

**SPECIAL, 3/28/2016 1:30:00 PM**

BE IT REMEMBERED that on March 28, 2016, there was begun and holden a SPECIAL session of the Commissioners Court of Jefferson County, Texas, with the following members and officers present and participating except those absent as indicated:

Honorable Jeff Branick, County Judge

Commissioner Eddie Arnold, Commissioner Pct. No. 1

Commissioner Brent Weaver, Commissioner Pct. No. 2

Commissioner Michael Sinegal, Commissioner Pct. No. 3

Commissioner Everette D. Alfred, Commissioner Pct. No. 4  
(ABSENT)

Honorable G. Mitch Woods, Sheriff

Honorable Carolyn L. Guidry , County Clerk (ABSENT) -

Theresa Goodness, Chief Deputy

When the following proceedings were had and orders made, to-wit:

*Notice of Meeting and Agenda and Minutes*  
*March 28, 2016*

Jeff R. Branick, County Judge  
Eddie Arnold, Commissioner, Precinct One  
Brent A. Weaver, Commissioner, Precinct Two  
Michael S. Sinegal, Commissioner, Precinct Three  
Everette "Bo" Alfred, Commissioner, Precinct Four



**NOTICE OF MEETING AND AGENDA  
OF COMMISSIONERS' COURT  
OF JEFFERSON COUNTY, TEXAS  
March 28, 2016**

Notice is hereby given that the Commissioners' Court of Jefferson County, Texas, will meet at **1:30 PM**, on the **28th** day of **March 2016** at its regular meeting place in the Jury Impaneling room, Jefferson County Courthouse, 1085 Pearl Street, Beaumont, Texas. Until further notice.

Said meeting will be a **Special** for the purpose of transacting the routine business of the County. Persons with disabilities requiring auxiliary aids for services who wish to attend this meeting should contact the County Judge's Office to arrange for assistance.

In addition to the routine business of the County, the subject of said meeting will be the following:

**INVOCATION: Michael S. Sinegal, Commissioner, Precinct Three**

**PLEDGE OF ALLEGIANCE: Brent A. Weaver, Commissioner, Precinct Two**

## **PURCHASING:**

1. Consider and approve, execute, receive and file a renewal for (IFB 12-010/KJS), Term Contract for Crushed Slag (Gr.1, Type D, Class 2) for Jefferson County with Martin Asphalt Company for a fourth additional one (1) year renewal from April 26, 2016 to April 25, 2017.

**SEE ATTACHMENTS ON PAGES 10 - 10**

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

2. Consider and approve, execute, receive, and file a contract extension for (RFP 10-066/KJS), Lease of the Downtown Jail Facility with LaSalle Corrections for an additional one year term from June 24, 2016 through June 23, 2017.

**SEE ATTACHMENTS ON PAGES 11 - 11**

**Action: TABLED**

3. Consider and approve, execute, receive, and file a contract amendment for (PROF 15-027/JW), Phase II MS4 Storm Water Permit Implementation Services. This amendment will assign the continuation of projects under this professional agreement to LJA Engineering, Inc., as this firm has merged with Carroll & Blackman, Inc.

**SEE ATTACHMENTS ON PAGES 12 - 18**

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

4. Consider and approve utilizing available Capital Project Funds for the purchase of 22 AED devices to replace current obsolete machines for Jefferson County Facilities in the amount of \$37,863.54.

**SEE ATTACHMENTS ON PAGES 19 - 25**

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

*Notice of Meeting and Agenda and Minutes*  
*March 28, 2016*

5. Consider and possibly approve donation of salvage property as authorized by Local Government Code §263.152 (a) (4), by donating it to a charitable organization, Goodwill Industries.

**SEE ATTACHMENTS ON PAGES 26 - 28**

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

**CONSTABLE PRECINCT 6:**

6. Consider and possibly approve the hiring of Everett Demon Cormier as a Deputy Constable with Constable, Precinct 6 in accordance with Local Government Code (LGC) 86.011.

**SEE ATTACHMENTS ON PAGES 29 - 29**

**Motion by: Commissioner Weaver**

**Second by: Commissioner Arnold**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

**CONSTABLE PRECINCT 8:**

7. Consider and possibly approve the hiring of Donald Ray Jackson as a Deputy Constable with Constable, Precinct 8 in accordance with Local Government Code (LGC) 86.011.

**SEE ATTACHMENTS ON PAGES 30 - 30**

**Motion by: Commissioner Sinegal**

**Second by: Commissioner Arnold**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

## **COUNTY AIRPORT:**

8. Consider, possibly approve and authorize the County Judge to execute a Resolution Giving Approval to the Buckner Retirement Services, Inc. Project for Buckner Retirement Services, Inc. to facilitate refunding of 2007 bonds for debt service savings pursuant to Health Facilities Development Act, Chapter 221, Texas Health & Safety Code. This is for the expansion of senior living communities for Buckner's Calder Woods and Jefferson County will have no liability for the bonds.)

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

9. Consider and possibly adopt a Resolution recognizing Tommy Harper for 35 years of dedicated service to the Jack Brooks Regional Airport and to the citizens of Jefferson County and wishing him well in his retirement.

**SEE ATTACHMENTS ON PAGES 31 - 31**

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

## **COUNTY AUDITOR:**

10. Receive and file the Jefferson County Comprehensive Annual financial Report (CAFR) for the fiscal year ended September 30, 2015.

**SEE ATTACHMENTS ON PAGES 32 - 231**

**Motion by: Commissioner Sinegal**

**Second by: Commissioner Weaver**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

*Notice of Meeting and Agenda and Minutes*  
*March 28, 2016*

11. Receive and file the SAS 114 Letter from Pattillo, Brown, & Hill LLP for the fiscal year ended September 30, 2015.

**SEE ATTACHMENTS ON PAGES 232 - 236**

**Motion by: Commissioner Sinegal**  
**Second by: Commissioner Weaver**  
**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**  
**Action: APPROVED**

12. Consider and approve renewal of arbitrage rebate compliance services contract with First Southwest Asset Management. Current fee is \$1,200 per issue, proposed renewal is \$1,400 per issue. Total annual cost is estimated at \$4,200.

**SEE ATTACHMENTS ON PAGES 237 - 245**

**Motion by: Commissioner Sinegal**  
**Second by: Commissioner Weaver**  
**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**  
**Action: APPROVED**

13. Regular County Bills - check #418799 through check #419018.

**SEE ATTACHMENTS ON PAGES 246 - 254**

**Motion by: Commissioner Sinegal**  
**Second by: Commissioner Weaver**  
**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**  
**Action: APPROVED**

**COUNTY COMMISSIONERS:**

14. Consider and possibly approve Jefferson County Tourism Committee Spring 2016 Hotel Occupancy Tax allocation recommendations.

**SEE ATTACHMENTS ON PAGES 255 - 255**

**Motion by: Commissioner Arnold**  
**Second by: Commissioner Sinegal**  
**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**  
**Action: APPROVED**

## **COUNTY TAX ASSESSOR-COLLECTOR:**

15. Consider, possibly approve and authorize the County Judge to execute, receive and file an agreement between Jefferson County and the City of Taylor Landing for assessment and collection services.

**SEE ATTACHMENTS ON PAGES 256 - 259**

**Motion by: Commissioner Arnold**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

## **HUMAN RESOURCES:**

16. Presentation of the 2015 Employee Excellence Award.

**Motion by: Commissioner Arnold**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

17. Consider and possibly approve Resolution for the 2015 Employee Excellence Award winner.

**Second Finalist - Leslie Little; First Finalist - David Dominguez; Winner - Laurie Reeves**

**Motion by: Commissioner Arnold**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

## **SHERIFF'S DEPARTMENT:**

18. Please consider and approve Crime Lab Director Emily Esquivel's attendance at the American Society of Crime Laboratory Directors Symposium in Bellevue, Washington April 24-28, 2016. This trip was approved during 2015-2016 budget hearings, but the location was not determined (TBA) at the time of approval. The trip is budgeted in this year's Crime Lab travel budget.

**SEE ATTACHMENTS ON PAGES 260 - 261**

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

19. Please consider and approve Forensics Scientists Tiffany Aardahl and Steve Mayes attendance at the Bureau of Justice Assistance conference in Washington, D.C., June 13-14, 2016. This conference is a two day training event for laboratories receiving funding through the Sexual Assault Kit Elimination Program. The cost for the two attendees was included in the DANY Grant funds awarded to the Crime Lab.

**SEE ATTACHMENTS ON PAGES 262 - 263**

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

20. Execute, receive and file Software Licenses and Service Agreement between SunGard Public Sector Inc. and Jefferson County for computer aided dispatch at the Sheriff's Office.

**SEE ATTACHMENTS ON PAGES 264 - 285**

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal**

**Action: APPROVED**

## **ADDENDUMS**



**DISTRICT ATTORNEY:**

21. Immediately following Commissioners Court- Announcement of an executive (closed) session pursuant to Texas Government Code Section § 551.071 for the purpose of receiving information regarding matters that are in litigation.

**Action: NONE**

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**Jeff R. Branick**  
**County Judge**

# CONTRACT RENEWAL FOR IFB 12-010/KJS TERM CONTRACT FOR CRUSHED SLAG (GR.1, TYPE D, CLASS 2) & ASPHALT PRODUCTS FOR JEFFERSON COUNTY

The County entered into a contract with Martin Asphalt Company for one (1) year, from April 30, 2012 to April 29, 2013, with an option to renew the contract for up to a five (5) year period.

Pursuant to the contract, Jefferson County hereby exercises its fourth one-year option to renew the contract for one (1) additional year from April 26, 2016 to April 25, 2017.

ATTEST:

JEFFERSON COUNTY, TEXAS

*Carolyn L. Guidry*  
Carolyn L. Guidry, County Clerk

*Jeff Branick*  
Jeff Branick, County Judge



CONTRACTOR:  
Martin Asphalt Company

*J. N.*  
(Name)

# CONTRACT EXTENSION FOR RFP 10-066/KJS LEASE OF THE JEFFERSON COUNTY DOWNTOWN JAIL FACILITY

The County entered into a contract with LaSalle Southwest Corrections for three (3) years, from June 28, 2011 to June 27, 2014, with an option to renew the contract for two (2) renewal terms of one (1) year each.

Pursuant to the contract, Jefferson County hereby exercises its first one (1) year option to extend the Operation, Management, and Lease Agreement for one (1) additional year from June 24, 2016 to June 23, 2017.

ATTEST:

*Carolyn L. Guidry*  
Carolyn L. Guidry, County Clerk



JEFFERSON COUNTY, TEXAS  
*Jeff Branick*  
Jeff Branick, County Judge

*Mitch Woods*  
Mitch Woods, County Sheriff

CONTRACTOR:  
LaSalle Southwest Corrections  
*Jim Chapman* 3-23-16  
(Name)

**LJA Engineering, Inc.**

3120 Fannin Street      Phone 409.833.3363  
 Beaumont, Texas 77701      Fax 409.833.0317  
 www.ljaengineering.com      TBPE No F-1386

March 7, 2016

Steve Stafford  
 Engineering Superintendent  
 Jefferson County  
 1149 Pearl Street, 5<sup>th</sup> Floor  
 Beaumont, Texas 77701

Re: Announcement of Merger and Assignment of Existing Contract  
 Carroll & Blackman, Inc. and LJA Engineering, Inc.

Mr. Stafford:

After over 70 years in business, Carroll & Blackman, Inc. (CBI) is pleased to announce that it has merged with LJA Engineering, Inc. (LJA) effective January 7, 2016. Carroll & Blackman, Inc.'s experience in water treatment and distribution, wastewater treatment and collection, hydrology and hydraulics, storm water management, water resource systems, floodplain management, transportation design, environmental services and GIS expertise complements LJA's 43-year history of providing successful solutions to complex public works challenges in Houston and the surrounding areas.

LJA is an employee-owned, full-service consulting engineering firm serving the public and private sectors in Texas. With offices in Houston, Spring, Katy, The Woodlands, Beaumont, Galveston, Deer Park, Austin, Cedar Park, San Antonio, Corpus Christi, and Jacksonville, Florida, the staff of LJA includes over 550 experienced civil, transportation, structural, midstream, rail, and coastal engineers, hydrologists, environmental specialists, land planners, landscape architects, construction managers, designers, GIS specialists, technicians, and surveyors.

The former CBI team stands ready to continue our business and service relationship under the corporate structure of LJA Engineering, Inc. Your primary service professional/team will not change with the new company. For the interim, we will maintain our office on Fannin Street and our staff will remain the same. You can continue to use our phone number at this address. Our email addresses will change to initial+last-name@ljaengineering.com. However, our previous email addresses will continue to function for some time.

We hereby request that Jefferson County authorize an assignment to LJA Engineering, Inc. of all active contracts between Jefferson County and Carroll & Blackman, Inc. Please let me know if you have any questions or need additional information.

Sincerely,

John Conciencie, CPESC  
 Senior Environmental Project Manager  
 LJA Engineering, Inc.  
 3120 Fannin Street  
 Beaumont, Texas 77701  
 Office: (409) 833-3363  
 Cell: (409) 720-8818  
 Email: [jconciencie@ljaengineering.com](mailto:jconciencie@ljaengineering.com)

# Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.  
**LJA Engineering, Inc**

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only one of the following seven boxes:  
 Individual/sole proprietor or single-member LLC  
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ \_\_\_\_\_  
 Other (see instructions) ▶ \_\_\_\_\_  
 C Corporation  
 S Corporation  
 Partnership  
 Trust/estate

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  
 Exempt payee code (if any) \_\_\_\_\_  
 Exemption from FATCA reporting code (if any) \_\_\_\_\_  
*(Applies to accounts maintained outside the U.S.)*

5 Address (number, street, and apt. or suite no.)  
**2929 Briarpark Drive, Suite 600**

6 City, state, and ZIP code  
**Houston, Texas 77042**

7 List account number(s) here (optional)

Requester's name and address (optional)

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number								
			-			-		

or

Employer identification number									
7	6	-	0	5	4	0	3	2	8

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here      Signature of U.S. person ▶       Date ▶ 2/17/16

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at [www.irs.gov/fw9](http://www.irs.gov/fw9).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' shares of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

**Note.** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

## What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Line 1

You must enter one of the following on this line; do not leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

**a. Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note. ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

**b. Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

**c. Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

**d. Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

**e. Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-9 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

**Line 2**

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

**Line 3**

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

**Limited Liability Company (LLC).** If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

**Line 4, Exemptions**

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

**Exempt payee code.**

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its Instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(ii)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

**Note.** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

**Line 5**

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

**Line 6**

Enter your city, state, and ZIP code.

**Part I. Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3678).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 30-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

**Part II. Certification**

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

1. **Interest, dividend, and barter exchange accounts opened before 1983 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.
2. **Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.
3. **Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.
4. **Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).
5. **Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

**What Name and Number To Give the Requester**

For this type of account	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee <sup>1</sup>  The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>2</sup>
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor <sup>2</sup>
For this type of account	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity <sup>1</sup>
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

\*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Secure Your Tax Records from Identity Theft**

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-368-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-436-4338).

Visit [IRS.gov](http://IRS.gov) to learn more about identity theft and how to reduce your risk.

**Privacy Act Notice**

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.



# Vendor Information

LJA Engineering, Inc.

Company Name

Calvin T. Ladner, PE (President)

Owner

S Corporation

Federal Tax Classification

76-0540328

Federal Tax Identification Number

**Remit Payment To:** LJA Engineering, Inc.  
2929 Briarpark, Suite 600  
Houston, Texas 77042  
Attn: ShellyAnn Holdson

**CONSENT TO ASSIGNMENT AND ASSUMPTION OF AGREEMENTS**

**THIS CONSENT TO ASSIGNMENT AND ASSUMPTION OF AGREEMENT (this "Consent") is given on the 28th day of March, 2016, by Jefferson County, Texas ("Owner").**

Carroll & Blackman, Inc. has entered into an asset purchase agreement ("Purchase Agreement") providing for, among other things, the sale of substantially all the assets and the business to LJA Engineering, Inc.

Effective January 7, 2016, LJA Engineering, Inc. will continue the operation of Carroll & Blackman, Inc.'s business and the employees of Carroll & Blackman, Inc. will become employees of LJA Engineering, Inc.

Owner does hereby consent to the assignment of the Agreements by Carroll & Blackman, Inc. to LJA Engineering, Inc., and the assumption of the Agreements by LJA Engineering, Inc. Owner hereby confirms that as of the date hereof, the Agreements are not in default, that all of Carroll & Blackman's obligations thereunder have been duly satisfied.

Owner agrees that copies of any notice to Carroll & Blackman, Inc. permitted or required under the Agreements shall be sent to:

LJA Engineering, Inc.  
2929 Briarpark, Suite 600  
Houston, Texas 77042  
Attention: Calvin T. Ladner, President

This Consent shall become effective immediately upon approval of Jefferson County and signature of the County Judge.



ATTEST [Signature] Chief Deputy  
DATE 3/28/16

**OWNER:**

Jefferson County, Texas

By: [Signature]

Name: JEFF R. BRANICK

Title: JEFFERSON COUNTY JUDGE

Date: MARCH 28, 2016

# McKESSON

*Empowering Healthcare*

## Price Quote

Prices reflected may not apply to all ship-to locations and are subject to vendor eligibility requirements and approvals

**McKesson Medical-Surgical**  
 Customer Svc Phone: (281) 765-3100  
 Customer Svc Fax: (281) 765-3145

**Jefferson County Emerg Mgmt 409-8358508**  
 Att:greg Fountain  
 1149 Pearl Street  
 Beaumont, TX 77701  
 Account Number: 54576641  
 Ship To Number: 54579596

**Quote Total** PO Num Header Comment  
 \$37,863.54

<u>Item Num</u>	<u>Qty</u>	<u>UOM</u>	<u>Vendor Abbr</u>	<u>Catalog Num</u>	<u>Full Item Desc</u>	<u>Price</u>	<u>Ext Price</u>	<u>Line Comment</u>
836329	22	EA	Zolmed	22800810102011010	Defibrillator, Aed + Ecg Dsply Adlt *prescription* Zolmed	\$1,721.07	\$37,863.54	

The First and Only  
Full-Rescue AED



# What Good is an AED that Only Works Half the Time?

When a cardiac arrest occurs, the fact is that only half of the victims will need a shock. The other half require high-quality cardiopulmonary resuscitation (CPR).

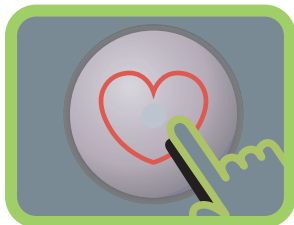
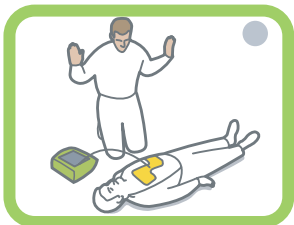
You deserve an automated external defibrillator (AED) that helps you all the time, one that can actually see when you are doing CPR and provide help. You need more than just commands without assistance. That's not smart, and it's certainly not help.



Only ZOLL®'s AED Plus® features Real CPR Help™, a tool that is able to actually see what you are doing and provide feedback to help you do it well. Audio and visual prompts help you rescue with confidence and clarity unmatched by any other AED.

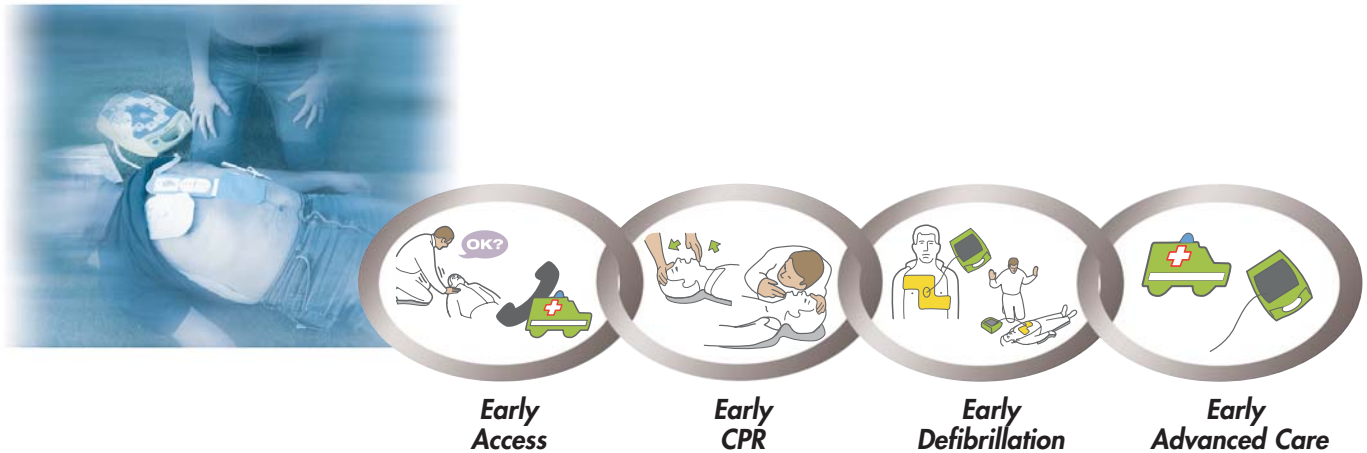
Not pushing hard enough?	It will tell you to push harder.
Pushing hard enough?	It will say, "Good compressions."
Not pushing fast enough?	A metronome will lead you to the right rate. It will even show you the depth of each compression. In real time.
Not yet started?	The AED Plus will tell you again to get started.
Compressions stopped?	It will tell you to continue.

ZOLL believes an AED should not just deliver a shock. It should also help the rescuer provide high-quality CPR. That's why you need ZOLL's AED Plus with Real CPR Help.



# More than a Defibrillator A Full-Rescue AED

## AED+PLUS<sup>®</sup>



### The Chain of Survival

The best way to increase the chance of saving sudden cardiac arrest (SCA) victims is to remember and follow every link in the Chain: Early Access, Early CPR, Early Defibrillation, and Early Advanced Care. Every step helps save lives. Any break in the Chain compromises survival.

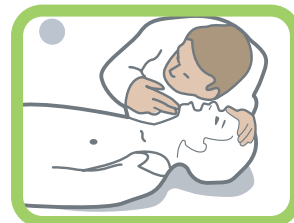
Ordinary AEDs only defibrillate. Rapid defibrillation is a critical intervention to improve survival, but it is not enough. While roughly half of unresponsive collapsed victims need defibrillation, every one of them needs CPR.

Following the Chain of Survival requires more than just attaching electrodes and delivering a shock. From checking responsiveness, summoning help, and doing an “ABC” assessment (Airway, Breathing, Circulation) to CPR and defibrillation, the ZOLL AED Plus with Real CPR Help helps guide the rescuer through the entire effort to rescue SCA victims.

### The AED Plus Fully Supports the Rescuer

By focusing on the full Chain of Survival and providing Real CPR Help, the AED Plus is the first and only Full-Rescue AED.

*“AEDs are easy to use, while CPR and the ABCs remain difficult to perform. Based on adherence to the Chain of Survival guidelines, however, those who used the ZOLL device performed significantly better than those who used the other devices.”<sup>3</sup>*



## Real CPR Help for Infrequent Rescuers When They Need it Most

### A Complete Road Map for Resuscitation

A picture is worth a thousand words. The AED Plus' unique graphical interface – pictures combined with text displays and voice prompts – helps rescuers every step of the way. Lights on the pictures draw the rescuer's attention to actions in the proper sequence. Text and voice prompts correspond to the pictures and help the rescuer perform every important life-saving action. These pictures and prompts assure that everything is done in order, and that shocks, if required, are delivered rapidly.

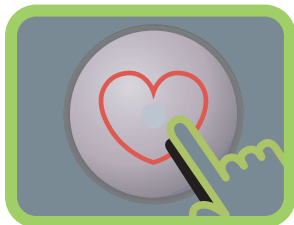
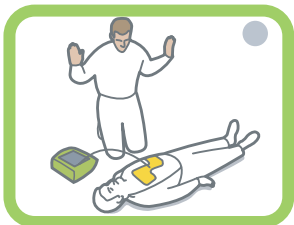
### One Electrode is Easier than Two

Ordinary AEDs require that the rescuer use two confusing electrodes. ZOLL's Full-Rescue AED features **CPR-D•padz™**, a one-piece, pre-connected pair of electrodes with Real CPR Help. By using CPR hand placement as the landmark, it is easy to place the **CPR-D•padz**, on the victim quickly. The **CPR-D•padz**, also last five years – the longest shelf life of any electrodes sold today.



### Intelligent Pediatric Capability

The ZOLL AED Plus can defibrillate children up to eight years of age, using the **pedi•padz® II** electrodes. When the **pedi•padz II** are connected, the AED Plus recognizes that a pediatric rescue is in progress. With ECG analysis developed specifically for a pediatric heart rate, coupled with appropriate defibrillation energy levels, the AED Plus can handle both adult and pediatric rescues.



## Only One AED Provides Real CPR Help

### Interactive Feedback for Rate and Depth

Inadequate compression rate and depth are common during CPR.<sup>4,5,6</sup> Adult victims need compressions at a rate of 100 per minute and at a depth of 1½ to 2 inches. Compressions must be done well to effectively move blood and oxygen.

ZOLL's Real CPR Help converts compression data instantaneously from the **CPR-D•padz**, and provides an adaptive metronome to help the rescuer with the proper rate and depth, saying "Push harder" or "Good compressions," as needed. It also shows CPR compression depth on the display. ZOLL's AED Plus is the only AED that can see your chest compressions and guide you to the correct rate and depth during CPR. No other AED provides Real CPR Help.



**realCPRhelp™**



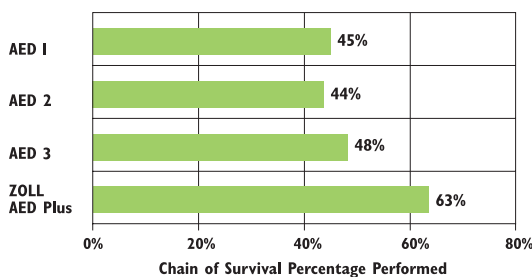
### Consumer Batteries for Convenience and Savings

The AED Plus is the only AED to use inexpensive, consumer lithium batteries that are easy to replace and last five years in stand-by mode.

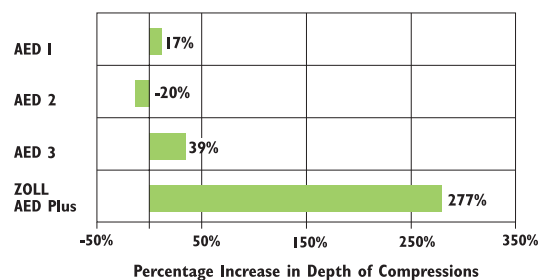
### ZOLL's Rectilinear Biphasic Waveform

The ZOLL Rectilinear Biphasic™ waveform (RBW) is the only biphasic waveform cleared by the FDA<sup>7</sup> to be labeled as clinically superior to monophasic waveforms for the conversion of ventricular fibrillation in high-impedance patients.<sup>8</sup> It allows the AED Plus to deliver more current than any other AED when it matters most.

### The ZOLL AED Plus Supports the Full Chain of Survival Best.<sup>9</sup>



### The ZOLL AED Plus Improves CPR Performance the Most.<sup>10</sup>





**ZOLL Medical Corporation  
Worldwide Headquarters**

269 Mill Road  
Chelmsford, MA 01824  
978-421-9655  
800-348-9011  
www.zoll.com

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www.zoll.com

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www.zoll.fr

**Germany**, +49 2236 87 87 0  
www.zollmedical.de

**The Netherlands**, +31 (0) 488 41 11 83  
www.zoll.nl

**United Kingdom**, +44 (0) 1928 595 160  
www.zoll.com

For subsidiary addresses and fax numbers, as well as other global locations, please go to [www.zoll.com/contacts](http://www.zoll.com/contacts).



AED Pro® (above right) provides advanced capabilities for BLS and ALS users, including EKG monitoring and manual defibrillation.

**References**

- Hallstrom AP et al. The New England Journal of Medicine. 2004; 351:644.
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- M Series Operator's Guide, Rectilinear Biphasic Waveform Defibrillator Option Insert, 9650-0209-01:4-5. For defibrillation of VF. "... data also must demonstrate the superior efficacy of low energy rectilinear biphasic shocks in patients with high transthoracic impedance at 90%\* confidence level." \*Kerber R, et al. AHA Scientific Statement, Circulation. 1997; 95:1677-1682. For cardioversion of AF: "... data demonstrate the superior efficacy of low energy rectilinear biphasic shocks compared to high energy monophasic shocks for transthoracic cardioversion of atrial fibrillation."
- Miller SG et al. Prehospital Emergency Care. 2004; 8:91(abstract).
- Ibid.

With more than 25 years of experience in defibrillation, ZOLL is a pioneer in resuscitation solutions. ZOLL develops technologies to help advance the practice of resuscitation. With products for pacing, defibrillation, circulation, ventilation, data management, and fluid resuscitation, ZOLL provides a comprehensive set of technologies that can help clinicians, EMS professionals, and infrequent rescuers resuscitate sudden cardiac arrest and trauma victims.

**ZOLL**  
Advancing Resuscitation. Today.™



CE

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9656-0156

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**JEFFERSON COUNTY PURCHASING DEPARTMENT**  
*Deborah Clark, Purchasing Agent*

---

1149 Pearl Street, Beaumont, TX 77701 Phone: 409-835-8593 Fax: 409-835-8456

**MEMORANDUM**

To: Commissioners' Court

From: Deborah Clark  
Purchasing Agent

A handwritten signature in blue ink, appearing to be "DC", is written over the name "Deborah Clark" in the "From:" field.

Date: March 23, 2016

Re: Donation of Salvage Property – Computers & Equipment

Consider and possibly approve donation of salvage property as authorized by Local Government Code §263.152 (a) (4), by donating it to a charitable organization, Goodwill Industries.

Thank you.

Jefferson County Surplus  
to be  
Donated to Goodwill

DEPARTMENT	DESCRIPTION OF PROPERTY	SERIAL NO.	DEPARTMENT	ASSET NO.
	<b>PERSONAL COMPUTERS</b>			
MIS	GATEWAY E3600	0025221871	62BT	26453
MIS	GATEWAY E-4000 DELUX	0031535462	32BT	29910
MIS	GATEWAY E-4000 DELUX	0031535463	39BT	29911
MIS	GATEWAY E4300	0035481501	30BT	29169
MIS	GATEWAY E4300	0035481509	30BT	29155
MIS	GATEWAY E-4300	0035481533	30BT	29420
MIS	GATEWAY E-4300	0035481546	30BT	29107
MIS	TOSHIBA SATELLITE LAPTOP	85042704H	13BT	29564
MIS	GATEWAY E4300	0036034856	30BT	32118
MIS	GATEWAY E-6500	0036816685	P4BT	30012
MIS	GATEWAY E-6610D SB	0037234485	115	30458
MIS	GATEWAY E-6610D SB	0037234484	32BT	30481
MIS	GATEWAY E-6610D SB	0037234463	30BT	30494
MIS	GATEWAY E-6610D SB	0037234515	30BT	30500
MIS	GATEWAY E-6610D SB	0037234486	30BT	30503
MIS	GATEWAY E-6610D SB	0037234470	66PA	30657
MIS	GATEWAY E-6610D SB	0037234503	114	30662
MIS	GATEWAY E-6610D SB	0037234513	32BT	30672
MIS	GATEWAY E-6610D SB	0037234491	32BT	30673
MIS	GATEWAY E-6610D SB	0038678236	37BT	30795
MIS	GATEWAY M255-G	0038679018	38BT	30803
MIS	GATEWAY M255-G	0038679013	112	30804
MIS	GATEWAY E-6610D SB	0039021661	40VC	31111
MIS	GATEWAY E-6610D SB	0039021662	40VC	31112
MIS	GATEWAY E-6610D SB	0039021663	40VC	31113
MIS	GATEWAY E-6610D SB	0039021664	40VC	31114
MIS	GATEWAY E-6610D	0040454240	30BT	32386
MIS	GATEWAY E-6610Q	0040451868	115	32389
MIS	GATEWAY E-6610D	0040525145	32BT	32510
MIS	GATEWAY E-6610D	0040525135	66PA	32705
MIS	GATEWAY E-6610D	0040525143	66PA	32706
MIS	GATEWAY E-6610D	0040525129	66PA	32707
MIS	GATEWAY E-6610D	0040525134	66PA	32708

DEPARTMENT	DESCRIPTION OF PROPERTY	SERIAL NO.	DEPARTMENT	ASSET NO.
MIS	DELL OPTIPLEX 755	3V62VG1	15BT	32960
MIS	DELL QUAD CORE E5430	C9FXRG1	25BT	33260
MIS	DELL LATITUDE E5500	9LPK0L1	65BT	33490
MIS	DELL LATITUDE E5500	68PK0L1	65BT	33495
MIS	DELL OPTIPLEX 760	59QR0L1	68HS	33519
MIS	HP PROBOOK 6550B	CNU04545TL	15BT	33969
MIS	DELL LATITUDE E6530	4D9VTTY1	65BT	34655
MIS	LENOVO LAPTOP	11592P1142ZIZGFN98B554		
MIS	GATEWAY E-6610D	38895369	30BT	30502
MIS	GATEWAY E-6610D	37234507	115	30497
MIS	GATEWAY E-6610D	37234470	66PA	30657
MIS	GATEWAY E-6610D	40525147	66PA	32704
MIS	GATEWAY E-6610D	40525135	66PA	32705
MIS	GATEWAY E-6610D	40525143	66PA	32706
MIS	GATEWAY E-6610D	40525129	66PA	32707
MIS	GATEWAY E-6610D	40525134	66PA	32708
	<b>PRINTERS</b>			
MIS	HP DJ 5650	MY5A05P015	114	30013
MIS	HP 2300N PRINTER	CNBGC96291	31BT	33366
MIS	HP LASERJET 3005N	CNR1P15924	31BT	31042
MIS	CANON CANOSCAN 4400F	TAAA77586	115	30497
MIS	HP 970 DJ PRINTER	CN1281R061	115	30657
MIS	HP DJ 960C	MY1BR1D2ZK	66PA	26578
MIS				
MIS	3COM SWITCH	ZMMV9236438	30BT	27895
MIS				
MIS	A BOX OF MISC CABLES, WIRES, PLUGS, SPEAKERS, KEYBOARDS, AND MICE			
<b>contact person: Andre Thierry</b>				

## Loma George

---

**From:** Samantha Redeaux <sredeaux@co.jefferson.tx.us>  
**Sent:** Friday, March 18, 2016 3:22 PM  
**To:** Loma George  
**Cc:** Ashley Allison; Karl J. Homes  
**Subject:** Constable Dana A. Baker, Sr., Precinct 6 Agenda Item

Please place on the Court's agenda for March 28, 2016 the following item for consideration:

(a) Consider and possibly approve the hiring of **Everett Demon Cormier** as a Deputy Constable with Constable, Precinct 6 in accordance with Local Government Code (LGC) 86.011.

Thank you for your assistance.

*Samantha Redeaux*

*Jefferson County Constable Precinct 6, Chief Clerk*

*Main Office Number: (409) 839-2339*

*Direct Office Number: (409) 839-2358*

*Facsimile: (409) 839-2390*

*Email: [sredeaux@co.jefferson.tx.us](mailto:sredeaux@co.jefferson.tx.us)*

**EDDIE J. COLLINS**  
CONSTABLE PRECINCT EIGHT  
525 LAKESHORE DRIVE  
PORT ARTHUR, TEXAS 77640  
409-983-8311 FAX 409-983-8303  
E – mail jcp8@co.jefferson.tx.us



**WILLIE JANE BRISCOE**  
Senior Office Specialist

RECEIVED MAR-21 2016

March 21, 2016

Jefferson County Commissioner's Court  
Jefferson County Courthouse  
1149 Pearl Street  
Beaumont, Texas 77701

Honorable Judge and Commissioners:

Please consider and possibly approve the hiring of Donald Ray Jackson as Deputy Constable with Constable Precinct Eight in accordance with Local Government Code (LGC) 86.011.

Donald Ray Jackson a certified Peace Officer and his commission are active. He has been cleared with Texas Commission on Law Enforcement Officer Standards and Education.

If you need further information, call me. Your cooperation in this matter is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "E. J. Collins", written over a horizontal line.

Eddie J. Collins

EJC: wjb



# Resolution

STATE OF TEXAS

§  
§  
§

COMMISSIONERS COURT

COUNTY OF JEFFERSON

OF JEFFERSON COUNTY, TEXAS

BE IT REMEMBERED at a meeting of Commissioners Court of Jefferson County, Texas, held on the 28th day of March, 2016, on motion made by Brent Weaver, Commissioner of Precinct No. 2, and seconded by Michael Sinegal, Commissioner of Precinct No. 3, the following Resolution was adopted:

**WHEREAS, TOMMY RAY HARPER** has devoted 35 years of his life to serving the flying public, aviation community, and the People of Jefferson County with pride and professionalism; and

**WHEREAS, TOMMY RAY HARPER** has dedicated his talents and pledged his services, working his way to Captain of the Jack Brooks Regional Airport Fire Department; and

**WHEREAS, TOMMY RAY HARPER** has made an outstanding contribution to Airport Rescue Fire Fighting and the quality of service at the Airport; and

**WHEREAS, TOMMY RAY HARPER** was routinely recognized for his rare optimism, cheerfulness, and enthusiasm to his fellow co-workers and the aviation community; and

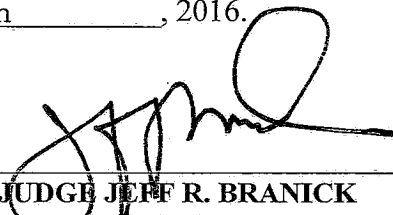
**WHEREAS, TOMMY RAY HARPER** was nominated for the 2010 Jefferson County Employee Excellence Award; and

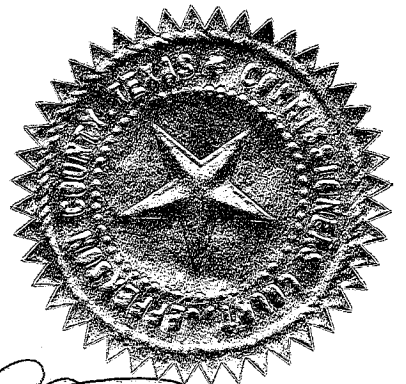
**WHEREAS**, through hard work, dedication, and commitment to excellence, **TOMMY RAY HARPER** has earned the respect and admiration of his colleagues, the aviation community, and the citizens of Jefferson County; and

**WHEREAS**, having made significant contributions to the Jack Brooks Regional Airport, **TOMMY RAY HARPER** is recognized for his unselfish devotion to the common good and welfare of the citizens of Jefferson County, and will be missed by his friends, co-workers, and the aviation community.

**NOW THEREFORE, BE IT RESOLVED**, that the Jefferson County Commissioners Court does hereby honor and commend **TOMMY RAY HARPER** for his dedicated service as a valuable employee of Jefferson County and wishes him well in his retirement.

SIGNED this 28th day of March, 2016.

  
\_\_\_\_\_  
**JUDGE JEFF R. BRANICK**  
County Judge



  
\_\_\_\_\_  
**COMMISSIONER EDDIE ARNOLD**  
Precinct No. 1

  
\_\_\_\_\_  
**COMMISSIONER MICHAEL S. SINEGAL**  
Precinct No. 3

  
\_\_\_\_\_  
**COMMISSIONER BRENT A. WEAVER**  
Precinct No. 2

//absent  
\_\_\_\_\_  
**COMMISSIONER EVERETTE D. ALFRED**  
Precinct No. 4

# JEFFERSON COUNTY, TEXAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended  
September 30, 2015





# JEFFERSON COUNTY, TEXAS



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

Prepared by:  
Jefferson County  
Auditor's Office  
1149 Pearl Street  
Beaumont, Texas 77701



JEFFERSON COUNTY, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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JEFFERSON COUNTY, TEXAS  
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JEFFERSON COUNTY, TEXAS  
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JEFFERSON COUNTY, TEXAS  
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INTRODUCTORY  
SECTION

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



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

March 17, 2016

Citizens of Jefferson County, Texas:

Honorable District Judges:

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

Honorable Commissioners' Court:

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

The County Auditor's Office ("the Auditor's Office") is pleased to present the Comprehensive Annual Financial Report ("CAFR") of Jefferson County, Texas (the "County") for the fiscal year ended September 30, 2015. This report is submitted in accordance with Section 114.025 of the Texas Local Government Code and has been prepared by the County Auditor's staff.

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

Pattillo, Brown, & Hill, LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the County's financial statements for the year ended September 30, 2015. The independent auditors' report is located at the front of the financial section of this report.

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

## PROFILE OF THE GOVERNMENT

Jefferson County was created in 1836 and organized in 1837 as one of the original counties of the Republic of Texas. It is a 954 square mile county that is located on the upper Texas Coast and is a component of the Beaumont-Port Arthur-Orange Metropolitan Statistical Area. According to the U.S. Department of Commerce-Bureau of the Census, the 2015 population of the County was 252,235. The County is empowered to levy a property tax on both real and personal property located within its boundaries.

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

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

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

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



## FACTORS AFFECTING FINANCIAL CONDITIONS

### *Local economy*

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates

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

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

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

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

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

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

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

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

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

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

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

Commissioners' Court continues to follow their policy guideline for budgetary and planning purposes of building and maintaining an unassigned fund balance in the general fund of at least 15% of total general fund expenditures and transfers. The County ended the fiscal year with an unassigned fund balance of 32.0% of total general fund expenditures and transfers. This falls within the policy guidelines.

### *Major Initiatives*

The Commissioners' Court set the property tax rate at \$ .365 per \$100 of assessed property valuation to provide funds for services and debt service for fiscal year 2015. Budget initiatives for fiscal year 2015 included:

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

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

## AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jefferson County, Texas for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2014. This was the seventeenth consecutive year that the government has achieved this prestigious award.

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

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

## ACKNOWLEDGEMENTS

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

## REQUEST FOR INFORMATION

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



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





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Jefferson County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

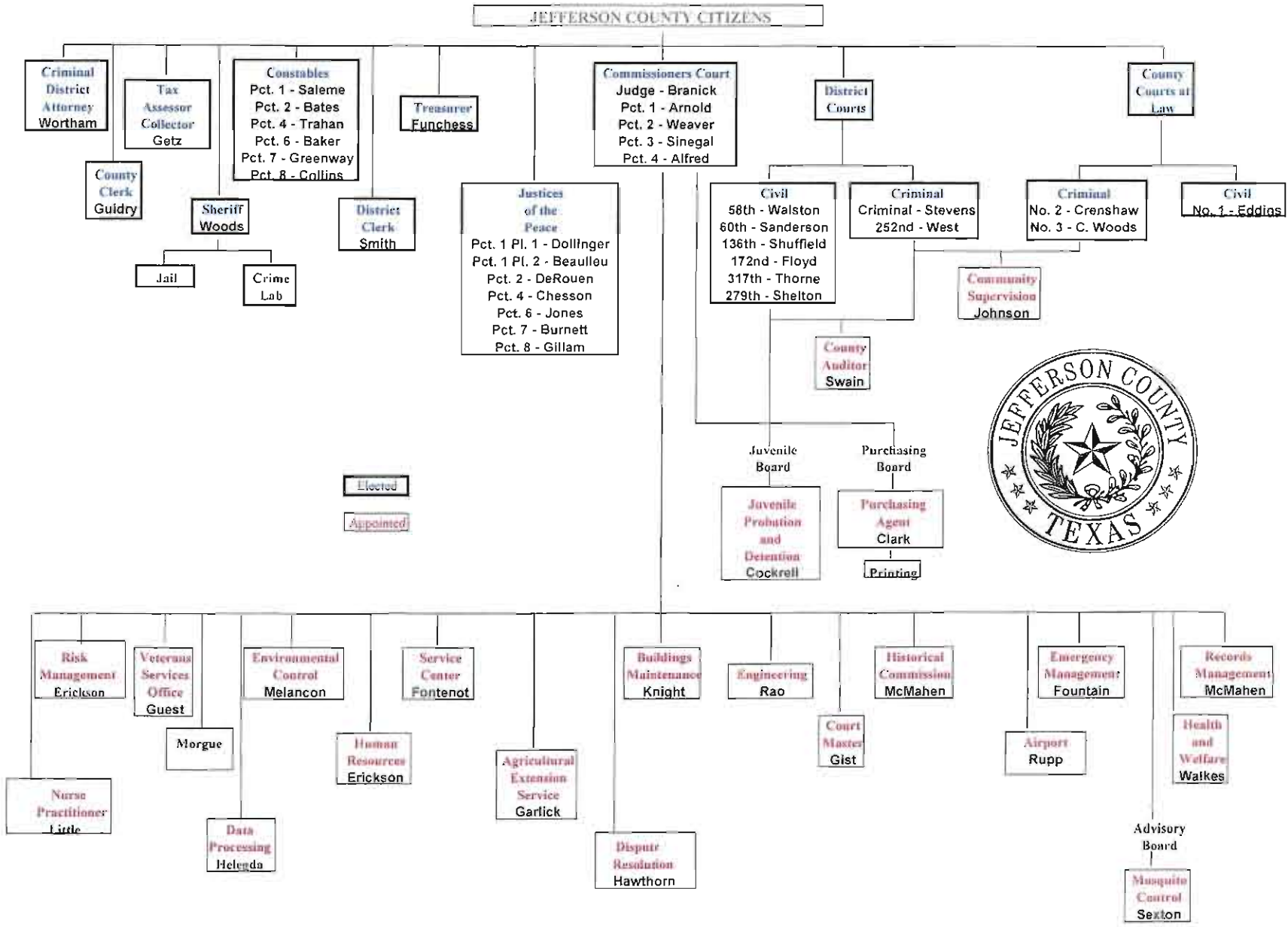
**September 30, 2014**

Executive Director/CEO



# ORGANIZATION CHART OF JEFFERSON COUNTY

As of September 30, 2015



XI

**ELECTED OFFICIALS**

As of September 30, 2015

**COMMISSIONERS' COURT**

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

**SHERIFF**

Mitch Woods

**TAX ASSESSOR - COLLECTOR**

Allison Getz

**DISTRICT CLERK**

Jainie Smith

**COUNTY CLERK**

Carolyn Guidry

**COUNTY TREASURER**

Tim Funchess

**JUSTICES OF THE PEACE**

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

**CONSTABLES**

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

**COUNTY COURTS AT LAW**

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

**DISTRICT JUDGES**

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

**DISTRICT ATTORNEY**

Bob Wortham



**APPOINTED OFFICIALS**

As of September 30, 2015

Agricultural Extension Service	Starla Garlick
Airport	Alex Rupp
Auditor	Patrick Swain
Auto Service Center	David Fontenot
Buildings Maintenance	David Knight
Community Supervision	Jerry Johnson
Court Master	Larry Gist
Data Processing	Paul Helegda
Dispute Resolution Center	Kara Hawthorn
Emergency Management	Greg Fountain
Engineering	Don Rao
Environmental Control	Michael Melancon
Health and Welfare	Dr. Cecil Walkes
Human Resources	Cary Erickson
Juvenile Probation & Detention	Edward Cockrell
Mosquito Control	Kevin Sexton
Nurse Practitioner	Leslie Little
Purchasing Agent\Printing	Deborah Clark
Risk Management	Cary Erickson
Veterans Services Office	Hilary Guest



FINANCIAL  
SECTION



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Jefferson County, Texas' basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### ***Opinions***

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

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

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

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—General Fund, pension information, and the Other Post Employment Benefit – Schedule of Funding Progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2016 on our consideration of Jefferson County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson County, Texas' internal control over financial reporting and compliance.

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

Waco, Texas  
March 17, 2016



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

As management of Jefferson County, we offer readers of the Jefferson County's financial statement this narrative overview and analysis of the financial activities of the county for the fiscal year ended September 30, 2015. Please read it in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

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

**Overview of the Financial Statements**

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

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

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



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

representing net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds

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*Management's Discussion and Analysis*

balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 74 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major governmental funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds are maintained two ways. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the operations of an airport and entertainment complex. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its liability activities, workers compensation, and the public entity risk pool that provides health insurance benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County's only fiduciary funds are 11 agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

*Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found starting on page 30 of this report.

*Required Supplementary Information* is presented concerning the County's General Fund budgetary schedule. The County adopts an annual budget for this fund. A budgetary comparison schedule, which includes the original and final amended budget and actual figures, has been provided to demonstrate compliance with this budget. Required supplementary information can be found starting on page 69 of this report.

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*Management's Discussion and Analysis*

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

**Government-Wide Financial Analysis**

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

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

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

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

Condensed Statement of Net Position  
September 30, 2014  
Primary Government

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

The largest portion of the County's current fiscal year net position (146.4 percent) reflects its investments in capital assets (e.g. land, improvements, buildings, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The main use of these capital assets is to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Another portion of the County's current fiscal year net position (26.3 percent) represents resources that are subject to external restrictions on how they may be used. The County's current fiscal year net position is reduced by (72.7 percent) for the negative unrestricted net position. Unrestricted net position may be negative when entities incur long-term liabilities which are not offset by corresponding assets or when it covers post-retirement benefits on a pay-as-you-go basis rather than advance-funding such costs in a trust account.

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

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

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

Statement of Activities  
For the Year Ended September 30, 2015

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

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

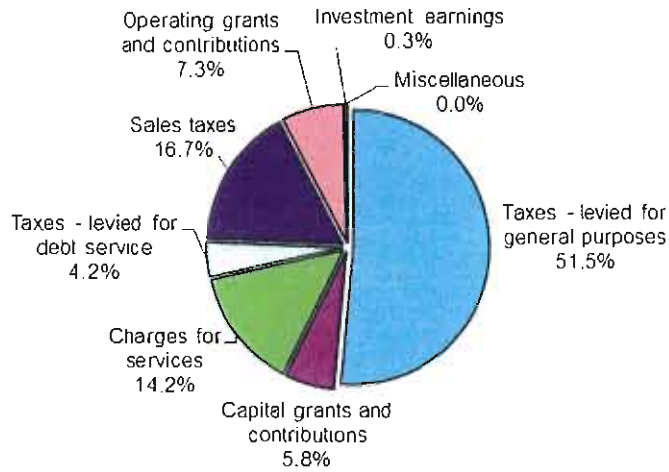
Statement of Activities  
 For the Year Ended September 30, 2014

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

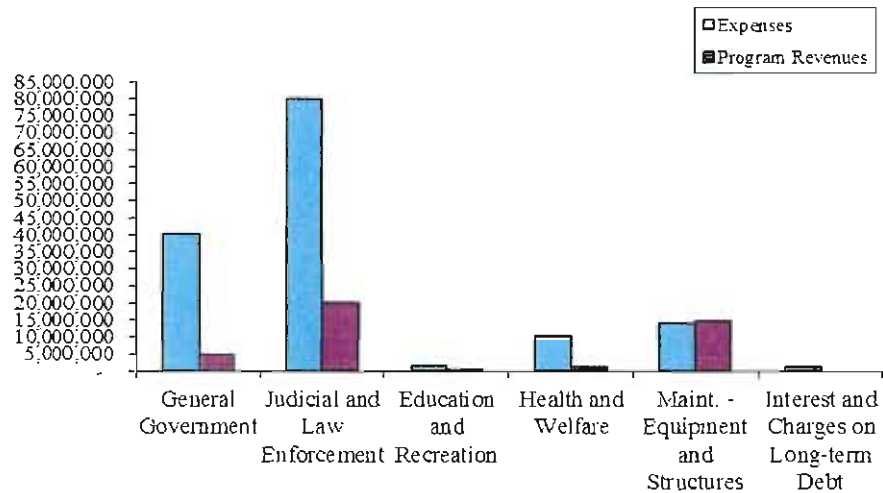
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*Governmental activities*

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



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



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

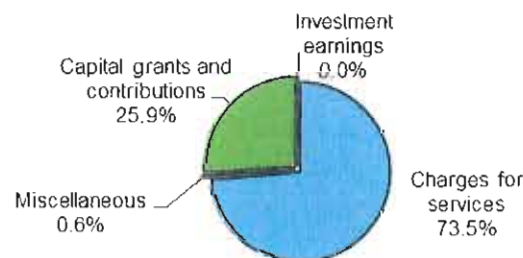
- Due to several recent construction projects, Capital Assets have increased by about \$8.2 million which were partially offset by issuance of a new capital lease of \$1.7 million for the purchase of electronic election system.
- Bonds Payable decreased by about \$4.8 million which provided increases to Net Position.
- These increases just discussed were offset mostly due to the increase in the OPEB (Other Post Employment Benefits) Obligation of about \$13 million. Commissioners' Court has decided to continue funding OPEB on the pay-as-you-go basis. More discussion on OPEB can be found in Note 9 starting on page 57.

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

***Business-type activities***

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

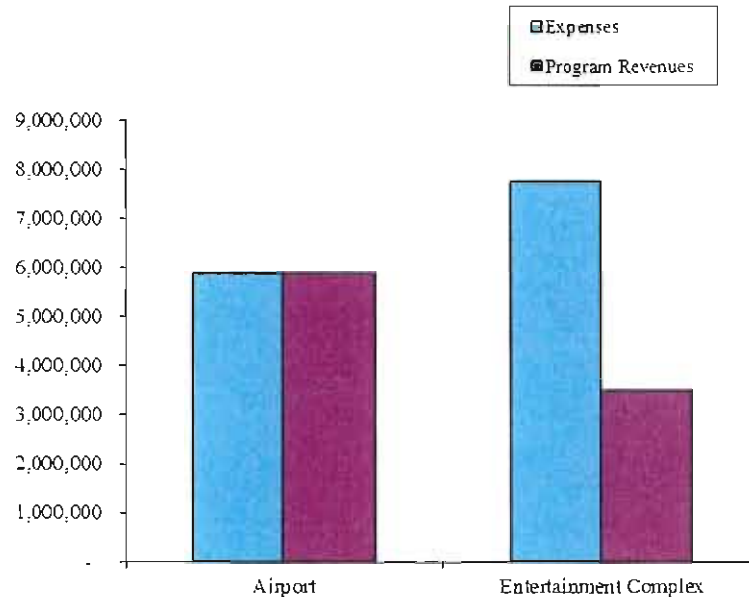
Revenue by Source - Business-type Activities  
 Year Ended September 30, 2015





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*Management's Discussion and Analysis*

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



### **Financial Analysis of the Government's Funds**

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

As of the end of the current fiscal year, Jefferson County's governmental funds reported combined ending fund balances of \$76,509,321, a decrease of \$1,381,289 in comparison with the prior year. About 43% of this total amount (\$32,564,805) constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is nonspendable, committed, restricted, or assigned to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$37,054,620, while total fund balance reached \$47,880,857. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund

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

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

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

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

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

The Jack Brooks Regional Airport Fund is used to account for the day-to-day operation of the County airport. As of September 30, 2015, unrestricted net position is \$(984,088), a decrease of \$289,808 from the prior year. This decrease is mostly due to decrease in transfers from the General Fund.

The Ford Park Fund is used to account for the day-to-day operation of Ford Park. As of September 30, 2015, unrestricted net assets are \$349,230, a decrease of \$137,149 from the prior year. This decrease is mostly due to decrease in transfers from the General Fund.

**General Fund Budgetary Highlights**

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

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

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

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

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

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

Many departments achieved savings over the fiscal year mostly due to unfilled staff positions and moving employees through their salary ranges whereby leaving unspent funds. The total amount of savings for salary and fringe benefits was about \$4.3 million. Departments also did well in controlling their spending in other budgetary areas.

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

**Capital Assets and Debt Administration**

***Capital Assets.*** The County's investment in capital assets for its governmental and business-type activities as of September 30, 2015, amounted to \$178,360,866 (net of accumulated depreciation). This investment in capital assets includes land, improvements, structures, park improvements and facilities, infrastructure, equipment, vehicles, machinery, other tangible and intangible assets, and construction in progress.

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

- The County had a variety of building improvements, purchases of equipment, roads and bridges construction, and construction of airport facilities.
- At September 30, 2015, the ending fund balance for all capital projects funds was \$9.99 million.

For further information regarding capital assets, see Note 5.

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

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

*Long-Term Debt.* At September 30, 2015, the County had a total long-term debt outstanding of \$188,940,140. Refer to Note 7 for further information on the County's long-term debt. County officials, citizens, and investors will find the ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita as useful indicators of the County's debt position. This information is presented in the statistical section of this report.

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

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

The bond rating services of Moody's Investors Services, Inc. and Standard & Poor's Ratings services have assigned the County's long term bond ratings of Aa2 and AA- respectively.

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

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

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

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

**Request for Information**

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

BASIC  
FINANCIAL STATEMENTS

JEFFERSON COUNTY, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015

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

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

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

JEFFERSON COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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

GENERAL REVENUES

TAXES:

PROPERTY TAXES LEVIED FOR GENERAL PURPOSES

PROPERTY TAXES LEVIED FOR DEBT SERVICE

SALES TAXES

UNRESTRICTED INVESTMENT EARNINGS

MISCELLANEOUS

TRANSFERS

TOTAL GENERAL REVENUE AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION - BEGINNING

PRIOR PERIOD ADJUSTMENT

NET POSITION - BEGINNING, Restated

NET POSITION - ENDING

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



NET (EXPENSES) REVENUES AND CHANGES IN NET  
POSITION

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

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

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

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

**JEFFERSON COUNTY, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

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

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

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

Land	\$ 3,840,787	
Construction in progress	19,964,968	
Infrastructure, net of \$39,190,806 accumulated depreciation	19,923,360	
Buildings, net of \$66,666,395 accumulated depreciation	39,051,718	
Equipment, net of \$28,828,312 accumulated depreciation	<u>12,472,936</u>	
Total capital assets		95,253,769

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

Accrued interest receivable	<u>\$ (1,277)</u>	(1,277)
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Long-term liabilities applicable to Jefferson County's activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term are reported in the Statement of Net Position.

Balances as of September 30, 2015 were:

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

Internal service funds are used by the County. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. Internal service fund net position are: (2,080,082)

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

Some of the County's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are reported as available resources in the funds. 9,735,457

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

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

JEFFERSON COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

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

JEFFERSON COUNTY, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
SEPTEMBER 30, 2015

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

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

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

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

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

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

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

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

Some of the County's receivables are classified as long-term and therefore the net of revenue and bad debt expense associated with these receivables are not reported in the funds. 111,675

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

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

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

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

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

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

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

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

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

JEFFERSON COUNTY, TEXAS  
STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

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



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

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

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



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

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

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

**A. Reporting Entity**

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

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

As required by GAAP, the financial statements of the reporting entity include those of the County (the primary government) and its component units in conformity with GASB Statement No. 14, *The Financial Reporting Entity* ("GASB 14"), GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* ("GASB 39"), and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, ("GASB 61").

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

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

**Blended Component Units:**

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



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

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

Excluded from the reporting entity:

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

**B. Implementation of New Standards**

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

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

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

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

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

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

Government-wide Statements

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been



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

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

removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is financially accountable.

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

The Statement of Activities demonstrates the degree to which the direct expenses of the County's programs are offset by those programs' revenues. Program revenues include; 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the program and; 2) grants and contributions that are restricted to meeting the operational and/or capital requirements of a particular program. Program revenues include those generated from General Government, Judicial and Law Enforcement, Education and Recreation, Health and Welfare, Contract Services, and Maintenance of Equipment and Structures. Taxes and other items not included among program revenues are reported instead as general revenues.

Miscellaneous general revenues consist of non-program specific contributions.

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

Fund-level Statements

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



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

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

statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

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

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

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

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

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

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

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

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

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

Additionally, the County reports the following fund types:



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

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

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

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

**Agency Funds** are used to account for assets held by the County as an agent on behalf of a third party. The County reports eleven agency funds held for various third parties outside the primary government: Treasurer Maintained Fund, County Clerk Fund, District Clerk Fund, Sheriff’s Fund, Justice of the Peace Fund, Tax Assessor/Collector Fund, District Attorney’s Seizure Fund, Community Supervision Trust Fund, Juvenile Probation Trust Fund, Flexible Spending, and Women’s Center Trust Fund.

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

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

**D. Budgets**

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

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



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

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

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

**E. Deposits and Investments**

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

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

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



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

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

**F. Encumbrances**

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

**G. Receivables and Payables**

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2014 and past due after January 31, 2015. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

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

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

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

**H. Interfund Transactions**

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





JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
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**Note 1 - Summary of Significant Accounting Policies (continued)**

**I. Inventories and Prepaid Items**

Inventories are valued at cost, which approximates market, using the “first-in/first-out” method. Reported inventories in the governmental funds are offset by a fund balance reserve, which indicates they are unavailable for appropriations even though they are a component of net current assets. Inventory policy on government-wide statements is consistent with fund statements.

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

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

**J. Capital Assets and Infrastructure**

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

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

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

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



JEFFERSON COUNTY, TEXAS  
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**Note 1 - Summary of Significant Accounting Policies (continued)**

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

**K. Compensated Absences**

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

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

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

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



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
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**Note 1 - Summary of Significant Accounting Policies (continued)**

**L. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses.

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

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

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

**N. Pensions**

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



JEFFERSON COUNTY, TEXAS  
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**Note 1 - Summary of Significant Accounting Policies (continued)**

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

**O. Net Position and Fund Balances**

Net Position Classifications

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

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

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

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributions, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by court resolution of the Commissioners' Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.



JEFFERSON COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
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**Note 1 - Summary of Significant Accounting Policies (continued)**

This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- Assigned: This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. When it is appropriate for fund balance to be assigned, the Commissioners' Court retains the responsibility to assign funds. Assignments may occur subsequent to fiscal year end.
- Unassigned: This classification includes the residual fund balances for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted fund to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned.

**P. Statement of Cash Flows**

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

**Q. Use of Estimates**

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

**Note 2 - Deposits and Investments**

The County had the following investments as of September 30, 2015:

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



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

Interest Rate Risk – Fair value fluctuates with interest rates and increasing rates may cause fair value to decline below cost. In compliance with the County’s Investment Policy, the County minimized interest rate risk by limiting the weighted average maturity of the portfolio to 1,096 days with a stated final maturity date not to exceed 3 years from the date of purchase. In addition, the portfolio is structured so that securities mature to meet cash flow requirements, thereby avoiding the need to sell securities prior to maturity and below the original cost.

Credit Risk – In compliance with the County’s investment policy, as of September 30, 2015, all of the County’s purchased investments in U.S. Agency Securities were rated AA+ and Aaa by Standard & Poor’s and Moody’s respectively.

Concentration Risk – The County’s investment policy is to diversify its portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of investment. As of September 30, 2015, the County had one investment that was with Federal Home Loan Bank (FHLB), and six investments that were with Federal Home Loan Mortgage Corporation (FHLMC).

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County’s investment policy is to have all checking accounts placed at the County Depository Bank under a depository contract. The \$81,462,467 bank balance and the Money Market account were covered by federal depository insurance or collateralized with securities held by the Bank of New York Mellon Trust Company. All of the certificates of deposits are covered by federal depository insurance.

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

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable by January 31 of the following year. The County bills and collects its own property taxes and it also bills and collects taxes for Jefferson County Navigation District, Jefferson County Drainage District #3, #6, and #7, Port of Beaumont, Port of Port Arthur, Water District #10, Nederland Independent School District, Northwest Forest Municipal Utility District, Emergency Services District #2, Trinity Bay Conservation District, Port of Sabine Pass, Sabine Pass Independent School District, Port Arthur Independent School District, City of Port Arthur, Hampshire Fannett Independent School District, Port Neches-Groves Independent School District, Beaumont Independent School District, City of Beaumont, City of Groves, City of Nederland, City of Port Neches, City of Bevil Oaks, Emergency Service District #1, Emergency Service District #3, and the Emergency Service District #4. Collections of these taxes and remittance of them to the various districts are accounted for in the Tax Assessor - Collector Agency Fund. The County is permitted by the State Constitution to levy taxes up to \$.80 per \$100 of assessed valuation for general government services and the payment of principal and interest on Long-Term Debt. In addition to its taxes subject to the \$.80 tax limitation, the County's voters have authorized the levy of a special tax of \$.15 per \$100 assessed valuation solely for road maintenance expenses. The County is also authorized by



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 3 - Property Taxes and Other Receivables (continued)**

the voters to levy the Farm to Market and Lateral Road Tax of \$.30 per \$100 of assessed value for the purpose of maintaining roads and bridges.

For the year ended September 30, 2015, the combined tax rate to finance general government services and the payment of principal and interest on long-term debt was \$.365.

On February 1 of the following calendar year the tax bill becomes delinquent and penalty and interest is assessed by the County. The County Commissioners issue a tax levy for the County's General and Debt Service Funds. The levy and collections are restricted to the funds they are allocated for. The delinquent tax receivables and penalty and interest receivables represent the past thirty years of uncollected tax levies. The allowance for uncollectible was set at thirty percent of the gross tax receivable and sixty percent on penalty and interest as of September 30, 2015. The allowance has been recorded for property taxes and Penalty and Interest, which are estimated to be uncollectible as required by generally accepted accounting.

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

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

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

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



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

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

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

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

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

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

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

Due to/from other funds:

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

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

The following is a summary of the County's transfers for the year ended September 30, 2015:

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





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

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

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

Transfers in the amount of \$128,532 for Ford Park were made between governmental activities and business-type activities for capital assets purchases which were donated to business-type activities in the government wide statements.

**Note 5 – Capital Assets**

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

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



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

**Note 5 – Capital Assets (continued)**

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

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

**Governmental activities:**

General Government	\$ 596,856
Judicial & Law Enforcement	2,601,147
Health & Welfare	74,253
Maintenance - Equipment & Structures	<u>2,664,137</u>
Total depreciation expense - governmental activities	<u>\$5,936,393</u>

**Business-type activities:**

Southeast Texas Regional Airport	\$1,577,476
Ford Park	<u>2,407,084</u>
Total depreciation expense - business-type activities	<u>\$3,984,560</u>



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

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**Note 6 - Operating Leases**

County as Lessor

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

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

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

The following schedule provides an analysis of the County's investment in property on operating leases and property held for lease by major classes as of September 30, 2015:

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

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 6 - Operating Leases (continued)**

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

Minimum future rentals do not include contingent rentals, which may be received as stipulated in the lease contracts. These contingent rental payments occur only if the use exceeds a certain level of activity each year. There were no contingent rentals on Airport cancellable operating leases for the year ended September 30, 2015.

**Note 7 - Long-Term Debt**

General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. All of the 2012 Refunding Bonds and 72% (\$1,630,834) of the 2011 Refunding Bonds funded and benefited business-type activities, though resources of the governmental activities are being used to liquidate the debt. All other General obligation bonds have been issued for governmental-type activities. The original amount of general obligation bonds issued in prior years was \$54,195,000.

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

\$1,340,000 2013 Refunding Bonds due in annual installments from \$265,000 to \$275,000 through August 1, 2018; interest rates ranging from .62% to 1.93%.	\$805,000
\$47,305,000 2012 Refunding Bonds due in annual installments from \$780,000 to \$4,465,000 through August 1, 2025; interest rates ranging from 2.0% to 5.0%.	37,590,000
\$5,550,000 2011 Refunding Bonds due in annual installments from \$55,000 to \$1,150,000 through August 1, 2017; interest rates ranging from 2.0% to 3.0%.	<u>2,265,000</u>
Total General Obligation Bonds	<u>\$40,660,000</u>



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 7 - Long-Term Debt (continued)**

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

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

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

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

**Capital Lease Obligations:**

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

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



JEFFERSON COUNTY, TEXAS  
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**Note 7 - Long-Term Debt (continued)**

Conduit Debt Obligations

The County has issued Housing Finance Corporation Bonds and Industrial Development Corporation Bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity serviced by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2015, there were two series of Jefferson County Housing Finance Corporation Bonds with an aggregate principal amount payable of \$12,413,837, and one series of Jefferson Industrial Development Bonds with an aggregate principal amount payable of \$45,510,000.

Arbitrage Rebate Liability

The Tax Reform Act of 1986 established regulations for the rebate to the federal government of arbitrage earnings on certain local government bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Issuing governments must calculate any rebate due and remit the amount due at least every five years. As of September 30, 2015, there are no estimated liabilities for arbitrage rebate on governmental debt. The Debt Service Fund and the residual balance in the Capital Project Fund have typically been used to liquidate the arbitrage liability in previous years.

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2015 was as follows:



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

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

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

Compensated absences liabilities are normally liquidated by the general fund for governmental activities and by the corresponding enterprise fund for business type activities. Claims and judgments of governmental funds are normally paid from the corresponding internal service fund. Claims and judgments of the public entity risk pool are normally paid from the corresponding internal service fund. Pension liabilities are normally liquidated by the corresponding funds in governmental activities and by the corresponding enterprise fund for business type activities. OPEB Obligations are normally liquidated by the general fund.

**Note 8 – Defined Benefit Pension Plan**

**Plan Description.** The County participates in a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (“TCDRS”). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent, multiple-employer, public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tcdrs.org](http://www.tcdrs.org).

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



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

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

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

Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

***Employees covered by benefit terms***

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

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

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

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





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

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

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

***Actuarial Assumptions***

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

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

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

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

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

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

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



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

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

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

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

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

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

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

**Discount Rate**

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



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

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

*Changes in the Net Pension Liability*

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

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

*Sensitivity Analysis*

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



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

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

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

***Pension Plan Fiduciary Net Position***

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

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

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

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

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

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



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

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

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

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

**Plan Description -**

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

**ACTUARIAL VALUATION INFORMATION**

Actuarial Valuation Date	October 1, 2014
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar (open)
Remaining Amortization Period	30 years
Asset Valuation Method	Market Value
Discount Rate	4.00%
General Inflation Rate	3.00%

**Retiree Benefits**

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

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

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



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 NOTES TO THE FINANCIAL STATEMENTS  
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**Note 9 – Other Post-Employment Benefits (continued)**

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

**Retiree Spouse Benefits**

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

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

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

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

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

As of September 30, 2015, there were 570 participants receiving benefits.

**Funding Policy and Annual OPEB Cost –**

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45 (GASB 45), creating accounting standards for Other Post Employment Benefits (OPEB) provided by governmental entities separately from a pension plan. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets),



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

note disclosures, and if applicable required supplementary information (RSI) in the financial reports of state and local governments.

The Plan contribution rates are set annually by Commissioners' Court based on the combination of premiums and prior year costs of the self-funded portion of the plan. The Plan is funded on a pay-as-you-go basis. In 2015 the total contribution was \$4,094,919.

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

The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County had its most recent OPEB actuarial valuation performed for the fiscal year beginning October 1, 2014 as required by GASB. The County's annual OPEB cost for the current year is as follows:

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



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

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

**Funded Status and Funding Progress -**

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

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

**Actuarial Methods and Assumptions –**

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

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

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





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

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

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

**Note 10 - Deferred Compensation Plan**

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

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

Accordingly, the County performs minimal administrative functions and does not perform any investment functions for the plan. Consequently, the assets held by the custodian are not included in the financial statements as of September 30, 2015.

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

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 11 - Individual Funds Deficit Equity Balances - continue**

<u>Governmental Activities</u>	
Law Library	\$ 1,139
Juvenile Probation and Detention - State Aid	15,075
Mental Health Services	8,289
Juvenile Drug Court	4,913
Drug Diversion Program	4,203
Juvenile TJPC A	57,201
Sheriff Training Grant	1,938
JAG Grant	8,094
Sheriff Dept Grants	95
Auto Theft Grant	6,754
Drug Intervention Grant	140
Cheek Water and Sewer Phase 4	88,969
CETRZ Grant	395,226
Total for Governmental Activities	<u>\$ 592,036</u>
<u>Business-type Activities</u>	
Southeast Texas Government Employee Benefits Pool Fund	<u>\$2,809,885</u>
Total for Business-type Activities	<u>\$2,809,885</u>

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

**Note 12 - Risk Management**

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

	<u>2015</u>	<u>2014</u>
Liability for claims, beginning of fiscal year	\$371,096	\$370,760
Incurred claims and changes in estimates	1,327,720	268,378
Claim payments	<u>(389,841)</u>	<u>(268,042)</u>
Liability for claims, end of fiscal year	<u>\$1,308,975</u>	<u>\$371,096</u>



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

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

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

	<u>2015</u>	<u>2014</u>
Liability for claims, beginning of fiscal year	\$396,044	\$301,481
Incurred claims and changes in estimates	864,227	774,404
Claim payments	<u>(724,048)</u>	<u>(679,841)</u>
Liability for claims, end of fiscal year	<u>\$536,223</u>	<u>\$396,044</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, and Jefferson County Drainage District #6. The total number of members in the Pool is 1,652. Operations of the Pool are accounted for as an internal service fund.



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

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

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

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

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

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

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

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

As of September 30, 2015, the County had the following commitments with respect to unfinished capital projects:

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



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

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**Note 15 - Contingent Liabilities**

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

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

**Note 16 – Prior Period Adjustments**

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

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

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

**Note 17 - Restatements and Reclassifications**

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

**Note 18 – Recent Accounting Pronouncements**

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

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



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

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

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

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

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

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

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

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

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



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

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

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





REQUIRED SUPPLEMENTARY  
INFORMATION

JEFFERSON COUNTY, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015

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



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

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### 1. Budgetary Basis

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

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

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

In addition, the Court approved approximately \$350,000 in budget transfers over the original budget for the increased cost for indigent defense. These transfers were not part of the original budget.

The above budget transfers were funded with the savings from various departments. Commissioners' Court was able to achieve \$6,771.959 in actual savings from the total budget, with the assistance from all County departments.

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

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

\* Reporting began in fiscal year 2015.

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

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

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

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

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

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

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

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)* (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2013	10/1/2012	\$0	\$149,094,287	\$149,094,287	0%	\$62,180,294	239.78%
2014	10/1/2013	\$0	\$159,551,852 ^	\$159,551,852	0%	\$63,647,485	250.68%
2015	10/1/2014	\$0	\$170,556,354	\$170,556,354	0%	\$65,067,626	262.12%

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

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

COMBINING AND INDIVIDUAL FUND  
INFORMATION AND OTHER  
SUPPLEMENTARY INFORMATION



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

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

(CONTINUED)

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

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

## NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

## SPECIAL REVENUE FUNDS

## SPECIAL REVENUE FUNDS

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

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

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

**Law Library Fund** - This fund is used to account for the maintenance of the County Law Library. Financing is provided by fees from law suits filed in the District Courts and County Courts-at-Law.

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

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

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

**ASAP Constable Pct 8 Program** - This fund is used to account for fees collected from the Port Arthur Independent School for the administration of the Absent Student Assistance Program (ASAP) by the Constable Pct 8 and the expenditure of those funds for the program.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

**Sheriff's Special Revenue Funds** - This fund is used to account for fees, forfeitures, and other revenue received by the Sheriff in association with Security Fees, Law Officer Training fees, D.A.R.E. Contributions, Sheriff's Forfeitures, Sheriff's Commissary, Sheriff – Spindletop Grant, and the Marine Division reimbursements, and the expenditure of those funds.

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

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

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

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

Juvenile Probation and Detention - State Aid  
 Juvenile Community Corrections Program

IV-E Foster Care Fund  
 Juvenile Grant A – State Aid  
 Mentally Impaired Offenders  
 Community Supervision  
 Women’s Center  
 Mental Health Services  
 Community Corrections  
 DWI Pretrial Diversion  
 Juvenile Drug Court  
 Drug Diversion Program  
 Juvenile Accountability #2  
 Juvenile TJPC A  
 Juvenile Advocate Incentive

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

Family Group Conferencing  
 Sheriff Training Grant  
 JAG Grant  
 Sheriff Dept Grants  
 SCAAP Grant  
 Crime Victims Clearing - 1  
 Regional Communication  
 Crime Victims Clearing - 2  
 EMPG Grant  
 Forensic Science Improvement Grant  
 Port Security Grants  
 Auto Theft Grant  
 FEMA Emergency  
 Drug Intervention Grant  
 Violence Against Women - 1  
 Violence Against Women - 2  
 Family Treatment Court  
 SHSP & LETPP Grants  
 Check Water and Sewer Phase 4



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

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

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

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

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

SHERIFF AND CONSTABLE EDUCATION FUND	TAX OFFICE AUTO DEALER FUND	UNCLAIMED FUNDS MANAGEMENT FUND	FAMILY PROTECTION FUND	DISTRICT ATTORNEY FORFEITURE FUND	BOT CHECK FUND	JP COURTROOM TECHNOLOGY FUND
26.083	158.654	149.949	17.333	244.097	60,202	521.230
-	-	-	-	-	-	-
9	60	-	6	-	-	195
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>26.092</u>	<u>158.714</u>	<u>149,949</u>	<u>17.339</u>	<u>244.097</u>	<u>60,202</u>	<u>521.425</u>
348	-	10.420	-	-	1.182	151
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>348</u>	<u>-</u>	<u>10.420</u>	<u>-</u>	<u>-</u>	<u>1.182</u>	<u>151</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	158.714	139.529	-	-	-	-
25.744	-	-	17.339	244.097	59,020	521.274
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>25.744</u>	<u>158.714</u>	<u>139.529</u>	<u>17.339</u>	<u>244.097</u>	<u>59,020</u>	<u>521.274</u>
<u>26.092</u>	<u>158.714</u>	<u>149.949</u>	<u>17.339</u>	<u>244.097</u>	<u>60,202</u>	<u>521.425</u>

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

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



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

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

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

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

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

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

SHERIFF AND CONSTABLE EDUCATION FUND	TAX OFFICE AUTO DEALER FUND	UNCLAIMED FUNDS MANAGEMENT FUND	FAMILY PROTECTION FUND	DISTRICT ATTORNEY FORFEITURE FUND	HOT CHECK FUND	JP COURTROOM TECHNOLOGY FUND
-	-	-	-	-	-	-
-	4,009	18,440	16,185	-	20,032	43,908
-	-	-	-	68,964	-	-
-	-	-	-	-	-	-
29,231	-	-	-	-	-	-
159	2,655	-	44	527	-	2,304
-	-	-	-	-	-	-
<u>29,390</u>	<u>6,664</u>	<u>18,440</u>	<u>16,229</u>	<u>69,491</u>	<u>20,032</u>	<u>46,212</u>
-	-	-	-	-	-	-
32,091	-	-	15,000	81,759	5,853	27,934
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>32,091</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>81,759</u>	<u>5,853</u>	<u>27,934</u>
<u>(2,701)</u>	<u>6,664</u>	<u>18,440</u>	<u>1,229</u>	<u>(12,268)</u>	<u>14,179</u>	<u>18,278</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(2,701)</u>	<u>6,664</u>	<u>18,440</u>	<u>1,229</u>	<u>(12,268)</u>	<u>14,179</u>	<u>18,278</u>
28,445	152,050	121,089	16,110	256,365	44,841	502,996
-	-	-	-	-	-	-
<u>28,445</u>	<u>152,050</u>	<u>121,089</u>	<u>16,110</u>	<u>256,365</u>	<u>44,841</u>	<u>502,996</u>
<u>25,744</u>	<u>158,714</u>	<u>139,529</u>	<u>17,339</u>	<u>244,097</u>	<u>59,020</u>	<u>521,274</u>

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

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

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





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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

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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, 2015

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

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





## CAPITAL PROJECTS FUNDS .

## CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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





## DEBT SERVICE FUNDS

## DEBT SERVICE FUNDS

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

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

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

**2011 Refunding Bond** - This fund is used to account for the revenues and expenditures associated with the \$5,550,000 General Obligation Refunding Bonds issued in March 2011.



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

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

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

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

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

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



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

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

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

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

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

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

JEFFERSON COUNTY, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)  
 DEBT SERVICE - 2011 REFUNDING BONDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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



# INTERNAL SERVICE FUNDS

## INTERNAL SERVICE FUNDS

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

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

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

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

**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF NET POSITION -**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2015**

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



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

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

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

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



## FIDUCIARY FUNDS

## FIDUCIARY FUNDS

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

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

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

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

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

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

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

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

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

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

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

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



JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	TREASURER MAINTAINED FUND	COUNTY CLERK FUND	DISTRICT CLERK FUND	SHERIFF'S FUND	JUSTICE OF THE PEACE FUND
<b>TOTAL AGENCY FUNDS</b>					
<b>ASSETS - OCTOBER 1, 2014</b>					
CASH AND CASH EQUIVALENTS	\$ 395,279	4,005,141	6,396,417	412,765	185,601
ACCOUNTS RECEIVABLE, Net	7,410	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	341,282	-	68,294	-	-
TOTAL	<u>\$ 743,971</u>	<u>4,005,141</u>	<u>6,464,711</u>	<u>412,765</u>	<u>185,601</u>
<b>ADDITIONS</b>					
CASH AND CASH EQUIVALENTS	\$ 2,017,355	4,409,929	5,919,386	5,123,427	3,277,384
ACCOUNTS RECEIVABLE, Net	6,060	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	374,413	-	47,508	-	-
TOTAL	<u>\$ 2,397,828</u>	<u>4,409,929</u>	<u>5,966,894</u>	<u>5,123,427</u>	<u>3,277,384</u>
<b>DELETIONS</b>					
CASH AND CASH EQUIVALENTS	\$ 2,009,664	4,703,872	6,858,479	5,273,568	3,303,551
ACCOUNTS RECEIVABLE, Net	7,410	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	372,968	-	68,294	-	-
TOTAL	<u>\$ 2,390,042</u>	<u>4,703,872</u>	<u>6,926,773</u>	<u>5,273,568</u>	<u>3,303,551</u>
<b>ASSETS - SEPTEMBER 30, 2015</b>					
CASH AND CASH EQUIVALENTS	\$ 402,970	3,711,198	5,457,324	262,624	159,434
ACCOUNTS RECEIVABLE, Net	6,060	-	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	342,727	-	47,508	-	-
TOTAL ASSETS	<u>\$ 751,757</u>	<u>3,711,198</u>	<u>5,504,832</u>	<u>262,624</u>	<u>159,434</u>
<b>LIABILITIES - OCTOBER 1, 2014</b>					
ACCOUNTS PAYABLE DUE TO OTHER	\$ 248,761	710,851	6,398,355	357,120	33,213
GOVERNMENTAL ENTITIES	495,210	66,896	66,356	55,645	152,388
OTHER PAYABLES	-	3,227,394	-	-	-
TOTAL	<u>\$ 743,971</u>	<u>4,005,141</u>	<u>6,464,711</u>	<u>412,765</u>	<u>185,601</u>
<b>ADDITIONS</b>					
ACCOUNTS PAYABLE DUE TO OTHER	\$ 117,910	119,445	4,139,455	1,801,468	281,287
GOVERNMENTAL ENTITIES	1,900,444	63,590	97,031	62,462	134,394
OTHER PAYABLES	-	834,674	-	-	-
TOTAL	<u>\$ 2,018,354</u>	<u>1,017,709</u>	<u>4,236,486</u>	<u>1,863,930</u>	<u>415,681</u>
<b>DELETIONS</b>					
ACCOUNTS PAYABLE DUE TO OTHER	\$ 110,284	207,978	5,115,259	1,958,426	289,460
GOVERNMENTAL ENTITIES	1,900,284	66,896	81,106	55,645	152,388
OTHER PAYABLES	-	1,036,778	-	-	-
TOTAL	<u>\$ 2,010,568</u>	<u>1,311,652</u>	<u>5,196,365</u>	<u>2,014,071</u>	<u>441,848</u>
<b>LIABILITIES - SEPTEMBER 30, 2015</b>					
ACCOUNTS PAYABLE DUE TO OTHER	\$ 256,387	622,318	5,422,551	200,162	25,040
GOVERNMENTAL ENTITIES	495,370	63,590	82,281	62,462	134,394
OTHER PAYABLES	-	3,025,290	-	-	-
TOTAL LIABILITIES	<u>\$ 751,757</u>	<u>3,711,198</u>	<u>5,504,832</u>	<u>262,624</u>	<u>159,434</u>



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



## CAPITAL ASSETS

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

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

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

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

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

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

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

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

FUNCTION	BALANCE 10/1/2014	ADDITIONS	DEDUCTIONS	TRANSFERS	BALANCE 9/30/2015
GENERAL GOVERNMENT	\$ 5,245,959	\$ 1,848,765	\$ (304,289)	\$ -	\$ 6,790,435
JUDICIAL AND LAW ENFORCEMENT	50,112,416	1,729,309	(804,032)	-	51,037,693
HEALTH AND WELFARE	2,706,612	1,895,933	(122,260)	-	4,480,285
MAINTENANCE OF STRUCTURES AND EQUIPMENT	156,081,132	8,646,575	(96,838)	-	164,630,869
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>\$ 214,146,119</b>	<b>\$ 14,120,582</b>	<b>\$ (1,327,419)</b>	<b>\$ -</b>	<b>\$ 226,939,282</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>	139
Revenue Trends <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	146
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	150
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	154
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	156

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



TABLE I

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

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

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

\*\* In 2007, the Southeast Texas Government Employee Benefits Pool Fund was reclassified from an Enterprise Fund to an Internal Service Fund.  
^ GASB 54 was implemented.

TABLE 2

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

140

	Fiscal Year									
	2006	2007 **	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental activities:</b>										
General Government	\$ 15,048,763	\$ 20,008,549	\$ 20,369,690	\$ 34,940,366	\$ 33,344,391	\$ 34,710,153	\$ 32,862,570	\$ 37,253,918	\$ 42,933,889	\$ 40,203,444
Judicial and Law Enforcement	55,468,283	59,282,186	69,170,421	74,059,745	75,939,112	76,819,206	81,522,130	85,995,590	82,058,360	80,018,632
Education and Recreation	1,140,083	1,713,942	1,931,034	1,611,435	1,637,026	1,313,440	1,315,819	1,369,159	1,416,537	1,425,539
Health and Welfare	8,339,076	8,784,296	10,104,601	11,265,583	10,824,644	9,704,323	17,758,075	10,917,065	10,570,568	10,362,461
Maintenance - Equipment and Structures	47,442,781	18,185,968	21,118,467	35,000,580	18,724,938	13,365,410	15,552,976	17,162,873	14,859,687	14,076,436
Interest and Charges on Long-term Debt	4,128,450	3,985,181	3,804,914	3,715,282	3,587,860	3,388,354	1,936,302	1,762,428	1,611,661	1,423,776
Total governmental activities expenses	\$ 131,567,436	\$ 111,960,122	\$ 126,499,177	\$ 169,532,991	\$ 144,037,971	\$ 139,300,886	\$ 150,947,872	\$ 154,461,033	\$ 153,450,702	\$ 147,510,288
<b>Business-type activities:</b>										
Airport	\$ 4,117,325	\$ 4,219,627	\$ 4,902,822	\$ 4,710,467	\$ 5,095,941	\$ 5,506,746	\$ 6,618,247	\$ 7,386,238	\$ 6,943,749	\$ 5,894,518
Entertainment Complex	7,392,777	8,685,343	7,648,462	7,977,002	7,889,891	6,866,792	10,248,457	9,771,707	9,760,675	7,752,545
Health Insurance Risk Pool	10,101,217	-	-	-	-	-	-	-	-	-
Total business-type expenses	\$ 21,611,319	\$ 12,904,970	\$ 12,551,284	\$ 12,687,469	\$ 12,985,832	\$ 12,373,538	\$ 16,866,704	\$ 17,157,945	\$ 16,704,424	\$ 13,647,063
Total primary government expenses	\$ 153,178,755	\$ 124,865,092	\$ 139,050,461	\$ 182,220,460	\$ 157,043,803	\$ 151,674,424	\$ 167,814,576	\$ 171,618,978	\$ 170,155,126	\$ 161,157,351
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General Government	\$ 4,616,001	\$ 6,913,696	\$ 6,637,669	\$ 8,741,944	\$ 7,612,696	\$ 8,218,241	\$ 9,076,015	\$ 7,279,674	\$ 6,234,887	\$ 4,697,503
Judicial and Law Enforcement	11,587,628	11,434,794	10,700,195	10,434,533	9,376,938	9,679,128	9,859,550	9,234,538	10,067,596	10,602,406
Education and Recreation	223,468	191,921	88,452	208,036	101,907	86,010	74,005	84,613	66,517	73,649
Health and Welfare	93,465	86,231	92,009	370,557	575,343	401,929	369,503	392,612	430,032	411,006
Maintenance - Equipment and Structures	15,177,669	8,232,587	5,768,735	8,447,195	6,328,641	4,047,555	5,362,121	5,837,681	5,535,713	5,482,157
Operating grants and contributions	36,793,964	11,718,420	14,050,116	30,927,086	15,607,904	16,494,833	18,243,076	19,150,824	13,417,014	10,935,535
Capital grants and contributions	2,114,187	1,290,133	269,347	937,390	2,336,880	8,091,187	11,938,532	5,222,624	4,287,420	8,711,241
Total governmental activities program revenues	\$ 70,606,382	\$ 39,867,782	\$ 37,606,523	\$ 60,066,741	\$ 41,940,309	\$ 47,918,883	\$ 54,922,802	\$ 47,202,566	\$ 40,039,179	\$ 40,913,497
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Airport	\$ 2,693,193	\$ 2,407,949	\$ 3,269,502	\$ 2,999,857	\$ 2,897,411	\$ 3,088,666	\$ 3,712,848	\$ 3,978,820	\$ 4,526,324	\$ 3,493,616
Entertainment Complex	2,918,548	3,924,467	3,064,942	3,716,433	3,684,655	2,943,861	6,274,380	5,536,308	5,564,686	3,445,635
Health Insurance Risk Pool	10,973,699	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,390,786	-	-	43,397	-	-	-	-	-	-
Capital grants and contributions	4,395,052	3,725,475	2,741,002	8,278,928	2,145,711	1,100,366	1,960,880	943,357	231,418	2,442,839
Total business-type activities program revenues	\$ 22,371,278	\$ 10,057,891	\$ 9,075,446	\$ 15,038,615	\$ 8,727,777	\$ 7,132,893	\$ 11,948,108	\$ 10,458,485	\$ 10,322,428	\$ 9,382,090
Total primary government program revenues	\$ 92,977,660	\$ 49,925,673	\$ 46,681,969	\$ 75,105,356	\$ 50,668,086	\$ 55,051,776	\$ 66,870,910	\$ 57,661,051	\$ 50,361,607	\$ 50,295,587
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (60,961,054)	\$ (72,092,340)	\$ (88,892,654)	\$ (100,466,250)	\$ (102,117,662)	\$ (91,382,003)	\$ (96,025,070)	\$ (107,258,467)	\$ (113,411,523)	\$ (106,596,791)
Business-type activities	759,959	(2,847,079)	(3,475,838)	2,351,146	(4,258,055)	(5,240,645)	(4,918,596)	(6,699,460)	(6,381,996)	(4,264,973)
Total primary government net expense	\$ (60,201,095)	\$ (74,939,419)	\$ (92,368,492)	\$ (98,115,104)	\$ (106,375,717)	\$ (96,622,648)	\$ (100,943,666)	\$ (113,957,927)	\$ (119,793,519)	\$ (110,861,764)

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

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

TABLE 3

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

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

TABLE 4

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

Fiscal Year

	2006	2007	2008	2009	2010	2011 <sup>^</sup>	2012	2013	2014	2015
General Fund:										
Reserved	\$ 1,101,397	\$ 1,196,058	\$ 1,124,272	\$ 1,247,682	\$ 1,107,057					
Unreserved	19,445,189	28,724,474	31,324,562	37,639,200	34,899,538					
Nonspendable						1,023,855	898,536	1,043,407	897,102	873,260
Assigned						3,482,075	2,295,347	4,312,676	10,082,383	9,952,977
Unassigned						31,886,947	39,034,450	41,269,536	36,284,915	37,054,620
Total general fund	<u>\$ 20,546,586</u>	<u>\$ 29,920,532</u>	<u>\$ 32,448,834</u>	<u>\$ 38,886,882</u>	<u>\$ 36,006,595</u>	<u>\$ 36,392,877</u>	<u>\$ 42,228,333</u>	<u>\$ 46,625,619</u>	<u>\$ 47,264,400</u>	<u>\$ 47,880,857</u>
All other governmental funds:										
Reserved	\$ 3,958,995	\$ 3,996,377	\$ 7,895,953	\$ 10,617,541	\$ 13,853,088					
Unreserved, reported in:										
Special revenue funds	16,985,952	17,623,438	12,483,025	14,975,902	15,625,403					
Capital project funds	-	(1,618)	(1,618)	-	-					
Debt service funds	826,359	482,912	287,948	376,688	186,623					
Nonspendable						9,130	58,197	41,047	49,781	56,535
Restricted						17,397,567	18,116,476	25,561,948	28,846,726	24,613,120
Committed						5,150,723	3,047,323	1,902,675	2,919,885	6,649,085
Assigned						4,867,061	8,499,277	2,064,217	1,697,319	1,799,539
Unassigned (Deficit)						(4,832,614)	(2,670,874)	(787,118)	(2,925,831)	(4,489,815)
Total all other governmental funds	<u>\$ 21,771,306</u>	<u>\$ 22,101,109</u>	<u>\$ 20,665,308</u>	<u>\$ 25,970,131</u>	<u>\$ 29,665,114</u>	<u>\$ 22,591,867</u>	<u>\$ 27,050,399</u>	<u>\$ 28,782,769</u>	<u>\$ 30,587,880</u>	<u>\$ 28,628,464</u>

<sup>^</sup> GASB Statement 54 was implemented for fiscal year 2011 which changed the classification of fund balance amounts. Prior year amounts have not been restated for the implementation of Statement 54.

TABLE 5

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>REVENUES:</b>										
Property Taxes	\$ 61,103,193	\$ 65,071,514	\$ 71,516,193	\$ 75,912,693	\$ 75,995,020	\$ 72,959,364	\$ 79,446,316	\$ 82,593,407	\$ 84,262,722	\$ 82,850,758
Sales Taxes	21,538,927	23,131,309	25,424,401	32,319,170	22,830,758	22,490,677	25,413,828	26,186,007	25,829,624	24,995,680
Fees	12,752,383	13,232,594	13,844,334	13,372,000	13,247,758	13,176,331	13,056,182	13,101,871	13,811,818	14,337,616
Licenses	425,438	423,313	409,386	487,856	453,002	407,512	465,720	590,148	480,386	459,198
Intergovernmental	39,011,714	12,962,160	14,315,347	30,549,286	17,890,178	23,206,710	30,138,180	23,807,603	18,488,048	16,668,364
Sales, Rental & Services	4,963,482	5,486,288	4,173,703	5,585,920	3,073,201	2,837,483	3,819,630	3,369,016	3,053,808	4,754,414
Fines and Forfeitures	3,538,886	3,008,196	2,181,478	2,076,417	2,199,528	2,072,725	2,130,801	2,074,656	1,900,630	2,120,860
Interest	2,703,210	3,083,938	2,236,357	1,250,787	692,129	273,177	536,993	254,207	307,434	478,763
Miscellaneous	62,805	17,539	17,936	29,275	26,095	24,164	25,206	35,918	30,355	29,495
Contributions and Donations	10,196	18,968	4,116	1,315,190	31,727	4,041	1,412,098	4,700	184,519	57,842
<b>Total Revenues</b>	<b>\$ 146,110,234</b>	<b>\$ 126,435,819</b>	<b>\$ 134,123,251</b>	<b>\$ 162,898,594</b>	<b>\$ 136,439,396</b>	<b>\$ 137,452,184</b>	<b>\$ 156,444,954</b>	<b>\$ 152,017,533</b>	<b>\$ 148,349,644</b>	<b>\$ 146,752,990</b>
<b>EXPENDITURES:</b>										
General Government	\$ 15,367,359	\$ 17,962,946	\$ 18,587,891	\$ 20,335,453	\$ 20,853,875	\$ 20,474,698	\$ 20,252,981	\$ 21,237,703	\$ 22,666,968	\$ 23,786,927
Judicial and Law Enforcement	53,848,433	60,795,584	69,726,438	69,656,955	72,502,150	73,081,968	79,934,077	84,561,028	80,101,133	80,546,836
Education and Recreation	1,137,019	1,717,102	1,915,987	1,579,264	1,614,588	1,298,502	1,304,505	1,361,048	1,409,870	1,439,979
Health and Welfare	8,256,283	8,794,712	10,024,011	10,600,245	10,576,843	9,538,311	10,345,286	10,622,898	10,416,839	10,479,518
Maintenance of Structures and Equipment	43,799,011	15,850,658	19,851,954	36,379,418	17,123,159	12,543,110	12,115,480	11,792,372	12,677,678	12,178,205
Capital Outlay	4,776,391	3,690,980	2,016,129	4,076,087	7,218,487	17,434,755	11,913,277	6,777,118	8,270,112	12,829,173
Debt Services										
Principal	3,890,000	4,045,000	3,510,000	3,860,000	3,760,000	4,942,070	55,731,843	4,344,169	4,498,094	4,420,000
Interest and Commission	4,084,539	3,938,978	3,794,062	3,671,261	3,538,141	3,530,237	4,123,025	1,976,429	1,922,689	1,695,044
<b>Total Expenditures</b>	<b>\$ 135,159,035</b>	<b>\$ 116,795,960</b>	<b>\$ 129,426,472</b>	<b>\$ 149,958,683</b>	<b>\$ 137,187,243</b>	<b>\$ 142,843,651</b>	<b>\$ 195,720,474</b>	<b>\$ 142,672,765</b>	<b>\$ 141,963,383</b>	<b>\$ 147,375,682</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 10,951,199</b>	<b>\$ 9,639,859</b>	<b>\$ 4,696,779</b>	<b>\$ 12,939,911</b>	<b>\$ (747,847)</b>	<b>\$ (5,391,467)</b>	<b>\$ (39,275,520)</b>	<b>\$ 9,344,768</b>	<b>\$ 6,386,261</b>	<b>\$ (622,692)</b>

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfer In	\$ 5,508,237	\$ 3,101,422	\$ 8,147,776	\$ 10,267,060	\$ 8,491,580	\$ 2,851,000	\$ 6,709,370	\$ 6,590,699	\$ 5,310,045	\$ 1,598,717
Transfer Out	(10,514,208)	(5,187,532)	(11,909,931)	(13,954,892)	(11,821,779)	(3,648,785)	(9,523,951)	(9,789,377)	(8,167,733)	(4,064,677)
Proceeds from Sale of Capital Assets	-	-	-	-	2,111,000	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	1,751,957	-	-	-	-	1,707,363
Insurance Proceeds	10,000,000	2,130,000	157,877	2,556,532	1,314,011	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	5,550,000	47,305,000	-	1,340,000	-
Premium on Debt Issued	-	-	-	-	-	209,283	4,970,522	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	(5,672,472)	-	-	(1,298,192)	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 4,994,029</b>	<b>\$ 63,890</b>	<b>\$ (3,604,278)</b>	<b>\$ (1,131,300)</b>	<b>\$ 1,846,769</b>	<b>\$ (670,974)</b>	<b>\$ 49,460,941</b>	<b>\$ (3,198,678)</b>	<b>\$ (2,815,880)</b>	<b>\$ (758,597)</b>
<b>Net Change In Fund Balances</b>	<b>\$ 15,945,228</b>	<b>\$ 9,703,749</b>	<b>\$ 1,092,501</b>	<b>\$ 11,808,611</b>	<b>\$ 1,098,922</b>	<b>\$ (6,062,441)</b>	<b>\$ 10,185,421</b>	<b>\$ 6,146,090</b>	<b>\$ 3,570,381</b>	<b>\$ (1,381,289)</b>
<b>Debt Service As A Percentage of Noncapital Expenditures</b>	<b>6.1%</b>	<b>7.3%</b>	<b>6.0%</b>	<b>5.3%</b>	<b>5.8%</b>	<b>6.6%</b>	<b>32.0%</b>	<b>4.6%</b>	<b>4.7%</b>	<b>4.6%</b>

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

Fiscal Year	Property Tax	Sales Tax	Alcoholic Beverage Tax	Hotel Occupancy Tax	Total
2006	\$ 61,103,193	\$ 20,150,358	\$ 494,201	\$ 894,368	\$ 82,642,120
2007	65,071,514	21,654,606	503,134	973,509	88,202,823
2008	71,516,193	23,906,777	506,047	1,011,577	96,940,594
2009	75,912,693	30,410,633	614,474	1,294,063	108,231,863
2010	75,995,020	21,361,596	575,928	893,234	98,825,778
2011	72,959,364	20,961,453	547,605	981,619	95,450,041
2012	79,446,316	23,864,675	484,988	1,064,165	104,860,144
2013	82,593,407	24,695,194	475,162	1,015,651	108,779,414
2014	84,262,722	24,064,857	614,384	1,150,383	110,092,346
2015	82,850,758	23,047,286	656,678	1,291,716	107,846,438

TABLE 6

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

Fiscal Year Ended September 30	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value (a) as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2006	\$ 5,763,919,286	\$ 8,244,921,075	\$ 53,451,410	\$ 3,377,709,770	\$ 3,069,336,201	\$ 14,370,665,340	\$ 0.425	\$ 14,455,989,770	82.89%
2007	5,433,538,560	10,360,470,535	54,889,880	3,872,073,860	3,180,724,674	16,540,248,161	0.400	16,560,749,332	83.98%
2008	6,729,159,173	11,409,878,641	62,781,190	4,196,575,015	3,824,188,028	18,574,205,991	0.390	18,879,604,039	84.29%
2009	7,717,517,403	12,524,372,020	63,467,330	4,907,849,539	4,416,709,776	20,796,496,516	0.365	21,244,031,039	84.26%
2010	7,848,755,180	11,452,048,660	59,394,290	4,831,378,530	3,053,531,674	21,138,044,986	0.365	21,337,887,316	88.20%
2011	8,042,282,874	12,128,893,349	47,961,490	4,820,689,110	2,904,361,132	22,135,465,691	0.365	22,248,999,610	88.85%
2012	7,989,089,195	12,510,887,710	51,129,790	5,421,135,950	2,819,185,882	23,153,056,763	0.365	23,199,553,509	89.32%
2013	7,912,100,439	14,408,052,759	62,242,770	6,068,922,220	3,198,328,907	25,252,989,281	0.365	25,274,550,281	88.83%
2014	7,974,453,458	17,857,917,342	66,248,570	6,675,937,170	6,667,443,764	25,907,112,776	0.365	25,914,410,662	79.55%
2015	8,081,673,579	16,701,727,909	68,532,930	6,926,838,120	6,385,170,071	25,393,602,467	0.365	25,404,515,574	79.94%

Source: Jefferson County Appraisal District

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

(a) Includes tax-exempt property.

TABLE 7

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

Fiscal Year	Overlapping Rates											Total Direct & Overlapping Rates
				Cities				School Districts				
	Operating Rate	Debt Service Rate	Total County Rate	Operating Rate	Debt Service Rate	Total City Rate	Operating Rate	Debt Service Rate	Total School Rate	Special Districts		
2006	\$ 0.375	\$ 0.050	\$ 0.425	\$ 0.406	\$ 0.271	\$ 0.677	\$ 1.491	\$ 0.136	\$ 1.627	\$ 0.216	\$ 2.945	
2007	0.355	0.045	0.400	0.420	0.232	0.652	1.311	0.119	1.430	0.216	2.698	
2008	0.353	0.037	0.390	0.419	0.187	0.606	1.077	0.144	1.221	0.205	2.422	
2009	0.331	0.034	0.365	0.385	0.202	0.587	1.058	0.186	1.244	0.217	2.413	
2010	0.330	0.035	0.365	0.394	0.199	0.593	1.073	0.220	1.293	0.226	2.477	
2011	0.331	0.034	0.365	0.394	0.197	0.591	1.058	0.226	1.284	0.192	2.432	
2012	0.336	0.029	0.365	0.401	0.185	0.586	1.059	0.230	1.289	0.193	2.433	
2013	0.340	0.025	0.365	0.412	0.182	0.594	1.059	0.217	1.276	0.194	2.429	
2014	0.341	0.024	0.365	0.419	0.189	0.608	1.058	0.235	1.293	0.193	2.459	
2015	0.340	0.025	0.365	0.430	0.186	0.616	1.059	0.244	1.303	0.203	2.487	

Source: Jefferson County Tax Assessor Collector

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

Note: Rates are per \$100 of taxable value. Rates for overlapping entities are an average tax rate of all cities (6), school districts (7), and special districts (13) located within Jefferson County. For fiscal year 2014, total rates ranged between .2158 and .7920 for cities, 1.12 and 1.434 for school districts, and .0286 and .5734 for special districts.

TABLE 8

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

Taxpayers	2015			2006		
	Taxable Assessed Value (b)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (b)	Rank	Percentage of Total Taxable Assessed Value
Motiva Refinery	\$ 5,105,290,380	1	20.10%	\$ 851,955,020	2	5.93%
ExxonMobil Oil Corporation	2,373,637,534	2	9.35%	1,834,347,120	1	12.76%
Premcor Refining Group Inc	1,070,844,203	3	4.22%	486,682,210	4	3.39%
Total Petrochemicals USA	813,675,000	4	3.20%	398,391,950	5	2.77%
Huntsman Petrochemical Corp	396,122,490	5	1.56%	781,330,160	3	5.44%
Chevron Phillips Chemical Co	370,139,650	6	1.46%	292,795,180	6	2.04%
Sunoco Partners Mktg & Term LP	349,630,290	7	1.38%	-	-	-
BASF-Atofina Joint Venture	326,059,730	8	1.28%	-	-	-
Entergy Texas Inc.	297,924,820	9	1.17%	241,884,430	7	1.68%
Enterprise Texas Pipeline LP	289,651,870	10	1.14%	-	-	-
Goodyear Tire & Rubber Co.	-	-	-	202,105,580	8	1.41%
Port Arthur Coker Company LP	-	-	-	147,417,950	9	1.03%
E I Dupont De Nemours	-	-	-	134,039,950	10	0.93%
<b>TOTAL</b>	<b>\$11,392,975,967</b>		<b>44.86%</b>	<b>\$5,370,949,550</b>		<b>37.38%</b>

Source: Jefferson County Appraisal District.

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

TABLE 9

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

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 60,781,088	\$ 59,849,203	98.47%	\$ 687,188	\$ 60,536,391	99.60%
2007	64,519,705	63,544,312	98.49%	762,482	64,306,794	99.67%
2008	70,671,952	69,387,969	98.18%	1,030,560	70,418,529	99.64%
2009	74,722,657	73,704,158	98.64%	727,510	74,431,668	99.61%
2010	74,410,829	73,446,110	98.70%	626,148	74,072,258	99.54%
2011	79,156,074	77,966,579	98.50%	780,482	78,747,061	99.48%
2012	83,545,215	82,381,734	98.61%	685,052	83,066,786	99.43%
2013	89,361,867	88,220,195	98.72%	560,942	88,781,137	99.35%
2014	92,542,074	91,329,673	98.69%	446,025	91,775,698	99.17%
2015	91,217,652	89,902,191	98.56%	-	89,902,191	98.56%

TABLE 10

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

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

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

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

TABLE 11

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value (a) of Property</u>	<u>Per Capita (b)</u>
2006	\$ 79,392,478	\$ 337,083	\$ 79,055,395	0.55%	\$ 319
2007	75,385,127	318,212	75,066,915	0.45%	308
2008	71,912,777	76,619	71,836,158	0.38%	297
2009	68,290,426	176,339	68,114,087	0.32%	281
2010	64,553,045	330,833	64,222,212	0.30%	255
2011	60,664,579	354,241	60,310,338	0.27%	239
2012	56,704,005	716,106	55,987,899	0.24%	221
2013	52,482,467	901,217	51,581,250	0.20%	205
2014	49,281,192	1,010,241	48,270,951	0.19%	191
2015	44,444,323	1,096,051	43,348,272	0.17%	172

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

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

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

TABLE 12

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

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

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

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

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



TABLE 13

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

	Fiscal Year										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 3,639,382	\$ 3,502,210	\$ 3,948,502	\$ 4,534,760	\$ 5,060,472	\$ 4,825,201	\$ 5,042,794	\$ 5,124,994	\$ 5,580,038	\$ 6,458,093	\$ 6,195,850
Total net debt applicable to limit	<u>82,888</u>	<u>79,203</u>	<u>75,177</u>	<u>71,908</u>	<u>68,149</u>	<u>64,234</u>	60,416	60,416	48,404	44,070	39,564
Legal debt margin	<u>\$ 3,556,494</u>	<u>\$ 3,423,007</u>	<u>\$ 3,873,325</u>	<u>\$ 4,462,852</u>	<u>\$ 4,992,323</u>	<u>\$ 4,760,967</u>	<u>\$ 4,982,378</u>	<u>\$ 5,064,578</u>	<u>\$ 5,531,634</u>	<u>\$ 6,414,023</u>	<u>\$ 6,156,286</u>
Total net debt applicable to the limit as a percentage of debt limit	2.28%	2.26%	1.90%	1.59%	1.35%	1.33%	1.20%	1.18%	0.87%	0.68%	0.64%

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

Assessed Value of Real Property	\$ 24,783,401
Debt limit (25% of assessed value of real property)	6,195,850
Debt applicable to limit:	
General obligation bonds	40,660
Less: Amount set aside for repayment of general obligation debt	<u>1,096</u>
Total net debt applicable to limit	<u>\$ 39,564</u>
Legal debt margin	<u>\$ 6,156,286</u>

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

TABLE 14

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

<u>Fiscal Year</u>	<u>Population (a)</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income (b)</u>	<u>Median Age (a)</u>	<u>School Enrollment (a)</u>	<u>Unemployment Rate (b)</u>
2006	247,571	\$ 6,854,993	\$ 27,689	36.5	62,002	6.6%
2007	243,914	\$ 7,152,534	\$ 29,324	36.4	59,776	5.7%
2008	241,975	\$ 7,684,158	\$ 31,756	36.7	62,290	7.3%
2009	242,142	\$ 8,183,189	\$ 33,795	36.5	61,721	10.7%
2010	252,273	\$ 9,099,739	\$ 36,071	35.6	62,433	10.6%
2011	252,273	\$ 9,369,167	\$ 37,139	36.0	63,371	11.7%
2012	252,802	\$ 9,786,471	\$ 38,712	35.9	63,371	10.2%
2013	251,813	\$ 9,658,791	\$ 38,357	36.0	63,433	10.1%
2014	252,358	\$ 10,083,721	\$ 39,958	35.9	63,350	7.8%
2015	252,235	\$ 9,971,354	\$ 39,532	35.9	61,768	6.6%

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Data sources

(a) Bureau of Census

(b) Texas Workforce Commission

TABLE 15

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

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

Source: Employment numbers provided by each entity

TABLE 16

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

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

Sources: County and Ford Park payroll records

TABLE 17

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

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

Sources: Various county departments

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

^ Library was closed 12/31/10.

TABLE 18

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

Function	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Judicial & Law Enforcement										
Sheriff										
Patrol Units	92	109	119	116	120	122	122	126	121	123
Aviation Units	3	2	3	3	3	3	4	4	3	3
Marine Units	3	3	4	9	9	11	11	11	11	11
Jail										
Dorms	23	23	23	23	23	23	23	23	23	23
Bed Capacity	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268
Constables										
Patrol Units	29	29	30	31	32	27	24	29	32	28
Education & Recreation										
Library Holdings (ic books, audio, video)	45,378	44,281	46,104	35,549	36,038	n/a ^	n/a ^	n/a ^	n/a ^	n/a ^
Health & Welfare										
Mosquito Control										
Mosquito Spray Trucks	8	8	8	8	8	8	8	8	8	8
Weed Control Trucks	2	2	2	2	2	2	2	2	2	2
Aviation Units	3	3	3	3	3	3	3	3	3	3
Maintenance - Equipment & Structures										
Road (miles)	368	368	370	370	370	370	369	370	370	369
Bridges	65	65	65	65	65	65	65	65	65	65
Airport										
Runways (linear feet)	11,820	11,820	11,820	11,820	11,820	11,820	11,820	11,820	11,820	11,820
T-Hangar & Open Span Hangars (square feet)	138,706	154,376	144,276	123,076	123,076	150,470	150,470	150,470	150,470	150,470
Office Space (square feet)	15,055	15,535	14,439	14,426	14,426	18,885	18,885	43,850	43,850	43,850
Entertainment Complex										
Number of venues	5	5	5	5	5	5	5	5	5	5
Softball Fields	12	12	12	12	12	12	12	12	12	12
Exhibit Floor Space (square feet)	142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000
Seating Capacity	23,500	23,500	23,500	23,500	23,500	23,500	23,500	23,500	23,500	23,500

Sources: Various county departments

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

^ Library was closed 12/31/10.





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

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

We have audited the financial statements of Jefferson County, Texas as of and for the year ended September 30, 2015, and have issued our report thereon dated March 17, 2016. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated June 30, 2015, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Jefferson County, Texas solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

**WACO, TX**  
 401 West Highway 6  
 Waco, Texas 76710  
 254.772.4901  
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**HOUSTON, TX**  
 281.671.6259

**RIO GRANDE VALLEY, TX**  
 956.544.7778

**TEMPLE, TX**  
 254.791.3460

**ALBUQUERQUE, NM**  
 505.266.5904

  
**Governmental Audit  
 Quality Center**



## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

We will assist in preparing the schedule of expenditures of federal and state awards, and related notes to the financial statements of Jefferson County, Texas in conformity with U.S. generally accepted accounting principles and OMB Circular A-133 and the State of Texas Uniform Grant Management Standards based on information provided by you. These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Services.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferable from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Jefferson County, Texas is included in Note 1 to the financial statements. As described in the notes to the financial statements, during the year, Jefferson County, Texas changed its method of accounting for pension liabilities by adopting Governmental Accounting Standards (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 and Governmental Accounting Standards (GASB) Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68. Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Activities. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

Management's estimate of the allowance for uncollectible property taxes is based on a historical collection rate of outstanding property taxes at September 30, 2015. We evaluated the key factors and assumptions used to develop the allowance for uncollectible property taxes in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for uncollectible court fines and fees receivable is based on a historical collection rate of outstanding court fines and fees at September 30, 2015. We evaluated the key factors and assumptions used to develop the allowance for uncollectible court fines in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the accumulated depreciation is based on the related estimated useful lives of capital assets. We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the annual OPEB cost and net OPEB obligation is based on economic and demographic assumptions related to future claims/premiums paid on behalf of retirees. We evaluated the key factors and assumptions used to develop the annual OPEB cost and net OPEB obligation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability is based on actuarial assumptions which are determined by the demographics of the plan and future projections that the actuarial makes based on historical information of the plan and the investment market. We evaluated the key factors and assumptions used to develop the net pension liability and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

#### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Jefferson County, Texas' financial statements relate to the TCDRS pension liability. The disclosures in the financial statements are neutral, consistent and clear.

#### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Jefferson County, Texas' financial statements or the auditors' report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated March 17, 2016.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with Jefferson County, Texas, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Jefferson County, Texas' auditors.

## **Significant Forthcoming Accounting Standards**

### *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

Governmental Accounting Standards Board Statement No. 75 ("GASB 75"), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, is effective for periods beginning after June 15, 2017. The primary objective of GASB 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or "OPEB"). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

*This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB.*

These new standards relate only to the accounting and reporting of OPEB plans within the GAAP based financial statements of governmental entities. They do not establish requirements as to the actual funding of these benefits. These decisions are left to management and the governing body.

This Statement may have a material impact on recorded OPEB liabilities compared to application of current standards. Your processes should be updated to incorporate the new information requirements and gather information now to determine the future impacts on financial reporting.

### **Restriction on Use**

This report is intended solely for the information and use of the Honorable County Judge, Commissioners' Court, and management of the County and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Waco, Texas  
March 17, 2016

**FirstSouthwest**  
**AssetManagement**   
 A Hilltop Holdings Company.

J. Colby Jackson  
 Director  
 Arbitrage Rebate Compliance Services

March 21, 2016

Mr. Patrick Swain  
 County Auditor  
 Jefferson County, Texas  
 Jefferson County Courthouse  
 1149 Pearl Street, 7<sup>th</sup> Floor  
 Beaumont, Texas 77701

Dear Mr. Swain:

We recently noted that our contract to perform arbitrage rebate services between Jefferson County, Texas and First Southwest Asset Management, LLC ("FSAM") has expired. Thanks to clients such as you, FSAM has gained a national reputation as a leading provider of arbitrage rebate compliance services.

FSAM has been providing comprehensive arbitrage rebate compliance services to the County since December 1994, and we value the opportunity to be of continued service to the County. We are committed to continuing to provide the County with a full range of compliance services tailored to the needs of the County.

We have enclosed two copies of the arbitrage rebate renewal contract, for your review. As you will note, we are proposing a base fee per calculation of \$1,400.00 per issue per calculation year. While we would rather not have to raise fees, it is a business motivated decision. In 2010, FSAM voluntarily lowered the County's rebate fees by 33%. That was done in an effort to share the reduced complexity of the investment options and strategies in the then current economic environment. We continue to believe that the County deserves to share in the benefit of the less time required to perform rebate calculations in this investment environment. However, the people costs of our business continue to increase. As a result, we have taken back a small portion of the 2010 fee decrease. Even after the current fee increase, the County's net fee reduction is 22%.

We have enclosed an executed Conflict of Interest Questionnaire (Form CIQ) for your records.

Pursuant to recent legislation known as H.B. 1295, certain Texas governmental entities and state agencies are required to obtain a completed Texas Ethics Commission Form 1295, Certificate of

101791-1

Hilltop Securities Inc.  
 1201 Elm Street  
 Suite 3500  
 Dallas, Texas 75270

direct 214.953.8760  
 toll free 800.678.3792  
 mobile 940.224.4431  
 Colby.Jackson@HilltopSecurities.com  
 HilltopSecurities.com

Interested Parties, from the vendor before entering into a contract that (1) requires an action or vote by the governing body of the entity or agency, or (2) has a value of at least \$1 million. It is our belief that this statute does not apply to this contract for arbitrage rebate compliance services. If the County is subject to this legislation and you are required to receive Form 1295 before entering into a contract with our firm, please let me know and one will be provided.

It is truly our privilege to partner with the County to ensure that current and future bond issues comply with the arbitrage rebate and yield restriction rules. At your convenience, please return one executed copy to us and retain the other executed copy for your records.

Should you have any questions, please do not hesitate to contact me at (800) 678-3792 or directly at (214) 953-8760.

Sincerely,

A handwritten signature in black ink, appearing to read 'Colby Jackson', with a stylized flourish extending from the end.

Colby Jackson

# CONFLICT OF INTEREST QUESTIONNAIRE

**FORM CIQ**

For vendor doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.  
 This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).  
 By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.  
 A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

**OFFICE USE ONLY**

Date Received

**1 Name of vendor who has a business relationship with local governmental entity.**

First Southwest Asset Management, LLC

**2**  Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

**3 Name of local government officer about whom the information is being disclosed.**

Not Applicable

Name of Officer

**4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes  No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes  No

**5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

Not Applicable

**6**  Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

**7** First Southwest Asset Management, LLC

By

  
Signature of vendor doing business with the governmental entity

3/14/14  
Date

Form No. 148(f); Revised 1/25/16

**AGREEMENT FOR  
ARBITRAGE REBATE COMPLIANCE SERVICES  
BETWEEN  
JEFFERSON COUNTY, TEXAS  
(Hereinafter Referred to as the "Issuer")  
AND  
FIRST SOUTHWEST ASSET MANAGEMENT, LLC  
(Hereinafter Referred to as "FSAM")**

It is understood and agreed that the Issuer, in connection with the sale and delivery of certain bonds, notes, certificates, or other tax-exempt obligations (the "*Obligations*"), will have the need to determine to what extent, if any, it will be required to rebate certain investment earnings (the amount of such rebate being referred to herein as the "*Arbitrage Amount*") from the proceeds of the Obligations to the United States of America pursuant to the provisions of Section 148(f)(2) of the Internal Revenue Code of 1986, as amended (the "*Code*"). For purposes of this Agreement, the term "Arbitrage Amount" includes payments made under the election to pay penalty in lieu of rebate for a qualified construction issue under Section 148(f)(4) of the Code.

We are pleased to submit the following proposal for consideration; and if the proposal is accepted by the Issuer, it shall become the agreement (the "*Agreement*") between the Issuer and FSAM effective at the date of its acceptance as provided for herein below.

1. This Agreement shall apply to all issues of tax-exempt Obligations delivered subsequent to the effective date of the rebate requirements under the Code, except for (i) issues which qualify for exceptions to the rebate requirements in accordance with Section 148 of the Code and related Treasury regulations, or (ii) issues excluded by the Issuer in writing in accordance with the further provisions hereof, (iii) new issues effected in a fashion whereby FSAM is unaware of the existence of such issue, (iv) issues in which, for reasons outside the control of FSAM, FSAM is unable to procure the necessary information required to perform such services.

**Covenants of First Southwest Asset Management**

2. We agree to provide our professional services in determining the Arbitrage Amount with regard to the Obligations. The Issuer will assume and pay the fee of FSAM as such fee is set out in Appendix A attached hereto. FSAM shall not be responsible for any extraordinary expenses incurred on behalf of Issuer in connection with providing such professional services, including any costs incident to litigation, mandamus action, test case or other similar legal actions.
3. We agree to perform the following duties in connection with providing arbitrage rebate compliance services:
  - a. To cooperate fully with the Issuer in reviewing the schedule of investments made by the Issuer with (i) proceeds from the Obligations, and (ii) proceeds of other funds of the Issuer which, under Treasury Regulations Section 1.148, or any successor regulations thereto, are subject to the rebate requirements of the Code;
  - b. To perform, or cause to be performed, consistent with the Code and the regulations promulgated thereunder, calculations to determine the Arbitrage Amount under Section 148(f)(2) of the Code; and
  - c. To provide a report to the Issuer specifying the Arbitrage Amount based upon the investment schedule, the calculations of bond yield and investment yield, and other information deemed relevant by FSAM. In undertaking to provide the services set forth in paragraph 2 and this paragraph 3, FSAM does not assume any responsibility for any record retention requirements which the Issuer may have under the Code or other applicable laws, it being understood that the Issuer shall remain responsible for compliance with any such record retention requirements.



## Covenants of the Issuer

4. In connection with the performance of the aforesaid duties, the Issuer agrees to the following:
- a. The fees due to FSAM in providing arbitrage rebate compliance services shall be calculated in accordance with Appendix A attached hereto. The fees will be payable upon delivery of the report prepared by FSAM for each issue of Obligations during the term of this Agreement.
  - b. The Issuer will provide FSAM all information regarding the issuance of the Obligations and the investment of the proceeds therefrom, and any other information necessary in connection with calculating the Arbitrage Amount. FSAM will rely on the information supplied by the Issuer without inquiry, it being understood that FSAM will not conduct an audit or take any other steps to verify the accuracy or authenticity of the information provided by the Issuer.
  - c. The Issuer will notify FSAM in writing of the retirement, prior to the scheduled maturity, of any Obligations included under the scope of this Agreement within 30 days of such retirement. This notification is required to provide sufficient time to comply with Treasury Regulations Section 1.148-3(g) which requires final payment of any Arbitrage Amount within 60 days of the final retirement of the Obligations. In the event the Issuer fails to notify FSAM in a timely manner as provided hereinabove, FSAM shall have no further obligation or responsibility to provide any services under this Agreement with respect to such retired Obligations.
5. In providing the services set forth in this Agreement, it is agreed that FSAM shall not incur any liability for any error of judgment made in good faith by a responsible officer or officers thereof and, except to the limited extent set forth in this paragraph, shall not incur any liability for any other errors or omissions, unless it shall be proved that such error or omission was a result of the gross negligence or willful misconduct of said officer or officers. In the event a payment is assessed by the Internal Revenue Service due to an error by FSAM, the Issuer will be responsible for paying the correct Arbitrage Amount and FSAM's liability shall not exceed the amount of any penalty or interest imposed on the Arbitrage Amount as a result of such error.

## Obligations Issued Subsequent to Initial Contract

6. The services contracted for under this Agreement will automatically extend to any additional Obligations (including financing lease obligations) issued during the term of this Agreement, if such Obligations are subject to the rebate requirements under Section 148(f)(2) of the Code. In connection with the issuance of additional Obligations, the Issuer agrees to the following:
- a. The Issuer will notify or cause the notification, in writing, to FSAM of any tax-exempt financing (including financing lease obligations) issued by the Issuer during any calendar year of this Agreement, and will provide FSAM with such information regarding such Obligations as FSAM may request in connection with its performance of the arbitrage rebate services contracted for hereunder. If such notice is not provided to FSAM with regard to a particular issue, FSAM shall have no obligation to provide any services hereunder with respect to such issue.
  - b. At the option of the Issuer, any additional Obligations to be issued subsequent to the execution of this Agreement may be excluded from the services provided for herein. In order to exclude an issue, the Issuer must notify FSAM in writing of their intent to exclude any specific Obligations from the scope of this Agreement, which exclusion shall be permanent for the full life of the Obligations; and after receipt of such notice, FSAM shall have no obligation to provide any services under this Agreement with respect to such excluded Obligations.

**Effective Date of Agreement**

7. This Agreement shall become effective at the date of acceptance by the Issuer as set out herein below and remain in effect thereafter for a period of five (5) years from the date of acceptance, provided, however, that this Agreement may be terminated with or without cause by the Issuer or FSAM upon thirty (30) days prior written notice to the other party. In the event of such termination, it is understood and agreed that only the amounts due to FSAM for services provided and extraordinary expenses incurred to and including the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. In the event this Agreement is terminated prior to the completion of its stated term, all records provided to FSAM with respect to the investment of monies by the Issuer shall be returned to the Issuer as soon as practicable following written request by Issuer. In addition, the parties hereto agree that, upon termination of this Agreement, FSAM shall have no continuing obligation to the Issuer regarding any arbitrage rebate related services contemplated herein, regardless of whether such services have previously been undertaken, completed or performed.

**Acceptance of Agreement**

8. This Agreement is submitted in duplicate originals. When accepted by the Issuer in accordance with the terms hereof, it, together with Appendix A attached hereto, will constitute the entire Agreement between the Issuer and FSAM for the purposes and the consideration herein specified. In order for this Agreement to become effective, it must be accepted by the Issuer within sixty (60) days of the date appearing below the signature of FSAM's authorized representative hereon. After the expiration of such 60-day period, acceptance by the Issuer shall only become effective upon delivery of written acknowledgement and reaffirmation by FSAM that the terms and conditions set forth in this Agreement remain acceptable to FSAM.

**Governing Law**

9. This Agreement will be governed by and construed in accordance with the laws of the State of Texas, without regard to its principles of conflicts of laws.

Acceptance will be indicated on both copies and the return of one executed copy to First Southwest Asset Management.

Respectfully submitted,

FIRST SOUTHWEST ASSET MANAGEMENT, LLC

By Hill A. Feinberg

Hill A. Feinberg, Chairman & Chief Executive Officer

Date \_\_\_\_\_

**ISSUER'S ACCEPTANCE CLAUSE**

The above and foregoing is hereby in all things accepted and approved by

\_\_\_\_\_, on this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

By \_\_\_\_\_  
Authorized Representative

Title \_\_\_\_\_

Printed Name \_\_\_\_\_

**APPENDIX A - FEES**

The Obligations to be covered initially under this contract include all issues of tax-exempt obligations delivered subsequent to the effective dates of the rebate requirements, under the Code, except as set forth in Section I of the Agreement.

The fee for any Obligations under this contract shall only be payable if a computation is required under Section 148(f)(2) of the Code. In the event that any of the Obligations fall within an exclusion to the computation requirement as defined by Section 148 of the Code or related regulations and no calculations were required by FSAM to make that determination, no fee will be charged for such issue. For example, certain obligations are excluded from the rebate computation requirement if the proceeds are spent within specific time periods. In the event a particular issue of Obligations fulfills the exclusion requirements of the Code or related regulations, the specified fee will be waived by FSAM if no calculations were required to make the determination.

FSAM's fee for arbitrage rebate services is based upon a fixed annual fee per issue. The annual fee is charged based upon the number of years that proceeds exist subject to rebate from the delivery date of the issue to the computation date.

FSAM's fees are payable upon delivery of the report. The first report will be made following one year from the date of delivery of the Obligations and on each computation date thereafter during the term of the Agreement. The fees for computations of the Arbitrage Amount which encompass more, or less, than one Computation Year shall be prorated to reflect the longer, or shorter, period of work performed during that period.

The fee for each of the Obligations included in this contract shall be based on the table below.

Additionally, due to significant time saving efficiencies realized when investment information is submitted in an electronic format, FSAM passes the savings to its clients by offering a 10% reduction in its fees if information is provided in a spreadsheet or electronic text file format.

Description	Annual Fee
<b>ANNUAL FEE</b>	<b>\$1,400</b>
<b>COMPREHENSIVE ARBITRAGE COMPLIANCE SERVICES INCLUDE:</b>	
<ul style="list-style-type: none"> <li>• Commingled Funds Analysis &amp; Calculations</li> <li>• Spending Exception Analysis &amp; Calculations</li> <li>• Yield Restriction Analysis &amp; Calculations (for yield restricted Project Funds, Reserve Funds, Escrow Funds, etc.)</li> <li>• Parity Reserve Fund Allocations</li> <li>• Transferred Proceeds Calculations</li> <li>• Universal Cap Calculations</li> <li>• Debt Service Fund Calculations (including earnings test when required)</li> <li>• Preparation of all Required IRS Paperwork for Making a Rebate Payment / Yield Reduction Payment</li> <li>• Retention of Records Provided for Arbitrage Computations</li> <li>• IRS Audit Assistance</li> <li>• Delivery of Rebate Calculations Each Year That Meets the Timing Requirements of the Audit Schedule</li> <li>• On-Site Meetings, as Appropriate, to Discuss Calculation Results / Subsequent Planning Items</li> </ul>	<b>INCLUDED</b>
<b>OTHER SERVICES AVAILABLE:</b>	
<b>IRS Refund Request</b> – Update calculation, prepare refund request package, and assist issuer as necessary in responding to subsequent IRS Information Requests	<b>\$750</b>

**EXPLANATION OF TERMS:**

- a. **Computation Year:** A "Computation Year" represents a one year period from the delivery date of the issue to the date that is one calendar year after the delivery date, and each subsequent one-year period thereafter. Therefore, if a calculation is required that covers more than one "computation year," the annual fee is multiplied by the number of computation years contained in the calculation being performed. If a calculation includes a portion of a computation year, i.e., if the calculation includes 1 ½ computation years, then the base fee will be multiplied by 1.5.
- b. **Electronic Data Submission:** The data should be provided electronically in MS Excel or ASCII text file (comma delimited text preferred) with the date, description, dollar amount, and an activity code (if not in debit and credit format) on the same line in the file.
- c. **Variable/Floating Rate Bond Issues:** Special services are also required to perform the arbitrage rebate calculations for variable rate bonds. A bond is a variable rate bond if the interest rate paid on the bond is dependent upon an index which is subject to changes subsequent to the issuance of the bonds. The computational requirements of a variable rate issue are more complex than those of a fixed rate issue and, accordingly, require significantly more time to calculate. The additional complexity is primarily related to the computation of the bond yield, which must be calculated on a "bond year" basis. Additionally, the regulations provide certain flexibility in computing the bond yield and determining the arbitrage amount over the first IRS reporting period; consequently, increased calculations are required to determine which bond yield calculation produces the lowest arbitrage amount.
- d. **Commingled Fund Allocations:** By definition, a commingled fund is one that contains either proceeds of more than one bond issue or proceeds of a bond issue and non-bond proceeds (i.e., revenues) of \$25,000 or more. The arbitrage regulations, while permitting the commingling of funds, require that the proceeds of the bond issue(s) be "carved out" for purposes of determining the arbitrage amount. Additionally, interest earnings must be allocated to the portion of the commingled fund that represents proceeds of the issue(s) in question. Permitted "safe-harbor" methods (that is, methods that are outlined in the arbitrage regulations and, accordingly, cannot be questioned by the IRS under audit), exist for allocating expenditures and interest earnings to issues in a commingled fund. FSAM uses one of the applicable safe-harbor methods when doing these calculations.
- e. **Debt Service Reserve Funds:** The authorizing documents for many revenue bond issues require that a separate fund be established (the "Reserve Fund") into which either bond proceeds or revenues are deposited in an amount equal to some designated level, such as average annual debt service on all parity bonds. This Reserve Fund is established for the benefit of the bondholders as additional security for payment on the debt. In most cases, the balance in the Reserve Fund remains stable throughout the life of the bond issue. Reserve Funds, whether funded with bond proceeds or revenues, must be included in all rebate calculations.
- f. **Debt Service Fund Calculations:** Issuers are required under the regulations to analyze the invested balances in their debt service funds annually to determine whether the fund depletes as required during the year and is, therefore, "bona fide" (i.e., potentially exempt from rebate in that year). It is not uncommon for surplus balances to develop in the debt service fund that services an issuer's tax supported debt, particularly due to timing differences of when the funds were due to be collected versus when the funds were actually collected. FSAM performs this formal analysis of the debt service fund and, should it be determined that a surplus balance exists in the fund during a given year, allocates the surplus balance among the various issues serviced by the fund in a manner that is acceptable under IRS review.
- g. **Earnings Test for Debt Service Funds:** Certain types of bond issues require an additional level of analysis for the debt service fund, even if the fund depletes as required under the regulations and is "bona fide." For short-term, fixed rate issues, private activity issues, and variable rate issues, the regulations require that an "earnings test" be performed on a bona fide debt service fund to determine if the interest earnings reached \$100,000 during the year. In cases where the earnings reach or exceed the \$100,000 threshold, the entire fund (not just the surplus or residual portion) is subject to rebate.
- h. **Transferred Proceeds Calculations:** When a bond issue is refinanced (refunded) by another issue, special services relating to "transferred proceeds" calculations may need to be performed. Under the regulations, when proceeds of a refunding issue are used to retire principal of a prior issue, a pro-rata portion of the unspent proceeds of the prior issue becomes subject to rebate and/or yield restriction as transferred proceeds of the refunding issue. The refunding issue essentially "adopts" the unspent proceeds of the prior issue for purposes of the arbitrage calculations. These

calculations are required under the regulations to ensure that issuers continue to exercise due diligence to complete the project(s) for which the prior bonds were issued.

- i. **Universal Cap:** Current regulations provide an overall limitation on the amount of gross proceeds allocable to an issue. Simply stated, the value of investments allocated to an issue cannot exceed the value of all outstanding bonds of the issue. For example, this situation can occur if an issuer encounters significant construction delays or enters into litigation with a contractor. It may take months or even years to resolve the problems and begin or resume spending the bond proceeds; however, during this time the debt service payments are still being paid, including any scheduled principal payments. Thus, it's possible for the value of the investments purchased with bond proceeds to exceed the value of the bonds outstanding. In such cases, a "de-allocation" of proceeds may be required to comply with the limitation rules outlined in the regulations.
- j. **Yield Restriction Analysis/Yield Reduction Computations:** The IRS strongly encourages issuers to spend the proceeds of each bond issue as quickly as possible to achieve the governmental purpose for which the bonds were issued. Certain types of proceeds can qualify for a "temporary period," during which time the proceeds may be invested at a yield higher than the yield on the bonds without jeopardizing the tax-exempt status of the issue. The most common temporary period is the three-year temporary period for capital project proceeds. After the end of the temporary period, the proceeds must be yield restricted or the issuer must remit the appropriate yield reduction payment when due. FSAM performs a comprehensive yield restriction analysis when appropriate for all issues having proceeds remaining at the end of the applicable temporary period and also calculates the amount of the yield reduction payment due to the IRS.

NAME	AMOUNT	CHECK NO.	TOTAL
<b>JURY FUND</b>			
TRI-CITY COFFEE SERVICE	56.70	418905	56.70**
ROAD & BRIDGE PCT.#1			
CARQUEST AUTO PARTS # 96	19.02	418848	
MUNRO'S	28.65	418882	
SAM'S WESTERN WEAR, INC.	87.96	418892	
AT&T	63.42	418897	
VULCAN MATERIALS CO.	67,190.72	418907	
DEPARTMENT OF INFORMATION RESOURCES	.03	418919	
ROSS RIDGE SAND COMPANY LP	105.60	418960	67,495.40**
ROAD & BRIDGE PCT. # 3			
ENTERGY	210.15	418865	
DEPARTMENT OF INFORMATION RESOURCES	.38	418919	210.53**
ROAD & BRIDGE PCT.#4			
SPIDLE & SPIDLE	2,225.20	418832	
BASE SEAL	40,144.00	418841	
COASTAL WELDING SUPPLY	46.50	418855	
M&D SUPPLY	14.73	418876	
MUNRO'S	64.02	418882	
SANITARY SUPPLY, INC.	108.75	418893	
UNITED STATES POSTAL SERVICE	4.16	418931	
J&E WELDING INC	520.00	418984	
ASCO	1,038.84	418991	
NATIONAL PEN CO LLC	58.18	418996	
SOUTHEAST TEXAS PARTS AND EQUIPMENT	72.90	419004	
PETROLEUM MATERIALS LLC	618.68	419007	
A-1 MAIDA FENCE COMPANY	105.00	419010	45,020.96**
<b>ENGINEERING FUND</b>			
TRI-CITY COFFEE SERVICE	27.80	418905	
UNITED STATES POSTAL SERVICE	5.26	418931	33.06**
<b>GENERAL FUND</b>			
<b>TAX OFFICE</b>			
GUARDIAN FORCE	153.00	418829	
ACE IMAGEWEAR	21.35	418895	
DEPARTMENT OF INFORMATION RESOURCES	.21	418919	
UNITED STATES POSTAL SERVICE	973.49	418931	
COASTAL BUSINESS FORMS	2,265.36	418992	3,413.41*
<b>COUNTY HUMAN RESOURCES</b>			
BEAUMONT FAMILY PRACTICE ASSOC.	175.00	418842	
UNITED STATES POSTAL SERVICE	2.50	418931	177.50*
<b>AUDITOR'S OFFICE</b>			
UNITED STATES POSTAL SERVICE	2.91	418931	
PCM-G	3,285.00	418967	3,287.91*
<b>COUNTY CLERK</b>			
OFFICE DEPOT	170.96	418884	
UNITED STATES POSTAL SERVICE	238.53	418931	
RICOH USA INC	964.13	418990	
THOMSON REUTERS-WEST	166.00	418994	1,539.62*
<b>COUNTY JUDGE</b>			
WELLS, PEYTON, GREENBERG & HUNT,LLP	500.00	418834	
CHEROKEE COUNTY CLERK	487.00	418858	
OFFICE DEPOT	210.05	418884	
UNITED STATES POSTAL SERVICE	1.62	418931	

NAME	AMOUNT	CHECK NO.	TOTAL
GRACE NICHOLS	1,700.00	418965	
HARVEY L WARREN III	2,600.00	418970	
THOMSON REUTERS-WEST	116.58	418994	5,615.25*
RISK MANAGEMENT			
UNITED STATES POSTAL SERVICE	13.32	418931	13.32*
COUNTY TREASURER			
TAC - TEXAS ASSN. OF COUNTIES	450.00	418900	
UNITED STATES POSTAL SERVICE	164.11	418931	614.11*
PRINTING DEPARTMENT			
OLMSTED-KIRK PAPER	327.63	418885	327.63*
PURCHASING DEPARTMENT			
OFFICE DEPOT	216.47	418884	
PORT ARTHUR NEWS, INC.	378.30	418887	
UNITED STATES POSTAL SERVICE	1.20	418931	595.97*
GENERAL SERVICES			
GUARDIAN FORCE	36.00	418828	
CASH ADVANCE ACCOUNT	55.00	418874	
SPINDLETOP MHMR	32,990.75	418875	
OLMSTED-KIRK PAPER	1,170.00	418885	
ALLISON, BASS & ASSOCIATES, LLP	864.00	418942	
CROWN CASTLE INTERNATIONAL	1,413.81	418943	
PATTILLO BROWN & HILL LLP	20,000.00	418979	
DYNAMEX INC	375.63	419001	56,905.19*
DATA PROCESSING			
GUARDIAN FORCE	36.00	418828	
OFFICE DEPOT	108.53	418884	
CDW COMPUTER CENTERS, INC.	210.60	418916	
VERIZON WIRELESS	75.98	418928	
PCM/TIGER DIRECT	426.13	419015	857.24*
VOTERS REGISTRATION DEPT			
UNITED STATES POSTAL SERVICE	202.54	418931	202.54*
ELECTIONS DEPARTMENT			
OFFICE DEPOT	364.89	418884	
UNITED STATES POSTAL SERVICE	77.84	418931	
SIERRA SPRING WATER CO. - BT	60.97	418934	503.70*
DISTRICT ATTORNEY			
CAYLA CALAMIA	126.00	418846	
JEFFERSON CTY. BAR ASSOCIATION	270.00	418872	
OFFICE DEPOT	23.73	418884	
STATE BAR OF TEXAS	645.00	418898	
UNITED STATES POSTAL SERVICE	322.39	418931	
THOMSON REUTERS-WEST	201.58	418995	
HEALTHPORT	77.30	419000	1,666.00*
DISTRICT CLERK			
UNITED STATES POSTAL SERVICE	406.44	418931	406.44*
CRIMINAL DISTRICT COURT			
GAYLYN COOPER	800.00	418830	
TERRENCE HOLMES	800.00	418869	
OFFICE DEPOT	89.80	418884	
JAMES R. MAKIN, P.C.	712.50	418978	2,402.30*
58TH DISTRICT COURT			

NAME	AMOUNT	CHECK NO.	TOTAL
UNITED STATES POSTAL SERVICE 60TH DISTRICT COURT	.42	418931	.42*
UNITED STATES POSTAL SERVICE 136TH DISTRICT COURT	.42	418931	.42*
UNITED STATES POSTAL SERVICE LEXIS-NEXIS 172ND DISTRICT COURT	1.32 114.00	418931 418933	115.32*
LEXIS-NEXIS 252ND DISTRICT COURT	56.00	418932	56.00*
LEAH HAYES JOHN D WEST UNITED STATES POSTAL SERVICE 279TH DISTRICT COURT	805.10 3,500.00 78.12	418867 418921 418931	4,383.22*
CHARLES ROJAS UNITED STATES POSTAL SERVICE C. HADEN CRIBBS JR., PC BRYAN E MCEACHERN PC THE MAYO LAW FIRM PLLC 317TH DISTRICT COURT	1,625.00 .42 325.00 500.00 500.00	418918 418931 418983 419002 419014	2,950.42*
JUDY PAASCH JUSTICE COURT-PCT 1 PL 1	2,323.90	418948	2,323.90*
UNITED STATES POSTAL SERVICE JUSTICE COURT-PCT 1 PL 2	46.56	418931	46.56*
UNITED STATES POSTAL SERVICE NANCY BEAULIEU JUSTICE COURT-PCT 4	2.91 752.95	418931 418975	755.86*
CASH ADVANCE ACCOUNT DEPARTMENT OF INFORMATION RESOURCES JUSTICE COURT-PCT 6	591.55 .43	418874 418919	591.98*
UNITED STATES POSTAL SERVICE JUSTICE COURT-PCT 7	25.56	418931	25.56*
DEPARTMENT OF INFORMATION RESOURCES COUNTY COURT AT LAW NO.1	.28	418919	.28*
LEXIS-NEXIS SIERRA SPRING WATER CO. - BT COUNTY COURT AT LAW NO. 2	47.00 52.47	418932 418935	99.47*
CHARLES ROJAS UNITED STATES POSTAL SERVICE JOEL WEBB VAZQUEZ SAMUEL & SON LAW FIRM PLLC AMY TOMLINSON JANSON ELLIOTT BAILEY COUNTY COURT AT LAW NO. 3	250.00 9.84 500.00 250.00 250.00 250.00	418918 418931 418945 419008 419012 419017	1,509.84*
JOHN E MACEY UNITED STATES POSTAL SERVICE	250.00 12.90	418877 418931	



NAME	AMOUNT	CHECK NO.	TOTAL
DUSTIN R. GALMOR	250.00	418977	
SAMUEL & SON LAW FIRM PLLC	250.00	419008	
COURT MASTER			762.90*
VERIZON WIRELESS	105.76	418928	
UNITED STATES POSTAL SERVICE	2.22	418931	
MEDIATION CENTER			107.98*
UNITED STATES POSTAL SERVICE	4.99	418931	
SHERIFF'S DEPARTMENT			4.99*
COTTON CARGO	258.00	418857	
CURTIS 1000, INC.	506.62	418859	
OFFICE DEPOT	202.99	418884	
CDW COMPUTER CENTERS, INC.	758.13	418916	
DEPARTMENT OF INFORMATION RESOURCES	.77	418919	
AMERICAN POLYGRAPH ASSOCIATION	300.00	418920	
UNITED STATES POSTAL SERVICE	1,223.92	418931	
THE PRODUCTIVITY CENTER	6,310.00	418937	
SPANKY'S WRECKER SERVICE INC	150.00	418986	
CRIME LABORATORY			9,710.43*
FISHER SCIENTIFIC	324.03	418862	
CERILLIANT	133.75	418941	
LIPOMED	108.00	418973	
JULIE HANNON	600.00	418998	
LABSOURCE	186.56	419013	
JAIL - NO. 2			1,352.34*
GUARDIAN FORCE	1,354.00	418828	
BEAUMONT TRACTOR COMPANY	1,962.88	418843	
CITY OF BEAUMONT - WATER DEPT.	15,736.29	418851	
W.W. GRAINGER, INC.	139.19	418864	
HERNANDEZ OFFICE SUPPLY, INC.	885.46	418868	
JACK BROOKS REGIONAL AIRPORT	484.30	418873	
M&D SUPPLY	263.14	418876	
SANITARY SUPPLY, INC.	1,744.77	418893	
SCOOTER'S LAWNMOWERS	1,499.95	418894	
SHERWIN-WILLIAMS	104.31	418896	
WORTH HYDROCHEM	327.00	418911	
VIN'S PAINT & BODY, INC.	291.00	418914	
DEPARTMENT OF INFORMATION RESOURCES	4.49	418919	
ATCO INTERNATIONAL	216.00	418929	
INTERCONTINENTAL JET CORP	1,938.88	418949	
ICS	3,678.66	418958	
AIRGAS SOUTHWEST	340.56	418963	
WORLD FUEL SERVICES	867.28	418969	
FIVE STAR CORRECTIONAL SERVICE	32,662.76	418971	
INDUSTRIAL & COMMERCIAL MECHANICAL	3,623.00	418987	
MATERA PAPER COMPANY INC	6,870.12	418993	
THOMSON REUTERS-WEST	4,589.25	418994	
24 HR SAFETY LLC	125.00	419005	
JUVENILE PROBATION DEPT.			79,708.29*
OFFICE DEPOT	138.67	418884	
SAFER SOCIETY PRESS	471.03	418891	
VERIZON WIRELESS	66.88	418928	
UNITED STATES POSTAL SERVICE	19.24	418931	
JUVENILE DETENTION HOME			695.82*
CITY OF BEAUMONT - WATER DEPT.	2,851.22	418851	
OAK FARM DAIRY	396.00	418913	
ATTABOY TERMITE & PEST CONTROL	80.00	418968	
CONSTABLE PCT 1			3,327.22*

NAME	AMOUNT	CHECK NO.	TOTAL
VERIZON WIRELESS	227.94	418928	
UNITED STATES POSTAL SERVICE	26.52	418931	
CONSTABLE-PCT 2			254.46*
OFFICE DEPOT	19.79	418884	
VERIZON WIRELESS	113.97	418928	
CONSTABLE-PCT 4			94.18*
MCNEILL INSURANCE AGENCY	71.00	418880	
VERIZON WIRELESS	113.97	418928	
CONSTABLE-PCT 6			184.97*
VERIZON WIRELESS	113.97	418928	
UNITED STATES POSTAL SERVICE	14.88	418931	
CONSTABLE PCT. 7			128.85*
AT&T	30.59	418897	
VERIZON WIRELESS	113.97	418928	
CONSTABLE PCT. 8			144.56*
VERIZON WIRELESS	113.97	418928	
AGRICULTURE EXTENSION SVC			113.97*
TERRIE S. LOONEY	317.52	418827	
OFFICE DEPOT	246.13	418884	
HEALTH AND WELFARE NO. 1			563.65*
CITY OF BEAUMONT	40.00	418837	
BROUSSARD'S MORTUARY	1,500.00	418845	
CALVARY MORTUARY	1,500.00	418847	
CLAYBAR FUNERAL HOME, INC.	29,500.00	418853	
CLAYBAR FUNERAL HOME, INC.	5,496.00	418854	
ENTERGY	99.21	418866	
OFFICE DEPOT	399.99	418884	
AUSTIN CECIL WALKES MD PA	3,245.08	418909	
UNITED STATES POSTAL SERVICE	92.49	418931	
TEXAS CONFERENCE OF URBAN COUNTIES	100.00	418940	
CENTERPOINT ENERGY RESOURCES CORP	108.77	418950	
CONNIE M ROBERTS	60.00	418957	
SAM'S CLUB DIRECT	82.87	418988	
HEALTH AND WELFARE NO. 2			42,224.41*
OFFICE DEPOT	303.97	418884	
TIME WARNER COMMUNICATIONS	270.82	418902	
AUSTIN CECIL WALKES MD PA	3,245.08	418909	
MCKESSON MEDICAL-SURGICAL INC	312.00	418917	
TEXAS CONFERENCE OF URBAN COUNTIES	100.00	418940	
NURSE PRACTITIONER			4,231.87*
GEORGE V. ZUZUKIN, M.D.	1,000.00	418833	
MCKESSON MEDICAL-SURGICAL INC	1,149.48	418917	
ENVIRONMENTAL CONTROL			2,149.48*
CASH ADVANCE ACCOUNT	1,206.18	418874	
DEPARTMENT OF INFORMATION RESOURCES	.29	418919	
INDIGENT MEDICAL SERVICES			1,206.47*
GUARDIAN FORCE	90.00	418828	
KING'S PHARMACY	106.96	418835	
CARDINAL HEALTH 110 INC	17,706.34	418999	
DANA JOHNSON	450.00	419009	
MAINTENANCE-BEAUMONT			18,353.30*

NAME	AMOUNT	CHECK NO.	TOTAL
AAA LOCK & SAFE	7.00	418826	
GUARDIAN FORCE	36.00	418828	
CINTAS, INC.	573.01	418849	
CITY OF BEAUMONT - WATER DEPT.	7,905.30	418851	
COBURN'S, BEAUMONT BOWIE (1)	49.62	418856	
W.W. GRAINGER, INC.	160.78	418864	
M&D SUPPLY	76.72	418876	
MCCOWN PAINT & SUPPLY OF TEXAS	64.17	418879	
OFFICE DEPOT	63.65	418884	
RALPH'S INDUSTRIAL ELECTRONICS	101.90	418890	
SANITARY SUPPLY, INC.	2,340.10	418893	
ACE IMAGEWEAR	359.42	418895	
AT&T	4,831.23	418897	
WHOLESALE ELECTRIC SUPPLY CO.	281.34	418910	
DEPARTMENT OF INFORMATION RESOURCES	5,312.55	418919	
AI FILTER SERVICE COMPANY	732.70	418982	
WASTEWATER TRANSPORT SERVICES LLC	248.00	419006	
			23,143.49*
MAINTENANCE-PORT ARTHUR			
CITY OF PORT ARTHUR - WATER DEPT.	765.98	418852	
TIME WARNER COMMUNICATIONS	139.34	418903	
DEPARTMENT OF INFORMATION RESOURCES	.86	418919	
			906.18*
SERVICE CENTER			
W.W. GRAINGER, INC.	106.56	418864	
INTERSTATE BATTERIES OF BEAUMONT/PA	243.85	418870	
J.K. CHEVROLET CO.	129.95	418871	
M&D SUPPLY	58.31	418876	
MEINEKE	35.00	418881	
MUNRO'S	33.45	418882	
PHILPOTT MOTORS, INC.	163.04	418886	
RALPH'S INDUSTRIAL ELECTRONICS	166.10	418890	
JEFFERSON CTY. TAX OFFICE	7.50	418922	
JEFFERSON CTY. TAX OFFICE	7.50	418923	
JEFFERSON CTY. TAX OFFICE	7.50	418924	
JEFFERSON CTY. TAX OFFICE	7.50	418925	
JEFFERSON CTY. TAX OFFICE	7.50	418926	
JEFFERSON CTY. TAX OFFICE	16.75	418927	
BUMPER TO BUMPER	22.71	418946	
AIRPORT GULF TOWING LLC	215.00	418954	
AMERICAN TIRE DISTRIBUTORS	3,813.07	418964	
SILSBEE FORD INC	192.48	419003	
			5,233.77*
VETERANS SERVICE			
UNITED STATES POSTAL SERVICE	2.91	418931	
PCM-G	5,475.00	418967	
			5,477.91*
			291,468.87**
MOSQUITO CONTROL FUND			
FALCON CREST AVIATION SUPPLY, INC.	156.71	418861	
GREG MARCINIAK	410.27	418878	
MUNRO'S	86.20	418882	
RITTER @ HOME	17.97	418889	
FASTENAL	54.66	418915	
DEPARTMENT OF INFORMATION RESOURCES	.26	418919	
MCFARLANE AVIATION INC	305.54	418962	
NEW PIG CORPORATION	1,934.05	418966	
PARKER LUMBER	26.56	418972	
SILSBEE FORD INC	24,042.83	419003	
			27,035.05**
LATERAL ROADS -PRECINCT 1			
VULCAN MATERIALS CO.	15,000.00	418907	
			15,000.00**
J.C. FAMILY TREATMENT CT.			
BEAUMONT OCCUPATIONAL SERVICE, INC.	567.45	418938	
JUDY PAASCH	70.00	418947	
JUDY PAASCH	50.00	418948	
			687.45**
LAW LIBRARY FUND			

NAME	AMOUNT	CHECK NO.	TOTAL
LEXISNEXIS MATTHEW BENDER	992.71	418939	
THOMSON REUTERS-WEST	832.31	418994	
JUVENILE PROB & DET. FUND			1,825.02**
VERIZON WIRELESS	33.19	418928	
GRANT A STATE AID			33.19**
CASH ADVANCE ACCOUNT	239.85	418874	
VERIZON WIRELESS	32.18	418928	
YOUTH ADVOCATE PROGRAM	3,491.60	418959	
PATTILLO BROWN & HILL LLP	6,100.00	418979	
COMMUNITY SUPERVISION FND			9,863.63**
OLMSTED-KIRK PAPER	585.00	418885	
FRED PRYOR SEMINARS & CAREER TRACK	99.00	418888	
TIME WARNER COMMUNICATIONS	424.09	418901	
DEPARTMENT OF INFORMATION RESOURCES	2.44	418919	
VERIZON WIRELESS	121.48	418928	
UNITED STATES POSTAL SERVICE	150.37	418931	
JCCSC	209.00	418976	
PATTILLO BROWN & HILL LLP	5,800.00	418979	
JEFF. CO. WOMEN'S CENTER			7,391.38**
GUARDIAN FORCE	615.75	418828	
ALL STAR PLUMBING	1,085.00	418836	
BELL'S LAUNDRY	1,132.74	418844	
ECOLAB	204.64	418860	
OFFICE DEPOT	85.70	418884	
SYSCO FOOD SERVICES, INC.	1,173.10	418899	
BURT WALKER PARTNERS, LTD	4,500.00	418908	
PETTY CASH - RESTITUTION I	236.00	418912	
DEPARTMENT OF INFORMATION RESOURCES	.20	418919	
VERIZON WIRELESS	32.18	418928	
BEN E KEITH FOODS	1,159.99	418944	
ATTABOY TERMITE & PEST CONTROL	50.00	418968	
MATERA PAPER COMPANY INC	11.49	418993	
DEDRIA TANTON	59.00	419018	
COMMUNITY CORRECTIONS PRG			10,322.81**
M&D SUPPLY	179.61	418876	
DRUG DIVERSION PROGRAM			179.61**
OFFICE DEPOT	17.96	418884	
REGIONAL COMM. SAVNS			17.96**
DEPARTMENT OF INFORMATION RESOURCES	533.28	418919	
COUNTY RECORDS MANAGEMENT			533.28**
UNITED STATES POSTAL SERVICE	21.72	418931	
J.P. COURTROOM TECH. FUND			21.72**
VERIZON WIRELESS	189.95	418928	
HOTEL OCCUPANCY TAX FUND			189.95**
THE LABICHE ARCHITECTURAL GROUP	500.00	418839	
GOLD CREST ELECTRIC CO., INC.	130.00	418863	
ENERGY	1,446.21	418865	
CASH ADVANCE ACCOUNT	318.08	418874	
MUNRO'S	117.25	418882	
TIME WARNER COMMUNICATIONS	110.53	418904	
TRI-CITY COFFEE SERVICE	45.85	418905	
ULINE SHIPPING SUPPLY SPECIALI	4,346.46	418906	
DEPARTMENT OF INFORMATION RESOURCES	8.44	418919	

NAME	AMOUNT	CHECK NO.	TOTAL
VERIZON WIRELESS	37.99	418928	
ATTABOY TERMITE & PEST CONTROL	55.00	418968	
B&G POPCORN INC	179.70	418989	
MATERA PAPER COMPANY INC	104.24	418993	
1957 ROAD BOND FUND			7,399.75**
LJA ENGINEERING INC	465.00	418985	
CAPITAL PROJECTS FUND			465.00**
INTERSTOR DESIGN ASSOCIATES	1,500.00	418981	
LJA ENGINEERING INC	27,286.50	418985	
AIRPORT FUND			28,786.50**
CASH ADVANCE ACCOUNT	417.62	418874	
DEPARTMENT OF INFORMATION RESOURCES	.08	418919	
VERIZON WIRELESS	76.00	418928	
UNITED STATES POSTAL SERVICE	1.66	418931	
HERBERT "DUKE" YOUMANS	561.57	418952	
RICHARD "ALEX" RUPP	417.62	418956	
PCM-G	2,190.00	418967	
DELTA INDUSTRIAL SERVICE & SUPPLY	18,457.75	418980	
SE TX EMP. BENEFIT POOL			22,122.30**
HOLMES MURPHY	13,750.00	418953	
GROUP ADMINISTRATIVE CONCEPTS INC	111,966.61	418974	
SETEC FUND			125,716.61**
APAC, INC. - TROTTI & THOMSOM	818.72	418838	
M&D SUPPLY	34.45	418876	
MARTIN PRODUCT SALES LLC	136.23	418955	
PATTILLO BROWN & HILL LLP	14,500.00	418979	
WORKER'S COMPENSATION FD			15,489.40**
TRISTAR RISK MANAGEMENT	9,367.00	418951	
SHERIFF'S FORFEITURE FUND			9,367.00**
AVIALL	2,782.91	418840	
COTTON CARGO	198.45	418857	
VIN'S PAINT & BODY, INC.	291.00	418914	
VECTOR AEROSPACE HELICOPTER SERVICE	6,360.00	419011	
UNITED VISION LOGISTICS	3,786.00	419016	
PAYROLL FUND			13,418.36**
JEFFERSON CTY. - FLEXIBLE SPENDING	14,193.00	418799	
CLEAT	324.00	418800	
JEFFERSON CTY. TREASURER	18,883.02	418801	
RON STADTMUELLER - CHAPTER 13	932.50	418802	
INTERNAL REVENUE SERVICE	3,067.46	418803	
JEFFERSON CTY. ASSN. OF D.S. & C.O.	5,080.00	418804	
JEFFERSON CTY. COMMISSARY	182.74	418805	
JEFFERSON CTY. COMMUNITY SUP.	10,295.21	418806	
JEFFERSON CTY. TREASURER - HEALTH	454,283.27	418807	
JEFFERSON CTY. TREASURER - PAYROLL	1,601,876.33	418808	
JEFFERSON CTY. TREASURER - PAYROLL	645,299.55	418809	
MONY/MLOA	198.74	418810	
POLICE & FIRE FIGHTERS' ASSOCIATION	3,110.60	418811	
UNITED WAY OF BEAUMONT& N JEFFERSON	55.31	418812	
JEFFERSON CTY. TREASURER - TCDRS	613,469.58	418813	
OPPENHEIMER FUNDS DISTRIBUTOR, INC	1,906.65	418814	
JEFFERSON COUNTY TREASURER	2,585.92	418815	
JEFFERSON COUNTY - TREASURER -	6,538.56	418816	
NECHES FEDERAL CREDIT UNION	61,024.35	418817	
JEFFERSON COUNTY - NATIONWIDE	54,518.75	418818	
TENNESSEE CHILD SUPPORT	115.38	418819	
SBA - U S DEPARTMENT OF TREASURY	168.49	418820	

NAME	AMOUNT	CHECK NO.	TOTAL
CALIFORNIA STATE DISBURSEMENT UNIT	117.23	418821	
WILLIAM E HEITKAMP	748.86	418822	
JOHN TALTON	1,560.77	418823	
IL DEPT OF HEALTCARD AND FAMILY SER	49.85	418824	
CBE GROUP INC	152.05	418825	
			3,500,738.17**
CNTY & DIST COURT TECH FD			
VERIZON WIRELESS	227.98	418928	
			227.98**
MARINE DIVISION			
JACK BROOKS REGIONAL AIRPORT	283.90	418873	
DEPARTMENT OF INFORMATION RESOURCES	202.24	418919	
SIERRA SPRING WATER CO. - BT	84.57	418936	
THE DINGO GROUP-PETE JORGENSEN MARI	504.29	418961	
WORLD FUEL SERVICES	619.71	418969	
PALMER POWER	711.16	418997	
			2,405.87**
GLO IKE ROUND 2			
APOLLO ENVIRONMENTAL STRATEGIES INC	319,972.25	418831	
			319,972.25**
			4,523,495.76***

## Spring 2016 HOT Grant Applications

	<u>Requested</u>	<u>Recommended</u>
1. Texas Cool Autumn Nites	\$6,479.00	\$ 2,880
2. Fire Museum of Texas	\$5,000.00	\$ 2,000
3. Southeast Texas Baseball Academy	\$18,850.00	\$ 16,965
4. United States Fastpitch Association (USFA)	\$10,000.00	\$ 7,000
5. Museum of the Gulf Coast	\$3,800.00	\$ 2,000
6. Streetz Dance Convention & Competition	\$5,000.00	\$ 3,500
7. Spindletop-Gladys City Museum	\$2,000.00	\$ 2,000
8. Sports Society for American Health	\$7,000.00	\$ 3,500
9. Southeast Texas Arts Council	\$15,000.00	\$ 5,000
10. Jack Brooks Regional Airport	\$6,500.00	\$ 6,500
11. Native American Cultural Events, Inc.	\$2,464.08	\$ 2,464
12. Mardi Gras of Southeast Texas, Inc.	\$13,200.00	\$ 13,200
13. Art Museum of Southeast Texas	\$15,672.00	\$ 4,155
14. Lamar University-Reaud Honors College	\$549.40	\$ 549.40
15. Port Arthur & Beaumont CVB	\$6,273.00	\$ 6,273
16. Texas Parks & Wildlife – Sea Rim State Park	\$7,500.00	\$ 2,107
Totals	\$125,287.48	\$ 80,093.40

THE STATE OF TEXAS §  
 COUNTY OF JEFFERSON §

INTERLOCAL AGREEMENT FOR ASSESSMENT AND COLLECTION SERVICES

On this the 28<sup>th</sup> day of March, 2016, Jefferson County, Texas, hereinafter call "County," and the City of Taylor Landing, hereinafter called "City," enter into the following agreement;

SECTION 1. PURPOSE

- 1.1 The parties to this agreement wish to have the assessment and collection of taxes for the City performed by the County. The parties enter into the contract pursuant to the authority granted by Section 6.24. Property Tax Code, and Texas Local Government Code Sec. 791.

SECTION 2. TERM

- 2.1 This contract shall be effective on May 1, 2016. Thereafter, either party may terminate and cancel the contract by giving sixty (60) days written notice of cancellation to the other party.
- 2.2 In the event of cancellation, County shall furnish City a duplicate of all electronic records kept for the collection of City's taxes so as to enable City to collect those taxes.

SECTION 3. SERVICE TO BE PERFORMED

- 3.1 The County shall collect the ad valorem property taxes owing to the City. The County further agrees to perform for the City all duties provided by the laws of the State of Texas for the collection of said taxes.
- 3.2 The County shall perform all the functions set out in the definition section of this contract. Specifically, the County agrees to prepare consolidated tax statements for each taxpayer. The tax statement shall include taxes owed to both the County and the City, or either, as the case may be. The County shall mail said tax statement to each taxpayer who owns property within the geographical boundaries of the City by October 1 or as soon thereafter as practicable.
- 3.3 The City hereby designates the Assessor-Collector of Taxes for Jefferson County as its tax assessor for purposes of compliance with Chapter 26 of the Texas Property Tax Code, as



amended. In addition, the parties agree that the assessor-collector of the County shall perform all the duties required by law of the tax assessor-collector of the city in regard to assessing and collection ad valorem taxes.

- 3.4 The City agrees to promptly notify the County of the adoption of any residential homestead exemption not automatically imposed by law. Further, the City will promptly notify the County of the adoption of any of the provisions contained in Section 31.05 of the Property Tax Code, or of the adoption of any other provision under law which would affect the assessment or collection of taxes for the City.
- 3.5 "Extra work" means any task, project or work requested by the City not essential to the performance of the services described in 3.1 through 3.4, or to the reporting thereof to the City. Should City fail to adopt a tax rate by September 25 or by the date the County adopts its tax rate, whichever should later occur, and should it be necessary because of the City's failure to so timely adopt a tax rate to mail an additional statement containing the City's taxes, such additional statement shall be "extra work."
- 3.6 Prior to the performance of any extra work requested by the City, and as a condition precedent to the City's obligation to pay for such services as extra work, County shall notify City, by letter to the City's Mayor, or City Manager, that it considers the performance of such service to be extra work.

#### SECTION 4. PAYMENT

- 4.1 The City shall pay the County for the performance of the services specified above the sum total calculated by multiplying (\$.42) or a cost that does not exceed the most recent price of a postal stamp for each account times the total number of accounts as shown on the City's tax roll as received from the Jefferson County Appraisal District. The parties agree that such sum total is a reasonable fee for the services to be performed, and does not exceed the actual cost of assessment and collection of the City's taxes by the County.
- 4.2 The fee specified in paragraph 4.1 shall be payable annually to the County not later than January 31 of each year.
- 4.3 Should City fail to adopt a tax rate by September 25 or by the date the County adopts its tax rate, whichever should later occur, and should it be necessary because of the City's

failure to so timely adopt a rate to mail an additional statement containing the City's taxes, such additional statement and mailing shall be paid for by City.

#### SECTION 5. REMITTANCE OF COLLECTION

The taxes collected for the City shall be remitted monthly. Remittances may be held based on the available collected funds in the County's depository. Collections may be withheld for pending supplemental change refunds received from the Appraisal District.

#### SECTION 6. BONDING REQUIREMENTS

The City agrees to obtain and pay for a surety bond for the County Assessor-Collector acting in his or her capacity as assessor-collector for the City and on employees of the county who are engaged in the collection, receiving, and disbursement of money on behalf of the City, securing and guaranteeing the faithful and honest performance of their duty. Such bond shall be payable to the City, and shall be in a minimum amount of \$100,000.00.

#### SECTION 7. MICELLANEOUS

- 7.1 The County shall not be liable to the City on account of any failure to collect taxes nor shall the assessor-collector of the County be liable unless the failure to collect taxes results from some failure on his or her part to perform the duties imposed upon him or her by law and by this agreement.
- 7.2 Payments by the city for the services under this contract shall be made from current revenues available to the City.
- 7.3 The City may require an annual independent audit of the assessor-collector's accounts performed on behalf of the City by an auditor not regularly employed by the City or the County. Costs of such audit and copies thereof shall be paid exclusively by City.
- 7.4 In addition to the audit provided in 7.3 above, the City serves the right to examine or audit the tax records of the County at its own expense.

SECTION 8. DELINQUENT COLLECTIONS

The County shall collect any and all delinquent ad valorem taxes owing to the City. The County shall be responsible for causing at least one statement on each delinquent account to be sent annually. The County shall be responsible for providing an attorney and personnel, equipment and supplies to diligently and effectively pursue the collection of delinquent taxes in the manner provided by laws. Should the City disagree with the decision of the Commissioners' Court in these matters, the City reserves the right to exercise Section 2.1 of this contract.

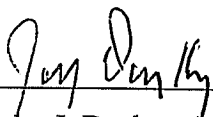
SECTION 9. DEFINITIONS

For purposes of this agreement, the terms "assessment" and "collection" shall include the following: calculation of tax using the rate adopted by the City, calculation of effective tax rate, preparation of current and delinquent tax rolls, proration of taxes, collection of current liabilities, collection of delinquent liabilities and costs resulting from the collection of delinquent taxes, except for the institution of delinquent tax suits, and the issuance of refunds, where authorized by law. The term "assessment" shall not include those functions defined as "appraisal" by Chapter 26 Property Tax Code.

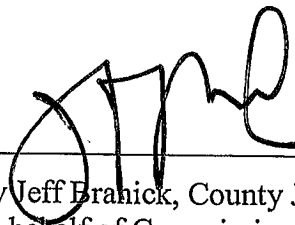
SECTION 10. DISPUTE RESOLUTION

The parties to this Interlocal Agreement further agree, pursuant to Sec. 791.015 of the Texas Local Government Code, that any dispute regarding the terms of this agreement will be submitted to an agreed upon mediator for resolution.

The agreement is executed in Jefferson County, Texas, on the date and year first written above, by the Mayor for the City of Taylor Landing and by the Commissioners' Court for the County.



By John J. Durkay, Mayor  
on behalf of the City of Taylor Landing



By Jeff Branick, County Judge  
on behalf of Commissioners' Court  
Jefferson County, Texas

**MEMORANDUM**

**DATE:** March 10, 2016

**TO:** Honorable Judge Jeff Branick  
Commissioner Eddie Arnold  
Commissioner Brent Weaver  
Commissioner Michael Sinegal  
Commissioner Everette "Bo" Alfred

**FROM:** Emily Esquivel  
Crime Lab Director

**RE: American Society of Crime Laboratory Directors Symposium  
April 24-28, 2016**

Please consider and approve my attendance at the American Society of Crime Laboratory Directors Symposium in Bellevue, Washington April 24-28, 2016. This conference was approved for the 2015-2016 budget, but the location was TBA at the time of approval.

Should you require further information, please call.

OK'P  


## CRIME LAB

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### Compliance with **OUT OF STATE TRAVEL POLICY**

Event: Emily Esquivel

American Society of Crime Laboratory Directors Symposium  
Bellevue, Washington April 24-28, 2016

**1. Is the trip budgeted? If not, how is the trip to be funded?**

Yes, the trip is budgeted. The location of the training was not announced in time to put in the 2015-2016 budget. The cost will come out of the Lab's training budget.

**2. Is the training mandatory, or does the training directly impact the employee's assigned job duties?**

This training will impact the Lab Director by assisting in the development of management principles and techniques specifically designed for forensic science laboratories. The training will cover areas such as lab management, lab efficiency and effectiveness, and accreditation compliance and documentation.

**3. Does the benefit appear to be worth the cost?**

Yes, it is worth the cost because it is training that will benefit the Laboratory in gaining maximum performance and quality in all areas of operation.

**4. Is the training available locally or within the state of Texas?**

No, this training is a national event and is not available within the state of Texas this year.

**MEMORANDUM**

**DATE:** March 10, 2016

**TO:** Honorable Judge Jeff Branick  
Commissioner Eddie Arnold  
Commissioner Brent Weaver  
Commissioner Michael Sinegal  
Commissioner Everette "Bo" Alfred

**FROM:** Emily Esquivel  
Crime Lab Director

**RE: Bureau of Justice Assistance Conference  
U.S. Department of Justice, Washington D.C.  
June 13-14, 2016**

Please consider and approve Forensic Scientists Tiffany Aardahl and Steve Mayes attendance at the Bureau of Justice Assistance Conference in Washington D.C., June 13-14, 2016. This conference is a two day training event for laboratories receiving funding through the Sexual Assault Kit Elimination Program.

The cost of the conference for two attendees was included in the DANY grant funds awarded to the Crime Laboratory.

Should you require further information, please call.

DK'D 

**CRIME LAB**

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**Compliance with  
OUT OF STATE TRAVEL POLICY**

Event: Tiffany Aardahl and Steve Mayes  
Bureau of Justice Assistance Conference – SAK Program  
Washington D.C.  
June 13-14, 2016

- 1. Is the trip budgeted? If not, how is the trip to be funded?**  
No, the trip is not budgeted. The cost of this trip was included in the proposed budget to the DANY SAK Program. Travel expenses will be funded through the grant awarded.
- 2. Is the training mandatory, or does the training directly impact the employee's assigned job duties?**  
The training is mandatory for all labs receiving DANY SAK funding. When applying for this grant the travel costs for two attendees was included.
- 3. Does the benefit appear to be worth the cost?**  
Yes, the conference will focus on the aspects of a successful grant project and key issues regarding DNA and untested SAK evidence.
- 4. Is the training available locally or within the state of Texas?**  
No, this two day conference is only being held in Washington D.C.

**SUNGARD® PUBLIC SECTOR**

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February 11, 2016

Chief Mark Dubois  
Jefferson County Sheriff's Office  
1001 Pearl Street, Suite 103  
Beaumont, TX 77701

Re: Software License and Services Agreement – SunGard Public Sector

Dear Chief Dubois:

Enclosed for your files please find your <sup>② copies</sup> copy of the fully executed original Software License and Services Agreement between Jefferson County and SunGard Public Sector. If you have any questions, please feel free to contact me. Thank you.

Sincerely,

**SUNGARD PUBLIC SECTOR LLC**



By: Paul Valis  
Legal Counsel  
paul.valis@sungardps.com

Enclosures



CUSTOMER NO. 6820; CONTRACT NO. 160081

# SOFTWARE LICENSE AND SERVICES AGREEMENT

BETWEEN

**SunGard Public Sector Inc.**  
a Florida corporation  
with headquarters at:  
1000 Business Center Drive  
Lake Mary, FL 32746

**("SunGard Public Sector")**

AND

**Jefferson County**

with its principal place of business at


Jefferson County Courthouse  
1149 Pearl Street  
Beaumont, TX 77701

**(for purposes of this Agreement, "Customer")**

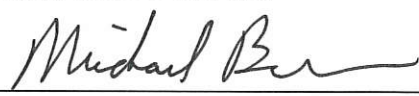
By the signatures of their duly authorized representatives below, SunGard Public Sector and Customer, intending to be legally bound, agree to all of the provisions of this Agreement and all Exhibits, Supplements, Schedules, Appendices, and/or Addenda to this Agreement.

The terms and conditions contained in this Agreement, including prices, will be honored as set forth herein, provided the Agreement is fully executed and delivered by November 30, 2015.

**Jefferson County**

BY:   
PRINT NAME: Jeff R. Branić  
PRINT TITLE: County Judge  
DATE SIGNED: January 25, 2016

**SunGard Public Sector Inc.**

BY:   
PRINT NAME AND TITLE: MICHAEL BORMAN CEO  
DATE SIGNED: Feb 3 2016

**T**HIS AGREEMENT is made between SunGard Public Sector Inc. and Customer as of the Execution Date. The parties agree as follows:

**1. Definitions.**

"Baseline" means the general release version of a Component System as updated to the particular time in question through both SunGard Public Sector's warranty services and SunGard Public Sector's Maintenance Program, but without any other modification whatsoever.

"Component System" means any one of the computer software programs which is identified in Exhibit 1 as a Component System, including all copies of Source Code, Object Code and all related specifications, documentation, technical information, and all corrections, modifications, additions, improvements and enhancements to and all Intellectual Property Rights for such Component System.

"Confidential Information" means non-public information of a party to this Agreement. Confidential Information of SunGard Public Sector includes the Software, all software provided with the Software, and algorithms, methods, techniques and processes revealed by the Source Code of the Software and any software provided with the Software. Confidential Information does not include information that: (i) is or becomes known to the public without fault or breach of the Recipient; (ii) the Discloser regularly discloses to third parties without restriction on disclosure; or (iii) the Recipient obtains from a third party without restriction on disclosure and without breach of a non-disclosure obligation.

"Delivery Address" means the Customer shipping address set forth in Exhibit 1 as the Delivery Address.

"Delivery Date" means, for each Component System, the date on which SunGard Public Sector first ships the Component System to the Delivery Address F.O.B. SunGard Public Sector's place of shipment.

"Discloser" means the party providing its Confidential Information to the Recipient.

"Defect" means a material deviation between the Baseline Component System and its documentation, for which Defect Customer has given SunGard Public Sector enough information to enable SunGard Public Sector to replicate the deviation on a computer configuration that is both comparable to the Equipment and that is under SunGard Public Sector's control.

"Execution Date" means the latest date shown on the signature page of this Agreement.

"Equipment" means a hardware and systems software configuration meeting the "Equipment" criteria set forth in Exhibit 1.

"Exhibit 1" means, collectively: (i) The schedule attached to this Agreement which is marked as "Exhibit 1," including all attached Software Supplements; and (ii) any schedule also marked as "Exhibit 1" (also including any attached Software Supplements) that is attached to any amendment to this Agreement. Other appendices to this Agreement are numbered sequentially and are also "Exhibits."

"Intellectual Property Rights" means all patents, patent rights, patent applications, copyrights, copyright registrations, trade secrets, trademarks and service marks and Confidential Information.

"Software" means the Component Systems listed in Exhibit 1.

"Customer Employees" means: (i) Customer's employees with a need to know; and (ii) third party consultants engaged by Customer who have a need to know, who have been pre-approved by SunGard Public Sector, and who, prior to obtaining access to the Software, have executed a SunGard

Public Sector-approved non-disclosure agreement.

“Object Code” means computer programs assembled, compiled, or converted to magnetic or electronic binary form on software media, which are readable and usable by computer equipment.

“Recipient” means the party receiving Confidential Information of the Discloser.

“Software Supplement” means, with respect to a Component System, the addendum provided as part of Exhibit 1 that contains additional terms, conditions, limitations and/or other information pertaining to that Component System. If any terms of a Software Supplement conflicts with any other terms of this Agreement, the terms of the Software Supplement will control.

“Source Code” means computer programs written in higher-level programming languages, sometimes accompanied by English language comments and other programmer documentation.

## **2. Right to Grant License and Ownership.**

SunGard Public Sector has the right to grant Customer this license to use the Software. Except as otherwise indicated in a Software Supplement, SunGard Public Sector owns the Software.

**3. License.** Subject to the terms and conditions of this Agreement, SunGard Public Sector grants Customer a perpetual, non-exclusive, non-transferable license to use and copy for use the Software on the Equipment within the United States of America for Customer’s own, non-commercial computing operations. Any rights not expressly granted in this Agreement are expressly reserved.

a) Software Code. Customer has right to use the Software in Object Code form. Customer also has the right to use the Software in Object Code form temporarily on another SunGard Public Sector-supported configuration, for disaster recovery of Customer’s computer operations.

b) Documentation. Except as otherwise provided for in the applicable Software Supplement, Customer can make a reasonable

number of copies of the documentation for each Component System for its use in accordance with the terms of this Agreement.

c) Restrictions on Use of the Software. Customer is prohibited from causing or permitting the reverse engineering, disassembly or decompilation of the Software. Customer is prohibited from using the Software to provide service bureau data processing services or to otherwise provide data processing services to third parties. Customer will not allow the Software to be used by, or disclose all or any part of the Software to, any person except Customer Employees. Without limiting the foregoing, Customer is permitted to allow use of the input and/or output sensory displays of or from the Software by third parties on a strict “need to know” basis, and such use will not be deemed a non-permitted disclosure of the Software. Customer will not allow the Software, in whole or in part, to be exported outside of the United States of America, in any manner or by any means, without in each instance obtaining SunGard Public Sector’s prior written consent and, if required, a validated export license from the Office of Export Administration within the U.S. Department of Commerce and such other appropriate United States governmental authorities.

d) Intellectual Property Rights Notices. Customer is prohibited from removing or altering any of the Intellectual Property Rights notice(s) embedded in or that SunGard Public Sector otherwise provides with the Software. Customer must reproduce the unaltered Intellectual Property Rights notice(s) in any full or partial copies that Customer makes of the Software.

## **4. Services.**

a) Generally. SunGard Public Sector will provide Customer with the information services identified in Exhibit 1, for the fees provided in Exhibit 1.

b) Additional Services. SunGard Public Sector can also provide Customer with additional information services, at SunGard Public Sector’s then-current rates, or at such other rates as are agreed to by the parties in an amendment to this Agreement.

c) Workmanlike Skills. SunGard Public Sector will render all services under this

Agreement in a professional and workmanlike manner. SunGard Public Sector will promptly replace any SunGard Public Sector personnel that are rendering services on-site at a Customer facility if Customer reasonably considers the personnel to be unacceptable and provides SunGard Public Sector with notice to that effect, provided that such replacement does not violate any law or governmental regulation applicable to such personnel replacement.

d) Conditions On Providing Services. In each instance in which SunGard Public Sector is providing Customer with services, SunGard Public Sector and Customer will develop a project plan that identifies each party's responsibilities for such services. The project plan will describe in detail the tentative schedule and the scope of services that SunGard Public Sector will provide. Customer will establish the overall project direction, including assigning and managing the Customer's project personnel team. Customer must assign a project manager who will assume responsibility for management of the project. Customer must ensure that the Equipment is operational, accessible and supported at the times agreed to by the parties in the project plan. While SunGard Public Sector is providing such services, Customer must provide SunGard Public Sector with such facilities, equipment and support as are reasonably necessary for SunGard Public Sector to perform its obligations, including remote access to the Equipment.

5. Delivery. Except as otherwise provided in Exhibit 1, SunGard Public Sector will deliver all Component Systems to Customer at the Delivery Address.

6. Payment and Taxes.

a) Payment.

i) License Fees. Fees for the Software will be due to SunGard Public Sector as provided for in Exhibit 1.

ii) Professional Services Fees. Except as otherwise provided in Exhibit 1, fees for professional services will be invoiced on a monthly basis in arrears and will be due within thirty (30) days from the date of invoice. Customer will reimburse SunGard Public Sector for actual travel and living expenses that SunGard Public Sector incurs in

providing Customer with services under this Agreement. Such travel and living expenses will be governed by the SunGard Public Sector Travel Expense Guidelines attached hereto as Exhibit 2 and will be invoiced on a monthly basis in arrears and due within thirty (30) days from the date of invoice.

iii) Late Charge. SunGard Public Sector will have the right to charge a late fee to the extent that payment is received later than thirty (30) days from the date of invoice. Late fees will be calculated based on a per annum rate equal to the lesser of: (i) the prime lending rate established from time to time by Citizens Bank, Philadelphia, Pennsylvania plus three percent (3%); and (ii) the highest rate permitted by applicable law, and will be payable to SunGard Public Sector on demand.

b) Taxes. Customer is responsible for paying all taxes (except for taxes based on SunGard Public Sector's net income or capital stock) relating to this Agreement, the Software, any services provided or payments made under this Agreement. Applicable tax amounts (if any) are NOT included in the fees set forth in this Agreement. If Customer is exempt from the payment of any such taxes, Customer must provide SunGard Public Sector with a valid tax exemption certificate; otherwise, absent proof of Customer's direct payment of such tax amounts to the applicable taxing authority, SunGard Public Sector will invoice Customer for and Customer will pay to SunGard Public Sector all such tax amounts.

c) Scheduled Resource Changes: For training and on-site project management sessions which are cancelled at the request of Customer within fourteen (14) days of the scheduled start date, Customer is responsible for entire price of the training or on-site project management plus incurred expenses.

7. Limited Warranty, Disclaimer of Warranty and Election of Remedies.

a) Limited Software Warranty by SunGard Public Sector and Remedy For Breach. For each Component System, SunGard Public Sector warrants to Customer that, for a period of twelve (12) months after the Delivery Date, the Baseline

Component System, as used by Customer on the Equipment for its own, non-commercial computing operations, will operate without Defects. For each Defect, SunGard Public Sector, as soon as reasonably practicable and at its own expense, will provide Customer with an avoidance procedure for or a correction of the Defect. If, despite its reasonable efforts, SunGard Public Sector is unable to provide Customer with an avoidance procedure for or a correction of a Defect, then, subject to the limitations set forth in Section 16 of this Agreement, Customer may pursue its remedy at law to recover direct damages resulting from the breach of this limited warranty. These remedies are exclusive and are in lieu of all other remedies, and SunGard Public Sector's sole obligations for breach of this limited warranty are contained in this Section 7(a).

b) Disclaimer of Warranty. The limited warranty in Section 7(a) is made to Customer exclusively and is in lieu of all other warranties. **SUNGARD PUBLIC SECTOR MAKES NO OTHER WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH REGARD TO ANY SERVICES PROVIDED UNDER THIS AGREEMENT AND/OR THE SOFTWARE, IN WHOLE OR IN PART. SUNGARD PUBLIC SECTOR EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE. SUNGARD PUBLIC SECTOR EXPRESSLY DOES NOT WARRANT THAT THE SOFTWARE, IN WHOLE OR IN PART, WILL BE ERROR FREE, WILL OPERATE WITHOUT INTERRUPTION OR WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE OTHER THAN THE EQUIPMENT. CUSTOMER WAIVES ANY CLAIM THAT THE LIMITED WARRANTY SET FORTH IN SECTION 7(A) OR THE REMEDY FOR BREACH OF SUCH LIMITED WARRANTY FAILS OF ITS ESSENTIAL PURPOSE.**

c) Abrogation of Limited Warranty. The limited warranty in Section 7(a) will be null and void if: (i) anyone (including Customer) other than SunGard Public Sector modifies the Baseline Component System; or (ii) Customer does not implement changes that SunGard Public Sector provides to correct or improve the Baseline Component System. If despite any modification of the Component System, SunGard Public Sector can replicate the reported problem in the Baseline Component System as if the

problem were a Defect, then SunGard Public Sector will nonetheless provide Customer with an avoidance procedure for or a correction of that reported problem for use in the Baseline Component System as though the reported problem were a Defect.

d) **FAILURE OF ESSENTIAL PURPOSE.** **THE PARTIES HAVE AGREED THAT THE LIMITATIONS SPECIFIED IN SECTIONS 7 AND 16 WILL SURVIVE AND APPLY EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS AGREEMENT IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE, AND REGARDLESS OF WHETHER CUSTOMER HAS ACCEPTED ANY SOFTWARE OR SERVICE UNDER THIS AGREEMENT.**

8. **Confidential Information.** Except as otherwise permitted under this Agreement, the Recipient will not knowingly disclose to any third party, or make any use of the Discloser's Confidential Information. The Recipient will use at least the same standard of care to maintain the confidentiality of the Discloser's Confidential Information that it uses to maintain the confidentiality of its own Confidential Information of equal importance.

9. **Indemnity by SunGard Public Sector.** SunGard Public Sector will defend, indemnify and hold Customer harmless from and against any loss, cost and expense that Customer incurs because of a claim that use of a Baseline Component System infringes any United States copyright of others. SunGard Public Sector's obligations under this indemnification are expressly conditioned on the following: (i) Customer must promptly notify SunGard Public Sector of any such claim; (ii) Customer must in writing grant SunGard Public Sector sole control of the defense of any such claim and of all negotiations for its settlement or compromise (if Customer chooses to represent its own interests in any such action, Customer may do so at its own expense, but such representation must not prejudice SunGard Public Sector's right to control the defense of the claim and negotiate its settlement or compromise); (iii) Customer must cooperate with SunGard Public Sector to facilitate the settlement or defense of the claim; (iv) the claim must not arise from modifications or (with the express exception of the other Component Systems and third party hardware and software specified by SunGard Public Sector in writing as necessary for use with the Software)

from the use or combination of products provided by SunGard Public Sector with items provided by Customer or others. If any Component System is, or in SunGard Public Sector's opinion is likely to become, the subject of a United States copyright infringement claim, then SunGard Public Sector, at its sole option and expense, will either: (A) obtain for Customer the right to continue using the Component System under the terms of this Agreement; (B) replace the Component System with products that are substantially equivalent in function, or modify the Component System so that it becomes non-infringing and substantially equivalent in function; or (C) refund to Customer the portion of the license fee paid to SunGard Public Sector for the Component System(s) giving rise to the infringement claim, less a charge for use by Customer based on straight line depreciation assuming a useful life of five (5) years. **THE FOREGOING IS SUNGARD PUBLIC SECTOR'S EXCLUSIVE OBLIGATION WITH RESPECT TO INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS.**

**10. Term and Termination.**

a) Right of Termination. A party has the right to terminate this Agreement if the other party breaches a material provision of this Agreement. Either party has the right to terminate this Agreement at any time while an event or condition giving rise to the right of termination exists. To terminate this Agreement, the party seeking termination must give the other party notice that describes the event or condition of termination in reasonable detail. From the date of its receipt of that notice, the other party will have thirty (30) days to cure the breach to the reasonable satisfaction of the party desiring termination. If the event or condition giving rise to the right of termination is not cured within that period, this Agreement will automatically be deemed terminated at the end of that period. However, notice to SunGard Public Sector of a suspected Defect will not constitute a notice of termination of this Agreement.

b) Effect of Termination. Upon termination of this Agreement by either party, Customer will promptly return to SunGard Public Sector or (at SunGard Public Sector's request) will destroy all copies of the Software, and will certify to SunGard Public Sector in writing, over the signature of a duly authorized representative of Customer, that it has done so.

c) Survival of Obligations. All obligations relating to non-use and non-disclosure of Confidential Information and indemnity will survive termination of this Agreement.

d) Termination Without Prejudice to Other Rights and Remedies. Termination of this Agreement will be without prejudice to the terminating party's other rights and remedies pursuant to this Agreement.

**11. Notices.** All notices and other communications required or permitted under this Agreement must be in writing and will be deemed given when: Delivered personally; sent by United States registered or certified mail, return receipt requested; transmitted by facsimile confirmed by United States first class mail; or sent by overnight courier. Notices must be sent to a party at its address shown on the first page of this Agreement, or to such other place as the party may subsequently designate for its receipt of notices.

**12. Force Majeure.** Neither party will be liable to the other for any failure or delay in performance under this Agreement due to circumstances beyond its reasonable control, including Acts of God, acts of war, accident, labor disruption, acts, omissions and defaults of third parties and official, governmental and judicial action not the fault of the party failing or delaying in performance.

**13. Assignment.** Neither party may assign any of its rights or obligations under this Agreement, and any attempt at such assignment will be void without the prior written consent of the other party. For purposes of this Agreement, "assignment" will include use of the Software for benefit of any third party to a merger, acquisition and/or other consolidation by, with or of Customer, including any new or surviving entity that results from such merger, acquisition and/or other consolidation. However, the following will not be considered "assignments" for purposes of this Agreement: SunGard Public Sector's assignment of this Agreement or of any SunGard Public Sector rights under this Agreement to SunGard Public Sector's successor by merger or consolidation or to any person or entity that acquires all or substantially all of its capital stock or assets; and SunGard Public Sector's assignment of this Agreement to any person or

entity to which SunGard Public Sector transfers any of its rights in the Software.

14. **No Waiver.** A party's failure to enforce its rights with respect to any single or continuing breach of this Agreement will not act as a waiver of the right of that party to later enforce any such rights or to enforce any other or any subsequent breach.

15. **Choice of Law; Severability.** This Agreement will be governed by and construed under the laws of the State of Florida, without reference to the choice of laws provisions thereof. If any provision of this Agreement is illegal or unenforceable, it will be deemed stricken from the Agreement and the remaining provisions of the Agreement will remain in full force and effect.

16. **LIMITATIONS OF LIABILITY.**

A) **LIMITED LIABILITY OF SUNGARD PUBLIC SECTOR.** SUNGARD PUBLIC SECTOR'S LIABILITY IN CONNECTION WITH THE SOFTWARE, ANY SERVICES, THIS LICENSE OR ANY OTHER MATTER RELATING TO THIS AGREEMENT WILL NOT EXCEED THE FEE THAT CUSTOMER ACTUALLY PAID TO SUNGARD PUBLIC SECTOR (OR, IF NO DISCRETE FEE IS IDENTIFIED IN EXHIBIT 1, THE FEE REASONABLY ASCRIBED BY SUNGARD PUBLIC SECTOR) FOR THE COMPONENT SYSTEM OR SERVICES GIVING RISE TO THE LIABILITY.

B) **EXCLUSION OF DAMAGES.** REGARDLESS WHETHER ANY REMEDY SET

FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE OR OTHERWISE, IN NO EVENT WILL SUNGARD PUBLIC SECTOR BE LIABLE TO CUSTOMER FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY, OR OTHERWISE, AND WHETHER OR NOT SUNGARD PUBLIC SECTOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

C) **BASIS OF THE BARGAIN.** CUSTOMER ACKNOWLEDGES THAT SUNGARD PUBLIC SECTOR HAS SET ITS FEES AND ENTERED INTO THIS AGREEMENT IN RELIANCE UPON THE LIMITATIONS OF LIABILITY AND THE DISCLAIMERS OF WARRANTIES AND DAMAGES SET FORTH IN THIS AGREEMENT, AND THAT THE SAME FORM AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES.

17. **Entire Agreement.** This Agreement contains the entire understanding of the parties with respect to its subject matter, and supersedes and extinguishes all prior oral and written communications between the parties about its subject matter. Any purchase order or similar document which may be issued by Customer in connection with this Agreement does not modify this Agreement. No modification of this Agreement will be effective unless it is in writing, is signed by each party, and expressly provides that it amends this Agreement.

## EXHIBIT 1

Customer: Jefferson County

Delivery Address: Jefferson County Courthouse, 1149 Pearl Street. Beaumont, TX 77701

**SOFTWARE:**

Qty	Part #	Component System	License Fee	Initial Annual Improvement Fees (Contract Year 2)	Annual Support Type
		<b>Computer Aided Dispatch</b>			
3	CAD-CON-T1	ADDITIONAL CAD CONSOLE LICENSE	\$ 7,800.00	\$ 1,248.00	7x24
3	CAD-MAPD-T1	ADDITIONAL CAD MAP DISPLAY LICENSE	3,000.00	480.00	7x24
3	MCT-AVL-CAD-T1	CAD CLIENT AVL LICENSE	4,500.00	720.00	7x24
		<b>MCT</b>			
3	MCT-MIS-T8	LAN CLIENT LICENSE FOR MESSAGE SWITCH	600.00	96.00	7x24
		<b>TOTAL</b>	<b>\$ 15,900.00</b>	<b>\$ 2,544.00</b>	

## Software Notes:

1. Mobiles applications do not include AVL hardware.
2. The Contract Year commences on the Execution Date (or anniversary thereof) and continues for one year thereafter. Improvements for the initial Contract Year are provided at no charge. The "Initial Annual Improvement Fees" amount in the schedule above represents the Improvements fee for the second Contract Year, and is payable only if Customer elects to extend the term of the Agreement through the second Contract Year, as provided for in Section 4, Term, of the Software Maintenance Supplement attached hereto.
3. Improvements Surcharge Imposed In Certain Instances: At the commencement of any Contract Year where Customer is operating on a version of a Baseline Component System that is more than two (2) general release versions behind the then-current release for any Component System, SunGard Public Sector will assess a ten percent (10%) surcharge over and above the Improvements fee for that Contract Year, with such surcharge to be imposed on a prorated basis for the portion of the Contract Year that Customer remains on a general release version that is more than two (2) releases behind the then-current release of the Component Systems in question. Once Customer is using a release that is no more than two (2) general release versions behind the then-current release, the Improvements surcharge will be removed on a prospective basis, as of the date that Customer is using the release that is no more than two (2) general release versions behind the then-current release.
4. Customer's right to use the underlying Component Systems is strictly conditioned upon the execution of SunGard Public Sector's Agency Access Agreement by and among SunGard Public Sector, Customer, and City of Beaumont, TX



**SERVICES:**

Qty.	Part #	Description	Training	Project Management	Professional Services	Implementation
		<b>CAD Implementation Services</b>				
1	CAD-PROJ-MGNT	CAD PROJECT MANAGEMENT		\$ 13,440.00		
1	CAD-IMPL	BASE CAD SOFTWARE IMPLEMENTATION				\$ 21,160.00
1	CAD-MAP-IMPL	MAPPING IMPLEMENTATION				6,300.00
3	CAD-PROF-ADD	ADDITIONAL PROFESSIONAL SERVICES			\$ 1,920.00	
1	CAD-MNT-TRN	CAD MAINTENANCE TRAINING	\$ 5,120.00			
3	CAD-USR-TRN	CAD USER TRAINING	19,200.00			
		<b>TOTAL SERVICES FEE:</b>	<b>\$ 24,320.00</b>	<b>\$ 13,440.00</b>	<b>\$ 1,920.00</b>	<b>\$ 27,460.00</b>

**Services Notes:**

- Pricing is a good faith estimate based on the information available to SunGard Public Sector at the time of execution of this Agreement. The total amount that Customer will pay for these services (i.e., the "TOTAL SERVICES FEE") will vary based on the actual number of hours of services required to complete the services. If required, additional services will be provided on a time and materials basis at hourly rates equal to SunGard Public Sector's then-current list price rates for the services at issue.
- Travel and living expenses are additional and will be billed monthly as SunGard Public Sector renders the services.

**SUMMARY OF COSTS**

	Price
Component Systems	\$ 15,900.00
Services	67,140.00
<b>Total</b>	<b>\$ 83,040.00</b>
Initial Annual Improvement Fees (Contract Year 2)	\$ 2,544.00

**APPLICABLE TAXES ARE NOT INCLUDED IN THIS EXHIBIT 1, AND, IF APPLICABLE, WILL BE ADDED TO THE AMOUNT IN THE PAYMENT INVOICE(S) BEING SENT SEPARATELY TO THE CUSTOMER.**

**The amounts noted above shall be payable as follows:**

License Fee: 100% on the Execution Date.

Project Management: 100% on the Execution Date.

Training Fees: On invoice, upon completion.

Professional Services Fees: On invoice daily, as incurred.

Implementation Services Fee: 50% on the Execution Date; 50% on invoice, upon completion.

Improvements Fees: Improvements for the initial Contract Year are provided at no charge. The "Initial Annual Improvement Fees" amount in the table above represents the Improvements fee for the Second Contract Year. Improvement fees are due thirty (30) days prior to the commencement of Contract Year for which such fees are being remitted. Improvement fees for any Contract Year subsequent to the second full Contract Year are subject to change and will be specified by SunGard Public Sector in an annual invoice.

**EQUIPMENT:** Host(s) or client server configuration(s) and/or combinations of host(s) and client server configuration(s) within the United States of America for which SunGard Public Sector supports

the Software. Customer acknowledges that certain Component Systems of the Software may require specific host or client configurations.

## DESCRIPTIONS:

Part Number: CAD-CON-T1

Description: ADDITIONAL CAD CONSOLE LICENSE

Long Description: An additional license, in addition to the number of console licenses in the base CAD system, is required for each call taker and dispatch console/workstation to operate the CAD system.

Part Number: CAD-MAPD-T1

Description: ADDITIONAL CAD MAP DISPLAY LICENSE

Long Description: An additional license, in addition to the number of map console licenses in the base CAD system, is required for each additional call taker and dispatch console/workstation to display maps with the CAD system. Each license represents one workstation, not concurrent user.

Part Number: MCT-AVL-CAD-T1

Description: CAD CLIENT AVL LICENSE

Long Description: SunGard OSSI's Automatic Vehicle Locator (AVL) software for the CAD workstation allows the communicator to view/track/find mobile units in the field. This product requires that the customer purchase maps.

Part Number: CAD-PROJ-MGNT

Description: CAD PROJECT MANAGEMENT

Long Description: CAD project management includes professional services from SunGard for project coordination and project management. The project management fee also includes coordinating with the Customer's project manager all SunGard related deliveries such as application software, implementation services, and scheduling of SunGard's resources with the Customer.

Part Number: CAD-IMPL

Description: BASE CAD SOFTWARE IMPLEMENTATION

Long Description: 15 days of services related to CAD implementation, consisting of: Four (4) days of advisory consultation to assist with Customer questions and requests throughout the project Three periodic CAD data audits, in which SunGard reviews and provides feedback on the Customer's progress in configuration the application (5 days total). Three (3) SunGard resources for two days each of on-site Go Live support. Support to be provided during weekday standard business hours (7 a.m.-7 p.m.) and not to exceed 8 hours per resources in a 24-hour period.

Part Number: CAD-MAP-IMPL

Description: MAPPING IMPLEMENTATION

Long Description: Up to 4.5 days of services related to implementation of mapping for use with the ONESolution applications (CAD and/or RMS). Beaumont will be converting the map but some SunGard assistance may be needed. 4.5 days = \$6,300

Part Number: CAD-PROF-ADD

Description: ADDITIONAL PROFESSIONAL SERVICES - CAD Roster Module Training \$640 from Beaumont System. 3 classes for 3 shifts.

Long Description: Services provided by SunGard OSSI product or training specialists. Services may include but are not limited to add-on module training, refresher training, system analysis, or consulting

Part Number: CAD-MNT-TRN

Description: CAD MAINTENANCE TRAINING - 4 days of abbreviated CAD Maintenance Training. 3 days onsite and 1 day of prep and follow up. = 4 days total.

Long Description: Training for key personnel and system administrators (4-6 people max.) responsible for system configuration (including setting codes to reflect agency business practices) and maintenance. Class duration = 4 days

Part Number: CAD-USR-TRN

Description: CAD USER TRAINING - 3 classes for 3 shifts for CAD user training.

Long Description: Training for end-users (10 people max.) on base CAD. Topics include navigation, call-processing, dispatching, searching, and reporting. Class duration = up to 4 days plus one (1) day of prep. 3 classes for 3 shifts.

Part Number: MCT-MIS-T8

Description: LAN CLIENT LICENSE FOR MESSAGE SWITCH - for TCIC/NCIC access....Required for CAD for TCIC/NCIC communication

Long Description: A client license is required for each CAD, RMS or JMS workstation connected to the Customer's LAN or WAN to access SunGard Message Switch.

The Message Switch Client provides the following functions:

- Workstation-to-workstation messaging
- Mobile-to-workstation messaging (if mobile applications are licensed)
- SunGard's standard State/NCIC queries

## GIS SOFTWARE SUPPLEMENT

Customer is solely responsible for providing SunGard Public Sector with accurate and complete data in connection with any Component Systems and SunGard Public Sector services relating to Geographic Information Systems ("GIS"), maps or other geographic analysis.

Customer must provide SunGard Public Sector with accurate GIS resources and accurate data in an ASCII EOO format file or Shape (SHP) format file for street centerlines containing:

- Block ranges (**address ranges are required**)
- Street names
- Street prefixes
- Street suffixes
- Jurisdiction/City Code

Customer, and not SunGard Public Sector, is solely responsible for the accuracy of Customer's street inventory and all attribute data associated with street segments. Common data errors and inaccuracies include:

- Missing streets
- Missing street segments
- Missing intersections
- Errors in street names, street prefixes and street type

Without limiting Customer's obligation to provide accurate data, SunGard Public Sector will return to Customer a list of the logical errors discovered by SunGard Public Sector when Customer's street inventory and attribute data are reviewed by SunGard Public Sector's editing/data validation utility tool ("Validation Tool"). The Validation Tool checks for the following logical errors:

- Address range undershoots
- Address range overshoots
- Missing street names
- Missing street ranges

Customer, and not SunGard Public Sector, is solely responsible for correcting all errors and ensuring the accuracy of all GIS provided data. Customer is additionally responsible to digitize all required map layers to support the Public Safety GIS-based CAD and RMS subsystems.

## GENERAL PROJECT CONDITIONS SUPPLEMENT

<b>General Project Conditions - Applies to Entire Project</b>
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- Item 1:** This Agreement is based on the assumption that a Windows 2000 or higher Domain is already in place and functional. If this is not the case, the Customer is required to provide all necessary equipment and services for such implementation.
- Item 2:** The Customer shall provide a certified TCP/IP network with all communications equipment and any other required components. The cabling of this network, installation of punch down panels, hubs, routers, etc. will be the responsibility of the Customer. Additionally, the Customer is responsible for acquiring software that is needed for monitoring and maintaining the network. Customer must provide remote access to its facility using a SunGard Public Sector approved remote access client so that SunGard Public Sector can perform the support obligations and/or services under this Agreement; and will provide appropriate security access and accounts for SunGard Public Sector staff and each session participant.
- Item 3:** SunGard Public Sector always recommends the highest performance connection for all LAN and WAN connections. Listed below are SunGard Public Sector's recommendations in order of highest throughput:
- a. 1 Gb CAT5 (LAN) or Fiber (WAN)
  - b. 100 Mb CAT5 (LAN) or Fiber (WAN)
  - c. 10 Mb CAT5 (LAN) or Fiber (WAN)
  - d. Line of Site Technology
- Item 4:** If applicable, all RMS/JMS Workstations must be connected to a 10 Mb/sec or faster TCP/IP LAN. SunGard Public Sector recommends a 100 Mb/sec Switched LAN for optimum performance.
- Item 5:** If applicable, all CAD Workstations must be connected to a dedicated 100 Mb/sec switched TCP/IP LAN.
- Item 6:** The Customer is responsible for the physical placement of all CAD and/or RMS/JMS workstations and certifying that they are operational on the Customer's network. SunGard Public Sector will load our CAD and/or RMS/JMS software on up to five (5) CAD and/or RMS/JMS workstations and train the Customer on the loading process.
- Item 7:** SunGard Public Sector's CAD Application Software interfaces with the E911 telephone switch via an RS-232 Serial Cable. The Customer must provide this cable (with accurate pin-outs) to connect their E911 ALI Controller's CAD Port to the SunGard Services Workstation's serial port. The maximum length of this cable is 50 feet. In the event that a single CAD Server is servicing multiple communication centers (one CAD Server and multiple E911 ALI sources), a SunGard Public Sector Services Workstation will be required for each PSAP for proper ALI functionality. The Customer must also provide SunGard Public Sector with accurate ALI interface data formats from their E911 Vendor.

- Item 8:** In acquiring SunGard Public Sector's Message Switch and Mobile Software, the Customer is responsible for all of the associated costs for wireless, WAN and LAN communication with the local provider/State/NCIC networks. This may include the following:
- i. Dedicated Line
  - ii. Any encryption to meet State and FBI requirements
  - iii. DSU to State
  - iv. Any wireless carrier charges and setup
  - v. Any installation Charges
  - vi. Recurring charges or costs
  - vii. Surcharges by the State
- Item 9:** The Customer shall implement an Uninterruptible Power Supply (UPS) system for all servers and all CAD workstations. This can be at the machine level or at the site level. SunGard Public Sector recommends the use of an enterprise level Master UPS and external generator for full power backup.
- Item 10:** SunGard Public Sector software is designed for use with laser jet printers for report output in order to utilize the wider margins available. Report output on non-laser printers (inkjet, dot-matrix, etc.) may be adequate, but is not guaranteed by SunGard Public Sector.
- Item 11:** Virtual Environment Platform
- Infrastructure Overview.
- The server hardware may be made up of physical servers, virtual servers (using VMware ESX or Hyper-V), or a combination of the two, provided, however, that following conditions apply.
- Customer and VMware are responsible for selecting the appropriate VMware application software and solution.
- VMware supports a set of certified operating systems and hardware. Customer and VMware are responsible for any interactions and/or issues that arise at the hardware or operating system layer as a result of their use of VMware.
- The use of a VMware virtual machine adds software overhead, which may impact performance or scalability. Any statements made by SunGard Public Sector on expected product performance on a hardware platform cannot be interpreted to apply to a virtual machine running on the same hardware platform. Customer must allocate at least an equivalent amount of virtualized resources to the OSSI systems in order to address performance issues. The VMware organization can provide information on how to tune your environment to maximize the performance within a virtual machine. If a performance issue is reported, the VMware layer, as well as the software, will be suspect in the research. Any research required on the VMware performance will be the responsibility of the Customer.
- SunGard Public Sector will use commercially reasonable efforts to investigate potential issues with OSSI software running in conjunction with VMware. Where issues are confirmed to be unrelated to the VMware software, SunGard Public Sector will support its software in a manner that is consistent with support provided when that software is running natively under the host operating system.
- Required and/or optional software vendors may not support VMware software. These vendors may require the issue to be reproduced independently from VMware software.

## SOFTWARE MAINTENANCE SUPPLEMENT

Customer desires that SunGard Public Sector provide Maintenance and Enhancements for and new releases of the Baseline Software identified in Exhibit 1 on the terms and conditions contained in this Software Maintenance Supplement (the Maintenance Supplement), and for the Custom Modifications identified in Exhibit 1 on the terms and conditions of this Maintenance Supplement. Accordingly, the parties agree as follows:

### 1. Additional Definitions.

"Contract Year" means, with respect to each Baseline Component System and Custom Modification, each one (1) year period beginning on the Execution Date or the anniversary thereof, and ending one (1) year thereafter.

"Custom Modification" means a change that SunGard Public Sector has made at Customer's request to any Component System in accordance with a SunGard Public Sector-generated specification, but without any other changes whatsoever by any person or entity. Each Custom Modification for which SunGard Public Sector will provide Customer with Improvements is identified in Appendix 1.

"Defect" has the meaning ascribed to that term in the License and Services Agreement to which this Maintenance Supplement is a part of, and further, with regard to each Custom Modification, means a material deviation between the Custom Modification and the SunGard Public Sector-generated specification and documentation for such Custom Modification, and for which Defect Customer has given SunGard Public Sector enough information to enable SunGard Public Sector to replicate the deviation on a computer configuration that is both comparable to the Equipment and that is under SunGard Public Sector's control.

"Enhancements" means general release (as opposed to custom) changes to a Baseline Component System or Custom Modification which increase the functionality of the Baseline Component System or Custom Modification in question.

"Improvements" means, collectively, Maintenance, Enhancements and New Releases provided under this Maintenance Supplement.

"Maintenance" means using reasonable efforts to provide Customer with avoidance procedures for or corrections of Defects. The hours during which Maintenance will be provided for each Component System, the targeted response times for certain defined categories of Maintenance calls for each Component System and Custom Modification, and other details and procedures (collectively, the "Maintenance Standards") relating to the provision of Maintenance for each Component System and Custom Modification are described in attached Appendix 1.

"New Releases" means new editions of a Baseline Component System or Custom Modification, as applicable.

"Notification" means a communication to SunGard Public Sector's help desk by means of: (i) SunGard Public Sector's web helpline; (ii) the placement of a telephone call; or (iii) the sending of an e-mail, in each case, in accordance with SunGard Public Sector's then-current policies and procedures for submitting such communications.

### 1. Services.

a) Types of Services. During the term of this Maintenance Supplement, SunGard Public Sector will provide Customer with Maintenance for, Enhancements of, and New Releases of each Baseline Component System and each Custom Modification identified in Exhibit 1.

b) Limitations. All Improvements will be part of the applicable Baseline Component System/Custom Modification, and will be subject to all of the terms and conditions of the License and Services Agreement Supplement to which this Maintenance Supplement is a part of, and this Maintenance Supplement. SunGard Public Sector's obligation to provide Customer with Improvements for Baseline Component Systems owned by parties other than SunGard Public Sector is limited to providing Customer with the Improvements that the applicable third party owner provides to SunGard Public Sector for that Baseline Component System. Customer must provide SunGard Public Sector with such facilities, equipment and support as

are reasonably necessary for SunGard Public Sector to perform its obligations under this Maintenance Supplement, including remote access to the Equipment.

2. Payment and Taxes.

a) Maintenance Fees. For the Improvements, Customer will pay SunGard Public Sector the amount provided for in Exhibit 1 as the "Initial Annual Improvement Fees" for the second Contract Year. Improvements for the initial Contract Year are provided at no charge. For each Contract Year subsequent to the second Contract Year, SunGard Public Sector reserves the right to increase the Improvements fees. Fees for Improvements for a Baseline Component System/Custom Modification are due on the first day of the first month of the Contract Year for that Baseline Component System/Custom Modification.

b) Additional Costs. Customer will also reimburse SunGard Public Sector for actual travel and living expenses that SunGard Public Sector incurs in providing Customer with Improvements under this Agreement, with reimbursement to be on an as-incurred basis. Such travel and living expenses will be governed by the SunGard Public Sector Travel Expense Guidelines attached hereto as Exhibit 2 and will be invoiced on a monthly basis in arrears and due within thirty (30) days from the date of invoice. Customer will also reimburse SunGard Public Sector for all charges incurred in connection with accessing Equipment.

c) Taxes. Customer is responsible for paying all taxes (except for taxes based on SunGard Public Sector's net income or capital stock) relating to this Maintenance Supplement, the Improvements, any services provided or payments made under this Maintenance Supplement. Applicable tax amounts (if any) are NOT included in the fees set forth in this Maintenance Supplement. If Customer is exempt from the payment of any such taxes, Customer must provide SunGard Public Sector with a valid tax exemption certificate; otherwise, absent proof of Customer's direct payment of such tax amounts to the applicable taxing authority, SunGard Public Sector will invoice Customer for and Customer will pay to SunGard Public

Sector all such tax amounts.

d) Late Charges. Customer will pay each SunGard Public Sector invoice by no later than thirty (30) days after receipt. Late payments are subject to a late charge equal to the lesser of: (i) the prime lending rate established from time to time by Citizens Bank, Philadelphia, Pennsylvania plus three percent (3%); or (ii) the highest rate permitted by applicable law.

3. Term. This Maintenance Supplement will remain in full force and effect throughout the initial Contract Year. After the initial Contract Year, this Maintenance Supplement will renew for an additional Contract Year unless, at least six (6) months prior to the expiration of the initial Contract Year, Customer notifies SunGard Public Sector in writing of Customer's intent not to renew the Maintenance Supplement for the second Contract Year. After the second Contract Year, this Maintenance Supplement will automatically be extended for consecutive Contract Years on a year-to-year basis unless either party notifies the other in writing of its intent not to extend this Maintenance Supplement for any particular Baseline Component System/Custom Modification at least six (6) months prior to the expiration of the then-current Contract Year.

Upon termination of the Maintenance Supplement with respect to a Component System provided under the Agreement, notwithstanding anything contrary in the Agreement, Customer may continue using the Component System for the remainder of the term of the Agreement; however, (i) SunGard Public Sector will discontinue providing all on-going Maintenance services and Improvements, including SunGard Public Sector's obligations under this Maintenance Supplement, (ii) any SunGard Public Sector warranties under the Agreement and this Maintenance Supplement with respect to the Component System for which Maintenance services are terminated shall cease to apply for the period following termination, and (iii) SunGard Public Sector shall have no liability with respect to Customer's use of the Component System for which Maintenance services are terminated after termination of the Maintenance Supplement Term.

4. Disclaimer of Warranties. Customer agrees and understands that **SUNGARD PUBLIC SECTOR MAKES NO WARRANTIES WHATSOEVER, EXPRESSED OR IMPLIED, WITH REGARD TO ANY IMPROVEMENTS AND/OR ANY OTHER MATTER RELATING TO THIS MAINTENANCE SUPPLEMENT, AND THAT SUNGARD PUBLIC**

**SECTOR EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. FURTHER, SUNGARD PUBLIC SECTOR EXPRESSLY DOES NOT WARRANT THAT A COMPONENT SYSTEM, ANY CUSTOM MODIFICATION OR ANY IMPROVEMENTS WILL BE USABLE BY CUSTOMER IF THE COMPONENT SYSTEM OR CUSTOM MODIFICATION HAS BEEN MODIFIED BY ANYONE OTHER THAN SUNGARD PUBLIC SECTOR, OR WILL BE ERROR FREE, WILL OPERATE WITHOUT INTERRUPTION OR WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE OTHER THAN THE EQUIPMENT.**

5. Termination. A party has the right to terminate this Maintenance Supplement if the other party breaches a material provision of this Maintenance Supplement. Either party has the right to terminate this Maintenance Supplement at any time while an event or condition giving rise to the right of termination exists. To terminate this Maintenance Supplement, the party seeking termination must give the other party notice that describes the event or condition of termination in reasonable detail. From the date of its receipt of that notice, the other party will have thirty (30) days to cure the breach to the reasonable satisfaction of the party desiring termination. If the event or condition giving rise to the right of termination is not cured within that period, then the party seeking to terminate this Maintenance Supplement can effect such termination by providing the other party with a termination notice that specifies the effective date of such termination. Termination of this

Maintenance Supplement will be without prejudice to the terminating party's other rights and remedies pursuant to this Maintenance Supplement.

**6. LIMITATIONS OF LIABILITY.**

**A) LIMITED LIABILITY OF SUNGARD PUBLIC SECTOR. SUNGARD PUBLIC SECTOR'S LIABILITY IN CONNECTION WITH THE IMPROVEMENTS OR ANY OTHER MATTER RELATING TO THIS MAINTENANCE SUPPLEMENT WILL NOT EXCEED THE FEES THAT CUSTOMER ACTUALLY PAID TO SUNGARD PUBLIC SECTOR FOR THE IMPROVEMENTS FOR THE YEAR THAT SUCH LIABILITY ARISES.**

**B) EXCLUSION OF DAMAGES. REGARDLESS OF WHETHER ANY REMEDY SET FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE OR OTHERWISE, IN NO EVENT WILL SUNGARD PUBLIC SECTOR BE LIABLE TO CUSTOMER FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY, OR OTHERWISE, AND WHETHER OR NOT SUNGARD PUBLIC SECTOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.**

**C) BASIS OF THE BARGAIN. CUSTOMER ACKNOWLEDGES THAT SUNGARD PUBLIC SECTOR HAS SET ITS FEES AND ENTERED INTO THIS MAINTENANCE SUPPLEMENT IN RELIANCE UPON THE LIMITATIONS OF LIABILITY AND THE DISCLAIMERS OF WARRANTIES AND DAMAGES SET FORTH IN THIS MAINTENANCE SUPPLEMENT, AND THAT THE SAME FORM AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES.**



**Appendix 1**  
**TO THE SOFTWARE MAINTENANCE SUPPLEMENT**

**Maintenance Standards**

- I. Hours During Which SunGard Public Sector's Telephone Support Will be Available to Customer in Connection with the Provision of Maintenance:** Unless otherwise noted in Exhibit 1, support hours are Monday through Friday, 8:00 A.M. to 5:00 P.M. Customer's Local Time within the continental United States, excluding holidays ("5x9").
- II. Targeted Response Times.** With respect to SunGard Public Sector's Maintenance obligations, SunGard Public Sector will use diligent, commercially reasonable efforts to respond to Notifications from Customer relating to the Baseline Component Systems/Custom Modifications identified in Exhibit 1 of this Agreement in accordance with the following guidelines with the time period to be measured beginning with the first applicable SunGard Public Sector "Telephone Support" hour occurring after SunGard Public Sector's receipt of the Notification:

Priority	Description	Response Goal*	Resolution Goal*
<b>Urgent</b> 1	A support issue shall be considered <b>Urgent</b> when it produces a Total System Failure; meaning SunGard Public Sector's Component Systems are not performing a process that has caused a complete work stoppage.	SunGard Public Sector has a stated goal to respond within 60 minutes of the issue being reported and have a resolution plan within 24 hours.	Although resolution times vary depending on the exact issue and customer environment, SunGard Public Sector has a stated goal to resolve an urgent issue within 24 hours OR provide a resolution plan with urgent issues within 24 hours of the issue being reported.
<b>Critical</b> 2	A support issue shall be considered <b>Critical</b> when a critical failure in operations occurs; meaning SunGard Public Sector's Component Systems are not performing a critical process and prevents the continuation of basic operations. Critical problems do not have a workaround. This classification does not apply to intermittent problems.	SunGard Public Sector has a stated goal to respond within two hours of the issue being reported.	A resolution plan details the steps necessary to understand and possibly resolve the issue.
<b>Non-Critical</b> 3	A support issue shall be considered <b>Non-Critical</b> when a non critical failure in operations occurs; meaning SunGard Public Sector's Component Systems are not performing non-critical processes, but the system is still usable for its intended purpose or there is a workaround.	SunGard Public Sector has a stated goal to respond within four hours of the issue being reported.	
<b>Minor</b> 4	A support issue will be considered <b>Minor</b> when the issue causes minor disruptions in the way tasks are performed, but does not affect workflow or operations. This may include cosmetic issues, general questions, and how to use certain features of the system.	SunGard Public Sector has a stated goal to respond within 24 hours of the issue being reported.	

\* Measured from the moment a Case number is created. As used herein a "Case number" is created when a) SunGard Public Sector's support representative has been directly contacted by Customer either by phone, email, in person, or through SunGard Public Sector's online support portal, and b) when SunGard Public Sector's support representative assigns a case number and conveys that case number to the Customer.

Customer must provide remote access to its facility using a SunGard Public Sector approved remote access client so that SunGard Public Sector can perform the support obligations and/or services under this Agreement; and will provide appropriate security access and accounts for SunGard Public Sector staff and each session participant.

## AGENCY ACCESS SUPPLEMENT

### AGENCY ACCESS AGREEMENT

Whereas, City of Beaumont, TX (“**Customer**”) and SunGard Public Sector Inc. (“**SunGard Public Sector**”) entered into that certain Supplement to Agreement for H.T.E. Inc. Licensed Programs dated December 29, 2005 (“**Licensee Agreement**”); and

Whereas, Jefferson County, Texas (“**Accessor**”) desires to obtain access to and a limited right of use Software licensed by Customer under the Licensee Agreement (the “**Accessed Software**”). In order that Accessor obtain such limited right of access and use, SunGard Public Sector and Accessor are entering into this Agreement (the “**Access Agreement**”).

Accordingly, the parties, intending to be legally bound, agree as follows:

1. Limited Right of Access. SunGard Public Sector has granted Customer permission to allow Accessor to have access to Licensee’s instance of the Accessed Software, subject to the terms, conditions and restrictions provided for in this Access Agreement. The Accessed Software consists of the following:

#### ALL SOFTWARE APPLICATIONS UNDER THE LICENSEE AGREEMENT

2. Right of Termination. SunGard Public Sector has right to terminate this Access Agreement, and accordingly, Accessor’s access to the Accessed Software, upon any breach of this Access Agreement. To terminate this Access Agreement, SunGard Public Sector will provide notice of such breach to Customer and Accessor (as appropriate), and the breaching party will have thirty (30) days from the date of such notice to cure such breach. If such breach is not cured to SunGard Public Sector’s reasonable satisfaction by the expiration of such thirty (30) day period, then this Agreement will be deemed terminated at the expiration of such thirty (30) day period, and thereupon, Accessor’s right to access the Accessed Software will be deemed terminated, without any further action by any party.

3. Accessor Software Constitutes Confidential Information of SunGard Public Sector. Accessor acknowledges and agrees that Accessed Software constitutes confidential, proprietary information of SunGard Public Sector, and is and will remain the sole property of SunGard Public Sector. Accessor agrees that it shall not at any time sell, assign, transfer or otherwise make available to, or allow use by, a third party any of components of Accessed Software. Accessor shall hold in confidence the SunGard Public Sector proprietary information for its benefit and internal use only by its employees on a strict “need to know” basis.

4. Obligations of SunGard Public Sector, Right of Accessor Regarding Accessed Software. Accessor’s right to use the Accessed Software is derivative of Customer’s license to use the Accessor Software under the terms and conditions of the Licensee Agreement. SunGard Public Sector is not deemed to have granted Accessor any license to use the Accessor Software by virtue of this Access Agreement. Any such license can only be effected by the execution by Accessor and SunGard Public Sector of a definitive written software license agreement between SunGard Public Sector and Accessor that, by its express terms, purports to provide such a right of license to Accessor. SunGard Public Sector will have no obligations whatsoever to Accessor in connection with the Accessed Software. **AS BETWEEN SUNGARD PUBLIC SECTOR AND ACCESSOR, THE ACCESSED SOFTWARE IS MADE AVAILABLE ON AN “AS IS” BASIS. SUNGARD PUBLIC SECTOR MAKES NO WARRANTIES WHATSOEVER TO ACCESSOR REGARDING THE ACCESSED SOFTWARE, AND HEREBY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND/OR FITNESS FOR A PARTICULAR PURPOSE. SUNGARD PUBLIC SECTOR WILL HAVE NO LIABILITY TO OR THROUGH ACCESSOR UNDER OR IN CONNECTION WITH THIS ACCESS AGREEMENT OR OTHERWISE IN CONNECTION WITH THE ACCESSED SOFTWARE, IN WHOLE OR IN PART.**

## EXHIBIT 2

### SUNGARD PUBLIC SECTOR TRAVEL EXPENSE GUIDELINES

SunGard Public Sector will adhere to the following guidelines when incurring travel expenses:

**All arrangements for travel are to be made through the SunGard Corporate Travel Agent unless other arrangements have been made with the Customer and are documented in writing.**

**AIR TRAVEL** – SunGard Public Sector will use the least expensive class of service available with a minimum of seven (7) day, maximum of thirty (30) day, advance purchase. Upon request, SunGard Public Sector shall provide the travel itinerary as the receipt for reimbursement of the air fare and any fees. Fees not listed on the itinerary will require a receipt for reimbursement.

Trips fewer than 250 miles round are considered local. Unless a flight has been otherwise approved by the Customer, Customer will reimburse the current IRS approved mileage rate for all local trips.

**LODGING** –Reasonable lodging accommodations are reimbursable, up to \$125 per night. If, depending on the city, reasonable accommodations cannot be secured for \$125 per night, Customer's prior approval will be required. Upon request by Customer, the hotel receipt received upon departure will be submitted for reimbursement. All food items, movies, and phone/internet charges are not reimbursable.

**RENTAL CAR** – Compact or Intermediate cars will be required unless there are three or more SunGard Public Sector employees sharing the car in which case the use of a full size car is authorized. Gas is reimbursable however pre-paid gas purchases will not be authorized and all rental cars are to be returned with a full tank of gas. Upon request, receipts for car rental and gas purchases will be submitted to Customer. SunGard Public Sector shall decline all rental car insurance offered by the car rental agency as staff members will be covered under the SunGard Public Sector auto insurance policy. Fines for traffic violations are not reimbursable expenses.

**OTHER TRANSPORTATION** – SunGard Public Sector staff members are expected to use the most economical means for traveling to and from the airport (Airport bus, hotel shuttle service). Airport taxi or mileage for the employee's personal vehicle (per IRS mileage guidelines) are reimbursable if necessary. Upon request, receipt(s) for the taxi will be submitted to Customer. Proof of mileage may be required and may be documented by a readily available electronic mapping service. The mileage rate will be the then-current IRS mileage guideline rate (subject to change with any change in IRS guidelines).

**OTHER BUSINESS EXPENSES** – Parking at the airport is reimbursable. Tolls to and from the airport and while traveling at the client site are reimbursable. Tipping on cab fare exceeding 15% is not reimbursable. Porter tips are reimbursable, not exceeding \$1.00 per bag. Laundry is reimbursable when travel includes a weekend day or Company Holiday and the hotel stay is four nights or more. Laundry charges must be incurred during the trip and the limit is one shirt and one pair of pants/skirt per day. With the exception of tips, receipts shall be provided to Customer upon request for all of the aforementioned items.

#### MEALS

\$52.00 per day Standard Per Diem

\$10.40 – Breakfast

\$13.00 – Lunch

\$28.60 – Dinner

SunGard Public Sector Inc.  
4000 OSSI Ct - High Point, NC 27265 -  
Phone: (336) 885-0911 - Fax: (336) 885-5329 - Email: snaegeli@hteinc.com

# SUNGARD® PUBLIC SECTOR

## Budgetary Quote

Date	Quote #	Acct Mgr
10/14/15	SSFQ2015	Steve Naegeli

### Quote Prepared For:

Jefferson County Sheriff's Office  
Attn: Major John Shauberger  
1001 Pearl St  
Beaumont, TX 77701

The quote is an option for Jefferson County to add on to the Beaumont Police system for CAD only.

Qty	Part Number	Product Description	Unit Price	Extended Price	Annual Maintenance
<b>Computer Aided Dispatch</b>					
3	CAD-CON-T1	ADDITIONAL CAD CONSOLE LICENSE	\$2,600	\$7,800	\$1,248 7x24
3	CAD-MAPD-T1	ADDITIONAL CAD MAP DISPLAY LICENSE	\$1,000	\$3,000	\$480 7x24
3	MCT-AVL-CAD-T1	CAD CLIENT AVL LICENSE	\$1,500	\$4,500	\$720 7x24
				<b>SubTotal:</b>	<b>\$15,300</b>
<b>CAD Implementation Services</b>					
1	CAD-PROJ-MGNT	CAD PROJECT MANAGEMENT	\$13,440	\$13,440	- n/a
1	CAD-IMPL	BASE CAD SOFTWARE IMPLEMENTATION	\$21,160	\$21,160	- n/a
1	CAD-MAP-IMPL	MAPPING IMPLEMENTATION	\$6,300	\$6,300	- n/a
3	CAD-PROF-ADD	ADDITIONAL PROFESSIONAL SERVICES - CAD Roster Module Training \$640 from Beaumont System. 3 classes for 3 shifts.	\$640	\$1,920	- n/a
1	CAD-MNT-TRN	CAD MAINTENANCE TRAINING - 4 days of abbreviated CAD Maintenance Training. 3 days onsite and 1 day of prep and follow up. = 4 days total.	\$5,120	\$5,120	- n/a
3	CAD-USR-TRN	CAD USER TRAINING - 3 classes for 3 shifts for CAD user training.	\$6,400	\$19,200	- n/a
				<b>SubTotal:</b>	<b>\$67,140</b>
3	MCT-MIS-T8	LAN CLIENT LICENSE FOR MESSAGE SWITCH - for TCIC/NCIC access....Required for CAD for TCIC/NCIC communication	\$200	\$600	\$96 7x24
				<b>SubTotal:</b>	<b>\$600</b>
				<b>Running SubTotal:</b>	<b>\$83,040</b>

Qty	Part Number	Product Description	Unit Price	Extended Price	Annual Maintenance
<b>Estimated - Travel and Living Expenses - CAD, RMS, MCT, INT</b>					
1	CAD-LE	LIVING EXPENSES FOR CAD IMPLEMENTATION SERVICES	\$13,000	\$13,000	- n/a
1	CAD-TE	TRAVEL EXPENSES FOR CAD SERVICES	\$7,500	\$7,500	- n/a
1	MCT-LE	LIVING EXPENSES FOR MCT IMPLEMENTATION SERVICES	\$1,500	\$1,500	- n/a
1	MCT-TE	TRAVEL EXPENSES FOR MCT IMPLIMENTATION SERVICES	\$1,000	\$1,000	- n/a
<b>SubTotal:</b>				<b>\$23,000</b>	
<b>Total:</b>				<b>\$106,040</b>	<b>\$2,544</b>

*This quote is valid until 11/30/15*

**Special, March 28, 2016**

There being no further business to come before the Court at this time,  
same is now here adjourned on this date, March 28, 2016