

# JEFFERSON COUNTY, TEXAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended  
September 30, 2010



JEFFERSON COUNTY, TEXAS



COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2010

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, 2010

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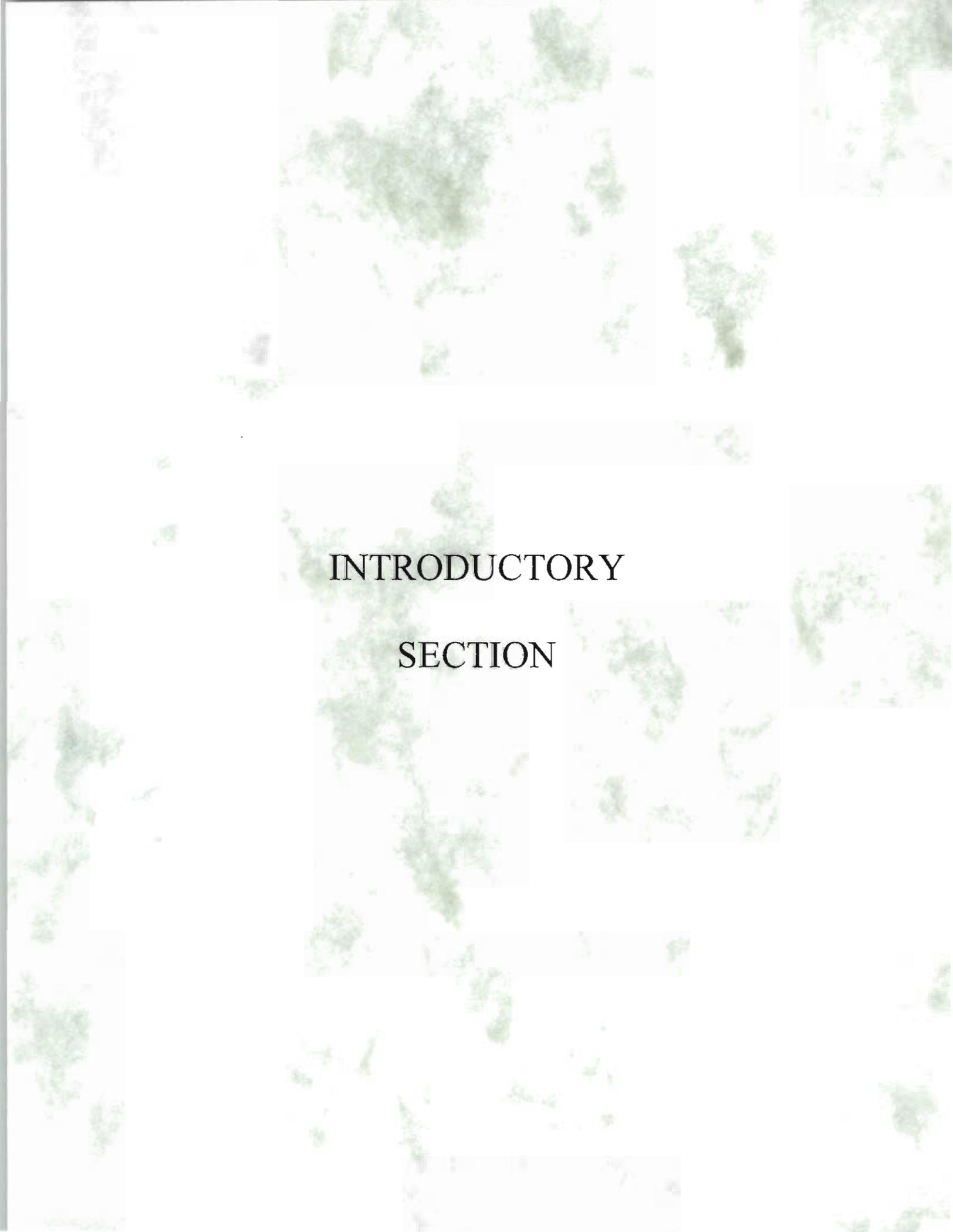
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INTRODUCTORY

SECTION

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



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

March 28, 2011

Citizens of Jefferson County, Texas:

Honorable District Judges:

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

Honorable Commissioners' Court:

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

The County Auditor's Office ("the Auditor's Office") is pleased to present the Comprehensive Annual Financial Report ("CAFR") of Jefferson County, Texas (the "County") for the fiscal year ended September 30, 2010. 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, Certified Public Accountants, has issued an unqualified ("clean") opinion on the County's financial statements for the year ended September 30, 2010. The independent auditor's report is located at the front of the financial section of this report.

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

## PROFILE OF THE GOVERNMENT

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

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

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

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

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

## FACTORS AFFECTING FINANCIAL CONDITIONS

### *Local economy*

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates. During fiscal year 2010, the County and its residents continued recovery efforts related to Hurricane Rita, which struck the County and surrounding Gulf Coast areas in late September 2005 and Hurricane Ike which impacted the area in September 2008. While still striving to return to pre-storm conditions, County leaders continue to push for funding that will enable the community to fully recover and continue to grow.

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

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

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

The County continues to grow with several industrial expansion projects underway. Motiva will increase its current refining capacity to become the largest refinery in the United States. Total and Valero continue to move forward with expansions to their respective facilities which will minimize the effects of the economic slowdown felt by other areas of the Country.

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

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

Commissioners' Court continues to follow their policy guideline for budgetary and planning purposes of building and maintaining an 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 33.7% 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 \$ .365 per \$100 of assessed property valuation to provide funds for services and debt service for fiscal year 2010. Budget initiatives for fiscal year 2010 included:

- Maintain the same property tax rate despite a 4.9% reduction in the effective tax rate.
- Provide a 2% salary increase to all employees outside of the union contract.
- Provide a 5% salary increase for law enforcement and correction officers in connection with the Deputy Sheriff's & Correction Officers Association contract. Also, provide a 5% salary increase for Constable Deputies in connection with the Deputy Constable Association contract.
- 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, 2009. This was the twelfth consecutive year that the government has achieved this prestigious award.

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

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

## ACKNOWLEDGEMENTS

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

## REQUEST FOR INFORMATION

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



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



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Jefferson County  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2009

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.



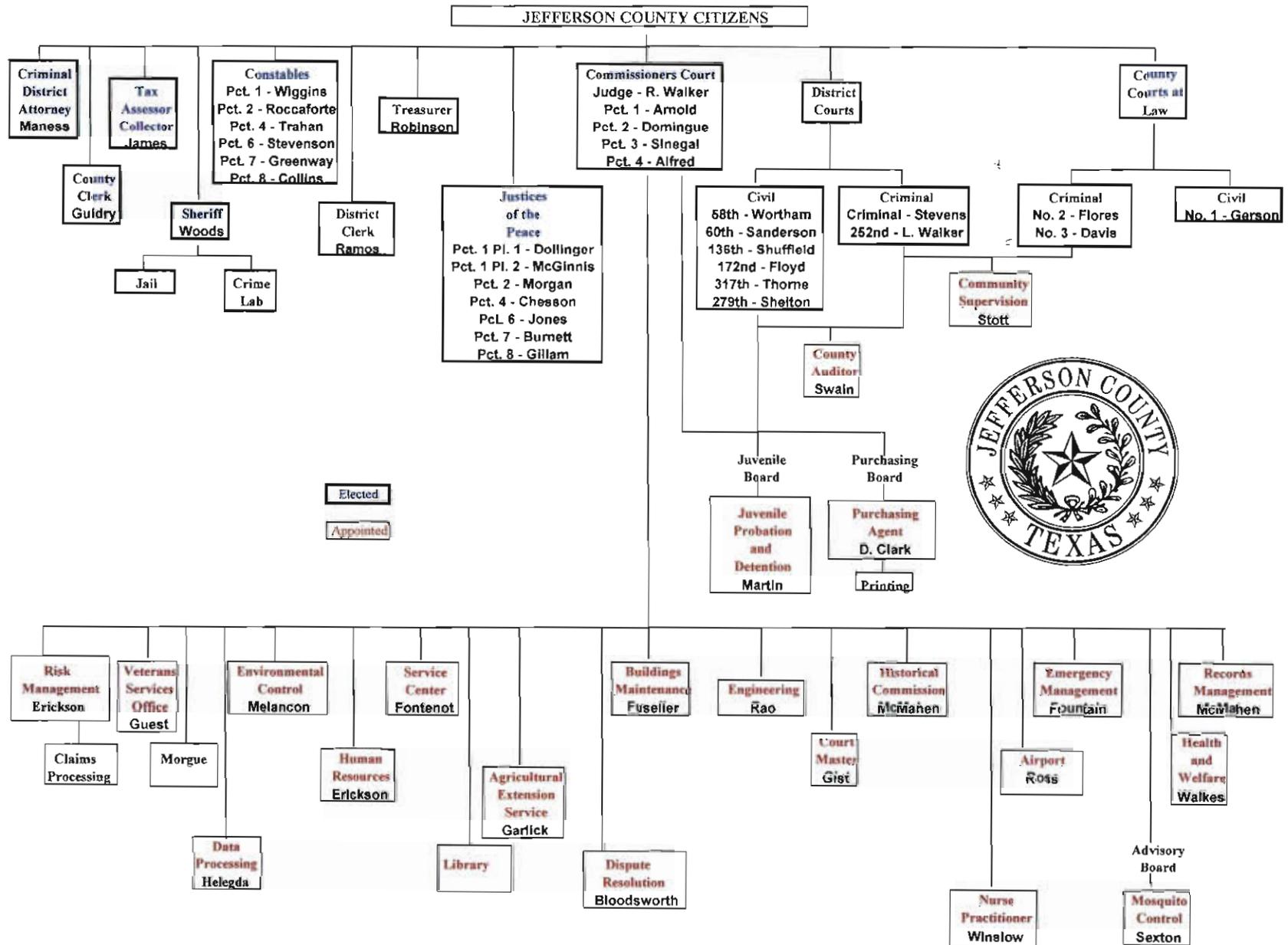
President

Executive Director



# ORGANIZATION CHART OF JEFFERSON COUNTY

As of September 30, 2010



## ELECTED OFFICIALS

As of September 30, 2010

### COMMISSIONERS' COURT

County Judge	Ronald Walker
Commissioner Pct. 1	Eddie Arnold
Commissioner Pct. 2	Mark Domingue
Commissioner Pct. 3	Shane Sinegal
Commissioner Pct. 4	Bo Alfred

### SHERIFF

Mitch Woods

### TAX ASSESSOR - COLLECTOR

Susie James

### 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 Thome

### DISTRICT ATTORNEY

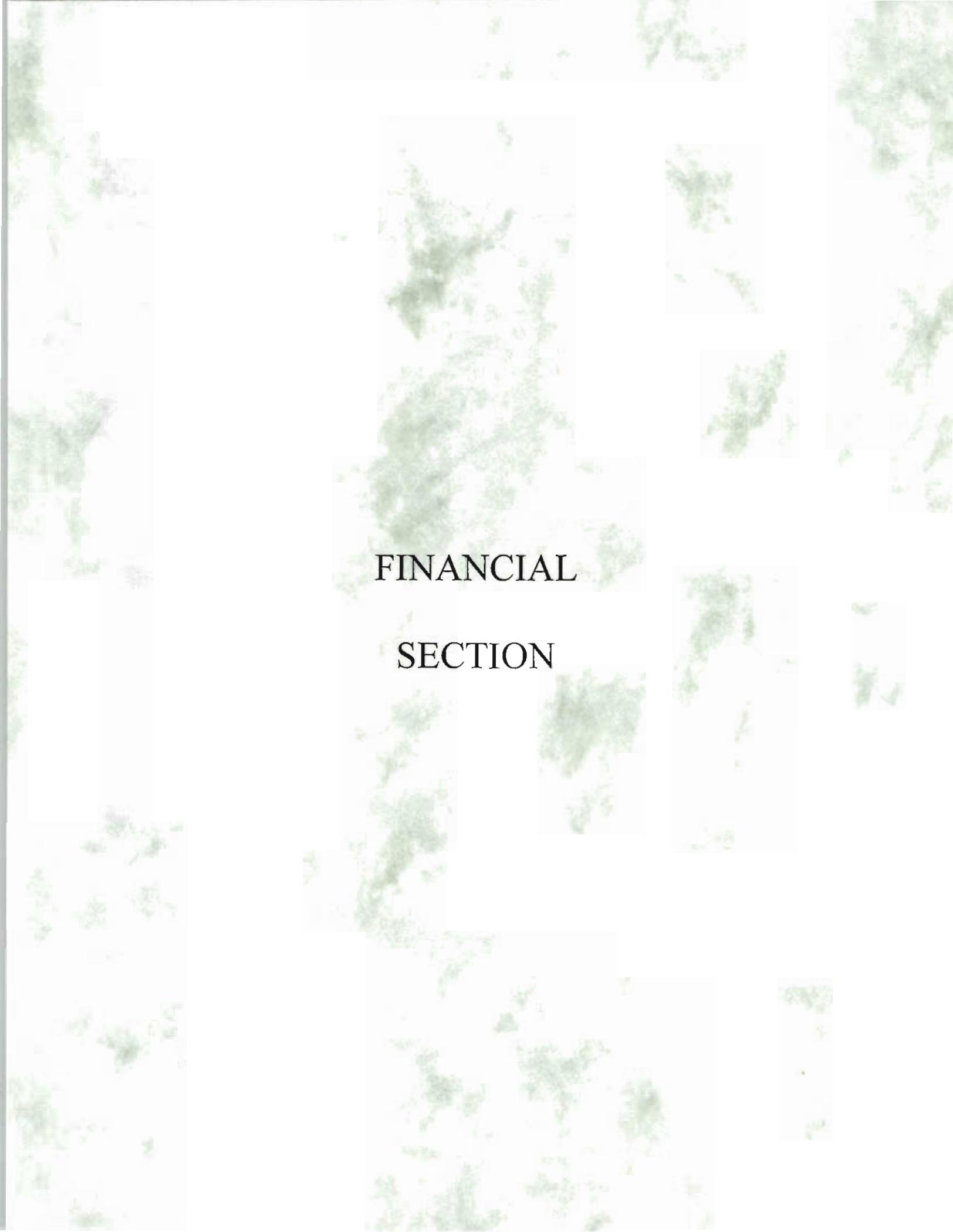
Tom Maness

## APPOINTED OFFICIALS

As of September 30, 2010

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





FINANCIAL  
SECTION



## INDEPENDENT AUDITOR'S REPORT

County Judge, Jeff Branick 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, 2010, 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, 2010, 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 18, 2011, 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The Introductory Section, Combining and Individual Fund Information and Other Supplementary Information, and Statistical Section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The Combining and Individual Fund financial statements and Other Supplementary Information used in the operation of governmental funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Introductory and Statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Gayle W. Botley, CPA  
Port Arthur, Texas

March 18, 2011

*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, 2010. 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 2010 by \$143,690,425 (net assets). Of this amount, \$27,491,725 (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The county's total net assets decreased by \$7,655,446. As a result, the county's overall financial position has declined from the previous year.
- As of the close of fiscal year 2010, Jefferson County's governmental funds reported combined ending fund balances of \$65,671,709, an increase of \$1,098,922 in comparison with the prior year. About 77% of the total amount, \$50,711,564 is available for spending at the county's discretion (unreserved, undesignated fund balance).
- At the end of fiscal year 2010, unreserved, undesignated fund balance for the general fund was \$34,899,538, or 34 percent of total general fund expenditures and transfers. In addition, the General fund had a reserve fund balance of \$1,107,057.
- The FEMA Emergency fund is classified as a major fund. It had an unreserved fund balance of \$7,375,094.
- The Capital Projects fund is classified as a major fund. It had a reserved fund balance of \$12,170,975.
- The County's total debt decreased by \$3,737,381 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.

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

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

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

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

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

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

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

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

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

impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 102 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 11 agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

*Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found starting on page 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 63 of this report.

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

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

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$143,690,425 for fiscal year 2010 and \$151,630,097 for fiscal year 2009.

**Condensed Statement of Net Assets**  
**September 30, 2010**  
**Primary Government**

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

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

**Condensed Statement of Net Assets  
September 30, 2009  
Primary Government**

	Governmental Activities	Business-type Activities	Reclassifications	Total
Current and other assets	\$ 88,992,188	\$ 2,684,716	\$ -	\$ 91,676,904
Capital Assets	76,380,406	93,237,299	-	169,617,705
Total Assets	<u>\$165,372,594</u>	<u>\$ 95,922,015</u>	<u>\$ -</u>	<u>\$261,294,609</u>
Current and other liabilities	\$ 13,918,972	\$ 1,014,689	\$ -	\$ 14,933,661
Long-term liabilities	94,486,678	244,173	-	94,730,851
Total Liabilities	<u>\$108,405,650</u>	<u>\$ 1,258,862</u>	<u>\$ -</u>	<u>\$109,664,512</u>
Net Assets:				
Invested in capital assets, net of related debt	\$ 68,242,040	\$ 93,237,299	\$ (61,855,720)	\$ 99,623,619
Restricted net assets	10,615,478	-	-	10,615,478
Unrestricted net assets	(21,890,574)	1,425,854	61,855,720	41,391,000
Total Net Assets	<u>\$ 56,966,944</u>	<u>\$ 94,663,153</u>	<u>\$ -</u>	<u>\$151,630,097</u>

The largest portion of the County's current fiscal year net assets (71.2 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 (19.1 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 (9.7 percent) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year 2010 and fiscal year 2009, the County reported positive net assets in all three categories of net assets for Jefferson County as a whole, and reported positive balances in two of the three categories of net assets for its governmental activities. Unrestricted net assets for governmental activities were negative \$35,286,048 for fiscal year 2010 and \$21,890,574 for fiscal year 2009. Business-type activities had positive balances in two of the categories of net assets for fiscal year 2010 and fiscal year 2009.

The County had a reclassification of \$60,663,707 in fiscal year 2010 and \$61,855,720 in the prior fiscal year to move the debt associated with the construction of Ford Park from

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

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

The County's net assets decreased by \$7,655,446 during the current fiscal year.

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

Statement of Activities  
For the Year Ended September 30, 2010

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

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

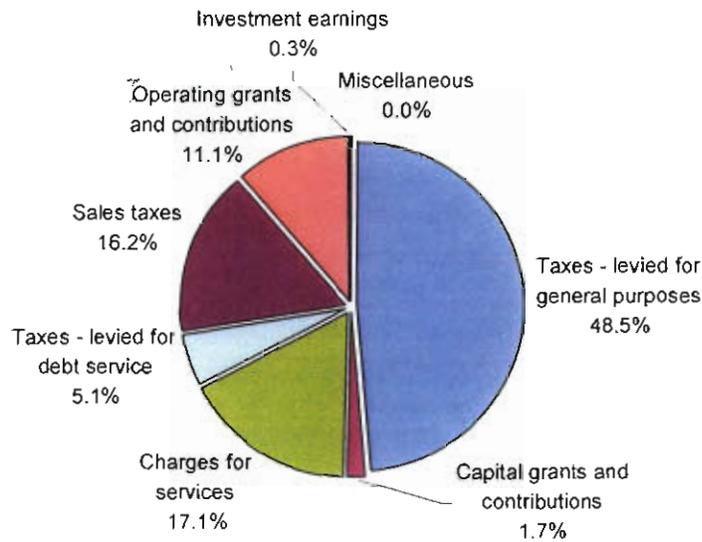
Statement of Activities  
For the Year Ended September 30, 2009

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 28,202,265	\$ 6,716,290	\$ 34,918,555
Operating grants and contributions	30,927,086	43,397	30,970,483
Capital grants and contributions	937,390	8,278,928	9,216,318
General revenues:			
Taxes - levied for general purposes	68,871,055	-	68,871,055
Taxes - levied for debt service	6,745,042	-	6,745,042
Sales Taxes	32,319,170	-	32,319,170
Investment earnings	842,485	2,369	844,854
Miscellaneous	29,275	6,192	35,467
Total revenues	<u>168,873,768</u>	<u>15,047,176</u>	<u>183,920,944</u>
Expenses:			
General government	34,940,366	-	34,940,366
Judicial and law enforcement	74,059,745	-	74,059,745
Education and recreation	1,611,435	-	1,611,435
Health and welfare	11,205,583	-	11,205,583
Maintenance - equipment and structures	35,000,580	-	35,000,580
Interest and charges on long-term debt	3,715,282	-	3,715,282
Airport	-	4,710,467	4,710,467
Entertainment Complex	-	7,977,002	7,977,002
Total expenses	<u>160,532,991</u>	<u>12,687,469</u>	<u>173,220,460</u>
Excess (deficiency) before special items and transfers	8,340,777	2,359,707	10,700,484
Transfers	<u>(3,687,832)</u>	<u>3,687,832</u>	<u>-</u>
Change in net assets	<u>4,652,945</u>	<u>6,047,539</u>	<u>10,700,484</u>
Net assets - beginning	52,379,739	88,615,614	140,995,353
Prior period adjustment	<u>(65,740)</u>	<u>-</u>	<u>(65,740)</u>
Net assets - beginning - restated	<u>52,313,999</u>	<u>88,615,614</u>	<u>140,929,613</u>
Net assets - ending	<u>\$ 56,966,944</u>	<u>\$ 94,663,153</u>	<u>\$ 151,630,097</u>

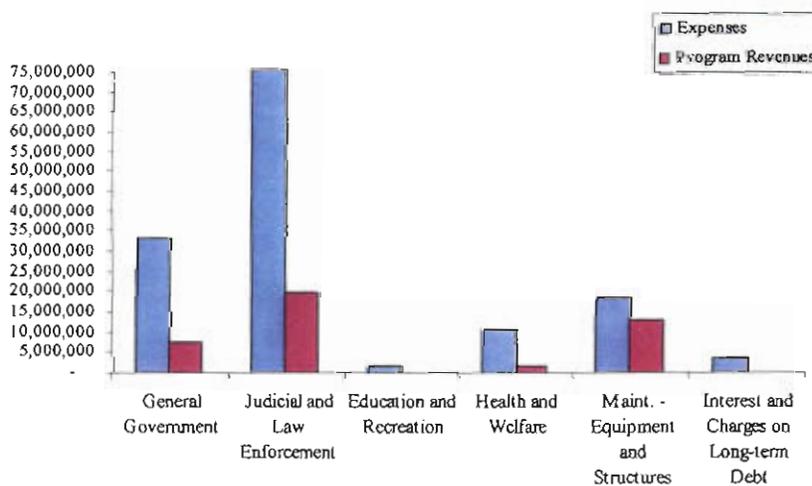
*Jefferson County, Texas  
Management's Discussion and Analysis (Unaudited)*

*Governmental activities*

Revenues by Source - Governmental Activities  
Year Ended September 30, 2010



Expenses and Program Revenues - Governmental Activities  
Year Ended September 30, 2010



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

Governmental activities decreased the county's net assets by \$7,064,988, thereby accounting for 89 percent of the total decline in the net assets of Jefferson County.

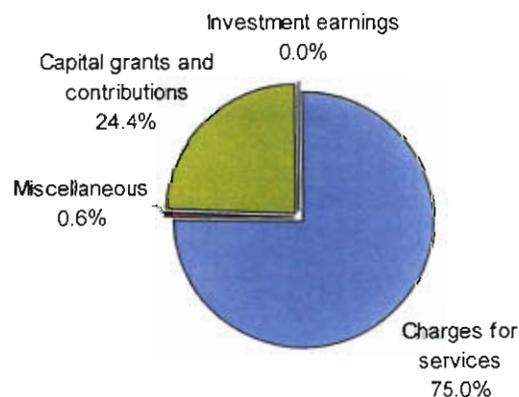
The largest area of decline is due to the increase in the OPEB (Other Post Employment Benefits) Obligation of \$10,961,733. Commissioners' Court has decided to continue funding OPEB on the pay-as-you-go basis. More discussion on OPEB can be found in Note 9 starting on page 53.

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

***Business-type activities***

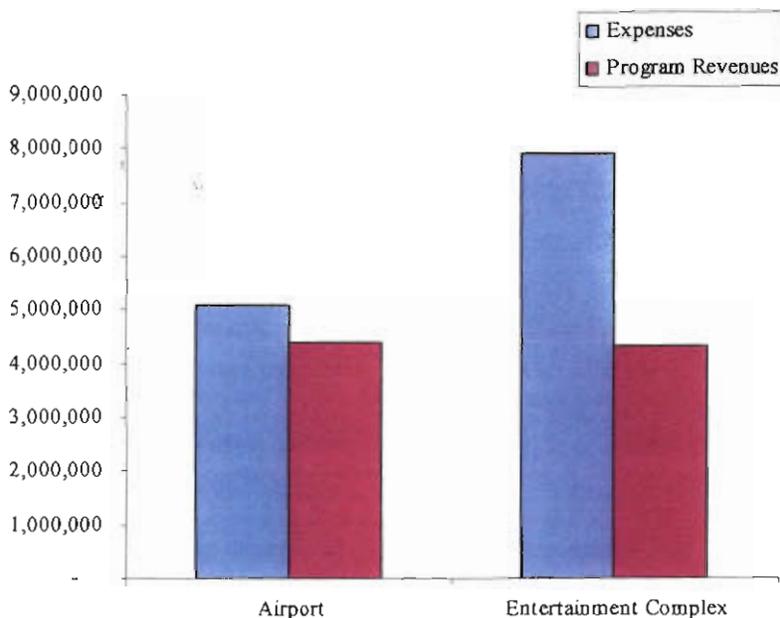
Business-type activities decreased the county's net assets by \$874,684 which accounts for the other 11 percent of the total decline in the net assets for the County. This is only a one percent change in net assets.

Revenue by Source - Business-type Activities  
Year Ended September 30, 2010



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

Expenses and Program Revenues - Business-type Activities  
Year Ended September 30, 2010



**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 \$65,671,709, an increase of \$814,696 in comparison with the prior year. About 77% of this total amount (\$50,711,564) 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 \$34,899,538, while total fund balance reached \$36,006,595. 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 30.7 percent of total general fund expenditures and transfers, while total fund balances represents 31.7 percent of that same amount.

The fund balance of the County's General Fund decreased by \$2,820,287 during the current fiscal year. Revenues decreased by about \$11.1 million overall or 9.3%. Sales tax revenue decreased \$9.1 million in fiscal year 2010. Sales, Rental & Services decreased \$1.9 in fiscal year 2010 which is mostly due to a loss of a Management agreement to house inmates in the County's downtown jail location. Expenditures increased by about \$2.3 million overall or 2.3%. Most of this increase is due to a 2% salary increase to nonunion employees and a 5% for employees covered by collective bargaining agreements which include Constable Deputies, Sheriff Deputies, and Detention Officers.

The FEMA Emergency Fund has a total fund balance of \$7,375,094, all of which is unreserved for special revenue funds. The net increase in fund balance during the current year in the FEMA Emergency Fund was \$1,732,747. This increase was in large part as a result of additional insurance proceeds associated with Hurricane Ike.

The Capital Projects Fund has a total fund balance of \$12,170,975, all of which is reserved for capital projects. The net increase in fund balance during the current year in the Capital Projects Fund was \$2,856,524. This increase was as a result of continued transfers from the General Fund to cover current and upcoming capital projects.

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

The Jack Brooks Regional Airport Fund is used to account for the day-to-day operation of the County airport. As of September 30, 2010, unrestricted net assets are \$1,340,467, an increase of \$569,430 from the prior year. This increase is in large part due to 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, 2010, unrestricted net assets are \$773,599, an increase of \$118,782 from the prior year. This increase is in large part due to decreased expenses from operations.

**General Fund Budgetary Highlights**

The total original budget adopted on September 28, 2009 did not have to be amended during the year. Budget transfers were done during the year to adjust departments as needed.

During the year actual revenues and transfers were more than budgetary estimates by \$1,186,215. Actual expenditures and transfers were less than budgetary estimates by \$7,652,970. The budget had a projected reduction of \$11,719,472 to the fund balance. The net effect of over-realization of revenues and under-utilization of appropriations

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

resulted in a positive variance of \$8,839,185 thus causing the reduction to the existing fund balance of \$2,880,287 on a budgetary basis.

The largest positive variance is due to proceeds from sale of capital assets in the amount of \$2,111,000. The County sold one of its buildings which was not feasible to be used by the County. The sale was to a local company which will allow the company to expand its operations and bring additional jobs to the area.

Sales, Rentals, and Services had the largest negative variance of \$1,019,405 due to loss of a Management agreement to house inmates in the County's downtown jail location.

Two additional transfers in the amount of \$2,115,409 were made to Capital Project funds that were not part of the original budget to provide additional funding for construction projects.

Many departments achieved savings over the fiscal year mostly due to unfilled staff positions and moving employees through their salary ranges whereby leaving unspent funds. The total amount of savings for salary and fringe benefits was about \$4.6 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, 2010, amounted to \$169,379,575 (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, continued construction of an entertainment complex, and construction of airport facilities.
- At September 30, 2010, the ending fund balance for Capital Projects Funds was \$13.5 million which is reserved for capital projects.

For further information regarding capital assets, see Note 5.

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

	<b>Balance</b>	<b>Balance</b>
<u>Governmental Activities:</u>	<u>September 30, 2010</u>	<u>September 30, 2009</u>
Land	\$ 3,840,787	\$ 4,696,008
Construction in progress	11,611,501	7,579,934
Infrastructure	48,936,171	45,927,691
Buildings & Improvements	87,198,143	89,433,429
Equipment	33,549,028	32,860,065
	<u>185,135,630</u>	<u>180,497,127</u>
Less: Accumulated depreciation	<u>(107,430,458)</u>	<u>(104,116,721)</u>
Total governmental activities	<u>\$ 77,705,172</u>	<u>\$ 76,380,406</u>
<u>Business-type Activities:</u>		
Land	\$ 5,154,600	\$ 5,154,600
Construction in progress	1,219,346	12,155,460
Buildings & Improvements	120,794,386	107,633,512
Equipment	11,489,284	11,465,448
	<u>138,657,616</u>	<u>136,409,020</u>
Less: Accumulated depreciation	<u>(46,983,213)</u>	<u>(43,171,721)</u>
Total business-type activities	<u>\$ 91,674,403</u>	<u>\$ 93,237,299</u>

*Long-Term Debt.* At September 30, 2010, the County had a total long-term debt outstanding of \$102,661,177. Refer to Note 7 for further information on the County's long-term debt. County officials, citizens, and investors will find the ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita as useful indicators of the County's debt position. This information is presented in the statistical section of this report.

	<b>Outstanding at</b>	<b>Outstanding at</b>
<u>Governmental Activities:</u>	<u>September 30, 2010</u>	<u>September 30, 2009</u>
Bonds Payable	\$ 64,553,045	\$ 68,290,426
Capital leases	1,144,977	-
Arbitrage liability	29,821	-
Notes Payable	1,322,435	1,669,086
Claims & Judgments	1,697,137	2,291,753
Compensated Absences	11,383,428	10,918,764
OPEB Obligations	22,278,382	11,316,649
Total governmental activities	<u>\$ 102,409,225</u>	<u>\$ 94,486,678</u>
<u>Business-type Activities:</u>		
Compensated Absences	<u>\$ 251,952</u>	<u>\$ 244,173</u>
Total business-type activities	<u>\$ 251,952</u>	<u>\$ 244,173</u>

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

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

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

The Commissioner's Court adopted the County's 2010-2011 Budget on September 27, 2010 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 2010 and estimated revenues to be received in fiscal year 2011. The total resources for all funds for fiscal year 2010 are estimated to be \$144.1 million. The budget was adopted with estimated expenditures in the amount of \$114.4 million. The 2010-2011 Budget forecast utilizing \$6,318,619 of fund balance.

For 2010-2011, the property tax rate will remain at \$.365 per \$100 of taxable assessed value and taxable assessed property values are anticipated to grow by 4.6% for the 2010-2011 Budget year.

The average unemployment rate for Jefferson County for September 2010 was 10.6%; this is a decrease from the prior year rate of 10.7%. The state's average unemployment rate for September 2010 was 7.9%.

**Request for Information**

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

BASIC  
FINANCIAL STATEMENTS

**JEFFERSON COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		TOTAL
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
<b>PRIMARY GOVERNMENT</b>							
GOVERNMENTAL ACTIVITIES:							
GENERAL GOVERNMENT	\$ 33,344,391	\$ 7,612,696	\$ 301	\$ -	\$ (25,731,394)	\$ -	\$ (25,731,394)
JUDICIAL AND LAW ENFORCEMENT	75,939,112	9,376,938	10,181,853	-	(56,380,321)	-	(56,380,321)
EDUCATION AND RECREATION	1,637,026	101,907	4,680	-	(1,530,439)	-	(1,530,439)
HEALTH AND WELFARE	10,824,644	575,343	986,938	-	(9,262,363)	-	(9,262,363)
MAINTENANCE - EQUIPMENT AND STRUCTURES	18,724,938	6,328,641	4,434,132	2,336,880	(5,625,285)	-	(5,625,285)
INTEREST AND CHARGES ON LONG-TERM DEBT	3,587,860	-	-	-	(3,587,860)	-	(3,587,860)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 144,057,971</b>	<b>\$ 23,995,525</b>	<b>\$ 15,607,904</b>	<b>\$ 2,336,880</b>	<b>\$ (102,117,662)</b>	<b>\$ -</b>	<b>\$ (102,117,662)</b>
BUSINESS-TYPE ACTIVITIES:							
AIRPORT	5,095,941	2,897,411	-	1,495,651	-	(702,879)	(702,879)
ENTERTAINMENT COMPLEX	7,889,891	3,684,655	-	650,060	-	(3,555,176)	(3,555,176)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 12,985,832</b>	<b>\$ 6,582,066</b>	<b>\$ -</b>	<b>\$ 2,145,711</b>	<b>\$ -</b>	<b>\$ (4,258,055)</b>	<b>\$ (4,258,055)</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 157,043,803</b>	<b>\$ 30,577,591</b>	<b>\$ 15,607,904</b>	<b>\$ 4,482,591</b>	<b>\$ (102,117,662)</b>	<b>\$ (4,258,055)</b>	<b>\$ (106,375,717)</b>
GENERAL REVENUES							
TAXES:							
PROPERTY TAXES LEVIED FOR GENERAL PURPOSES					\$ 68,165,542	\$ -	\$ 68,165,542
PROPERTY TAXES LEVIED FOR DEBT SERVICE					7,241,969	-	7,241,969
SALES TAXES					22,830,758	-	22,830,758
UNRESTRICTED INVESTMENT EARNINGS					402,735	3,338	406,073
MISCELLANEOUS					26,095	49,834	75,929
TRANSFERS					(3,330,199)	3,330,199	-
<b>TOTAL GENERAL REVENUE AND TRANSFERS</b>					<b>\$ 95,336,900</b>	<b>\$ 3,383,371</b>	<b>\$ 98,720,271</b>
CHANGE IN NET ASSETS					\$ (6,780,762)	\$ (874,684)	\$ (7,655,446)
NET ASSETS - BEGINNING					56,966,944	94,663,153	151,630,097
PRIOR PERIOD ADJUSTMENT					(284,226)	-	(284,226)
NET ASSETS - BEGINNING, Restated					56,682,718	94,663,153	151,345,871
NET ASSETS - ENDING					<b>\$ 49,901,956</b>	<b>\$ 93,788,469</b>	<b>\$ 143,690,425</b>

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

**JEFFERSON COUNTY, TEXAS  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2010**

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	RECLASSIFICATIONS	TOTAL
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 9,068,342	2,846,270	-	11,914,612
INVESTMENTS	64,019,753	-	-	64,019,753
INTEREST RECEIVABLE	81,934	218	-	82,152
ACCOUNTS RECEIVABLE, Net	382,290	261,951	-	644,241
DUE FROM OTHER GOVERNMENTAL ENTITIES	2,700,149	167,174	-	2,867,323
INVENTORIES, At Cost	648,590	103,963	-	752,553
PREPAID ITEMS	460,017	30,014	-	490,031
DELINQUENT TAXES RECEIVABLE, Net	3,562,291	-	-	3,562,291
PENALTY AND INTEREST RECEIVABLE, Net	1,625,208	-	-	1,625,208
OTHER RECEIVABLES, Net	2,524,378	-	-	2,524,378
DEFERRED CHARGES	24,510	-	-	24,510
DEPOSITS	53,000	-	-	53,000
<b>CAPITAL ASSETS:</b>				
LAND	3,840,787	5,154,600	-	8,995,387
CONSTRUCTION IN PROGRESS	11,611,501	1,219,346	-	12,830,847
OTHER CAPITAL ASSETS, Net of depreciation	62,252,884	85,300,457	-	147,553,341
<b>TOTAL ASSETS</b>	<b>\$ 162,855,634</b>	<b>95,083,993</b>	<b>-</b>	<b>257,939,627</b>
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 9,214,140	439,816	-	9,653,956
INTEREST PAYABLE	563,781	-	-	563,781
DUE TO OTHER GOVERNMENTAL ENTITIES	109,084	-	-	109,084
UNEARNED REVENUE	647,498	555,652	-	1,203,150
CUSTOMER DEPOSITS	9,950	48,104	-	58,054
<b>LONG-TERM LIABILITIES</b>				
DUE WITHIN ONE YEAR	7,133,342	46,348	-	7,179,690
DUE IN MORE THAN ONE YEAR	95,275,883	205,604	-	95,481,487
<b>TOTAL LIABILITIES</b>	<b>\$ 112,953,678</b>	<b>1,295,524</b>	<b>-</b>	<b>114,249,202</b>
<b>NET ASSETS</b>				
INVESTED IN CAPITAL ASSETS, net of related debt	\$ 71,336,466	91,674,403	(60,663,707)	102,347,162
<b>RESTRICTED FOR:</b>				
DEBT SERVICE	330,833	-	-	330,833
CAPITAL PROJECTS	13,520,705	-	-	13,520,705
UNRESTRICTED	(35,286,048)	2,114,066	60,663,707	27,491,725
<b>TOTAL NET ASSETS</b>	<b>\$ 49,901,956</b>	<b>93,788,469</b>	<b>-</b>	<b>143,690,425</b>

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

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

**JEFFERSON COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010**

	GENERAL	FEMA EMERGENCY	CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>					
CASH AND CASH EQUIVALENTS	\$ 1,055,910	135,312	-	6,400,485	7,591,707
INVESTMENTS	38,268,087	7,307,968	12,839,909	5,603,789	64,019,753
ACCOUNTS RECEIVABLE, Net	337,447	1,897	-	14,526	353,870
INTEREST RECEIVABLE	34,570	6,209	10,920	7,362	59,061
DUE FROM OTHER FUNDS	252,330	-	-	-	252,330
DUE FROM OTHER GOVERNMENTAL ENTITIES	1,768,876	307,525	-	506,197	2,582,598
DELINQUENT TAXES RECEIVABLE, Net	3,438,466	-	-	123,825	3,562,291
PENALTY AND INTEREST RECEIVABLE, Net	1,568,716	-	-	56,492	1,625,208
INVENTORIES, At Cost	648,590	-	-	-	648,590
PREPAID ITEM	458,467	-	-	1,550	460,017
<b>TOTAL ASSETS</b>	<b>\$ 47,831,459</b>	<b>7,758,911</b>	<b>12,850,829</b>	<b>12,714,226</b>	<b>81,155,425</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
ACCOUNTS PAYABLE	\$ 6,680,826	336,834	679,854	1,489,504	9,187,018
COMPENSATED ABSENCES PAYABLE	127,285	-	-	-	127,285
DUE TO OTHER FUNDS	-	-	-	252,330	252,330
DUE TO OTHER GOVERNMENTAL ENTITIES	33,050	46,983	-	29,051	109,084
DEFERRED REVENUE	4,973,753	-	-	824,296	5,798,049
CUSTOMER DEPOSITS	9,950	-	-	-	9,950
<b>TOTAL LIABILITIES</b>	<b>\$ 11,824,864</b>	<b>383,817</b>	<b>679,854</b>	<b>2,595,181</b>	<b>15,483,716</b>
<b>FUND BALANCES:</b>					
RESERVED FOR INVENTORIES	\$ 648,590	-	-	-	648,590
RESERVED FOR PREPAID ITEMS	458,467	-	-	1,550	460,017
RESERVED FOR DEBT SERVICE	-	-	-	330,833	330,833
RESERVED FOR CAPITAL PROJECTS	-	-	12,170,975	1,349,730	13,520,705
UNRESERVED FOR DEBT SERVICE	-	-	-	186,623	186,623
UNRESERVED FOR SPECIAL REVENUES	-	7,375,094	-	8,250,309	15,625,403
UNRESERVED	34,899,538	-	-	-	34,899,538
<b>TOTAL FUND BALANCES</b>	<b>\$ 36,006,595</b>	<b>7,375,094</b>	<b>12,170,975</b>	<b>10,119,045</b>	<b>65,671,709</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 47,831,459</b>	<b>7,758,911</b>	<b>12,850,829</b>	<b>12,714,226</b>	<b>81,155,425</b>

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

**JEFFERSON COUNTY, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2010**

Total fund balances for governmental funds \$ 65,671,709

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

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

Land	\$ 3,840,787	
Construction in progress	11,611,501	
Infrastructure, net of \$32,934,844 accumulated depreciation	16,001,327	
Buildings, net of \$56,101,429 accumulated depreciation	31,096,714	
Equipment, net of \$18,394,185 accumulated depreciation	<u>15,154,843</u>	
Total capital assets		77,705,172

Long-term assets are not recognized in the current period and accordingly are not reported as fund assets. Balances as of September 30, 2010 were:

Accrued interest receivable	\$ 21,790	
Deferred Charges	<u>24,510</u>	
		46,300

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, 2010 were:

Accrued interest on bonds and loans	\$ (563,781)	
Bonds payable	(64,565,000)	
Notes payable	(1,322,435)	
OPEB Obligations	(22,278,382)	
Capital leases	(1,144,977)	
Arbitrage liability	(29,821)	
Compensated absences	(11,256,143)	
Premium/Discounts on Bonds	<u>11,955</u>	
		(101,148,584)

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: (47,570)

Some of the County's receivables are classified as long-term and therefore are not reported in the funds. Receivable reported net of \$2,091,185 allowance for uncollectible accounts. 2,524,378

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. 5,150,551

Total net assets of governmental activities \$ 49,901,956

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, 2010**

	GENERAL	FEMA EMERGENCY	CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
PROPERTY TAXES	\$ 68,748,664	-	-	7,246,356	75,995,020
SALES TAXES	21,937,524	-	-	893,234	22,830,758
FEES	9,093,881	-	-	4,153,877	13,247,758
LICENSES	453,002	-	-	-	453,002
INTERGOVERNMENTAL	3,290,283	4,000,789	462,382	10,136,724	17,890,178
SALES, RENTAL & SERVICES	2,750,935	-	150,316	171,950	3,073,201
FINES AND FORFEITURES	1,791,915	-	-	407,613	2,199,528
INTEREST	472,471	50,579	70,567	98,512	692,129
MISCELLANEOUS	26,095	-	-	-	26,095
CONTRIBUTIONS AND DONATIONS	5,000	-	20,000	6,727	31,727
<b>TOTAL REVENUES</b>	<b>\$ 108,569,770</b>	<b>4,051,368</b>	<b>703,265</b>	<b>23,114,993</b>	<b>136,439,396</b>
<b>EXPENDITURES:</b>					
<b>CURRENT</b>					
GENERAL GOVERNMENT	\$ 19,979,521	-	-	874,354	20,853,875
JUDICIAL AND LAW ENFORCEMENT	60,858,507	-	-	11,643,643	72,502,150
EDUCATION AND RECREATION	638,075	-	-	976,513	1,614,588
HEALTH AND WELFARE	9,902,545	-	-	674,298	10,576,843
MAINTENANCE OF STRUCTURES AND EQUIPMENT	12,167,859	3,632,632	-	1,322,668	17,123,159
CAPITAL OUTLAY	-	-	6,638,287	580,200	7,218,487
DEBT SERVICE					
PRINCIPAL	-	-	-	3,760,000	3,760,000
INTEREST AND COMMISSION	-	-	-	3,538,141	3,538,141
<b>TOTAL EXPENDITURES</b>	<b>\$ 103,546,507</b>	<b>3,632,632</b>	<b>6,638,287</b>	<b>23,369,817</b>	<b>137,187,243</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 5,023,263</b>	<b>418,736</b>	<b>(5,935,022)</b>	<b>(254,824)</b>	<b>(747,847)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
TRANSFERS IN	\$ 417	-	7,039,589	1,451,574	8,491,580
TRANSFERS OUT	(10,014,967)	-	-	(1,806,812)	(11,821,779)
CAPITAL LEASE OBLIGATION	-	-	1,751,957	-	1,751,957
INSURANCE PROCEEDS	-	1,314,011	-	-	1,314,011
PROCEEDS FROM SALE OF CAPITAL ASSETS	2,111,000	-	-	-	2,111,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (7,903,550)</b>	<b>1,314,011</b>	<b>8,791,546</b>	<b>(355,238)</b>	<b>1,846,769</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (2,880,287)</b>	<b>1,732,747</b>	<b>2,856,524</b>	<b>(610,062)</b>	<b>1,098,922</b>
<b>FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT</b>	<b>\$ 38,886,882</b>	<b>5,642,347</b>	<b>9,314,451</b>	<b>11,013,333</b>	<b>64,857,013</b>
	<b>-</b>	<b>-</b>	<b>-</b>	<b>(284,226)</b>	<b>(284,226)</b>
<b>FUND BALANCE, BEGINNING (Restated)</b>	<b>38,886,882</b>	<b>5,642,347</b>	<b>9,314,451</b>	<b>10,729,107</b>	<b>64,572,787</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 36,006,595</b>	<b>7,375,094</b>	<b>12,170,975</b>	<b>10,119,045</b>	<b>65,671,709</b>

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

**JEFFERSON COUNTY, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**SEPTEMBER 30, 2010**

Net change in fund balances - total governmental funds \$ 1,098,922

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	\$ 10,601,238	
Capital asset donations to Business type activities	(1,668,052)	
Net adjustment for sale or disposal of capital assets	(2,309,173)	
Depreciation Expense	<u>(5,299,247)</u>	
Net adjustment		1,324,766

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

Debt issued:		
Capital Lease	\$ (1,751,957)	
Repayments:		
To paying agent for bond principal	3,760,000	
Principal on Notes Payable	346,651	
Capital Lease principal	<u>606,980</u>	
Net adjustment		2,961,674

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 eight balances.

Compensated absences	\$ (431,489)	
OPEB Obligations	(10,961,733)	
Arbitrage liability	(29,821)	
Amortization of bond premium	792	
Amortization of bond discount	(1,576)	
Amortization of advanced refunding difference	(21,835)	
Accrued interest on debt	24,492	
Amortization of deferred charges	<u>(21,771)</u>	
Combined adjustment		(11,442,941)

Internal service funds are used by the County. The net expense of the internal service funds are reported with governmental activities. 157,014

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. (292,688)

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. (587,509)

Total change in net assets of governmental activities \$ (6,780,762)

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

**JEFFERSON COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS -**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2010**

	<u>ENTERPRISE FUNDS</u>			
	<u>JACK BROOKS REGIONAL AIRPORT</u>	<u>FORD PARK</u>	<u>TOTAL</u>	<u>INTERNAL SERVICE FUNDS</u>
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 1,532,943	1,313,327	2,846,270	1,476,635
ACCOUNTS RECEIVABLE, Net	113,977	147,974	261,951	28,420
INTEREST RECEIVABLE	18	200	218	1,083
DUE FROM OTHER GOVERNMENTAL ENTITIES	167,174	-	167,174	117,551
PREPAID ITEMS	215	29,799	30,014	-
INVENTORY, At Cost	63,611	40,352	103,963	-
DEPOSITS	-	-	-	53,000
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,877,938</b>	<b>1,531,652</b>	<b>3,409,590</b>	<b>1,676,689</b>
<b>NONCURRENT ASSETS:</b>				
<b>CAPITAL ASSETS:</b>				
LAND	3,024,815	2,129,785	5,154,600	-
CONSTRUCTION IN PROGRESS	1,219,346	-	1,219,346	-
OTHER CAPITAL ASSETS, NET OF DEPRECIATION	25,706,607	59,593,850	85,300,457	-
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 29,950,768</b>	<b>61,723,635</b>	<b>91,674,403</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ 31,828,706</b>	<b>63,255,287</b>	<b>95,083,993</b>	<b>1,676,689</b>
<b>LIABILITIES:</b>				
<b>CURRENT LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 269,160	170,656	439,816	27,122
CLAIMS LIABILITY	-	-	-	1,697,137
DUE TO OTHER FUNDS	-	-	-	-
CURRENT PORTION - COMPENSATED ABSENCES	19,690	26,658	46,348	-
DEFERRED REVENUE	4,213	551,439	555,652	-
CUSTOMER DEPOSITS	38,804	9,300	48,104	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 331,867</b>	<b>758,053</b>	<b>1,089,920</b>	<b>1,724,259</b>
<b>NONCURRENT LIABILITIES:</b>				
<b>NONCURRENT PORTION - COMPENSATED ABSENCES</b>				
	205,604	-	205,604	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 205,604</b>	<b>-</b>	<b>205,604</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 537,471</b>	<b>758,053</b>	<b>1,295,524</b>	<b>1,724,259</b>
<b>NET ASSETS:</b>				
INVESTED IN CAPITAL ASSETS	\$ 29,950,768	61,723,635	91,674,403	-
UNRESTRICTED	1,340,467	773,599	2,114,066	(47,570)
<b>TOTAL NET ASSETS</b>	<b>\$ 31,291,235</b>	<b>62,497,234</b>	<b>93,788,469</b>	<b>(47,570)</b>

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

**JEFFERSON COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS -  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	ENTERPRISE FUNDS			INTERNAL SERVICE FUNDS
	JACK BROOKS REGIONAL AIRPORT	FORD PARK	TOTAL	
<b>OPERATING REVENUES:</b>				
CHARGES FOR SERVICES	\$ 2,897,411	3,684,655	6,582,066	13,284,380
EMPLOYEE CONTRIBUTIONS	-	-	-	1,928,432
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 2,897,411</b>	<b>3,684,655</b>	<b>6,582,066</b>	<b>15,212,812</b>
<b>OPERATING EXPENSES:</b>				
SALARIES & BENEFITS	\$ 1,656,622	1,494,903	3,151,525	-
MATERIALS AND SUPPLIES	105,171	90,916	196,087	-
MAINTENANCE AND REPAIRS	133,896	179,359	313,255	-
UTILITIES	249,237	797,155	1,046,392	-
COST OF GOODS SOLD	1,174,584	2,089,726	3,264,310	-
MISCELLANEOUS	298,586	104,080	402,666	-
ADMINISTRATIVE	-	731,145	731,145	1,249,018
INCURRED & ESTIMATED CLAIMS	-	-	-	14,248,421
DEPRECIATION	1,477,845	2,377,438	3,855,283	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 5,095,941</b>	<b>7,864,722</b>	<b>12,960,663</b>	<b>15,497,439</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (2,198,530)</b>	<b>(4,180,067)</b>	<b>(6,378,597)</b>	<b>(284,627)</b>
<b>NONOPERATING REVENUES:</b>				
INTEREST REVENUE	\$ 2,857	481	3,338	8,870
GAIN/(LOSS) ON SALE OF CAPITAL ASSETS	10	(25,169)	(25,159)	-
REFUNDS AND RECOVERIES	49,824	-	49,824	432,771
<b>TOTAL NONOPERATING REVENUES</b>	<b>\$ 52,691</b>	<b>(24,688)</b>	<b>28,003</b>	<b>441,641</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>\$ (2,145,839)</b>	<b>(4,204,755)</b>	<b>(6,350,594)</b>	<b>157,014</b>
CAPITAL CONTRIBUTIONS	1,495,651	650,060	2,145,711	-
TRANSFER IN	1,327,528	2,002,671	3,330,199	-
<b>CHANGE IN NET ASSETS</b>	<b>\$ 677,340</b>	<b>(1,552,024)</b>	<b>(874,684)</b>	<b>157,014</b>
<b>NET ASSETS (DEFICIT), BEGINNING</b>	<b>30,613,895</b>	<b>64,049,258</b>	<b>94,663,153</b>	<b>(204,584)</b>
<b>NET ASSETS (DEFICIT), ENDING</b>	<b>\$ 31,291,235</b>	<b>62,497,234</b>	<b>93,788,469</b>	<b>(47,570)</b>

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

JEFFERSON COUNTY, TEXAS  
STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	ENTERPRISE FUNDS			INTERNAL SERVICE FUNDS
	JACK BROOKS REGIONAL AIRPORT	POKD PARK	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES:				
RECEIPTS FROM CUSTOMERS AND USERS	\$ 2,900,697	3,853,564	6,754,261	1,484,029
RECEIPTS FROM EMPLOYEES	-	-	-	1,866,381
PAYMENTS TO SUPPLIERS	(1,904,566)	(4,014,415)	(5,918,981)	(1,229,544)
PAYMENTS TO EMPLOYEES	(1,644,069)	(1,500,659)	(3,144,728)	-
INTERNAL ACTIVITY-RECEIPTS(PAYMENTS) FROM (TO) OTHER FUNDS	-	-	-	11,453,385
CLAIMS PAID	-	-	-	(14,843,037)
OTHER RECEIPTS	49,824	-	49,824	1,390,620
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (598,114)</b>	<b>(1,661,510)</b>	<b>(2,259,624)</b>	<b>121,834</b>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
TRANSFERS (TO) FROM OTHER FUNDS	\$ 1,327,528	2,002,671	3,330,199	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>\$ 1,327,528</b>	<b>2,002,671</b>	<b>3,330,199</b>	<b>-</b>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
CAPITAL GRANTS FROM FEDERAL ENTITIES	\$ 1,082,354	-	1,082,354	-
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(483,874)	(162,358)	(646,232)	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	10	33,950	33,960	-
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<b>\$ 598,490</b>	<b>(128,408)</b>	<b>470,082</b>	<b>-</b>
CASH FLOWS FROM INVESTMENT ACTIVITIES:				
RECEIPTS OF INTEREST	2,839	326	3,165	8,161
<b>NET CASH PROVIDED BY INVESTMENT ACTIVITIES</b>	<b>\$ 2,839</b>	<b>326</b>	<b>3,165</b>	<b>8,161</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - BEGINNING</b>	<b>\$ 1,330,743</b>	<b>213,079</b>	<b>1,543,822</b>	<b>129,995</b>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>\$ 1,532,943</b>	<b>1,313,327</b>	<b>2,846,270</b>	<b>1,476,635</b>
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES:				
OPERATING INCOME(LOSS)	\$ (2,198,530)	(4,180,067)	(6,378,597)	(284,627)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION	1,477,845	2,377,438	3,855,283	-
OTHER NON-OPERATING REVENUES (EXPENSES)	49,824	-	49,824	432,771
CHANGES IN ASSETS AND LIABILITIES:				
ACCOUNTS RECEIVABLE	7,814	159,706	167,520	961,938
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	109,721
PREPAID ITEMS	-	(5,149)	(5,149)	-
INVENTORY	8,142	(2,754)	5,388	-
CUSTOMER DEPOSITS	(1,780)	(29,775)	(31,555)	-
ACCOUNTS PAYABLE	48,766	(20,262)	28,504	19,474
CLAIMS LIABILITY	-	-	-	(594,616)
DUE TO OTHER FUNDS	-	-	-	(150,334)
OTHER LIABILITIES	9,805	39,353	49,158	(372,493)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (598,114)</b>	<b>(1,661,510)</b>	<b>(2,259,624)</b>	<b>121,834</b>
NON-CASH OPERATING, CAPITAL AND RELATED FINANCING, AND INVESTING ACTIVITIES				
CAPITAL CONTRIBUTIONS	\$ 1,064,659	650,060	1,714,719	-

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, 2010**

	<b>TOTALS</b>
<b><u>ASSETS</u></b>	
CASH AND CASH EQUIVALENTS	\$ 15,955,167
ACCOUNTS RECEIVABLE, Net	6,688
DUE FROM OTHER GOVERNMENTAL ENTITIES	433,078
INVENTORY	73,488
 TOTAL ASSETS	 \$ 16,468,421
<b><u>LIABILITIES</u></b>	
ACCOUNTS PAYABLE	\$ 13,807,874
DUE TO OTHER GOVERNMENTAL ENTITIES	931,811
OTHER PAYABLES	1,728,736
 TOTAL LIABILITIES	 \$ 16,468,421

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





JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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

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

**A. Reporting Entity**

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

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

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

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

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

**Blended Component Units:**

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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

Excluded from the reporting entity:

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

**B. Implementation of New Standards**

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

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* ("GASB 51"), establishes accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. Implementation of GASB 51 did not have an impact on the County's reporting disclosures.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments* ("GASB 52"), establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. Implementation of GASB 52 did not have an impact on the County's reporting disclosures.

GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (GASB 55"), is to incorporate the hierarchy of GAAP for state and local governments into the GASB authoritative literature. Implementation of GASB 55 did not have an impact on the County's reporting disclosures.

GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* ("GASB 56"), is to incorporate into the GASB authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. Implementation of GASB 56 did not have an impact on the County's reporting disclosures.

GASB Statement No. 57, *OPEB Measurement by Agent Employers and Agent Multiple Employer Plans* ("GASB 57"), establishes standards for the measurement and financial reporting of actuarially determined information by agent employers with individual-employer OPEB plans that have fewer than 100 total plan members and by agent multiple-employer OPEB plans in which they participate. In addition, it clarifies requirements of Statements 43 and 45 related to coordination of the timing and frequency of OPEB measurements by agent employers and the agent multiple-employer OPEB plans in which they participate. The provisions of GASB 57 related to the use and reporting of the



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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

alternative measurement method is effective immediately. Implementation of these provisions of GASB 57 did not have an impact on the County's reporting disclosures.

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

Government-wide Statements

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

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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

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

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

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

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

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

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

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

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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

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

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

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

Additionally, the County reports the following fund types:

**Internal Service Funds** – used to account for the financing of goods and services provided by one department or agency of the County to other County departments or agencies on a cost reimbursement basis. The County reports three internal service fund: 1) Liability Insurance – to account for the County’s contribution and payment for liability claims, 2) Workers’ Compensation – 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 Jack Brooks Regional Airport and Ford Park are user fees. Operating revenues in the Internal Service Funds consist primarily of charges to the various County departments. Operating expenses in the enterprise and internal service funds include the cost of sales and services, administrative expenses, incurred and estimated claims, salaries & benefits, materials and supplies, maintenance and repairs,



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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

utilities, miscellaneous, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

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

**D. Budgets**

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

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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

- Budgets are prepared on a basis consistent with GAAP.

**E. Deposits and Investments**

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

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

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

**F. Encumbrances**

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

**G. Receivables and Payables**

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2009 and past due after January 31, 2010. 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.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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

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

**H. Interfund Transactions**

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

**I. Inventories and Prepaid Items**

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

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

**J. Capital Assets and Infrastructure**

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

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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

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 calendar year. Upon termination from County employment, an employee shall be entitled to payment for total accrued but unused hours of vacation.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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

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 deferred charges which consist of bond issuance cost, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The difference between the reacquired price and net carrying amount of old debt incurred due to a bond refunding transaction is deferred and amortized in a manner that is systematic and rational over the remaining life of the old or new debt, whichever is shorter.

**M. Net Assets and Fund Balances**

Net Assets Classifications

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

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, 2010

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**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, 2010:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
U.S. Agency Securities	\$29,982,054	326
Money Market Account	29,037,699	30
Certificates of Deposits	<u>5,000,000</u>	72
Total	<u>\$64,019,753</u>	172

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, 2010, 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, 2010, the County had seven investments that were with Federal Home Loan Bank (FHLB), three investments that were with Federal National Mortgage Association (FNMA), one investment that was with Federal National Discount Note (FNDN) and one investment that was with Federal Home Loan Mortgage Corporation (FHLMC).



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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**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 \$25,434,991 bank balance was covered by federal depository insurance or collateralized with securities held by the Federal Reserve Bank of Boston.

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

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable by January 31 of the following year. The County bills and collects its own property taxes and it also bills and collects taxes for Jefferson County Navigation District, Jefferson County Drainage District #3, #6, and #7, Port of Beaumont, Port of Port Arthur, Water District #10, Nederland Independent School District, Northwest Forest Municipal Utility District, Emergency Services District #2, Trinity Bay Conservation District, Port of Sabine Pass, Sabine Pass Independent School District, Port Arthur Independent School District, City of Port Arthur, Hamshire Fannett Independent School District, Port Neches-Groves Independent School District, Cardinal Meadows, Beaumont Independent School District, City of Beaumont, City of Groves, City of Nederland, City of Port Neches, City of Bevil Oaks, and the Emergency Service District #1. Collections of these taxes and remittance of them to the various districts are accounted for in the Tax Assessor - Collector Agency Fund. The County is permitted by the State Constitution to levy taxes up to \$.80 per \$100 of assessed valuation for general government services and the payment of principal and interest on Long-Term Debt. In addition to its taxes subject to the \$.80 tax limitation, the County's voters have authorized the levy of a special tax of \$.15 per \$100 assessed valuation solely for road maintenance 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, 2010, the combined tax rate to finance general government services and the payment of principal and interest on long-term debt was \$.365.

On February 1 of the following calendar year the tax bill becomes delinquent and penalty and interest is assessed by the County. The County Commissioners issue a tax levy for the County's General and Debt Service Funds. The levy and collections are restricted to the funds they are allocated for. The delinquent tax receivables, and penalty and interest receivables represent the past thirty years of uncollected tax levies. The allowance for uncollectible was set at thirty percent of the gross tax receivable and sixty percent on penalty and interest as of September 30, 2010. The allowance has been recorded for property taxes and Penalty and Interest, which are estimated to be uncollectible as required by generally accepted accounting.

Property tax receivables of \$3,562,291 as of September 30, 2010 are reported net of an allowance for uncollectible taxes of \$1,526,696.



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2010

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

Penalty and Interest receivables of \$1,625,208 as of September 30, 2010 are reported net of an allowance for uncollectible accounts of \$2,437,812.

Receivables as of September 30, 2010 consist of the following:

	General	FEMA Emergency Fund	Capital Projects Fund	Non Major Funds	Jack Brooks Regional Airport	Ford Park	Internal Service Funds	Agency Funds	Total
Receivables:									
Accounts	\$ 270,145	\$ 1,897	\$ -	\$ 4,000	\$ 118,808	\$ 147,974	\$ 28,420	\$ 6,688	\$ 577,932
Employee	67,302	-	-	10,526	1,470	-	-	-	79,298
Taxes	4,912,094	-	-	176,893	-	-	-	-	5,088,987
Penalty & Interest	3,921,790	-	-	141,230	-	-	-	-	4,063,020
Intergovernmental	1,768,876	307,525	-	506,197	167,174	-	117,551	433,078	3,300,401
Gross Receivables	\$ 10,940,207	\$ 309,422	\$ -	\$ 838,846	\$ 287,452	\$ 147,974	\$ 145,971	\$ 439,766	\$ 13,109,638
Less: Allowance for Uncollectible	3,826,702	-	-	137,806	6,301	-	-	-	3,970,809
Net total receivables	\$ 7,113,505	\$ 309,422	\$ -	\$ 701,040	\$ 281,151	\$ 147,974	\$ 145,971	\$ 439,766	\$ 9,138,829

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, 2010, 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)	\$ 4,973,753	\$ -
Delinquent Property Taxes Receivable (Debt Service Funds)	176,798	-
Advanced Funding	-	647,498
Total Deferred/Unearned Revenue for Governmental Funds	\$ 5,150,551	\$ 647,498

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

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



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2010

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

The composition of interfund balances as of September 30, 2010, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 252,330
	Total	<u>\$ 252,330</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, 2010:

	Transfers Out:		
	General Fund	Nonmajor Governmental	Total
<b>Transfers In:</b>			
General	\$ -	\$ 417	\$ 417
Nonmajor Funds	778,359	673,215	1,451,574
Capital Projects Fund	5,906,409	1,133,180	7,039,589
Jack Brooks Regional Airport	1,327,528	-	1,327,528
Ford Park	2,002,671	-	2,002,671
	<u>\$ 10,014,967</u>	<u>\$ 1,806,812</u>	<u>\$ 11,821,779</u>

Transfers in the amount of \$1,327,528 from the General fund to the Jack Brooks Regional Airport were to subsidize operations at the airport. Transfers in the amount of \$2,002,671 to Ford Park were to subsidize operations of the complex. Transfers in the amount of \$5,906,409 from the General fund and transfers of \$1,133,180 from other Nonmajor funds to Capital Project fund were to fund ongoing capital projects. All other transfers are routine in nature.



JEFFERSON COUNTY, TEXAS  
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**Note 5 – Capital Assets**

Capital asset activity for the year ended September 30, 2010 was as follows:

	Balance October 1, 2009	Additions	Deletions	Transfer	Balance September 30, 2010
<b>Governmental Activities:</b>					
Land	\$ 4,696,008	\$ -	\$ (855,221)	\$ -	\$ 3,840,787
Construction work in progress	7,579,934	6,891,864	-	(2,860,297)	11,611,501
Total capital assets not depreciated	<u>\$ 12,275,942</u>	<u>\$ 6,891,864</u>	<u>\$ (855,221)</u>	<u>\$ (2,860,297)</u>	<u>\$ 15,452,288</u>
Infrastructure	45,927,691	-	-	3,008,480	48,936,171
Buildings & Improvements	89,433,429	120,375	(2,207,478)	(148,183)	87,198,143
Equipment	32,860,065	1,920,947	(1,231,984)	-	33,549,028
Total capital assets depreciated	<u>\$ 168,221,185</u>	<u>\$ 2,041,322</u>	<u>\$ (3,439,462)</u>	<u>\$ 2,860,297</u>	<u>\$ 169,683,342</u>
<b>Less accumulated depreciation for:</b>					
Infrastructure	(31,827,843)	(1,107,001)	-	-	(32,934,844)
Buildings & Improvements	(55,675,472)	(1,335,774)	909,817	-	(56,101,429)
Equipment	(16,613,406)	(2,856,472)	1,075,693	-	(18,394,185)
Total accumulated depreciation	<u>\$ (104,116,721)</u>	<u>\$ (5,299,247)</u>	<u>\$ 1,985,510</u>	<u>\$ -</u>	<u>\$ (107,430,458)</u>
Total capital assets depreciated, net	<u>\$ 64,104,464</u>	<u>\$ (3,257,925)</u>	<u>\$ (1,453,952)</u>	<u>\$ 2,860,297</u>	<u>\$ 62,252,884</u>
Governmental activities capital assets, net	<u>\$ 76,380,406</u>	<u>\$ 3,633,939</u>	<u>\$ (2,309,173)</u>	<u>\$ -</u>	<u>\$ 77,705,172</u>

	Balance October 1, 2009	Additions	Deletions	Transfer	Balance September 30, 2010
<b>Business-type Activities:</b>					
Land	\$ 5,154,600	\$ -	\$ -	\$ -	\$ 5,154,600
Construction work in progress	12,155,460	2,094,082	-	(13,030,196)	1,219,346
Total capital assets not depreciated	<u>\$ 17,310,060</u>	<u>\$ 2,094,082</u>	<u>\$ -</u>	<u>\$ (13,030,196)</u>	<u>\$ 6,373,946</u>
Buildings & Improvements	107,633,512	149,383	-	13,011,491	120,794,386
Equipment	11,465,448	108,041	(102,910)	18,705	11,489,284
Total capital assets depreciated	<u>\$ 119,098,960</u>	<u>\$ 257,424</u>	<u>\$ (102,910)</u>	<u>\$ 13,030,196</u>	<u>\$ 132,283,670</u>
<b>Less accumulated depreciation for:</b>					
Buildings & Improvements	(38,298,495)	(3,207,909)	-	-	(41,506,404)
Equipment	(4,873,226)	(647,374)	43,791	-	(5,476,809)
Total accumulated depreciation	<u>\$ (43,171,721)</u>	<u>\$ (3,855,283)</u>	<u>\$ 43,791</u>	<u>\$ -</u>	<u>\$ (46,983,213)</u>
Total capital assets depreciated, net	<u>\$ 75,927,239</u>	<u>\$ (3,597,859)</u>	<u>\$ (59,119)</u>	<u>\$ 13,030,196</u>	<u>\$ 85,300,457</u>
Business-type activities capital assets, net	<u>\$ 93,237,299</u>	<u>\$ 1,503,777</u>	<u>\$ (59,119)</u>	<u>\$ -</u>	<u>\$ 91,674,403</u>



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

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

**Governmental activities:**

General Government	\$ 389,886
Judicial & Law Enforcement	2,574,931
Health & Welfare	99,606
Maintenance - Equipment & Structures	<u>2,234,824</u>
Total depreciation expense - governmental activities	<u>\$ 5,299,247</u>

**Business-type activities:**

Jack Brooks Regional Airport	\$ 1,477,845
Ford Park	<u>2,377,438</u>
Total depreciation expense - business-type activities	<u>\$ 3,855,283</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  
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**Note 6 - Operating Leases (continued)**

The following schedule provides an analysis of the County's investment in property on operating leases and property held for lease by major classes as of September 30, 2010:

Airport Terminal	\$ 10,867,032
Airport Private Hangar Park and Land	3,249,396
	<u>\$ 14,116,428</u>
Less: accumulated depreciation	(2,118,342)
	<u>\$ 11,998,086</u>

The following is a schedule by years of minimum future rentals on noncancellable operating leases as of September 30, 2010:

<u>Fiscal Year Ending September 30</u>	
2011	\$ 130,177
2012	130,177
2013	130,177
2014	111,608
2015	102,324
2016-2020	511,620
2021-2025	511,620
2026-2030	<u>397,761</u>
Total	<u>\$ 2,025,464</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, 2010 are \$9,724.

**Note 7 - Long-Term Debt**

**General Obligation Bonds**

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. All of the 2002 Refunding Bonds and approximately 72% (\$5,133,707) 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 \$75,220,000.



JEFFERSON COUNTY, TEXAS  
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**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%.	\$1,360,000
\$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%.	7,130,000
\$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%.	55,530,000
\$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%.	545,000
Total General Obligation Bonds	\$64,565,000

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

Fiscal Year Ended September 30	<u>Governmental Activities</u>		
	Principal	Interest	Total
2011	\$ 3,970,000	\$ 3,382,688	\$ 7,352,688
2012	3,590,000	3,198,206	6,788,206
2013	3,780,000	3,021,269	6,801,269
2014	4,160,000	2,844,331	7,004,331
2015	4,380,000	2,620,750	7,000,750
2016-2020	21,220,000	9,493,339	30,713,339
2021-2025	23,465,000	3,823,323	27,288,323
Total	\$ 64,565,000	\$ 28,383,906	\$ 92,948,906

There is currently \$517,456 available in the Debt Service Funds to service the general obligation bonds. The County has no authorized but unissued bonds at September 30, 2010.

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

Notes Payable:

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



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2010

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

Fiscal Year Ended September 30	Principal	Interest	Total
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	<u>\$ 1,322,435</u>	<u>\$ 85,235</u>	<u>\$ 1,407,670</u>

Capital Lease Obligations:

The county has entered into lease agreement for financing the acquisition of a County-wide Phone System. These lease agreement qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The asset acquired through capital leases is recorded at \$1,751,957 for governmental funds. The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2010, were as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>
2011	\$ 611,312
2012	611,312
Total minimum lease payments	\$ 1,222,623
Less: amount representing interest	(77,646)
Present value of minimum lease payments	<u>\$ 1,144,977</u>

Conduit Debt Obligations

The County has issued Housing Finance Corporation Bonds and Health Facilities Development Corporation Bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity serviced by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2010, there were nine series of Jefferson County Housing Finance Corporation Bonds with an aggregate principal amount payable of \$51,456,202, and one series of Jefferson Health Facilities Development Bonds with an aggregate principal amount payable of \$96,170,000.



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2010

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

Arbitrage Rebate Liability

The Tax Reform Act of 1986 established regulations for the rebate to the federal government of arbitrage earnings on certain local government bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Issuing governments must calculate any rebate due and remit the amount due at least every five years. As of September 30, 2010, the estimated liability for arbitrage rebate on governmental debt is \$29,821. 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, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Governmental Activities:</b>					
Bonds Payable					
General obligation bonds	\$ 68,325,000	\$ -	\$ (3,760,000)	\$ 64,565,000	\$ 3,970,000
Less deferred amounts:					
Premiums	792	-	(792)	-	-
Discounts	(13,531)	-	1,576	(11,955)	-
Difference on refunding	(21,835)	-	21,835	-	-
Total bonds payable	\$ 68,290,426	\$ -	\$ (3,737,381)	\$ 64,553,045	\$ 3,970,000
Rebatable Arbitrage Payable	-	29,821	-	29,821	-
Capital Leases	-	1,751,957	(606,980)	1,144,977	559,902
Notes Payable	1,669,086	-	(346,651)	1,322,435	357,168
Claims and Judgments	2,291,753	15,494,439	(16,089,055)	1,697,137	1,697,137
Compensated Absences	10,918,764	1,358,053	(893,389)	11,383,428	549,135
OPEB Obligations	11,316,649	10,961,733	-	22,278,382	-
Governmental Activities					
Long-term liabilities	\$ 94,486,678	\$ 29,596,003	\$(21,673,456)	\$102,409,225	\$ 7,133,342
<b>Business-type Activities:</b>					
Compensated Absences	\$ 244,173	\$ 48,940	\$ (41,161)	\$ 251,952	\$ 46,348
Business-type Activities					
Long-term liabilities	\$ 244,173	\$ 48,940	\$ (41,161)	\$ 251,952	\$ 46,348

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, 2010

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

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

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

**Funding Policy –**

The County has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 14.76% for the months of the accounting year in 2009, and 14.38 % for the months of the accounting year in 2010.

The contribution rate payable by the employee members for the calendar year 2010 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  
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**Note 8 - Texas County and District Retirement System Pension Plan (continued)**

**Annual Pension Cost -**

For the County's accounting year ending September 30, 2010, the annual pension cost for the TCDRS plan for its employees was \$8,678,203 and the actual contributions were \$8,678,203. 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, 2007 and December 31, 2008, the basis for determining the contribution rates for calendar years 2009 and 2010. The December 31, 2009 actuarial valuation is the most recent valuation.

The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2009 included: (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effect of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009 was 20 years.

**ACTUARIAL VALUATION INFORMATION**

<u>Actuarial valuation date</u>	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/09</u>
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	15	20	20
Asset valuation method	SAF: 10yr smoothed value ESF: Fund value	SAF: 10yr smoothed value ESF: Fund value	SAF: 10yr smoothed value ESF: Fund value
<i>Assumptions:</i>			
Investment return <sup>1</sup>	8.0%	8.0%	8.0%
Projected salary increases <sup>1</sup>	5.3%	5.3%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

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



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

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

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/2008	\$7,079,576	100%	\$--
09/30/2009	\$7,798,599	100%	\$--
09/30/2010	\$8,678,203	100%	\$--

**Funded Status and Funding Progress -**

As of December 31, 2009, the most recent actuarial valuation date, the plan was 77.53% funded. The actuarial accrued liability for benefits was \$231,123,922, and the actuarial value of assets was \$179,194,253, resulting in an unfunded actuarial accrued liability (UAAL) of \$51,929,669. The covered payroll (annual payroll of active employees covered by the plan) was \$58,417,282, and the ratio of the UAAL to the covered payroll was 88.89%.

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

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

**Plan Description -**

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

**ACTUARIAL VALUATION INFORMATION**

Actuarial Valuation Date	October 1, 2008
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar (open)
Remaining Amortization Period	30 years
Asset Valuation Method	Market Value
Discount Rate	4.00%



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

**Retiree Benefits**

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

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

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

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

**Retiree Spouse Benefits**

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

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

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

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



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 NOTES TO THE FINANCIAL STATEMENTS  
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**Note 9 - Post-Employment Health Care Benefits (continued)**

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

As of September 30, 2010, there were 452 participants receiving benefits.

**Funding Policy and Annual OPEB Cost –**

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45 (GASB 45), creating accounting standards for Other Post Employment Benefits (OPEB) provided by governmental entities separately from a pension plan. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable required supplementary information (RSI) in the financial reports of state and local governments. Under the provisions of the Plan discussed previously, the County implemented the requirements of GASB Statement No. 45 during fiscal year 2009.

The Plan contribution rates are set annually by Commissioners' Court based on the combination of premiums and prior year costs of the self-funded portion of the plan. The Plan is funded on a pay-as-you-go basis. In 2010 the total contribution was \$2,920,162.

The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008 as required by GASB. The County's annual OPEB cost for the current year is as follows:

Annual Required Contribution	\$ 14,058,501
Interest on prior year Net OPEB Obligation	452,666
Adjustment to ARC	<u>(629,272)</u>
Annual OPEB Cost	\$ 13,881,895
County's Contribution made	<u>(2,920,162)</u>
Increase in Net OPEB Obligation	\$ 10,961,733
Net OPEB Obligation - beginning of year	<u>\$ 11,316,649</u>
Net OPEB Obligation - end of year	<u><u>\$ 22,278,382</u></u>



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

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Contributed	Net OPEB Obligation
09/30/2008	n/a	n/a	n/a
09/30/2009	\$14,058,501	19.5%	\$11,316,649
09/30/2010	\$13,881,895	21.04%	\$22,278,382

**Funded Status and Funding Progress -**

As of October 1, 2008, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$128,652,851, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$128,652,851. The covered payroll (annual payroll of active employees covered by the plan) was \$60,140,915, and the ratio of the UAAL to the covered payroll was 214%.

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

**Actuarial Methods and Assumptions –**

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

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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

In the October 1, 2008, actuarial valuation, a 4% discount rate was used. The medical trend rates with Medicare of 7.3% for 2009, 6.8% in 2010, 6.4% in the third year, 6% in the fourth year, and ultimately grading down to 4% per year after the seventieth year was used. The medical trend rates without Medicare of 8.9% for 2009, 8% in 2010, 7% in the third year, 6.1% in the fourth year, and ultimately grading down to 4% per year after the seventieth year was used. The dental trend rates of 4.8% for 2009, 4.5% in 2010, 4.3% in the third year, 4.1% in the fourth year, and ultimately grading down to 4% per year after the seventieth year was used.

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

**Note 10 - Deferred Compensation Plan**

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

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

Accordingly, the County performs minimal administrative functions and does not perform any investment functions for the plan. Consequently, the assets held by the custodian are not included in the financial statements as of September 30, 2010.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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

The following funds had deficit equity balances as of September 30, 2010:

<u>Governmental Activities</u>	
Juvenile Accountability #1	\$ 1,586
Mentally Impaired Offenders Program	2,563
Surveillance Program	412
High Risk Caseload	3,025
Diabetes Prevention Grant	11,400
Port Security Supplement	56
Regional Communication	11,476
Auto Theft Grant	12,744
Buffer Zone Protection	1,610
Drug Invention Grant	2,973
ORCA Ike	42,285
Violence Against Women - 1	8,591
SHSP & LETPP Grants	11,352
Safe Streets Task Force	5,349
Workers' Compensation Fund	56,384
Southeast Texas Government Employee Benefits Pool Fund	513,034
Total for Governmental Activities	<u>\$684,840</u>

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

**Note 12 - Risk Management**

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

	<u>2010</u>	<u>2009</u>
Liability for claims, beginning of fiscal year	\$350,000	\$397,525
Incurred claims and changes in estimates	316,454	129,574
Claim payments	<u>(302,993)</u>	<u>(177,099)</u>
Liability for claims, end of fiscal year	<u>\$363,461</u>	<u>\$350,000</u>



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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**Note 12 - Risk Management - continued**

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

	<u>2010</u>	<u>2009</u>
Liability for claims, beginning of fiscal year	\$246,273	\$236,308
Incurred claims and changes in estimates	927,659	584,588
Claim payments	<u>(675,482)</u>	<u>(574,623)</u>
Liability for claims, end of fiscal year	<u>\$498,450</u>	<u>\$246,273</u>

**Note 13 - Public Entity Risk Pool**

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

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

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



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2010

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

Drainage District #6, and Jefferson County Navigation District. The total number of members in the Pool is 1,568. 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, 2010, the Pool had stop loss insurance contracts to limit the medical and prescription claims per individual member to \$175,000 in a calendar year. The Pool did not exceed these limits in 2010 or in 2009 but did exceed these limits by \$390,157 during fiscal year 2008.

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:

	2010	2009
Liability for claims, beginning of fiscal year	\$1,695,480	\$1,354,440
Incurred claims and changes in estimates	14,250,326	15,765,210
Claim payments	(15,110,580)	(15,424,170)
Liability for claims, end of fiscal year	\$835,226	\$1,695,480

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, 2010, the County had the following commitments with respect to unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Courthouse Restoration	\$ 6,293,849	9/30/2012
Airport Improvements	1,526,401	09/30/2011
Generator Project	1,224,160	12/31/2010
Hurricane Related Construction	1,174,235	09/30/2011
Bridge Replacements & Repairs	696,116	09/30/2011
	\$ 10,914,761	



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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**Note 15 - Contingent Liabilities**

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

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

**Note 16 – Prior Period Adjustments**

In the financial statements for the year ended September 30, 2010, the following adjustments were made to beginning fund balance for Non Major Special Revenue funds:

	Non Major Special Revenue Funds
Beginning Fund Balance	\$9,335,618
Increase in revenue	1,084
Decrease in revenue	(285,310)
Beginning Fund Balance, as Restated	<u>\$9,051,392</u>

An adjustment was made in the Juvenile Community Corrections Program to increase revenues by \$1,084. Additional adjustments were made to decrease revenues in the following funds: Juvenile Probation and Detention – State Aid (\$9,781), Community Supervision (\$205,103), Women’s Center (\$8,759), Drug Diversion Program (\$49,934), and Juvenile Advocate Incentive (\$11,733).

**Note 17 - Restatements and Reclassifications**

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

**Note 18 – Recent Accounting Pronouncements**

GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (“GASB 54”), establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB 54 will be implemented by the County in fiscal year 2011 and the impact has not yet been determined.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

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

GASB Statement No. 59, *Financial Instruments Omnibus* (“GASB 59”), updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. GASB 59 will be implemented by the County in fiscal year 2011 and the impact has not yet been determined.

**Note 19 – Subsequent Events**

The County issued refunding bonds to defease \$5,320,000 of outstanding County debt. The refunding issue is providing a net present value savings of about \$231,000.

During this issuance process, the County became aware that they were not in compliance related to the timely filing of certain financial information with the state and national information depositories in accordance with the requirements of Rule 15c2-12 of the Securities Exchange Act of 1934 (the “Rule”) paragraph (b)(5)(i)(c). The County has implemented certain procedures to help ensure timely compliance with its annual disclosure. The County has otherwise complied in all material respects with its continuing disclosure agreements.

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, 2010**

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
TAXES:				
PROPERTY	\$ 67,946,130	67,946,130	68,748,664	802,534
SALES TAX	22,500,000	22,500,000	21,937,524	(562,476)
FEES	8,844,809	8,844,809	9,093,881	249,072
LICENSES	427,000	427,000	453,002	26,002
SALES, RENTALS, AND SERVICES	3,770,340	3,770,340	2,750,935	(1,019,405)
INTERGOVERNMENTAL	3,770,139	3,770,139	3,290,283	(479,856)
FINES AND FORFEITURES	1,777,804	1,777,804	1,791,915	14,111
INTEREST	428,750	428,750	472,471	43,721
MISCELLANEOUS	30,000	30,000	26,095	(3,905)
CONTRIBUTIONS AND DONATIONS	-	-	5,000	5,000
<b>TOTAL REVENUES</b>	<b>\$ 109,494,972</b>	<b>109,494,972</b>	<b>108,569,770</b>	<b>(925,202)</b>
<b>EXPENDITURES:</b>				
GENERAL GOVERNMENT	\$ 22,732,907	21,632,076	19,979,521	1,652,555
JUDICIAL AND LAW ENFORCEMENT	65,974,064	64,527,117	60,858,507	3,668,610
EDUCATION AND RECREATION	685,858	685,858	638,075	47,783
HEALTH AND WELFARE	9,948,935	10,316,150	9,902,545	413,605
MAINTENANCE - EQUIPMENT AND STRUCTURES	13,906,261	13,971,415	12,167,859	1,803,556
CAPITAL OUTLAY	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 113,248,025</b>	<b>111,132,616</b>	<b>103,546,507</b>	<b>7,586,109</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (3,753,053)</b>	<b>(1,637,644)</b>	<b>5,023,263</b>	<b>6,660,907</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
PROCEEDS FROM SALE OF CAPITAL ASSETS	\$ -	-	2,111,000	2,111,000
TRANSFERS IN	-	-	417	417
TRANSFERS OUT	(7,966,419)	(10,081,828)	(10,014,967)	66,861
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (7,966,419)</b>	<b>(10,081,828)</b>	<b>(7,903,550)</b>	<b>2,178,278</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (11,719,472)</b>	<b>(11,719,472)</b>	<b>(2,880,287)</b>	<b>8,839,185</b>
<b>FUND BALANCES, BEGINNING</b>	<b>\$ 38,886,882</b>	<b>38,886,882</b>	<b>38,886,882</b>	<b>-</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 27,167,410</b>	<b>27,167,410</b>	<b>36,006,595</b>	<b>8,839,185</b>



JEFFERSON COUNTY, TEXAS  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2010

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**1. Budgetary Basis**

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

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

Commissioners' Court approved additional transfers to Capital Project Funds in the amount of \$2,111,000 for the courthouse renovation project.

Commissioners' Court approved \$367,378 in budget transfers over the original budget for the increased cost for indigent health. These transfers were not part of the original budget.

The above budget transfers were funded with the savings from various departments. Commissioners' Court was able to achieve \$7,652,970 in actual savings from the total budget, with the assistance from all County departments.

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll <sup>2</sup> (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2007	\$159,344,885	\$200,058,532	\$40,713,647	79.65%	\$50,845,802	80.07%
12/31/2008	\$161,577,444	\$214,920,870	\$53,343,426	75.18%	\$57,211,658	93.24%
12/31/2009	\$179,194,253	\$231,123,922	\$51,929,669	77.53%	\$58,417,282	88.89%

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

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

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

Note: This is the second year of implementation of GASB 45, which requires 3 years of data in this table. Additional years will be added to this disclosure as they become available. The most recent actuarial valuation was 10/1/2008.

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, 2010

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<b>GENERAL GOVERNMENT:</b>				
TAX ASSESSOR-COLLECTOR	\$ 3,767,818	3,617,818	3,421,846	195,972
HUMAN RESOURCES	415,872	415,872	380,806	35,066
COUNTY AUDITOR	1,437,516	1,437,516	1,366,436	71,080
COUNTY CLERK	2,555,425	2,557,425	2,480,590	76,835
COUNTY JUDGE	925,814	925,814	839,801	86,013
RISK MANAGEMENT	227,712	227,712	219,046	8,666
COUNTY TREASURER	273,313	273,313	254,155	19,158
PRINTING DEPARTMENT	134,123	137,171	133,002	4,169
CLAIMS PROCESSING	468,881	583,881	201,502	182,379
PURCHASING AGENT	536,766	536,766	507,491	29,275
GENERAL SERVICES	9,896,108	9,075,229	8,226,868	848,361
DATA PROCESSING	1,830,112	1,780,112	1,707,179	72,933
VETERANS SERVICE	263,447	263,447	240,799	22,648
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 22,732,907</b>	<b>21,632,076</b>	<b>19,979,521</b>	<b>1,652,555</b>
<b>JUDICIAL AND LAW ENFORCEMENT:</b>				
DISTRICT ATTORNEY	\$ 5,444,257	5,404,257	5,275,947	128,310
DISTRICT CLERK	1,725,489	1,625,489	1,536,956	88,533
CRIMINAL DISTRICT COURT	1,130,155	1,130,155	1,048,300	81,855
58TH DISTRICT COURT	275,999	276,891	265,648	11,243
60TH DISTRICT COURT	263,819	264,462	261,559	2,903
136TH DISTRICT COURT	270,577	271,201	267,938	3,263
172ND DISTRICT COURT	277,622	277,622	257,892	19,730
252ND DISTRICT COURT	1,520,340	1,520,340	1,351,212	169,128
279TH DISTRICT COURT	446,650	481,650	471,019	10,631
317TH DISTRICT COURT	658,575	697,123	636,708	60,415
JURY	1,432,939	1,433,208	993,748	439,460
J.P. PRECINCT NO. 1 - PLACE NO. 1	326,235	326,235	311,396	14,839
J.P. PRECINCT NO. 1 - PLACE NO. 2	322,706	322,706	316,512	6,194
J.P. PRECINCT NO. 2	303,332	303,332	267,490	35,842
J.P. PRECINCT NO. 4	309,025	309,025	305,710	3,315
J.P. PRECINCT NO. 6	340,468	340,468	319,859	20,609
J.P. PRECINCT NO. 7	333,191	337,544	330,454	7,090
J.P. PRECINCT NO. 8	346,108	346,108	332,490	13,618
COUNTY COURT AT LAW NO. 1	419,138	420,242	410,685	9,557
COUNTY COURT AT LAW NO. 2	593,665	620,199	602,074	18,125
COUNTY COURT AT LAW NO. 3	600,132	599,598	587,225	12,373
COURT MASTER	554,862	554,862	342,485	212,377
DISPUTE RESOLUTION CENTER	250,572	254,517	241,978	12,539
MARINE DIVISION	1,608,068	1,468,068	1,118,828	349,240
JUVENILE ALTERNATIVE SCHOOL	481,137	391,137	298,555	92,582
COMMUNITY SUPERVISION	26,625	26,625	23,568	3,057
SHERIFF	11,513,494	11,336,431	10,858,674	477,757
CRIME LABORATORY	1,162,943	1,092,943	1,036,747	56,196
JAIL	25,288,886	24,548,886	23,788,481	760,405
JUVENILE CORRECTIONAL PROBATION	1,482,426	1,407,926	1,247,530	160,396
JUVENILE DETENTION HOME	1,954,656	1,796,197	1,624,076	172,121
CONSTABLE PRECINCT NO. 1	841,336	841,336	818,863	22,473
CONSTABLE PRECINCT NO. 2	500,406	500,406	475,249	25,157
CONSTABLE PRECINCT NO. 4	392,311	393,311	383,808	9,503
CONSTABLE PRECINCT NO. 6	672,105	679,824	668,184	11,640
CONSTABLE PRECINCT NO. 7	462,025	465,044	446,793	18,251
CONSTABLE PRECINCT NO. 8	856,790	876,749	809,513	67,236
COUNTY MORGUE	585,000	585,000	524,353	60,647
<b>TOTAL JUDICIAL AND LAW ENFORCEMENT</b>	<b>\$ 65,974,064</b>	<b>64,527,117</b>	<b>60,858,507</b>	<b>3,668,610</b>

[CONTINUED]

JEFFERSON COUNTY, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET (GAAP)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>EDUCATION AND RECREATION:</b>				
LIBRARY	\$ 297,236	297,236	266,014	31,222
AGRICULTURAL EXTENSION SERVICE	388,622	388,622	372,061	16,561
<b>TOTAL EDUCATION AND RECREATION</b>	<b>\$ 685,858</b>	<b>685,858</b>	<b>638,075</b>	<b>47,783</b>
<b>HEALTH AND WELFARE:</b>				
PUBLIC HEALTH UNIT 1	\$ 1,117,531	1,135,031	1,059,159	75,872
PUBLIC HEALTH UNIT 2	1,151,201	1,151,201	1,070,017	81,184
NURSE PRACTITIONER	302,991	302,991	289,841	13,150
CHILD WELFARE	205,300	205,300	159,156	46,144
ENVIRONMENTAL CONTROL	343,030	343,030	332,414	10,616
INDIGENT MEDICAL SERVICE	4,397,440	4,787,155	4,764,818	22,337
MOSQUITO CONTROL	2,134,379	2,094,379	1,960,957	133,422
EMERGENCY MANAGEMENT	247,063	247,063	216,183	30,880
TOBACCO SETTLEMENT FUND	50,000	50,000	50,000	-
<b>TOTAL HEALTH AND WELFARE</b>	<b>\$ 9,948,935</b>	<b>10,316,150</b>	<b>9,902,545</b>	<b>413,605</b>
<b>MAINTENANCE - EQUIPMENT &amp; STRUCTURES:</b>				
COURTHOUSE & ANNEXES	\$ 3,283,782	3,283,782	2,697,947	585,835
PORT ARTHUR BUILDINGS	676,761	676,761	619,165	57,596
MID-COUNTY BUILDINGS	191,817	191,971	147,417	44,554
ROAD & BRIDGE PCT. 1	1,864,696	1,864,696	1,648,888	215,808
ROAD & BRIDGE PCT. 2	1,695,634	1,750,634	1,550,516	200,118
ROAD & BRIDGE PCT. 3	1,615,496	1,572,596	1,447,594	125,002
ROAD & BRIDGE PCT. 4	2,123,505	2,130,005	2,017,592	112,413
ENGINEERING	989,086	999,086	810,973	188,113
PARKS & RECREATION	253,723	290,123	156,415	133,708
SERVICE CENTER	1,211,761	1,211,761	1,071,352	140,409
<b>TOTAL MAINTENANCE - EQUIPMENT &amp; STRUCTURES</b>	<b>\$ 13,906,261</b>	<b>13,971,415</b>	<b>12,167,859</b>	<b>1,803,556</b>
<b>CAPITAL OUTLAY:</b>				
	\$ -	-	-	-
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 113,248,025</b>	<b>111,132,616</b>	<b>103,546,507</b>	<b>7,586,109</b>
<b>OTHER FINANCING USES:</b>				
TRANSFERS OUT	\$ 7,966,419	10,081,828	10,014,967	66,861
<b>TOTAL OTHER FINANCING USES</b>	<b>\$ 7,966,419</b>	<b>10,081,828</b>	<b>10,014,967</b>	<b>66,861</b>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 121,214,444</b>	<b>121,214,444</b>	<b>113,561,474</b>	<b>7,652,970</b>

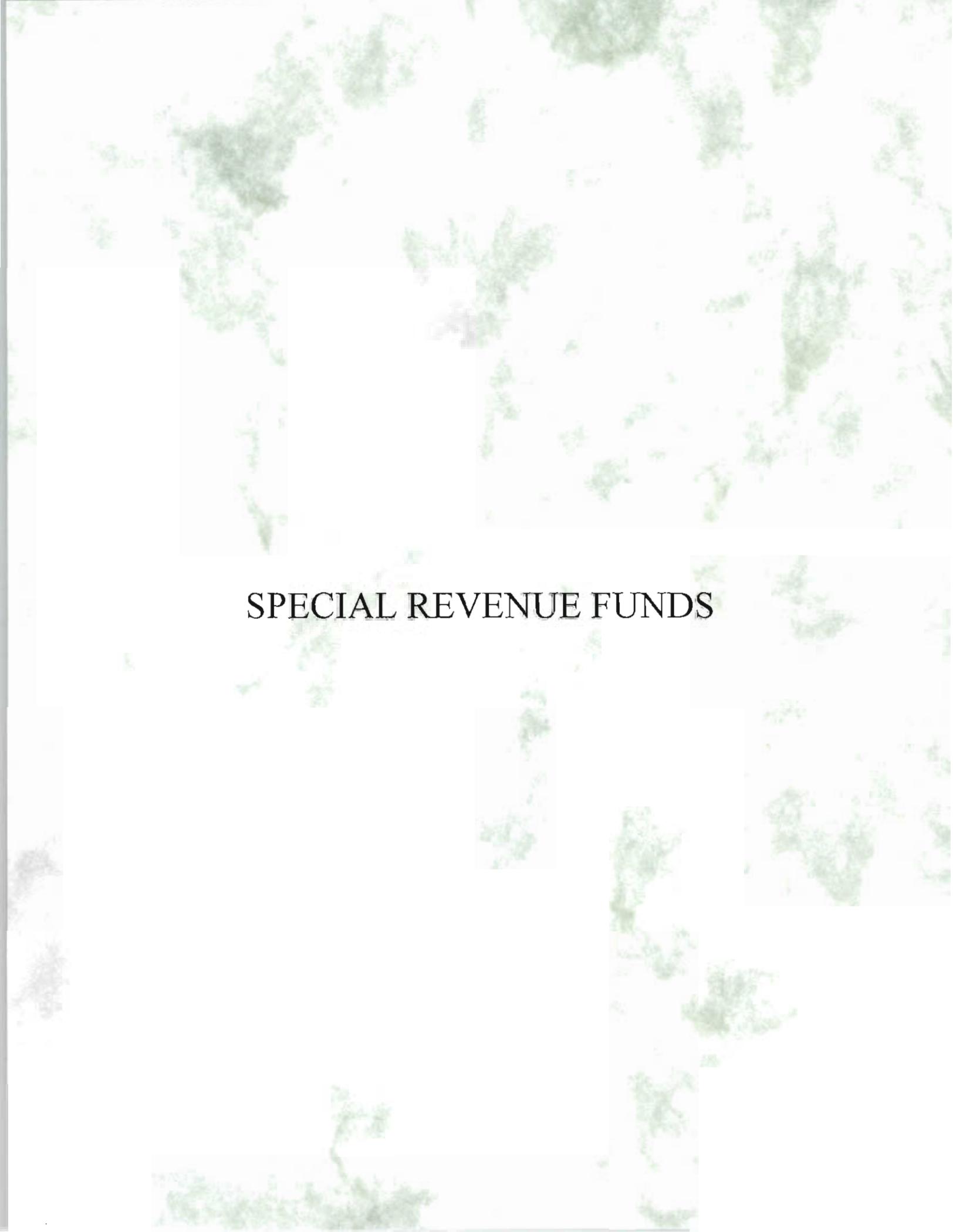
# NONMAJOR GOVERNMENTAL FUNDS

**JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY  
SEPTEMBER 30, 2010**

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 5,887,030	-	513,455	6,400,485
INVESTMENTS	4,255,191	1,348,598	-	5,603,789
ACCOUNTS RECEIVABLE, Net	14,471	-	55	14,526
INTEREST RECEIVABLE	5,803	1,132	427	7,362
DUE FROM OTHER GOVERNMENTAL ENTITIES	506,197	-	-	506,197
DELINQUENT TAXES RECEIVABLE, Net	-	-	123,825	123,825
PENALTY AND INTEREST RECEIVABLE, Net	-	-	56,492	56,492
PREPAID ITEM	1,550	-	-	1,550
<b>TOTAL ASSETS</b>	<b>\$ 10,670,242</b>	<b>1,349,730</b>	<b>694,254</b>	<b>12,714,226</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 1,489,504	-	-	1,489,504
DUE TO OTHER FUNDS	252,330	-	-	252,330
DUE TO OTHER GOVERNMENTAL ENTITIES	29,051	-	-	29,051
DEFERRED REVENUE	647,498	-	176,798	824,296
<b>TOTAL LIABILITIES</b>	<b>\$ 2,418,383</b>	<b>-</b>	<b>176,798</b>	<b>2,595,181</b>
<b>FUND BALANCES:</b>				
RESERVED FOR PREPAID ITEMS	\$ 1,550	-	-	1,550
RESERVED FOR DEBT SERVICE	-	-	330,833	330,833
RESERVED FOR CAPITAL PROJECTS	-	1,349,730	-	1,349,730
UNRESERVED FOR DEBT SERVICE	-	-	186,623	186,623
UNRESERVED FOR SPECIAL REVENUES	8,250,309	-	-	8,250,309
<b>TOTAL FUND BALANCES</b>	<b>\$ 8,251,859</b>	<b>1,349,730</b>	<b>517,456</b>	<b>10,119,045</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 10,670,242</b>	<b>1,349,730</b>	<b>694,254</b>	<b>12,714,226</b>

**JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - SUMMARY  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
PROPERTY TAXES	\$ -	-	7,246,356	7,246,356
SALES TAXES	893,234	-	-	893,234
FEES	4,153,877	-	-	4,153,877
INTERGOVERNMENTAL	9,903,224	233,500	-	10,136,724
SALES, RENTAL & SERVICES	149,071	22,879	-	171,950
FINES AND FORFEITURES	407,613	-	-	407,613
CONTRIBUTIONS AND DONATIONS	6,727	-	-	6,727
INTEREST	72,749	9,549	16,214	98,512
<b>TOTAL REVENUES</b>	<b>\$ 15,586,495</b>	<b>265,928</b>	<b>7,262,570</b>	<b>23,114,993</b>
<b>EXPENDITURES:</b>				
<b>CURRENT</b>				
GENERAL GOVERNMENT	\$ 874,354	-	-	874,354
JUDICIAL AND LAW ENFORCEMENT	11,643,643	-	-	11,643,643
EDUCATION AND RECREATION	976,513	-	-	976,513
HEALTH AND WELFARE	674,298	-	-	674,298
MAINTENANCE OF STRUCTURES AND EQUIPMENT	1,322,668	-	-	1,322,668
CAPITAL OUTLAY	-	580,200	-	580,200
DEBT SERVICE				
PRINCIPAL	-	-	3,760,000	3,760,000
INTEREST AND COMMISSION	-	-	3,538,141	3,538,141
<b>TOTAL EXPENDITURES</b>	<b>\$ 15,491,476</b>	<b>580,200</b>	<b>7,298,141</b>	<b>23,369,817</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 95,019</b>	<b>(314,272)</b>	<b>(35,571)</b>	<b>(254,824)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	\$ 854,970	539,314	57,290	1,451,574
TRANSFERS OUT	(1,749,522)	-	(57,290)	(1,806,812)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (894,552)</b>	<b>539,314</b>	<b>-</b>	<b>(355,238)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (799,533)</b>	<b>225,042</b>	<b>(35,571)</b>	<b>(610,062)</b>
<b>FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT</b>	<b>\$ 9,335,618 (284,226)</b>	<b>1,124,688 -</b>	<b>553,027 -</b>	<b>11,013,333 (284,226)</b>
<b>FUND BALANCE, BEGINNING (Restated)</b>	<b>\$ 9,051,392</b>	<b>1,124,688</b>	<b>553,027</b>	<b>10,729,107</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 8,251,859</b>	<b>1,349,730</b>	<b>517,456</b>	<b>10,119,045</b>

The background of the page is a photograph of a forest. It shows a dirt path leading through tall, thin trees with green foliage. The lighting is soft, suggesting a misty or overcast day. The path is slightly out of focus, drawing attention to the surrounding trees.

## 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.

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

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

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

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

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

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

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

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

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

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

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

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

**Sheriff's 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.

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

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

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

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

- Family Group Conferencing
- Bush-Clinton Recovery
- Sheriff Training Grant
- Port Security #2
- Diabetes Prevention Grant
- JAG Grant
- Constable Pct 8 Tobacco Grant
- SCAAP Grant
- Port Security Supplement
- Crime Victims - 1
- Regional Communication
- Crime Victims - 2
- EMPG Grant
- Disaster Relief Grant
- ORCA Texas Public Shelter Imp
- Loan Star Libraries Grant

Auto Theft Grant  
Buffer Zone Protection  
Drug Intervention Grant  
ORCA Ike  
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  
Community Emergency Response Grant  
First Time Sewer  
TXCDBG Disaster Recovery  
FBI Firing Range  
ORCA Disaster Recovery #1  
ORCA Disaster Recovery #2  
Forensic Science Improvement Grant  
Check Step Sewer Improvements



**JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
SEPTEMBER 30, 2010**

	<u>LATERAL ROAD FUNDS</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 &amp; 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>
<b>ASSETS:</b>											
CASH AND CASH EQUIVALENTS	\$ -	-	13,651	12,960	-	3,441	-	-	18,745	21,223	21,107
INVESTMENTS	585,340	10,569	152,218	298,726	-	512,381	-	189,518	542,628	476,260	224,542
ACCOUNTS RECEIVABLE, Net	-	-	41	-	-	-	1,000	-	-	-	-
INTEREST RECEIVABLE	498	9	129	254	-	417	-	161	461	405	191
DUE FROM OTHER											
GOVERNMENTAL ENTITIES	-	-	-	-	-	6,688	-	-	-	-	-
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 585,838</b>	<b>10,578</b>	<b>166,039</b>	<b>311,940</b>	<b>-</b>	<b>522,927</b>	<b>1,000</b>	<b>189,679</b>	<b>561,834</b>	<b>497,888</b>	<b>245,840</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>LIABILITIES:</b>											
ACCOUNTS PAYABLE	\$ -	-	43,717	6,285	-	83,546	855	3,545	-	16,616	2,750
DUE TO OTHER FUNDS	-	-	-	-	-	-	-	-	-	-	-
DUE TO OTHER											
GOVERNMENTAL ENTITIES	-	-	-	-	-	3,125	-	-	-	-	-
DEFERRED REVENUE	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>-</b>	<b>43,717</b>	<b>6,285</b>	<b>-</b>	<b>86,671</b>	<b>855</b>	<b>3,545</b>	<b>-</b>	<b>16,616</b>	<b>2,750</b>
<b>FUND BALANCES:</b>											
RESERVED FOR PREPAID ITEMS	\$ -	-	-	-	-	-	-	-	-	-	-
UNRESERVED	585,838	10,578	122,322	305,655	-	436,256	145	186,134	561,834	481,272	243,090
<b>TOTAL FUND BALANCES</b>	<b>\$ 585,838</b>	<b>10,578</b>	<b>122,322</b>	<b>305,655</b>	<b>-</b>	<b>436,256</b>	<b>145</b>	<b>186,134</b>	<b>561,834</b>	<b>481,272</b>	<b>243,090</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 585,838</b>	<b>10,578</b>	<b>166,039</b>	<b>311,940</b>	<b>-</b>	<b>522,927</b>	<b>1,000</b>	<b>189,679</b>	<b>561,834</b>	<b>497,888</b>	<b>245,840</b>

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**JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
SEPTEMBER 30, 2010**

	D.A.R.E. CONTRIBUTIONS FUND	JUSTICE COURT BUILDING SECURITY	HOTEL OCCUPANCY TAX FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND	SHERIFF AND CONSTABLE EDUCATION FUND	TAX OFFICE AUTO DEALER FUND	UNCLAIMED FUNDS MANAGEMENT FUND	FAMILY PROTECTION FUND	DISTRICT ATTORNEY FORFEITURE FUND	HOT CHECK FUND	JP COURTROOM TECHNOLOGY FUND
<b>ASSETS:</b>											
CASH AND CASH EQUIVALENTS	\$ -	35,847	72,690	262	-	-	2,321	1,605	411,459	97,617	4,022
INVESTMENTS	22,483	-	431,121	-	88,587	245,861	60,583	17,483	-	-	353,823
ACCOUNTS RECEIVABLE, Net	-	-	-	-	-	-	-	-	-	-	-
INTEREST RECEIVABLE	19	30	367	-	75	209	-	15	-	-	301
DUE FROM OTHER											
GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	15,668	-	-
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 22,502</b>	<b>35,877</b>	<b>504,178</b>	<b>262</b>	<b>88,662</b>	<b>246,070</b>	<b>62,904</b>	<b>19,103</b>	<b>427,127</b>	<b>97,617</b>	<b>358,146</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>LIABILITIES:</b>											
ACCOUNTS PAYABLE	\$ 205	-	44,367	-	-	38	10,420	-	7,263	929	76
DUE TO OTHER FUNDS	-	-	-	-	-	-	-	-	-	-	-
DUE TO OTHER											
GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	-	-	-
DEFERRED REVENUE	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 205</b>	<b>-</b>	<b>44,367</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>10,420</b>	<b>-</b>	<b>7,263</b>	<b>929</b>	<b>76</b>
<b>FUND BALANCES:</b>											
RESERVED FOR PREPAID ITEMS	\$ -	-	-	-	-	-	-	-	-	-	-
UNRESERVED	22,297	35,877	459,811	262	88,662	246,032	52,484	19,103	419,864	96,688	358,070
<b>TOTAL FUND BALANCES</b>	<b>\$ 22,297</b>	<b>35,877</b>	<b>459,811</b>	<b>262</b>	<b>88,662</b>	<b>246,032</b>	<b>52,484</b>	<b>19,103</b>	<b>419,864</b>	<b>96,688</b>	<b>358,070</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 22,502</b>	<b>35,877</b>	<b>504,178</b>	<b>262</b>	<b>88,662</b>	<b>246,070</b>	<b>62,904</b>	<b>19,103</b>	<b>427,127</b>	<b>97,617</b>	<b>358,146</b>

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**JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
SEPTEMBER 30, 2010**

	<u>DISTRICT CLERK RECORDS MANAGEMENT</u>	<u>COUNTY CLERK ELECTION CONTRACTS</u>	<u>COUNTY CLERK HAVA FUND</u>	<u>CHILD ABUSE PREVENTION</u>	<u>SHERIFF'S FORFEITURE FUND</u>	<u>GUARDIANSHIP FEE FUND</u>	<u>JUVENILE DELINQUENCY PREVENTION</u>	<u>DISTRICT COURT RECORDS TECHNOLOGY</u>	<u>PROBATION DEPARTMENT FUNDS</u>	<u>GRANT FUNDS</u>	<u>TOTAL</u>
<b>ASSETS:</b>											
CASH AND CASH EQUIVALENTS	\$ 9,989	9,959	-	795	2,277,937	76,819	64,364	27,948	2,316,465	385,804	5,887,030
INVESTMENTS	43,068	-	-	-	-	-	-	-	-	-	4,255,191
ACCOUNTS RECEIVABLE, Net	-	400	2,440	-	-	-	-	-	9,429	1,161	14,471
INTEREST RECEIVABLE	41	9	-	1	-	63	53	20	1,838	237	5,803
DUE FROM OTHER											
GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	2,178	481,663	506,197
PREPAID ITEMS	-	-	-	-	-	-	-	-	1,379	171	1,550
<b>TOTAL ASSETS</b>	<b>\$ 53,098</b>	<b>10,368</b>	<b>2,440</b>	<b>796</b>	<b>2,277,937</b>	<b>76,882</b>	<b>64,417</b>	<b>27,968</b>	<b>2,331,289</b>	<b>869,036</b>	<b>10,670,242</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>LIABILITIES:</b>											
ACCOUNTS PAYABLE	\$ 1,944	-	-	-	349,530	-	-	-	488,135	429,283	1,489,504
DUE TO OTHER FUNDS	-	-	-	-	-	-	-	-	3,746	248,584	252,330
DUE TO OTHER											
GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	25,926	-	29,051
DEFERRED REVENUE	-	-	-	-	-	-	-	-	647,498	-	647,498
<b>TOTAL LIABILITIES</b>	<b>\$ 1,944</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>349,530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,165,305</b>	<b>677,867</b>	<b>2,418,383</b>
<b>FUND BALANCES:</b>											
RESERVED FOR PREPAID ITEMS	\$ -	-	-	-	-	-	-	-	1,379	171	1,550
UNRESERVED	51,154	10,368	2,440	796	1,928,407	76,882	64,417	27,968	1,164,605	190,998	8,250,309
<b>TOTAL FUND BALANCES</b>	<b>\$ 51,154</b>	<b>10,368</b>	<b>2,440</b>	<b>796</b>	<b>1,928,407</b>	<b>76,882</b>	<b>64,417</b>	<b>27,968</b>	<b>1,165,984</b>	<b>191,169</b>	<b>8,251,859</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 53,098</b>	<b>10,368</b>	<b>2,440</b>	<b>796</b>	<b>2,277,937</b>	<b>76,882</b>	<b>64,417</b>	<b>27,968</b>	<b>2,331,289</b>	<b>869,036</b>	<b>10,670,242</b>

**JEFFERSON COUNTY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	LATERAL ROAD FUND	BREATH ALCOHOL TESTING FUND	SECURITY FEE FUND	LAW LIBRARY FUND	VOTER REGISTRATION FUND	JUVENILE PROBATION & DETENTION FUND	BAIL BOND LICENSE FUND	LAW OFFICER TRAINING FUND	COUNTY CLERK RECORDS MGMT. AND PRESERVATION FUND	COUNTY CLERK RECORDS ARCHIVE FUND	COUNTY RECORDS MGMT. AND PRESERVATION FUND
<b>REVENUES:</b>											
TAXES	\$ -	-	-	-	-	-	-	-	-	-	-
FEES	-	5,693	140,433	94,760	-	27,465	5,000	39,082	241,036	262,284	153,075
FINES AND FORFEITURES	-	-	-	-	-	-	-	-	-	-	-
SALES, RENTAL & SERVICES	-	-	18,670	-	-	-	-	-	-	-	-
INTERGOVERNMENTAL	30,897	-	-	-	-	557,356	-	-	-	-	-
INTEREST	4,758	56	130	2,330	63	7,743	-	1,789	3,937	4,873	1,522
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	\$ 35,655	5,749	159,233	97,090	63	592,564	5,000	40,871	244,973	267,157	154,597
<b>EXPENDITURES:</b>											
GENERAL GOVERNMENT	\$ -	-	-	-	18,582	-	-	-	155,842	585,451	85,769
JUDICIAL AND LAW ENFORCEMENT	-	-	525,570	-	-	676,087	11,666	87,888	-	-	-
EDUCATION AND RECREATION	-	-	-	83,415	-	-	-	-	-	-	-
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	41,679	-	-	-	-	-	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	\$ 41,679	-	525,570	83,415	18,582	676,087	11,666	87,888	155,842	585,451	85,769
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ (6,024)	5,749	(366,337)	13,675	(18,519)	(83,523)	(6,666)	(47,017)	89,131	(318,294)	68,828
<b>OTHER FINANCING SOURCES (USES):</b>											
TRANSFERS IN	\$ -	-	475,000	-	-	-	6,811	-	-	-	-
TRANSFERS OUT	-	-	-	-	-	(2,102)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	\$ -	-	475,000	-	-	(2,102)	6,811	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	\$ (6,024)	5,749	108,663	13,675	(18,519)	(85,625)	145	(47,017)	89,131	(318,294)	68,828
<b>FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT</b>	\$ 591,862	4,829	13,659	291,980	18,519	521,881	-	233,151	472,703	799,566	174,262
	-	-	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES, BEGINNING (Restated)</b>	\$ 591,862	4,829	13,659	291,980	18,519	521,881	-	233,151	472,703	799,566	174,262
<b>FUND BALANCES, ENDING</b>	\$ 585,838	10,578	122,322	305,655	-	436,256	145	186,134	561,834	481,272	243,090

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	D.A.R.E. CONTRIBUTIONS FUND	JUSTICE COURT BUILDING SECURITY	HOTEL OCCUPANCY TAX FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND	SHERIFF AND CONSTABLE EDUCATION FUND	TAX OFFICE AUTO DEALER FUND	UNCLAIMED FUNDS MANAGEMENT FUND	FAMILY PROTECTION FUND	DISTRICT ATTORNEY FORFEITURE FUND	HOT CHECK FUND	JP COURTROOM TECHNOLOGY FUND
<b>REVENUES:</b>											
TAXES	\$ -	-	893,234	-	-	-	-	-	-	-	-
FEES	-	12,872	-	262	-	4,951	21,499	18,711	-	73,979	53,487
FINES AND FORFEITURES	-	-	-	-	-	-	-	-	140,688	-	-
SALES, RENTAL & SERVICES	-	-	6,144	-	-	-	-	-	37,208	-	-
INTERGOVERNMENTAL	-	-	-	-	30,681	-	-	-	39,171	-	-
INTEREST	169	222	5,884	-	682	4,100	15	63	1,030	-	2,576
CONTRIBUTIONS AND DONATIONS	3,600	-	1	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 3,769</b>	<b>13,094</b>	<b>905,263</b>	<b>262</b>	<b>31,363</b>	<b>9,051</b>	<b>21,514</b>	<b>18,774</b>	<b>218,097</b>	<b>73,979</b>	<b>56,063</b>
<b>EXPENDITURES:</b>											
GENERAL GOVERNMENT	\$ -	-	-	-	-	6,523	-	-	-	-	-
JUDICIAL AND LAW ENFORCEMENT	2,499	12,945	-	-	23,305	-	-	15,000	137,096	37,514	6,739
EDUCATION AND RECREATION	-	-	888,419	-	-	-	-	-	-	-	-
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,499</b>	<b>12,945</b>	<b>888,419</b>	<b>-</b>	<b>23,305</b>	<b>6,523</b>	<b>-</b>	<b>15,000</b>	<b>137,096</b>	<b>37,514</b>	<b>6,739</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 1,270</b>	<b>149</b>	<b>16,844</b>	<b>262</b>	<b>8,058</b>	<b>2,528</b>	<b>21,514</b>	<b>3,774</b>	<b>81,001</b>	<b>36,465</b>	<b>49,324</b>
<b>OTHER FINANCING SOURCES (USES):</b>											
TRANSFERS IN	\$ -	-	-	-	-	-	-	-	-	-	-
TRANSFERS OUT	-	-	(539,314)	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>(539,314)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 1,270</b>	<b>149</b>	<b>(522,470)</b>	<b>262</b>	<b>8,058</b>	<b>2,528</b>	<b>21,514</b>	<b>3,774</b>	<b>81,001</b>	<b>36,465</b>	<b>49,324</b>
<b>FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT</b>	<b>\$ 21,027</b>	<b>35,728</b>	<b>982,281</b>	<b>-</b>	<b>80,604</b>	<b>243,504</b>	<b>30,970</b>	<b>15,329</b>	<b>338,863</b>	<b>60,223</b>	<b>308,746</b>
	-	-	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES, BEGINNING (Restated)</b>	<b>\$ 21,027</b>	<b>35,728</b>	<b>982,281</b>	<b>-</b>	<b>80,604</b>	<b>243,504</b>	<b>30,970</b>	<b>15,329</b>	<b>338,863</b>	<b>60,223</b>	<b>308,746</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 22,297</b>	<b>35,877</b>	<b>459,811</b>	<b>262</b>	<b>88,662</b>	<b>246,032</b>	<b>52,484</b>	<b>19,103</b>	<b>419,864</b>	<b>96,688</b>	<b>358,070</b>

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	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	DISTRICT COURT RECORDS TECHNOLOGY	PROBATION DEPARTMENT FUNDS	GRANT FUNDS	TOTAL
<b>REVENUES:</b>											
TAXES	\$ -	-	-	-	-	-	-	-	-	-	893,234
FEES	29,568	3,162	-	273	-	28,560	36,204	27,930	2,873,591	-	4,153,877
FINES AND FORFEITURES	-	-	-	-	266,925	-	-	-	-	-	407,613
SALES, RENTAL & SERVICES	-	-	6,548	-	79,807	-	-	-	-	694	149,071
INTERGOVERNMENTAL	-	-	-	-	-	-	-	-	4,476,912	4,768,207	9,903,224
INTEREST	387	113	-	5	6,162	127	106	38	14,651	9,218	72,749
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	3,126	6,727
<b>TOTAL REVENUES</b>	<b>\$ 29,955</b>	<b>3,275</b>	<b>6,548</b>	<b>278</b>	<b>352,894</b>	<b>28,687</b>	<b>36,310</b>	<b>27,968</b>	<b>7,365,154</b>	<b>4,781,245</b>	<b>15,586,495</b>
<b>EXPENDITURES:</b>											
GENERAL GOVERNMENT	\$ -	9,429	11,758	-	-	1,000	-	-	-	-	874,354
JUDICIAL AND LAW ENFORCEMENT	36,803	-	-	-	664,832	-	-	-	7,302,355	2,103,344	11,643,643
EDUCATION AND RECREATION	-	-	-	-	-	-	-	-	-	4,679	976,513
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	-	674,298	674,298
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	-	1,280,989	1,322,668
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 36,803</b>	<b>9,429</b>	<b>11,758</b>	<b>-</b>	<b>664,832</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>7,302,355</b>	<b>4,063,310</b>	<b>15,491,476</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (6,848)</b>	<b>(6,154)</b>	<b>(5,210)</b>	<b>278</b>	<b>(311,938)</b>	<b>27,687</b>	<b>36,310</b>	<b>27,968</b>	<b>62,799</b>	<b>717,935</b>	<b>95,019</b>
<b>OTHER FINANCING SOURCES (USES):</b>											
TRANSFERS IN	\$ -	-	-	-	-	-	-	-	76,187	296,972	854,970
TRANSFERS OUT	-	-	-	-	-	-	-	-	(74,085)	(1,134,021)	(1,749,522)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,102</b>	<b>(837,049)</b>	<b>(894,552)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (6,848)</b>	<b>(6,154)</b>	<b>(5,210)</b>	<b>278</b>	<b>(311,938)</b>	<b>27,687</b>	<b>36,310</b>	<b>27,968</b>	<b>64,901</b>	<b>(119,114)</b>	<b>(799,533)</b>
<b>FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT</b>	<b>\$ 58,002</b>	<b>16,522</b>	<b>7,650</b>	<b>518</b>	<b>2,240,345</b>	<b>49,195</b>	<b>28,107</b>	<b>-</b>	<b>1,385,309</b>	<b>310,283</b>	<b>9,335,618</b>
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(284,226)</b>	<b>-</b>	<b>(284,226)</b>
<b>FUND BALANCES, BEGINNING (Restated)</b>	<b>\$ 58,002</b>	<b>16,522</b>	<b>7,650</b>	<b>518</b>	<b>2,240,345</b>	<b>49,195</b>	<b>28,107</b>	<b>-</b>	<b>1,101,083</b>	<b>310,283</b>	<b>9,051,392</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 51,154</b>	<b>10,368</b>	<b>2,440</b>	<b>796</b>	<b>1,928,407</b>	<b>76,882</b>	<b>64,417</b>	<b>27,968</b>	<b>1,165,984</b>	<b>191,169</b>	<b>8,251,859</b>



**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS**  
**SEPTEMBER 30, 2010**

	JUVENILE PROBATION AND DETENTION-- STATE AID	JUVENILE COMMUNITY CORRECTIONS PROGRAM	IV-E FOSTER CARE FUND	JUVENILE ACCOUNTABILITY #1
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 155,045	78,748	566,809	-
ACCOUNTS RECEIVABLE, Net	455	-	-	-
INTEREST RECEIVABLE	248	-	482	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	-
PREPAID ITEMS	57	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 155,805</b>	<b>78,748</b>	<b>567,291</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 24,932	29,977	813	-
DUE TO OTHER FUNDS	-	-	-	1,586
DUE TO OTHER GOVERNMENTAL ENTITIES	21,687	4,239	-	-
DEFERRED REVENUE	44,296	34,163	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 90,915</b>	<b>68,379</b>	<b>813</b>	<b>1,586</b>
<b>FUND BALANCES:</b>				
RESERVED FOR PREPAID ITEMS	\$ 57	-	-	-
UNRESERVED	64,833	10,369	566,478	(1,586)
<b>TOTAL FUND BALANCES</b>	<b>\$ 64,890</b>	<b>10,369</b>	<b>566,478</b>	<b>(1,586)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 155,805</b>	<b>78,748</b>	<b>567,291</b>	<b>-</b>

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS**  
**SEPTEMBER 30, 2010**

	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	2010 TOTAL
<b>ASSETS:</b>										
CASH AND CASH EQUIVALENTS	\$ 22,955	829,467	314,564	13,579	166,055	32,622	114,769	-	21,852	2,316,465
ACCOUNTS RECEIVABLE, Net	-	6,539	1,419	-	1,016	-	-	-	-	9,429
INTEREST RECEIVABLE DUE FROM OTHER	-	1,108	-	-	-	-	-	-	-	1,838
GOVERNMENTAL ENTITIES	-	-	-	-	-	-	18	2,160	-	2,178
PREPAID ITEMS	-	963	210	-	149	-	-	-	-	1,379
<b>TOTAL ASSETS</b>	<b>\$ 22,955</b>	<b>838,077</b>	<b>316,193</b>	<b>13,579</b>	<b>167,220</b>	<b>32,622</b>	<b>114,787</b>	<b>2,160</b>	<b>21,852</b>	<b>2,331,289</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>LIABILITIES:</b>										
ACCOUNTS PAYABLE	\$ 9,206	248,512	78,816	4,477	25,669	12,600	36,267	-	16,866	488,135
DUE TO OTHER FUNDS DUE TO OTHER	-	-	-	-	-	-	-	2,160	-	3,746
GOVERNMENTAL ENTITIES	-	-	-	-	-	-	-	-	-	25,926
DEFERRED REVENUE	16,312	203,142	162,539	9,514	73,387	23,047	76,931	-	4,167	647,498
<b>TOTAL LIABILITIES</b>	<b>\$ 25,518</b>	<b>451,654</b>	<b>241,355</b>	<b>13,991</b>	<b>99,056</b>	<b>35,647</b>	<b>113,198</b>	<b>2,160</b>	<b>21,033</b>	<b>1,165,305</b>
<b>FUND BALANCES:</b>										
RESERVED FOR PREPAID ITEMS	\$ -	963	210	-	149	-	-	-	-	1,379
UNRESERVED	(2,563)	385,460	74,628	(412)	68,015	(3,025)	1,589	-	819	1,164,605
<b>TOTAL FUND BALANCES</b>	<b>\$ (2,563)</b>	<b>386,423</b>	<b>74,838</b>	<b>(412)</b>	<b>68,164</b>	<b>(3,025)</b>	<b>1,589</b>	<b>-</b>	<b>819</b>	<b>1,165,984</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 22,955</b>	<b>838,077</b>	<b>316,193</b>	<b>13,579</b>	<b>167,220</b>	<b>32,622</b>	<b>114,787</b>	<b>2,160</b>	<b>21,852</b>	<b>2,331,289</b>



**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	JUVENILE PROBATION AND DETENTION- STATE AID	JUVENILE COMMUNITY CORRECTIONS PROGRAM	IV-E FOSTER CARE FUND	JUVENILE ACCOUNTABILITY #1
<b>REVENUES:</b>				
FEEs	\$ -	-	-	-
INTERGOVERNMENTAL	578,355	439,879	55,290	18,670
INTEREST	<u>1,887</u>	<u>175</u>	<u>624</u>	<u>14</u>
<b>TOTAL REVENUES</b>	<b>\$ <u>580,242</u></b>	<b><u>440,054</u></b>	<b><u>55,914</u></b>	<b><u>18,684</u></b>
<b>EXPENDITURES:</b>				
JUDICIAL AND LAW ENFORCEMENT	\$ 502,438	400,070	49,810	18,756
CAPITAL OUTLAY	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>502,438</u></b>	<b><u>400,070</u></b>	<b><u>49,810</u></b>	<b><u>18,756</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ <u>77,804</u></b>	<b><u>39,984</u></b>	<b><u>6,104</u></b>	<b><u>(72)</u></b>
<b>OTHER FINANCIAL SOURCES (USES):</b>				
TRANSFERS IN	\$ -	-	-	1,862
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>(399)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ <u>-</u></b>	<b><u>-</u></b>	<b><u>(399)</u></b>	<b><u>1,862</u></b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ <u>77,804</u></b>	<b><u>39,984</u></b>	<b><u>5,705</u></b>	<b><u>1,790</u></b>
<b>FUND BALANCES, BEGINNING</b>	<b>\$ (3,133)</b>	<b>(30,699)</b>	<b>560,773</b>	<b>(3,376)</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>(9,781)</u>	<u>1,084</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, OCTOBER 1 (Restated)</b>	<b>\$ <u>(12,914)</u></b>	<b><u>(29,615)</u></b>	<b><u>560,773</u></b>	<b><u>(3,376)</u></b>
<b>FUND BALANCES, ENDING</b>	<b>\$ <u><u>64,890</u></u></b>	<b><u><u>10,369</u></u></b>	<b><u><u>566,478</u></u></b>	<b><u><u>(1,586)</u></u></b>

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	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	2010 TOTAL
<b>REVENUES:</b>										
FEES	\$ -	2,466,241	331,596	-	-	-	75,754	-	-	2,873,591
INTERGOVERNMENTAL	94,775	1,150,727	976,703	56,330	450,639	132,635	446,337	2,160	74,412	4,476,912
INTEREST	-	11,815	-	-	-	-	-	-	136	14,651
<b>TOTAL REVENUES</b>	<b>\$ 94,775</b>	<b>3,628,783</b>	<b>1,308,299</b>	<b>56,330</b>	<b>450,639</b>	<b>132,635</b>	<b>522,091</b>	<b>2,160</b>	<b>74,548</b>	<b>7,365,154</b>
<b>EXPENDITURES:</b>										
JUDICIAL AND LAW ENFORCEMENT	\$ 119,807	3,763,060	1,239,305	57,916	380,062	170,565	525,584	2,400	72,582	7,302,355
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 119,807</b>	<b>3,763,060</b>	<b>1,239,305</b>	<b>57,916</b>	<b>380,062</b>	<b>170,565</b>	<b>525,584</b>	<b>2,400</b>	<b>72,582</b>	<b>7,302,355</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (25,032)</b>	<b>(134,277)</b>	<b>68,994</b>	<b>(1,586)</b>	<b>70,577</b>	<b>(37,930)</b>	<b>(3,493)</b>	<b>(240)</b>	<b>1,966</b>	<b>62,799</b>
<b>OTHER FINANCIAL SOURCES (USES):</b>										
TRANSFERS IN	\$ 24,820	-	-	1,135	-	38,262	9,469	240	399	76,187
TRANSFERS OUT	-	(73,686)	-	-	-	-	-	-	-	(74,085)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 24,820</b>	<b>(73,686)</b>	<b>-</b>	<b>1,135</b>	<b>-</b>	<b>38,262</b>	<b>9,469</b>	<b>240</b>	<b>399</b>	<b>2,102</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (212)</b>	<b>(207,963)</b>	<b>68,994</b>	<b>(451)</b>	<b>70,577</b>	<b>332</b>	<b>5,976</b>	<b>-</b>	<b>2,365</b>	<b>64,901</b>
<b>FUND BALANCES, BEGINNING</b>	<b>\$ (2,351)</b>	<b>799,489</b>	<b>14,603</b>	<b>39</b>	<b>(2,413)</b>	<b>(3,357)</b>	<b>45,547</b>	<b>-</b>	<b>10,187</b>	<b>1,385,309</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>(205,103)</b>	<b>(8,759)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(49,934)</b>	<b>-</b>	<b>(11,733)</b>	<b>(284,226)</b>
<b>FUND BALANCES, OCTOBER 1 (Restated)</b>	<b>\$ (2,351)</b>	<b>594,386</b>	<b>5,844</b>	<b>39</b>	<b>(2,413)</b>	<b>(3,357)</b>	<b>(4,387)</b>	<b>-</b>	<b>(1,546)</b>	<b>1,101,083</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ (2,563)</b>	<b>386,423</b>	<b>74,838</b>	<b>(412)</b>	<b>68,164</b>	<b>(3,025)</b>	<b>1,589</b>	<b>-</b>	<b>819</b>	<b>1,165,984</b>

**JEFFERSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -  
 SPECIAL REVENUE - GRANT FUNDS  
 SEPTEMBER 30, 2010**

	FAMILY GROUP CONFERENCING PROJECT	BUSH- CLINTON RECOVERY	SHERIFF TRAINING GRANT	PORT SECURITY #2	DIABETES PREVENTION GRANT	JAG GRANT	CONSTABLE PCT 8 TOBACCO GRANT	SCAAP GRANT	PORT SECURITY SUPPLEMENT	CRIME VICTIMS CLEARING - 1	REGIONAL COMMUNICATION
<b>ASSETS:</b>											
CASH AND CASH EQUIVALENTS	\$ 39,280	71,466	-	-	-	17,594	-	29,198	-	-	89,065
ACCOUNTS RECEIVABLE , Net	-	-	-	-	-	-	-	-	-	-	-
INTEREST RECEIVABLE	-	61	-	-	-	15	-	25	-	-	76
DUE FROM OTHER											
GOVERNMENTAL ENTITIES	-	-	-	-	4,511	-	-	-	-	16,463	-
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 39,280</b>	<b>71,527</b>	<b>-</b>	<b>-</b>	<b>4,511</b>	<b>17,609</b>	<b>-</b>	<b>29,223</b>	<b>-</b>	<b>16,463</b>	<b>89,141</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>LIABILITIES:</b>											
ACCOUNTS PAYABLE	\$ 88	-	-	-	5,728	9,874	-	-	-	-	100,617
DUE TO OTHER FUNDS	-	-	-	-	10,183	-	-	-	56	16,228	-
<b>TOTAL LIABILITIES</b>	<b>\$ 88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,911</b>	<b>9,874</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>16,228</b>	<b>100,617</b>
<b>FUND BALANCES:</b>											
RESERVED FOR PREPAID ITEMS	\$ -	-	-	-	-	-	-	-	-	-	-
UNRESERVED	39,192	71,527	-	-	(11,400)	7,735	-	29,223	(56)	235	(11,476)
<b>TOTAL FUND BALANCES</b>	<b>\$ 39,192</b>	<b>71,527</b>	<b>-</b>	<b>-</b>	<b>(11,400)</b>	<b>7,735</b>	<b>-</b>	<b>29,223</b>	<b>(56)</b>	<b>235</b>	<b>(11,476)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 39,280</b>	<b>71,527</b>	<b>-</b>	<b>-</b>	<b>4,511</b>	<b>17,609</b>	<b>-</b>	<b>29,223</b>	<b>-</b>	<b>16,463</b>	<b>89,141</b>

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**JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -  
SPECIAL REVENUE - GRANT FUNDS  
SEPTEMBER 30, 2010**

	CRIME VICTIMS CLEARING - 2	EMPG GRANT	DISASTER RELIEF GRANT	ORCA TEXAS PUBLIC SHELTER IMP	LOAN STAR LIBRARIES GRANT	AUTO THEFT GRANT	BUFFER ZONE PROTECTION	DRUG INTERVENTION GRANT	ORCA IKE	VIOLENCE AGAINST WOMEN - 1	VIOLENCE AGAINST WOMEN - 2
<b>ASSETS:</b>											
CASH AND CASH EQUIVALENTS	\$ 13,335	50,348	-	-	3,199	-	-	-	-	1,418	-
ACCOUNTS RECEIVABLE , Net	-	-	-	-	-	625	-	-	-	536	-
INTEREST RECEIVABLE	-	43	7	-	3	-	-	-	-	-	-
DUE FROM OTHER											
GOVERNMENTAL ENTITIES	5,107	22,151	-	-	-	12,422	-	33,086	252,148	-	2,123
PREPAID ITEMS	-	-	-	-	-	92	-	-	-	79	-
<b>TOTAL ASSETS</b>	<b>\$ 18,442</b>	<b>72,542</b>	<b>7</b>	<b>-</b>	<b>3,202</b>	<b>13,139</b>	<b>-</b>	<b>33,086</b>	<b>252,148</b>	<b>2,033</b>	<b>2,123</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>LIABILITIES:</b>											
ACCOUNTS PAYABLE	\$ 17,433	2,998	-	-	2,943	6,246	-	2,973	237,291	10,624	-
DUE TO OTHER FUNDS	-	-	7	-	-	19,637	1,610	33,086	57,142	-	2,123
<b>TOTAL LIABILITIES</b>	<b>\$ 17,433</b>	<b>2,998</b>	<b>7</b>	<b>-</b>	<b>2,943</b>	<b>25,883</b>	<b>1,610</b>	<b>36,059</b>	<b>294,433</b>	<b>10,624</b>	<b>2,123</b>
<b>FUND BALANCES:</b>											
RESERVED FOR PREPAID ITEMS	\$ -	-	-	-	-	92	-	-	-	79	-
UNRESERVED	1,009	69,544	-	-	259	(12,836)	(1,610)	(2,973)	(42,285)	(8,670)	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,009</b>	<b>69,544</b>	<b>-</b>	<b>-</b>	<b>259</b>	<b>(12,744)</b>	<b>(1,610)</b>	<b>(2,973)</b>	<b>(42,285)</b>	<b>(8,591)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 18,442</b>	<b>72,542</b>	<b>7</b>	<b>-</b>	<b>3,202</b>	<b>13,139</b>	<b>-</b>	<b>33,086</b>	<b>252,148</b>	<b>2,033</b>	<b>2,123</b>

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - GRANT FUNDS**  
**SEPTEMBER 30, 2010**

	FAMILY TREATMENT COURT	HAMPSHIRE WATER & SEWER III	SHSP & LETPP GRANTS	PORT SECURITY GRANT	SAFE STREETS TASK FORCE	COMMUNITY EMERGENCY RESPONSE GRANT	FIRST TIME SEWER	TXCDBG DISASTER RECOVERY	FBI FIRING RANGE	ORCA DISASTER RECOVERY #1	ORCA DISASTER RECOVERY #2
<b>ASSETS:</b>											
CASH AND CASH EQUIVALENTS	\$ -	2,069	-	-	-	4,710	751	19,727	39,932	454	688
ACCOUNTS RECEIVABLE , Net	-	-	-	-	-	-	-	-	-	-	-
INTEREST RECEIVABLE	-	2	-	-	-	4	-	-	-	-	-
DUE FROM OTHER											
GOVERNMENTAL ENTITIES	10,232	-	47,370	-	10,351	-	-	-	-	-	35,176
PREPAID ITEMS	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 10,232</b>	<b>2,071</b>	<b>47,370</b>	<b>-</b>	<b>10,351</b>	<b>4,714</b>	<b>751</b>	<b>19,727</b>	<b>39,932</b>	<b>454</b>	<b>35,864</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>LIABILITIES:</b>											
ACCOUNTS PAYABLE	\$ 4,582	-	8,974	-	5,319	-	(1)	-	-	-	13,594
DUE TO OTHER FUNDS	4,264	-	49,748	-	10,381	-	-	-	-	-	13,703
<b>TOTAL LIABILITIES</b>	<b>\$ 8,846</b>	<b>-</b>	<b>58,722</b>	<b>-</b>	<b>15,700</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,297</b>
<b>FUND BALANCES:</b>											
RESERVED FOR PREPAID ITEMS	\$ -	-	-	-	-	-	-	-	-	-	-
UNRESERVED	1,386	2,071	(11,352)	-	(5,349)	4,714	752	19,727	39,932	454	8,567
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,386</b>	<b>2,071</b>	<b>(11,352)</b>	<b>-</b>	<b>(5,349)</b>	<b>4,714</b>	<b>752</b>	<b>19,727</b>	<b>39,932</b>	<b>454</b>	<b>8,567</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 10,232</b>	<b>2,071</b>	<b>47,370</b>	<b>-</b>	<b>10,351</b>	<b>4,714</b>	<b>751</b>	<b>19,727</b>	<b>39,932</b>	<b>454</b>	<b>35,864</b>

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JEFFERSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -  
 SPECIAL REVENUE - GRANT FUNDS  
 SEPTEMBER 30, 2010

	FORENSIC SCIENCE IMPROVEMENT GRANT	CHEEK STEP SEWER IMPROVEMENTS	2010 GRANT TOTALS
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS:</b>			
CASH AND CASH EQUIVALENTS	\$ -	2,570	385,804
ACCOUNTS RECEIVABLE, Net	-	-	1,161
INTEREST RECEIVABLE	-	1	237
DUE FROM OTHER GOVERNMENTAL ENTITIES	30,523	-	481,663
PREPAID ITEMS	<u>-</u>	<u>-</u>	<u>171</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>30,523</u></b>	<b><u>2,571</u></b>	<b><u>869,036</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
ACCOUNTS PAYABLE	\$ -	-	429,283
DUE TO OTHER FUNDS	<u>30,416</u>	<u>-</u>	<u>248,584</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>30,416</u></b>	<b><u>-</u></b>	<b><u>677,867</u></b>
 <b>FUND BALANCES:</b>			
RESERVED FOR PREPAID ITEMS	\$ -	-	171
UNRESERVED	<u>107</u>	<u>2,571</u>	<u>190,998</u>
<b>TOTAL FUND BALANCES</b>	<b>\$ <u>107</u></b>	<b><u>2,571</u></b>	<b><u>191,169</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>30,523</u></b>	<b><u>2,571</u></b>	<b><u>869,036</u></b>



**JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -  
 SPECIAL REVENUE - GRANT FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	FAMILY GROUP CONFERENCING PROJECT	BUSH CLINTON RECOVERY	SHERIFF TRAINING GRANT	PORT SECURITY #2	DIABETES PREVENTION GRANT	JAG GRANT	CONSTABLE PCT 8 TOBACCO GRANT	SCAAP GRANT	PORT SECURITY SUPPLEMENT	CRIME VICTIMS CLEARING - 1	REGIONAL COMMUNICATION
<b>REVENUES:</b>											
INTERGOVERNMENTAL	\$ -	-	9,995	-	41,797	165,180	-	56,646	1,257,998	44,910	30,108
INTEREST	-	297	-	-	-	1,026	2	453	-	1	767
SALES, RENTAL & SERVICES	694	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 694</b>	<b>297</b>	<b>9,995</b>	<b>-</b>	<b>41,797</b>	<b>166,206</b>	<b>2</b>	<b>57,099</b>	<b>1,257,998</b>	<b>44,911</b>	<b>30,875</b>
<b>EXPENDITURES:</b>											
JUDICIAL AND LAW ENFORCEMENT	\$ 1,487	-	9,995	-	-	174,984	-	41,287	924,782	233,832	131,327
EDUCATION AND RECREATION	-	-	-	-	-	-	-	-	-	-	-
HEALTH & WELFARE	-	212,532	-	-	53,223	-	-	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,487</b>	<b>212,532</b>	<b>9,995</b>	<b>-</b>	<b>53,223</b>	<b>174,984</b>	<b>-</b>	<b>41,287</b>	<b>924,782</b>	<b>233,832</b>	<b>131,327</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (793)</b>	<b>(212,235)</b>	<b>-</b>	<b>-</b>	<b>(11,426)</b>	<b>(8,778)</b>	<b>2</b>	<b>15,812</b>	<b>333,216</b>	<b>(188,921)</b>	<b>(100,452)</b>
<b>OTHER FINANCING SOURCES (USES):</b>											
TRANSFERS IN	\$ -	-	-	-	-	-	-	-	-	188,921	-
TRANSFERS OUT	-	-	-	(3)	-	-	(313)	-	(333,180)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>(313)</b>	<b>-</b>	<b>(333,180)</b>	<b>188,921</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (793)</b>	<b>(212,235)</b>	<b>-</b>	<b>(3)</b>	<b>(11,426)</b>	<b>(8,778)</b>	<b>(311)</b>	<b>15,812</b>	<b>36</b>	<b>-</b>	<b>(100,452)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>39,985</b>	<b>283,762</b>	<b>-</b>	<b>3</b>	<b>26</b>	<b>16,513</b>	<b>311</b>	<b>13,411</b>	<b>(92)</b>	<b>235</b>	<b>88,976</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 39,192</b>	<b>71,527</b>	<b>-</b>	<b>-</b>	<b>(11,400)</b>	<b>7,735</b>	<b>-</b>	<b>29,223</b>	<b>(56)</b>	<b>235</b>	<b>(11,476)</b>

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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, 2010**

	CRIME VICTIMS CLEARING - 2	EMPG GRANT	DISASTER RELIEF GRANT	ORCA TEXAS PUBLIC SHELTER IMP	LOAN STAR LIBRARIES GRANT	AUTO THEFT GRANT	BUFFER ZONE PROTECTION	DRUG INTERVENTION GRANT	ORCA IKE	VIOLENCE AGAINST WOMEN - 1	VIOLENCE AGAINST WOMEN - 2
<b>REVENUES:</b>											
INTERGOVERNMENTAL	\$ 5,108	66,452	142,714	-	4,679	76,351	463,700	51,715	733,470	-	80,000
INTEREST	5	389	5,232	-	26	-	-	-	-	-	-
SALES, RENTAL & SERVICES	-	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 5,113</b>	<b>66,841</b>	<b>147,946</b>	<b>-</b>	<b>4,705</b>	<b>76,351</b>	<b>463,700</b>	<b>51,715</b>	<b>733,470</b>	<b>-</b>	<b>80,000</b>
<b>EXPENDITURES:</b>											
JUDICIAL AND LAW ENFORCEMENT	\$ 20,358	-	-	-	-	98,056	115,691	54,350	-	12,305	141,606
EDUCATION AND RECREATION	-	-	-	-	4,679	-	-	-	-	-	-
HEALTH & WELFARE	-	40,978	165,519	-	-	-	-	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	775,523	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 20,358</b>	<b>40,978</b>	<b>165,519</b>	<b>-</b>	<b>4,679</b>	<b>98,056</b>	<b>115,691</b>	<b>54,350</b>	<b>775,523</b>	<b>12,305</b>	<b>141,606</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (15,245)</b>	<b>25,863</b>	<b>(17,573)</b>	<b>-</b>	<b>26</b>	<b>(21,705)</b>	<b>348,009</b>	<b>(2,635)</b>	<b>(42,053)</b>	<b>(12,305)</b>	<b>(61,606)</b>
<b>OTHER FINANCING SOURCES (USES):</b>											
TRANSFERS IN	\$ 15,245	-	-	-	-	18,360	-	-	-	3,714	70,309
TRANSFERS OUT	-	(423)	(800,000)	(78)	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 15,245</b>	<b>(423)</b>	<b>(800,000)</b>	<b>(78)</b>	<b>-</b>	<b>18,360</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,714</b>	<b>70,309</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>25,440</b>	<b>(817,573)</b>	<b>(78)</b>	<b>26</b>	<b>(3,345)</b>	<b>348,009</b>	<b>(2,635)</b>	<b>(42,053)</b>	<b>(8,591)</b>	<b>8,703</b>
<b>FUND BALANCES, BEGINNING</b>	<b>1,009</b>	<b>44,104</b>	<b>817,573</b>	<b>78</b>	<b>233</b>	<b>(9,399)</b>	<b>(349,619)</b>	<b>(338)</b>	<b>(232)</b>	<b>-</b>	<b>(8,703)</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 1,009</b>	<b>69,544</b>	<b>-</b>	<b>-</b>	<b>259</b>	<b>(12,744)</b>	<b>(1,610)</b>	<b>(2,973)</b>	<b>(42,285)</b>	<b>(8,591)</b>	<b>-</b>

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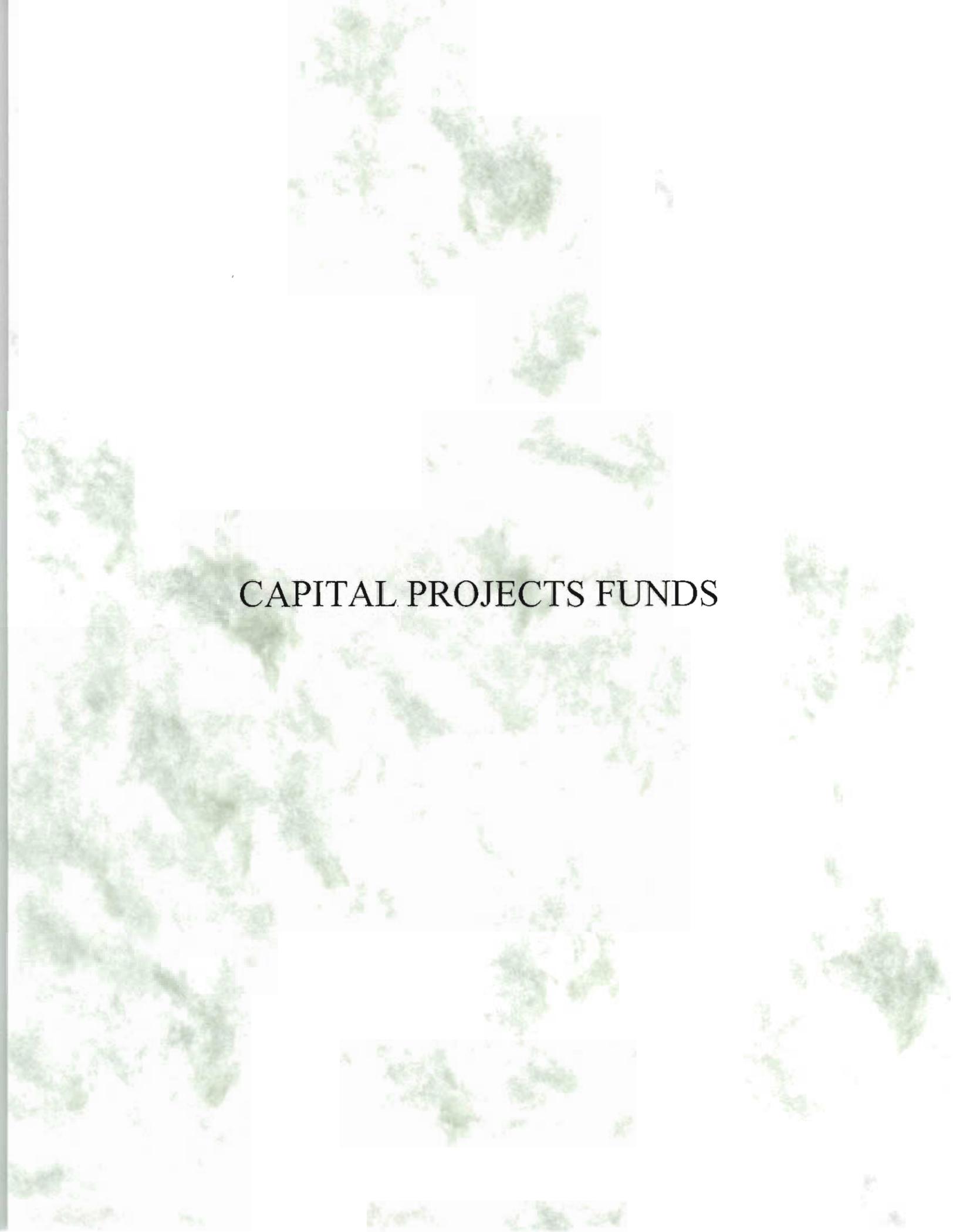
**JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -  
 SPECIAL REVENUE - GRANT FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	FAMILY TREATMENT COURT	HAMPSHIRE WATER & SEWER III	SHSP & LETPP GRANTS	PORT SECURITY GRANT	SAFE STREETS TASK FORCE	COMMUNITY EMERGENCY RESPONSE GRANT	FIRST TIME SEWER	TXCDBG DISASTER RECOVERY	FBI FIRING RANGE	ORCA DISASTER RECOVERY #1	ORCA DISASTER RECOVERY #2
<b>REVENUES:</b>											
INTERGOVERNMENTAL	\$ 29,554	145,257	269,556	-	76,599	-	98,367	-	-	-	887,528
INTEREST	-	69	-	-	-	37	11	40	-	165	689
SALES, RENTAL & SERVICES	-	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS AND DONATIONS	3,126	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 32,680</b>	<b>145,326</b>	<b>269,556</b>	<b>-</b>	<b>76,599</b>	<b>37</b>	<b>98,378</b>	<b>40</b>	<b>-</b>	<b>165</b>	<b>888,217</b>
<b>EXPENDITURES:</b>											
JUDICIAL AND LAW ENFORCEMENT	\$ 30,813	-	-	-	81,948	-	-	-	-	-	-
EDUCATION AND RECREATION	-	-	-	-	-	-	-	-	-	-	-
HEALTH & WELFARE	-	-	201,396	-	-	-	-	650	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-	-	-	-	-	-	505,466
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 30,813</b>	<b>-</b>	<b>201,396</b>	<b>-</b>	<b>81,948</b>	<b>-</b>	<b>-</b>	<b>650</b>	<b>-</b>	<b>-</b>	<b>505,466</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 1,867</b>	<b>145,326</b>	<b>68,160</b>	<b>-</b>	<b>(5,349)</b>	<b>37</b>	<b>98,378</b>	<b>(610)</b>	<b>-</b>	<b>165</b>	<b>382,751</b>
<b>OTHER FINANCING SOURCES (USES):</b>											
TRANSFERS IN	\$ -	-	423	-	-	-	-	-	-	-	-
TRANSFERS OUT	-	-	-	(24)	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>423</b>	<b>(24)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 1,867</b>	<b>145,326</b>	<b>68,583</b>	<b>(24)</b>	<b>(5,349)</b>	<b>37</b>	<b>98,378</b>	<b>(610)</b>	<b>-</b>	<b>165</b>	<b>382,751</b>
<b>FUND BALANCES, BEGINNING</b>	<b>(481)</b>	<b>(143,255)</b>	<b>(79,935)</b>	<b>24</b>	<b>-</b>	<b>4,677</b>	<b>(97,626)</b>	<b>20,337</b>	<b>39,932</b>	<b>289</b>	<b>(374,184)</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 1,386</b>	<b>2,071</b>	<b>(11,352)</b>	<b>-</b>	<b>(5,349)</b>	<b>4,714</b>	<b>752</b>	<b>19,727</b>	<b>39,932</b>	<b>454</b>	<b>8,567</b>

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JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -  
 SPECIAL REVENUE - GRANT FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	FORENSIC SCIENCE IMPROVEMENT GRANT	CHEEK STEP SEWER IMPROVEMENTS	2010 GRANT TOTALS
<b>REVENUES:</b>			
INTERGOVERNMENTAL	\$ 30,523	-	4,768,207
INTEREST	-	9	9,218
SALES, RENTAL & SERVICES	-	-	694
CONTRIBUTIONS AND DONATIONS	-	-	3,126
<b>TOTAL REVENUES</b>	<b>\$ 30,523</b>	<b>9</b>	<b>4,781,245</b>
<b>EXPENDITURES:</b>			
JUDICIAL AND LAW ENFORCEMENT	\$ 30,523	-	2,103,344
EDUCATION AND RECREATION	-	-	4,679
HEALTH & WELFARE	-	-	674,298
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	1,280,989
CAPITAL OUTLAY	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 30,523</b>	<b>-</b>	<b>4,063,310</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>9</b>	<b>717,935</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
TRANSFERS IN	\$ -	-	296,972
TRANSFERS OUT	-	-	(1,134,021)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>(837,049)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>9</b>	<b>(119,114)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>107</b>	<b>2,562</b>	<b>310,283</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 107</b>	<b>2,571</b>	<b>191,169</b>



# CAPITAL PROJECTS FUNDS

## CAPITAL PROJECTS FUNDS

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

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

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

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

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

**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.

JEFFERSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS  
 SEPTEMBER 30, 2010

	HIGHWAY IMPROVEMENT FUND	PLEASURE ISLAND SHORELINE PROJECT	1957 ROAD BOND FUND
<b>ASSETS:</b>			
INVESTMENTS	\$ 327,019	104,591	417,256
INTEREST RECEIVABLE	<u>278</u>	<u>89</u>	<u>355</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>327,297</u></b>	<b><u>104,680</u></b>	<b><u>417,611</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
TOTAL LIABILITIES	\$ <u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>			
RESERVED FOR CAPITAL PROJECTS	\$ <u>327,297</u>	<u>104,680</u>	<u>417,611</u>
<b>TOTAL FUND BALANCES</b>	<b>\$ <u>327,297</u></b>	<b><u>104,680</u></b>	<b><u>417,611</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>327,297</u></b>	<b><u>104,680</u></b>	<b><u>417,611</u></b>

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**JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS  
SEPTEMBER 30, 2010**

	TCEQ - FIRST TIME SEWER	SOUTHEAST TEXAS ENTERTAINMENT COMPLEX	2002B CERTIFICATE OF OBLIGATION PROJECT	KEITH LAKE FISH PASS	ALTERNATIVE FUEL VEHICLE PROJECT	TOTAL
<b>ASSETS:</b>						
INVESTMENTS	\$ 17,208	-	20,518	179,898	282,108	1,348,598
INTEREST RECEIVABLE	-	-	17	153	240	1,132
<b>TOTAL ASSETS</b>	<u>\$ 17,208</u>	<u>-</u>	<u>20,535</u>	<u>180,051</u>	<u>282,348</u>	<u>1,349,730</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>						
RESERVED FOR CAPITAL PROJECTS	\$ 17,208	-	20,535	180,051	282,348	1,349,730
<b>TOTAL FUND BALANCES</b>	<u>\$ 17,208</u>	<u>-</u>	<u>20,535</u>	<u>180,051</u>	<u>282,348</u>	<u>1,349,730</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 17,208</u>	<u>-</u>	<u>20,535</u>	<u>180,051</u>	<u>282,348</u>	<u>1,349,730</u>



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, 2010

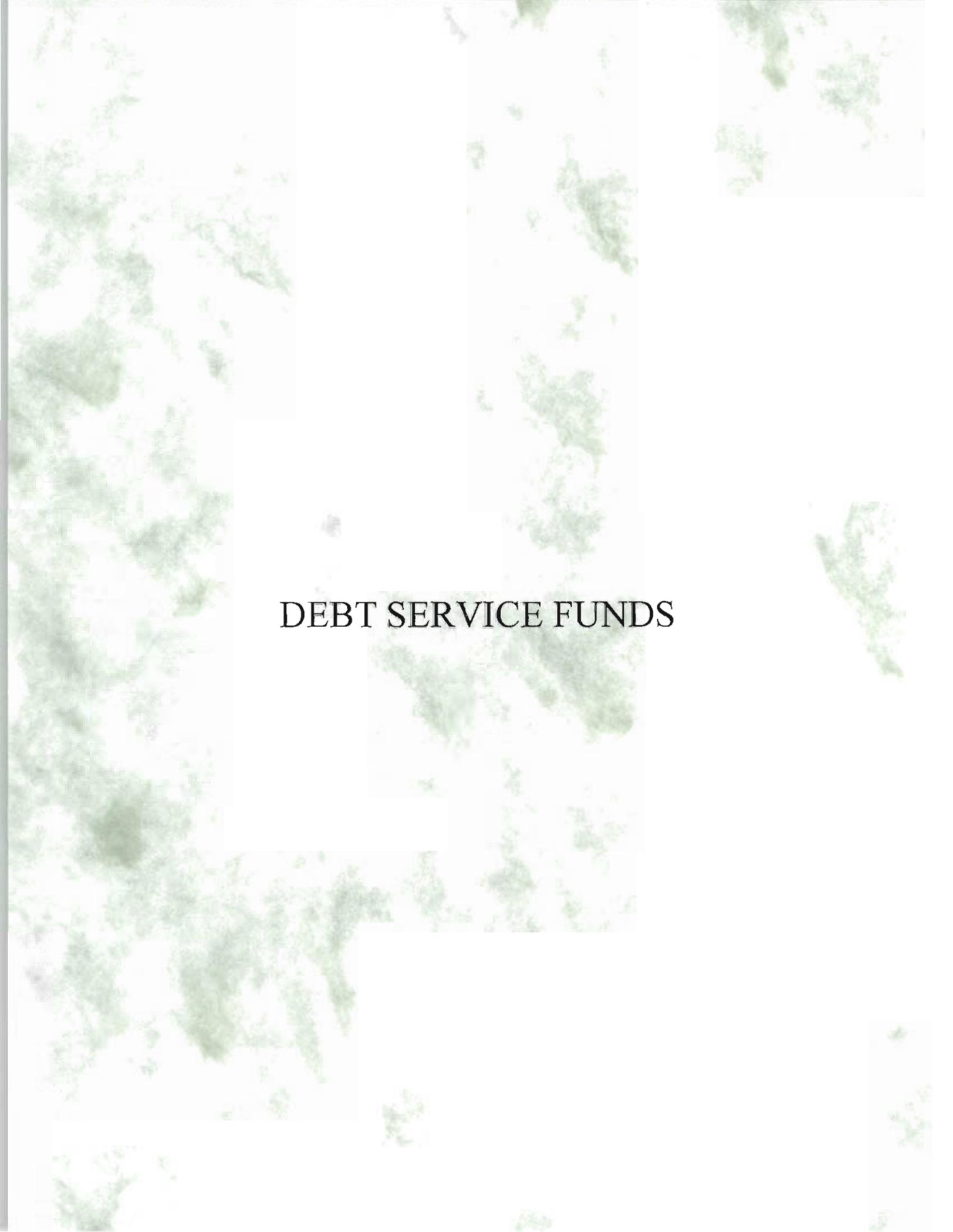
	HIGHWAY IMPROVEMENT FUND	PLEASURE ISLAND SHORELINE PROJECT	1957 ROAD BOND FUND
<b>REVENUES:</b>			
INTERGOVERNMENTAL	\$ -	75,000	150,000
SALES, RENTAL & SERVICES	-	-	-
INTEREST	2,689	535	2,586
	<u>2,689</u>	<u>75,535</u>	<u>152,586</u>
<b>TOTAL REVENUES</b>	<b>\$ 2,689</b>	<b>75,535</b>	<b>152,586</b>
<b>EXPENDITURES:</b>			
CAPITAL OUTLAY	\$ 24,364	-	-
	<u>24,364</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 24,364</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (21,675)</b>	<b>75,535</b>	<b>152,586</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
TRANSFERS IN	\$ -	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (21,675)</b>	<b>75,535</b>	<b>152,586</b>
<b>FUND BALANCES, BEGINNING</b>	<b>348,972</b>	<b>29,145</b>	<b>265,025</b>
	<u>348,972</u>	<u>29,145</u>	<u>265,025</u>
<b>FUND BALANCES, ENDING</b>	<b>\$ 327,297</b>	<b>104,680</b>	<b>417,611</b>
	<u>327,297</u>	<u>104,680</u>	<u>417,611</u>

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**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, 2010**

	TCEQ - FIRST TIME SEWER	SOUTHEAST TEXAS ENTERTAINMENT COMPLEX	2002B CERTIFICATE OF OBLIGATION PROJECT	KEITH LAKE FISH PASS	ALTERNATIVE FUEL VEHICLE PROJECT	TOTAL
<b>REVENUES:</b>						
INTERGOVERNMENTAL	\$ -	-	8,500	-	-	233,500
SALES, RENTAL & SERVICES	17,208	-	-	-	5,671	22,879
INTEREST	-	20	121	1,401	2,197	9,549
<b>TOTAL REVENUES</b>	<b>\$ 17,208</b>	<b>20</b>	<b>8,621</b>	<b>1,401</b>	<b>7,868</b>	<b>265,928</b>
<b>EXPENDITURES:</b>						
CAPITAL OUTLAY	\$ -	546,718	9,118	-	-	580,200
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>546,718</b>	<b>9,118</b>	<b>-</b>	<b>-</b>	<b>580,200</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 17,208</b>	<b>(546,698)</b>	<b>(497)</b>	<b>1,401</b>	<b>7,868</b>	<b>(314,272)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
TRANSFERS IN	\$ -	539,314	-	-	-	539,314
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>539,314</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>539,314</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 17,208</b>	<b>(7,384)</b>	<b>(497)</b>	<b>1,401</b>	<b>7,868</b>	<b>225,042</b>
<b>FUND BALANCES, BEGINNING</b>	<b>-</b>	<b>7,384</b>	<b>21,032</b>	<b>178,650</b>	<b>274,480</b>	<b>1,124,688</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 17,208</b>	<b>-</b>	<b>20,535</b>	<b>180,051</b>	<b>282,348</b>	<b>1,349,730</b>





# DEBT SERVICE FUNDS

## DEBT SERVICE FUNDS

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

**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 BALANCE SHEET  
NON MAJOR GOVERNMENTAL FUNDS - DEBT SERVICE  
SEPTEMBER 30, 2010**

	<b>2000 CERTIFICATES OF OBLIGATION</b>	<b>2002A REFUNDING BOND</b>	<b>2002B CERTIFICATES OF OBLIGATION</b>	<b>2003A REFUNDING BOND</b>	<b>2003B CERTIFICATES OF OBLIGATION</b>	<b>2005 TAX ANTICIPATION NOTES</b>	<b>TOTAL</b>
<b>ASSETS:</b>							
CASH AND CASH EQUIVALENTS	\$ -	283,323	105,717	-	4,974	119,441	513,455
INTEREST RECEIVABLE	-	237	88	-	4	98	427
ACCOUNTS RECEIVABLE, Net	-	-	-	-	-	55	55
DELINQUENT TAXES RECEIVABLE, Net	-	92,357	20,554	-	1,409	9,505	123,825
PENALTY AND INTEREST RECEIVABLE, Net	-	42,136	9,377	-	643	4,336	56,492
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>418,053</b>	<b>135,736</b>	<b>-</b>	<b>7,030</b>	<b>133,435</b>	<b>694,254</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES:</b>							
DEFERRED REVENUES:							
DELINQUENT TAXES	\$ -	89,732	19,970	-	1,369	9,235	120,306
PENALTY AND INTEREST	-	42,136	9,377	-	643	4,336	56,492
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>131,868</b>	<b>29,347</b>	<b>-</b>	<b>2,012</b>	<b>13,571</b>	<b>176,798</b>
<b>FUND BALANCES:</b>							
RESERVED FOR DEBT SERVICE	\$ -	209,583	73,750	-	2,083	45,417	330,833
UNRESERVED	-	76,602	32,639	-	2,935	74,447	186,623
<b>TOTAL FUND BALANCES</b>	<b>\$ -</b>	<b>286,185</b>	<b>106,389</b>	<b>-</b>	<b>5,018</b>	<b>119,864</b>	<b>517,456</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>418,053</b>	<b>135,736</b>	<b>-</b>	<b>7,030</b>	<b>133,435</b>	<b>694,254</b>

**JEFFERSON COUNTY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	<b>2000 CERTIFICATES OF OBLIGATION</b>	<b>2002A REFUNDING BOND</b>	<b>2002B CERTIFICATES OF OBLIGATION</b>	<b>2003A REFUNDING BOND</b>	<b>2003B CERTIFICATES OF OBLIGATION</b>	<b>2005 TAX ANTICIPATION NOTES</b>	<b>TOTAL</b>
<b>REVENUES:</b>							
PROPERTY TAXES	\$ 404,016	3,093,823	1,285,309	1,838,880	84,437	539,891	7,246,356
INTEREST	1,320	6,500	3,512	2,573	178	2,131	16,214
<b>TOTAL REVENUES</b>	<b>\$ 405,336</b>	<b>3,100,323</b>	<b>1,288,821</b>	<b>1,841,453</b>	<b>84,615</b>	<b>542,022</b>	<b>7,262,570</b>
<b>EXPENDITURES:</b>							
DEBT SERVICE:							
PRINCIPAL	\$ 400,000	180,000	850,000	1,780,000	25,000	525,000	3,760,000
INTEREST AND COMMISSION	23,515	2,984,105	372,200	61,722	58,474	38,125	3,538,141
<b>TOTAL EXPENDITURES</b>	<b>\$ 423,515</b>	<b>3,164,105</b>	<b>1,222,200</b>	<b>1,841,722</b>	<b>83,474</b>	<b>563,125</b>	<b>7,298,141</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (18,179)</b>	<b>(63,782)</b>	<b>66,621</b>	<b>(269)</b>	<b>1,141</b>	<b>(21,103)</b>	<b>(35,571)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
TRANSFERS IN	\$ -	-	-	-	-	57,290	57,290
TRANSFERS OUT	(11,364)	-	-	(45,926)	-	-	(57,290)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (11,364)</b>	<b>-</b>	<b>-</b>	<b>(45,926)</b>	<b>-</b>	<b>57,290</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (29,543)</b>	<b>(63,782)</b>	<b>66,621</b>	<b>(46,195)</b>	<b>1,141</b>	<b>36,187</b>	<b>(35,571)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>29,543</b>	<b>349,967</b>	<b>39,768</b>	<b>46,195</b>	<b>3,877</b>	<b>83,677</b>	<b>553,027</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ -</b>	<b>286,185</b>	<b>106,389</b>	<b>-</b>	<b>5,018</b>	<b>119,864</b>	<b>517,456</b>

JEFFERSON COUNTY, TEXAS  
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)  
 DEBT SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 7,150,118	7,150,118	7,246,356	96,238
INTEREST	<u>20,694</u>	<u>20,694</u>	<u>16,214</u>	<u>(4,480)</u>
TOTAL REVENUES	\$ <u>7,170,812</u>	<u>7,170,812</u>	<u>7,262,570</u>	<u>91,758</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 3,760,000	3,760,000	3,760,000	-
INTEREST AND COMMISSION	<u>3,548,438</u>	<u>3,548,438</u>	<u>3,538,141</u>	<u>10,297</u>
TOTAL EXPENDITURES	\$ <u>7,308,438</u>	<u>7,308,438</u>	<u>7,298,141</u>	<u>10,297</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>(137,626)</u>	<u>(137,626)</u>	<u>(35,571)</u>	<u>102,055</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	\$ -	-	57,290	57,290
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>(57,290)</u>	<u>(57,290)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ (137,626)	(137,626)	(35,571)	102,055
FUND BALANCES, BEGINNING	<u>553,027</u>	<u>553,027</u>	<u>553,027</u>	<u>-</u>
FUND BALANCES, ENDING	\$ <u><u>415,401</u></u>	<u><u>415,401</u></u>	<u><u>517,456</u></u>	<u><u>102,055</u></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, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>WITH FINAL</u>
				<u>BUDGET</u>
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 398,551	398,551	404,016	5,465
INTEREST	<u>1,400</u>	<u>1,400</u>	<u>1,320</u>	<u>(80)</u>
TOTAL REVENUES	\$ <u>399,951</u>	<u>399,951</u>	<u>405,336</u>	<u>5,385</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 400,000	400,000	400,000	-
INTEREST AND COMMISSION	<u>23,700</u>	<u>23,700</u>	<u>23,515</u>	<u>185</u>
TOTAL EXPENDITURES	\$ <u>423,700</u>	<u>423,700</u>	<u>423,515</u>	<u>185</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>(23,749)</u>	<u>(23,749)</u>	<u>(18,179)</u>	<u>5,570</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS OUT	\$ <u>-</u>	<u>-</u>	<u>(11,364)</u>	<u>(11,364)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>-</u>	<u>-</u>	<u>(11,364)</u>	<u>(11,364)</u>
NET CHANGE IN FUND BALANCE	\$ (23,749)	(23,749)	(29,543)	(5,794)
FUND BALANCES, BEGINNING	<u>29,543</u>	<u>29,543</u>	<u>29,543</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 5,794</u>	<u>5,794</u>	<u>-</u>	<u>(5,794)</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, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 3,052,105	3,052,105	3,093,823	41,718
INTEREST	<u>7,165</u>	<u>7,165</u>	<u>6,500</u>	<u>(665)</u>
TOTAL REVENUES	\$ <u>3,059,270</u>	<u>3,059,270</u>	<u>3,100,323</u>	<u>41,053</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 180,000	180,000	180,000	-
INTEREST AND COMMISSION	<u>2,984,439</u>	<u>2,984,439</u>	<u>2,984,105</u>	<u>334</u>
TOTAL EXPENDITURES	\$ <u>3,164,439</u>	<u>3,164,439</u>	<u>3,164,105</u>	<u>334</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>(105,169)</u>	<u>(105,169)</u>	<u>(63,782)</u>	<u>41,387</u>
NET CHANGE IN FUND BALANCE	\$ (105,169)	(105,169)	(63,782)	41,387
FUND BALANCES, BEGINNING	<u>349,967</u>	<u>349,967</u>	<u>349,967</u>	<u>-</u>
FUND BALANCES, ENDING	\$ <u><u>244,798</u></u>	<u><u>244,798</u></u>	<u><u>286,185</u></u>	<u><u>41,387</u></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, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 1,268,468	1,268,468	1,285,309	16,841
INTEREST	<u>3,650</u>	<u>3,650</u>	<u>3,512</u>	<u>(138)</u>
TOTAL REVENUES	\$ <u>1,272,118</u>	<u>1,272,118</u>	<u>1,288,821</u>	<u>16,703</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 850,000	850,000	850,000	-
INTEREST AND COMMISSION	<u>374,075</u>	<u>374,075</u>	<u>372,200</u>	<u>1,875</u>
TOTAL EXPENDITURES	\$ <u>1,224,075</u>	<u>1,224,075</u>	<u>1,222,200</u>	<u>1,875</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>48,043</u>	<u>48,043</u>	<u>66,621</u>	<u>18,578</u>
NET CHANGE IN FUND BALANCE	\$ 48,043	48,043	66,621	18,578
FUND BALANCES, BEGINNING	<u>39,768</u>	<u>39,768</u>	<u>39,768</u>	<u>-</u>
FUND BALANCES, ENDING	\$ <u><u>87,811</u></u>	<u><u>87,811</u></u>	<u><u>106,389</u></u>	<u><u>18,578</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, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 1,815,087	1,815,087	1,838,880	23,793
INTEREST	6,104	6,104	2,573	(3,531)
TOTAL REVENUES	\$ 1,821,191	1,821,191	1,841,453	20,262
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 1,780,000	1,780,000	1,780,000	-
INTEREST AND COMMISSION	65,400	65,400	61,722	3,678
TOTAL EXPENDITURES	\$ 1,845,400	1,845,400	1,841,722	3,678
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (24,209)	(24,209)	(269)	23,940
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS OUT	\$ -	-	(45,926)	(45,926)
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	-	(45,926)	(45,926)
NET CHANGE IN FUND BALANCE	\$ (24,209)	(24,209)	(46,195)	(21,986)
FUND BALANCES, BEGINNING	46,195	46,195	46,195	-
FUND BALANCES, ENDING	\$ 21,986	21,986	-	(21,986)

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, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 83,460	83,460	84,437	977
INTEREST	452	452	178	(274)
TOTAL REVENUES	<u>\$ 83,912</u>	<u>83,912</u>	<u>84,615</u>	<u>703</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 25,000	25,000	25,000	-
INTEREST AND COMMISSION	60,274	60,274	58,474	1,800
TOTAL EXPENDITURES	<u>\$ 85,274</u>	<u>85,274</u>	<u>83,474</u>	<u>1,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (1,362)</u>	<u>(1,362)</u>	<u>1,141</u>	<u>2,503</u>
NET CHANGE IN FUND BALANCE	\$ (1,362)	(1,362)	1,141	2,503
FUND BALANCES, BEGINNING	<u>3,877</u>	<u>3,877</u>	<u>3,877</u>	<u>-</u>
FUND BALANCES, ENDING	<u><u>\$ 2,515</u></u>	<u><u>2,515</u></u>	<u><u>5,018</u></u>	<u><u>2,503</u></u>

JEFFERSON COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)  
DEBT SERVICE - 2005 TAX ANTICIPATION NOTES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 532,447	532,447	539,891	7,444
INTEREST	<u>1,923</u>	<u>1,923</u>	<u>2,131</u>	<u>208</u>
TOTAL REVENUES	<u>\$ 534,370</u>	<u>534,370</u>	<u>542,022</u>	<u>7,652</u>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 525,000	525,000	525,000	-
INTEREST AND COMMISSION	<u>40,550</u>	<u>40,550</u>	<u>38,125</u>	<u>2,425</u>
TOTAL EXPENDITURES	<u>\$ 565,550</u>	<u>565,550</u>	<u>563,125</u>	<u>2,425</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (31,180)</u>	<u>(31,180)</u>	<u>(21,103)</u>	<u>10,077</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	<u>\$ -</u>	<u>-</u>	<u>57,290</u>	<u>57,290</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>-</u>	<u>57,290</u>	<u>57,290</u>
NET CHANGE IN FUND BALANCE	<u>\$ (31,180)</u>	<u>(31,180)</u>	<u>36,187</u>	<u>67,367</u>
FUND BALANCES, BEGINNING	<u>83,677</u>	<u>83,677</u>	<u>83,677</u>	<u>-</u>
FUND BALANCES, ENDING	<u><u>\$ 52,497</u></u>	<u><u>52,497</u></u>	<u><u>119,864</u></u>	<u><u>67,367</u></u>

# INTERNAL SERVICE FUNDS

## INTERNAL SERVICE FUNDS

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

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

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

**Southeast Texas Government Employee 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, 2010**

	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFITS POOL FUND	TOTAL
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 884,557	388,735	203,343	1,476,635
ACCOUNTS RECEIVABLE	-	-	28,420	28,420
INTEREST RECEIVABLE	752	331	-	1,083
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	117,551	117,551
INSURANCE DEPOSIT	-	53,000	-	53,000
<b>TOTAL ASSETS</b>	<b>\$ 885,309</b>	<b>442,066</b>	<b>349,314</b>	<b>1,676,689</b>
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ -	-	27,122	27,122
CLAIMS LIABILITY	363,461	498,450	835,226	1,697,137
<b>TOTAL LIABILITIES</b>	<b>\$ 363,461</b>	<b>498,450</b>	<b>862,348</b>	<b>1,724,259</b>
<b>NET ASSETS:</b>				
UNRESTRICTED	\$ 521,848	(56,384)	(513,034)	(47,570)
<b>TOTAL NET ASSETS</b>	<b>\$ 521,848</b>	<b>(56,384)</b>	<b>(513,034)</b>	<b>(47,570)</b>

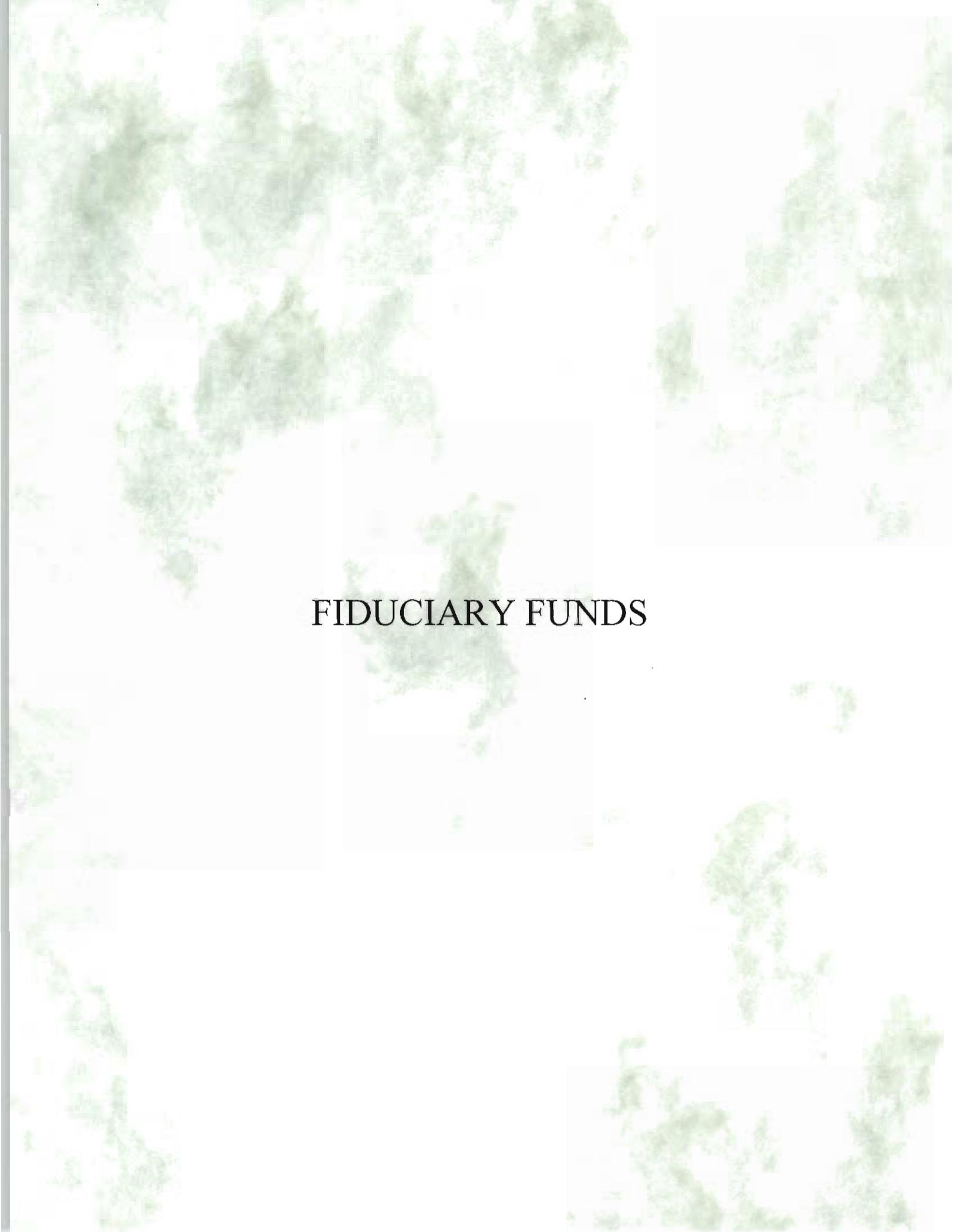
JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET ASSETS -  
 INTERNAL SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFITS POOL FUND	TOTAL
<b>OPERATING REVENUES:</b>				
EMPLOYEE CONTRIBUTIONS	\$ -	-	1,928,432	1,928,432
CHARGES FOR SERVICES	400,000	500,000	12,384,380	13,284,380
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 400,000</b>	<b>500,000</b>	<b>14,312,812</b>	<b>15,212,812</b>
<b>OPERATING EXPENSES:</b>				
ADMINISTRATIVE	\$ -	-	1,249,018	1,249,018
INCURRED & ESTIMATED CLAIMS	319,454	927,659	13,001,308	14,248,421
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 319,454</b>	<b>927,659</b>	<b>14,250,326</b>	<b>15,497,439</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 80,546</b>	<b>(427,659)</b>	<b>62,486</b>	<b>(284,627)</b>
<b>NONOPERATING REVENUES:</b>				
INTEREST	\$ 6,049	2,791	30	8,870
REFUNDS AND RECOVERIES	-	-	432,771	432,771
<b>TOTAL NONOPERATING REVENUES</b>	<b>\$ 6,049</b>	<b>2,791</b>	<b>432,801</b>	<b>441,641</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 86,595</b>	<b>(424,868)</b>	<b>495,287</b>	<b>157,014</b>
<b>NET ASSETS, BEGINNING</b>	<b>435,253</b>	<b>368,484</b>	<b>(1,008,321)</b>	<b>(204,584)</b>
<b>NET ASSETS (DEFICIT), ENDING</b>	<b>\$ 521,848</b>	<b>(56,384)</b>	<b>(513,034)</b>	<b>(47,570)</b>

**JEFFERSON COUNTY, TEXAS  
COMBINING STATEMENT OF CASH FLOWS -  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	SOUTHEAST TEXAS GOVERNMENT EMPLOYEE BENEFITS POOL FUND	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
RECEIPTS FROM CUSTOMERS AND USERS	\$ -	-	1,484,029	1,484,029
RECEIPTS FROM EMPLOYEES	-	-	1,866,381	1,866,381
PAYMENTS TO SUPPLIERS	-	-	(1,229,544)	(1,229,544)
INTERNAL ACTIVITY-RECEIPTS(PAYMENTS) FROM (TO) OTHER FUNDS	400,000	500,000	10,553,385	11,453,385
CLAIMS PAID	(305,993)	(675,482)	(13,861,562)	(14,843,037)
OTHER RECEIPTS	-	-	1,390,620	1,390,620
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 94,007</b>	<b>(175,482)</b>	<b>203,309</b>	<b>121,834</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES:</b>				
INTEREST	\$ 5,513	2,614	34	8,161
<b>NET CASH PROVIDED BY INVESTMENT ACTIVITIES</b>	<b>\$ 5,513</b>	<b>2,614</b>	<b>34</b>	<b>8,161</b>
<b>NET INCREASE (DECREASE) IN CASH CASH AND CASH EQUIVALENTS - BEGINNING</b>	<b>\$ 99,520 785,037</b>	<b>(172,868) 561,603</b>	<b>203,343 -</b>	<b>129,995 1,346,640</b>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>\$ 884,557</b>	<b>388,735</b>	<b>203,343</b>	<b>1,476,635</b>
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES:</b>				
OPERATING INCOME(LOSS)	\$ 80,546	(427,659)	62,486	(284,627)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
OTHER NON-OPERATING REVENUES	-	-	432,771	432,771
CHANGES IN ASSETS AND LIABILITIES:				
ACCOUNTS RECEIVABLE	-	-	961,938	961,938
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	109,721	109,721
ACCOUNTS PAYABLE	-	-	19,474	19,474
DEFERRED REVENUE	-	-	(372,493)	(372,493)
DUE TO OTHER FUNDS	-	-	(150,334)	(150,334)
CLAIMS LIABILITY	13,461	252,177	(860,254)	(594,616)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 94,007</b>	<b>(175,482)</b>	<b>203,309</b>	<b>121,834</b>





# FIDUCIARY FUNDS

## FIDUCIARY FUNDS

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

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

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

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

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

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

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

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

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

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

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

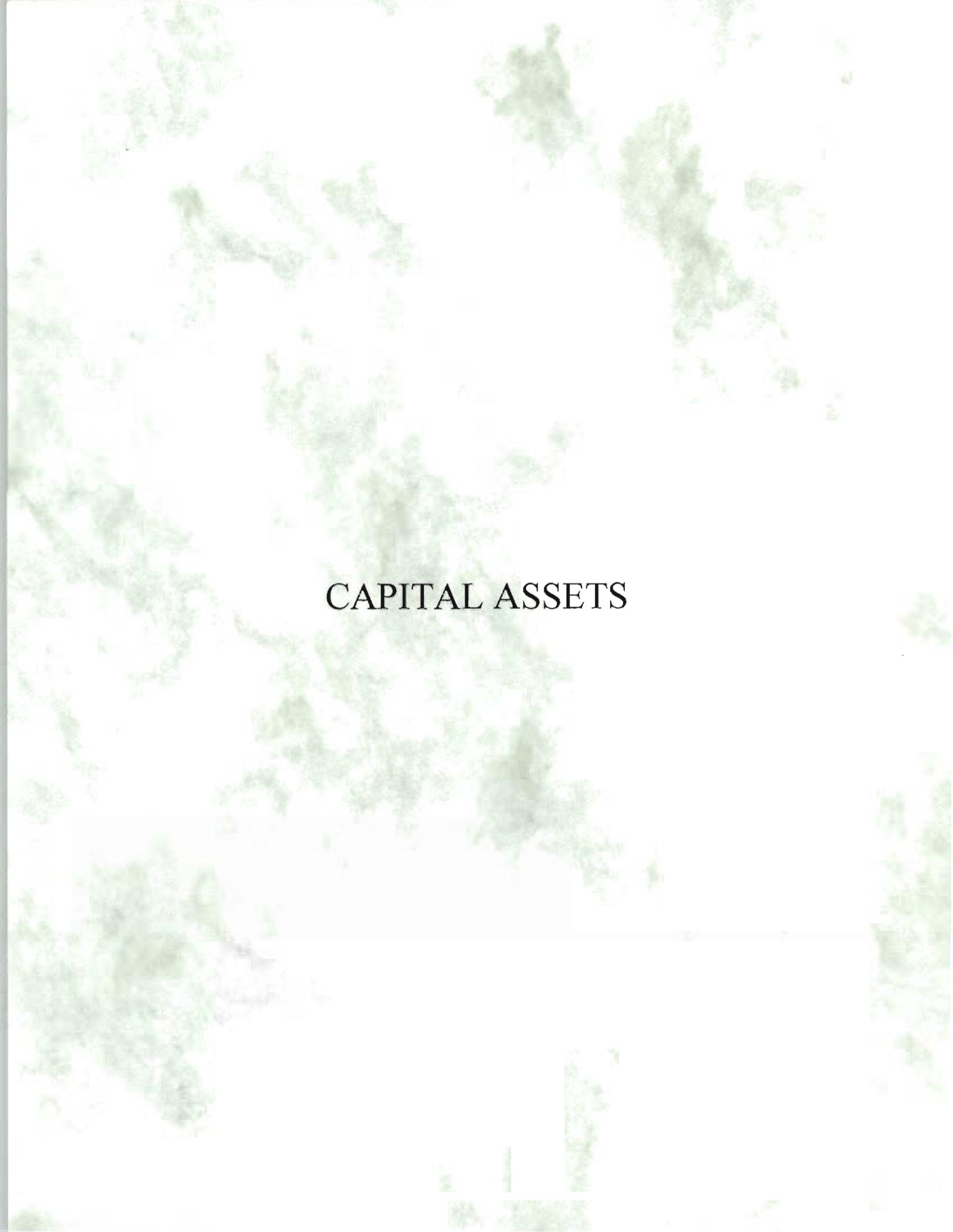
**Women's Center Trust Fund** - This fund is used to account for the collection and distribution of money held in trust by the Women's Center .



**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	TREASURER MAINTAINED FUND	COUNTY CLERK FUND	DISTRICT CLERK FUND	SHERIFF'S FUND	JUSTICE OF THE PEACE FUND	TAX ASSESSOR COLLECTOR FUND	DISTRICT ATTORNEY'S SEIZURE FUND	COMMUNITY SUPERVISION TRUST FUND	JUVENILE PROBATION TRUST FUND	FLEXIBLE SPENDING FUND	WOMEN'S CENTER TRUST FUND	TOTAL AGENCY FUNDS
<b>TOTAL AGENCY FUNDS</b>												
<b>ASSETS - OCTOBER 1, 2009</b>												
CASH AND CASH EQUIVALENTS	\$ 415,197	3,146,878	8,495,983	573,240	192,513	2,955,430	472,681	442,375	316	27,964	13,672	16,736,249
ACCOUNTS RECEIVABLE, Net	6,390	-	-	9,220	-	-	-	-	-	-	-	15,610
DUE FROM OTHER	-	-	-	-	-	-	-	-	-	-	-	-
GOVERNMENTAL ENTITIES	313,224	-	70,666	-	-	-	5,545	-	-	-	-	389,435
INVENTORY	-	-	-	44,858	-	-	-	-	-	-	-	44,858
TOTAL	\$ 734,811	3,146,878	8,566,649	627,318	192,513	2,955,430	478,226	442,375	316	27,964	13,672	17,186,152
<b>ADDITIONS</b>												
CASH AND CASH EQUIVALENTS	\$ 2,382,937	5,140,174	16,892,228	5,939,153	1,666,865	511,189,355	594,623	4,559,564	29,006	361,433	766,924	549,522,262
ACCOUNTS RECEIVABLE, Net	16,593	-	-	9,220	-	-	-	-	-	-	-	25,813
DUE FROM OTHER	-	-	-	-	-	-	-	-	-	-	-	-
GOVERNMENTAL ENTITIES	704,095	-	123,942	-	-	-	9,135	-	-	437	-	837,609
INVENTORY	-	-	-	118,346	-	-	-	-	-	-	-	118,346
TOTAL	\$ 3,103,625	5,140,174	17,016,170	6,066,719	1,666,865	511,189,355	603,758	4,559,564	29,006	361,870	766,924	550,504,030
<b>DELETIONS</b>												
CASH AND CASH EQUIVALENTS	\$ 2,447,252	5,524,837	17,663,744	6,019,570	1,682,816	510,430,854	741,107	4,603,741	29,765	387,298	772,360	550,303,344
ACCOUNTS RECEIVABLE, Net	16,295	-	-	18,440	-	-	-	-	-	-	-	34,735
DUE FROM OTHER	-	-	-	-	-	-	-	-	-	-	-	-
GOVERNMENTAL ENTITIES	641,544	-	141,332	-	-	-	11,090	-	-	-	-	793,966
INVENTORY	-	-	-	89,716	-	-	-	-	-	-	-	89,716
TOTAL	\$ 3,105,091	5,524,837	17,805,076	6,127,726	1,682,816	510,430,854	752,197	4,603,741	29,765	387,298	772,360	551,221,761
<b>ASSETS - SEPTEMBER 30, 2010</b>												
CASH AND CASH EQUIVALENTS	\$ 350,882	2,762,215	7,724,467	492,823	176,562	3,713,931	326,197	398,198	(443)	2,099	8,236	15,955,167
ACCOUNTS RECEIVABLE, Net	6,688	-	-	-	-	-	-	-	-	-	-	6,688
DUE FROM OTHER	-	-	-	-	-	-	-	-	-	-	-	-
GOVERNMENTAL ENTITIES	375,775	-	53,276	-	-	-	3,590	-	-	437	-	433,078
INVENTORY	-	-	-	73,488	-	-	-	-	-	-	-	73,488
<b>TOTAL ASSETS</b>	\$ 733,345	2,762,215	7,777,743	566,311	176,562	3,713,931	329,787	398,198	(443)	2,536	8,236	16,468,421
<b>LIABILITIES - OCTOBER 1, 2009</b>												
ACCOUNTS PAYABLE	\$ 255,646	1,128,117	8,493,127	589,911	43,994	2,955,430	478,226	442,375	316	27,964	13,672	14,428,778
DUE TO OTHER	-	-	-	-	-	-	-	-	-	-	-	-
GOVERNMENTAL ENTITIES	479,165	53,773	73,522	37,407	148,519	-	-	-	-	-	-	792,386
OTHER PAYABLES	-	1,964,988	-	-	-	-	-	-	-	-	-	1,964,988
TOTAL	\$ 734,811	3,146,878	8,566,649	627,318	192,513	2,955,430	478,226	442,375	316	27,964	13,672	17,186,152
<b>ADDITIONS</b>												
ACCOUNTS PAYABLE	\$ 401,541	1,669,330	16,408,225	5,712,922	575,750	512,506,240	598,213	4,559,564	30,047	361,870	766,952	543,590,654
DUE TO OTHER	-	-	-	-	-	-	-	-	-	-	-	-
GOVERNMENTAL ENTITIES	2,401,405	402,535	473,057	344,229	1,227,502	-	-	-	-	-	-	4,848,728
OTHER PAYABLES	-	3,098,584	-	-	40,892	-	-	-	-	-	-	3,139,476
TOTAL	\$ 2,802,946	5,170,449	16,881,282	6,057,151	1,844,144	512,506,240	598,213	4,559,564	30,047	361,870	766,952	551,578,858
<b>DELETIONS</b>												
ACCOUNTS PAYABLE	\$ 479,881	1,818,033	17,260,160	5,780,529	584,331	511,747,739	746,652	4,603,741	30,806	387,298	772,388	544,211,558
DUE TO OTHER	-	-	-	-	-	-	-	-	-	-	-	-
GOVERNMENTAL ENTITIES	2,324,531	402,243	410,028	337,629	1,234,872	-	-	-	-	-	-	4,709,303
OTHER PAYABLES	-	3,334,836	-	-	40,892	-	-	-	-	-	-	3,375,728
TOTAL	\$ 2,804,412	5,555,112	17,670,188	6,118,158	1,860,095	511,747,739	746,652	4,603,741	30,806	387,298	772,388	552,296,589
<b>LIABILITIES - SEPTEMBER 30, 2010</b>												
ACCOUNTS PAYABLE	\$ 177,306	979,414	7,641,192	522,304	35,413	3,713,931	329,787	398,198	(443)	2,536	8,236	13,807,874
DUE TO OTHER	-	-	-	-	-	-	-	-	-	-	-	-
GOVERNMENTAL ENTITIES	556,039	54,065	136,551	44,007	141,149	-	-	-	-	-	-	931,811
OTHER PAYABLES	-	1,728,736	-	-	-	-	-	-	-	-	-	1,728,736
<b>TOTAL LIABILITIES</b>	\$ 733,345	2,762,215	7,777,743	566,311	176,562	3,713,931	329,787	398,198	(443)	2,536	8,236	16,468,421





# CAPITAL ASSETS

**JEFFERSON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY SOURCE**  
**SEPTEMBER 30, 2010**

	<b>TOTAL</b>
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS:</b>	
LAND	\$ 3,840,787
INFRASTRUCTURE	48,936,171
BUILDINGS AND IMPROVEMENTS	87,198,143
EQUIPMENT	33,549,028
CONSTRUCTION IN PROGRESS	11,611,501
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>\$ 185,135,630</b>

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

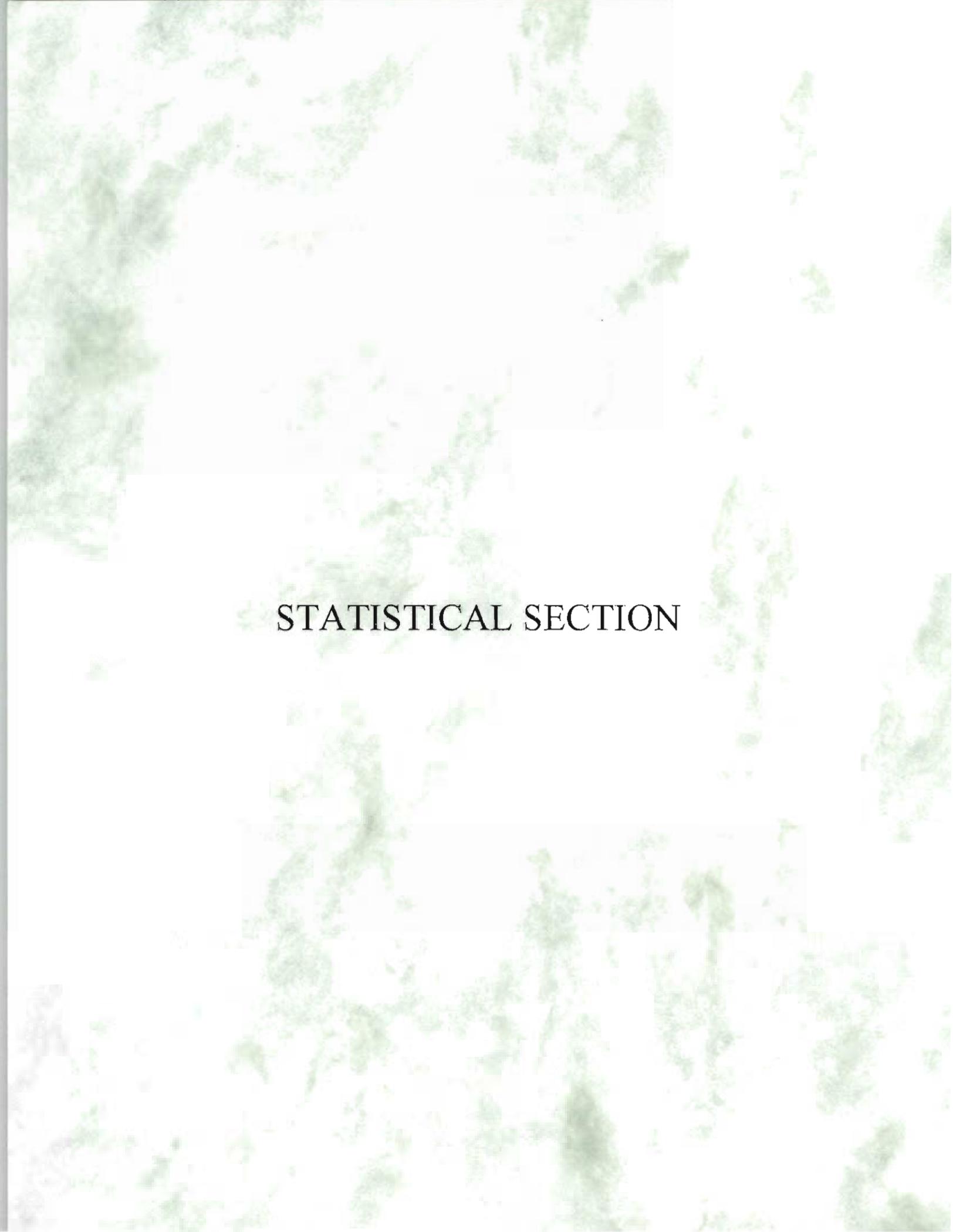
GENERAL FUND	\$ 85,143,195
SPECIAL REVENUE FUND	18,346,590
CAPITAL PROJECTS FUND	79,068,606
GIFTS	2,577,239
	<b>\$ 185,135,630</b>

**JEFFERSON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

<u>FUNCTION</u>	<u>LAND</u>	<u>INFRASTRUCTURE</u>	<u>BUILDINGS &amp; IMPROVEMENTS</u>	<u>EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>TOTAL</u>
GENERAL GOVERNMENT	\$ -	\$ -	\$ 343,427	\$ 4,581,550	\$ -	\$ 4,924,977
JUDICIAL AND LAW ENFORCEMENT	45,446	-	27,843,061	16,989,938	-	44,878,445
HEALTH & WELFARE	14,000	-	891,009	1,030,113	-	1,935,122
MAINTENANCE OF STRUCTURES AND EQUIPMENT	3,781,341	48,936,171	58,120,646	10,947,427	11,611,501	133,397,086
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<u>\$ 3,840,787</u>	<u>\$ 48,936,171</u>	<u>\$ 87,198,143</u>	<u>\$ 33,549,028</u>	<u>\$ 11,611,501</u>	<u>\$ 185,135,630</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, 2010

FUNCTION	BALANCE 10/1/2009	ADDITIONS	DEDUCTIONS	TRANSFERS	BALANCE 9/30/2010
GENERAL GOVERNMENT	\$ 4,870,502	\$ 178,233	\$ (123,758)	\$ -	\$ 4,924,977
JUDICIAL AND LAW ENFORCEMENT	44,312,101	1,151,865	(585,521)	-	44,878,445
HEALTH AND WELFARE	1,935,122	-	-	-	1,935,122
MAINTENANCE OF STRUCTURES AND EQUIPMENT	129,379,402	7,603,088	(3,585,404)	-	133,397,086
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>\$ 180,497,127</b>	<b>\$ 8,933,186</b>	<b>\$ (4,294,683)</b>	<b>\$ -</b>	<b>\$ 185,135,630</b>



**STATISTICAL SECTION**

## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	141
Revenue Trends <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	148
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>	152
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>	156
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>	158

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



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

	Fiscal Year							
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007 **</u>	<u>2008</u>	<u>2009</u>	<u>2010</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	\$ 68,242,040	\$ 71,336,466
Restricted	16,778,702	5,066,000	5,940,456	3,955,825	3,993,898	7,893,536	10,615,478	13,851,538
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>	<u>(21,890,574)</u>	<u>(35,286,048)</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>	<u>\$ 56,966,944</u>	<u>\$ 49,901,956</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	\$ 93,237,299	\$ 91,674,403
Unrestricted	<u>(5,380,470)</u>	<u>(5,294,847)</u>	<u>(4,764,038)</u>	<u>(175,098)</u>	<u>(760,424)</u>	133,397	1,425,854	2,114,066
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>	<u>\$ 94,663,153</u>	<u>\$ 93,788,469</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)	\$ (61,855,720)	\$ (60,663,707)
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>	<u>61,855,720</u>	<u>60,663,707</u>
Total reclassifications	<u>\$ -</u>	<u>\$ -</u>	<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	\$ 99,623,619	\$ 102,347,162
Restricted	16,778,702	5,066,000	5,940,456	3,955,825	3,993,898	7,893,536	10,615,478	13,851,538
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>	<u>41,391,000</u>	<u>27,491,725</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>	<u>\$ 151,630,097</u>	<u>\$ 143,690,425</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.

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

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

\* Reporting began in fiscal year 2003.

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

TABLE 3

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

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

\* 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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund:										
Reserved	\$ 695,216	\$ 869,899	\$ 4,649,448	\$ 4,363,031	\$ 3,660,569	\$ 1,101,397	\$ 1,196,058	\$ 1,124,272	\$ 1,247,682	\$ 1,107,057
Unreserved	19,801,049	12,288,404	4,408,693	781,091	9,473,913	19,445,189	28,724,474	31,324,562	37,639,200	34,899,538
Total general fund	<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>	<u>\$ 38,886,882</u>	<u>\$ 36,006,595</u>
All other governmental funds:										
Reserved	\$ 884,461	\$ 1,076,205	\$ 757,266	\$ 5,069,747	\$ 5,943,842	\$ 3,958,995	\$ 3,996,377	\$ 7,895,953	\$ 10,617,541	\$ 13,853,088
Unreserved, reported in:										
Special revenue funds	4,598,612	6,010,336	7,198,968	7,630,588	7,095,623	16,985,952	17,623,438	12,483,025	14,975,902	15,625,403
Capital project funds	54,982,260	43,983,240	16,025,275	(94,756)	(62,120)	-	(1,618)	(1,618)	-	-
Debt service funds	-	-	-	-	257,097	826,359	482,912	287,948	376,688	186,623
Total all other governmental funds	<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>	<u>\$ 25,970,131</u>	<u>\$ 29,665,114</u>

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>REVENUES:</b>										
Property Taxes	\$ 42,885,676	\$ 44,994,723	\$ 44,969,987	\$ 46,276,630	\$ 57,343,655	\$ 61,103,193	\$ 65,071,514	\$ 71,516,193	\$ 75,912,693	\$ 75,995,020
Sales Taxes	14,051,840	14,950,781	14,448,084	15,377,071	15,885,024	21,538,927	23,131,309	25,424,401	32,319,170	22,830,758
Fees	11,377,989	11,613,640	12,674,610	12,441,814	12,058,229	12,752,383	13,232,594	13,844,334	13,372,000	13,247,758
Licenses	445,002	456,268	436,896	421,116	404,647	425,438	423,313	409,386	487,856	453,002
Intergovernmental	9,488,898	8,503,218	8,664,520	7,713,379	10,984,676	39,011,714	12,962,160	14,315,347	30,549,286	17,890,178
Sales, Rental & Services	5,586,316	4,121,657	5,167,036	4,995,661	5,407,000	4,963,482	5,486,288	4,173,703	5,585,920	3,073,201
Fines and Forfeitures	2,902,650	2,734,192	2,644,177	3,118,964	2,897,424	3,538,886	3,008,196	2,181,478	2,076,417	2,199,528
Interest	6,348,578	4,288,596	2,523,171	651,152	1,123,912	2,703,210	3,083,938	2,236,357	1,250,787	692,129
Miscellaneous	9,260	12,803	2,575	8,868	8,256	62,805	17,539	17,936	29,275	26,095
Contributions and Donations	82,427	89,617	298,376	22,400	26,300	10,196	18,968	4,116	1,315,190	31,727
<b>Total Revenues</b>	<b>\$ 93,178,636</b>	<b>\$ 91,765,495</b>	<b>\$ 91,829,432</b>	<b>\$ 91,027,055</b>	<b>\$ 106,139,123</b>	<b>\$ 146,110,234</b>	<b>\$ 126,435,819</b>	<b>\$ 134,123,251</b>	<b>\$ 162,898,594</b>	<b>\$ 136,439,396</b>
<b>EXPENDITURES:</b>										
General Government	\$ 12,662,674	\$ 13,161,103	\$ 14,235,304	\$ 13,167,975	\$ 13,851,082	\$ 15,367,359	\$ 17,962,946	\$ 18,587,891	\$ 20,335,453	\$ 20,853,875
Judicial and Law Enforcement	50,383,391	52,450,290	54,391,585	53,205,202	52,714,845	53,848,433	60,795,584	69,726,438	69,656,955	72,502,150
Education and Recreation	565,046	576,958	817,087	1,089,736	1,117,604	1,137,019	1,717,102	1,915,987	1,579,264	1,614,588
Health and Welfare	6,537,754	6,726,933	6,760,768	7,298,844	7,011,489	8,256,283	8,794,712	10,024,011	10,600,245	10,576,843
Maintenance of Structures and Equipment	9,925,892	9,255,104	9,420,715	9,000,103	11,255,900	43,799,011	15,850,658	19,851,954	36,379,418	17,123,159
Capital Outlay	20,911,522	31,750,330	33,443,927	15,491,047	5,358,002	4,776,391	3,690,980	2,016,129	4,076,087	7,218,487
Debt Services										
Principal	2,010,000	2,945,000	2,980,000	3,250,000	3,335,000	3,890,000	4,045,000	3,510,000	3,660,000	3,760,000
Interest and Commission	5,904,993	3,463,447	4,355,169	4,351,299	4,120,881	4,084,539	3,938,978	3,794,062	3,671,261	3,538,141
<b>Total Expenditures</b>	<b>\$ 108,901,272</b>	<b>\$ 120,329,165</b>	<b>\$ 126,404,555</b>	<b>\$ 106,854,206</b>	<b>\$ 98,764,803</b>	<b>\$ 135,159,035</b>	<b>\$ 116,795,960</b>	<b>\$ 129,426,472</b>	<b>\$ 149,958,683</b>	<b>\$ 137,187,243</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (15,722,636)	\$ (28,563,670)	\$ (34,575,123)	\$ (15,827,151)	\$ 7,374,320	\$ 10,951,199	\$ 9,639,859	\$ 4,696,779	\$ 12,939,911	\$ (747,847)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfer In	\$ 1,549,799	\$ 2,861,537	\$ 3,734,765	\$ 1,316,946	\$ 735,870	\$ 5,508,237	\$ 3,101,422	\$ 8,147,776	\$ 10,267,060	\$ 8,491,580
Transfer Out	(3,335,487)	(3,829,056)	(3,564,529)	(2,640,332)	(3,175,594)	(10,514,208)	(5,187,532)	(11,909,931)	(13,954,892)	(11,821,779)
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-	-	2,111,000
Capital Lease Obligations	-	-	337,391	-	-	-	-	-	-	1,751,957
Insurance Proceeds	-	-	-	-	-	10,000,000	2,150,000	157,877	2,556,532	1,314,011
Issuance of Debt	-	12,874,203	14,522,769	1,860,588	3,000,000	-	-	-	-	-
Premium on Debt Issued	-	-	9,959	-	490	-	-	-	-	-
Discount on Debt Issued	-	-	(24,172)	-	-	-	-	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	(11,629,494)	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (1,785,688)</b>	<b>\$ 11,906,684</b>	<b>\$ 3,386,689</b>	<b>\$ 537,202</b>	<b>\$ 560,766</b>	<b>\$ 4,994,029</b>	<b>\$ 63,890</b>	<b>\$ (3,604,278)</b>	<b>\$ (1,131,300)</b>	<b>\$ 1,846,769</b>
<b>Net Change In Fund Balances</b>	<b>\$ (17,508,324)</b>	<b>\$ (16,656,986)</b>	<b>\$ (31,188,434)</b>	<b>\$ (15,289,949)</b>	<b>\$ 7,935,086</b>	<b>\$ 15,945,228</b>	<b>\$ 9,703,749</b>	<b>\$ 1,092,501</b>	<b>\$ 11,808,611</b>	<b>\$ 1,098,922</b>
Debt Service As A Percentage of Noncapital Expenditures	9.0%	7.2%	7.2%	8.3%	8.1%	6.1%	7.3%	6.0%	5.3%	5.8%

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
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	59,418,071
2004	46,276,630	14,375,228	395,653	606,190 <sup>1</sup>	61,653,702
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
2009	75,912,693	30,410,633	614,474	1,294,063	108,231,863
2010	75,995,020	21,361,596	575,928	893,234	98,825,778

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

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

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

Source: Jefferson County Appraisal District

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

(a) Includes tax-exempt property.

\* Reporting began in fiscal year 2006.

TABLE 7

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

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

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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 2010, total rates ranged between .223 and .792 for cities, 1.136 and 1.455 for school districts, and .025 and .652 for special districts.

\* Reporting began in fiscal year 2006.

TABLE 8

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

Taxpayers	2010			2001		
	Taxable Assessed Value (b)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (b)	Rank	Percentage of Total Taxable Assessed Value
Motiva Refinery	\$ 1,955,059,610	1	9.25%	\$ 654,620,230	3	5.52%
ExxonMobil Oil Corporation	1,938,182,590	2	9.17%	1,523,461,310	1	12.84%
Premcor Refining Group Inc	1,257,532,550	3	5.95%	322,880,660	6	2.72%
Total Petrochemicals USA	560,043,650	4	2.65%	-	-	-
BASF-Atofina Joint Venture	550,349,040	5	2.60%	338,915,890	5	2.86%
Port Arthur Coker Company LP	396,033,410	6	1.87%	-	-	-
Huntsman Petrochemical Corp	377,159,640	7	1.78%	1,006,080,540	2	8.48%
Flint Hills Resources LP	324,545,510	8	1.54%	-	-	-
Chevron Phillips Chemical Co.	308,230,050	9	1.46%	418,425,950	4	3.53%
Entergy Gulf States Inc.	280,629,510	10	1.33%	169,467,320	9	1.43%
E I Dupont De Nemours	-	-	-	204,829,010	7	1.73%
Goodyear Tire & Rubber Co.	-	-	-	204,489,360	8	1.72%
Beaumont Methanol Limited	-	-	-	126,990,110	10	1.07%
<b>TOTAL</b>	<b>\$7,947,765,560</b>		<b>37.60%</b>	<b>\$4,970,160,380</b>		<b>41.90%</b>

Source: Jefferson County Appraisal District.

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

TABLE 9

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

<b>Fiscal Year Ended September 30</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2006	\$ 60,800,084	\$ 59,849,203	98.44%	\$ 595,643	\$ 60,444,846	99.42%
2007	64,724,768	63,728,280	98.46%	653,005	64,381,285	99.47%
2008	71,599,014	70,292,662	98.18%	818,428	71,111,090	99.32%
2009	75,465,330	74,434,355	98.63%	305,078	74,739,433	99.04%
2010	75,771,214	74,458,093	98.27%	-	74,458,093	98.27%

\* Reporting began in fiscal year 2006.

TABLE 10

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

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

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

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

\* Reporting began in fiscal year 2006.

TABLE 11

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

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

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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.

TABLE 12

**JEFFERSON COUNTY, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2010**

<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	\$64,565,000	100.0%	\$64,565,000
<b>Total Direct Debt</b>			<b>\$64,565,000</b>
OVERLAPPING DEBT REPAYED WITH PROPERTY TAXES:			
CITIES:			
BEAUMONT	119,390,000	100.0%	119,390,000
BEVIL OAKS	-	100.0%	-
GROVES	13,715,000	100.0%	13,715,000
NEDERLAND	17,720,000	100.0%	17,720,000
PORT ARTHUR	80,310,000	100.0%	80,310,000
PORT NECHES	12,965,000	100.0%	12,965,000
SCHOOL DISTRICTS:			
BEAUMONT	384,770,000	100.0%	384,770,000
HAMSHIRE FANNETT	9,548,935	100.0%	9,548,935
HARDIN JEFFERSON	35,125,080	66.1%	23,217,678
NEDERLAND	9,840,000	100.0%	9,840,000
PORT ARTHUR	238,847,274	100.0%	238,847,274
PORT NECHES	133,366,078	100.0%	133,366,078
SABINE PASS	33,656,156	100.0%	33,656,156
PORT DISTRICTS:			
BEAUMONT	16,420,000	100.0%	16,420,000
PORT ARTHUR	38,606,134	100.0%	38,606,134
SABINE PASS	1,265,000	100.0%	1,265,000
DRAINAGE DISTRICTS:			
DRAINAGE DISTRICTS #3	-	100.0%	-
DRAINAGE DISTRICTS #6	-	100.0%	-
DRAINAGE DISTRICTS #7	-	100.0%	-
NAVIGATION DISTRICTS:			
JEFFERSON COUNTY	1,615,000	100.0%	1,615,000
MUNICIPAL UTILITY DISTRICTS:			
NORTHWEST FOREST	-	100.0%	-
WATER DISTRICTS:			
WATER DISTRICT #10	6,240,000	100.0%	6,240,000
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%	-
<b>Total Overlapping Debt</b>			<b>\$1,141,492,255</b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>\$1,206,057,255</b>

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

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

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

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 3,010,290	\$ 3,218,704	\$ 3,293,172	\$ 3,469,794	\$ 3,639,382	\$ 3,502,210	\$ 3,948,502	\$ 4,534,760	\$ 5,060,472	\$ 4,825,201
Total net debt applicable to limit	73,495	87,223	86,262	82,987	82,888	79,203	75,177	71,908	68,149	64,234
Legal debt margin	<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>	<u>\$ 4,992,323</u>	<u>\$ 4,760,967</u>
Total net debt applicable to the limit as a percentage of debt limit	2.44%	2.71%	2.62%	2.39%	2.28%	2.26%	1.90%	1.59%	1.35%	1.33%

**Legal Debt Margin Calculation for Fiscal Year 2010**

Assessed Value of Real Property	\$ 19,300,804
Debt limit (25% of assessed value of real property)	4,825,201
Debt applicable to limit:	
General obligation bonds	64,565
Less: Amount set aside for repayment of general obligation debt	<u>331</u>
Total net debt applicable to limit	<u>\$ 64,234</u>
Legal debt margin	<u>\$ 4,760,967</u>

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

TABLE 14

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

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

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	2010			2001		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Beaumont ISD	2,960	1	2.82%	2,923	1	2.82%
State of Texas	2,641	2	2.51%	2,906	2	2.81%
Christus Health Southeast Texas	2,211	3	2.11%	2,500	3	2.42%
ExxonMobil Oil Corporation	2,000	4	1.90%	-	-	-
Memorial Hermann Baptist Hospital	1,665	5	1.59%	-	-	-
Port Arthur ISD	1,380	6	1.31%	-	-	0.00%
City of Beaumont	1,284	7	1.22%	1,300	10	-
Jefferson County	1,204	8	1.15%	-	-	-
Motiva Enterprises	1,056	9	1.01%	-	-	-
Conex	1,051	10	1.00%	-	-	-
McDonald's Restaurants	-	-	-	2,200	4	2.13%
Market Basket Food Stores	-	-	-	2,000	5	1.93%
DuPont Sabine River Works	-	-	-	1,702	6	1.64%
Bayer Corporation	-	-	-	1,600	7	1.55%
Huntsman	-	-	-	1,535	8	1.48%
TDI-Halter, LP	-	-	-	1,500	9	1.45%
TOTAL	17,452		16.62%	20,166		18.23%

Source: Texas Workforce Commission

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

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

\* Reporting began in fiscal year 2006.

TABLE 17

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

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

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

