302,665 exposed to custodial credit risk because only \$250,000 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, Hampshire 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 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, 2008, the combined tax rate to finance general government services and the payment of principal and interest on long-term debt was \$.390.

On February 1 of the following calendar year the tax bill becomes delinquent and penalty and interest is assessed by the County. The County Commissioners issue a tax levy for the County's General and Debt Service Funds. The levy and collections are restricted to the funds they are allocated for. The delinquent tax receivables, and penalty and interest receivables represent the past thirty years of uncollected tax levies. The allowance for uncollectible was set at thirty percent of the gross tax receivable and sixty percent on penalty and interest as of September 30, 2008. The allowance has been recorded for property taxes and Penalty and Interest, which are estimated to be uncollectible as required by generally accepted accounting.



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2008

Note 3 - Property Taxes and Other Receivables (continued)

Property tax receivables of \$4,076,726 as of September 30, 2008 are reported net of an allowance for uncollectible taxes of \$1,747,168.

Penalty and Interest receivables of \$2,148,092 as of September 30, 2008 are reported net of an allowance for uncollectible accounts of \$3,222,138.

Receivables as of September 30, 2008 consist of the following:

	General	Non Major Funds	Southeast Texas Regional Airport	Ford Park	Internal Service Funds	Agency Funds	Total
Receivables:							
Accounts	109,934	7,768	171,141	402,641	406,282	5,731	1,103,497
Employee	82,035	16,448	1,470	-	-	-	99,953
Taxes	5,272,506	551,388	-	-	-	-	5,823,894
Penalty & Interest	4,861,793	508,437	-	-	-	-	5,370,230
Intergovernmental	3,250,922	2,060,390	1,740,839	-	92,393	281,768	7,426,312
Gross Receivables	13,577,190	3,144,431	1,913,450	402,641	498,675	287,499	19,823,886
Less: Allowance for Uncollectibles	4,498,828	470,478	12,000	-	-	-	4,981,306
Net total receivables	9,078,362	2,673,953	1,901,450	402,641	498,675	287,499	14,842,580

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, 2008, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent Property Taxes Receivable (General Fund)	\$ 5,463,313	\$ -
Delinquent Property Taxes Receivable (Debt Service Funds)	571,343	-
Advanced Funding	-	646,518
Total Deferred/Unearned Revenue for Governmental Funds	\$ 6,034,656	\$ 646,518



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2008

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, 2008, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 948,621
	Southeast Texas Regional Airport	354,054
Nonmajor governmental funds	Nonmajor governmental funds	<u>28,448</u>
	Total	<u>\$ 1,331,123</u>

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

The following is a summary of the County's transfers for the year ended September 30, 2008:

	<u>Transfers Outs:</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Transfers Ins:			
Nonmajor Funds	\$ 5,717,845	\$ 229,931	\$ 5,947,776
FEMA Emergency Fund	2,200,000	-	2,200,000
Southeast Texas Regional Airport	941,275	-	941,275
Ford Park	<u>2,820,880</u>	<u>-</u>	<u>2,820,880</u>
	<u>\$ 11,680,000</u>	<u>\$ 229,931</u>	<u>\$ 11,909,931</u>

Transfers in the amount of \$941,275 from the General fund to the Southeast Texas Regional Airport were to subsidize operations at the airport. Transfers in the amount of \$2,820,880 to Ford Park were to subsidize operations of the complex. A transfer in the amount of \$200,000 for Hurricane Gustav and a transfer of \$2,000,000 for Hurricane Ike were necessary to fund related expenses that are not anticipated to be reimbursed by private insurance or FEMA grants. Transfers in the amount of \$5,428,236 from the General fund to Capital Project fund were to fund ongoing capital projects. All other transfers are routine in nature.



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2008

Note 5 – Capital Assets

Capital asset activity for the year ended September 30, 2008 was as follows:

	Balance October 1, 2007	Additions	Deletions	Transfer	Balance September 30, 2008
Governmental Activities:					
Land	\$ 4,696,008	\$ -	\$ -	\$ -	\$ 4,696,008
Construction work in progress	4,432,320	2,241,627	-	(2,404,273)	4,269,674
Total capital assets not depreciated	9,128,328	2,241,627	-	(2,404,273)	8,965,682
Infrastructure	43,351,118	465,065	-	141,329	43,957,512
Buildings & Improvements	87,645,043	-	(12,839)	1,304,343	88,936,547
Equipment	26,758,807	5,050,161	(970,033)	958,601	31,797,536
Total capital assets depreciated	157,754,968	5,515,226	(982,872)	2,404,273	164,691,595
Less accumulated depreciation for:					
Infrastructure	(29,706,888)	(1,060,603)	-	-	(30,767,491)
Buildings & Improvements	(52,963,884)	(1,340,884)	5,040	-	(54,299,728)
Equipment	(13,679,497)	(2,418,648)	932,952	-	(15,165,193)
Total accumulated depreciation	(96,350,269)	(4,820,135)	937,992	-	(100,232,412)
Total capital assets depreciated, net	61,404,699	695,091	(44,880)	2,404,273	64,459,183
Governmental activities capital assets, net	\$ 70,533,027	\$ 2,936,718	\$ (44,880)	\$ -	\$ 73,424,865
	Balance October 1, 2007	Additions	Deletions	Transfer	Balance September 30, 2008
Business-type Activities					
Land	\$ 5,154,600	\$ -	\$ -	\$ -	\$ 5,154,600
Construction work in progress	4,765,146	2,661,858	-	(3,176,053)	4,250,951
Total capital assets not depreciated	9,919,746	2,661,858	-	(3,176,053)	9,405,551
Buildings & Improvements	104,331,794	125,665	-	3,176,053	107,633,512
Equipment	11,185,494	156,949	(8,838)	-	11,333,605
Total capital assets depreciated	115,517,288	282,614	(8,838)	3,176,053	118,967,117
Less accumulated depreciation for:					
Buildings & Improvements	(32,475,897)	(2,880,996)	-	-	(35,356,893)
Equipment	(3,881,028)	(661,368)	8,838	-	(4,533,558)
Total accumulated depreciation	(36,356,925)	(3,542,364)	8,838	-	(39,890,451)
Total capital assets depreciated, net	79,160,363	(3,259,750)	-	3,176,053	79,076,666
Business-type activities capital assets, net	\$ 89,080,109	\$ (597,892)	\$ -	\$ -	\$ 88,482,217



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 5 – Capital Assets (continued)

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

Governmental activities:

General Government	\$ 353,712
Judicial & Law Enforcement	2,235,981
Health & Welfare	96,166
Maintenance - Equipment & Structures	<u>2,134,276</u>
Total depreciation expense - governmental activities	<u>\$4,820,135</u>

Business-type activities:

Southeast Texas Regional Airport	\$ 1,220,851
Ford Park	<u>2,321,513</u>
Total depreciation expense - business-type activities	<u>\$3,542,364</u>

Note 6 - Operating Leases

County as Lessor

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

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

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



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 6 - Operating Leases (continued)

The following schedule provides an analysis of the County's investment in property on operating leases and property held for lease by major classes as of September 30, 2008:

Airport Terminal	\$ 2,665,004
Airport Private Hangar Park and Land	3,249,396
	<u>5,914,400</u>
Less: accumulated depreciation	<u>(1,797,089)</u>
	<u>\$ 4,117,311</u>

The following is a schedule by years of minimum future rentals on noncancellable operating leases as of September 30, 2008:

<u>Fiscal Year Ending September 30</u>	
2009	\$ 130,177
2010	130,177
2011	130,177
2012	130,177
2013	130,177
2014-2018	520,904
2018-2022	511,620
2023-2027	488,643
2028-2030	<u>113,766</u>
Total	<u>\$ 2,285,818</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, 2008 are \$239,141.

Note 7 - Long-Term Debt

General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. All of the 2000 Certificates of Obligation, the 2002 Refunding Bonds, and approximately 72% (\$6,336,132) of the 2002 Certificates of Obligation funded and benefited business-type activities, though resources of the governmental activities are being used to liquidate the debt. All other General obligation bonds have been issued for governmental-type activities. The original amount of general obligation bonds issued in prior years was \$87,920,000.



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2008

Note 7 - Long-Term Debt (continued)

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

\$1,505,000 2003 Certificates of Obligation due in annual installments from \$20,000 to \$280,000 through August 1, 2018; interest rates ranging from 2.0% to 4.35%.	\$1,405,000
\$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%.	3,520,000
\$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%.	800,000
\$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%.	8,800,000
\$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%.	55,880,000
\$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%.	1,580,000
Total General Obligation Bonds	\$71,985,000

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	
2009	\$ 3,660,000	\$ 3,662,188	\$ 7,322,188
2010	3,760,000	3,529,638	7,289,638
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
2014-2018	21,920,000	11,859,255	33,779,255
2019-2023	21,230,000	6,122,126	27,352,126
2024-2025	10,075,000	800,362	10,875,362
Total	\$ 71,985,000	\$ 35,575,732	\$ 107,560,732

There is currently \$364,567 available in the Debt Service Funds to service the general obligation bonds. The County has no authorized but unissued bonds at September 30, 2008.

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.



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2008

Note 7 - Long-Term Debt (continued)

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:

Fiscal Year Ended September 30	Principal	Interest	Total
2009	\$ 336,443	\$ 58,619	\$ 395,062
2010	346,651	48,411	395,062
2011	357,168	37,894	395,062
2012	368,004	27,058	395,062
2013	379,169	15,893	395,062
2014	218,094	4,390	222,484
Total	\$ 2,005,529	\$ 192,265	\$ 2,197,794

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, 2008:

Type	Refunding Series	Date	Outstanding As of Refunding	Outstanding As of 9/30/08
General Obligation	2000	2002	\$53,850,000	\$53,850,000

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.



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2008

Note 7 - Long-Term Debt (continued)

As of September 30, 2008, there were six series of Jefferson County Housing Finance Corporation Bonds with an aggregate principal amount payable of \$37,104,305, and one series of Jefferson Health Facilities Development Bonds with an aggregate principal amount payable of \$102,020,000.

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, 2008, 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, 2008 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
Bonds Payable					
General obligation bonds	75,495,000	-	(3,510,000)	71,985,000	3,660,000
Less deferred amounts:					
Premiums	3,508	-	(1,358)	2,150	-
Discounts	(16,684)	-	1,577	(15,107)	-
Difference on refunding	(96,697)	-	37,431	(59,266)	-
Total bonds payable	75,385,127	-	(3,472,350)	71,912,777	3,660,000
Rebatable Arbitrage Payable	28,528	-	(28,528)	-	-
Capital Leases	52,224	-	(52,224)	-	-
Notes Payable	2,332,066	-	(326,537)	2,005,529	336,443
Claims and Judgments	1,628,317	13,972,582	(13,612,626)	1,988,273	1,988,273
Compensated Absences	9,273,312	1,385,543	(515,385)	10,143,470	769,608
Governmental Activities					
Long-term liabilities	88,699,574	15,358,125	(18,007,650)	86,050,049	6,754,324
Business-type Activities:					
Compensated Absences	229,908	91,279	(73,590)	247,597	60,901
Business-type Activities					
Long-term liabilities	229,908	91,279	(73,590)	247,597	60,901

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 internal service fund.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

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 574 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age; or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit.

Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

Funding Policy -

The employer has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 14.09% for the months of the accounting year in 2007, and 14.51% for the months of the accounting year in 2008.

The contribution rate payable by the employee members for the calendar year 2008 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.



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2008

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

Annual Pension Cost -

For the employer's accounting year ending September 30, 2008, the annual pension cost for the TCDRS plan for its employees was \$7,079,576 and the actual contributions were \$7,079,576. 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, 2005 and December 31, 2006, the basis for determining the contribution rates for calendar years 2007 and 2008. The December 31, 2007 actuarial valuation is the most recent valuation.

ACTUARIAL VALUATION INFORMATION

<u>Actuarial valuation date</u>	<u>12/31/05</u>	<u>12/31/06</u>	<u>12/31/07</u>
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	20	15	15
Asset valuation method	long-term appreciation with adjustment	SAF: 10yr smoothed value ESF: Fund value	SAF: 10yr smoothed value ESF: Fund value
<i>Assumptions:</i>			
Investment return ¹	8.0%	8.0%	8.0%
Projected salary increases ¹	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

¹Includes inflation at the stated rate.



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2008

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

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

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/2006	\$4,894,632	100%	\$--
09/30/2007	\$6,575,881	100%	\$--
09/30/2008	\$7,079,576	100%	\$--

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll ² (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/05	\$136,447,673	\$176,487,567	\$40,039,804	77.31%	\$ 46,935,313	85.31%
12/31/06	\$151,311,189	\$188,470,020	\$37,158,831	80.28%	\$ 45,986,785	80.80%
12/31/07	\$159,344,885	\$196,477,340	\$37,132,455	81.10%	\$ 50,845,802	73.03%

² 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:



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

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

- 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:

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

Retiree Spouse Benefits

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

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

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

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



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

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

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

The costs are recognized as expenditures when the premiums are paid each month. In 2008 those costs totaled \$2,553,947 (net of participant contributions). At September 30, 2008, 415 participants are eligible to receive benefits.

COBRA Benefits-

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the tenth day of the month for the actual month covered. This program is offered for 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, 2008.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 11 - Individual Funds Deficit Equity Balances

The following funds had deficit equity balances as of September 30, 2008:

<u>Governmental Activities</u>	
Juvenile Community Corrections Program	\$ 16,395
Mentally Impaired Offenders Program	2,161
Surveillance Program	12,251
High Risk Caseload	6,977
Drug Diversion Program	17,215
Juvenile Accountability #2	3,376
Juvenile Advocate Incentive	3,069
Diabetes Prevention Grant	650
Homeland Security Grant	1,586
Port Security Supplement	92
Drug Invention Grant	13,770
Violence Against Women - 1	6,786
Violence Against Women - 2	403
Family Treatment Court	4,241
Hampshire Water & Sewer III	17,604
SHSP & LETPP Grants	132,789
Safe Streets Task Force	15,201
First Time Sewer	29,365
OCRA Disaster Recovery #1	66,279
OCRA Disaster Recovery #2	42,753
Buffer Zone Protection	13,504
West Port Arthur Ambient Air Monitoring Station	1,618
2005 Tax Anticipation Notes	3,081
Total for Governmental Activities	<u>\$ 411,166</u>

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

Note 12 - Risk Management

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



JEFFERSON COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2008

Note 12 - Risk Management (continued)

	2008	2007
Liability for claims, beginning of fiscal year	\$450,000	\$454,448
Incurred claims and changes in estimates	49,069	86,856
Claim payments	(101,544)	(91,304)
Liability for claims, end of fiscal year	\$397,525	\$450,000

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:

	2008	2007
Liability for claims, beginning of fiscal year	\$187,422	\$181,056
Incurred claims and changes in estimates	578,398	430,436
Claim payments	(529,512)	(424,070)
Liability for claims, end of fiscal year	\$236,308	\$187,422

Note 13 – Public Entity Risk Pool

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

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

The Pool is responsible for adopting underwriting standards, qualifications for membership in the pool, and establishing the types of benefits to be provided and associated fees for these benefits. The



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 13 – Public Entity Risk Pool (continued)

members of the Pool are responsible for their members' eligibility in the pool and payment of monthly contributions for participation in the Pool. The Pool members are not subject to supplemental assessments in the event of deficiencies. If the assets of the Pool were to be exhausted, members would not be responsible for the Pool's liabilities. Pool members currently include Jefferson County, Texas (reporting entity), Jefferson County Drainage District #3, Jefferson County Drainage District #6, and Jefferson County Navigation District. The total number of members in the Pool is 1,490. Operations of the Pool are accounted for as an internal service fund.

The Pool uses reinsurance agreements to reduce its exposure to large losses on medical and prescription claims. For the fiscal year ended September 30, 2008, 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 \$390,157 during fiscal year 2008, but did not exceed these limits during fiscal year 2007 or 2006.

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:

	2008	2007
Liability for claims, beginning of fiscal year	\$990,895	\$1,168,441
Incurred claims and changes in estimates	13,345,115	11,086,743
Claim payments	(12,981,570)	(11,264,289)
Liability for claims, end of fiscal year	<u>\$1,354,440</u>	<u>\$990,895</u>

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, 2008, the County had the following commitments with respect to unfinished capital projects:



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 14 - Construction and Other Significant Commitments (continued)

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Courthouse Restoration	\$ 447,685	6/30/2009
Hurricane Related Construction	385,132	09/30/2009
Airport ARFF Vehicle	314,583	03/31/2010
Airport Improvements	2,966,084	06/30/2009
	<u>\$ 4,113,484</u>	

Note 15 - Contingent Liabilities

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

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

Note 16 - Restatements and Reclassifications

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

Note 17 – Recent Accounting Pronouncement – GASB Statement No. 45 “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions” – (“GASB No. 45”)

The County has contracted for the actuarial valuation of Post Employment Benefits Other than Pensions as of October 1, 2008 and is currently evaluating the results of the valuation and is therefore unable to disclose the impact that adopting GASB No. 45 will have on the financial position and results of operations of the County when such statement is adopted.



JEFFERSON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Note 18 – Subsequent Events

On September 13, 2008, Hurricane Ike made landfall and hit the Gulf Coast area. The costs incurred by the County as of September 30, 2008 are approximately \$3.7 million. As of February 2009, the County has incurred additional expenditures of about \$9.3 million. 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 incurred for debris collection and emergency protective measures before, during, and after the storm should be reimbursed at 100% less salvage value for any equipment purchases. The costs related to permanent repair and restoration of facilities and infrastructure should be reimbursed at 75% by FEMA less any amounts received from insurance carriers. No receivable has been established in the FEMA emergency fund due to contingent eligibility requirements not being fulfilled at the time of this report.

With the recent events of the U.S. economy crisis which includes nationwide job losses, Wall Street market down turns, and significant drop in crude oil prices, the County is currently evaluating the potential impact that these events may have on the financial position and results of operation for the County. The County will continue to monitor these events and make decisions accordingly to minimize any negative events to the overall financial position.



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, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
TAXES:				
PROPERTY	\$ 64,186,778	64,186,778	64,727,215	540,437
SALES TAX	19,490,000	19,490,000	24,412,824	4,922,824
FEES	9,042,169	9,042,169	9,088,900	46,731
LICENSES	423,300	423,300	409,386	(13,914)
SALES, RENTALS, AND SERVICES	4,180,810	4,180,810	3,851,987	(328,823)
INTERGOVERNMENTAL	2,203,314	2,203,314	2,514,625	311,311
FINES AND FORFEITURES	1,815,500	1,815,500	1,955,433	139,933
INTEREST	1,725,000	1,725,000	1,155,234	(569,766)
MISCELLANEOUS	20,000	20,000	17,936	(2,064)
CONTRIBUTIONS AND DONATIONS	-	-	90	90
TOTAL REVENUES	\$ 103,086,871	103,086,871	108,133,630	5,046,759
EXPENDITURES:				
GENERAL GOVERNMENT	\$ 20,927,586	18,728,708	18,012,107	716,601
JUDICIAL AND LAW ENFORCEMENT	58,477,139	58,106,598	55,793,264	2,313,334
EDUCATION AND RECREATION	656,178	656,178	588,282	67,896
HEALTH AND WELFARE	8,837,631	8,123,128	7,689,958	433,170
MAINTENANCE - EQUIPMENT AND STRUCTURES	12,465,806	12,952,712	11,841,717	1,110,995
CAPITAL OUTLAY	-	-	-	-
TOTAL EXPENDITURES	\$ 101,364,340	98,567,324	93,925,328	4,641,996
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,722,531	4,519,547	14,208,302	9,688,755
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT	\$ (8,883,581)	(11,680,597)	(11,680,000)	597
TOTAL OTHER FINANCING SOURCES (USES)	\$ (8,883,581)	(11,680,597)	(11,680,000)	597
NET CHANGE IN FUND BALANCES	\$ (7,161,050)	(7,161,050)	2,528,302	9,689,352
FUND BALANCES, BEGINNING	\$ 29,920,532	29,920,532	29,920,532	-
FUND BALANCES, ENDING	\$ 22,759,482	22,759,482	32,448,834	9,689,352



JEFFERSON COUNTY, TEXAS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2008

1. Budgetary Basis

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

2. Analysis of Significant Expenditure Variances from Original Budget

Jefferson County was threaten with the landfall of Hurricane Gustav and called for a mandatory evacuation on August 29, 2008. The courthouse reopened on September 4, 2008. Only seven days later on September 11, 2008, County officials were forced again to call for a mandatory evacuation for Hurricane Ike. Due to the size of the hurricane and the storm surge associated with Hurricane Ike, Jefferson County was significantly affected by Hurricane Ike. The courthouse was closed for 13 days while power was being restored, roadways could be cleared of debris, and flooding subsided for the area. Commissioners' Court approved budget transfers of \$2,200,000 to the FEMA Emergency Special Revenue fund to cover the County's match for FEMA funding, insurance deductibles and other items not covered in association with both storms. This transfer was not part of the original budget.

Commissioners' Court approved about \$330,000 in budget transfers over the original budget for District Courts to cover increased costs for indigent defense. In addition, the court approved a budget transfer of \$249,000 for Road and Bridge Pct 4 to replace a piece of road machinery.

Commissioners' Court also approved additional transfers to Capital Project Funds in the amount of \$303,236, Ford Park for \$221,250, and \$72,530 to Special Revenue Funds that were not budgeted.

Many departments including the Tax Assessor Collector, County Clerk, District Attorney, District Clerk, Sheriff, Jail, Juvenile Probation and Detention, and the Road and Bridge Precincts achieved savings over the fiscal year mostly due to unfilled staff positions. In addition, the Jury department achieved budget savings due to decreased payments to jurors and Indigent Medical Services had lower payments for indigent health care.

The above budget transfers were funded with the savings from various departments. Commissioners' Court was able to achieve \$4,642,593 in actual savings from the total budget, with the assistance from all County departments.

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, 2008

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
GENERAL GOVERNMENT:				
TAX ASSESSOR-COLLECTOR	\$ 3,515,444	3,451,140	3,331,312	119,828
HUMAN RESOURCES	336,232	375,749	365,978	9,771
COUNTY AUDITOR	1,334,074	1,334,858	1,221,451	113,407
COUNTY CLERK	2,268,165	2,202,887	2,076,960	125,927
COUNTY JUDGE	854,343	854,343	756,158	98,185
RISK MANAGEMENT	212,242	215,242	195,070	20,172
COUNTY TREASURER	241,910	245,625	242,012	3,613
PRINTING DEPARTMENT	89,843	97,551	92,668	4,883
CLAIMS PROCESSING	428,645	428,645	395,901	32,744
PURCHASING AGENT	557,563	514,439	465,491	48,948
GENERAL SERVICES	9,202,961	7,120,898	7,082,735	38,163
DATA PROCESSING	1,637,404	1,638,148	1,574,631	63,517
VETERANS SERVICE	248,760	249,183	211,740	37,443
TOTAL GENERAL GOVERNMENT	\$ 20,927,586	18,728,708	18,012,107	716,601
JUDICIAL AND LAW ENFORCEMENT:				
PRE-TRIAL RELEASE	\$ 389,917	299,917	270,220	29,697
DISTRICT ATTORNEY	5,151,472	5,156,248	4,902,166	254,082
DISTRICT CLERK	1,573,445	1,574,488	1,443,632	130,856
CRIMINAL DISTRICT COURT	1,115,177	1,136,720	1,085,995	50,725
58TH DISTRICT COURT	247,299	252,510	239,385	13,125
60TH DISTRICT COURT	248,640	250,564	247,647	2,917
136TH DISTRICT COURT	244,889	248,214	247,158	1,056
172ND DISTRICT COURT	247,763	249,599	240,607	8,992
252ND DISTRICT COURT	1,285,629	1,529,400	1,493,857	35,543
279TH DISTRICT COURT	365,939	377,357	366,213	11,144
317TH DISTRICT COURT	565,457	576,076	512,842	63,234
JURY	1,616,838	1,617,688	1,262,327	355,361
J.P. PRECINCT NO. 1 - PLACE NO. 1	291,670	296,805	292,448	4,357
J.P. PRECINCT NO. 1 - PLACE NO. 2	296,405	297,740	293,591	4,149
J.P. PRECINCT NO. 2	273,359	274,760	270,074	4,686
J.P. PRECINCT NO. 4	284,468	285,862	278,851	7,011
J.P. PRECINCT NO. 6	312,540	329,771	320,571	9,200
J.P. PRECINCT NO. 7	308,968	309,791	297,919	11,872
J.P. PRECINCT NO. 8	304,718	306,458	302,359	4,099
COUNTY COURT AT LAW NO. 1	393,667	396,145	390,673	5,472
COUNTY COURT AT LAW NO. 2	516,751	534,505	513,974	20,531
COUNTY COURT AT LAW NO. 3	500,356	543,846	532,823	11,023
COURT MASTER	453,177	450,590	359,059	91,531
DISPUTE RESOLUTION CENTER	221,093	221,592	200,579	21,013
JUVENILE ALTERNATIVE SCHOOL	417,621	418,208	375,526	42,682
COMMUNITY SUPERVISION	32,499	35,994	32,807	3,187
SHERIFF	10,374,676	10,141,507	9,939,919	201,588
CRIME LABORATORY	1,155,220	1,015,722	942,013	73,709
JAIL	22,543,090	22,110,559	21,989,734	120,825
JUVENILE CORRECTIONAL PROBATION	1,373,490	1,356,515	1,091,684	264,831
JUVENILE DETENTION HOME	1,712,553	1,729,578	1,438,269	291,309
CONSTABLE PRECINCT NO. 1	720,014	748,553	691,045	57,508
CONSTABLE PRECINCT NO. 2	473,069	473,854	458,789	15,065
CONSTABLE PRECINCT NO. 4	366,062	377,535	372,452	5,083
CONSTABLE PRECINCT NO. 6	508,138	508,657	475,753	32,904
CONSTABLE PRECINCT NO. 7	408,802	410,219	395,603	14,616
CONSTABLE PRECINCT NO. 8	762,268	763,051	746,451	16,600
COUNTY MORGUE	420,000	500,000	478,249	21,751
TOTAL JUDICIAL AND LAW ENFORCEMENT	\$ 58,477,139	58,106,598	55,793,264	2,313,334

[CONTINUED]

**JEFFERSON COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET (GAAP)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
EDUCATION AND RECREATION:				
LIBRARY	\$ 292,141	292,141	261,177	30,964
AGRICULTURAL EXTENSION SERVICE	364,037	364,037	327,105	36,932
TOTAL EDUCATION AND RECREATION	\$ 656,178	656,178	588,282	67,896
HEALTH AND WELFARE:				
HEALTH AND WELFARE UNIT 1	\$ 1,017,687	1,023,067	889,491	133,576
HEALTH AND WELFARE UNIT 2	972,261	1,010,713	960,749	49,964
NURSE PRACTITIONER	280,937	281,037	272,173	8,864
CHILD WELFARE	191,600	188,600	125,475	63,125
ENVIRONMENTAL CONTROL	293,030	301,574	290,567	11,007
INDIGENT MEDICAL SERVICE	3,832,904	3,238,649	3,174,123	64,526
MOSQUITO CONTROL	1,986,699	1,816,015	1,740,741	75,274
EMERGENCY MANAGEMENT	212,513	213,473	186,639	26,834
TOBACCO SETTLEMENT FUND	50,000	50,000	50,000	-
TOTAL HEALTH AND WELFARE	\$ 8,837,631	8,123,128	7,689,958	433,170
MAINTENANCE - EQUIPMENT & STRUCTURES:				
COURTHOUSE & ANNEXES	\$ 3,065,690	3,030,826	2,901,085	129,741
PORT ARTHUR BUILDINGS	615,268	640,878	628,697	12,181
MID-COUNTY BUILDINGS	124,722	125,622	112,398	13,224
ROAD & BRIDGE PCT. 1	1,510,781	1,513,932	1,332,975	180,957
ROAD & BRIDGE PCT. 2	1,535,108	1,536,597	1,381,755	154,842
ROAD & BRIDGE PCT. 3	1,434,329	1,420,895	1,253,325	167,570
ROAD & BRIDGE PCT. 4	1,896,468	2,179,559	2,006,025	173,534
ENGINEERING	903,910	904,724	799,658	105,066
PARKS & RECREATION	350,752	395,152	277,776	117,376
SERVICE CENTER	1,028,778	1,204,527	1,148,023	56,504
TOTAL MAINTENANCE - EQUIPMENT & STRUCTURES	\$ 12,465,806	12,952,712	11,841,717	1,110,995
CAPITAL OUTLAY:				
	\$ -	-	-	-
TOTAL OPERATING EXPENDITURES	\$ 101,364,340	98,567,324	93,925,328	4,641,996
OTHER FINANCING USES:				
TRANSFERS OUT	\$ 8,883,581	11,680,597	11,680,000	597
TOTAL OTHER FINANCING USES	\$ 8,883,581	11,680,597	11,680,000	597
TOTAL GENERAL FUND EXPENDITURES	\$ 110,247,921	110,247,921	105,605,328	4,642,593

NONMAJOR GOVERNMENTAL FUNDS

**JEFFERSON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
SEPTEMBER 30, 2008**

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 3,356,182	-	27,751	3,383,933
INVESTMENTS	7,867,323	8,021,872	325,224	16,214,419
ACCOUNTS RECEIVABLE, Net	24,216	-	-	24,216
INTEREST RECEIVABLE	27,617	12,364	1,185	41,166
DUE FROM OTHER FUNDS	28,448	-	-	28,448
DUE FROM OTHER GOVERNMENTAL ENTITIES	2,060,390	-	-	2,060,390
DELINQUENT TAXES RECEIVABLE, Net	-	-	385,972	385,972
PENALTY AND INTEREST RECEIVABLE, Net	-	-	203,375	203,375
PREPAID ITEM	2,417	-	-	2,417
TOTAL ASSETS	\$ 13,366,593	8,034,236	943,507	22,344,336
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 2,796,553	217,319	-	3,013,872
DUE TO OTHER FUNDS	967,854	1,618	7,597	977,069
DUE TO OTHER GOVERNMENTAL ENTITIES	38,542	-	-	38,542
DEFERRED REVENUE	592,979	-	571,343	1,164,322
TOTAL LIABILITIES	\$ 4,395,928	218,937	578,940	5,193,805
FUND BALANCES:				
RESERVED FOR PREPAID ITEMS	\$ 2,417	-	-	2,417
RESERVED FOR DEBT SERVICE	-	-	76,619	76,619
RESERVED FOR CAPITAL PROJECTS	-	7,816,917	-	7,816,917
UNRESERVED FOR DEBT SERVICE	-	-	287,948	287,948
UNRESERVED FOR CAPITAL PROJECTS	-	(1,618)	-	(1,618)
UNRESERVED FOR SPECIAL REVENUES	8,968,248	-	-	8,968,248
TOTAL FUND BALANCES	\$ 8,970,665	7,815,299	364,567	17,150,531
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,366,593	8,034,236	943,507	22,344,336

**JEFFERSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:				
PROPERTY TAXES	\$ -	-	6,788,978	6,788,978
SALES TAXES	1,011,577	-	-	1,011,577
FEES	4,755,434	-	-	4,755,434
INTERGOVERNMENTAL	10,677,667	269,347	-	10,947,014
SALES, RENTAL & SERVICES	79,810	241,906	-	321,716
FINES AND FORFEITURES	226,045	-	-	226,045
CONTRIBUTIONS AND DONATIONS	4,026	-	-	4,026
INTEREST	524,977	155,114	78,527	758,618
TOTAL REVENUES	\$ 17,279,536	666,367	6,867,505	24,813,408
EXPENDITURES:				
CURRENT				
GENERAL GOVERNMENT	\$ 575,784	-	-	575,784
JUDICIAL AND LAW ENFORCEMENT	13,933,174	-	-	13,933,174
EDUCATION AND RECREATION	1,327,705	-	-	1,327,705
HEALTH AND WELFARE	2,334,053	-	-	2,334,053
MAINTENANCE OF STRUCTURES AND EQUIPMENT	924,165	-	-	924,165
CAPITAL OUTLAY	-	2,016,129	-	2,016,129
DEBT SERVICE				
PRINCIPAL	-	-	3,510,000	3,510,000
INTEREST AND COMMISSION	-	-	3,794,062	3,794,062
TOTAL EXPENDITURES	\$ 19,094,881	2,016,129	7,304,062	28,415,072
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,815,345)	(1,349,762)	(436,557)	(3,601,664)
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	\$ 456,783	5,490,993	-	5,947,776
TRANSFERS OUT	(229,931)	-	-	(229,931)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 226,852	5,490,993	-	5,717,845
NET CHANGE IN FUND BALANCES	\$ (1,588,493)	4,141,231	(436,557)	2,116,181
FUND BALANCES, BEGINNING	\$ 10,559,158	3,674,068	801,124	15,034,350
FUND BALANCES, ENDING	\$ 8,970,665	7,815,299	364,567	17,150,531

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 Lamar University, 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.

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

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

Capital One CASA Mediation Fund - This fund is used to account for contributions from Capital One 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.

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

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

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

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

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

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

Sheriff's Forfeiture Fund - This fund is used to account for forfeitures received by the Sheriff from criminal convictions and the expenditure of those funds.

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

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

Probation Department Funds - These funds are used to account for the expenditures of maintaining probation services as authorized by the County and District Courts.

Financing is provided by State grant and probationary fees. Included in this heading are the following individual funds:

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

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

- Family Group Conferencing
- COPS Interoperability Project
- Sheriff Grants
- Port Security #2
- Diabetes Prevention Grant
- JAG Grant
- Pedometer Walking Project
- Homeland Security Grant
- Port Security Supplement
- Crime Victims - 1
- Regional Communication
- Crime Victims - 2
- Meadows Foundation Grant
- Disaster Relief Grant
- ORCA Texas Public Shelter Imp
- Hurricane Conference Grant
- Auto Theft Grant
- Sheriff Tobacco Grant

Drug Intervention Grant
Mosquito Control ESA Grant
Violence Against Women- 1
Violence Against Women - 2
Family Treatment Court
Hampshire Water & Sewer III
SHSP & LETPP Grants
Port Security Grant
Safe Streets Task Force
Forensic Science Training
First Time Sewer
TXCDBG Disaster Recovery
FBI Firing Range
ORCA Disaster Recovery #1
ORCA Disaster Recovery #2
Forensic Science Improvement Grant
Cheek Step Sewer Improvements
Community Emergency Response Grant
Buffer Zone Protection
Loan Star Libraries Grant
EMPG Grant
SCAAP Grant
Constable Pct 8 Tobacco Grant
Anti-Gang Initiative



**JEFFERSON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
SEPTEMBER 30, 2008**

	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
ASSETS:											
CASH AND CASH EQUIVALENTS	\$ -	-	5,630	3,690	-	2,371	-	-	10,389	11,242	4,456
INVESTMENTS	657,718	13,693	23,625	273,045	27,482	732,782	690	238,170	542,900	719,604	170,474
ACCOUNTS RECEIVABLE, Net	-	-	-	-	-	-	-	-	-	-	-
INTEREST RECEIVABLE	2,396	50	86	995	100	5,856	-	868	1,977	2,621	621
DUE FROM OTHER FUNDS	-	-	-	-	-	-	-	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	29,550	-	-	-	-	-
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 660,114	13,743	29,341	277,730	27,582	770,559	690	239,038	555,266	733,467	175,551
LIABILITIES AND FUND BALANCES											
LIABILITIES:											
ACCOUNTS PAYABLE	\$ 132,854	-	20,239	7,790	-	54,220	690	6,428	11,878	8,318	20,993
DUE TO OTHER FUNDS	-	-	-	-	-	-	-	-	-	-	-
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	-	-	-
DEFERRED REVENUE	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	\$ 132,854	-	20,239	7,790	-	54,220	690	6,428	11,878	8,318	20,993
FUND BALANCES:											
RESERVED FOR PREPAID ITEMS	\$ -	-	-	-	-	-	-	-	-	-	-
UNRESERVED	527,260	13,743	9,102	269,940	27,582	716,339	-	232,610	543,388	725,149	154,558
TOTAL FUND BALANCES	\$ 527,260	13,743	9,102	269,940	27,582	716,339	-	232,610	543,388	725,149	154,558
TOTAL LIABILITIES AND FUND BALANCES	\$ 660,114	13,743	29,341	277,730	27,582	770,559	690	239,038	555,266	733,467	175,551

**JEFFERSON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
SEPTEMBER 30, 2008**

	D.A.R.E. CONTRIBUTIONS FUND	JUSTICE COURT BUILDING SECURITY	HOTEL OCCUPANCY TAX FUND	CAPITAL ONE/ CASA MEDIATION FUND	SHERIFF AND CONSTABLE EDUCATION FUND	TAX OFFICE AUTO DEALER FUND	UNCLAIMED FUNDS MANAGEMENT FUND	FAMILY PROTECTION FUND	DISTRICT ATTORNEY FORFEITURE FUND	HOT CHECK FUND	JP COURTROOM TECHNOLOGY FUND
ASSETS:											
CASH AND CASH EQUIVALENTS	-	391	1,509	-	-	-	2,823	840	183,337	53,746	1,721
INVESTMENTS	10,227	29,439	800,550	4,914	77,366	230,955	7,697	18,554	-	-	298,587
ACCOUNTS RECEIVABLE, Net	-	-	-	-	-	-	-	-	-	-	-
INTEREST RECEIVABLE	37	107	2,893	-	282	841	-	68	-	-	1,087
DUE FROM OTHER FUNDS	-	-	-	-	-	-	-	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	-	-	-
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 10,264</u>	<u>29,937</u>	<u>804,952</u>	<u>4,914</u>	<u>77,648</u>	<u>231,796</u>	<u>10,520</u>	<u>19,462</u>	<u>183,337</u>	<u>53,746</u>	<u>301,395</u>
LIABILITIES AND FUND BALANCES											
LIABILITIES:											
ACCOUNTS PAYABLE	434	-	34,938	-	-	-	10,520	-	-	2,142	5,684
DUE TO OTHER FUNDS	-	-	-	-	-	-	-	-	9,327	14,784	-
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	-	-	-
DEFERRED REVENUE	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>\$ 434</u>	<u>-</u>	<u>34,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,520</u>	<u>-</u>	<u>9,327</u>	<u>16,926</u>	<u>5,684</u>
FUND BALANCES:											
RESERVED FOR PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED	9,830	29,937	770,014	4,914	77,648	231,796	-	19,462	174,010	36,820	295,711
TOTAL FUND BALANCES	<u>\$ 9,830</u>	<u>29,937</u>	<u>770,014</u>	<u>4,914</u>	<u>77,648</u>	<u>231,796</u>	<u>-</u>	<u>19,462</u>	<u>174,010</u>	<u>36,820</u>	<u>295,711</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,264</u>	<u>29,937</u>	<u>804,952</u>	<u>4,914</u>	<u>77,648</u>	<u>231,796</u>	<u>10,520</u>	<u>19,462</u>	<u>183,337</u>	<u>53,746</u>	<u>301,395</u>

**JEFFERSON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
SEPTEMBER 30, 2008**

	DISTRICT CLERK RECORDS MANAGEMENT	COUNTY CLERK ELECTION CONTRACTS	COUNTY CLERK HAVA FUND	CHILD ABUSE PREVENTION	SHERIFF'S FORFEITURE FUND	GUARDIANSHIP FEE FUND	JUVENILE DELINQUENCY PREVENTION	PROBATION DEPARTMENT FUNDS	GRANT FUNDS	TOTAL
ASSETS:										
CASH AND CASH EQUIVALENTS	\$ 1,435	-	-	-	2,770,096	1,160	688	175,551	125,107	3,356,182
INVESTMENTS	67,415	24,123	62,682	157	-	20,351	2,946	2,330,228	480,949	7,867,323
ACCOUNTS RECEIVABLE, Net	-	-	-	-	190	-	-	22,783	1,243	24,216
INTEREST RECEIVABLE	246	88	228	1	-	-	-	5,270	899	27,617
DUE FROM OTHER FUNDS	-	-	-	-	-	-	-	3	28,445	28,448
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	67,498	1,963,342	2,060,390
PREPAID ITEMS	-	-	-	-	-	-	-	2,246	171	2,417
TOTAL ASSETS	\$ 69,096	24,211	62,910	158	2,770,286	21,511	3,634	2,603,579	2,600,156	13,366,593
LIABILITIES AND FUND BALANCES										
LIABILITIES:										
ACCOUNTS PAYABLE	\$ 1,717	-	-	-	308,166	-	-	527,529	1,642,013	2,796,553
DUE TO OTHER FUNDS	-	-	-	-	-	-	-	5,717	938,026	967,854
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	38,542	-	38,542
DEFERRED REVENUE	-	-	-	-	-	-	-	592,979	-	592,979
TOTAL LIABILITIES	\$ 1,717	-	-	-	308,166	-	-	1,164,767	2,580,039	4,395,928
FUND BALANCES:										
RESERVED FOR PREPAID ITEMS	\$ -	-	-	-	-	-	-	2,246	171	2,417
UNRESERVED	67,379	24,211	62,910	158	2,462,120	21,511	3,634	1,436,566	19,946	8,968,248
TOTAL FUND BALANCES	\$ 67,379	24,211	62,910	158	2,462,120	21,511	3,634	1,438,812	20,117	8,970,665
TOTAL LIABILITIES AND FUND BALANCES	\$ 69,096	24,211	62,910	158	2,770,286	21,511	3,634	2,603,579	2,600,156	13,366,593

**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, 2008**

	<u>LATERAL ROAD FUND</u>	<u>BREATH ALCOHOL TESTING FUND</u>	<u>SECURITY FEE FUND</u>	<u>LAW LIBRARY FUND</u>	<u>VOTER REGISTRATION FUND</u>	<u>JUVENILE PROBATION & DETENTION FUND</u>	<u>BAIL BOND LICENSE FUND</u>	<u>LAW OFFICER TRAINING FUND</u>	<u>COUNTY CLERK RECORDS MGMT. AND PRESERVATION FUND</u>	<u>COUNTY CLERK RECORDS ARCHIVE FUND</u>	<u>COUNTY RECORDS MGMT. AND PRESERVATION FUND</u>
REVENUES:											
TAXES	\$ -	-	-	-	-	-	-	-	-	-	-
FEES	-	-	133,063	80,435	-	27,967	1,500	78,196	232,990	252,155	79,165
FINES AND FORFEITURES	-	-	-	-	-	-	-	-	-	-	-
SALES, RENTAL & SERVICES	-	-	-	-	-	-	3,767	-	-	-	-
INTERGOVERNMENTAL	31,758	-	-	-	256	374,701	-	-	-	-	-
INTEREST	32,981	928	14,681	12,790	1,315	74,928	1	10,567	25,406	32,465	7,326
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	<u>\$ 64,739</u>	<u>928</u>	<u>147,744</u>	<u>93,225</u>	<u>1,571</u>	<u>477,596</u>	<u>1,501</u>	<u>92,530</u>	<u>258,396</u>	<u>284,620</u>	<u>86,491</u>
EXPENDITURES:											
GENERAL GOVERNMENT	\$ -	-	-	-	-	-	-	-	280,890	188,281	89,787
JUDICIAL AND LAW ENFORCEMENT	-	14,832	576,859	-	-	626,259	10,573	33,903	-	-	-
EDUCATION AND RECREATION	-	-	-	74,701	-	-	-	-	-	-	-
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	171,443	-	-	-	-	-	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 171,443</u>	<u>14,832</u>	<u>576,859</u>	<u>74,701</u>	<u>-</u>	<u>626,259</u>	<u>10,573</u>	<u>33,903</u>	<u>280,890</u>	<u>188,281</u>	<u>89,787</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (106,704)</u>	<u>(13,904)</u>	<u>(429,115)</u>	<u>18,524</u>	<u>1,571</u>	<u>(148,663)</u>	<u>(9,072)</u>	<u>58,627</u>	<u>(22,494)</u>	<u>96,339</u>	<u>(3,296)</u>
OTHER FINANCING SOURCES (USES):											
TRANSFERS IN	\$ -	-	-	-	-	129,399	8,572	-	-	-	-
TRANSFERS OUT	-	-	-	-	-	(2,090)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,309</u>	<u>8,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (106,704)</u>	<u>(13,904)</u>	<u>(429,115)</u>	<u>18,524</u>	<u>1,571</u>	<u>(21,354)</u>	<u>(500)</u>	<u>58,627</u>	<u>(22,494)</u>	<u>96,339</u>	<u>(3,296)</u>
FUND BALANCES, BEGINNING	<u>\$ 633,964</u>	<u>27,647</u>	<u>438,217</u>	<u>251,416</u>	<u>26,011</u>	<u>737,693</u>	<u>500</u>	<u>173,983</u>	<u>565,882</u>	<u>628,810</u>	<u>157,854</u>
FUND BALANCES, ENDING	<u>\$ 527,260</u>	<u>13,743</u>	<u>9,102</u>	<u>269,940</u>	<u>27,582</u>	<u>716,339</u>	<u>-</u>	<u>232,610</u>	<u>543,388</u>	<u>725,149</u>	<u>154,558</u>

**JEFFERSON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	D.A.R.E. CONTRIBUTIONS FUND	JUSTICE COURT BUILDING SECURITY	HOTEL OCCUPANCY TAX FUND	CAPITAL ONE/ CASA MEDIATION FUND	SHERIFF AND CONSTABLE EDUCATION FUND	TAX OFFICE AUTO DEALER FUND	UNCLAIMED FUNDS MANAGEMENT FUND	FAMILY PROTECTION FUND	DISTRICT ATTORNEY FORFEITURE FUND	HOT CHECK FUND	JP COURTROOM TECHNOLOGY FUND
REVENUES:											
TAXES	\$ -	-	1,011,577	-	-	-	-	-	-	-	-
FEES	-	13,089	-	-	-	4,363	-	16,950	-	89,062	57,982
FINES AND FORFEITURES	-	-	-	-	-	-	-	125,117	-	-	-
SALES, RENTAL & SERVICES	-	-	7,599	-	-	-	-	-	-	-	-
INTERGOVERNMENTAL	-	-	-	-	31,734	-	-	-	-	-	-
INTEREST	513	1,084	31,553	217	3,356	51,735	-	457	4,634	-	12,967
CONTRIBUTIONS AND DONATIONS	3,600	-	23	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 4,113	14,173	1,050,752	217	35,090	56,098	-	17,407	129,751	89,062	70,949
EXPENDITURES:											
GENERAL GOVERNMENT	\$ -	-	-	-	-	6,348	-	-	-	-	-
JUDICIAL AND LAW ENFORCEMENT	4,122	-	-	-	18,664	-	-	22,500	142,962	125,237	9,790
EDUCATION AND RECREATION	-	-	1,246,696	-	-	-	-	-	-	-	-
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 4,122	-	1,246,696	-	18,664	6,348	-	22,500	142,962	125,237	9,790
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (9)	14,173	(195,944)	217	16,426	49,750	-	(5,093)	(13,211)	(36,175)	61,159
OTHER FINANCING SOURCES (USES):											
TRANSFERS IN	\$ -	-	-	-	-	-	-	-	-	-	-
TRANSFERS OUT	-	-	(62,757)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	-	(62,757)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ (9)	14,173	(258,701)	217	16,426	49,750	-	(5,093)	(13,211)	(36,175)	61,159
FUND BALANCES, BEGINNING	\$ 9,839	15,764	1,028,715	4,697	61,222	182,046	-	24,555	187,221	72,995	234,552
FUND BALANCES, ENDING	\$ 9,830	29,937	770,014	4,914	77,648	231,796	-	19,462	174,010	36,820	295,711

**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, 2008**

	DISTRICT CLERK RECORDS MANAGEMENT	COUNTY CLERK ELECTION CONTRACTS	COUNTY CLERK HAVA FUND	CHILD ABUSE PREVENTION	SHERIFF'S FORFEITURE FUND	GUARDIANSHIP FEE FUND	JUVENILE DELINQUENCY PREVENTION	PROBATION DEPARTMENT FUNDS	GRANT FUNDS	TOTAL
REVENUES:										
TAXES	\$ -	-	-	-	-	-	-	-	-	1,011,577
FEES	24,845	-	-	-	-	21,511	3,634	3,638,527	-	4,755,434
FINES AND FORFEITURES	-	-	-	-	100,928	-	-	-	-	226,045
SALES, RENTAL & SERVICES	-	7,715	18,117	-	40,552	-	-	-	2,060	79,810
INTERGOVERNMENTAL	-	-	-	-	-	-	-	3,656,010	6,583,208	10,677,667
INTEREST	3,338	1,377	2,754	7	87,929	-	-	78,938	30,730	524,977
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	403	4,026
TOTAL REVENUES	\$ 28,183	9,092	20,871	7	229,409	21,511	3,634	7,373,475	6,616,401	17,279,536
EXPENDITURES:										
GENERAL GOVERNMENT	\$ -	10,478	-	-	-	-	-	-	-	575,784
JUDICIAL AND LAW ENFORCEMENT	33,494	-	-	-	1,148,165	-	-	7,036,548	4,129,266	13,933,174
EDUCATION AND RECREATION	-	-	-	-	-	-	-	-	6,308	1,327,705
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	2,334,053	2,334,053
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	752,722	924,165
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 33,494	10,478	-	-	1,148,165	-	-	7,036,548	7,222,349	19,094,881
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (5,311)	(1,386)	20,871	7	(918,756)	21,511	3,634	336,927	(605,948)	(1,815,345)
OTHER FINANCING SOURCES (USES):										
TRANSFERS IN	\$ -	-	-	-	-	-	-	37,775	281,037	456,783
TRANSFERS OUT	-	-	-	-	-	-	-	(165,084)	-	(229,931)
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	-	-	-	-	-	-	(127,309)	281,037	226,852
NET CHANGE IN FUND BALANCES	\$ (5,311)	(1,386)	20,871	7	(918,756)	21,511	3,634	209,618	(324,911)	(1,588,493)
FUND BALANCES, BEGINNING	\$ 72,690	25,597	42,039	151	3,380,876	-	-	1,229,194	345,028	10,559,158
FUND BALANCES, ENDING	\$ 67,379	24,211	62,910	158	2,462,120	21,511	3,634	1,438,812	20,117	8,970,665



JEFFERSON COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -
SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS
SEPTEMBER 30, 2008

	JUVENILE PROBATION AND DETENTION-- STATE AID	JUVENILE COMMUNITY CORRECTIONS PROGRAM	IV-E FOSTER CARE FUND	JUVENILE ACCOUNTABILITY #1
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ -	-	-	-
INVESTMENTS	99,295	73,371	871,451	-
ACCOUNTS RECEIVABLE, Net	390	-	-	-
INTEREST RECEIVABLE	432	178	-	21
DUE FROM OTHER FUNDS	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	65,740	1,740
PREPAID ITEMS	57	-	-	-
TOTAL ASSETS	\$ 100,174	73,549	937,191	1,761
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 24,150	49,805	37,432	-
DUE TO OTHER FUNDS	-	-	-	1,761
DUE TO OTHER GOVERNMENTAL ENTITIES	6,099	5,976	-	-
DEFERRED REVENUE	44,295	34,163	-	-
TOTAL LIABILITIES	\$ 74,544	89,944	37,432	1,761
FUND BALANCES:				
RESERVED FOR PREPAID ITEMS	\$ 57	-	-	-
UNRESERVED	25,573	(16,395)	899,759	-
TOTAL FUND BALANCES	\$ 25,630	(16,395)	899,759	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 100,174	73,549	937,191	1,761

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**JEFFERSON COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -
SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS
SEPTEMBER 30, 2008**

	MENTALLY IMPAIRED OFFENDERS PROGRAM	COMMUNITY SUPERVISION	WOMEN'S CENTER	SURVEILLANCE PROGRAM	COMMUNITY CORRECTIONS	HIGH RISK CASELOAD	DRUG DIVERSION PROGRAM	JUVENILE ACCOUNTABILITY #2	JUVENILE ADVOCATE INCENTIVE	2008 TOTAL
ASSETS:										
CASH AND CASH EQUIVALENTS	\$ -	129,801	42,346	-	-	-	3,404	-	-	175,551
INVESTMENTS	20,337	826,551	191,505	-	95,555	27,283	65,874	-	59,006	2,330,228
ACCOUNTS RECEIVABLE, Net	-	11,284	1,956	-	9,153	-	-	-	-	22,783
INTEREST RECEIVABLE	-	4,494	-	-	-	-	-	-	145	5,270
DUE FROM OTHER FUNDS	-	3	-	-	-	-	-	-	-	3
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	18	-	-	67,498
PREPAID ITEMS	-	1,658	288	-	243	-	-	-	-	2,246
TOTAL ASSETS	\$ 20,337	973,791	236,095	-	104,951	27,283	69,296	-	59,151	2,603,579
LIABILITIES AND FUND BALANCES										
LIABILITIES:										
ACCOUNTS PAYABLE	\$ 8,243	228,749	70,805	3,294	28,375	13,663	31,427	-	31,586	527,529
DUE TO OTHER FUNDS	-	-	3	577	-	-	-	3,376	-	5,717
DUE TO OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	26,467	38,542
DEFERRED REVENUE	14,255	180,754	160,119	8,380	71,165	20,597	55,084	-	4,167	592,979
TOTAL LIABILITIES	\$ 22,498	409,503	230,927	12,251	99,540	34,260	86,511	3,376	62,220	1,164,767
FUND BALANCES:										
RESERVED FOR PREPAID ITEMS	\$ -	1,658	288	-	243	-	-	-	-	2,246
UNRESERVED	(2,161)	562,630	4,880	(12,251)	5,168	(6,977)	(17,215)	(3,376)	(3,069)	1,436,566
TOTAL FUND BALANCES	\$ (2,161)	564,288	5,168	(12,251)	5,411	(6,977)	(17,215)	(3,376)	(3,069)	1,438,812
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,337	973,791	236,095	-	104,951	27,283	69,296	-	59,151	2,603,579



**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, 2008**

	JUENILE PROBATION AND DETENTION-- STATE AID	JUENILE COMMUNITY CORRECTIONS PROGRAM	IV-E FOSTER CARE FUND	JUENILE ACCOUNTABILITY #1
REVENUES:				
FEES	\$ -	-	-	-
INTERGOVERNMENTAL	525,445	406,445	167,529	18,095
INTEREST	9,955	667	-	296
TOTAL REVENUES	\$ 535,400	407,112	167,529	18,391
EXPENDITURES:				
JUDICIAL AND LAW ENFORCEMENT	\$ 528,498	440,099	200,547	20,106
CAPITAL OUTLAY	-	-	-	-
TOTAL EXPENDITURES	\$ 528,498	440,099	200,547	20,106
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 6,902	(32,987)	(33,018)	(1,715)
OTHER FINANCIAL SOURCES (USES):				
TRANSFERS IN	\$ -	-	-	1,715
TRANSFERS OUT	-	-	(129,399)	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	-	(129,399)	1,715
NET CHANGE IN FUND BALANCES	\$ 6,902	(32,987)	(162,417)	-
FUND BALANCES, BEGINNING	\$ 18,728	16,592	1,062,176	-
FUND BALANCES, ENDING	\$ 25,630	(16,395)	899,759	-

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**JEFFERSON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -
SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	MENTALLY IMPAIRED OFFENDERS PROGRAM	COMMUNITY SUPERVISION	WOMEN'S CENTER	SURVEILLANCE PROGRAM	COMMUNITY CORRECTIONS	HIGH RISK CASELOAD	DRUG DIVERSION PROGRAM	JUVENILE ACCOUNTABILITY #2	JUVENILE ADVOCATE INCENTIVE	2008 TOTAL
REVENUES:										
FEES	\$ -	2,602,939	960,713	-	7,495	-	67,380	-	-	3,638,527
INTERGOVERNMENTAL	85,531	1,056,593	300,304	37,715	468,340	123,585	366,838	-	99,590	3,656,010
INTEREST	-	65,252	-	-	-	-	-	-	2,768	78,938
TOTAL REVENUES	\$ 85,531	3,724,784	1,261,017	37,715	475,835	123,585	434,218	-	102,358	7,373,475
EXPENDITURES:										
JUDICIAL AND LAW ENFORCEMENT	\$ 99,963	3,248,948	1,272,485	50,388	463,928	153,287	449,121	3,751	105,427	7,036,548
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 99,963	3,248,948	1,272,485	50,388	463,928	153,287	449,121	3,751	105,427	7,036,548
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (14,432)	475,836	(11,468)	(12,673)	11,907	(29,702)	(14,903)	(3,751)	(3,069)	336,927
OTHER FINANCIAL SOURCES (USES):										
TRANSFERS IN	\$ 12,579	-	1,274	-	-	21,832	-	375	-	37,775
TRANSFERS OUT	-	(35,685)	-	-	-	-	-	-	-	(165,084)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 12,579	(35,685)	1,274	-	-	21,832	-	375	-	(127,309)
NET CHANGE IN FUND BALANCES	\$ (1,853)	440,151	(10,194)	(12,673)	11,907	(7,870)	(14,903)	(3,376)	(3,069)	209,618
FUND BALANCES, BEGINNING	\$ (308)	124,137	15,362	422	(6,496)	893	(2,312)	-	-	1,229,194
FUND BALANCES, ENDING	\$ (2,161)	564,288	5,168	(12,251)	5,411	(6,977)	(17,215)	(3,376)	(3,069)	1,438,812

**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, 2008**

	FAMILY GROUP CONFERENCING PROJECT	COPS INTEROPERABILITY PROJECT	SHERIFF GRANTS	PORT SECURITY #2
REVENUES:				
INTERGOVERNMENTAL	\$ 25,395	-	5,122	967,499
INTEREST	-	-	5	-
SALES, RENTAL & SERVICES	1,760	-	-	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-
TOTAL REVENUES	\$ 27,155	-	5,127	967,499
EXPENDITURES:				
JUDICIAL AND LAW ENFORCEMENT	\$ 8,208	445	5,122	967,497
EDUCATION AND RECREATION	-	-	-	-
HEALTH & WELFARE	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-
CAPITAL OUTLAY	-	-	-	-
TOTAL EXPENDITURES	\$ 8,208	445	5,122	967,497
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 18,947	(445)	5	2
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	\$ -	445	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	445	-	-
NET CHANGE IN FUND BALANCES	\$ 18,947	-	5	2
FUND BALANCES, BEGINNING	21,721	-	-	-
FUND BALANCES, ENDING	\$ 40,668	-	5	2

**JEFFERSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -
 SPECIAL REVENUE - GRANT FUNDS
 SEPTEMBER 30, 2008**

	FAMILY GROUP CONFERENCING PROJECT	COPS INTEROPERABILITY PROJECT	SHERIFF GRANTS	PORT SECURITY #2	DIABETES PREVENTION GRANT	JAG GRANT	PEDOMETER WALKING PROJECT	HOMELAND SECURITY GRANT	PORT SECURITY SUPPLEMENT	CRIME VICTIMS CLEARING - 1	REGIONAL COMMUNICATION	
ASSETS:												
CASH AND CASH EQUIVALENTS	\$	-	-	-	-	-	-	-	-	-	-	
INVESTMENTS		40,668	-	2	-	-	38,448	1,206	-	14,210	120,421	
ACCOUNTS RECEIVABLE , Net		-	-	-	-	-	-	-	-	-	-	
INTEREST RECEIVABLE		-	-	3	-	140	4	-	-	-	438	
DUE FROM OTHER FUNDS		-	-	-	28,445	-	-	-	-	-	-	
DUE FROM OTHER GOVERNMENTAL ENTITIES		-	-	-	967,499	25,871	-	-	321	-	-	
PREPAID ITEMS		-	-	-	-	-	-	-	-	-	-	
TOTAL ASSETS	\$	40,668	-	5	967,499	54,316	38,588	1,210	321	-	14,210	120,859
LIABILITIES AND FUND BALANCES												
LIABILITIES:												
ACCOUNTS PAYABLE	\$	-	-	-	967,497	1,696	-	-	-	92	13,975	-
DUE TO OTHER FUNDS		-	-	-	-	53,270	-	-	1,907	-	-	-
TOTAL LIABILITIES	\$	-	-	-	967,497	54,966	-	-	1,907	92	13,975	-
FUND BALANCES:												
RESERVED FOR PREPAID ITEMS	\$	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED		40,668	-	5	2	(650)	38,588	1,210	(1,586)	(92)	235	120,859
TOTAL FUND BALANCES	\$	40,668	-	5	2	(650)	38,588	1,210	(1,586)	(92)	235	120,859
TOTAL LIABILITIES AND FUND BALANCES	\$	40,668	-	5	967,499	54,316	38,588	1,210	321	-	14,210	120,859

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**JEFFERSON COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -
SPECIAL REVENUE - GRANT FUNDS
SEPTEMBER 30, 2008**

	<u>CRIME VICTIMS CLEARING - 2</u>	<u>MEADOWS FOUNDATION GRANT</u>	<u>DISASTER RELIEF GRANT</u>	<u>ORCA TEXAS PUBLIC SHELTER IMP</u>	<u>HURRICANE CONFERENCE GRANT</u>	<u>AUTO THEFT GRANT</u>	<u>SHERIFF TOBACCO GRANT</u>	<u>DRUG INTERVENTION GRANT</u>	<u>MOSQUITO CONTROL ESA GRANT</u>	<u>VIOLENCE AGAINST WOMEN - 1</u>	<u>VIOLENCE AGAINST WOMEN - 2</u>
ASSETS:											
CASH AND CASH EQUIVALENTS	\$ 11	-	-	44,024	-	-	-	-	-	-	-
INVESTMENTS	367	5,541	13,649	-	510	-	1,753	-	-	-	-
ACCOUNTS RECEIVABLE , Net	-	-	-	-	-	625	-	-	-	536	-
INTEREST RECEIVABLE	-	-	50	-	-	-	6	-	-	-	-
DUE FROM OTHER FUNDS	-	-	-	-	-	-	-	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	-	-	15,606	-	17,333	-	-	34,476
PREPAID ITEMS	-	-	-	-	-	92	-	-	-	79	-
TOTAL ASSETS	<u>\$ 378</u>	<u>5,541</u>	<u>13,699</u>	<u>44,024</u>	<u>510</u>	<u>16,323</u>	<u>1,759</u>	<u>17,333</u>	<u>-</u>	<u>615</u>	<u>34,476</u>
LIABILITIES AND FUND BALANCES											
LIABILITIES:											
ACCOUNTS PAYABLE	\$ -	-	-	-	-	4,902	-	23,151	-	-	8,940
DUE TO OTHER FUNDS	-	-	-	44,024	-	11,421	-	7,952	-	7,401	25,939
TOTAL LIABILITIES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>44,024</u>	<u>-</u>	<u>16,323</u>	<u>-</u>	<u>31,103</u>	<u>-</u>	<u>7,401</u>	<u>34,879</u>
FUND BALANCES:											
RESERVED FOR PREPAID ITEMS	\$ -	-	-	-	-	92	-	-	-	79	-
UNRESERVED	378	5,541	13,699	-	510	(92)	1,759	(13,770)	-	(6,865)	(403)
TOTAL FUND BALANCES	<u>\$ 378</u>	<u>5,541</u>	<u>13,699</u>	<u>-</u>	<u>510</u>	<u>-</u>	<u>1,759</u>	<u>(13,770)</u>	<u>-</u>	<u>(6,786)</u>	<u>(403)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 378</u>	<u>5,541</u>	<u>13,699</u>	<u>44,024</u>	<u>510</u>	<u>16,323</u>	<u>1,759</u>	<u>17,333</u>	<u>-</u>	<u>615</u>	<u>34,476</u>

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**JEFFERSON COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -
SPECIAL REVENUE - GRANT FUNDS
SEPTEMBER 30, 2008**

	FAMILY TREATMENT COURT	HAMPSHIRE WATER & SEWER III	SHSP & LETPP GRANTS	PORT SECURITY GRANT	SAFE STREETS TASK FORCE	FORENSIC SCIENCE TRAINING	FIRST TIME SEWER	TXCDBG DISASTER RECOVERY	FBI FIRING RANGE	ORCA DISASTER RECOVERY #1	ORCA DISASTER RECOVERY #2
ASSETS:											
CASH AND CASH EQUIVALENTS	\$ -	2	-	-	-	-	65,470	14,137	-	-	-
INVESTMENTS	-	-	-	125,078	-	-	-	5,750	39,932	-	-
ACCOUNTS RECEIVABLE , Net	-	-	-	-	-	-	-	-	-	-	-
INTEREST RECEIVABLE	-	-	-	-	-	-	-	-	-	-	-
DUE FROM OTHER FUNDS	-	-	-	-	-	-	-	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	18,376	-	-	-	-	20,287	-	-	-	643,690	207,335
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 18,376	2	-	125,078	-	20,287	65,470	19,887	39,932	643,690	207,335
LIABILITIES AND FUND BALANCES											
LIABILITIES:											
ACCOUNTS PAYABLE	\$ 4,025	17,606	129,769	125,078	3,611	20,287	94,835	-	-	-	207,335
DUE TO OTHER FUNDS	18,592	-	3,020	-	11,590	-	-	-	-	709,969	42,753
TOTAL LIABILITIES	\$ 22,617	17,606	132,789	125,078	15,201	20,287	94,835	-	-	709,969	250,088
FUND BALANCES:											
RESERVED FOR PREPAID ITEMS	\$ -	-	-	-	-	-	-	-	-	-	-
UNRESERVED	(4,241)	(17,604)	(132,789)	-	(15,201)	-	(29,365)	19,887	39,932	(66,279)	(42,753)
TOTAL FUND BALANCES	\$ (4,241)	(17,604)	(132,789)	-	(15,201)	-	(29,365)	19,887	39,932	(66,279)	(42,753)
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,376	2	-	125,078	-	20,287	65,470	19,887	39,932	643,690	207,335

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**JEFFERSON COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -
SPECIAL REVENUE - GRANT FUNDS
SEPTEMBER 30, 2008**

	FORENSIC SCIENCE IMPROVEMENT GRANT	CHEEK STEP SEWER IMPROVEMENTS	COMMUNITY EMERGENCY RESPONSE GRANT	BUFFER ZONE PROTECTION	LOAN STAR LIBRARIES GRANT	EMPG GRANT	SCAAP GRANT	CONSTABLE PCT 8 TOBACCO GRANT	ANTI- GANG INITIATIVE	2008 GRANT TOTALS
ASSETS:										
CASH AND CASH EQUIVALENTS	\$ -	1,463	-	-	-	-	-	-	-	125,107
INVESTMENTS	107	1,008	4,589	-	404	42,294	24,706	306	-	480,949
ACCOUNTS RECEIVABLE , Net	-	82	-	-	-	-	-	-	-	1,243
INTEREST RECEIVABLE	-	-	17	-	1	149	90	1	-	899
DUE FROM OTHER FUNDS	-	-	-	-	-	-	-	-	-	28,445
DUE FROM OTHER GOVERNMENTAL ENTITIES	1,285	-	-	188	-	11,075	-	-	-	1,963,342
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	171
TOTAL ASSETS	\$ 1,392	2,553	4,606	188	405	53,518	24,796	307	-	2,600,156
LIABILITIES AND FUND BALANCES										
LIABILITIES:										
ACCOUNTS PAYABLE	\$ 1,285	-	-	13,504	214	973	3,238	-	-	1,642,013
DUE TO OTHER FUNDS	-	-	-	188	-	-	-	-	-	938,026
TOTAL LIABILITIES	\$ 1,285	-	-	13,692	214	973	3,238	-	-	2,580,039
FUND BALANCES:										
RESERVED FOR PREPAID ITEMS	\$ -	-	-	-	-	-	-	-	-	171
UNRESERVED	107	2,553	4,606	(13,504)	191	52,545	21,558	307	-	19,946
TOTAL FUND BALANCES	\$ 107	2,553	4,606	(13,504)	191	52,545	21,558	307	-	20,117
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,392	2,553	4,606	188	405	53,518	24,796	307	-	2,600,156

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, 2008

	FAMILY GROUP CONFERENCING PROJECT	COPS INTEROPERABILITY PROJECT	SHERIFF GRANTS	PORT SECURITY #2	DIABETES PREVENTION GRANT	JAG GRANT	PEDOMETER WALKING PROJECT	HOMELAND SECURITY GRANT	PORT SECURITY SUPPLEMENT	CRIME VICTIMS CLEARING - 1	REGIONAL COMMUNICATION
REVENUES:											
INTERGOVERNMENTAL	\$ 25,395	-	5,122	967,499	79,645	23,660	-	39,847	1,192,643	-	30,108
INTEREST	-	-	5	-	2,375	1,433	57	-	-	-	5,744
SALES, RENTAL & SERVICES	1,760	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	25	-
TOTAL REVENUES	\$ 27,155	-	5,127	967,499	82,020	25,093	57	39,847	1,192,643	25	35,852
EXPENDITURES:											
JUDICIAL AND LAW ENFORCEMENT	\$ 8,208	445	5,122	967,497	-	3,027	-	41,433	1,192,735	57,861	30,108
EDUCATION AND RECREATION	-	-	-	-	-	-	-	-	-	-	-
HEALTH & WELFARE	-	-	-	-	86,796	-	-	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 8,208	445	5,122	967,497	86,796	3,027	-	41,433	1,192,735	57,861	30,108
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 18,947	(445)	5	2	(4,776)	22,066	57	(1,586)	(92)	(57,836)	5,744
OTHER FINANCING SOURCES (USES):											
TRANSFERS IN	\$ -	445	-	-	4,081	-	-	-	-	57,861	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	445	-	-	4,081	-	-	-	-	57,861	-
NET CHANGE IN FUND BALANCES	\$ 18,947	-	5	2	(695)	22,066	57	(1,586)	(92)	25	5,744
FUND BALANCES, BEGINNING	21,721	-	-	-	45	16,522	1,153	-	-	210	115,115
FUND BALANCES, ENDING	\$ 40,668	-	5	2	(650)	38,588	1,210	(1,586)	(92)	235	120,859

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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, 2008**

	CRIME VICTIMS CLEARING - 2	MEADOWS FOUNDATION GRANT	DISASTER RELIEF GRANT	ORCA TEXAS PUBLIC SHELTER IMP	HURRICANE CONFERENCE GRANT	AUTO THEFT GRANT	SHERIFF TOBACCO GRANT	DRUG INTERVENTION GRANT	MOSQUITO CONTROL ESA GRANT	VIOLENCE AGAINST WOMEN - 1	VIOLENCE AGAINST WOMEN - 2
REVENUES:											
INTERGOVERNMENTAL	\$ 35,366	-	62,000	-	-	68,693	10,000	49,521	-	-	71,759
INTEREST	7	-	1,314	-	-	-	347	-	-	-	-
SALES, RENTAL & SERVICES	-	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS AND DONATIONS	378	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 35,751	-	63,314	-	-	68,693	10,347	49,521	-	-	71,759
EXPENDITURES:											
JUDICIAL AND LAW ENFORCEMENT	\$ 172,874	-	-	-	-	85,569	11,452	63,291	-	11,526	131,382
EDUCATION AND RECREATION	-	-	-	-	-	-	-	-	-	-	-
HEALTH & WELFARE	-	-	62,000	1,230	-	-	-	-	280	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 172,874	-	62,000	1,230	-	85,569	11,452	63,291	280	11,526	131,382
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (137,123)	-	1,314	(1,230)	-	(16,876)	(1,105)	(13,770)	(280)	(11,526)	(59,623)
OTHER FINANCING SOURCES (USES):											
TRANSFERS IN	\$ 137,501	-	-	-	-	16,876	-	-	280	4,740	59,220
TOTAL OTHER FINANCING SOURCES (USES)	\$ 137,501	-	-	-	-	16,876	-	-	280	4,740	59,220
NET CHANGE IN FUND BALANCES	\$ 378	-	1,314	(1,230)	-	-	(1,105)	(13,770)	-	(6,786)	(403)
FUND BALANCES, BEGINNING	-	5,541	12,385	1,230	510	-	2,864	-	-	-	-
FUND BALANCES, ENDING	\$ 378	5,541	13,699	-	510	-	1,759	(13,770)	-	(6,786)	(403)

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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, 2008

	FAMILY TREATMENT COURT	HAMPSHIRE WATER & SEWER III	SHSP & LETPP GRANTS	PORT SECURITY GRANT	SAFE STREETS TASK FORCE	FORENSIC SCIENCE TRAINING	FIRST TIME SEWER	TXCDBG DISASTER RECOVERY	FBI FIRING RANGE	ORCA DISASTER RECOVERY #1	ORCA DISASTER RECOVERY #2
REVENUES:											
INTERGOVERNMENTAL	\$ 35,793	-	94,508	946,143	99,277	20,287	84,917	1,808,800	-	643,690	-
INTEREST	-	-	-	-	-	-	-	14,050	-	-	-
SALES, RENTAL & SERVICES	-	-	-	-	-	-	300	-	-	-	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 35,793	-	94,508	946,143	99,277	20,287	85,217	1,822,850	-	643,690	-
EXPENDITURES:											
JUDICIAL AND LAW ENFORCEMENT	\$ 40,453	-	-	946,167	114,478	20,287	-	-	-	-	-
EDUCATION AND RECREATION	-	-	-	-	-	-	-	-	-	-	-
HEALTH & WELFARE	-	17,606	227,297	-	-	-	114,652	1,809,800	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	-	709,969	42,753
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 40,453	17,606	227,297	946,167	114,478	20,287	114,652	1,809,800	-	709,969	42,753
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (4,660)	(17,606)	(132,789)	(24)	(15,201)	-	(29,435)	13,050	-	(66,279)	(42,753)
OTHER FINANCING SOURCES (USES):											
TRANSFERS IN	\$ -	-	-	24	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	-	-	24	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ (4,660)	(17,606)	(132,789)	-	(15,201)	-	(29,435)	13,050	-	(66,279)	(42,753)
FUND BALANCES, BEGINNING	419	2	-	-	-	-	70	6,837	39,932	-	-
FUND BALANCES, ENDING	\$ (4,241)	(17,604)	(132,789)	-	(15,201)	-	(29,365)	19,887	39,932	(66,279)	(42,753)

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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, 2008

	FORENSIC SCIENCE IMPROVEMENT GRANT	CHEEK STEP SEWER IMPROVEMENTS	COMMUNITY EMERGENCY RESPONSE GRANT	BUFFER ZONE PROTECTION	LOAN STAR LIBRARIES GRANT	EMPG GRANT	SCAAP GRANT	CONSTABLE PCT 8 TOBACCO GRANT	ANTI- GANG INITIATIVE	2008 GRANT TOTALS
REVENUES:										
INTERGOVERNMENTAL	\$ 67,282	2,946	-	-	6,310	11,075	50,922	-	50,000	6,583,208
INTEREST	-	419	220	-	73	1,631	3,009	46	-	30,730
SALES, RENTAL & SERVICES	-	-	-	-	-	-	-	-	-	2,060
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	403
TOTAL REVENUES	\$ 67,282	3,365	220	-	6,383	12,706	53,931	46	50,000	6,616,401
EXPENDITURES:										
JUDICIAL AND LAW ENFORCEMENT	\$ 67,790	-	-	13,504	-	-	89,912	4,136	50,009	4,129,266
EDUCATION AND RECREATION	-	-	-	-	6,308	-	-	-	-	6,308
HEALTH & WELFARE	-	1,927	-	-	-	12,465	-	-	-	2,334,053
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	-	752,722
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 67,790	1,927	-	13,504	6,308	12,465	89,912	4,136	50,009	7,222,349
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (508)	1,438	220	(13,504)	75	241	(35,981)	(4,090)	(9)	(605,948)
OTHER FINANCING SOURCES (USES):										
TRANSFERS IN	\$ -	-	-	-	-	-	-	-	9	281,037
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	-	-	-	-	-	-	-	9	281,037
NET CHANGE IN FUND BALANCES	\$ (508)	1,438	220	(13,504)	75	241	(35,981)	(4,090)	-	(324,911)
FUND BALANCES, BEGINNING	615	1,115	4,386	-	116	52,304	57,539	4,397	-	345,028
FUND BALANCES, ENDING	\$ 107	2,553	4,606	(13,504)	191	52,545	21,558	307	-	20,117



CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS

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

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

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

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

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 courtroom, and Constable's office.

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

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

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

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, 2008**

	<u>HIGHWAY IMPROVEMENT FUND</u>	<u>PLEASURE ISLAND SHORELINE PROJECT</u>	<u>1957 ROAD BOND FUND</u>
ASSETS:			
INVESTMENTS	\$ 311,478	11,703	286,045
INTEREST RECEIVABLE	<u>1,135</u>	<u>43</u>	<u>1,042</u>
TOTAL ASSETS	\$ <u>312,613</u>	<u>11,746</u>	<u>287,087</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
ACCOUNTS PAYABLE	\$ -	-	-
DUE TO OTHER FUNDS	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	\$ <u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:			
UNRESERVED	\$ -	-	-
RESERVED FOR CAPITAL PROJECTS	<u>312,613</u>	<u>11,746</u>	<u>287,087</u>
TOTAL FUND BALANCES	\$ <u>312,613</u>	<u>11,746</u>	<u>287,087</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>312,613</u>	<u>11,746</u>	<u>287,087</u>

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**JEFFERSON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
SEPTEMBER 30, 2008**

	CAPITAL PROJECTS FUND	2005 TAX ANTICIPATION NOTES	SOUTHEAST TEXAS ENTERTAINMENT COMPLEX	2002B 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
ASSETS:									
INVESTMENTS	\$ 6,606,590	104,566	160,625	105,665	175,271	65,373	-	194,556	8,021,872
INTEREST RECEIVABLE	7,068	381	725	385	638	238	-	709	12,364
TOTAL ASSETS	\$ 6,613,658	104,947	161,350	106,050	175,909	65,611	-	195,265	8,034,236
LIABILITIES AND FUND BALANCES									
LIABILITIES:									
ACCOUNTS PAYABLE	\$ 169,840	-	47,479	-	-	-	-	-	217,319
DUE TO OTHER FUNDS	-	-	-	-	-	-	1,618	-	1,618
TOTAL LIABILITIES	\$ 169,840	-	47,479	-	-	-	1,618	-	218,937
FUND BALANCES:									
UNRESERVED	\$ -	-	-	-	-	-	(1,618)	-	(1,618)
RESERVED FOR CAPITAL PROJECTS	6,443,818	104,947	113,871	106,050	175,909	65,611	-	195,265	7,816,917
TOTAL FUND BALANCES	\$ 6,443,818	104,947	113,871	106,050	175,909	65,611	(1,618)	195,265	7,815,299
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,613,658	104,947	161,350	106,050	175,909	65,611	-	195,265	8,034,236



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, 2008

	HIGHWAY IMPROVEMENT FUND	PLEASURE ISLAND SHORELINE PROJECT	1957 ROAD BOND FUND
REVENUES:			
INTERGOVERNMENTAL	\$ -	-	-
SALES, RENTAL & SERVICES	-	1,510	-
INTEREST	15,270	514	14,672
TOTAL REVENUES	\$ 15,270	2,024	14,672
EXPENDITURES:			
CAPITAL OUTLAY	\$ 9,430	-	52,792
TOTAL EXPENDITURES	\$ 9,430	-	52,792
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 5,840	2,024	(38,120)
OTHER FINANCING SOURCES (USES):			
TRANSFERS IN	\$ -	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	-	-
NET CHANGE IN FUND BALANCES	\$ 5,840	2,024	(38,120)
FUND BALANCES, BEGINNING	306,773	9,722	325,207
FUND BALANCES, ENDING	\$ 312,613	11,746	287,087

[CONTINUED]

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, 2008

	CAPITAL PROJECTS FUND	2005 TAX ANTICIPATION NOTES	SOUTHEAST TEXAS ENTERTAINMENT COMPLEX	2002B 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
REVENUES:									
INTERGOVERNMENTAL	\$ 75,521	-	66,390	127,436	-	-	-	-	269,347
SALES, RENTAL & SERVICES	52,378	-	-	-	-	35,006	-	153,012	241,906
INTEREST	90,323	5,003	9,052	3,283	10,410	2,603	-	3,984	155,114
TOTAL REVENUES	\$ 218,222	5,003	75,442	130,719	10,410	37,609	-	156,996	666,367
EXPENDITURES:									
CAPITAL OUTLAY	\$ 1,505,721	-	202,568	146,118	99,500	-	-	-	2,016,129
TOTAL EXPENDITURES	\$ 1,505,721	-	202,568	146,118	99,500	-	-	-	2,016,129
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,287,499)	5,003	(127,126)	(15,399)	(89,090)	37,609	-	156,996	(1,349,762)
OTHER FINANCING SOURCES (USES):									
TRANSFERS IN	\$ 5,428,236	-	62,757	-	-	-	-	-	5,490,993
TOTAL OTHER FINANCING SOURCES (USES)	\$ 5,428,236	-	62,757	-	-	-	-	-	5,490,993
NET CHANGE IN FUND BALANCES	\$ 4,140,737	5,003	(64,369)	(15,399)	(89,090)	37,609	-	156,996	4,141,231
FUND BALANCES, BEGINNING	2,303,081	99,944	178,240	121,449	264,999	28,002	(1,618)	38,269	3,674,068
FUND BALANCES, ENDING	\$ 6,443,818	104,947	113,871	106,050	175,909	65,611	(1,618)	195,265	7,815,299



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:

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.

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



**JEFFERSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	2000 CERTIFICATES OF OBLIGATION	2002A REFUNDING BOND	2002B CERTIFICATES OF OBLIGATION	2003A REFUNDING BOND	2003B CERTIFICATES OF OBLIGATION	2005 TAX ANTICIPATION NOTES	TOTAL
REVENUES:							
PROPERTY TAXES	\$ 354,054	3,101,476	1,110,792	1,660,764	77,015	484,877	6,788,978
INTEREST	4,981	29,093	13,675	21,876	2,183	6,719	78,527
TOTAL REVENUES	\$ 359,035	3,130,569	1,124,467	1,682,640	79,198	491,596	6,867,505
EXPENDITURES:							
DEBT SERVICE:							
PRINCIPAL	\$ 350,000	165,000	785,000	1,695,000	20,000	495,000	3,510,000
INTEREST AND COMMISSION	63,225	2,997,566	435,585	165,950	59,749	71,987	3,794,062
TOTAL EXPENDITURES	\$ 413,225	3,162,566	1,220,585	1,860,950	79,749	566,987	7,304,062
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (54,190)	(31,997)	(96,118)	(178,310)	(551)	(75,391)	(436,557)
NET CHANGE IN FUND BALANCES	\$ (54,190)	(31,997)	(96,118)	(178,310)	(551)	(75,391)	(436,557)
FUND BALANCES, BEGINNING	54,878	303,880	138,173	196,352	35,531	72,310	801,124
FUND BALANCES, ENDING	\$ 688	271,883	42,055	18,042	34,980	(3,081)	364,567

**JEFFERSON COUNTY, TEXAS
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE
SEPTEMBER 30, 2008**

	2000 CERTIFICATES OF OBLIGATION	2002A REFUNDING BOND	2002B CERTIFICATES OF OBLIGATION	2003A REFUNDING BOND	2003B CERTIFICATES OF OBLIGATION	2005 TAX ANTICIPATION NOTES	TOTAL
ASSETS:							
CASH AND CASH EQUIVALENTS	\$ 828	12,521	4,958	6,985	314	2,145	27,751
INVESTMENTS	-	250,223	34,033	6,631	34,337	-	325,224
INTEREST RECEIVABLE	-	912	124	24	125	-	1,185
DELINQUENT TAXES RECEIVABLE, Net	20,323	176,376	63,021	94,360	4,377	27,515	385,972
PENALTY AND INTEREST RECEIVABLE, Net	10,709	92,935	33,207	49,720	2,306	14,498	203,375
TOTAL ASSETS	\$ 31,860	532,967	135,343	157,720	41,459	44,158	943,507
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
DUE TO OTHER FUNDS	\$ 1,088	-	-	-	-	6,509	7,597
DEFERRED REVENUES:							
DELINQUENT TAXES	19,375	168,149	60,081	89,958	4,173	26,232	367,968
PENALTY AND INTEREST	10,709	92,935	33,207	49,720	2,306	14,498	203,375
TOTAL LIABILITIES	\$ 31,172	261,084	93,288	139,678	6,479	47,239	578,940
FUND BALANCES:							
RESERVED FOR DEBT SERVICE	\$ 688	14,167	42,055	18,042	1,667	-	76,619
UNRESERVED	-	257,716	-	-	33,313	(3,081)	287,948
TOTAL FUND BALANCES	\$ 688	271,883	42,055	18,042	34,980	(3,081)	364,567
TOTAL LIABILITIES AND FUND BALANCES	\$ 31,860	532,967	135,343	157,720	41,459	44,158	943,507

**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, 2008**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
PROPERTY TAXES	\$ 6,658,018	6,658,018	6,788,978	130,960
INTEREST	130,200	130,200	78,527	(51,673)
TOTAL REVENUES	<u>\$ 6,788,218</u>	<u>6,788,218</u>	<u>6,867,505</u>	<u>79,287</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	\$ 3,510,000	3,510,000	3,510,000	-
INTEREST AND COMMISSION	3,805,313	3,805,313	3,794,062	11,251
TOTAL EXPENDITURES	<u>\$ 7,315,313</u>	<u>7,315,313</u>	<u>7,304,062</u>	<u>11,251</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (527,095)</u>	<u>(527,095)</u>	<u>(436,557)</u>	<u>90,538</u>
NET CHANGE IN FUND BALANCES	<u>\$ (527,095)</u>	<u>(527,095)</u>	<u>(436,557)</u>	<u>90,538</u>
FUND BALANCES, BEGINNING	<u>801,124</u>	<u>801,124</u>	<u>801,124</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 274,029</u>	<u>274,029</u>	<u>364,567</u>	<u>90,538</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, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
PROPERTY TAXES	\$ 346,106	346,106	354,054	7,948
INTEREST	8,500	8,500	4,981	(3,519)
TOTAL REVENUES	<u>\$ 354,606</u>	<u>354,606</u>	<u>359,035</u>	<u>4,429</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	\$ 350,000	350,000	350,000	-
INTEREST AND COMMISSION	63,475	63,475	63,225	250
TOTAL EXPENDITURES	<u>\$ 413,475</u>	<u>413,475</u>	<u>413,225</u>	<u>250</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (58,869)</u>	<u>(58,869)</u>	<u>(54,190)</u>	<u>4,679</u>
NET CHANGE IN FUND BALANCE	\$ (58,869)	(58,869)	(54,190)	4,679
FUND BALANCES, BEGINNING	<u>54,878</u>	<u>54,878</u>	<u>54,878</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ (3,991)</u>	<u>(3,991)</u>	<u>688</u>	<u>4,679</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, 2008**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
PROPERTY TAXES	\$ 3,041,365	3,041,365	3,101,476	60,111
INTEREST	<u>46,000</u>	<u>46,000</u>	<u>29,093</u>	<u>(16,907)</u>
TOTAL REVENUES	<u>\$ 3,087,365</u>	<u>3,087,365</u>	<u>3,130,569</u>	<u>43,204</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	\$ 165,000	165,000	165,000	-
INTEREST AND COMMISSION	<u>2,999,101</u>	<u>2,999,101</u>	<u>2,997,566</u>	<u>1,535</u>
TOTAL EXPENDITURES	<u>\$ 3,164,101</u>	<u>3,164,101</u>	<u>3,162,566</u>	<u>1,535</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (76,736)</u>	<u>(76,736)</u>	<u>(31,997)</u>	<u>44,739</u>
NET CHANGE IN FUND BALANCE	\$ (76,736)	(76,736)	(31,997)	44,739
FUND BALANCES, BEGINNING	<u>303,880</u>	<u>303,880</u>	<u>303,880</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 227,144</u>	<u>227,144</u>	<u>271,883</u>	<u>44,739</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, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
PROPERTY TAXES	\$ 1,090,119	1,090,119	1,110,792	20,673
INTEREST	22,500	22,500	13,675	(8,825)
TOTAL REVENUES	<u>\$ 1,112,619</u>	<u>1,112,619</u>	<u>1,124,467</u>	<u>11,848</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	\$ 785,000	785,000	785,000	-
INTEREST AND COMMISSION	438,275	438,275	435,585	2,690
TOTAL EXPENDITURES	<u>\$ 1,223,275</u>	<u>1,223,275</u>	<u>1,220,585</u>	<u>2,690</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (110,656)</u>	<u>(110,656)</u>	<u>(96,118)</u>	<u>14,538</u>
NET CHANGE IN FUND BALANCE	\$ (110,656)	(110,656)	(96,118)	14,538
FUND BALANCES, BEGINNING	<u>138,173</u>	<u>138,173</u>	<u>138,173</u>	<u>-</u>
FUND BALANCES, ENDING	<u><u>\$ 27,517</u></u>	<u><u>27,517</u></u>	<u><u>42,055</u></u>	<u><u>14,538</u></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, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
PROPERTY TAXES	\$ 1,629,082	1,629,082	1,660,764	31,682
INTEREST	<u>40,000</u>	<u>40,000</u>	<u>21,876</u>	<u>(18,124)</u>
TOTAL REVENUES	\$ <u>1,669,082</u>	<u>1,669,082</u>	<u>1,682,640</u>	<u>13,558</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	\$ 1,695,000	1,695,000	1,695,000	-
INTEREST AND COMMISSION	<u>168,450</u>	<u>168,450</u>	<u>165,950</u>	<u>2,500</u>
TOTAL EXPENDITURES	\$ <u>1,863,450</u>	<u>1,863,450</u>	<u>1,860,950</u>	<u>2,500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>(194,368)</u>	<u>(194,368)</u>	<u>(178,310)</u>	<u>16,058</u>
NET CHANGE IN FUND BALANCE	\$ (194,368)	(194,368)	(178,310)	16,058
FUND BALANCES, BEGINNING	<u>196,352</u>	<u>196,352</u>	<u>196,352</u>	<u>-</u>
FUND BALANCES, ENDING	\$ <u><u>1,984</u></u>	<u><u>1,984</u></u>	<u><u>18,042</u></u>	<u><u>16,058</u></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, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
PROPERTY TAXES	\$ 75,528	75,528	77,015	1,487
INTEREST	1,200	1,200	2,183	983
TOTAL REVENUES	\$ 76,728	76,728	79,198	2,470
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	\$ 20,000	20,000	20,000	-
INTEREST AND COMMISSION	61,524	61,524	59,749	1,775
TOTAL EXPENDITURES	\$ 81,524	81,524	79,749	1,775
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (4,796)	(4,796)	(551)	4,245
NET CHANGE IN FUND BALANCE	\$ (4,796)	(4,796)	(551)	4,245
FUND BALANCES, BEGINNING	35,531	35,531	35,531	-
FUND BALANCES, ENDING	\$ 30,735	30,735	34,980	4,245

JEFFERSON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)
DEBT SERVICE - 2005 TAX ANTICIPATION NOTES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
PROPERTY TAXES	\$ 475,818	475,818	484,877	9,059
INTEREST	<u>12,000</u>	<u>12,000</u>	<u>6,719</u>	<u>(5,281)</u>
TOTAL REVENUES	<u>\$ 487,818</u>	<u>487,818</u>	<u>491,596</u>	<u>3,778</u>
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	\$ 495,000	495,000	495,000	-
INTEREST AND COMMISSION	<u>74,488</u>	<u>74,488</u>	<u>71,987</u>	<u>2,501</u>
TOTAL EXPENDITURES	<u>\$ 569,488</u>	<u>569,488</u>	<u>566,987</u>	<u>2,501</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (81,670)</u>	<u>(81,670)</u>	<u>(75,391)</u>	<u>6,279</u>
NET CHANGE IN FUND BALANCE	\$ (81,670)	(81,670)	(75,391)	6,279
FUND BALANCES, BEGINNING	<u>72,310</u>	<u>72,310</u>	<u>72,310</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ (9,360)</u>	<u>(9,360)</u>	<u>(3,081)</u>	<u>6,279</u>

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

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

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

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

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

**JEFFERSON COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS -
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2008**

	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFITS POOL FUND	TOTAL
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 946,583	610,601	966,270	2,523,454
ACCOUNTS RECEIVABLE	-	-	406,282	406,282
INTEREST RECEIVABLE	3,448	659	1,113	5,220
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	92,393	92,393
INSURANCE DEPOSIT	-	53,000	-	53,000
TOTAL ASSETS	\$ 950,031	664,260	1,466,058	3,080,349
LIABILITIES:				
CLAIMS LIABILITY	\$ 397,525	236,308	1,354,440	1,988,273
TOTAL LIABILITIES	\$ 397,525	236,308	1,354,440	1,988,273
NET ASSETS:				
UNRESTRICTED	\$ 552,506	427,952	111,618	1,092,076
TOTAL NET ASSETS	\$ 552,506	427,952	111,618	1,092,076

**JEFFERSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET ASSETS -
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFITS POOL FUND	TOTAL
OPERATING REVENUES:				
EMPLOYEE CONTRIBUTIONS	\$ -	-	1,587,857	1,587,857
CHARGES FOR SERVICES	-	527,156	11,190,951	11,718,107
TOTAL OPERATING REVENUES	\$ -	527,156	12,778,808	13,305,964
OPERATING EXPENSES:				
ADMINISTRATIVE	\$ -	-	897,032	897,032
INCURRED & ESTIMATED CLAIMS	49,069	578,398	12,416,420	13,043,887
TOTAL OPERATING EXPENSES	\$ 49,069	578,398	13,313,452	13,940,919
OPERATING INCOME (LOSS)	\$ (49,069)	(51,242)	(534,644)	(634,955)
NONOPERATING REVENUES				
INTEREST	\$ 48,122	17,558	35,589	101,269
REFUNDS AND RECOVERIES	-	-	190,563	190,563
TOTAL NONOPERATING REVENUES	\$ 48,122	17,558	226,152	291,832
CHANGE IN NET ASSETS	\$ (947)	(33,684)	(308,492)	(343,123)
NET ASSETS, BEGINNING	553,453	461,636	420,110	1,435,199
NET ASSETS, ENDING	\$ 552,506	427,952	111,618	1,092,076

**JEFFERSON COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFITS POOL FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
RECEIPTS FROM CUSTOMERS AND USERS	\$ -	-	11,222,826	11,222,826
RECEIPTS FROM EMPLOYEES	-	-	1,587,857	1,587,857
PAYMENTS TO SUPPLIERS	-	-	(908,333)	(908,333)
INTERNAL ACTIVITY-RECEIPTS(PAYMENT) FROM (TO) OTHER FUNDS	-	527,156	(31,663)	495,493
CLAIMS PAID	(101,544)	(547,512)	(12,431,731)	(13,080,787)
OTHER RECEIPTS	-	-	197,497	197,497
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (101,544)	(20,356)	(363,547)	(485,447)
CASH FLOWS FROM INVESTMENT ACTIVITIES:				
INTEREST	\$ 47,793	21,825	43,781	113,399
NET CASH PROVIDED BY INVESTMENT ACTIVITIES	\$ 47,793	21,825	43,781	113,399
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - BEGINNING	\$ (53,751)	1,469	(319,766)	(372,048)
	1,000,334	609,132	1,286,036	2,895,502
CASH AND CASH EQUIVALENTS - ENDING	\$ 946,583	610,601	966,270	2,523,454
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES:				
OPERATING INCOME(LOSS)	\$ (49,069)	(51,242)	(534,644)	(634,955)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
OTHER NON-OPERATING REVENUES	-	-	190,563	190,563
CHANGES IN ASSETS AND LIABILITIES:				
ACCOUNTS RECEIVABLE	-	-	(383,223)	(383,223)
INSURANCE DEPOSIT	-	(18,000)	-	(18,000)
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	31,875	31,875
DUE TO OTHER FUNDS	-	-	(31,663)	(31,663)
CLAIMS LIABILITY	(52,475)	48,886	363,545	359,956
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (101,544)	(20,356)	(363,547)	(485,447)



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.

Hospital Escrow Account - This fund is used to account for the collection and distribution of the money held in trust by the County in association with the Hospital Affiliation Agreement.

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, 2008

	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	HOSPITAL ESCROW ACCOUNT	COMMUNITY SUPERVISION TRUST FUND	JUVENILE PROBATION TRUST FUND	FLEXIBLE SPENDING FUND	WOMEN'S CENTER TRUST FUND	TOTAL AGENCY FUNDS
TOTAL AGENCY FUNDS													
ASSETS - OCTOBER 1, 2007													
CASH AND CASH EQUIVALENTS	\$ 340,829	2,443,882	6,632,567	677,246	171,859	3,038,177	540,311	250,188	476,923	328	8,678	4,695	14,585,683
ACCOUNTS RECEIVABLE, Net	7,134	-	-	-	-	-	-	-	-	-	-	-	7,134
DUE FROM OTHER													
GOVERNMENTAL ENTITIES	316,337	-	55,322	-	-	-	-	-	-	-	-	-	371,659
INVENTORY	-	-	-	45,113	-	-	-	-	-	-	-	-	45,113
TOTAL	\$ 664,300	2,443,882	6,687,889	722,359	171,859	3,038,177	540,311	250,188	476,923	328	8,678	4,695	15,009,589
ADDITIONS													
CASH AND CASH EQUIVALENTS	\$ 2,526,326	7,733,930	24,483,691	7,006,052	1,835,838	454,806,597	1,267,902	1,181,166	6,681,704	22,677	312,048	608,378	508,466,309
ACCOUNTS RECEIVABLE, Net	9,522,639	-	-	-	-	-	1,000	-	-	-	-	-	9,523,639
DUE FROM OTHER													
GOVERNMENTAL ENTITIES	877,761	-	147,320	-	-	-	-	-	-	-	-	-	1,025,081
INVENTORY	-	-	-	134,414	-	-	-	-	-	-	-	-	134,414
TOTAL	\$ 12,926,726	7,733,930	24,631,011	7,140,466	1,835,838	454,806,597	1,268,902	1,181,166	6,681,704	22,677	312,048	608,378	519,149,443
DELETIONS													
CASH AND CASH EQUIVALENTS	\$ 2,568,454	6,885,063	24,108,097	7,155,007	1,870,463	453,438,303	1,353,947	1,431,354	6,680,645	22,681	297,927	601,900	506,413,841
ACCOUNTS RECEIVABLE, Net	9,525,042	-	-	-	-	-	-	-	-	-	-	-	9,525,042
DUE FROM OTHER													
GOVERNMENTAL ENTITIES	949,006	-	165,966	-	-	-	-	-	-	-	-	-	1,114,972
INVENTORY	-	-	-	135,338	-	-	-	-	-	-	-	-	135,338
TOTAL	\$ 13,042,502	6,885,063	24,274,063	7,290,345	1,870,463	453,438,303	1,353,947	1,431,354	6,680,645	22,681	297,927	601,900	517,189,193
ASSETS - SEPTEMBER 30, 2008													
CASH AND CASH EQUIVALENTS	\$ 298,701	3,292,749	7,008,161	528,291	137,234	4,406,471	454,266	-	477,982	324	22,799	11,173	16,638,151
ACCOUNTS RECEIVABLE, Net	4,731	-	-	-	-	-	1,000	-	-	-	-	-	5,731
DUE FROM OTHER													
GOVERNMENTAL ENTITIES	245,092	-	36,676	-	-	-	-	-	-	-	-	-	281,768
INVENTORY	-	-	-	44,189	-	-	-	-	-	-	-	-	44,189
TOTAL ASSETS	\$ 548,524	3,292,749	7,044,837	572,480	137,234	4,406,471	455,266	-	477,982	324	22,799	11,173	16,969,839
LIABILITIES - OCTOBER 1, 2007													
ACCOUNTS PAYABLE	\$ 211,921	1,241,969	6,569,437	692,436	40,547	3,038,177	540,311	250,188	476,923	328	8,678	4,695	13,075,610
DUE TO OTHER													
GOVERNMENTAL ENTITIES	452,379	36,648	118,452	29,923	131,312	-	-	-	-	-	-	-	768,714
OTHER PAYABLES	-	1,165,265	-	-	-	-	-	-	-	-	-	-	1,165,265
TOTAL	\$ 664,300	2,443,882	6,687,889	722,359	171,859	3,038,177	540,311	250,188	476,923	328	8,678	4,695	15,009,589
ADDITIONS													
ACCOUNTS PAYABLE	\$ 505,760	3,151,397	24,060,873	6,819,933	656,482	455,137,564	1,268,967	1,181,166	6,339,976	22,677	312,048	685,771	500,142,614
DUE TO OTHER													
GOVERNMENTAL ENTITIES	12,160,550	369,678	482,823	321,125	1,446,653	-	-	-	-	-	-	-	14,780,829
OTHER PAYABLES	-	4,227,448	-	-	-	-	-	-	-	-	-	-	4,227,448
TOTAL	\$ 12,666,310	7,748,523	24,543,696	7,141,058	2,103,135	455,137,564	1,268,967	1,181,166	6,339,976	22,677	312,048	685,771	519,150,891
DELETIONS													
ACCOUNTS PAYABLE	\$ 546,952	3,031,924	23,660,380	6,972,177	654,004	453,769,270	1,354,012	1,431,354	6,338,917	22,681	297,927	679,293	498,758,891
DUE TO OTHER													
GOVERNMENTAL ENTITIES	12,235,134	362,642	526,368	318,760	1,483,756	-	-	-	-	-	-	-	14,926,660
OTHER PAYABLES	-	3,505,090	-	-	-	-	-	-	-	-	-	-	3,505,090
TOTAL	\$ 12,782,086	6,899,656	24,186,748	7,290,937	2,137,760	453,769,270	1,354,012	1,431,354	6,338,917	22,681	297,927	679,293	517,190,641
LIABILITIES - SEPTEMBER 30, 2008													
ACCOUNTS PAYABLE	\$ 170,729	1,361,442	6,969,930	540,192	43,025	4,406,471	455,266	-	477,982	324	22,799	11,173	14,459,333
DUE TO OTHER													
GOVERNMENTAL ENTITIES	377,795	43,684	74,907	32,288	94,209	-	-	-	-	-	-	-	622,883
OTHER PAYABLES	-	1,887,623	-	-	-	-	-	-	-	-	-	-	1,887,623
TOTAL LIABILITIES	\$ 548,524	3,292,749	7,044,837	572,480	137,234	4,406,471	455,266	-	477,982	324	22,799	11,173	16,969,839





CAPITAL ASSETS

JEFFERSON COUNTY, TEXAS
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
SEPTEMBER 30, 2008

	<u>TOTAL</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS:	
LAND	\$ 4,696,008
INFRASTRUCTURE	43,957,512
BUILDINGS AND IMPROVEMENTS	88,936,547
EQUIPMENT	31,797,536
CONSTRUCTION IN PROGRESS	<u>4,269,674</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	\$ <u>173,657,277</u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

GENERAL FUND	\$ 87,531,905
SPECIAL REVENUE FUND	12,850,164
CAPITAL PROJECTS FUND	70,697,969
GIFTS	<u>2,577,239</u>
	\$ <u>173,657,277</u>

JEFFERSON COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION
FOR THE YEAR ENDED SEPTEMBER 30, 2008

<u>FUNCTION</u>	<u>LAND</u>	<u>INFRASTRUCTURE</u>	<u>BUILDINGS & IMPROVEMENTS</u>	<u>EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>TOTAL</u>
GENERAL GOVERNMENT	\$ -	\$ -	\$ 292,963	\$ 4,062,697	\$ -	\$ 4,355,660
JUDICIAL AND LAW ENFORCEMENT	45,446	-	27,775,576	16,674,281	-	44,495,303
HEALTH & WELFARE	14,000	-	873,514	1,096,678	-	1,984,192
MAINTENANCE OF STRUCTURES AND EQUIPMENT	4,636,562	43,957,512	59,994,494	9,963,880	4,269,674	122,822,122
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 4,696,008</u>	<u>\$ 43,957,512</u>	<u>\$ 88,936,547</u>	<u>\$ 31,797,536</u>	<u>\$ 4,269,674</u>	<u>\$ 173,657,277</u>

JEFFERSON COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

FUNCTION	BALANCE 10/1/2007	ADDITIONS	DEDUCTIONS	TRANSFERS	BALANCE 9/30/2008
GENERAL GOVERNMENT	\$ 3,798,366	\$ 598,991	\$ (41,697)	\$ -	\$ 4,355,660
JUDICIAL AND LAW ENFORCEMENT	41,079,018	3,983,036	(566,751)	-	44,495,303
HEALTH AND WELFARE	1,989,395	104,766	(109,969)	-	1,984,192
MAINTENANCE OF STRUCTURES AND EQUIPMENT	<u>120,016,517</u>	<u>3,070,060</u>	<u>(264,455)</u>	<u>-</u>	<u>122,822,122</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 166,883,296</u>	<u>\$ 7,756,853</u>	<u>\$ (982,872)</u>	<u>\$ -</u>	<u>\$ 173,657,277</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	139
Revenue Trends <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	146
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	150
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	154
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	156

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



TABLE I

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

	Fiscal Year					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007 **</u>	<u>2008</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 30,025,279	\$ 47,464,845	\$ 49,581,705	\$ 51,600,015	\$ 56,750,081	\$ 62,450,468
Restricted	16,778,702	5,066,000	5,940,456	3,955,825	3,993,898	7,893,536
Unrestricted	<u>(35,738,030)</u>	<u>(54,782,457)</u>	<u>(49,275,540)</u>	<u>(29,540,936)</u>	<u>(16,829,422)</u>	<u>(17,964,265)</u>
Total governmental activities net assets	<u>\$ 11,065,951</u>	<u>\$ (2,251,612)</u>	<u>\$ 6,246,621</u>	<u>\$ 26,014,904</u>	<u>\$ 43,914,557</u>	<u>\$ 52,379,739</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 81,221,151	\$ 88,652,366	\$ 87,708,682	\$ 88,876,715	\$ 89,080,109	\$ 88,482,217
Unrestricted	<u>(5,380,470)</u>	<u>(5,294,847)</u>	<u>(4,764,038)</u>	<u>(175,098)</u>	<u>(760,424)</u>	<u>133,397</u>
Total business-type activities net assets	<u>\$ 75,840,681</u>	<u>\$ 83,357,519</u>	<u>\$ 82,944,644</u>	<u>\$ 88,701,617</u>	<u>\$ 88,319,685</u>	<u>\$ 88,615,614</u>
Reclassifications						
Invested in capital assets, net of related debt	\$ (53,403,035)	\$ (63,446,642)	\$ (63,373,806)	\$ (64,799,956)	\$ (64,096,344)	\$ (63,016,132)
Unrestricted	<u>53,403,035</u>	<u>63,446,642</u>	<u>63,373,806</u>	<u>64,799,956</u>	<u>64,096,344</u>	<u>63,016,132</u>
Total reclassifications	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government						
Invested in capital assets, net of related debt	\$ 57,843,395	\$ 72,670,569	\$ 73,916,581	\$ 75,676,774	\$ 81,733,846	\$ 87,916,553
Restricted	16,778,702	5,066,000	5,940,456	3,955,825	3,993,898	7,893,536
Unrestricted	<u>12,284,535</u>	<u>3,369,338</u>	<u>9,334,228</u>	<u>35,083,922</u>	<u>46,506,498</u>	<u>45,185,264</u>
Total primary government net assets	<u>\$ 86,906,632</u>	<u>\$ 81,105,907</u>	<u>\$ 89,191,265</u>	<u>\$ 114,716,521</u>	<u>\$ 132,234,242</u>	<u>\$ 140,995,353</u>

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

* Reporting began in fiscal year 2003.

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

TABLE 2

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

	Fiscal Year					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007 **</u>	<u>2008</u>
Expenses						
Governmental activities:						
General Government	\$ 23,307,525	\$ 14,333,080	\$ 14,089,777	\$ 15,048,763	\$ 20,008,549	\$ 20,369,690
Judicial and Law Enforcement	55,493,454	54,948,624	53,370,635	55,468,283	59,282,186	69,170,421
Education and Recreation	817,087	1,244,907	1,119,956	1,140,083	1,713,942	1,931,084
Health and Welfare	6,807,354	7,375,342	9,140,307	8,339,076	8,784,296	10,104,601
Maintenance - Equipment and Structures	11,433,413	11,366,472	11,711,754	47,442,781	18,185,968	21,118,467
Interest and Charges on Long-term Debt	4,221,915	4,155,680	4,251,603	4,128,450	3,985,181	3,804,914
Total governmental activities expenses	<u>\$ 102,080,748</u>	<u>\$ 93,424,105</u>	<u>\$ 93,684,032</u>	<u>\$ 131,567,436</u>	<u>\$ 111,960,122</u>	<u>\$ 126,499,177</u>
Business-type activities:						
Airport	\$ 3,764,211	\$ 3,796,261	\$ 3,573,304	\$ 4,117,325	\$ 4,219,627	\$ 4,902,822
Entertainment Complex	4,148,162	7,522,063	7,195,328	7,392,777	8,685,343	7,648,462
Health Insurance Risk Pool	13,616,447	9,710,612	9,995,778	10,101,217	-	-
Total Business-type expenses	<u>\$ 21,528,820</u>	<u>\$ 21,028,936</u>	<u>\$ 20,764,410</u>	<u>\$ 21,611,319</u>	<u>\$ 12,904,970</u>	<u>\$ 12,551,284</u>
Total primary government expenses	<u>\$ 123,609,568</u>	<u>\$ 114,453,041</u>	<u>\$ 114,448,442</u>	<u>\$ 153,178,755</u>	<u>\$ 124,865,092</u>	<u>\$ 139,050,461</u>
Program Revenues						
Governmental activities						
Charges for services:						
General Government	\$ 3,732,831	\$ 3,426,449	\$ 3,643,656	\$ 4,616,001	\$ 6,913,696	\$ 6,637,669
Judicial and Law Enforcement	10,819,856	11,331,333	10,283,910	11,587,628	11,434,794	10,700,195
Education and Recreation	152,856	141,031	153,760	223,468	191,921	88,452
Health and Welfare	44,059	318,092	88,359	93,465	86,231	92,009
Maintenance - Equipment and Structures	6,173,296	5,418,454	5,293,623	15,177,669	8,232,587	5,768,735
Operating grants and contributions	8,541,252	7,287,999	9,411,568	36,793,964	11,718,420	14,050,116
Capital grants and contributions	421,644	799,215	3,292,628	2,114,187	1,290,133	269,347
Total governmental activities' program revenues	<u>\$ 29,885,794</u>	<u>\$ 28,722,573</u>	<u>\$ 32,167,504</u>	<u>\$ 70,606,382</u>	<u>\$ 39,867,782</u>	<u>\$ 37,606,523</u>

Fiscal Year

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007 **</u>	<u>2007 **</u>
Business-type activities:						
Charges for services:						
Airport	\$ 1,725,746	\$ 2,014,163	\$ 2,423,738	\$ 2,693,193	\$ 2,407,949	\$ 3,269,502
Entertainment Complex	2,211,623	3,882,286	3,485,933	2,918,548	3,924,467	3,064,942
Health Insurance Risk Pool	12,857,565	10,303,593	9,263,491	10,973,699	-	-
Operating grants and contributions	-	302,762	247,732	1,390,786	-	-
Capital grants and contributions	805,470	1,056,242	476,678	4,395,052	3,725,475	2,741,002
Total business-type activities program revenues	<u>\$ 17,600,404</u>	<u>\$ 17,559,046</u>	<u>\$ 15,897,572</u>	<u>\$ 22,371,278</u>	<u>\$ 10,057,891</u>	<u>\$ 9,075,446</u>
Total primary government program revenues	<u>\$ 47,486,198</u>	<u>\$ 46,281,619</u>	<u>\$ 48,065,076</u>	<u>\$ 92,977,660</u>	<u>\$ 49,925,673</u>	<u>\$ 46,681,969</u>
Net (expense)/revenue						
Governmental activities	\$ (72,194,954)	\$ (64,701,532)	\$ (61,516,528)	\$ (60,961,054)	\$ (72,092,340)	\$ (88,892,654)
Business-type activities	(3,928,416)	(3,469,890)	(4,866,838)	759,959	(2,847,079)	(3,475,838)
Total primary government net expense	<u>\$ (76,123,370)</u>	<u>\$ (68,171,422)</u>	<u>\$ (66,383,366)</u>	<u>\$ (60,201,095)</u>	<u>\$ (74,939,419)</u>	<u>\$ (92,368,492)</u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes:						
Property taxes	\$ 44,992,211	\$ 46,260,529	\$ 57,535,230	\$ 61,247,030	\$ 65,719,324	\$ 72,615,806
Sales taxes	13,446,241	14,288,063	14,743,209	20,150,358	21,654,606	23,906,777
Alcoholic Beverage Tax	395,653	430,130	431,874	494,201	503,134	506,047
Hotel Occupancy Tax	606,190	658,878	709,941	894,368	973,569	1,011,577
Investment earnings	2,162,140	552,321	1,174,286	2,735,655	3,373,514	2,871,285
Miscellaneous	37,390	(108,034)	6,406	9,957	214,078	208,499
Transfers	(27,713,099)	(10,697,918)	(4,586,185)	(4,805,971)	(2,086,110)	(3,762,155)
Total governmental activities	<u>\$ 33,926,726</u>	<u>\$ 51,383,969</u>	<u>\$ 70,014,761</u>	<u>\$ 80,725,598</u>	<u>\$ 90,352,115</u>	<u>\$ 97,357,836</u>
Business-type activities:						
Investment earnings	\$ 929	\$ 3,832	\$ 8,673	\$ 15,356	\$ 18,915	\$ 9,467
Miscellaneous	133,291	284,978	-	175,687	-	145
Transfers	27,713,099	10,697,918	4,586,185	4,805,971	2,086,110	3,762,155
Total business-type activities	<u>\$ 27,847,319</u>	<u>\$ 10,986,728</u>	<u>\$ 4,594,858</u>	<u>\$ 4,997,014</u>	<u>\$ 2,105,025</u>	<u>\$ 3,771,767</u>
Total primary government	<u>\$ 61,774,045</u>	<u>\$ 62,370,697</u>	<u>\$ 74,609,619</u>	<u>\$ 85,722,612</u>	<u>\$ 92,457,140</u>	<u>\$ 101,129,603</u>
Changes in Net Assets						
Governmental activities	\$ (38,268,228)	\$ (13,317,563)	\$ 8,498,233	\$ 19,764,544	\$ 18,259,775	\$ 8,465,182
Business-type activities	23,918,903	7,516,838	(271,980)	5,756,973	(742,054)	295,929
Total primary government	<u>\$ (14,349,325)</u>	<u>\$ (5,800,725)</u>	<u>\$ 8,226,253</u>	<u>\$ 25,521,517</u>	<u>\$ 17,517,721</u>	<u>\$ 8,761,111</u>

* Reporting began in fiscal year 2003.

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

TABLE 3

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Hotel Occupancy Tax</u>	<u>Total</u>
2003	\$ 44,992,211	\$ 13,446,241	\$ 395,653	\$ 606,190	\$ 59,440,295
2004	46,260,529	14,288,063	430,130	658,878	61,637,600
2005	57,535,230	14,743,209	431,874	709,941	73,420,254
2006	61,247,030	20,150,358	494,201	894,368	82,785,957
2008	72,615,806	23,906,777	506,047	1,011,577	98,040,207

* Reporting began in fiscal year 2003.

TABLE 4

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

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund										
Reserved	\$ 608,939	\$ 515,017	\$ 695,216	\$ 869,899	\$ 4,649,448	\$ 4,363,031	\$ 3,660,569	\$ 1,101,397	\$ 1,196,058	\$ 1,124,272
Unreserved	24,813,767	23,964,657	19,801,049	12,288,404	4,408,693	781,091	9,473,913	19,445,189	28,724,474	31,324,562
Total general fund	<u>\$ 25,422,706</u>	<u>\$ 24,479,674</u>	<u>\$ 20,496,265</u>	<u>\$ 13,158,303</u>	<u>\$ 9,058,141</u>	<u>\$ 5,144,122</u>	<u>\$ 13,134,482</u>	<u>\$ 20,546,586</u>	<u>\$ 29,920,532</u>	<u>\$ 32,448,834</u>
All other governmental funds										
Reserved	\$ 1,935,770	\$ 2,361,263	\$ 884,461	\$ 1,076,205	\$ 757,266	\$ 5,069,747	\$ 5,943,842	\$ 3,958,995	\$ 3,996,377	\$ 7,895,953
Unreserved, reported in:										
Special revenue funds	3,992,274	4,332,108	4,598,612	6,010,336	7,198,968	7,630,588	7,095,623	16,985,952	17,623,438	12,483,025
Capital project funds	15,445,919	67,296,877	54,982,260	43,983,240	16,025,275	(94,756)	(62,120)	-	(1,618)	(1,618)
Debt service funds	(43,188)	-	-	-	-	-	257,097	826,359	482,912	287,948
Total all other governmental funds	<u>\$ 21,330,775</u>	<u>\$ 73,990,248</u>	<u>\$ 60,465,333</u>	<u>\$ 51,069,781</u>	<u>\$ 23,981,509</u>	<u>\$ 12,605,579</u>	<u>\$ 13,234,442</u>	<u>\$ 21,771,306</u>	<u>\$ 22,101,109</u>	<u>\$ 20,665,308</u>

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
REVENUES:										
Property Taxes	\$ 42,347,242	\$ 42,624,272	\$ 42,885,676	\$ 44,994,723	\$ 44,969,987	\$ 46,276,630	\$ 57,343,655	\$ 61,103,193	\$ 65,071,514	\$ 71,516,193
Sales Taxes	13,502,676	13,860,790	14,051,840	14,950,781	14,448,084	15,377,071	15,885,024	21,538,927	23,131,309	25,424,401
Fees	10,679,407	10,731,563	11,377,989	11,613,640	12,674,610	12,441,814	12,058,229	12,752,383	13,232,594	13,844,334
Licenses	450,865	487,024	445,002	456,268	436,896	421,116	404,647	425,438	423,313	409,386
Intergovernmental	9,116,822	9,019,355	9,488,898	8,503,218	8,664,520	7,713,379	10,984,676	39,011,714	12,962,160	14,315,347
Sales, Rental & Services	7,563,814	4,727,874	5,586,316	4,121,657	5,167,036	4,995,661	5,407,000	4,963,482	5,486,288	4,173,703
Fines and Forfeitures	2,922,403	3,365,240	2,902,650	2,734,192	2,644,177	3,118,964	2,897,424	3,538,886	3,008,196	2,181,478
Interest	2,638,316	5,183,310	6,348,578	4,288,596	2,523,171	651,152	1,123,912	2,703,210	3,083,938	2,236,357
Miscellaneous	21,229	13,792	9,260	12,803	2,575	8,868	8,256	62,805	17,539	17,936
Contributions and Donations	13,034	15,705	82,427	89,617	298,376	22,400	26,300	10,196	18,968	4,116
Total Revenues	\$ 89,255,808	\$ 90,028,925	\$ 93,178,636	\$ 91,765,495	\$ 91,829,432	\$ 91,027,055	\$ 106,139,123	\$ 146,110,234	\$ 126,435,819	\$ 134,123,251
EXPENDITURES:										
General Government	\$ 10,378,142	\$ 11,626,757	\$ 12,662,674	\$ 13,161,103	\$ 14,235,304	\$ 13,167,975	\$ 13,851,082	\$ 15,367,359	\$ 17,962,946	\$ 18,587,891
Judicial and Law Enforcement	47,441,074	49,543,181	50,383,391	52,450,290	54,391,585	53,205,202	52,714,845	53,848,433	60,795,584	69,726,438
Education and Recreation	513,718	516,098	565,046	576,958	817,087	1,089,736	1,117,604	1,137,019	1,717,102	1,915,987
Health and Welfare	5,238,550	6,190,114	6,537,754	6,726,933	6,760,768	7,298,844	7,011,489	8,256,283	8,794,712	10,024,011
Maintenance of Structures and Equipment	8,698,584	9,542,345	9,925,892	9,255,104	9,420,715	9,000,103	11,255,900	43,799,011	15,850,658	19,851,954
Capital Outlay	6,594,022	10,881,879	20,911,522	31,750,330	33,443,927	15,491,047	5,358,002	4,776,391	3,690,980	2,016,129
Debt Services										
Principal	2,405,000	2,670,000	2,010,000	2,945,000	2,980,000	3,250,000	3,335,000	3,890,000	4,045,000	3,510,000
Interest and Commission	1,067,213	1,112,364	5,904,993	3,463,447	4,355,169	4,351,299	4,120,881	4,084,539	3,938,978	3,794,062
Total Expenditures	\$ 82,336,303	\$ 92,082,738	\$ 108,901,272	\$ 120,329,165	\$ 126,404,555	\$ 106,854,206	\$ 98,764,803	\$ 135,159,035	\$ 116,795,960	\$ 129,426,472
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,919,505	\$ (2,053,813)	\$ (15,722,636)	\$ (28,563,670)	\$ (34,575,123)	\$ (15,827,151)	\$ 7,374,320	\$ 10,951,199	\$ 9,639,859	\$ 4,696,779

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
OTHER FINANCING SOURCES (USES):										
Transfer In	\$ 5,794,077	\$ 7,412,713	\$ 1,549,799	\$ 2,861,537	\$ 3,734,765	\$ 1,316,946	\$ 735,870	\$ 5,508,237	\$ 3,101,422	\$ 8,147,776
Transfer Out	(5,794,077)	(7,442,713)	(3,335,487)	(3,829,056)	(3,564,529)	(2,640,332)	(3,175,594)	(10,514,208)	(5,187,532)	(11,909,931)
Capital Lease Obligations	392,528	-	-	-	337,391	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	10,000,000	2,150,000	157,877
Issuance of Debt	5,860,270	53,795,969	-	12,874,203	14,522,769	1,860,588	3,000,000	-	-	-
Premium on Debt Issued	-	-	-	-	9,959	-	490	-	-	-
Discount on Debt Issued	-	-	-	-	(24,172)	-	-	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	(11,629,494)	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ 6,252,798	\$ 53,765,969	\$ (1,785,688)	\$ 11,906,684	\$ 3,386,689	\$ 537,202	\$ 560,766	\$ 4,994,029	\$ 63,890	\$ (3,604,278)
Net Change In Fund Balances	\$ 13,172,303	\$ 51,712,156	\$ (17,508,324)	\$ (16,656,986)	\$ (31,188,434)	\$ (15,289,949)	\$ 7,935,086	\$ 15,945,228	\$ 9,703,749	\$ 1,092,501
Debt Service As A Percentage of Noncapital Expenditures	4.6%	4.7%	9.0%	7.2%	7.2%	8.3%	8.1%	6.1%	7.3%	6.0%

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

Fiscal Year	Property Tax	Sales Tax	Alcoholic Beverage Tax	Hotel Occupancy Tax	Total
1999	\$ 42,347,242	\$ 13,157,940	\$ 344,736	\$ -	\$ 55,849,918
2000	42,624,272	13,501,842	358,948	-	56,485,062
2001	42,885,676	13,698,758	353,082	-	56,937,516
2002	44,994,723	14,579,230	371,551	-	59,945,504
2003	44,969,987	13,526,657	364,440	556,987 ¹	59,418,072
2004	46,276,630	14,375,228	395,653	606,190	61,653,701
2005	57,343,655	14,796,016	430,130	658,878	73,228,679
2006	61,103,193	20,150,358	494,201	894,368	82,642,120
2007	65,071,514	21,654,606	503,134	973,569	88,202,823
2008	71,516,193	23,906,777	506,047	1,011,577	96,940,594

¹ First year of tax.

TABLE 6

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

Fiscal Year Ended September 30	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value (a) as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2006	\$ 5,763,919,286	\$ 8,244,921,075	\$ 53,451,410	\$ 3,377,709,770	\$ 3,069,336,201	\$ 14,370,665,340	\$ 0.425	\$ 14,455,989,770	82.89%
2007	5,433,538,560	10,360,470,535	54,889,880	3,872,073,860	3,180,724,674	16,540,248,161	0.400	16,560,749,332	83.98%
2008	6,729,159,173	11,409,878,641	62,781,190	4,196,575,015	3,824,188,028	18,574,205,991	0.390	18,879,604,039	84.29%

Source: Jefferson County Appraisal District

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

(a) Includes tax-exempt property.

* Reporting began in fiscal year 2006.

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

Fiscal Year	Overlapping Rates											Total Direct & Overlapping Rates
				Cities				School Districts				
	Operating Rate	Debt Service Rate	Total County Rate	Operating Rate	Debt Service Rate	Total City Rate	Operating Rate	Debt Service Rate	Total School Rate	Special Districts		
2006	\$ 0.375	\$ 0.050	\$ 0.425	\$ 0.406	\$ 0.271	\$ 0.677	\$ 1.491	\$ 0.136	\$ 1.627	\$ 0.216	\$ 2.945	
2007	0.355	0.045	0.400	0.420	0.232	0.652	1.311	0.119	1.430	0.216	2.698	
2008	0.353	0.037	0.390	0.419	0.187	0.606	1.077	0.144	1.221	0.205	2.422	

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Source: Jefferson County Tax Assessor Collector

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

Note: Rates are per \$100 of taxable value. Rates for overlapping entities are an average tax rate of all cities (6), school districts (7), and special districts (13) located within Jefferson County. For fiscal year 2008, total rates ranged between .23 and .76 for cities, 1.095 and 1.345 for school districts, and .0243 and .434 for special districts.

* Reporting began in fiscal year 2006.

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

Taxpayers	2008			1999		
	Taxable Assessed Value (b)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (b)	Rank	Percentage of Total Taxable Assessed Value
ExxonMobil Oil Corporation	\$ 2,458,172,310	1	13.23%	\$ 1,438,677,820	1	12.48%
Motiva Refinery	1,730,976,620	2	9.32%	647,644,630	3	5.62%
Premcor Refining Group Inc	979,962,790	3	5.28%	299,028,670	6	2.59%
Total Petrochemicals USA	760,684,420	4	4.10%	382,177,110	5	3.31%
Huntsman Petrochemical Corp	532,549,680	5	2.87%	921,343,360	2	7.99%
Chevron Phillips Chemical Co.	341,751,870	6	1.84%	433,482,950	4	3.76%
Goodyear Tire & Rubber Co.	284,264,830	7	1.53%	211,033,330	8	1.83%
Entergy Gulf States Inc.	265,854,750	8	1.43%	176,016,090	9	1.53%
Samson Lone Star LP	221,076,970	9	1.19%	-	-	-
Sun Marine Terminals	143,687,840	10	0.77%	-	-	-
E I Dupont De Nemours	-	-	-	266,696,510	7	2.31%
Southwestern Bell	-	-	-	124,940,610	10	1.08%
TOTAL	\$7,718,982,080		41.56%	\$4,901,041,080		42.50%

Source: Jefferson County Appraisal District.

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

TABLE 9

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

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 60,807,347	\$ 59,849,203	98.42%	\$ 472,387	\$ 60,321,590	99.20%
2007	65,282,158	63,728,280	97.62%	301,451	64,029,731	98.08%
2008	71,779,466	70,292,662	97.93%	-	70,292,662	97.93%

* Reporting began in fiscal year 2006.

TABLE 10

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Notes Payable</u>	<u>Capital Leases</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (a)</u>	<u>Per Capita (a)</u>
2006	\$ 79,540,000	\$ 2,648,987	\$ 101,959	\$ 82,290,946	1.20%	\$ 332
2007	75,495,000	2,332,066	52,224	77,879,290	1.09%	\$ 319
2008	71,985,000	2,005,529	-	73,990,529	0.96%	\$ 306

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

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

* Reporting began in fiscal year 2006.

TABLE 11

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value (a) of Property</u>	<u>Per Capita (b)</u>
2006	\$ 79,540,000	\$ 337,083	\$ 79,202,917	0.55%	\$ 320
2007	75,495,000	318,212	75,176,788	0.45%	308
2008	71,985,000	76,619	71,908,381	0.38%	297

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

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

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

* Reporting began in fiscal year 2006.

JEFFERSON COUNTY, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
JEFFERSON COUNTY DIRECT DEBT	\$71,985,000	100.0%	\$71,985,000
Total Direct Debt			\$71,985,000
OVERLAPPING DEBT REPAID WITH PROPERTY TAXES:			
CITIES:			
BEAUMONT	42,135,000	100.0%	42,135,000
BEVIL OAKS	-	100.0%	-
GROVES	8,530,000	100.0%	8,530,000
NEDERLAND	21,110,000	100.0%	21,110,000
PORT ARTHUR	82,000,000	100.0%	82,000,000
PORT NECHES	16,565,000	100.0%	16,565,000
SCHOOL DISTRICTS:			
BEAUMONT	191,355,000	100.0%	191,355,000
HAMSHIRE FANNETT	11,163,935	100.0%	11,163,935
HARDIN JEFFERSON	27,986,016	59.9%	16,763,624
NEDERLAND	11,720,000	100.0%	11,720,000
PORT ARTHUR	166,428,450	100.0%	166,428,450
PORT NECHES	95,408,191	100.0%	95,408,191
SABINE PASS	7,525,000	100.0%	7,525,000
PORT DISTRICTS:			
BEAUMONT	21,375,000	100.0%	21,375,000
PORT ARTHUR	43,800,000	100.0%	43,800,000
SABINE PASS	2,054,253	100.0%	2,054,253
DRAINAGE DISTRICTS:			
DRAINAGE DISTRICTS #3	-	100.0%	-
DRAINAGE DISTRICTS #6	-	100.0%	-
DRAINAGE DISTRICTS #7	-	100.0%	-
NAVIGATION DISTRICTS:			
JEFFERSON COUNTY	-	100.0%	-
MUNICIPAL UTILITY DISTRICTS:			
NORTHWEST FOREST	-	100.0%	-
WATER DISTRICTS:			
WATER DISTRICT #10	4,510,000	100.0%	4,510,000
EMERGENCY SERVICE DISTRICTS:			
EMERGENCY SERVICE DISTRICT #1	-	100.0%	-
EMERGENCY SERVICE DISTRICT #2	-	100.0%	-
CONSERVATION DISTRICTS:			
TRINITY BAY	-	100.0%	-
IMPROVEMENT DISTRICT:			
CARDINAL MEADOWS	-	100.0%	-
Total Overlapping Debt			\$742,443,453
TOTAL DIRECT AND OVERLAPPING DEBT			\$814,428,453

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

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

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

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2006	2007
Debt limit	\$ 2,625,025	\$ 2,637,492	\$ 3,010,290	\$ 3,218,704	\$ 3,293,172	\$ 3,469,794	\$ 3,639,382	\$ 3,502,210	\$ 3,948,502	\$ 4,534,760
Total net debt applicable to limit	22,167	74,028	73,495	87,223	86,262	82,987	82,888	79,203	75,177	71,908
Legal debt margin	<u>\$ 2,602,858</u>	<u>\$ 2,563,464</u>	<u>\$ 2,936,795</u>	<u>\$ 3,131,481</u>	<u>\$ 3,206,910</u>	<u>\$ 3,386,807</u>	<u>\$ 3,556,494</u>	<u>\$ 3,423,007</u>	<u>\$ 3,873,325</u>	<u>\$ 4,462,852</u>
Total net debt applicable to the limit as a percentage of debt limit	0.84%	2.81%	2.44%	2.71%	2.62%	2.39%	2.28%	2.26%	1.90%	1.59%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed Value of Real Property	\$ 18,139,038
Debt limit (25% of assessed value of real property)	4,534,760
Debt applicable to limit:	
General obligation bonds	71,985
Less: Amount set aside for repayment of general obligation debt	<u>77</u>
Total net debt applicable to limit	<u>\$ 71,908</u>
Legal debt margin	<u>\$ 4,462,852</u>

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

TABLE 14

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

<u>Fiscal Year</u>	<u>Population (a)</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income (b)</u>	<u>Median Age (a)</u>	<u>School Enrollment (a)</u>	<u>Unemployment Rate (b)</u>
2006	247,571	\$ 6,854,993	\$ 27,689	36.5	62,002	6.6%
2007	243,914	\$ 7,152,534	\$ 29,324	36.4	59,776	5.7%
2008	241,975	\$ 7,684,158	\$ 31,756	36.7	62,290	7.3%

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Data sources

(a) Bureau of Census

(b) Texas Workforce Commission

* Reporting began in fiscal year 2006.

TABLE 15

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

Employer	2008			1999		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of Texas	4,837	1	4.56%	2,906	2	2.58%
Beaumont ISD	3,000	2	2.83%	2,923	1	2.60%
Christus Health Southeast Texas	2,335	3	2.20%	2,500	3	2.22%
ExxonMobil Oil Corporation	2,180	4	2.05%	-	-	-
Memorial Hermann Baptist Hospital	1,613	5	1.52%	-	-	-
Jefferson County	1,354	6	1.28%	-	-	-
Wal-Mart Associates	1,331	7	1.25%	-	-	-
City of Beaumont	1,272	8	1.20%	1,300	10	1.16%
Port Arthur ISD	1,227	9	1.16%	-	-	-
Conex International	983	10	0.93%	-	-	-
McDonald's Restaurants	-	-	-	2,200	4	1.96%
Market Basket Food Stores	-	-	-	2,000	5	1.78%
DuPont Sabine River Works	-	-	-	1,702	6	1.51%
Bayer Corporation	-	-	-	1,600	7	1.42%
Huntsman	-	-	-	1,535	8	1.36%
TDI-Halter, LP	-	-	-	1,500	9	1.33%
TOTAL	20,132		18.98%	20,166		17.92%

Source: Texas Workforce Commission

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

<u>Function</u>	<u>Full-time Equivalent Employees as of September 30</u>		
	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government	169	176	171
Judicial & Law Enforcement			
Deputies	114	122	124
Detention Officers	222	239	221
Others	439	435	436
Education & Recreation	14	17	18
Health & Welfare	64	55	56
Maintenance - Equipment & Structures			
Road & Bridges	59	71	70
Engineering	10	9	10
Maintenance	31	30	27
Southeast Texas Regional Airport	25	23	26
Ford Park	125	101	79
 TOTAL	 <u>1,272</u>	 <u>1,278</u>	 <u>1,238</u>

* Reporting began in fiscal year 2006.

TABLE 17

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

Function	FISCAL YEAR		
	2006	2007	2008
Judicial & Law Enforcement			
Courts			
Number of Indigent Cases Heard	2,082	2,839	2,984
Number of Justice of Peace Cases	47,627	51,416	50,997
Sheriff			
Number of Arrests	6,147	6,423	6,543
Number of Citations	1,203	1,242	2,300
Jail			
Average Daily Population of Inmates	959	1,171	986
Constables			
Number of Papers Served	21,209	19,874	15,847
Education & Recreation			
Library			
Number of Patron Visits	6,129	5,995	6,300
Health & Welfare			
Health & Welfare			
Number of Patients Seen in Clinic	7,363	8,111	8,310
Mosquito Control			
Number of Acreage Sprayed	2,613,632	1,386,752	1,393,743
Maintenance - Equipment & Structures			
Road & Bridge			
Road Miles Maintained	368	368	370
Airport			
Number of Aircraft Operations	61,856	55,350	32,273
Number of Enplaned	25,687	25,650	22,126
Number of Deplaned	26,219	26,117	22,387
Health Insurance Risk Pool			
Number of Participants in Plan	1,389	1,429	1,490
Entertainment Complex			
Number of Events	199	160	221
Total Attendance	248,639	617,246	280,012

Sources: Various county departments

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

* Reporting began in fiscal year 2006.

TABLE 18

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

Function	FISCAL YEAR		
	2006	2007	2008
Judicial & Law Enforcement			
Sheriff			
Patrol Units	92	109	119
Aviation Units	3	2	3
Jail			
Dorms	23	23	23
Bed Capacity	1,268	1,268	1,268
Constables			
Patrol Units	29	29	30
Education & Recreation			
Library Holdings (ie books, audio, video)	45,378	44,281	46,104
Health & Welfare			
Mosquito Control			
Mosquito Spray Trucks	8	8	8
Weed Control Trucks	2	2	2
Aviation Units	3	3	3
Maintenance - Equipment & Structures			
Road (miles)	368	368	370
Bridges	65	65	65
Airport			
Runways (linear feet)	11,820	11,820	11,820
T-Hangar & Open Span Hangars (square feet)	138,706	154,376	154,376
Office Space (square feet)	15,055	15,535	15,535
Entertainment Complex			
Number of venues	5	5	5
Softball Fields	12	12	12
Exhibit Floor Space (square feet)	153,000	153,000	153,000
Seating Capacity	23,500	23,500	23,500

Sources: Various county departments

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

* Reporting began in fiscal year 2006.

