

# JEFFERSON COUNTY, TEXAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended  
September 30, 2016



# JEFFERSON COUNTY, TEXAS



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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, 2016

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INTRODUCTORY  
SECTION

PATRICK SWAIN  
COUNTY AUDITOR  
(409) 835-8500



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

March 16, 2017

Citizens of Jefferson County, Texas:

Honorable District Judges:

Donald Floyd, Presiding Judge, 172nd District Court  
John Stevens, Jr., Judge, Criminal District Court  
Kent Walston, Judge, 58th District Court  
Justin Sanderson, 60th District Court  
Baylor Wortham, Judge, 136th 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, 2016. 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, 2016. 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 components 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 Nечес Waterway provides deep-water access to ocean-going vessels, which are served by public ports within the County. The waterway is the 3<sup>rd</sup> largest port in the US by tonnage.

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, Exxon Mobil, Golden Pass LNG, and Sempra Energy.

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, as has Sempra Energy. It is anticipated that these permits should move through the approval process more expeditiously now that former Texas governor Rick Perry has been confirmed as the new Secretary of Energy.

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 29.4% 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 2016. Budget initiatives for fiscal year 2016 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, 2015. This was the eighteenth 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, 2015**

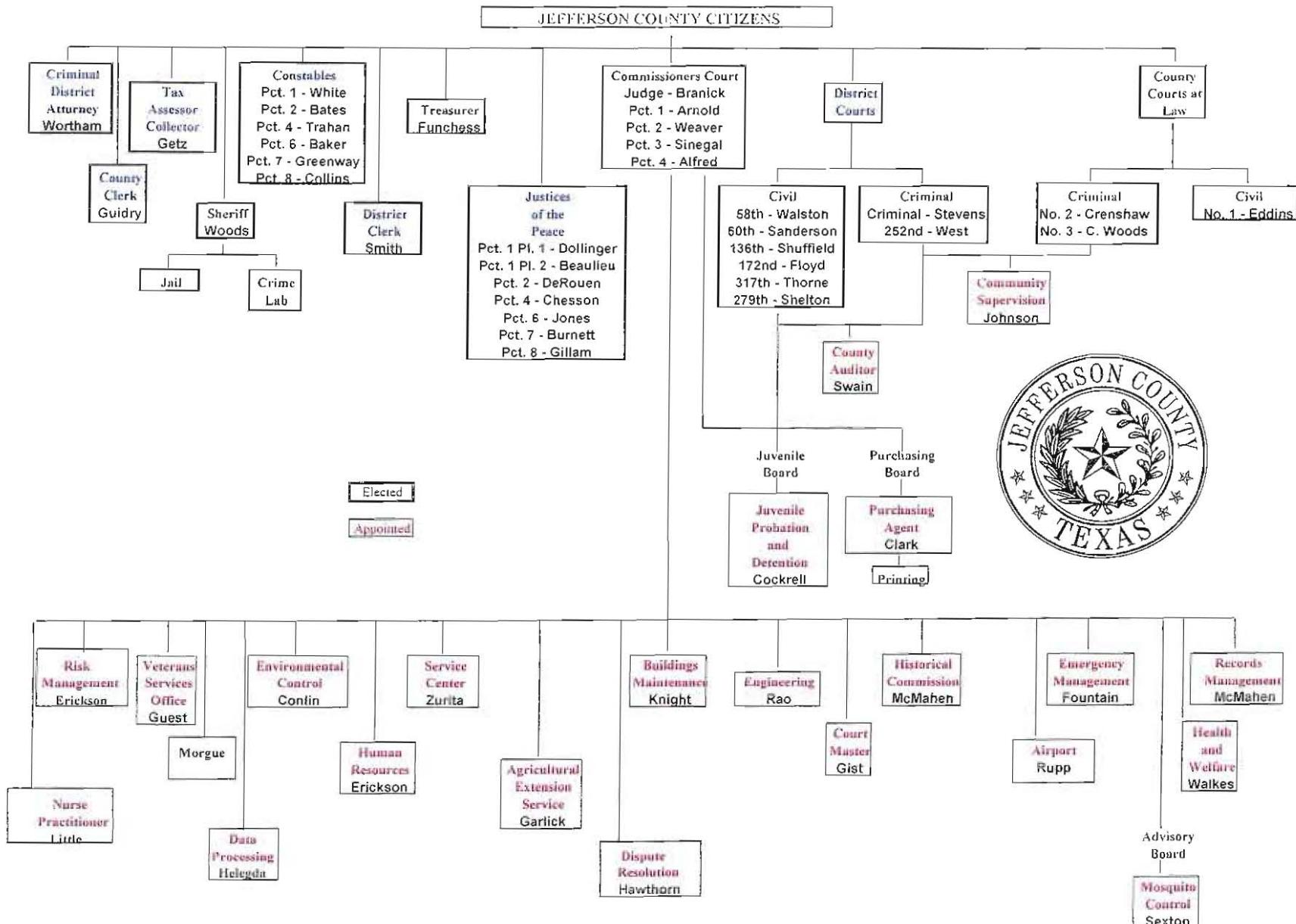
A handwritten signature in black ink that reads "Jeffrey R. Emmer". The signature is fluid and cursive, with "Jeffrey" on the top line and "R. Emmer" on the bottom line.

Executive Director/CEO



## ORGANIZATION CHART OF JEFFERSON COUNTY

As of September 30, 2016



## **ELECTED OFFICIALS**

As of September 30, 2016

### **COMMISSIONERS' COURT**

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

### **SHERIFF**

Mitch Woods

### **TAX ASSESSOR - COLLECTOR**

Allison Getz

### **DISTRICT CLERK**

Jamie Smith

### **COUNTY CLERK**

Carolyn Guidry

### **COUNTY TREASURER**

Tim Funchess

### **JUSTICES OF THE PEACE**

J.P. Pct. 1 Pl. 1	Kenneth Dollinger
J.P. Pct. 1 Pl. 2	Naney Beaulieu
J.P. Pct. 2	Marcus DeRouen
J.P. Pct. 4	Ray Chesson
J.P. Pct. 6	Duce Jones
J.P. Pct. 7	Brad Burnett
J.P. Pct. 8	Tom Gillam

### **CONSTABLES**

Constable Pct. 1	Earl White
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 Thorne

### **DISTRICT ATTORNEY**

Bob Wortham

## APPOINTED OFFICIALS

As of September 30, 2016

Agricultural Extension Service	Starla Garlick
Airport	Alex Rupp
Auditor	Patrick Swain
Auto Service Center	Jose Zurita
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	Ronda Conlin
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, 2016, 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 auditor's 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, 2016, 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.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedules of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—General Fund, pension information, and 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 was derived from and relate 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 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 16, 2017 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 16, 2017



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

As management of Jefferson County, we offer readers of the Jefferson County's financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended September 30, 2016. 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 and deferred inflows of resources at the close of fiscal year 2016 by \$81,443,779 (net position), a decrease of \$12,693,615 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, \$140,817,541 is net investment in capital assets, \$25,282,712 is restricted for specific uses, and \$(84,656,474) is unrestricted.
- As of the close of fiscal year 2016, Jefferson County's governmental funds reported combined ending fund balances of \$74,385,712, a decrease of \$2,122,823 in comparison with the prior year. About 45% of the total amount, \$33,558,820 is available for spending at the county's discretion (unassigned fund balance).
- At the end of fiscal year 2016, unassigned fund balance for the General Fund was \$34,142,140, or 29.4% of total General Fund expenditures and transfers. In addition, the General Fund had a nonspendable fund balance of \$889,865 and assigned fund balance of \$12,478,022.
- The Capital Projects Fund is classified as a major fund. It had a restricted fund balance of \$5,013,317.
- The County's total bonds payable decreased by \$5,006,869 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.

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

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

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

wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 72 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

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and actual figures, has been provided to demonstrate compliance with this budget. Required supplementary information can be found starting on page 67 of this report.

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

**Government-Wide Financial 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$81,443,779 for fiscal year 2016 and \$94,019,823 for fiscal year 2015.

**Condensed Statement of Net Position**

**September 30, 2016**

**Primary Government**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Reclassifications</b>	<b>Total</b>
Current and other assets	\$ 91,657,472	\$ 2,167,141	\$ -	\$ 93,824,613
Capital Assets	98,363,320	82,294,523	-	180,657,843
<b>Total Assets</b>	<b>\$ 190,020,792</b>	<b>\$ 84,461,664</b>	<b>\$ -</b>	<b>\$274,482,456</b>
Deferred Outflows of Resources				
Deferred Loss on Refunding	\$ 981,120	\$ -	\$ -	\$ 981,120
Deferred Outflows Related to Pensions	37,809,906	693,054	-	38,502,960
<b>Total Deferred Outflows of Resources</b>	<b>\$ 38,791,026</b>	<b>\$ 693,054</b>	<b>\$ -</b>	<b>\$ 39,484,080</b>
Current and other liabilities	\$ 8,013,188	\$ 1,243,015	\$ -	\$ 9,256,203
Long-term liabilities	220,269,899	1,535,521	-	221,805,420
<b>Total Liabilities</b>	<b>\$ 228,283,087</b>	<b>\$ 2,778,536</b>	<b>\$ -</b>	<b>\$231,061,623</b>
Deferred Inflows of Resources				
Deferred Inflows Related to Pensions	\$ 1,434,834	\$ 26,300	\$ -	\$ 1,461,134
<b>Total Deferred Inflows of Resources</b>	<b>\$ 1,434,834</b>	<b>\$ 26,300</b>	<b>\$ -</b>	<b>\$ 1,461,134</b>
Net Position:				
Net investment in capital assets	\$ 96,137,672	\$ 82,294,523	\$ (37,614,654)	\$140,817,541
Restricted net position	25,282,712	-	-	25,282,712
Unrestricted net position	(122,326,487)	55,359	37,614,654	(84,656,474)
<b>Total Net Position</b>	<b>\$ (906,103)</b>	<b>\$ 82,349,882</b>	<b>\$ -</b>	<b>\$ 81,443,779</b>

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Management's Discussion and Analysis*

**Condensed Statement of Net Position**

**September 30, 2015**

**Primary Government**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Reclassifications</b>	<b>Total</b>
Current and other assets	\$102,112,513	\$ 1,165,563	\$ -	\$103,278,076
Capital Assets	<u>95,253,769</u>	<u>83,107,097</u>	<u>-</u>	<u>178,360,866</u>
<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	<u>13,502,109</u>	<u>247,493</u>	<u>-</u>	<u>13,749,602</u>
<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	<u>187,806,143</u>	<u>1,133,997</u>	<u>-</u>	<u>188,940,140</u>
<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	<u>24,695,909</u>	<u>-</u>	<u>-</u>	<u>24,695,909</u>
Unrestricted net position	<u>(106,962,928)</u>	<u>(634,858)</u>	<u>39,220,834</u>	<u>(68,376,952)</u>
<b>Total Net Position</b>	<b>\$ 11,547,584</b>	<b>\$ 82,472,239</b>	<b>\$ -</b>	<b>\$ 94,019,823</b>

The largest portion of the County's current fiscal year net position (172.9 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 (31.0 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 (103.9 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.

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At the end of the fiscal year 2016 and the 2015 fiscal year, the County reported 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 fiscal year 2016 and fiscal year 2015. Business-type activities had positive balances in two categories of net position for fiscal year 2016 and only one of the categories of net position for fiscal year 2015.

The County had a reclassification of \$37,614,654 in fiscal year 2016 and \$39,220,834 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 \$12,693,615 during the current fiscal year. The following table indicates changes in net position for governmental and business-type activities:

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**Statement of Activities**  
For the Year Ended September 30, 2016

	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 21,555,263	\$ 6,068,512	\$ 27,623,775
Operating grants and contributions	11,359,382	50,000	11,409,382
Capital grants and contributions	4,246,945	3,012,750	7,259,695
General revenues:			
Taxes - levied for general purposes	74,486,620	-	74,486,620
Taxes - levied for debt service	5,612,488	-	5,612,488
Sales Taxes	26,479,752	-	26,479,752
Investment earnings	353,495	1,111	354,606
Miscellaneous	27,589	-	27,589
Total revenues	<u>144,121,534</u>	<u>9,132,373</u>	<u>153,253,907</u>
<b>Expenses:</b>			
General government	40,583,261	-	40,583,261
Judicial and law enforcement	84,656,946	-	84,656,946
Education and recreation	1,214,705	-	1,214,705
Health and welfare	10,490,353	-	10,490,353
Maintenance - equipment and structures	14,693,137	-	14,693,137
Interest and charges on long-term debt	1,320,790	-	1,320,790
Airport	-	5,478,254	5,478,254
Entertainment Complex	-	7,510,076	7,510,076
Total expenses	<u>152,959,192</u>	<u>12,988,330</u>	<u>165,947,522</u>
Excess (deficiency) before transfers	(8,837,658)	(3,855,957)	(12,693,615)
Transfers	<u>(3,733,600)</u>	<u>3,733,600</u>	<u>-</u>
Change in net position	<u>(12,571,258)</u>	<u>(122,357)</u>	<u>(12,693,615)</u>
Net position - beginning	11,547,584	82,472,239	94,019,823
Prior period adjustment	<u>117,571</u>	<u>-</u>	<u>117,571</u>
Net position - beginning - restated	<u>11,665,155</u>	<u>82,472,239</u>	<u>94,137,394</u>
Net position - ending	<u><u>\$ (906,103)</u></u>	<u><u>\$ 82,349,882</u></u>	<u><u>\$ 81,443,779</u></u>

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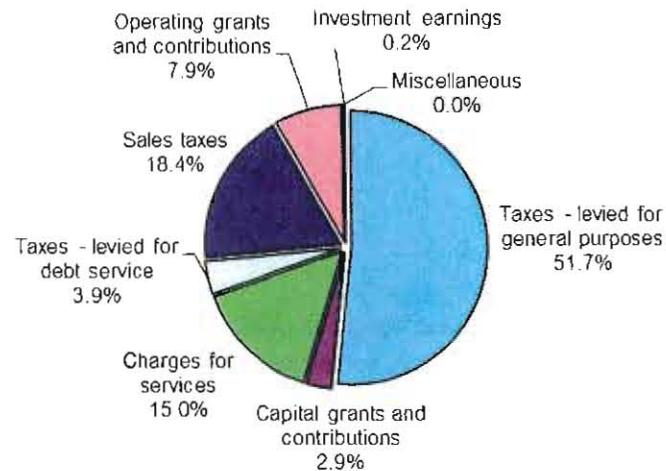
Statement of Activities  
For the Year Ended September 30, 2015

	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>			
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	149,530,277	9,435,138	158,965,415
<b>Expenses:</b>			
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	147,510,288	13,647,063	161,157,351
Excess (deficiency) before transfers	2,019,989	(4,211,925)	(2,191,936)
Transfers	(2,594,492)	2,594,492	-
Change in net position	(574,503)	(1,617,433)	(2,191,936)
Net position - beginning	49,587,224	84,777,108	134,364,332
Prior period adjustment	(37,465,137)	(687,436)	(38,152,573)
Net position - beginning - restated	12,122,087	84,089,672	96,211,759
Net position - ending	<u>\$ 11,547,584</u>	<u>\$ 82,472,239</u>	<u>\$ 94,019,823</u>

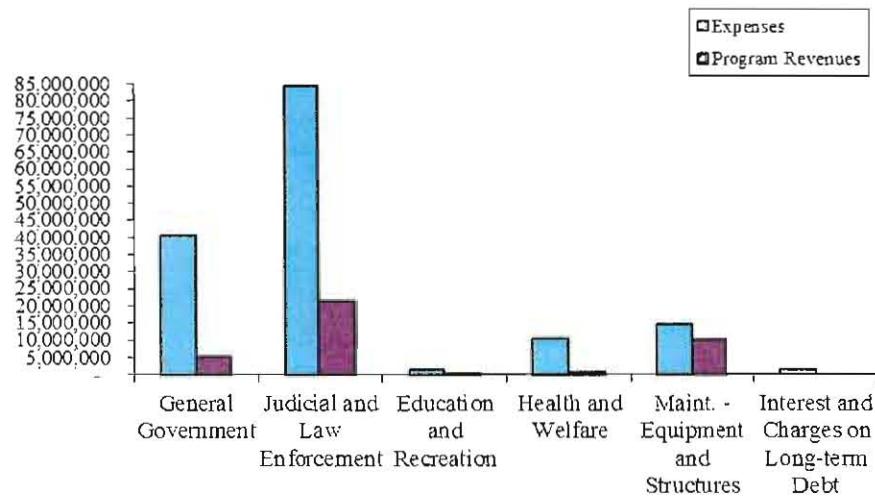
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Management's Discussion and Analysis*

*Governmental activities*

Revenues by Source - Governmental Activities  
Year Ended September 30, 2016



Expenses and Program Revenues - Governmental Activities  
Year Ended September 30, 2016



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Governmental activities decreased the County's net position by \$12,571,258.

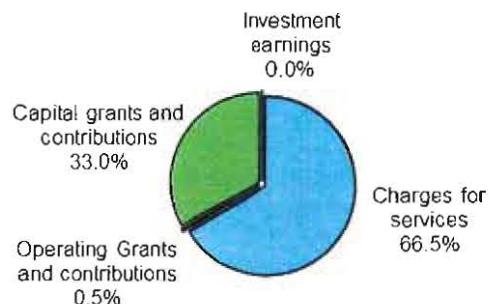
This decrease is due to the increase in the OPEB (Other Post Employment Benefits) Obligation of about \$13.9 million. Commissioners' Court has decided to continue funding OPEB on the pay-as-you-go basis. More discussion on OPEB can be found in Note 9 starting on page 57.

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***

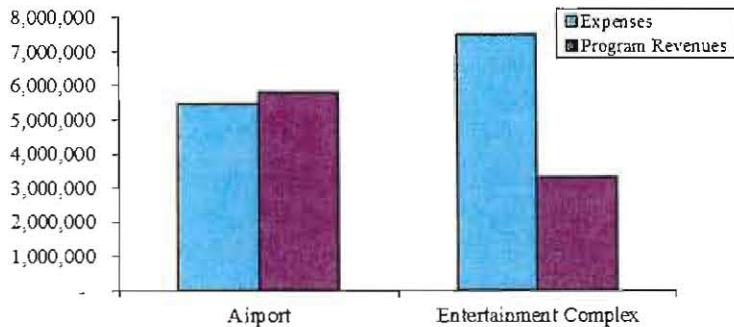
Business-type activities decreased the County's net position by \$122,357. The largest area of decline is reduction in Net Investment in Capital Assets due to depreciation of assets. The County continues to look for additional revenues sources as well as cost saving measures to have these business-type 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, 2016



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Expenses and Program Revenues - Business-type Activities  
Year Ended September 30, 2016



**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 \$74,385,712 a decrease of \$2,123,609 in comparison with the prior year. About 45% of this total amount (\$33,558,820) 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 \$34,142,140, while total fund balance reached \$47,510,027. 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 expenditures and transfers. Unassigned fund balance represents 29.4 percent of total General Fund expenditures and transfers, while total fund balances represents 40.9 percent of that same amount.

The fund balance of the County's General Fund decreased by \$370,830 during the current fiscal year. This decrease is in mostly due to lost property tax revenue for a contested property tax valuation for one of the large industrial taxpayers.

The Capital Projects Fund has a total fund balance of \$5,013,317, all of which is restricted for maintenance of structures and equipment. The net decrease in fund balance during the current year in the Capital Projects Fund was \$3,482,984. This decrease was

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

in large part as progression of ongoing projects for 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, 2016, unrestricted net position is  $-(444,902)$ , an increase of  $539,186$  from the prior year. This increase is mostly due to increase 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, 2016, unrestricted net position is  $500,261$ , an increase of  $151,031$  from the prior year. This increase is mostly due to increase in transfers from the General Fund.

**General Fund Budgetary Highlights**

The total original budget adopted on September 21, 2015 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  $2,372,005$ . Actual expenditures and transfers were less than budgetary estimates by  $7,210,142$ . The budget had a projected reduction of  $9,952,977$  to the fund balance. The net effect of over-realization of revenues and under-utilization of appropriations resulted in a positive variance of  $9,582,147$  thus only reducing the existing fund balance of  $370,830$  on a budgetary basis.

The largest positive variance of  $1,343,183$  is due to an increase in Sales Tax revenue. The area continues to have growth due to several large industrial expansions.

Revenue from Property Taxes had the largest negative variance of  $697,759$  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  $\$1.4$  million in property tax revenue.

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  $\$4.1$  million. Departments also did well in controlling their spending in other budgetary areas.

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

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**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, 2016, amounted to \$180,657,843 (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, 2016, the ending fund balance for all capital projects funds was \$6.71 million.

For further information regarding capital assets, see Note 5.

	Balance September 30, 2016	Balance September 30, 2015 - Restated	
<u>Governmental Activities:</u>			
Land	\$ 3,840,787	\$ 3,840,787	
Construction in progress	24,962,508	19,964,968	
Infrastructure	59,114,166	59,114,166	
Buildings & Improvements	105,090,205	102,718,113	
Equipment	42,601,445	41,959,248	
	235,609,111	227,597,282	
Less: Accumulated depreciation	(137,245,791)	(132,225,156)	
Total governmental activities	\$ 98,363,320	\$ 95,372,126	
 <u>Business-type Activities:</u>			
Land	\$ 5,154,600	\$ 5,154,600	
Construction in progress	6,248,896	2,893,850	
Buildings & Improvements	129,320,283	129,843,264	
Equipment	12,459,366	12,335,094	
	153,183,145	150,226,808	
Less: Accumulated depreciation	(70,888,622)	(67,119,711)	
Total business-type activities	\$ 82,294,523	\$ 83,107,097	

***Long-Term Debt.*** At September 30, 2016, the County had a total long-term debt outstanding of \$221,805,420. 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

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of the County's debt position. This information is presented in the statistical section of this report.

<u>Governmental Activities:</u>	<u>Outstanding at September 30, 2016</u>	<u>Outstanding at September 30, 2015</u>
Bonds Payable	\$ 39,437,454	\$ 44,444,323
Capital leases	1,383,968	1,707,363
Claims & Judgments	1,882,301	2,685,623
Compensated Absences	12,293,578	12,156,652
Pension Liability	72,592,973	47,988,665
OPEB Obligations	92,679,625	78,823,517
Total governmental activities	<u>\$ 220,269,899</u>	<u>\$ 187,806,143</u>
<u>Business-type Activities:</u>		
Compensated Absences	\$ 204,897	\$ 254,368
Pension Liability	1,330,624	879,629
Total business-type activities	<u>\$ 1,535,521</u>	<u>\$ 1,133,997</u>

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

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

The Commissioner's Court adopted the County's 2016-2017 budget on September 26, 2016 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 2016 and estimated revenues to be received in fiscal year 2017. The total resources for all funds for fiscal year 2016 are estimated to be \$165.0 million. The budget was adopted with estimated expenditures in the amount of \$129.5 million. The 2016-2017 budget forecast utilizing \$12,478,022 of fund balance.

For 2016-2017, the property tax rate will remain at \$.365 per \$100 of taxable assessed value and taxable assessed property values are anticipated to decrease a little over 2% for the 2016-2017 budget year.

The average unemployment rate for Jefferson County for September 2016 was 7.4%; this is a decrease from the prior year rate of 7.8%. The state's average unemployment rate for September 2016 was 4.9%.

**Request for Information**

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

**BASIC**  
**FINANCIAL STATEMENTS**

JEFFERSON COUNTY, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	RECLASSIFICATIONS	TOTAL
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 59,043,799	795,450	-	59,839,249
INVESTMENTS	13,014,282	-	-	13,014,282
INTEREST RECEIVABLE	35,883	145	-	36,028
ACCOUNTS RECEIVABLE, Net	408,131	271,478	-	679,609
DUUE FROM OTHER GOVERNMENTAL ENTITIES	9,052,722	951,783	-	10,004,505
INVENTORIES, At Cost	564,824	147,887	-	712,711
PREPAID ITEMS	357,899	398	-	358,297
DELINQUENT TAXES RECEIVABLE, Net	4,252,029	-	-	4,252,029
PENALTY AND INTEREST RECEIVABLE, Net	2,029,800	-	-	2,029,800
OTHER RECEIVABLES, Net	2,822,603	-	-	2,822,603
DEPOSITS	75,500	-	-	75,500
CAPITAL ASSETS:				
LAND	3,840,787	5,154,600	-	8,995,387
CONSTRUCTION IN PROGRESS	24,962,508	6,248,896	-	31,211,404
OTHER CAPITAL ASSETS, Net of depreciation	69,560,025	70,891,027	-	140,451,052
<b>TOTAL ASSETS</b>	<b>\$ 190,020,792</b>	<b>84,461,664</b>	<b>-</b>	<b>274,482,456</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
DEFERRED LOSS ON BOND REFUNDING	\$ 981,120	-	-	981,120
DEFERRED OUTFLOWS RELATED TO PENSIONS	37,809,906	693,054	-	38,502,960
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 38,791,026</b>	<b>693,054</b>	<b>-</b>	<b>39,484,080</b>
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 6,931,870	915,440	-	7,847,310
INTEREST PAYABLE	235,155	-	-	235,155
DUUE TO OTHER GOVERNMENTAL ENTITIES	360	-	-	360
UNEARNED REVENUE	845,803	294,958	-	1,140,761
CUSTOMER DEPOSITS	-	32,617	-	32,617
LONG-TERM LIABILITIES				
DUUE WITHIN ONE YEAR	7,725,011	57,293	-	7,782,304
DUUE IN MORE THAN ONE YEAR	212,544,888	1,478,228	-	214,023,116
<b>TOTAL LIABILITIES</b>	<b>\$ 228,283,087</b>	<b>2,778,536</b>	<b>-</b>	<b>231,061,623</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
DEFERRED INFLOWS RELATED TO PENSIONS	\$ 1,434,834	26,300	-	1,461,134
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 1,434,834</b>	<b>26,300</b>	<b>-</b>	<b>1,461,134</b>
<b>NET POSITION</b>				
NET INVESTMENT IN CAPITAL ASSETS	\$ 96,137,672	82,294,523	(37,614,654)	140,817,541
RESTRICTED FOR:				
DEBT SERVICE	602,071	-	-	602,071
CONSTRUCTION	30,705	-	-	30,705
PUBLIC INTEREST	2,927,892	-	-	2,927,892
JUDICIAL & LAW ENFORCEMENT	5,693,110	-	-	5,693,110
EDUATION & RECREATION	1,837,819	-	-	1,837,819
HEALTH & WELFARE	8,861,906	-	-	8,861,906
MAINTENANCE OF STRUCTURES & EQUIPMENT	5,329,209	-	-	5,329,209
UNRESTRICTED	(122,326,487)	55,359	37,614,654	(84,656,474)
<b>TOTAL NET POSITION</b>	<b>\$ (906,103)</b>	<b>82,349,882</b>	<b>-</b>	<b>81,443,779</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, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>PRIMARY GOVERNMENT</b>				
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	\$ 40,583,261	\$ 5,219,872	\$ 153	\$ -
JUDICIAL AND LAW ENFORCEMENT	84,656,946	10,307,890	10,769,052	190,817
EDUCATION AND RECREATION	1,214,705	13,428	11	-
HEALTH AND WELFARE	10,490,353	401,391	240,737	-
MAINTENANCE - EQUIPMENT AND STRUCTURES	14,693,137	5,612,682	349,429	4,056,128
INTEREST AND CHARGES ON LONG-TERM DEBT	1,320,790	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 152,959,192</u>	<u>\$ 21,555,263</u>	<u>\$ 11,359,382</u>	<u>\$ 4,246,945</u>
BUSINESS-TYPE ACTIVITIES:				
AIRPORT	5,478,254	2,780,094	50,000	2,966,087
ENTERTAINMENT COMPLEX	7,510,076	3,288,418	-	46,663
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 12,988,330</u>	<u>\$ 6,068,512</u>	<u>\$ 50,000</u>	<u>\$ 3,012,750</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 165,947,522</u>	<u>\$ 27,623,775</u>	<u>\$ 11,409,382</u>	<u>\$ 7,259,695</u>
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
\$ (35,363,236)	\$ -	\$ (35,363,236)
(63,389,187)	-	(63,389,187)
(1,201,266)	-	(1,201,266)
(9,848,225)	-	(9,848,225)
(4,674,898)	-	(4,674,898)
<u>(1,320,790)</u>	<u>-</u>	<u>(1,320,790)</u>
\$ (115,797,602)	\$ -	\$ (115,797,602)
 -	 317,927	 317,927
 -	 (4,174,995)	 (4,174,995)
<u>\$ -</u>	<u>\$ (3,857,068)</u>	<u>\$ (3,857,068)</u>
<u>\$ (115,797,602)</u>	<u>\$ (3,857,068)</u>	<u>\$ (119,654,670)</u>
 \$ 74,486,620	 \$ -	 \$ 74,486,620
5,612,488	-	5,612,488
26,479,752	-	26,479,752
353,495	1,111	354,606
27,589	-	27,589
(3,733,600)	3,733,600	-
<u>\$ 103,226,344</u>	<u>\$ 3,734,711</u>	<u>\$ 106,961,055</u>
 \$ (12,571,258)	 \$ (122,357)	 \$ (12,693,615)
11,547,584	82,472,239	94,019,823
117,571	-	117,571
<u>11,665,155</u>	<u>82,472,239</u>	<u>94,137,394</u>
 \$ (906,103)	 \$ 82,349,882	 \$ 81,443,779

**JEFFERSON COUNTY, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2016**

	GENERAL	CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 29,258,323	5,211,627	23,371,536	57,841,486
INVESTMENTS	13,014,282	-	-	13,014,282
ACCOUNTS RECEIVABLE, Net	236,305	-	139,887	376,192
INTEREST RECEIVABLE	11,947	1,471	5,973	19,391
DUE FROM OTHER FUNDS	4,774,296	-	-	4,774,296
DUE FROM OTHER GOVERNMENTAL ENTITIES	7,400,767	33,673	1,340,525	8,776,963
DELINQUENT TAXES RECEIVABLE, Net	4,154,683	-	97,346	4,252,029
PENALTY AND INTEREST RECEIVABLE, Net	1,983,330	-	46,470	2,029,800
INVENTORIES, At Cost	532,589	-	32,235	564,824
PREPAID ITEM	357,276	-	623	357,899
<b>TOTAL ASSETS</b>	<b>\$ 61,723,798</b>	<b>5,248,771</b>	<b>25,034,595</b>	<b>92,007,164</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 5,487,977	231,269	1,192,859	6,912,105
COMPENSATED ABSENCES PAYABLE	84,002	-	18,104	102,106
DUE TO OTHER FUNDS	-	-	961,020	961,020
DUE TO OTHER GOVERNMENTAL ENTITIES	360	-	-	360
UNEARNED REVENUE	-	-	845,803	845,803
<b>TOTAL LIABILITIES</b>	<b>\$ 5,572,339</b>	<b>231,269</b>	<b>3,017,786</b>	<b>8,821,394</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
UNAVAILABLE REVENUE- PROPERTY TAXES	\$ 5,955,077	-	131,574	6,086,651
UNAVAILABLE REVENUE- INMATE HOUSING	2,686,355	-	-	2,686,355
UNAVAILABLE REVENUE- GRANTS	-	4,185	22,867	27,052
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 8,641,432</b>	<b>4,185</b>	<b>154,441</b>	<b>8,800,058</b>
<b>FUND BALANCES:</b>				
NONSPENDABLE FOR:				
INVENTORY	\$ 532,589	-	32,235	564,824
PREPAID ITEMS	357,276	-	623	357,899
RESTRICTED FOR:				
DEBT SERVICE	-	-	581,539	581,539
CONSTRUCTION	-	-	30,705	30,705
PUBLIC INTEREST	-	-	2,927,892	2,927,892
JUDICIAL & LAW ENFORCEMENT	-	-	5,660,252	5,660,252
EDUCATION & RECREATION	-	-	1,837,819	1,837,819
HEALTH & WELFARE	-	-	8,861,906	8,861,906
MAINTENANCE OF STRUCTURES & EQUIPMENT	-	5,013,317	315,892	5,329,209
COMMITTED FOR:				
CONSTRUCTION CONTRACTS	-	-	532,034	532,034
ASSIGNED FOR CAPITAL PROJECTS	-	-	1,664,791	1,664,791
ASSIGNED FOR ADOPTED BUDGET				
UTILIZATION OF FUND BALANCE	12,478,022	-	-	12,478,022
UNASSIGNED (DEFICIT)	34,142,140	-	(583,320)	33,558,820
<b>TOTAL FUND BALANCES</b>	<b>\$ 47,510,027</b>	<b>5,013,317</b>	<b>21,862,368</b>	<b>74,385,712</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 61,723,798</b>	<b>5,248,771</b>	<b>25,034,595</b>	<b>92,007,164</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, 2016**

Total fund balances for governmental funds \$ 74,385,712

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	24,962,508
Infrastructure, net of \$41,086,140 accumulated depreciation	18,028,026
Buildings, net of \$65,661,294 accumulated depreciation	39,428,911
Equipment, net of \$30,498,357 accumulated depreciation	<u>12,103,088</u>
Total capital assets	<u>98,363,320</u>

Long-term assets are not recognized in the current period and accordingly are not reported as fund assets. Balances as of September 30, 2016 were:

Accrued interest receivable	<u>\$ 16,152</u>
	16,152

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, 2016 were:

Accrued interest on bonds and loans	\$ (235,155)
Bonds payable	(36,070,000)
OPEB Obligations	(92,679,625)
Pension Liability	(72,592,973)
Capital leases	(1,383,968)
Compensated absences	(12,191,472)
Pensions - Contributions after 12/31/2015	8,995,925
Pensions - Economic/demographic (gains)	(1,434,834)
Pensions - Economic/demographic losses	571,760
Pensions - Investment (gains) or losses	24,755,955
Pensions - Changes in Assumption	3,486,266
Gain/Loss on Refunding Bonds	981,120
Premium/Discounts on Bonds	<u>(3,367,454)</u>
	<u>(181,164,455)</u>

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:

(4,129,493)

Some of the County's receivables are classified as long-term and therefore are not reported in the funds. Receivable reported net of \$2,273,193 allowance for uncollectible accounts.

2,822,603

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.

8,800,058

Total net position of governmental activities

\$ (906,103)

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, 2016**

	GENERAL	CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 74,771,585	-	5,629,065	80,400,650
SALES TAXES	25,268,183	-	1,211,569	26,479,752
FEES	9,536,260	-	4,575,279	14,111,539
LICENSES	502,532	-	-	502,532
INTERGOVERNMENTAL	1,443,457	1,126,728	13,987,872	16,558,057
SALES, RENTAL & SERVICES	2,100,328	-	985,530	3,085,858
FINES AND FORFEITURES	1,817,016	-	264,047	2,081,063
INTEREST	220,208	22,159	89,868	332,235
MISCELLANEOUS	27,589	-	-	27,589
CONTRIBUTIONS AND DONATIONS	315	-	11,808	12,123
<b>TOTAL REVENUES</b>	<b>\$ 115,687,473</b>	<b>1,148,887</b>	<b>26,755,038</b>	<b>143,591,398</b>
<b>EXPENDITURES:</b>				
CURRENT				
GENERAL GOVERNMENT	\$ 21,989,258	-	480,852	22,470,110
JUDICIAL AND LAW ENFORCEMENT	67,056,128	-	14,815,481	81,871,609
EDUCATION AND RECREATION	349,917	-	915,058	1,264,975
HEALTH AND WELFARE	10,233,511	-	34,265	10,267,776
MAINTENANCE OF STRUCTURES AND EQUIPMENT	11,806,970	-	43,970	11,850,940
CAPITAL OUTLAY	-	4,344,716	3,473,678	7,818,394
DEBT SERVICE				
PRINCIPAL	-	323,395	4,590,000	4,913,395
INTEREST AND COMMISSION	-	46,440	1,539,896	1,586,336
<b>TOTAL EXPENDITURES</b>	<b>\$ 111,435,784</b>	<b>4,714,551</b>	<b>25,893,200</b>	<b>142,043,535</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 4,251,689</b>	<b>(3,565,664)</b>	<b>861,838</b>	<b>1,547,863</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	\$ 139,709	129,151	1,230,019	1,498,879
TRANSFERS OUT	(4,762,228)	(46,471)	(360,866)	(5,169,565)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (4,622,519)</b>	<b>82,680</b>	<b>869,153</b>	<b>(3,670,686)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (370,830)</b>	<b>(3,482,984)</b>	<b>1,730,991</b>	<b>(2,122,823)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>\$ 47,880,857</b>	<b>8,496,301</b>	<b>20,132,163</b>	<b>76,509,321</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>(786)</b>	<b>(786)</b>
<b>FUND BALANCE, BEGINNING (Restated)</b>	<b>\$ 47,880,857</b>	<b>8,496,301</b>	<b>20,131,377</b>	<b>76,508,535</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 47,510,027</b>	<b>5,013,317</b>	<b>21,862,368</b>	<b>74,385,712</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, 2016**

Net change in fund balances - total governmental funds \$ (2,122,823)

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	\$ 9,406,027
Capital asset donations to Business type activities	(62,914)
Net adjustment for sale or disposal of capital assets	(128,366)
Depreciation Expense	<u>(6,223,553)</u>
Net adjustment	2,991,194

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.

Repayments:	
To paying agent for bond principal	\$ 4,590,000
Capital Lease principal	<u>323,395</u>
Net adjustment	4,913,395

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 than as it accrues. The adjustment combines the net changes of ten balances.

Compensated absences	\$ (57,347)
OPEB Obligations	(13,856,108)
Pension Liability	(24,604,308)
Pensions - Economic/demographic (gains) losses	(1,625,421)
Pensions - Change in assumption (gains) losses	3,486,266
Pensions - Investment (gains) of losses	21,275,886
Pensions - Difference in Contributions	(263,768)
Amortization of bond premium	416,869
Amortization of refunding difference	(171,855)
Accrued interest on debt	<u>20,532</u>
Combined adjustment	(15,379,254)

Internal service funds are used by the County. The net change in position of the internal service funds are reported with governmental activities. (2,049,411)

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. 11,040

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. (935,399)

Total change in net position of governmental activities \$ (12,571,258)

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

**JEFFERSON COUNTY, TEXAS**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2016**

	ENTERPRISE FUNDS							
	JACK		INTERNAL SERVICE FUNDS	TOTAL	FORD PARK			
	BBOOKS							
	REGIONAL							
	AIRPORT							
<b>ASSETS:</b>								
<b>CURRENT ASSETS:</b>								
CASH AND CASH EQUIVALENTS	\$ 41,763	753,687	795,450	1,202,313				
ACCOUNTS RECEIVABLE, Net	41,879	229,599	271,478	31,939				
INTEREST RECEIVABLE	119	26	145	340				
DUE FROM OTHER GOVERNMENTAL ENTITIES	951,783	-	951,783	275,757				
PREPAID ITEMS	77	321	398	-				
INVENTORY, At Cost	112,616	35,271	147,887	-				
DEPOSITS	-	-	-	75,500				
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,148,237</b>	<b>1,018,904</b>	<b>2,167,141</b>	<b>1,585,849</b>				
<b>NONCURRENT ASSETS:</b>								
<b>CAPITAL ASSETS:</b>								
LAND	3,024,815	2,129,785	5,154,600	-				
CONSTRUCTION IN PROGRESS	6,230,566	18,330	6,248,896	-				
OTHER CAPITAL ASSETS, NET OF DEPRECIATION	22,917,594	47,973,433	70,891,027	-				
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 32,172,975</b>	<b>50,121,548</b>	<b>82,294,523</b>	<b>-</b>				
<b>TOTAL ASSETS</b>	<b>\$ 33,321,212</b>	<b>51,140,452</b>	<b>84,461,664</b>	<b>1,585,849</b>				
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>								
DEFERRED OUTFLOWS RELATED TO PENSIONS	\$ 693,054	-	693,054	-				
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 693,054</b>	<b>-</b>	<b>693,054</b>	<b>-</b>				
<b>LIABILITIES:</b>								
<b>CURRENT LIABILITIES:</b>								
ACCOUNTS PAYABLE	\$ 628,483	286,957	915,440	19,765				
CLAIMS LIABILITY	-	-	-	1,882,301				
DUE TO OTHER FUNDS	-	-	-	3,813,276				
CURRENT PORTION - COMPENSATED ABSENCES	20,678	36,615	57,293	-				
UNEARNED REVENUE	106,338	188,620	294,958	-				
CUSTOMER DEPOSITS	26,166	6,451	32,617	-				
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 781,665</b>	<b>518,643</b>	<b>1,300,308</b>	<b>5,715,342</b>				
<b>NONCURRENT LIABILITIES:</b>								
NONCURRENT PORTION - COMPENSATED ABSENCES	147,604	-	147,604	-				
PENSION LIABILITY	1,330,624	-	1,330,624	-				
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 1,478,228</b>	<b>-</b>	<b>1,478,228</b>	<b>-</b>				
<b>TOTAL LIABILITIES</b>	<b>\$ 2,259,893</b>	<b>518,643</b>	<b>2,778,536</b>	<b>5,715,342</b>				
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
DEFERRED INFLOWS RELATED TO PENSIONS	\$ 26,300	-	26,300	-				
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 26,300</b>	<b>-</b>	<b>26,300</b>	<b>-</b>				
<b>NET POSITION:</b>								
NET INVESTMENT IN CAPITAL ASSETS	\$ 32,172,975	50,121,548	82,294,523	-				
UNRESTRICTED	(444,902)	500,261	55,359	(4,129,493)				
<b>TOTAL NET POSITION</b>	<b>\$ 31,728,073</b>	<b>50,621,809</b>	<b>82,349,882</b>	<b>(4,129,493)</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, 2016**

	ENTERPRISE FUNDS			
	JACK	BROOKS	REGIONAL	INTERNAL SERVICE FUNDS
	AIRPORT	FORD PARK	TOTAL	
<b>OPERATING REVENUES:</b>				
CHARGES FOR SERVICES	\$ 2,780,094	3,288,418	6,068,512	16,662,660
EMPLOYEE CONTRIBUTIONS	-	-	-	2,210,088
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 2,780,094</b>	<b>3,288,418</b>	<b>6,068,512</b>	<b>18,872,748</b>
<b>OPERATING EXPENSES:</b>				
SALARIES & BENEFITS	\$ 1,738,719	1,546,995	3,285,714	-
MATERIALS AND SUPPLIES	92,878	129,656	222,534	-
MAINTENANCE AND REPAIRS	142,160	400,655	542,815	-
UTILITIES	181,740	850,414	1,032,154	-
COST OF GOODS SOLD	1,123,731	1,425,318	2,549,049	-
MISCELLANEOUS	344,731	58,183	402,914	-
ADMINISTRATIVE	-	691,563	691,563	1,666,474
INCURRED & ESTIMATED CLAIMS	-	-	-	19,960,883
DEPRECIATION	1,539,943	2,407,292	3,947,235	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 5,163,902</b>	<b>7,510,076</b>	<b>12,673,978</b>	<b>21,627,357</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (2,383,808)</b>	<b>(4,221,658)</b>	<b>(6,605,466)</b>	<b>(2,754,609)</b>
<b>NONOPERATING REVENUES:</b>				
INTEREST REVENUE	\$ 1,050	61	1,111	3,831
GAIN/(LOSS) ON SALE OF CAPITAL ASSETS	(314,352)	-	(314,352)	-
REFUNDS AND RECOVERIES	50,000	-	50,000	701,367
<b>TOTAL NONOPERATING REVENUES</b>	<b>\$ (263,302)</b>	<b>61</b>	<b>(263,241)</b>	<b>705,198</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>\$ (2,647,110)</b>	<b>(4,221,597)</b>	<b>(6,868,707)</b>	<b>(2,049,411)</b>
CAPITAL CONTRIBUTIONS	2,966,087	109,577	3,075,664	-
TRANSFER IN	1,737,746	1,932,940	3,670,686	-
<b>CHANGE IN NET POSITION</b>	<b>\$ 2,056,723</b>	<b>(2,179,080)</b>	<b>(122,357)</b>	<b>(2,049,411)</b>
<b>NET POSITION, BEGINNING</b>	<b>29,671,350</b>	<b>52,800,889</b>	<b>82,472,239</b>	<b>(2,080,082)</b>
<b>NET POSITION, ENDING</b>	<b>\$ 31,728,073</b>	<b>50,621,809</b>	<b>82,349,882</b>	<b>(4,129,493)</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, 2016**

	ENTERPRISE FUNDS			
	JACK			
	BROOKS			
	REGIONAL AIRPORT	FORD PARK	TOTAL	INTERNAL SERVICE FUNDS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
RECEIPTS FROM CUSTOMERS AND USERS	\$ 2,792,334	3,184,799	5,977,133	1,943,247
RECEIPTS FROM EMPLOYEES	-	-	-	2,205,547
PAYMENTS TO SUPPLIERS	(1,562,007)	(3,506,384)	(5,068,391)	(1,665,413)
PAYMENTS TO EMPLOYEES	(1,754,002)	(1,549,449)	(3,303,451)	-
INTERNAL ACTIVITY RECEIPTS(PAYMENTS) FROM (TO) OTHER FUNDS	-	-	-	16,276,787
CLAIMS PAID	-	-	-	(20,764,205)
OTHER RECEIPTS	82,908	-	82,908	703,358
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (440,767)</u>	<u>(1,871,034)</u>	<u>(2,311,801)</u>	<u>(1,300,679)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
TRANSFERS (TO) FROM OTHER FUNDS	\$ 1,737,746	1,932,940	3,670,686	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>\$ 1,737,746</u>	<u>1,932,940</u>	<u>3,670,686</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
CAPITAL GRANTS FROM FEDERAL ENTITIES	\$ 2,082,176	-	2,082,176	-
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(3,359,096)	(14,270)	(3,373,366)	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>\$ (1,276,920)</u>	<u>(14,270)</u>	<u>(1,291,190)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES:</b>				
RECEIPTS OF INTEREST	931	58	989	4,075
NET CASH PROVIDED BY INVESTMENT ACTIVITIES	<u>\$ 931</u>	<u>58</u>	<u>989</u>	<u>4,075</u>
NET INCREASE (DECREASE) IN CASH CASH AND CASH EQUIVALENTS - BEGINNING	\$ 20,990	47,694	68,684	(1,296,604)
	<u>20,773</u>	<u>705,993</u>	<u>726,766</u>	<u>2,498,917</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 41,763</u>	<u>753,687</u>	<u>795,450</u>	<u>1,202,313</u>
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES:</b>				
OPERATING INCOME(LOSS)	\$ (2,383,808)	(4,221,658)	(6,605,466)	(2,754,609)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH				
PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION	1,539,943	2,407,292	3,947,235	-
OTHER NON-OPERATING REVENUES (EXPENSES)	39,248	-	39,248	701,367
CHANGES IN ASSETS AND LIABILITIES:				
ACCOUNTS RECEIVABLE	(7,163)	(97,124)	(104,287)	(2,550)
DUCE FROM OTHER GOVERNMENTAL ENTITIES	32,908	-	32,908	(105,387)
PREPAID ITEMS	-	9,540	9,540	-
INVENTORY	(1,585)	14,562	12,977	-
DEFERRED OUTFLOWS RELATED TO PENSIONS	(445,561)	-	(445,561)	-
CUSTOMER DEPOSITS	(50,199)	(70,821)	(121,020)	-
ACCOUNTS PAYABLE	335,570	34,843	370,413	1,061
CLAIMS LIABILITY	-	-	-	(803,322)
DEFERRED INFLOWS RELATED TO PENSIONS	26,300	-	26,300	-
DUCE TO OTHER FUNDS	-	-	-	1,662,761
OTHER LIABILITIES	473,580	52,332	525,912	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (440,767)</u>	<u>(1,871,034)</u>	<u>(2,311,801)</u>	<u>(1,300,679)</u>
<b>NON-CASH OPERATING, CAPITAL AND RELATED FINANCING, AND INVESTING ACTIVITIES</b>				
CAPITAL CONTRIBUTIONS	\$ -	109,577	109,577	-

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, 2016**

	<u>TOTALS</u>
<b><u>ASSETS</u></b>	
CASH AND CASH EQUIVALENTS	\$ 13,983,356
ACCOUNTS RECEIVABLE, Net	5,790
DUE FROM OTHER GOVERNMENTAL ENTITIES	<u>410,104</u>
 TOTAL ASSETS	 <u>\$ 14,399,250</u>
<b><u>LIABILITIES</u></b>	
ACCOUNTS PAYABLE	\$ 12,268,197
DUE TO OTHER GOVERNMENTAL ENTITIES	796,468
OTHER PAYABLES	<u>1,334,585</u>
 TOTAL LIABILITIES	 <u>\$ 14,399,250</u>

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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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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 discrete 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, 2016

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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 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. Implementation of GASB 72 is reflected in the County's financial statements.

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 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. Implementation of GASB 73 is reflected in the County's financial statements.

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"). Implementation of GASB 76 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 removed from these statements. However, interfund services provided and used are not eliminated



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

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 statements present increases (revenues and other financing sources) and decreases (expenditures and



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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:

**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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

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.
- The County Auditor’s office prepares an estimate of available resources for the upcoming fiscal year.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

- 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, 2016**

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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, 2015 and past due after January 31, 2016. 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  
SEPTEMBER 30, 2016

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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 recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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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  
SEPTEMBER 30, 2016

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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. The first 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 two items that qualify for reporting in this category. The first arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, that item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, grants, and inmate housing. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is deferred outflows related to pensions and is only recorded in the government-wide financials.

**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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are legally due. Benefit payments and refunds are 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



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

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. 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**

In fiscal year 2016, the County adopted GASB Statement 72 ("GASB 72"), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related fair value measurements.

The County categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for



**JEFFERSON COUNTY, TEXAS**  
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**Note 2 - Deposits and Investments (continued)**

identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. As of September 30, 2016, the County held the following fair value measurements:

Investments by fair value level	Balance 9/30/2016	Level 1	Level 2	Level 3	Weighted Average Maturity (days)
U. S. Agency Securities	\$ 1,005,615	\$ -	\$ 1,005,615	\$ -	797
Money Market Account	7,727	-	7,727	-	30
Certificates of Deposit	12,000,940	-	12,000,940	-	1,027
	<b><u>\$13,014,282</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 13,014,282</u></b>	<b><u>\$ -</u></b>	<b><u>1,009</u></b>

**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, 2016, 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, 2016, the County had three investments that were with Federal National Mortgage Association (FNMA), and two 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 \$74,045,740 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



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

taxes and it also bills and collects taxes for Jefferson County Navigation District, Jefferson County Drainage District #3, #6, and #7, Port of Beaumont, Port of Port Arthur, Water District #10, Nederland Independent School District, Northwest Forest Municipal Utility District, Emergency Services District #2, Trinity Bay Conservation District, Port of Sabine Pass, Sabine Pass Independent School District, Port Arthur Independent School District, City of Port Arthur, Hamshire Fannett Independent School District, Port Neches-Groves Independent School District, 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 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, 2016, 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, 2016. 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 \$4,252,029 as of September 30, 2016 are reported net of an allowance for uncollectible taxes of \$1,822,298.

Penalty and Interest receivables of \$2,029,800 as of September 30, 2016 are reported net of an allowance for uncollectible accounts of \$3,044,699.

Receivables as of September 30, 2016 consist of the following:



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

	General	Capital Projects Fund	Non Major Funds	Jack Brooks Regional Airport	Ford Park	Internal Service Funds	Agency Funds	Total
<b>Receivables:</b>								
Accounts	\$ 209,496	\$ -	\$ 135,632	\$ 41,351	\$ 254,499	\$ 31,939	\$ 5,790	\$ 678,707
Employee	26,809	-	4,255	528	-	-	-	31,592
Taxes	5,935,261	-	139,066	-	-	-	-	6,074,327
Penalty & Interest	4,958,324	-	116,175	-	-	-	-	5,074,499
Inter-governmental	7,400,767	35,673	1,340,525	951,783	-	275,757	410,104	10,414,609
Gross Receivables	\$ 18,530,657	\$ 35,673	\$ 1,735,653	\$ 993,662	\$ 254,499	\$ 307,696	\$ 415,894	\$ 22,273,734
Less: Allowance for Uncollectibles	4,755,572	-	111,425	-	24,900	-	-	4,891,897
Net total receivables	<u>\$ 13,775,085</u>	<u>\$ 35,673</u>	<u>\$ 1,624,228</u>	<u>\$ 993,662</u>	<u>\$ 229,599</u>	<u>\$ 307,696</u>	<u>\$ 415,894</u>	<u>\$ 17,381.837</u>

As of September, 30, 2016, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
Advanced Funding (Non-major Special Revenue Funds)	<u>\$ 845,803</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 845,803</u>

Note 4 – Interfund Receivables, Payables, and Transfers

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

The composition of interfund balances as of September 30, 2016, is as follows:



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 961,020
	Internal Service funds	3,813,276
	Total	<u><u>\$ 4,774,296</u></u>

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

The following is a summary of the County's transfers for the year ended September 30, 2016:

	Transfers Out:			
	General Fund	Capital Project Fund	Nonmajor Governmental	Total
<b>Transfers In:</b>				
General	\$ -	\$ -	\$ 139,709	\$ 139,709
Capital Projects Fund	105,456	-	23,695	129,151
Nonmajor Funds	986,086	46,471	197,462	1,230,019
Jack Brooks Regional Airport	1,737,746	-	-	1,737,746
Ford Park	1,932,940	-	-	1,932,940
	<u><u>\$ 4,762,228</u></u>	<u><u>\$ 46,471</u></u>	<u><u>\$ 360,866</u></u>	<u><u>\$ 5,169,565</u></u>

Transfers in the amount of \$1,737,746 from the General Fund to the Jack Brooks Regional Airport were to subsidize operations at the airport. Transfers in the amount of \$1,932,940 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 \$62,914 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, 2016 was as follows:



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

Note 5 – Capital Assets (continued)

	Restated - Balancee October 1, 2015	Additions	Deletions	Transfer	Balance September 30, 2016
<b>Governmental Activities:</b>					
Land	\$ 3,840,787	\$ -	\$ -	\$ -	\$ 3,840,787
Construction work in progress	19,964,968	7,140,982	-	(2,143,442)	24,962,508
Total capital assets not depreciated	\$ 23,805,755	\$ 7,140,982	\$ -	\$ (2,143,442)	\$ 28,803,295
Infrastructure	59,114,166	-	-	-	59,114,166
Buildings & Improvements	102,718,113	228,650	-	2,143,442	105,090,205
Equipment	41,959,248	1,973,481	(1,331,284)	-	42,601,445
Total capital assets depreciated	\$ 203,791,527	\$ 2,202,131	\$ (1,331,284)	\$ 2,143,442	\$ 206,805,816
Less accumulated depreciation for:					
Infrastructure	(39,639,351)	(1,446,789)	-	-	(41,086,140)
Buildings & Improvements	(63,666,395)	(1,994,899)	-	-	(65,661,294)
Equipment	(28,919,410)	(2,781,865)	1,202,918	-	(30,498,357)
Total accumulated depreciation	\$ (132,225,156)	\$ (6,223,553)	\$ 1,202,918	\$ -	\$ (137,245,791)
Total capital assets depreciated, net	\$ 71,566,371	\$ (4,021,422)	\$ (128,366)	\$ 2,143,442	\$ 69,560,025
Governmental activities capital assets, net	<u>\$ 95,372,126</u>	<u>\$ 3,119,560</u>	<u>\$ (128,366)</u>	<u>\$ -</u>	<u>\$ 98,363,320</u>

	Balance October 1, 2015	Additions	Deletions	Transfer	Balance September 30, 2016
<b>Business-type Activities:</b>					
Land	\$ 5,154,600	\$ -	\$ -	\$ -	\$ 5,154,600
Construction work in progress	2,893,850	3,355,046	-	-	6,248,896
Total capital assets not depreciated	\$ 8,048,450	\$ 3,355,046	\$ -	\$ -	\$ 11,403,496
Buildings & Improvements	129,843,264	-	(522,981)	-	129,320,283
Equipment	12,335,094	124,272	-	-	12,459,366
Total capital assets depreciated	\$ 142,178,358	\$ 124,272	\$ (522,981)	\$ -	\$ 141,779,649
Less accumulated depreciation for:					
Buildings & Improvements	(58,450,751)	(3,279,483)	179,925	-	(61,550,309)
Equipment	(8,668,960)	(669,353)	-	-	(9,338,313)
Total accumulated depreciation	\$ (67,119,711)	\$ (3,948,836)	\$ 179,925	\$ -	\$ (70,888,622)
Total capital assets depreciated, net	\$ 75,058,647	\$ (3,824,564)	\$ (343,056)	\$ -	\$ 70,891,027
Business-type activities capital assets, net	<u>\$ 83,107,097</u>	<u>\$ (469,518)</u>	<u>\$ (343,056)</u>	<u>\$ -</u>	<u>\$ 82,294,523</u>



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

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

**Governmental activities:**

General Government	\$ 794,176
Judicial & Law Enforcement	2,360,335
Health & Welfare	110,843
Maintenance - Equipment & Structures	<u>2,958,199</u>
 Total depreciation expense - governmental activities	 <u>\$6,223,553</u>

**Business-type activities:**

Southeast Texas Regional Airport	\$1,539,943
Ford Park	<u>2,407,292</u>
 Total depreciation expense - business-type activities	 <u>\$3,947,235</u>

**Note 6 - Operating Leases**

**County as Lessor**

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

The County's airport conducts a major part of its operations from leased facilities, which include office and parking lot spaces for car rental agencies, terminal space for one airline, a travel 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 nine leases for land located either in the Private Hangar Park or surrounding the Airport. These leases are classified as operating leases. The rental payments under the leases for the land are a fixed amount for a twenty-five or thirty year period. These leases are noncancellable.



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

The following schedule provides an analysis of the County's investment in property on operating leases and property held for lease by major classes as of September 30, 2016:

Airport Terminal & Buildings	\$ 12,236,087
Airport Private Hangar Park and Land	3,249,396
	<hr/>
	\$ 15,485,483
Less: accumulated depreciation	(4,543,241)
	<hr/>
	\$ 10,942,242
	<hr/>

The following is a schedule by years of minimum future rentals on noncancelable operating leases as of September 30, 2016:

<u>Fiscal Year Ending September 30</u>	
2017	\$ 406,157
2018	328,797
2019	248,299
2020	243,129
2021	230,731
2022-2026	715,231
2027-2031	355,199
2032-2036	321,187
2037-2041	331,727
2042-2044	<hr/> 241,639
 Total	 <hr/> \$ 3,422,096

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, 2016.

**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% (\$828,017) 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.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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Note 7 - Long-Term Debt (continued)

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

\$1,340,000 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%.	\$540,000
\$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%.	34,380,000
\$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%.	1,150,000
Total General Obligation Bonds	\$36,070,000

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

Fiscal Year Ended September 30	<u>Governmental Activities</u>		
	Principal	Interest	Total
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	3,745,000	857,700	4,602,700
2022-2025	16,925,000	1,540,300	18,465,300
Total	\$ 36,070,000	\$ 7,251,187	\$ 43,321,187

There is currently \$581,539 available in the Debt Service Funds to service the general obligation bonds. The County has no authorized but unissued bonds at September 30, 2016.

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, 2016, were as follows:



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

<u>Year Ending September 30</u>	<u>Governmental Activities</u>
2017	\$ 369,835
2018	369,835
2019	369,835
2020	369,836
Total minimum lease payments	\$ 1,479,341
Less: amount representing interest	(95,373)
Present value of minimum lease payments	<u>\$ 1,383,968</u>

**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, 2016, there were two series of Jefferson County Housing Finance Corporation Bonds with an aggregate principal amount payable of \$12,466,735, and one series of Jefferson Industrial Development Bonds with an aggregate principal amount payable of \$44,190,000.

**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, 2016, 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, 2016 was as follows:



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

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Governmental Activities:</b>					
Bonds Payable					
General obligation bonds	\$ 40,660,000	\$ -	\$ (4,590,000)	\$ 36,070,000	\$ 4,690,000
Less deferred amounts:					
Premiums	3,784,323	-	(416,869)	3,367,454	-
Total bonds payable	\$ 44,444,323	\$ -	\$ (5,006,869)	\$ 39,437,454	\$ 4,690,000
Capital Leases	1,707,363	-	(323,395)	1,383,968	369,835
Claims and Judgments	2,685,623	21,396,181	(22,199,503)	1,882,301	1,882,301
Compensated Absences	12,156,652	928,010	(791,084)	12,293,578	782,875
Pension Liability	47,988,665	36,136,885	(11,532,577)	72,592,973	-
OPEB Obligations	78,823,517	18,166,061	(4,309,953)	92,679,625	-
Governmental Activities					
Long-term liabilities	\$ 187,806,143	\$ 76,627,137	\$ (44,163,381)	\$ 220,269,899	\$ 7,725,011
<b>Business-type Activities:</b>					
Compensated Absences	\$ 254,368	\$ 13,130	\$ (62,601)	\$ 204,897	\$ 57,293
Pension Liability	879,629	662,386	(211,391)	1,330,624	-
Business-type Activities					
Long-term liabilities	\$ 1,133,997	\$ 675,516	\$ (273,992)	\$ 1,535,521	\$ 57,293

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 full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.



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

**Benefits Provided.** TCDRS provides retirement, disability and death benefits for all eligible employees. Benefit terms are established by the TCDRS act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

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. Updated annuity purchase rates will go into effect for post-2017 benefit accruals earned after 2017. Benefits accrued before 2018 will not be impacted by this update. This change was reflected in the 2015 actuarial valuation.

***Employees covered by benefit terms***

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	771
Inactive employees entitled to but not yet receiving benefits	622
Active employees	<u>1,214</u>
	<u><u>2,607</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 17.66% and 17.61% in calendar years 2015



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

and 2016, respectively. The County's contributions to TCDRS for the year ended September 30, 2016, were \$11,644,582, and were equal to the required contributions.

**Net Pension Liability.** The County's Net Pension Liability (NPL) was measured as of December 31, 2015, 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, 2015, 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 and then projected with 110% of the MP-2014 Ultimate scale after that.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and a two-year set-forward for females.

The actuarial assumptions that determined the total pension liability as of December 31, 2015, were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except for mortality assumptions. Mortality assumptions were updated for the 2015 valuation to reflect projected improvements.

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.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**Note 8 – Defined Benefit Pension Plan (continued)**

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 2016 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, 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	14.50%	5.45%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	14.00%	8.45%
Global Equities	MSCI World (net) Index	1.50%	5.75%
International Equities - Developed	MSCI World Ex USA (net)	10.00%	5.45%
International Equities - Emerging	MSCI World Ex USA (net)	8.00%	6.45%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	1.00%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	5.10%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.09%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	5.00%	6.40%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	8.10%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FTSE EPRA/NAREIT Global Real Estate Index	3.00%	4.00%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.80%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	5.00%	6.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.25%

<sup>(1)</sup> Target asset allocation adopted at the April 2016 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return in addition to assumed inflation of 1.6% per Cliffwater's 2016 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  
SEPTEMBER 30, 2016

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 12/31/2014	\$ 410,636,269	\$ 361,767,975	\$ 48,868,294
Changes for the year:			
Service cost	9,087,096	-	9,087,096
Interest on total pension liability <sup>(1)</sup>	32,905,759	-	32,905,759
Effect on plan changes <sup>(2)</sup>	(1,753,160)	-	(1,753,160)
Effect of economic/demographic gains or losses	(1,826,418)	-	(1,826,418)
Effect of assumptions changes or inputs	4,437,711	-	4,437,711
Refund of contributions	(676,494)	(676,494)	-
Benefit payments	(20,054,243)	(20,054,243)	-
Administrative expenses	-	(259,107)	259,107
Member contributions	-	4,761,495	(4,761,495)
Net investment income	-	1,207,991	(1,207,991)
Employer contributions	-	12,012,562	(12,012,562)
Other <sup>(3)</sup>	-	72,744	(72,744)
Balance at 12/31/2015	<u>\$ 432,756,520</u>	<u>\$ 358,832,923</u>	<u>\$ 73,923,597</u>

<sup>(1)</sup> Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

<sup>(2)</sup> Reflects new annuity purchase rates applicable to all TCDRS employers effective January 1, 2018.

<sup>(3)</sup> 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:

	Current		
	1% Decrease 7.1%	Discount Rate 8.1%	1% Increase 9.1%
Total pension liability	\$ 487,120,611	\$ 432,756,520	\$ 387,270,507
Fiduciary net position	<u>358,832,923</u>	<u>358,832,923</u>	<u>358,832,923</u>
Net pension liability/(asset)	<u>\$ 128,287,688</u>	<u>\$ 73,923,597</u>	<u>\$ 28,437,584</u>



**JEFFERSON COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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**Note 8 – Defined Benefit Pension Plan (continued)**

***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, 2016, the County recognized pension expense of \$13,507,039.

At September 30, 2016, 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	\$ 1,461,134	\$ 582,241
Changes in actuarial assumptions	-	3,550,169
Difference between projected and actual investment earnings	-	25,209,730
Contributions subsequent to the measurement date	-	9,160,820
<b>Total</b>	<b>\$ 1,461,134</b>	<b>\$ 38,502,960</b>

\$9,160,820 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year Ended December 31,</u>	
2016	\$ 7,240,262
2017	7,240,262
2018	7,240,262
2019	6,160,220
Thereafter	-



**JEFFERSON COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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**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:

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%



**JEFFERSON COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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**Note 9 – Other Post-Employment Benefits (continued)**

**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, 2016, there were 584 participants receiving benefits.

**Funding Policy and Annual OPEB Cost –**

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

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 2016 the total contribution was \$4,309,953.

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



**JEFFERSON COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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**Note 9 – Other Post-Employment Benefits (continued)**

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	\$ 19,397,097
Interest on prior year Net OPEB Obligation	3,152,941
Adjustment to ARC	<u>(4,383,050)</u>
Annual OPEB Cost	\$ 18,166,988
County's Contribution made	<u>(4,309,953)</u>
Increase in Net OPEB Obligation	\$ 13,857,035
Net OPEB Obligation - beginning of year	<u>\$ 78,822,590</u>
Net OPEB Obligation - end of year	<u>\$ 92,679,625</u>

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Contributed	Net OPEB Obligation
09/30/2014	<u>\$17,017,533</u>	<u>22.27%</u>	<u>\$65,724,170</u>
09/30/2015	<u>\$17,193,339</u>	<u>23.86%</u>	<u>\$78,822,590</u>
09/30/2016	<u>\$18,166,988</u>	<u>23.72%</u>	<u>\$92,679,625</u>

**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 \$181,924,768, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$181,924,768. The covered payroll (annual payroll of active employees covered by the plan) was \$66,420,345, and the ratio of the UAAL to the covered payroll was 274%.



**JEFFERSON COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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**Note 9 – Other Post-Employment Benefits (continued)**

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, 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



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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**Note 10 - Deferred Compensation Plan (continued)**

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, 2016.

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

The following funds had deficit equity balances as of September 30, 2016:

<u>Governmental Funds</u>	
Juvenile Probation and Detention - State Aid	\$ 13,394
Drug Diversion Program	815
JAG Grant	9,137
Sheriff Dept Grants	6,602
Crime Victims Clearing - 2	5,378
Auto Theft Grant	6,317
Drug Intervention Grant	9,898
GLO Ike Round 2	531,779
Total for Governmental Funds	<u><u>\$ 583,320</u></u>

<u>Proprietary Funds</u>	
Southeast Texas Government Employee Benefits Pool Fund	\$4,797,167
Total for Proprietary Funds	<u><u>\$4,797,167</u></u>

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

**Note 12 - Risk Management**

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



**JEFFERSON COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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

	2016	2015
Liability for claims, beginning of fiscal year	\$1,308,975	\$371,096
Incurred claims and changes in estimates	553,355	1,327,720
Claim payments	(1,496,744)	(389,841)
Liability for claims, end of fiscal year	<u>\$365,586</u>	<u>\$1,308,975</u>

The Workers' Compensation Fund was established to account for the County's workers' compensation claims. Contributions are made from the General, Special Revenue, and Enterprise Funds for employees covered under the County's workers' compensation policy. Contributions to the fund are determined by position class code within each department. 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:

	2016	2015
Liability for claims, beginning of fiscal year	\$536,223	\$396,044
Incurred claims and changes in estimates	404,399	864,227
Claim payments	(695,729)	(724,048)
Liability for claims, end of fiscal year	<u>\$244,893</u>	<u>\$536,223</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



**JEFFERSON COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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

monthly contributions for participation in the Pool. The Pool members are not subject to supplemental assessments in the event of deficiencies. If the assets of the Pool were to be exhausted, members would not be responsible for the Pool's liabilities. Pool members currently include Jefferson County, Texas (reporting entity), Jefferson County Drainage District #3, and Jefferson County Drainage District #6. The total number of members in the Pool is 1,667. Operations of the Pool are accounted for as an internal service fund.

The Pool uses reinsurance agreements to reduce its exposure to large losses on medical and prescription claims. For the fiscal year ended September 30, 2016, 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 2016 or 2015, but did exceed these limits by \$78,291 during fiscal year 2014.

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:

	<u>2016</u>	<u>2015</u>
Liability for claims, beginning of fiscal year	\$840,425	\$1,780,650
Incurred claims and changes in estimates	20,438,427	20,436,872
Claim payments	(20,007,030)	(21,377,097)
Liability for claims, end of fiscal year	<u>\$1,271,822</u>	<u>\$840,425</u>

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

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

As of September 30, 2016, the County had the following commitments with respect to unfinished capital projects:



**JEFFERSON COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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**Note 14 - Construction and Other Significant Commitments (continued)**

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Courthouse Restoration	\$ 366,074	09/30/2017
Phone System Update	219,381	09/30/2017
LaBelle Road	1,617,603	09/30/2017
McFaddin National Wildlife Refuge Dune Restoration	532,034	12/31/2016
Runway 12/30 Reconstruction	681,447	09/30/2017
	<hr/>	
	\$ 3,416,539	

**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, 2016, a decrease to beginning fund balance in the amount of \$786 was made to Non Major Special Revenue funds for Community Supervision for correction to prior year adjustment to revenues.

The County has increased beginning net position as of October 1, 2015 by \$118,357 for governmental activities. This is a correction of an error for a donated asset that was not record in the amount \$658,000 less accumulated depreciation for this asset in the amount of \$91,098 and the calculation of depreciation expense for infrastructure in prior years which has caused accumulated depreciation to be understated by \$448,545

The total effect of these adjustments increased beginning net position of the governmental activities by \$117,571.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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**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 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 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 2017 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 2018 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 its investments at amortized cost for financial reporting purposes. GASB 79 will be implemented by the County in fiscal year 2017 and the impact has not yet been determined.

GASB Statement 80, *Blending Requirements for Certain Component Units*, clarifies the financial statement presentation requirements for certain component units which are incorporated as not-for-profit entities. GASB 80 will be implemented by the County in fiscal year 2017 and the impact has not yet been determined.

GASB Statement 81, *Irrevocable Split-Interest Agreements*, establishes recognition and measurement requirements for irrevocable split-interest agreements. GASB 81 will be implemented by the County in fiscal year 2018 and the impact has not yet been determined.



JEFFERSON COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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**Note 18 – Recent Accounting Pronouncements (continued)**

GASB Statement 82, *Pension Issues*, addresses certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 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 Statements 67 and 68*. Specifically, this Statement addresses issues regarding the presentation of payroll-related measures in required supplementary information, deviations from the guidance of the Actuarial Standards Board, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. GASB 82 will be implemented by the County in fiscal year 2017 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, 2016**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNT</b>	<b>VARIANCE WITH FINAL BUDGET</b>		
	<b>ORIGINAL</b>	<b>FINAL</b>				
<b>REVENUES:</b>						
TAXES:						
PROPERTY	\$ 75,469,344	75,469,344	74,771,585	(697,759)		
SALES TAX	23,925,000	23,925,000	25,268,183	1,343,183		
FEES	8,805,100	8,805,100	9,536,260	731,160		
LICENSES	414,620	414,620	502,532	87,912		
SALES, RENTALS, AND SERVICES	1,576,854	1,576,854	2,100,328	523,474		
INTERGOVERNMENTAL	1,454,559	1,454,559	1,443,457	(11,102)		
FINES AND FORFEITURES	1,575,000	1,575,000	1,817,016	242,016		
INTEREST	210,500	210,500	220,208	9,708		
MISCELLANEOUS	24,000	24,000	27,589	3,589		
CONTRIBUTIONS AND DONATIONS	200	200	315	115		
<b>TOTAL REVENUES</b>	<b>\$ 113,455,177</b>	<b>113,455,177</b>	<b>115,687,473</b>	<b>2,232,296</b>		
<b>EXPENDITURES:</b>						
GENERAL GOVERNMENT	\$ 23,565,795	23,257,508	21,989,258	1,268,250		
JUDICIAL AND LAW ENFORCEMENT	70,069,197	70,232,484	67,056,128	3,176,356		
EDUCATION AND RECREATION	409,074	409,074	349,917	59,157		
HEALTH AND WELFARE	10,850,099	10,850,099	10,233,511	616,588		
MAINTENANCE - EQUIPMENT AND STRUCTURES	13,620,718	13,620,262	11,806,970	1,813,292		
CAPITAL OUTLAY	-	-	-	-		
<b>TOTAL EXPENDITURES</b>	<b>\$ 118,514,883</b>	<b>118,369,427</b>	<b>111,435,784</b>	<b>6,933,643</b>		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (5,059,706)</b>	<b>(4,914,250)</b>	<b>4,251,689</b>	<b>9,165,939</b>		
<b>OTHER FINANCING SOURCES (USES):</b>						
TRANSFERS IN	\$ -	-	139,709	139,709		
TRANSFERS OUT	(4,893,271)	(5,038,727)	(4,762,228)	276,499		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (4,893,271)</b>	<b>(5,038,727)</b>	<b>(4,622,519)</b>	<b>416,208</b>		
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (9,952,977)</b>	<b>(9,952,977)</b>	<b>(370,830)</b>	<b>9,582,147</b>		
<b>FUND BALANCES, BEGINNING</b>	<b>\$ 47,880,857</b>	<b>47,880,857</b>	<b>47,880,857</b>	<b>-</b>		
<b>FUND BALANCES, ENDING</b>	<b>\$ 37,927,880</b>	<b>37,927,880</b>	<b>47,510,027</b>	<b>9,582,147</b>		



**JEFFERSON COUNTY, TEXAS**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2016**

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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 \$145,000 in budget transfers over the original budget for General Services for additional cost for funding for transfers out for capital projects and grant matches.

In addition, the Court approved approximately \$310,000 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 \$7,210,142 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>	<u>2015</u>
<b>Total Pension Liability</b>		
Service Cost	\$ 8,802,884	\$ 9,087,096
Interest total pension liability	31,100,211	32,905,759
Effect of plan changes	- ( 1,753,160)	
Effect of assumption changes or inputs	- 4,437,711	
Effect of economic/demographic (gains) or losses	970,401 ( 1,826,418)	
Benefit payments/refunds of contributions	( 19,372,249) ( 20,730,737)	
Net change in total pension liability	\$ 21,501,247	\$ 22,120,251
Total pension liability - beginning	<u>389,135,022</u>	<u>410,636,269</u>
Total pension liability - ending (a)	<u>\$ 410,636,269</u>	<u>\$ 432,756,520</u>
<b>Plan Fiduciary Net Position</b>		
Employer contributions	\$ 11,131,001	\$ 12,012,562
Member contributions	4,514,879	4,761,495
Investment income net of investment expenses	23,395,891	1,207,991
Benefit payments refunds of contributions	( 19,372,249) ( 20,730,737)	
Administrative expenses	( 270,923) ( 259,107)	
Other	<u>445,436</u>	<u>72,744</u>
Net change in plan fiduciary net position	\$ 19,844,035 \$( 2,935,052)	
Plan fiduciary net position - beginning	<u>341,923,940</u>	<u>361,767,975</u>
Plan fiduciary net position - ending (b)	<u>\$ 361,767,975</u>	<u>\$ 358,832,923</u>
Net pension liability - ending (a) - (b)	<u>\$ 48,868,294</u>	<u>\$ 73,923,597</u>
Fiduciary net position as a percentage of total pension liability	88.10%	82.92%
Pensionable covered payroll	\$ 63,934,561	\$ 68,021,353
Net pension liability as a percentage of covered payroll	76.43%	108.68%

\* Reporting began in fiscal year 2015.

**JEFFERSON COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<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%
2016	11,644,582	11,644,582	-	66,074,018	17.6%

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

**JEFFERSON COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

**Valuation Date**      Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.

**Methods and assumptions used to determine contribution rates:**

**Actuarial Cost Method**      Entry Age

**Amortization Method**      Level percentage of payroll, closed

**Remaining Amortization Period**      13.8 years (based on contribution rate calculated in 12/31/2015 valuation)

**Asset Valuation Method**      5-year smoothed market

**Inflation**      3.0%

**Salary Increases**      Varies by age and service. 4.9% average over career including inflation.

**Investment Rate of Return**      8.0%, net of investment expenses, including inflation

**Retirement Age**      Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.

**Mortality**      In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.

**Changes in Plan Provisions Reflected in the Schedule\***      No changes in plan provisions are reflected in the Schedule of Employer Contributions.

\* Only changes effective 2015 and later are shown in the Notes in Schedule.

**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]
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%
2016	10/1/2015	\$0	\$181,924,768	\$181,924,768	0%	\$66,420,345	273.90%

\* 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, 2016**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNT	FINAL BUDGET
<b>GENERAL GOVERNMENT:</b>				
TAX ASSESSOR-COLLECTOR	\$ 3,857,301	3,857,301	3,711,234	146,067
HUMAN RESOURCES	440,054	440,054	403,906	36,148
COUNTY AUDITOR	1,452,050	1,452,050	1,402,272	49,778
COUNTY CLERK	2,280,584	2,280,584	2,171,377	109,207
COUNTY JUDGE	893,263	893,263	828,559	64,704
RISK MANAGEMENT	251,272	251,272	232,253	19,019
COUNTY TREASURER	381,823	381,823	375,681	6,144
PRINTING DEPARTMENT	163,521	163,521	145,227	18,294
PURCHASING AGENT	560,791	560,791	528,759	32,032
GENERAL SERVICES	9,910,076	9,601,789	8,975,006	626,783
DATA PROCESSING	2,126,365	2,126,365	2,041,100	85,265
VOTERS REGISTRATION DEPARTMENT	144,203	144,203	135,030	9,173
ELECTIONS DEPARTMENT	807,578	807,578	745,604	61,974
VETERANS SERVICE	296,912	296,912	293,250	3,662
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 23,565,795</b>	<b>23,257,508</b>	<b>21,989,258</b>	<b>1,268,250</b>
<b>JUDICIAL AND LAW ENFORCEMENT:</b>				
DISTRICT ATTORNEY	\$ 6,541,322	6,456,322	6,307,952	148,370
DISTRICT CLERK	1,907,002	1,907,002	1,877,401	29,601
CRIMINAL DISTRICT COURT	1,553,277	1,633,277	1,582,148	51,129
58TH DISTRICT COURT	312,943	312,943	284,104	28,839
60TH DISTRICT COURT	292,139	292,139	288,154	3,985
136TH DISTRICT COURT	300,145	300,145	294,826	5,319
172ND DISTRICT COURT	297,368	297,368	277,082	20,286
252ND DISTRICT COURT	1,157,940	1,311,940	1,280,654	31,286
279TH DISTRICT COURT	400,192	400,192	373,266	26,926
317TH DISTRICT COURT	774,623	774,623	713,331	61,294
JURY	1,016,433	796,433	773,817	22,616
J.P. PRECINCT NO. 1 - PLACE NO. 1	361,649	361,649	348,808	12,841
J.P. PRECINCT NO. 1 - PLACE NO. 2	362,996	362,996	344,945	18,051
J.P. PRECINCT NO. 2	338,142	338,142	286,238	51,904
J.P. PRECINCT NO. 4	361,252	361,252	346,411	14,841
J.P. PRECINCT NO. 6	373,062	373,062	354,607	18,455
J.P. PRECINCT NO. 7	363,697	363,697	327,251	36,446
J.P. PRECINCT NO. 8	372,391	372,391	322,487	49,904
COUNTY COURT AT LAW NO. 1	476,262	476,262	464,728	11,534
COUNTY COURT AT LAW NO. 2	582,195	656,695	645,370	11,325
COUNTY COURT AT LAW NO. 3	726,395	726,395	687,528	38,867
COURT MASTER	483,393	483,393	373,700	109,693
DISPUTE RESOLUTION CENTER	259,728	259,728	196,610	63,118
JUVENILE ALTERNATIVE SCHOOL	393,885	393,885	302,679	91,206
COMMUNITY SUPERVISION	19,003	19,003	15,823	3,180
SHERIFF	13,303,602	13,410,389	12,717,220	693,169
CRIME LABORATORY	1,372,578	1,372,578	1,274,685	97,893
JAIL	27,744,977	27,744,977	27,061,210	683,767
JUVENILE CORRECTIONAL PROBATION	1,579,201	1,579,201	1,298,237	280,964
JUVENILE DETENTION HOME	2,100,514	2,100,514	1,856,857	243,657
CONSTABLE PRECINCT NO. 1	776,963	809,963	762,494	47,469
CONSTABLE PRECINCT NO. 2	451,296	451,296	425,951	25,345
CONSTABLE PRECINCT NO. 4	433,505	433,505	398,463	35,042
CONSTABLE PRECINCT NO. 6	600,781	600,781	575,320	25,461
CONSTABLE PRECINCT NO. 7	436,365	436,365	423,141	13,224
CONSTABLE PRECINCT NO. 8	476,979	476,979	463,621	13,358
COUNTY MORGUE	785,000	785,000	729,009	55,991
<b>TOTAL JUDICIAL AND LAW ENFORCEMENT</b>	<b>\$ 70,069,197</b>	<b>70,232,484</b>	<b>67,056,128</b>	<b>3,176,356</b>

[CONTINUED]

**JEFFERSON COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (GAAP)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

	<u>BUDGETED AMOUNTS</u>	<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>FINAL BUDGET</u>
<b>EDUCATION AND RECREATION:</b>			
AGRICULTURAL EXTENSION SERVICE	\$ 409,074	409,074	349,917
<b>TOTAL EDUCATION AND RECREATION</b>	<b>\$ 409,074</b>	<b>409,074</b>	<b>349,917</b>
<b>HEALTH AND WELFARE:</b>			
PUBLIC HEALTH UNIT 1	\$ 1,271,722	1,276,922	1,187,996
PUBLIC HEALTH UNIT 2	1,244,489	1,244,489	1,130,528
NURSE PRACTITIONER	304,295	304,295	288,144
CHILD WELFARE	149,900	149,900	122,093
ENVIRONMENTAL CONTROL	385,203	385,203	333,164
INDIGENT MEDICAL SERVICE	4,905,362	4,900,162	4,757,405
MOSQUITO CONTROL	2,261,918	2,261,918	2,093,612
EMERGENCY MANAGEMENT	227,210	227,210	220,569
TOBACCO SETTLEMENT FUND	100,000	100,000	100,000
<b>TOTAL HEALTH AND WELFARE</b>	<b>\$ 10,850,099</b>	<b>10,850,099</b>	<b>10,233,511</b>
			616,588
<b>MAINTENANCE - EQUIPMENT &amp; STRUCTURES:</b>			
COURTHOUSE & ANNEXES	\$ 2,785,083	2,785,083	2,530,751
PORT ARTHUR BUILDINGS	759,584	759,584	712,887
MID-COUNTY BUILDINGS	219,114	219,114	191,983
ROAD & BRIDGE PCT. 1	1,626,879	1,626,879	1,404,973
ROAD & BRIDGE PCT. 2	1,824,918	1,824,918	1,640,953
ROAD & BRIDGE PCT. 3	1,818,541	1,818,541	1,624,790
ROAD & BRIDGE PCT. 4	2,058,233	2,082,251	1,718,948
ENGINEERING	1,055,510	1,055,510	977,659
PARKS & RECREATION	182,274	202,274	125,673
SERVICE CENTER	1,260,582	1,246,108	878,353
<b>TOTAL MAINTENANCE - EQUIPMENT &amp; STRUCTURES</b>	<b>\$ 13,620,718</b>	<b>13,620,262</b>	<b>11,806,970</b>
			1,813,292
<b>CAPITAL OUTLAY:</b>			
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 118,514,883</b>	<b>118,369,427</b>	<b>111,435,784</b>
			6,933,643
<b>OTHER FINANCING USES:</b>			
TRANSFERS OUT	\$ 4,893,271	5,038,727	4,762,228
<b>TOTAL OTHER FINANCING USES</b>	<b>\$ 4,893,271</b>	<b>5,038,727</b>	<b>4,762,228</b>
			276,499
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 123,408,154</b>	<b>123,408,154</b>	<b>116,198,012</b>
			7,210,142

## **NONMAJOR GOVERNMENTAL FUNDS**

JEFFERSON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY  
SEPTEMBER 30, 2016

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 21,033,799	1,768,600	569,137	23,371,536
ACCOUNTS RECEIVABLE, Net	139,887	-	-	139,887
INTEREST RECEIVABLE	5,337	476	160	5,973
DU <sup>E</sup> FROM OTHER FUNDS	-	-	-	-
DU <sup>E</sup> FROM OTHER GOVERNMENTAL ENTITIES	1,270,799	69,726	-	1,340,525
DELINQUENT TAXES RECEIVABLE, Net	-	-	97,346	97,346
PENALTY AND INTEREST RECEIVABLE, Net	-	-	46,470	46,470
INVENTORY, At Cost	32,235	-	-	32,235
PREPAID ITEM	623	-	-	623
<b>TOTAL ASSETS</b>	<b>\$ 22,482,680</b>	<b>1,838,802</b>	<b>713,113</b>	<b>25,034,595</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 1,049,808	143,051	-	1,192,859
COMPENSATED ABSENCES	18,104	-	-	18,104
DU <sup>E</sup> TO OTHER FUNDS	961,020	-	-	961,020
UNEARNED REVENUE	845,803	-	-	845,803
<b>TOTAL LIABILITIES</b>	<b>\$ 2,874,735</b>	<b>143,051</b>	<b>-</b>	<b>3,017,786</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
UNAVAILABLE REVENUE- PROPERTY TAXES	\$ -	-	131,574	131,574
UNAVAILABLE REVENUE- GRANTS	22,867	-	-	22,867
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 22,867</b>	<b>-</b>	<b>131,574</b>	<b>154,441</b>
<b>FUND BALANCES:</b>				
NONSPENDABLE FOR:				
INVENTORY	\$ 32,235	-	-	32,235
PREPAID ITEMS	623	-	-	623
RESTRICTED FOR:				
DEBT SERVICE	-	-	581,539	581,539
CONSTRUCTION	-	30,705	-	30,705
PUBLIC INTEREST	2,927,892	-	-	2,927,892
JUDICIAL & LAW ENFORCEMENT	5,660,252	-	-	5,660,252
EDUCATION & RECREATION	1,837,819	-	-	1,837,819
HEALTH & WELFARE	8,861,906	-	-	8,861,906
MAINTENANCE OF STRUCTURES & EQUIPMENT	315,892	-	-	315,892
COMMITTED FOR:				
CONSTRUCTION CONTRACTS	-	532,034	-	532,034
ASSIGNED FOR CAPITAL PROJECTS	-	1,664,791	-	1,664,791
UNASSIGNED (DEFICIT)	(51,541)	(531,779)	-	(583,320)
<b>TOTAL FUND BALANCES</b>	<b>\$ 19,585,078</b>	<b>1,695,751</b>	<b>581,539</b>	<b>21,862,368</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 22,482,680</b>	<b>1,838,802</b>	<b>713,113</b>	<b>25,034,595</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, 2016**

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
PROPERTY TAXES	\$ -	-	5,629,065	5,629,065
SALES TAXES	1,211,569	-	-	1,211,569
FEES	4,575,279	-	-	4,575,279
INTERGOVERNMENTAL	10,371,295	3,616,577	-	13,987,872
SALES, RENTAL & SERVICES	985,530	-	-	985,530
FINES AND FORFEITURES	264,047	-	-	264,047
CONTRIBUTIONS AND DONATIONS	11,808	-	-	11,808
INTEREST	69,113	8,182	12,573	89,868
<b>TOTAL REVENUES</b>	<b>\$ 17,488,641</b>	<b>3,624,759</b>	<b>5,641,638</b>	<b>26,755,038</b>
<b>EXPENDITURES:</b>				
CURRENT				
GENERAL GOVERNMENT	\$ 480,852	-	-	480,852
JUDICIAL AND LAW ENFORCEMENT	14,815,481	-	-	14,815,481
EDUCATION AND RECREATION	915,058	-	-	915,058
HEALTH AND WELFARE	34,265	-	-	34,265
MAINTENANCE OF STRUCTURES AND EQUIPMENT	43,970	-	-	43,970
CAPITAL OUTLAY	-	3,473,678	-	3,473,678
DEBT SERVICE				
PRINCIPAL	-	-	4,590,000	4,590,000
INTEREST AND COMMISSION	-	-	1,539,896	1,539,896
<b>TOTAL EXPENDITURES</b>	<b>\$ 16,289,626</b>	<b>3,473,678</b>	<b>6,129,896</b>	<b>25,893,200</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 1,199,015</b>	<b>151,081</b>	<b>(488,258)</b>	<b>861,838</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	\$ 1,183,548	46,471	-	1,230,019
TRANSFERS OUT	(360,648)	(218)	-	(360,866)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 822,900</b>	<b>46,253</b>	<b>-</b>	<b>869,153</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 2,021,915</b>	<b>197,334</b>	<b>(488,258)</b>	<b>1,730,991</b>
FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT	\$ 17,563,949	1,498,417	1,069,797	20,132,163
FUND BALANCE, BEGINNING (Restated)	\$ 17,563,163	1,498,417	1,069,797	20,131,377
<b>FUND BALANCES, ENDING</b>	<b>\$ 19,585,078</b>	<b>1,695,751</b>	<b>581,539</b>	<b>21,862,368</b>

## **SPECIAL REVENUE FUNDS**

## SPECIAL REVENUE FUNDS

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

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

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

**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 TJPC A

**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  
Cheek Water and Sewer Phase 4  
CJD Sheriff Grants



**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
**SEPTEMBER 30, 2016**

	LATERAL ROAD FUNDS	BREATH ALCOHOL TESTING FUND	LAW LIBRARY FUND	JUVENILE PROBATION & DETENTION FUND
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 319,930	27,703	16,042	525,611
ACCOUNTS RECEIVABLE, Net	-	-	-	-
INTEREST RECEIVABLE	89	7	3	166
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	5,000
INVENTORY, At Cost	-	-	-	-
PREPAID ITEMS	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 320,019</b>	<b>27,710</b>	<b>16,045</b>	<b>530,777</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 4,127	-	15,651	3,798
COMPENSATED ABSENCES	-	-	-	-
DUE TO OTHER FUNDS	-	-	-	-
UNEARNED REVENUE - GRANTS	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 4,127</b>	<b>-</b>	<b>15,651</b>	<b>3,798</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>				
NONSPENDABLE FOR:				
INVENTORY	\$ -	-	-	-
PREPAID ITEMS	-	-	-	-
RESTRICTED FOR:				
PUBLIC INTEREST	-	-	-	-
JUDICIAL & LAW				
ENFORCEMENT	-	27,710	-	526,979
EDUCATION & RECREATION	-	-	394	-
HEALTH & WELFARE	-	-	-	-
MAINTENANCE OF STRUCTURES & EQUIPMENT	315,892	-	-	-
UNASSIGNED (DEFICIT)	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 315,892</b>	<b>27,710</b>	<b>394</b>	<b>526,979</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 320,019</b>	<b>27,710</b>	<b>16,045</b>	<b>530,777</b>

COUNTY CLERK RECORDS MGMT. AND PRESERVATION FUND	COUNTY CLERK RECORDS ARCHIVE FUND	ASAP CONSTABLE PCT 8 PROGRAM	COUNTY RECORDS MGMT. AND PRESERVATION FUND
1,056,106	816,333	-	727,327
289	221	-	202
-	-	100,934	-
-	-	-	-
-	-	-	-
<u>1,056,395</u>	<u>816,554</u>	<u>100,934</u>	<u>727,529</u>
36.796	2,909	38,863	25,600
-	-	-	-
-	-	62,071	-
-	-	-	-
<u>36.796</u>	<u>2,909</u>	<u>100,934</u>	<u>25,600</u>
-	-	-	-
-	-	-	-
-	-	-	-
1,019,599	813,645	-	701,929
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,019,599</u>	<u>813,645</u>	<u>-</u>	<u>701,929</u>
<u>1,056,395</u>	<u>816,554</u>	<u>100,934</u>	<u>727,529</u>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
**SEPTEMBER 30, 2016**

	JUSTICE COURT BUILDING SECURITY	BOTEL OCCUPANCY TAX FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND
<b>ASSETS:</b>			
CASH AND CASH EQUIVALENTS	\$ 104,645	1,756,341	21,034
ACCOUNTS RECEIVABLE, Net	-	109,864	-
INTEREST RECEIVABLE	29	466	6
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-
INVENTORY, At Cost	-	-	-
PREPAID ITEMS	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 104,674</b>	<b>1,866,671</b>	<b>21,040</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
ACCOUNTS PAYABLE	\$ -	29,246	228
COMPENSATED ABSENCES	-	-	-
DUE TO OTHER FUNDS	-	-	-
UNEARNED REVENUE - GRANTS	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>29,246</b>	<b>228</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
UNAVAILABLE REVENUE-GRANTS	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>			
NONSPENDABLE FOR:			
INVENTORY	\$ -	-	-
PREPAID ITEMS	-	-	-
RESTRICTED FOR:			
PUBLIC INTEREST	-	-	-
JUDICIAL & LAW ENFORCEMENT	104,674	-	20,812
EDUCATION & RECREATION	-	1,837,425	-
HEALTH & WELFARE	-	-	-
MAINTENANCE OF STRUCTURES & EQUIPMENT	-	-	-
UNASSIGNED (DEFICIT)	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 104,674</b>	<b>1,837,425</b>	<b>20,812</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 104,674</b>	<b>1,866,671</b>	<b>21,040</b>

SHERIFF AND CONSTABLE EDUCATION FUND	TAX OFFICE AUTO DEALER FUND	UNCLAIMED FUNDS MANAGEMENT FUND	FAMILY PROTECTION FUND	DISTRICT ATTORNEY FORFEITURE FUND	JP HOT CHECK FUND	COURTROOM TECHNOLOGY FUND
29,638	166,382	2,538	16,541	345,824	67,978	557,301
-	-	-	-	-	-	-
8	47	-	4	-	-	156
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>29,646</u>	<u>166,429</u>	<u>2,538</u>	<u>16,545</u>	<u>345,824</u>	<u>67,978</u>	<u>557,457</u>
254	-	2,500	-	327	1,182	332
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>254</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>327</u>	<u>1,182</u>	<u>332</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
166,429	38	-	-	-	-	-
29,392	-	-	16,545	345,497	66,796	557,125
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>29,392</u>	<u>166,429</u>	<u>38</u>	<u>16,545</u>	<u>345,497</u>	<u>66,796</u>	<u>557,125</u>
<u>29,646</u>	<u>166,429</u>	<u>2,538</u>	<u>16,545</u>	<u>345,824</u>	<u>67,978</u>	<u>557,457</u>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
**SEPTEMBER 30, 2016**

	<b>DISTRICT CLERK RECORDS MANAGEMENT</b>	<b>COUNTY CLERK ELECTION CONTRACTS</b>	<b>COUNTY CLERK HAVA FUND</b>	<b>CHILD ABUSE PREVENTION</b>	<b>SHERIFF'S SPECIAL REVENUE FUNDS</b>
<b>ASSETS:</b>					
CASH AND CASH EQUIVALENTS	\$ 4,950	9,198	-	9,107	1,833,606
ACCOUNTS RECEIVABLE, Net	-	-	-	-	24,392
INTEREST RECEIVABLE DUE FROM OTHER GOVERNMENTAL ENTITIES	1	3	-	3	148
INVENTORY, At Cost	-	-	-	-	713,969
PREPAID ITEMS	-	-	-	-	32,235
<b>TOTAL ASSETS</b>	<b>\$ 4,951</b>	<b>9,198</b>	<b>-</b>	<b>9,110</b>	<b>2,604,350</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>					
<b>LIABILITIES:</b>					
ACCOUNTS PAYABLE	\$ 690	-	-	-	200,573
COMPENSATED ABSENCES	-	-	-	-	-
DUE TO OTHER FUNDS	-	-	-	-	619,358
UNEARNED REVENUE - GRANTS	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>819,931</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>-</b>
<b>FUND BALANCES:</b>					
NONSPENDABLE FOR:					
INVENTORY	\$ -	-	-	-	32,235
PREPAID ITEMS	-	-	-	-	-
RESTRICTED FOR:					
PUBLIC INTEREST	-	9,198	-	-	-
JUDICIAL & LAW ENFORCEMENT	4,261	-	-	9,110	1,752,184
EDUCATION & RECREATION	-	-	-	-	-
HEALTH & WELFARE	-	-	-	-	-
MAINTENANCE OF STRUCTURES & EQUIPMENT	-	-	-	-	-
UNASSIGNED (DEFICIT)	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 4,261</b>	<b>9,198</b>	<b>-</b>	<b>9,110</b>	<b>1,784,419</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 4,951</b>	<b>9,198</b>	<b>-</b>	<b>9,110</b>	<b>2,604,350</b>

GUARDIANSHIP FEE FUND	JUVENILE DELINQUENCY PREVENTION	DISTRICT COURT RECORDS TECHNOLOGY	PROBATION DEPARTMENT FUNDS	GRANT FUNDS	TOTAL
216,993	82,983	41,196	3,310,812	8,967,683	21,033,799
-	-	-	5,631	-	139,887
61	23	11	871	2,523	5,337
-	-	-	78,213	372,683	1,270,799
-	-	-	-	-	32,235
-	-	-	623	-	623
<u>217,054</u>	<u>83,006</u>	<u>41,207</u>	<u>3,396,150</u>	<u>9,342,889</u>	<u>22,482,680</u>
-	-	4,660	541,615	140,457	1,049,808
-	-	-	18,104	-	18,104
-	-	-	48,364	231,227	961,020
-	-	-	845,803	-	845,803
<u>-</u>	<u>-</u>	<u>4,660</u>	<u>1,453,886</u>	<u>371,684</u>	<u>2,874,735</u>
-	-	-	-	22,867	22,867
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,867</u>	<u>22,867</u>
-	-	-	-	-	32,235
-	-	-	623	-	623
<u>217,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,927,892</u>
-	83,006	36,547	1,955,850	123,764	5,660,252
-	-	-	-	-	1,837,819
-	-	-	-	8,861,906	8,861,906
-	-	-	-	-	315,892
-	-	-	(14,209)	(37,332)	(51,541)
<u>217,054</u>	<u>83,006</u>	<u>36,547</u>	<u>1,942,264</u>	<u>8,948,338</u>	<u>19,585,078</u>
<u>217,054</u>	<u>83,006</u>	<u>41,207</u>	<u>3,396,150</u>	<u>9,342,889</u>	<u>22,482,680</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, 2016**

	LATERAL ROAD FUND	BREATH ALCOHOL TESTING FUND	LAW LIBRARY FUND	JUVENILE PROBATION & DETENTION FUND
<b>REVENUES:</b>				
TAXES	\$ -	-	-	-
FEES	-	8,047	55,363	28,304
FINES AND FORFEITURES	-	-	-	-
SALES, RENTAL & SERVICES	-	-	-	-
INTERGOVERNMENTAL	29,244	-	-	37,495
INTEREST	1,194	91	3	1,896
CONTRIBUTIONS AND DONATIONS	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 30,438</b>	<b>8,138</b>	<b>55,366</b>	<b>67,695</b>
<b>EXPENDITURES:</b>				
GENERAL GOVERNMENT	\$ -	-	-	-
JUDICIAL AND LAW ENFORCEMENT	-	4,570	-	97,054
EDUCATION AND RECREATION	-	-	53,833	-
HEALTH AND WELFARE	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	43,970	-	-	-
CAPITAL OUTLAY	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 43,970</b>	<b>4,570</b>	<b>53,833</b>	<b>97,054</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (13,532)</b>	<b>3,568</b>	<b>1,533</b>	<b>(29,359)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	\$ -	-	-	53,505
TRANSFERS OUT	-	-	-	(63,864)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>(10,359)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (13,532)</b>	<b>3,568</b>	<b>1,533</b>	<b>(39,718)</b>
FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT	\$ 329,424	24,142	(1,139)	566,697
FUND BALANCES, BEGINNING (Restated)	\$ 329,424	24,142	(1,139)	566,697
<b>FUND BALANCES, ENDING</b>	<b>\$ 315,892</b>	<b>27,710</b>	<b>394</b>	<b>526,979</b>

COUNTY CLERK RECORDS MGMT. AND PRESERVATION FUND	COUNTY CLERK RECORDS ARCHIVE FUND	ASAP CONSTABLE PCT 8 PROGRAM	COUNTY RECORDS MGMT. AND PRESERVATION FUND
398,186	413,520	-	127,557
-	-	-	-
-	-	-	-
3,200	2,253	-	2,384
-	-	-	-
<u>401,386</u>	<u>415,773</u>	<u>763,194</u>	<u>129,941</u>
230,567	112,009	-	93,460
-	-	763,194	-
-	-	-	-
-	-	-	-
<u>230,567</u>	<u>112,009</u>	<u>763,194</u>	<u>93,460</u>
170,819	303,764	-	36,481
-	-	-	-
-	-	-	-
<u>170,819</u>	<u>303,764</u>	<u>-</u>	<u>36,481</u>
848,780	509,881	-	665,448
-	-	-	-
<u>848,780</u>	<u>509,881</u>	<u>-</u>	<u>665,448</u>
<u>1,019,599</u>	<u>813,645</u>	<u>-</u>	<u>701,929</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, 2016**

	JUSTICE COURT BUILDING SECURITY	HOTEL OCCUPANCY TAX FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND
<b>REVENUES:</b>			
TAXES	\$ -	1,211,569	-
FEES	9,449	-	6,832
FINES AND FORFEITURES	-	-	-
SALES, RENTAL & SERVICES	-	13,428	-
INTERGOVERNMENTAL	-	-	-
INTEREST	342	4,659	64
CONTRIBUTIONS AND DONATIONS	-	11	-
 TOTAL REVENUES	 \$ 9,791	 1,229,667	 6,896
<b>EXPENDITURES:</b>			
GENERAL GOVERNMENT	\$ -	-	-
JUDICIAL AND LAW ENFORCEMENT	-	-	2,735
EDUCATION AND RECREATION	-	861,225	-
HEALTH AND WELFARE	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-
CAPITAL OUTLAY	-	-	-
 TOTAL EXPENDITURES	 \$ -	 861,225	 2,735
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 \$ 9,791	 368,442	 4,161
<b>OTHER FINANCING SOURCES (USES):</b>			
TRANSFERS IN	\$ -	-	-
TRANSFERS OUT	-	-	-
 TOTAL OTHER FINANCING SOURCES (USES)	 \$ -	 -	 -
 NET CHANGE IN FUND BALANCES	 \$ 9,791	 368,442	 4,161
 FUND BALANCES, BEGINNING	 \$ 94,883	 1,468,983	 16,651
PRIOR PERIOD ADJUSTMENT	-	-	-
 FUND BALANCES, BEGINNING (Restated)	 \$ 94,883	 1,468,983	 16,651
 FUND BALANCES, ENDING	 \$ 104,674	 1,837,425	 20,812

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
-	4,015	-	14,175	-	13,843	38,137
-	-	-	-	163,500	-	-
500	-	-	-	-	-	-
30,088	-	-	-	-	-	-
124	3,700	-	31	481	-	1,851
-	-	-	-	-	-	-
30,712	7,715	-	14,206	163,981	13,843	39,988
27,064	-	-	15,000	62,581	6,067	4,137
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
27,064	-	-	15,000	62,581	6,067	4,137
3,648	7,715	-	(794)	101,400	7,776	35,851
-	-	(139,491)	-	-	-	-
-	-	(139,491)	-	-	-	-
3,648	7,715	(139,491)	(794)	101,400	7,776	35,851
25,744	158,714	139,529	17,339	244,097	59,020	521,274
25,744	158,714	139,529	17,339	244,097	59,020	521,274
29,392	166,429	38	16,545	345,497	66,796	557,125

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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, 2016**

	DISTRICT CLERK RECORDS MANAGEMENT	COUNTY CLERK ELECTION CONTRACTS	COUNTY CLERK AVA FUND	CHILD ABUSE PREVENTION	SHERIFF'S SPECIAL REVENUE FUNDS
<b>REVENUES:</b>					
TAXES	\$ -	16,340	17,309	- 1,964	- 344,035
FEES	-	-	-	-	100,547
FINES AND FORFEITURES	-	-	-	-	971,602
SALES, RENTAL & SERVICES	-	-	-	-	2,299,754
INTERGOVERNMENTAL	-	-	-	-	4,242
INTEREST	\$ -	56	9	28	10,137
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 16,345</b>	<b>17,365</b>	<b>9</b>	<b>1,992</b>	<b>3,730,317</b>
<b>EXPENDITURES:</b>					
GENERAL GOVERNMENT	\$ -	30,255	11,661	-	-
JUDICIAL AND LAW ENFORCEMENT	13,631	-	-	-	4,251,946
EDUCATION AND RECREATION	-	-	-	-	-
HEALTH AND WELFARE	-	-	-	-	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,631</b>	<b>30,255</b>	<b>11,661</b>	<b>-</b>	<b>4,251,946</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 2,714</b>	<b>(12,890)</b>	<b>(11,652)</b>	<b>1,992</b>	<b>(521,629)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
TRANSFERS IN	\$ -	-	-	-	575,000
TRANSFERS OUT	-	-	(23,695)	-	(106,159)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>(23,695)</b>	<b>-</b>	<b>468,841</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 2,714</b>	<b>(12,890)</b>	<b>(35,347)</b>	<b>1,992</b>	<b>(52,788)</b>
<b>FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT</b>	<b>\$ 1,547</b>	<b>22,088</b>	<b>35,347</b>	<b>7,118</b>	<b>1,837,207</b>
<b>FUND BALANCES, BEGINNING (Restated)</b>	<b>\$ 1,547</b>	<b>22,088</b>	<b>35,347</b>	<b>7,118</b>	<b>1,837,207</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 4,261</b>	<b>9,198</b>	<b>-</b>	<b>9,110</b>	<b>1,784,419</b>

GUARDIANSHIP FEE FUND	JUVENILE DELINQUENCY PREVENTION	DISTRICT COURT RECORDS TECHNOLOGY	PROBATION DEPARTMENT FUNDS	GRANT FUNDS	TOTAL
28,820	103	31,915	3,017,365	-	1,211,569
-	-	-	-	4,575,279	
-	-	-	-	-	264,047
-	-	-	-	-	985,530
695	285	252	5,694,842 10,780	1,516,678 30,488 1,660	10,371,295 69,113 11,808
29,515	388	32,167	8,722,987	1,548,826	17,488,641
2,900	-	-	-	-	480,852
-	-	120,796	7,966,434	1,480,272	14,815,481
-	-	-	-	-	915,058
-	-	-	-	34,265	34,265
-	-	-	-	-	43,970
2,900	-	120,796	7,966,434	1,514,537	16,289,626
26,615	388	(88,629)	756,553	34,289	1,199,015
-	-	-	90,694	464,349	1,183,548
-	-	-	(26,830)	(609)	(360,648)
-	-	-	63,864	463,740	822,900
26,615	388	(88,629)	820,417	498,029	2,021,915
190,439	82,618	125,176	1,122,633 (786)	8,450,309	17,563,949 (786)
190,439	82,618	125,176	1,121,847	8,450,309	17,563,163
217,054	83,006	36,547	1,942,264	8,948,338	19,585,078



**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS**  
**SEPTEMBER 30, 2016**

	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	\$ 38,197	3,185	512,015	328,757
ACCOUNTS RECEIVABLE, Net	-	-	-	-
INTEREST RECEIVABLE DUE FROM OTHER GOVERNMENTAL ENTITIES	-	1	145	-
PREPAID ITEMS	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 38,197</b>	<b>3,186</b>	<b>512,160</b>	<b>328,757</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 2,737	180	811	175,434
COMPENSATED ABSENCES	-	-	-	-
DUE TO OTHER FUNDS	-	-	-	-
UNEARNED REVENUE	48,854	-	-	117,391
<b>TOTAL LIABILITIES</b>	<b>\$ 51,591</b>	<b>180</b>	<b>811</b>	<b>292,825</b>
<b>FUND BALANCES:</b>				
NONSPENDABLE FOR: PREPAID ITEMS	\$ -	-	-	-
RESTRICTED FOR: JUDICIAL & LAW ENFORCEMENT	-	3,006	511,349	35,932
UNASSIGNED (DEFICIT)	(13,394)	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ (13,394)</b>	<b>3,006</b>	<b>511,349</b>	<b>35,932</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 38,197</b>	<b>3,186</b>	<b>512,160</b>	<b>328,757</b>

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS**  
**SEPTEMBER 30, 2016**

	MENTALLY IMPAIRED OFFENDERS PROGRAM	COMMUNITY SUPERVISION	WOMEN'S CENTER	MENTAL HEALTH SERVICES
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 60,644	1,255,043	544,485	-
ACCOUNTS RECEIVABLE, Net	-	3,248	1,994	-
INTEREST RECEIVABLE	-	620	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	1,100	-	-
PREPAID ITEMS	-	476	90	-
<b>TOTAL ASSETS</b>	<b>\$ 60,644</b>	<b>1,260,487</b>	<b>546,569</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 6,470	206,808	69,231	-
COMPENSATED ABSENCES	-	-	-	-
DUE TO OTHER FUNDS	-	-	-	-
UNEARNED REVENUE	23,344	249,471	241,103	-
<b>TOTAL LIABILITIES</b>	<b>\$ 29,814</b>	<b>456,279</b>	<b>310,334</b>	<b>-</b>
<b>FUND BALANCES:</b>				
NONSPENDABLE FOR PREPAID ITEMS	\$ -	476	90	-
RESTRICTED FOR: JUDICIAL & LAW ENFORCEMENT	30,830	803,732	236,145	-
UNASSIGNED (DEFICIT)	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 30,830</b>	<b>804,208</b>	<b>236,235</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 60,644</b>	<b>1,260,487</b>	<b>546,569</b>	<b>-</b>

COMMUNITY CORRECTIONS	DWI PRETRIAL DIVERSION	JUVENILE DRUG COURT	DRUG DIVERSION PROGRAM	JUVENILE TJPC A	2016 TOTAL
295,024	169,564	-	103,898	-	3,310,812
389	-	-	-	-	5,631
-	-	-	-	105	871
-	-	77,113	-	-	78,213
<u>57</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>623</u>
<b>295,470</b>	<b>169,564</b>	<b>77,113</b>	<b>103,898</b>	<b>105</b>	<b>3,396,150</b>
17,564	3,294	28,749	30,337	-	541,615
18,104	-	-	-	-	18,104
-	-	48,364	-	-	48,364
<u>91,264</u>	<u>-</u>	<u>-</u>	<u>74,376</u>	<u>-</u>	<u>845,803</u>
<b>126,932</b>	<b>3,294</b>	<b>77,113</b>	<b>104,713</b>	<b>-</b>	<b>1,453,886</b>
<b>57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>623</b>
168,481	166,270	-	-	105	1,955,850
-	-	-	(815)	-	(14,209)
<b>168,538</b>	<b>166,270</b>	<b>-</b>	<b>(815)</b>	<b>105</b>	<b>1,942,264</b>
<b>295,470</b>	<b>169,564</b>	<b>77,113</b>	<b>103,898</b>	<b>105</b>	<b>3,396,150</b>



**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - PROBATION DEPARTMENT FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

	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 INTEREST	54,703	4,840	-	1,391,947
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUES</b>	<b>\$ 54,703</b>	<b>4,841</b>	<b>1,774</b>	<b>1,391,947</b>
<b>EXPENDITURES:</b>				
JUDICIAL AND LAW ENFORCEMENT	\$ 53,022	1,835	14,288	1,423,371
CAPITAL OUTLAY	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENDITURES</b>	<b>\$ 53,022</b>	<b>1,835</b>	<b>14,288</b>	<b>1,423,371</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 1,681</b>	<b>3,006</b>	<b>(12,514)</b>	<b>(31,424)</b>
<b>OTHER FINANCIAL SOURCES (USES):</b>				
TRANSFERS IN	\$ -	-	-	-
TRANSFERS OUT	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 1,681</b>	<b>3,006</b>	<b>(12,514)</b>	<b>(31,424)</b>
<b>FUND BALANCES, BEGINNING PRIOR PERIOD ADJUSTMENT</b>	<b>(15,075)</b>	<b>-</b>	<b>523,863</b>	<b>67,356</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, OCTOBER 1 (Restated)</b>	<b>\$ (15,075)</b>	<b>-</b>	<b>523,863</b>	<b>67,356</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ (13,394)</b>	<b>3,006</b>	<b>511,349</b>	<b>35,932</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, 2016**

	MENTALLY IMPAIRED OFFENDERS PROGRAM	COMMUNITY SUPERVISION	WOMEN'S CENTER	MENTAL HEALTH SERVICES
<b>REVENUES:</b>				
FEES	\$ -	2,531,199	215,907	-
INTERGOVERNMENTAL	140,064	1,538,904	1,446,621	-
INTEREST	-	7,274	-	-
<b>TOTAL REVENUES</b>	<b>\$ 140,064</b>	<b>4,077,377</b>	<b>1,662,528</b>	<b>-</b>
<b>EXPENDITURES:</b>				
JUDICIAL AND LAW ENFORCEMENT	\$ 110,739	3,780,829	1,448,829	-
CAPITAL OUTLAY	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 110,739</b>	<b>3,780,829</b>	<b>1,448,829</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 29,325</b>	<b>296,548</b>	<b>213,699</b>	<b>-</b>
<b>OTHER FINANCIAL SOURCES (USES):</b>				
TRANSFERS IN	\$ -	786	-	8,289
TRANSFERS OUT	-	(26,830)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>(26,044)</b>	<b>-</b>	<b>8,289</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 29,325</b>	<b>270,504</b>	<b>213,699</b>	<b>8,289</b>
FUND BALANCES, BEGINNING	1,505	534,490	22,536	(8,289)
PRIOR PERIOD ADJUSTMENT	-	(786)	-	-
<b>FUND BALANCES, OCTOBER 1 (Restated)</b>	<b>\$ 1,505</b>	<b>533,704</b>	<b>22,536</b>	<b>(8,289)</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 30,830</b>	<b>804,208</b>	<b>236,235</b>	<b>-</b>

COMMUNITY CORRECTIONS	DWI PRETRIAL DIVERSION	JUVENILE DRUG COLRT	DRUG DIVERSION PROGRAM	JUVENILE TJPC A	2016 TOTAL
-	183,620	-	86,639	-	3,017,365
543,608	-	127,901	446,254	-	5,694,842
-	-	-	-	1,731	10,780
<u>543,608</u>	<u>183,620</u>	<u>127,901</u>	<u>532,893</u>	<u>1,731</u>	<u>8,722,987</u>
390,468	64,516	122,988	555,549	-	7,966,434
-	-	-	-	-	-
<u>390,468</u>	<u>64,516</u>	<u>122,988</u>	<u>555,549</u>	<u>-</u>	<u>7,966,434</u>
<u>153,140</u>	<u>119,104</u>	<u>4,913</u>	<u>(22,656)</u>	<u>1,731</u>	<u>756,553</u>
-	-	-	26,044	55,575	90,694
-	-	-	-	-	(26,830)
-	-	-	26,044	55,575	63,864
153,140	119,104	4,913	3,388	57,306	820,417
15,398	47,166	(4,913)	(4,203)	(57,201)	1,122,633
-	-	-	-	-	(786)
<u>15,398</u>	<u>47,166</u>	<u>(4,913)</u>	<u>(4,203)</u>	<u>(57,201)</u>	<u>1,121,847</u>
<u>168,538</u>	<u>166,270</u>	<u>-</u>	<u>(815)</u>	<u>105</u>	<u>1,942,264</u>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - GRANT FUNDS**  
**SEPTEMBER 30, 2016**

FAMILY GROUP CONFERENCING PROJECT	SHERIFF TRAINING GRANT	JAG GRANT	SHERIFF DEPT GRANTS
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**ASSETS:**

CASH AND CASH EQUIVALENTS	\$ 32,465	11	-	-
INTEREST RECEIVABLE	9	-	-	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	-	12,395
<b>TOTAL ASSETS</b>	<b>\$ 32,474</b>	<b>11</b>	<b>-</b>	<b>12,395</b>

**LIABILITIES, DEFERRED INFLOWS  
OF RESOURCES, AND FUND BALANCE**

**LIABILITIES:**

ACCOUNTS PAYABLE	\$ -	-	-	2,359
DUE TO OTHER FUNDS	-	-	9,137	10,036
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>-</b>	<b>9,137</b>	<b>12,395</b>

**DEFERRED INFLOWS OF RESOURCES:**

UNAVAILABLE REVENUE-GRANTS	\$ -	-	-	6,602
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>6,602</b>

**FUND BALANCES:**

**RESTRICTED FOR:**

JUDICIAL & LAW ENFORCEMENT	\$ 32,474	11	-	-
HEALTH & WELFARE	-	-	-	-
UNASSIGNED (DEFICIT)	-	-	(9,137)	(6,602)
<b>TOTAL FUND BALANCES</b>	<b>\$ 32,474</b>	<b>11</b>	<b>(9,137)</b>	<b>(6,602)</b>

**TOTAL LIABILITIES, DEFERRED  
INFLOWS OF RESOURCES,  
AND FUND BALANCES**

**\$ 32,474 11 - (6,602)**

SCAAP GRANT	CRIME VICTIMS CLEARING - 1	REGIONAL COMMUNICATION	CRIME VICTIMS CLEARING - 2	EMPG GRANT	FORENSIC SCIENCE IMPROVEMENT GRANT
17,242	-	55,449	8,404	98,861	-
5	-	15	1	28	-
-	19,639	-	-	32,622	44,504
<u>17,247</u>	<u>19,639</u>	<u>55,464</u>	<u>8,405</u>	<u>131,511</u>	<u>44,504</u>
-	-	3,244	13,783	197	25,985
-	18,730	-	-	-	18,282
-	18,730	3,244	13,783	197	44,267
-	-	-	-	-	-
-	-	-	-	-	-
17,247	909	52,220	-	-	237
-	-	-	-	131,314	-
-	-	-	(5,378)	-	-
<u>17,247</u>	<u>909</u>	<u>52,220</u>	<u>(5,378)</u>	<u>131,314</u>	<u>237</u>
<u>17,247</u>	<u>19,639</u>	<u>55,464</u>	<u>8,405</u>	<u>131,511</u>	<u>44,504</u>

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**JEFFERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE - GRANT FUNDS**  
**SEPTEMBER 30, 2016**

	PORT SECURITY GRANTS	AUTO THEFT GRANT	FEMA EMERGENCY	DRUG INTERVENTION GRANT
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 13,814	-	8,728,127	-
INTEREST RECEIVABLE	-	-	2,465	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	41,442	39,301	-	19,290
<b>TOTAL ASSETS</b>	<b>\$ 55,256</b>	<b>39,301</b>	<b>8,730,592</b>	<b>19,290</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 55,256	5,366	-	118
DUE TO OTHER FUNDS	-	33,935	-	19,172
<b>TOTAL LIABILITIES</b>	<b>\$ 55,256</b>	<b>39,301</b>	<b>-</b>	<b>19,290</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
UNAVAILABLE REVENUE-GRANTS	\$ -	6,317	-	9,898
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>6,317</b>	<b>-</b>	<b>9,898</b>
<b>FUND BALANCES:</b>				
RESTRICTED FOR:				
JUDICIAL & LAW ENFORCEMENT	\$ -	-	-	-
HEALTH & WELFARE	-	-	8,730,592	-
UNASSIGNED (DEFICIT)	-	(6,317)	-	(9,898)
<b>TOTAL FUND BALANCES</b>	<b>\$ -</b>	<b>(6,317)</b>	<b>8,730,592</b>	<b>(9,898)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 55,256</b>	<b>39,301</b>	<b>8,730,592</b>	<b>19,290</b>

VIOLENCE AGAINST WOMEN - 1	VIOLENCE AGAINST WOMEN - 2	FAMILY TREATMENT COURT	SHSP & LETPP GRANTS	CHEEK WATER AND SEWER PHASE 4	CJD SHERIFF GRANTS	2016 GRANT TOTALS
1,577	-	-	-	11,733	-	8,967,683
-	-	-	-	-	-	2,523
7,104	11,978	9,711	-	110,841	23,856	372,683
<u>8,681</u>	<u>11,978</u>	<u>9,711</u>	<u>-</u>	<u>122,574</u>	<u>23,856</u>	<u>9,342,889</u>
8,422	-	1,871	-	-	23,856	140,457
-	11,978	6,255	-	103,702	-	231,227
8,422	11,978	8,126	-	103,702	23,856	371,684
-	-	50	-	-	-	22,867
-	-	50	-	-	-	22,867
259	-	1,535	-	18,872	-	123,764
-	-	-	-	-	-	8,861,906
-	-	-	-	-	-	(37,332)
259	-	1,535	-	18,872	-	8,948,338
<u>8,681</u>	<u>11,978</u>	<u>9,711</u>	<u>-</u>	<u>122,574</u>	<u>23,856</u>	<u>9,342,889</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, 2016**

	FAMILY GROUP CONFERENCING PROJECT	SHERIFF TRAINING GRANT	JAG GRANT	SHERIFF DEPT GRANTS
<b>REVENUES:</b>				
INTERGOVERNMENTAL	\$ -	1,949	18,465	28,888
INTEREST	113	-	-	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 113</b>	<b>1,949</b>	<b>18,465</b>	<b>28,888</b>
<b>EXPENDITURES:</b>				
JUDICIAL AND LAW ENFORCEMENT	\$ 1,152	-	19,508	40,906
HEALTH & WELFARE	-	-	-	-
CAPITAL OUTLAY	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,152</b>	<b>-</b>	<b>19,508</b>	<b>40,906</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (1,039)</b>	<b>1,949</b>	<b>(1,043)</b>	<b>(12,018)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	\$ -	-	-	5,511
TRANSFERS OUT	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>5,511</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,039)</b>	<b>1,949</b>	<b>(1,043)</b>	<b>(6,507)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>\$ 33,513</b>	<b>(1,938)</b>	<b>(8,094)</b>	<b>(95)</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 32,474</b>	<b>11</b>	<b>(9,137)</b>	<b>(6,602)</b>

SCAAP GRANT	CRIME VICTIMS CLEARING - 1	REGIONAL COMMUNICATION	CRIME VICTIMS CLEARING - 2	EMPG GRANT	FORENSIC SCIENCE IMPROVEMENT GRANT
20,214	75,985	-	-	69,495	244,768
158	-	200	1	297	-
-	-	-	-	-	-
<u>20,372</u>	<u>75,985</u>	<u>200</u>	<u>1</u>	<u>69,792</u>	<u>244,768</u>
33,715	269,574	9,111	20,483	-	244,768
-	-	-	-	31,265	-
-	-	-	-	-	-
<u>33,715</u>	<u>269,574</u>	<u>9,111</u>	<u>20,483</u>	<u>31,265</u>	<u>244,768</u>
(13,343)	(193,589)	(8,911)	(20,482)	38,527	-
-	193,759	-	13,830	-	-
-	-	-	-	(609)	-
-	193,759	-	13,830	(609)	-
(13,343)	170	(8,911)	(6,652)	37,918	-
<u>30,590</u>	<u>739</u>	<u>61,131</u>	<u>1,274</u>	<u>93,396</u>	<u>237</u>
<u>17,247</u>	<u>909</u>	<u>52,220</u>	<u>(5,378)</u>	<u>131,314</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, 2016**

	PORT SECURITY GRANTS	AUTO THEFT GRANT	FEMA EMERGENCY	DRUG INTERVENTION GRANT
<b>REVENUES:</b>				
INTERGOVERNMENTAL	\$ 318,479	75,304	366,692	50,986
INTEREST	-	-	29,719	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 318,479</b>	<b>75,304</b>	<b>396,411</b>	<b>50,986</b>
<b>EXPENDITURES:</b>				
JUDICIAL AND LAW ENFORCEMENT	\$ 424,638	115,465	-	60,862
HEALTH & WELFARE	-	-	-	-
CAPITAL OUTLAY	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 424,638</b>	<b>115,465</b>	<b>-</b>	<b>60,862</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (106,159)</b>	<b>(40,161)</b>	<b>396,411</b>	<b>(9,876)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	\$ 106,159	40,598	-	118
TRANSFERS OUT	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 106,159</b>	<b>40,598</b>	<b>-</b>	<b>118</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>437</b>	<b>396,411</b>	<b>(9,758)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>-</b>	<b>(6,754)</b>	<b>8,334,181</b>	<b>(140)</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ -</b>	<b>(6,317)</b>	<b>8,730,592</b>	<b>(9,898)</b>

VIOLENCE AGAINST WOMEN - 1	VIOLENCE AGAINST WOMEN - 2	FAMILY TREATMENT COURT	SHSP & LETPP GRANTS	CHEEK WATER AND SEWER PHASE 4	CJD SHERIFF GRANTS	2016 GRANT TOTALS
7,104	65,879	37,222	551	110,841	23,856	1,516,678
-	-	-	-	-	-	30,488
-	-	1,660	-	-	-	1,660
<u>7,104</u>	<u>65,879</u>	<u>38,882</u>	<u>551</u>	<u>110,841</u>	<u>23,856</u>	<u>1,548,826</u>
13,000	163,489	38,585	1,160	-	23,856	1,480,272
-	-	-	-	3,000	-	34,265
-	-	-	-	-	-	-
<u>13,000</u>	<u>163,489</u>	<u>38,585</u>	<u>1,160</u>	<u>3,000</u>	<u>23,856</u>	<u>1,514,537</u>
<u>(5,896)</u>	<u>(97,610)</u>	<u>297</u>	<u>(609)</u>	<u>107,841</u>	<u>-</u>	<u>34,289</u>
6,155	97,610	-	609	-	-	464,349
-	-	-	-	-	-	(609)
<u>6,155</u>	<u>97,610</u>	<u>-</u>	<u>609</u>	<u>-</u>	<u>-</u>	<u>463,740</u>
259	-	297	-	107,841	-	498,029
-	-	1,238	-	(88,969)	-	8,450,309
<u>259</u>	<u>-</u>	<u>1,535</u>	<u>-</u>	<u>18,872</u>	<u>-</u>	<u>8,948,338</u>



# CAPITAL PROJECTS FUNDS

## CAPITAL PROJECTS FUNDS

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

**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.

**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, 2016**

	BP		
	SETTLEMENT	1957 ROAD	GLO IKE
	SHORELINE	BOND FUND	ROUND 2

**ASSETS:**

CASH AND CASH EQUIVALENTS	\$ 1,501,559	65,326	255
INTEREST RECEIVABLE	424	18	-
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	69,726
<b>TOTAL ASSETS</b>	<b>\$ 1,501,983</b>	<b>65,344</b>	<b>69,981</b>

**LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES, AND FUND BALANCE**

**LIABILITIES:**

ACCOUNTS PAYABLE	\$ -	23,325	69,726
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>23,325</b>	<b>69,726</b>

**FUND BALANCES:**

RESTRICTED FOR CONSTRUCTION	\$ -	-	-
COMMITTED FOR CONSTRUCTION CONTRACTS	-	-	532,034
ASSIGNED FOR CAPITAL PROJECTS	1,501,983	42,019	-
UNASSIGNED (DEFICIT)	-	-	(531,779)
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,501,983</b>	<b>42,019</b>	<b>255</b>

**TOTAL LIABILITIES, DEFERRED INFLOWS  
OF RESOURCES, AND FUND BALANCES**

**\$ 1,501,983      65,344      69,981**

TCEQ - FIRST TIME SEWER	CETRZ GRANT	KEITH LAKE FISH PASS	ORA	FORD PARK		TOTAL
			CAPITAL GRANTS	KAYAK LAUNCH		
14	-	120,755	30,691	50,000	1,768,600	
-	-	34	-	-	476	
-	-	-	-	-	69,726	
<u>14</u>	<u>-</u>	<u>120,789</u>	<u>30,691</u>	<u>50,000</u>	<u>1,838,802</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>143,051</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>143,051</u>	
14	-	-	30,691	-	30,705	
-	-	-	-	-	532,034	
-	-	120,789	-	-	1,664,791	
-	-	-	-	-	(531,779)	
<u>14</u>	<u>-</u>	<u>120,789</u>	<u>30,691</u>	<u>-</u>	<u>1,695,751</u>	
<u>14</u>	<u>-</u>	<u>120,789</u>	<u>30,691</u>	<u>50,000</u>	<u>1,838,802</u>	

**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

	BP	1957 ROAD	GLO ICKE
	SETTLEMENT SHORELINE	BOND FUND	ROUND 2
<b>REVENUES:</b>			
INTERGOVERNMENTAL INTEREST	\$ -	-	2,636,341
	<u>5,158</u>	<u>446</u>	<u>255</u>
<b>TOTAL REVENUES</b>	<b>\$ 5,158</b>	<b>446</b>	<b>2,636,596</b>
<b>EXPENDITURES:</b>			
CAPITAL OUTLAY	\$ -	140,767	2,636,341
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>140,767</b>	<b>2,636,341</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 5,158</b>	<b>(140,321)</b>	<b>255</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
TRANSFERS IN	\$ -	-	-
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 5,158</b>	<b>(140,321)</b>	<b>255</b>
<b>FUND BALANCES, BEGINNING</b>	<u>1,496,825</u>	<u>182,340</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<b><u>\$ 1,501,983</u></b>	<b><u>42,019</u></b>	<b><u>255</u></b>

TCEQ - FIRST TIME SEWER	CETRZ GRANT	KEITH LAKE FISH PASS	ORA	FORD PARK	
			CAPITAL GRANTS	KAYAK LAUNCH	TOTAL
-	581,108	-	399,128	-	3,616,577
-	-	415	1,753	155	8,182
-	581,108	415	400,881	155	3,624,759
-	232,353	-	414,217	50,000	3,473,678
-	232,353	-	414,217	50,000	3,473,678
-	348,755	415	(13,336)	(49,845)	151,081
-	46,471	-	-	-	46,471
-	-	-	-	(218)	(218)
-	46,471	-	-	(218)	46,253
-	395,226	415	(13,336)	(50,063)	197,334
14	(395,226)	120,374	44,027	50,063	1,498,417
14	-	120,789	30,691	-	1,695,751



# 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, 2016**

	2012 REFUNDING BOND	2013 REFUNDING BOND
<b>ASSETS:</b>		
CASH AND CASH EQUIVALENTS	\$ 392,981	41,459
INTEREST RECEIVABLE	110	12
DELINQUENT TAXES RECEIVABLE, Net	73,643	4,624
PENALTY AND INTEREST RECEIVABLE, Net	<u>35,155</u>	<u>2,207</u>
<b>TOTAL ASSETS</b>	<b><u>501,889</u></b>	<b><u>48,302</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>DEFERRED INFLOWS OF RESOURCES</b>		
UNAVAILABLE REVENUE-PROPERTY TAXES	\$ 99,537	6,249
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>99,537</u></b>	<b><u>6,249</u></b>
<b>FUND BALANCES:</b>		
RESTRICTED FOR DEBT SERVICE	\$ 402,352	42,053
<b>TOTAL FUND BALANCES</b>	<b><u>402,352</u></b>	<b><u>42,053</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>501,889</u></b>	<b><u>48,302</u></b>

2011	
REFUNDING	
BOND	<u>TOTAL</u>
134,697	569,137
38	160
19,079	97,346
9,108	46,470
<u>162,922</u>	<u>713,113</u>
25,788	131,574
25,788	131,574
137,134	581,539
137,134	581,539
<u>162,922</u>	<u>713,113</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, 2016**

	2012 REFUNDING BOND	2013 REFUNDING BOND
<b>REVENUES:</b>		
PROPERTY TAXES	\$ 4,257,374	267,267
INTEREST	<u>9,178</u>	<u>670</u>
<b>TOTAL REVENUES</b>	<b>\$ 4,266,552</b>	<b>267,937</b>
<b>EXPENDITURES:</b>		
DEBT SERVICE:		
PRINCIPAL	\$ 3,210,000	265,000
INTEREST AND COMMISSION	<u>1,455,700</u>	<u>13,871</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,665,700</b>	<b>278,871</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (399,148)</b>	<b>(10,934)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (399,148)</b>	<b>(10,934)</b>
<b>FUND BALANCES, BEGINNING</b>	<b><u>801,500</u></b>	<b><u>52,987</u></b>
<b>FUND BALANCES, ENDING</b>	<b><u>\$ 402,352</u></b>	<b><u>42,053</u></b>

2011	
REFUNDING	
BOND	<u>TOTAL</u>
1,104,424	5,629,065
<u>2,725</u>	<u>12,573</u>
<u>1,107,149</u>	<u>5,641,638</u>
1,115,000	4,590,000
<u>70,325</u>	<u>1,539,896</u>
<u>1,185,325</u>	<u>6,129,896</u>
<u>(78,176)</u>	<u>(488,258)</u>
(78,176)	(488,258)
<u>215,310</u>	<u>1,069,797</u>
<u>137,134</u>	<u>581,539</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, 2016**

	<u>BUDGETED AMOUNTS</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>WITH FINAL</u>
<b>REVENUES:</b>			
PROPERTY TAXES	\$ 5,490,616	5,490,616	5,629,065
INTEREST	<u>8,850</u>	<u>8,850</u>	<u>12,573</u>
TOTAL REVENUES	<u>\$ 5,499,466</u>	<u>5,499,466</u>	<u>5,641,638</u>
			<u>142,172</u>
<b>EXPENDITURES:</b>			
DEBT SERVICE:			
PRINCIPAL	\$ 4,590,000	4,590,000	4,590,000
INTEREST AND COMMISSION	<u>1,546,121</u>	<u>1,546,121</u>	<u>1,539,896</u>
TOTAL EXPENDITURES	<u>\$ 6,136,121</u>	<u>6,136,121</u>	<u>6,129,896</u>
			<u>6,225</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (636,655)</u>	<u>(636,655)</u>	<u>(488,258)</u>
			<u>148,397</u>
NET CHANGE IN FUND BALANCES	<u>\$ (636,655)</u>	<u>(636,655)</u>	<u>(488,258)</u>
			<u>148,397</u>
FUND BALANCES, BEGINNING	<u>1,069,797</u>	<u>1,069,797</u>	<u>1,069,797</u>
			<u>-</u>
FUND BALANCES, ENDING	<u>\$ 433,142</u>	<u>433,142</u>	<u>581,539</u>
			<u>148,397</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, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>WITH FINAL</u>
<b>REVENUES:</b>				
PROPERTY TAXES	\$ 4,152,801	4,152,801	4,257,374	104,573
INTEREST	<u>6,500</u>	<u>6,500</u>	<u>9,178</u>	<u>2,678</u>
<b>TOTAL REVENUES</b>	<b>\$ 4,159,301</b>	<b>4,159,301</b>	<b>4,266,552</b>	<b>107,251</b>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 3,210,000	3,210,000	3,210,000	-
INTEREST AND COMMISSION	<u>1,458,000</u>	<u>1,458,000</u>	<u>1,455,700</u>	<u>2,300</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,668,000</b>	<b>4,668,000</b>	<b>4,665,700</b>	<b>2,300</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>(508,699)</u>	<u>(508,699)</u>	<u>(399,148)</u>	<u>109,551</u>
NET CHANGE IN FUND BALANCE	\$ <u>(508,699)</u>	<u>(508,699)</u>	<u>(399,148)</u>	<u>109,551</u>
FUND BALANCES, BEGINNING	<u>801,500</u>	<u>801,500</u>	<u>801,500</u>	<u>-</u>
FUND BALANCES, ENDING	<b>\$ 292,801</b>	<b>292,801</b>	<b>402,352</b>	<b>109,551</b>

**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, 2016**

	<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	\$ 260,706	260,706	267,267	6,561
INTEREST	450	450	670	220
<b>TOTAL REVENUES</b>	<b>\$ 261,156</b>	<b>261,156</b>	<b>267,937</b>	<b>6,781</b>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 265,000	265,000	265,000	-
INTEREST AND COMMISSION	16,171	16,171	13,871	2,300
<b>TOTAL EXPENDITURES</b>	<b>\$ 281,171</b>	<b>281,171</b>	<b>278,871</b>	<b>2,300</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (20,015)	(20,015)	(10,934)	9,081
NET CHANGE IN FUND BALANCE	\$ (20,015)	(20,015)	(10,934)	9,081
FUND BALANCES, BEGINNING	52,987	52,987	52,987	-
<b>FUND BALANCES, ENDING</b>	<b>\$ 32,972</b>	<b>32,972</b>	<b>42,053</b>	<b>9,081</b>

**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, 2016**

	<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	\$ 1,077,109	1,077,109	1,104,424	27,315
INTEREST	1,900	1,900	2,725	825
<b>TOTAL REVENUES</b>	<b>\$ 1,079,009</b>	<b>1,079,009</b>	<b>1,107,149</b>	<b>28,140</b>
<b>EXPENDITURES:</b>				
DEBT SERVICE:				
PRINCIPAL	\$ 1,115,000	1,115,000	1,115,000	-
INTEREST AND COMMISSION	71,950	71,950	70,325	1,625
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,186,950</b>	<b>1,186,950</b>	<b>1,185,325</b>	<b>1,625</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (107,941)	(107,941)	(78,176)	29,765
NET CHANGE IN FUND BALANCE	\$ (107,941)	(107,941)	(78,176)	29,765
FUND BALANCES, BEGINNING	215,310	215,310	215,310	-
FUND BALANCES, ENDING	<u>\$ 107,369</u>	<u>107,369</u>	<u>137,134</u>	<u>29,765</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, 2016**

	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	TEXAS GOVERNMENT EMPLOYEE BENEFITS POOL FUND	SOUTHEAST TOTAL
<b>ASSETS:</b>				
CASH AND CASH EQUIVALENTS	\$ 519,560	682,753	-	1,202,313
ACCOUNTS RECEIVABLE	-	-	31,939	31,939
INTEREST RECEIVABLE	147	193	-	340
DUE FROM OTHER GOVERNMENTAL ENTITIES	-	-	275,757	275,757
INSURANCE DEPOSIT	-	75,500	-	75,500
<b>TOTAL ASSETS</b>	<b>\$ 519,707</b>	<b>758,446</b>	<b>307,696</b>	<b>1,585,849</b>
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ -	-	19,765	19,765
CLAIMS LIABILITY	365,586	244,893	1,271,822	1,882,301
DUE TO OTHER FUNDS	-	-	3,813,276	3,813,276
<b>TOTAL LIABILITIES</b>	<b>\$ 365,586</b>	<b>244,893</b>	<b>5,104,863</b>	<b>5,715,342</b>
<b>NET POSITION:</b>				
UNRESTRICTED	\$ 154,121	513,553	(4,797,167)	(4,129,493)
<b>TOTAL NET POSITION</b>	<b>\$ 154,121</b>	<b>513,553</b>	<b>(4,797,167)</b>	<b>(4,129,493)</b>

JEFFERSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION -  
 INTERNAL SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	TEXAS GOVERNMENT EMPLOYEE BENEFITS POOL FUND	SOUTHEAST TOTAL
<b>OPERATING REVENUES:</b>				
EMPLOYEE CONTRIBUTIONS	\$ -	-	2,210,088	2,210,088
CHARGES FOR SERVICES	<u>375,000</u>	<u>500,000</u>	<u>15,787,660</u>	<u>16,662,660</u>
<b>TOTAL OPERATING REVENUES</b>	<b><u>\$ 375,000</u></b>	<b><u>500,000</u></b>	<b><u>17,997,748</u></b>	<b><u>18,872,748</u></b>
<b>OPERATING EXPENSES:</b>				
ADMINISTRATIVE	\$ -	-	1,666,474	1,666,474
INCURRED & ESTIMATED CLAIMS	<u>554,355</u>	<u>404,399</u>	<u>19,002,129</u>	<u>19,960,883</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>\$ 554,355</u></b>	<b><u>404,399</u></b>	<b><u>20,668,603</u></b>	<b><u>21,627,357</u></b>
<b>OPERATING INCOME (LOSS)</b>	<b><u>\$ (179,355)</u></b>	<b><u>95,601</u></b>	<b><u>(2,670,855)</u></b>	<b><u>(2,754,609)</u></b>
<b>NONOPERATING REVENUES:</b>				
INTEREST	\$ 2,151	1,680	-	3,831
REFUNDS AND RECOVERIES	<u>17,794</u>	<u>-</u>	<u>683,573</u>	<u>701,367</u>
<b>TOTAL NONOPERATING REVENUES</b>	<b><u>\$ 19,945</u></b>	<b><u>1,680</u></b>	<b><u>683,573</u></b>	<b><u>705,198</u></b>
<b>CHANGE IN NET POSITION</b>	<b><u>\$ (159,410)</u></b>	<b><u>97,281</u></b>	<b><u>(1,987,282)</u></b>	<b><u>(2,049,411)</u></b>
<b>NET POSITION, BEGINNING</b>	<b><u>\$ 313,531</u></b>	<b><u>416,272</u></b>	<b><u>(2,809,885)</u></b>	<b><u>(2,080,082)</u></b>
<b>NET POSITION, ENDING</b>	<b><u>\$ 154,121</u></b>	<b><u>513,553</u></b>	<b><u>(4,797,167)</u></b>	<b><u>(4,129,493)</u></b>

**JEFFERSON COUNTY, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS -**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

	LIABILITY INSURANCE FUND	WORKERS' COMPENSATION FUND	TEXAS GOVERNMENT EMPLOYEE BENEFITS POOL FUND	SOUTHEAST TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
RECEIPTS FROM CUSTOMERS AND USERS	\$ -	-	1,943,247	1,943,247
RECEIPTS FROM EMPLOYEES	-	-	2,205,547	2,205,547
PAYMENTS TO SUPPLIERS	-	-	(1,665,413)	(1,665,413)
INTERNAL ACTIVITY-RECEIPTS(PAYMENTS) FROM (TO) OTHER FUNDS	375,000	500,000	15,401,787	16,276,787
CLAIMS PAID	(1,497,744)	(695,729)	(18,570,732)	(20,764,205)
OTHER RECEIPTS	17,794	-	683,564	703,358
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (1,104,950)	(195,729)	-	(1,300,679)
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES:</b>				
INTEREST	\$ 2,257	1,818	-	4,075
NET CASH PROVIDED BY INVESTMENT ACTIVITIES	\$ 2,257	1,818	-	4,075
NET INCREASE (DECREASE) IN CASH	\$ (1,102,693)	(193,911)	-	(1,296,604)
CASH AND CASH EQUIVALENTS - BEGINNING	1,622,253	876,664	-	2,498,917
CASH AND CASH EQUIVALENTS - ENDING	\$ 519,560	682,753	-	1,202,313
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES:</b>				
OPERATING INCOME(LOSS)	\$ (179,355)	95,601	(2,670,855)	(2,754,609)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH	-	-	-	-
PROVIDED BY OPERATING ACTIVITIES:	-	-	-	-
OTHER NON-OPERATING REVENUES	17,794	-	683,573	701,367
<b>CHANGES IN ASSETS AND LIABILITIES:</b>				
ACCOUNTS RECEIVABLE	-	-	(2,550)	(2,550)
DUCE FROM OTHER GOVERNMENTAL ENTITIES	-	-	(105,387)	(105,387)
ACCOUNTS PAYABLE	-	-	1,061	1,061
DUCE TO OTHER FUNDS	-	-	1,662,761	1,662,761
CLAIMS LIABILITY	(943,389)	(291,330)	431,397	(803,322)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (1,104,950)	(195,729)	-	(1,300,679)



# 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, 2016**

	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, 2015</b>					
CASH AND CASH EQUIVALENTS	\$ 402,970	3,711,198	5,459,324	262,624	159,434
ACCOUNTS RECEIVABLE, Net	6,060	-	-	-	-
DUE FROM OTHER					
GOVERNMENTAL ENTITIES	342,727	-	47,508	-	-
TOTAL	\$ 751,757	3,711,198	5,504,832	262,624	159,434
<b>ADDITIONS</b>					
CASH AND CASH EQUIVALENTS	\$ 1,945,621	3,964,857	5,786,202	4,913,760	3,086,301
ACCOUNTS RECEIVABLE, Net	5,790	-	-	-	-
DUE FROM OTHER					
GOVERNMENTAL ENTITIES	331,128	-	76,712	-	-
TOTAL	\$ 2,282,539	3,964,857	5,862,914	4,913,760	3,086,301
<b>DELETIONS</b>					
CASH AND CASH EQUIVALENTS	\$ 1,930,344	5,864,826	5,784,501	5,001,924	3,083,266
ACCOUNTS RECEIVABLE, Net	6,060	-	-	-	-
DUE FROM OTHER					
GOVERNMENTAL ENTITIES	342,725	-	47,508	-	-
TOTAL	\$ 2,279,129	5,864,826	5,832,009	5,001,924	3,083,266
<b>ASSETS - SEPTEMBER 30, 2016</b>					
CASH AND CASH EQUIVALENTS	\$ 418,247	1,811,229	5,459,025	174,460	162,469
ACCOUNTS RECEIVABLE, Net	5,790	-	-	-	-
DUE FROM OTHER					
GOVERNMENTAL ENTITIES	331,130	-	76,712	-	-
TOTAL ASSETS	\$ 755,167	1,811,229	5,535,737	174,460	162,469
<b>LIABILITIES - OCTOBER 1, 2015</b>					
ACCOUNTS PAYABLE	\$ 256,387	622,318	5,422,551	200,162	25,040
DUE TO OTHER					
GOVERNMENTAL ENTITIES	495,370	63,590	82,281	62,462	134,394
OTHER PAYABLES	-	3,025,290	-	-	-
TOTAL	\$ 751,757	3,711,198	5,504,832	262,624	159,434
<b>ADDITIONS</b>					
ACCOUNTS PAYABLE	\$ 123,134	71,493	4,081,284	1,645,902	264,535
DUE TO OTHER					
GOVERNMENTAL ENTITIES	1,828,694	73,836	92,453	42,036	139,326
OTHER PAYABLES	-	591,235	-	-	-
TOTAL	\$ 1,951,828	736,564	4,173,737	1,687,938	403,861
<b>DELETIONS</b>					
ACCOUNTS PAYABLE	\$ 89,690	291,003	4,045,801	1,713,640	264,663
DUE TO OTHER					
GOVERNMENTAL ENTITIES	1,858,728	63,590	97,031	62,462	136,163
OTHER PAYABLES	-	2,281,940	-	-	-
TOTAL	\$ 1,948,418	2,636,533	4,142,832	1,776,102	400,826
<b>LIABILITIES - SEPTEMBER 30, 2016</b>					
ACCOUNTS PAYABLE	\$ 289,831	402,808	5,458,034	132,424	24,912
DUE TO OTHER					
GOVERNMENTAL ENTITIES	465,336	73,836	77,703	42,036	137,557
OTHER PAYABLES	-	1,334,585	-	-	-
TOTAL LIABILITIES	\$ 755,167	1,811,229	5,535,737	174,460	162,469

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
5,023,445	399,478	435,652	4,283	20,946	14,422	15,891,776 6,060
5,023,445	399,478	435,652	4,283	2,616 23,562	14,422	392,851 16,290,687
595,398,964	683,459	4,749,084	23,541	362,439	497,001	621,611,229 5,790
595,398,964	683,459	4,749,084	23,541	2,262 364,701	497,001	410,102 622,027,121
595,788,090	426,756	4,752,864	21,805	360,851	504,422	623,519,649 6,060
595,788,090	426,756	4,752,864	21,805	2,616 363,467	504,422	392,849 623,918,558
4,834,319	656,181	431,872	6,019	22,534	7,001	13,983,356 5,790
4,834,319	656,181	431,872	6,019	2,262 24,796	7,001	410,104 14,399,250
5,023,445	399,478	435,652	4,283	23,562	14,422	12,427,300
5,023,445	399,478	435,652	4,283	-	-	838,097 3,025,290
5,023,445	399,478	435,652	4,283	23,562	14,422	16,290,687
596,349,294	683,459	4,749,084	24,797	380,170	497,001	608,870,153
596,349,294	683,459	4,749,084	24,797	-	-	2,176,345 591,235
596,349,294	683,459	4,749,084	24,797	380,170	497,001	611,637,733
596,538,420	426,756	4,752,864	23,061	378,936	504,422	609,029,256
596,538,420	426,756	4,752,864	23,061	-	-	2,217,974 2,281,940
596,538,420	426,756	4,752,864	23,061	378,936	504,422	613,529,170
4,834,319	656,181	431,872	6,019	24,796	7,001	12,268,197
4,834,319	656,181	431,872	6,019	-	-	796,468 1,334,585
4,834,319	656,181	431,872	6,019	24,796	7,001	14,399,250



## CAPITAL ASSETS

**JEFFERSON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY SOURCE**  
**SEPTEMBER 30, 2016**

	<u><b>TOTAL</b></u>
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS:</b>	
LAND	\$ 3,840,787
INFRASTRUCTURE	59,114,166
BUILDINGS AND IMPROVEMENTS	105,090,205
EQUIPMENT	42,601,445
CONSTRUCTION IN PROGRESS	<u>24,962,508</u>
 TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	 <u>\$ 235,609,111</u>
 <b>INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:</b>	
GENERAL FUND	\$ 88,653,236
SPECIAL REVENUE FUND	37,038,754
CAPITAL PROJECTS FUND	106,462,748
GIFTS	<u>3,454,373</u>
 \$	 <u>235,609,111</u>

**JEFFERSON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>FUNCTION</u>	<u>LAND</u>	<u>INFRASTRUCTURE</u>
GENERAL GOVERNMENT	\$ -	\$ -
JUDICIAL AND LAW ENFORCEMENT	45,446	-
HEALTH & WELFARE	14,000	-
MAINTENANCE OF STRUCTURES AND EQUIPMENT	<u>3,781,341</u>	<u>59,114,166</u>
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b><u>\$ 3,840,787</u></b>	<b><u>\$ 59,114,166</u></b>

<u>BUILDINGS &amp; IMPROVEMENTS</u>	<u>EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>TOTAL</u>
\$ 569,594	\$ 6,490,573	\$ 290,873	\$ 7,351,040
31,511,987	20,684,290	174,329	52,416,052
3,689,182	1,057,246	-	4,760,428
<hr/> 69,319,442	<hr/> 14,369,336	<hr/> 24,497,306	<hr/> 171,081,591
<hr/> \$ 105,090,205	<hr/> \$ 42,601,445	<hr/> \$ 24,962,508	<hr/> \$ 235,609,111

**JEFFERSON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

FUNCTION	BALANCE				BALANCE 9/30/2016
	10/1/2015 - RESTATE	ADDITIONS	DEDUCTIONS	TRANSFERS	
GENERAL GOVERNMENT	\$ 6,790,435	\$ 653,715	\$ (93,110)	\$ -	\$ 7,351,040
JUDICIAL AND LAW ENFORCEMENT	51,695,693	1,500,669	(780,310)	-	52,416,052
HEALTH AND WELFARE	4,480,285	280,143	-	-	4,760,428
MAINTENANCE OF STRUCTURES AND EQUIPMENT	164,630,869	6,908,586	(457,864)	-	171,081,591
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b><u>\$ 227,597,282</u></b>	<b><u>\$ 9,343,113</u></b>	<b><u>\$ (1,331,284)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 235,609,111</u></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.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	137
Revenue Trends <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	144
Debt Capacity <i>These schedules present information to help the reader access the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	148
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>	152
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>	154

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									
	2007	2008	2009	2010	2011^	2012	2013	2014	2015	2016
<b>Governmental activities:</b>										
Net Investment in capital assets	\$ 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	\$ 96,137,672
Restricted	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	25,282,712
Unrestricted	(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)	(122,326,487)
<b>Total governmental activities net position</b>	<b>\$ 43,914,557</b>	<b>\$ 52,379,739</b>	<b>\$ 56,966,944</b>	<b>\$ 49,901,956</b>	<b>\$ 51,563,398</b>	<b>\$ 57,255,723</b>	<b>\$ 56,297,440</b>	<b>\$ 49,587,224</b>	<b>\$ 11,547,584</b>	<b>\$ (906,103)</b>
<b>Business-type activities:</b>										
Net Investment in capital assets	\$ 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	\$ 82,294,523
Unrestricted	(760,424)	133,397	1,425,854	2,114,066	377,046	620,635	592,300	479,535	(634,858)	55,359
<b>Total business-type activities net position</b>	<b>\$ 88,319,685</b>	<b>\$ 88,615,614</b>	<b>\$ 94,663,153</b>	<b>\$ 93,788,469</b>	<b>\$ 90,842,414</b>	<b>\$ 91,061,679</b>	<b>\$ 87,635,744</b>	<b>\$ 84,777,108</b>	<b>\$ 82,472,239</b>	<b>\$ 82,349,882</b>
<b>Reclassifications:</b>										
Net Investment in capital assets	\$ (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)	\$ (37,614,654)
Unrestricted	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	37,614,654
<b>Total reclassifications</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>							
<b>Primary government:</b>										
Net Investment in capital assets	\$ 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	\$ 140,817,541
Restricted	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	25,282,712
Unrestricted	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)	(84,656,474)
<b>Total primary government net position</b>	<b>\$ 132,234,242</b>	<b>\$ 140,995,353</b>	<b>\$ 151,630,097</b>	<b>\$ 143,690,425</b>	<b>\$ 142,405,812</b>	<b>\$ 148,317,402</b>	<b>\$ 143,933,184</b>	<b>\$ 134,364,332</b>	<b>\$ 94,019,823</b>	<b>\$ 81,443,779</b>

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.

<sup>^</sup>GASB 54 was implemented.

TABLE 2

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 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	\$ 40,583,261
Judicial and Law Enforcement	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	84,656,946
Education and Recreation	1,713,942	1,931,084	1,611,435	1,637,026	1,313,440	1,315,819	1,369,159	1,416,537	1,425,539	1,214,705
Health and Welfare	8,784,296	10,104,601	11,205,583	10,824,644	9,704,323	17,758,075	10,917,065	10,570,568	10,362,461	10,490,353
Maintenance - Equipment and Structures	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	14,693,137
Interest and Charges on Long-term Debt	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	1,320,790
Total governmental activities expenses	\$ 111,960,122	\$ 126,499,177	\$ 160,532,991	\$ 144,057,971	\$ 139,300,886	\$ 150,947,872	\$ 154,461,033	\$ 153,450,702	\$ 147,510,288	\$ 152,959,192
Business-type activities:										
Airport	\$ 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	\$ 5,478,254
Entertainment Complex	8,685,343	7,648,462	7,977,002	7,889,891	6,866,792	10,248,457	9,271,707	9,760,675	7,752,545	7,510,076
Total Business-type expenses	\$ 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	\$ 12,988,330
Total primary government expenses	\$ 124,865,092	\$ 139,050,461	\$ 173,220,460	\$ 157,041,803	\$ 151,674,424	\$ 167,814,576	\$ 171,618,978	\$ 170,155,126	\$ 161,157,351	\$ 165,947,522
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General Government	\$ 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	\$ 5,219,872
Judicial and Law Enforcement	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	10,307,890
Education and Recreation	191,921	88,452	208,036	101,907	86,010	74,005	84,613	66,517	73,649	13,428
Health and Welfare	86,231	92,009	370,557	575,343	401,929	369,503	392,612	430,032	411,006	401,391
Maintenance - Equipment and Structures	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	5,612,682
Operating grants and contributions	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	11,359,382
Capital grants and contributions	1,290,133	269,347	937,390	2,336,880	8,991,187	11,938,512	5,222,624	4,287,420	8,711,241	4,246,945
Total governmental activities program revenues	\$ 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	\$ 37,161,590
Business-type activities:										
Charges for services:										
Airport	\$ 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	\$ 2,780,094
Entertainment Complex	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	3,288,418
Operating grants and contributions	-	-	43,397	-	-	-	-	-	-	50,000
Capital grants and contributions	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	3,012,750
Total business-type activities program revenues	\$ 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	\$ 9,131,262
Total primary government program revenues	\$ 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	\$ 46,292,852
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (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)	\$ (115,797,602)
Business-type activities	(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)	(3,857,068)
Total primary government net expense	\$ (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)	\$ (119,654,670)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes:										
Property taxes	\$ 65,719,324	\$ 72,615,806	\$ 75,616,097	\$ 75,407,511	\$ 73,158,156	\$ 79,416,013	\$ 83,036,649	\$ 84,616,538	\$ 83,122,853	\$ 80,099,108
Sales taxes	21,654,606	23,906,777	30,410,633	21,361,596	20,961,453	23,864,675	24,695,194	24,064,857	23,047,286	24,595,048
Alcoholic Beverage Tax	503,134	506,047	614,474	575,928	547,605	484,988	475,162	614,384	656,678	671,135
Hotel Occupancy Tax	973,569	1,011,577	1,294,063	893,234	981,619	1,064,165	1,015,651	1,150,383	1,291,716	1,211,569
Investment earnings	3,373,514	2,871,285	842,485	402,735	266,118	541,703	281,672	311,546	468,561	353,495
Miscellaneous	214,078	208,499	29,275	26,093	24,164	25,206	35,918	30,355	29,686	27,589
Transfers	(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)	(3,733,600)
Total governmental activities	\$ 90,352,115	\$ 97,357,836	\$ 105,119,195	\$ 95,336,900	\$ 93,667,969	\$ 101,213,186	\$ 106,316,618	\$ 107,317,710	\$ 106,022,288	\$ 103,226,344
Business-type activities:										
Investment earnings	\$ 18,915	\$ 9,467	\$ 2,369	\$ 3,338	\$ 2,979	\$ 935	\$ 269	\$ 550	\$ 788	\$ 1,111
Miscellaneous	-	145	6,192	49,834	20,465	71,950	49,628	52,457	52,260	-
Transfers	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	3,733,600
Total business-type activities	\$ 2,105,025	\$ 3,771,767	\$ 3,696,393	\$ 3,383,371	\$ 2,294,590	\$ 4,256,449	\$ 3,273,525	\$ 3,523,360	\$ 2,647,540	\$ 3,734,711
Total primary government	\$ 92,457,140	\$ 101,129,603	\$ 108,815,588	\$ 98,720,271	\$ 95,962,559	\$ 105,469,633	\$ 109,590,143	\$ 110,841,070	\$ 108,669,828	\$ 106,961,055
<b>Changes in Net Position</b>										
Governmental activities	\$ 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)	\$ (12,571,258)
Business-type activities	(742,054)	295,929	6,017,539	(874,684)	(2,946,055)	(662,147)	(3,425,935)	(2,858,636)	(1,617,433)	(122,357)
Total primary government	\$ 17,517,721	\$ 8,761,111	\$ 10,700,484	\$ (7,655,446)	\$ (660,089)	\$ 4,525,969	\$ (4,367,784)	\$ (8,952,449)	\$ (2,191,936)	\$ (12,693,615)

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>
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
2016	80,099,108	24,595,048	673,135	1,211,569	106,578,860

TABLE 4

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

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011^</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Fund:</b>										
Reserved	\$ 1,196,058	\$ 1,124,272	\$ 1,247,682	\$ 1,107,057						
Unreserved	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	889,865
Assigned					3,482,075	2,295,347	4,312,676	10,082,383	9,952,977	12,478,022
Unassigned					31,886,947	39,034,450	41,269,536	36,284,915	37,054,620	34,142,140
<b>Total general fund</b>	<b>\$ 29,920,532</b>	<b>\$ 32,448,834</b>	<b>\$ 38,886,882</b>	<b>\$ 36,006,595</b>	<b>\$ 36,392,877</b>	<b>\$ 42,228,333</b>	<b>\$ 46,625,619</b>	<b>\$ 47,264,400</b>	<b>\$ 47,880,857</b>	<b>\$ 47,510,027</b>
 <b>All other governmental funds:</b>										
Reserved	\$ 3,996,377	\$ 7,895,953	\$ 10,617,541	\$ 13,853,088						
Unreserved, reported in:										
Special revenue funds	17,623,438	12,483,025	14,975,902	15,625,403						
Capital project funds	(1,618)	(1,618)	-	-						
Debt service funds	482,912	287,948	376,688	186,623						
Nonspendable					9,130	58,197	41,047	49,781	56,535	32,858
Restricted					17,397,567	18,116,476	25,561,948	28,846,726	24,613,120	25,229,322
Committed					5,150,723	3,047,323	1,902,675	2,919,885	6,649,085	532,034
Assigned					4,867,061	8,499,277	2,064,217	1,697,319	1,799,539	1,664,791
Unassigned (Deficit)					(4,832,614)	(2,670,874)	(787,118)	(2,925,831)	(4,489,815)	(583,320)
<b>Total all other governmental funds</b>	<b>\$ 22,101,109</b>	<b>\$ 20,665,308</b>	<b>\$ 25,970,131</b>	<b>\$ 29,665,114</b>	<b>\$ 22,591,867</b>	<b>\$ 27,050,399</b>	<b>\$ 28,782,769</b>	<b>\$ 30,587,880</b>	<b>\$ 28,628,464</b>	<b>\$ 26,875,685</b>

<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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>REVENUES:</b>										
Property Taxes	\$ 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	\$ 80,400,650
Sales Taxes	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	26,479,752
Fees	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	14,111,539
Licenses	423,313	409,386	487,856	453,002	407,512	465,720	590,148	480,386	459,198	502,532
Intergovernmental	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	16,558,057
Sales, Rental & Services	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	3,085,858
Fines and Forfeitures	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	2,081,063
Interest	3,063,938	2,236,357	1,250,787	692,129	273,177	536,993	254,207	307,434	478,763	332,235
Miscellaneous	17,539	17,936	29,275	26,095	24,164	25,206	35,918	30,355	29,495	27,589
Contributions and Donations	18,968	4,116	1,315,190	31,727	4,041	1,412,098	4,700	184,819	57,842	12,123
Total Revenues	\$ 126,435,819	\$ 134,123,251	\$ 162,898,594	\$ 136,439,396	\$ 137,452,184	\$ 156,444,954	\$ 152,017,533	\$ 148,349,644	\$ 146,752,990	\$ 143,591,398
<b>EXPENDITURES:</b>										
General Government	\$ 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	\$ 22,470,110
Judicial and Law Enforcement	60,795,584	69,726,438	69,656,935	72,502,150	73,081,968	79,934,077	84,561,028	80,101,133	80,546,836	81,871,609
Education and Recreation	1,717,102	1,915,987	1,579,204	1,614,558	1,298,502	1,304,505	1,361,048	1,409,870	1,439,979	1,264,975
Health and Welfare	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	10,267,776
Maintenance of Structures and Equipment	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	11,850,940
Capital Outlay	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	7,818,394
Debt Services										
Principal	4,045,000	3,510,000	3,660,000	3,760,000	4,942,070	55,731,843	4,344,169	4,498,094	4,420,000	4,913,395
Interest and Commission	3,938,978	3,794,062	3,671,261	3,538,141	3,530,237	4,123,025	1,976,429	1,922,689	1,695,049	1,586,336
Total Expenditures	\$ 116,795,960	\$ 129,426,472	\$ 149,958,683	\$ 137,187,243	\$ 142,843,651	\$ 195,720,474	\$ 142,672,765	\$ 141,963,383	\$ 147,395,682	\$ 142,043,515
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,639,859	\$ 4,696,779	\$ 12,939,911	\$ (747,847)	\$ (5,391,467)	\$ (39,275,520)	\$ 9,344,768	\$ 6,386,261	\$ (622,692)	\$ 1,547,863

OTHER FINANCING SOURCES (USES):	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Transfer In	\$ 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	\$ 1,498,879
Transfer Out	(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)	(5,169,565)
Proceeds from Sale of Capital Assets	-	-	-	2,111,000	-	-	-	-	-	-
Capital Lease Obligations	-	-	-	1,751,957	-	-	-	-	1,707,363	-
Insurance Proceeds	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	-	-	-	-	249,283	4,970,522	-	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	(5,672,472)	-	-	(1,298,192)	-	-
Total Other Financing Sources (Uses)	\$ 63,890	\$ (3,604,278)	\$ (1,131,300)	\$ 1,846,769	\$ (670,974)	\$ 49,460,941	\$ (3,198,678)	\$ (2,815,880)	\$ (758,597)	\$ (3,670,686)
Net Change in Fund Balances	\$ 9,703,749	\$ 1,092,501	\$ 11,808,611	\$ 1,098,922	\$ (6,062,441)	\$ 10,185,421	\$ 6,146,090	\$ 3,570,381	\$ (1,381,289)	\$ (2,122,823)
Debt Service As A Percentage of Noncapital Expenditures	7.3%	6.0%	5.1%	5.8%	6.6%	32.0%	4.6%	4.7%	4.6%	4.9%

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
2007	\$ 65,071,514	\$ 21,654,606	\$ 503,134	\$ 973,569	\$ 88,202,823
2008	71,516,193	23,906,777	506,047	1,011,577	96,940,594
2009	75,912,693	30,410,633	614,474	1,294,063	108,231,863
2010	75,995,020	21,361,596	575,928	893,234	98,825,778
2011	72,939,364	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
2016	80,400,650	24,595,048	673,135	1,211,569	106,880,402

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 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					
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%
2016	8,279,899,361	17,082,882,495	75,061,930	5,867,214,193	6,399,625,866	24,905,432,113	0.365	24,916,084,230	79.59%

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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**

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Fiscal Year	Operating Rate	Debt Service Rate	Total County Rate	Overlapping Rates								Total Direct & Overlapping Rates	
				Cities				School Districts					
				Operating Rate	Debt Service Rate	Total City Rate	Operating Rate	Debt Service Rate	Total School Rate	Special Districts			
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	
2016	0.342	0.023	0.365	0.441	0.175	0.616	1.059	0.259	1.318	0.206		2.505	

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 (14) located within Jefferson County.  
 For fiscal year 2016, total rates ranged between .2353 and .7920 for cities, 1.16 and 1.444 for school districts, and .0266 and .6182 for special districts.

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

TABLE 8

Taxpayers	2016			2007		
	Taxable Assessed Value (b)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (b)	Rank	Percentage of Total Taxable Assessed Value
Motiva Refinery	\$ 4,661,412,430	1	18.72%	\$ 1,436,788,880	2	8.69%
ExxonMobil Oil Corporation	2,171,142,814	2	8.72%	2,465,190,720	1	14.90%
Premcor Refining Group Inc	1,223,104,595	3	4.91%	728,570,150	4	4.40%
Total Petrochemicals USA	773,215,900	4	3.10%	670,466,160	5	4.05%
Huntsman Petrochemical Corp	431,378,937	5	1.73%	943,796,470	3	5.71%
Sunoco Partners Mktg & Term LP	387,879,120	6	1.56%	-	-	-
Chevron Phillips Chemical Co	362,534,040	7	1.46%	365,608,810	6	2.21%
BASF-Atofina Joint Venture	362,145,120	8	1.45%	-	-	-
Entergy Texas Inc.	320,208,240	9	1.29%	237,605,310	8	1.44%
Enterprise Texas Pipeline LP	312,939,530	10	1.26%	-	-	-
Goodyear Tire & Rubber Co.	-	-	-	307,077,260	7	1.86%
Samson Lone Star LP	-	-	-	150,640,910	9	0.91%
E I Dupont De Nemours	-	-	-	140,004,910	10	0.85%
<b>TOTAL</b>	<b><u>\$11,005,960,726</u></b>		<b><u>44.20%</u></b>	<b><u>\$7,445,749,580</u></b>		<b><u>45.02%</u></b>

Source: Jefferson County Appraisal District.

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

TABLE 9

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

<b>Fiscal Year Ended</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>		<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>	<b>Amount</b>	<b>Percentage of Levy</b>	<b>Amount</b>	<b>Percentage of Levy</b>
September 30 2007	\$ 64,515,193	\$ 63,544,312	98.50%	\$ 767,978		\$ 64,312,290	99.69%
2008	70,666,067	69,387,969	98.19%	1,038,369		70,426,338	99.66%
2009	74,714,190	73,704,158	98.65%	743,050		74,447,208	99.64%
2010	74,402,173	73,446,110	98.72%	648,334		74,094,444	99.59%
2011	79,148,351	77,966,579	98.51%	819,312		78,785,891	99.54%
2012	83,540,799	82,381,734	98.61%	746,121		83,127,855	99.51%
2013	89,395,773	88,220,195	98.68%	687,699		88,907,894	99.45%
2014	92,613,963	91,329,673	98.61%	682,436		92,012,109	99.35%
2015	90,499,797	89,246,776	98.62%	476,355		89,723,131	99.14%
2016	89,050,364	87,788,574	98.58%	-		87,788,574	98.58%

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>
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
2016	39,437,454	-	1,383,968	40,821,422	0.38%	\$ 161

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

(a) See the Schedule of 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**

Fiscal Year	General Obligation Bonds	Less:		Percentage of Estimated		
		Amounts Available in Debt Fund	Total	Actual Taxable Value (a) of Property	Per Capita (b)	
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	1,071,014	51,411,453	0.20%	204	
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	
2016	39,437,454	602,071	38,835,383	0.16%	153	

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

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

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

TABLE 12

**JEFFERSON COUNTY, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2016**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
JEFFERSON COUNTY DIRECT DEBT	\$40,821,422	100.0%	\$40,821,422
<b>Total Direct Debt</b>			<b>\$40,821,422</b>
OVERLAPPING DEBT REPAYED WITH PROPERTY TAXES:			
CITIES:			
BEAUMONT	210,970,000	100.0%	210,970,000
BEVIL OAKS	1,930,000	100.0%	1,930,000
GROVES	2,195,000	100.0%	2,195,000
NEDERLAND	10,595,000	100.0%	10,595,000
PORT ARTHUR	55,280,000	100.0%	55,280,000
PORT NECHES	17,970,000	100.0%	17,970,000
TAYLOR LANDING	-	100.0%	-
SCHOOL DISTRICTS:			
BEAUMONT	369,005,000	100.0%	369,005,000
HAMSHIRE FANNETT	23,300,000	100.0%	23,300,000
HARDIN JEFFERSON	36,152,517	52.8%	19,088,529
NEDERLAND	30,210,000	100.0%	30,210,000
PORT ARTHUR	328,870,000	100.0%	328,870,000
PORT NECHES	94,284,998	100.0%	94,284,998
SABINE PASS	26,540,516	100.0%	26,540,516
PORT DISTRICTS:			
BEAUMONT	2,860,000	100.0%	2,860,000
PORT ARTHUR	27,035,000	100.0%	27,035,000
SABINE PASS	1,632,506	100.0%	1,632,506
DRAINAGE DISTRICTS:			
DRAINAGE DISTRICTS #3	-	100.0%	-
DRAINAGE DISTRICTS #6	-	100.0%	-
DRAINAGE DISTRICTS #7	18,405,000	100.0%	18,405,000
NAVIGATION DISTRICTS:			
JEFFERSON COUNTY	-	100.0%	-
MUNICIPAL UTILITY DISTRICTS:			
NORTHWEST FOREST	-	100.0%	-
WATER DISTRICTS:			
WATER DISTRICT #10	5,250,000	100.0%	5,250,000
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>\$1,245,421,549</b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>\$1,286,242,971</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)**

	<b>Fiscal Year</b>										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 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	\$ 6,340,696
Total net debt applicable to limit	79,203	75,177	71,908	68,149	64,234	60,416	60,416	48,404	44,070	39,564	35,468
Legal debt margin	<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>	<u>\$ 6,305,228</u>
Total net debt applicable to the limit as a percentage of debt limit	2.26%	1.90%	1.59%	1.35%	1.33%	1.20%	1.18%	0.87%	0.68%	0.64%	0.56%

**Legal Debt Margin Calculation for Fiscal Year 2016**

Assessed Value of Real Property	\$ 25,362,782
Debt limit (25% of assessed value of real property)	6,340,696
Debt applicable to limit:	
General obligation bonds	36,070
Less: Amount set aside for repayment of general obligation debt	602
Total net debt applicable to limit	<u>\$ 35,468</u>
Legal debt margin	<u>\$ 6,305,228</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**

Fiscal Year	Population (a)	Personal Income		Per Capita Personal Income (b)	Median Age (a)	School Enrollment (a)	Unemployment Rate (b)
		amounts expressed in thousands)					
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%
2016	254,308	\$ 10,809,362	\$ 42,505	35.9	60,809		7.4%

Data sources

(a) Bureau of Census

(b) Texas Workforce Commission

TABLE 15

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

Employer	2016			2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of Texas	4,308	1	4.24%	4,485	1	4.23%
Beaumont ISD	2,700	2	2.66%	2,975	2	2.81%
ExxonMobil Oil Corporation	2,000	3	1.97%	2,215	4	2.09%
Christus Health Southeast Texas	1,750	4	1.72%	2,100	5	1.98%
Memorial Hermann Baptist Hospital	1,500	5	1.48%	1,597	6	1.51%
Motiva Enterprises	1,500	6	1.48%	-	-	-
Port Arthur ISD	1,250	7	1.23%	1,300	8	-
City of Beaumont	1,243	8	1.22%	1,235	10	1.16%
Jefferson County	1,213	9	1.19%	1,407	7	-
Valero	813	10	0.80%	-	-	-
Conex International	-	-	-	2,475	3	2.33%
Wal-Mart Assoeiates	-	-	-	1,245	9	1.17%
<b>TOTAL</b>	<b>18,277</b>		<b>17.99%</b>	<b>21,034</b>		<b>17.28%</b>

Source: Employment numbers provided by each entity

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

TABLE 16

Function	Full-time Equivalent Employees as of September 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	176	171	180	170	166	164	166	165	165	168
Judicial & Law Enforcement										
Deputies	122	124	131	134	131	134	138	138	143	146
Detention Officers	239	221	240	242	239	238	241	238	237	237
Others	435	436	441	444	440	442	436	443	440	439
Education & Recreation	17	18	18	20	14	15	15	15	15	15
Health & Welfare	55	56	63	63	59	60	60	60	60	61
Maintenance - Equipment & Structures										
Road & Bridges	71	70	69	68	67	66	64	64	60	64
Engineering	9	10	10	9	10	10	10	10	10	10
Maintenance	30	27	30	29	28	28	30	27	28	28
Jack Brooks Regional Airport	23	26	23	25	25	23	24	25	24	24
Ford Park	101	79	22	23	19	20	23	21	20	21
TOTAL	<u>1,278</u>	<u>1,238</u>	<u>1,227</u>	<u>1,227</u>	<u>1,198</u>	<u>1,200</u>	<u>1,207</u>	<u>1,206</u>	<u>1,202</u>	<u>1,213</u>

Sources: County and Ford Park payroll records

TABLE 17

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

Function	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Judicial & Law Enforcement										
Courts										
Number of Indigent Cases Heard	2,839	2,984	2,945	2,945	2,490	2,413	3,249	3,392	3,727	3,969
Number of Justice of Peace Cases	51,416	50,997	43,326	43,488	44,642	48,363	43,205	41,359	33,717	28,130
Sheriff										
Number of Arrests	6,423	6,543	6,404	6,573	6,099	6,023	5,898	5,517	5,730	5,337
Number of Citations	1,242	2,300	1,112	1,043	1,241	1,081	915	1,558	1,615	1,861
Jail										
Average Daily Population of Inmates	1,171	986	899	910	926	815	767	855	830	819
Constables										
Number of Papers Served	19,874	15,847	15,954	16,967	16,860	15,344	15,472	17,348	18,276	16,618
Education & Recreation										
Library										
Number of Patron Visits	5,995	6,300	4,002	1,536	n/a ^	n/a ^	n/a ^	n/a ^	n/a ^	n/a ^
Health & Welfare										
Health & Welfare										
Number of Patients Seen in Clinic	8,111	8,310	9,375	11,531	11,968	11,644	7,433	11,314	10,508	10,401
Mosquito Control										
Number of Acreage Sprayed	1,386,752	1,393,743	2,175,872	1,070,464	818,972	1,328,128	700,672	1,048,256	563,520	839,680
Maintenance - Equipment & Structures										
Road & Bridge										
Road Miles Maintained	368	370	370	370	370	369	370	370	369	369
Airport										
Number of Aircraft Operations	55,350	32,273	27,891	26,332	22,602	22,515	20,351	19,109	15,462	14,842
Number of Enplaned	25,650	22,126	22,174	17,957	18,098	5,666	24,669	36,605	34,879	27,245
Number of Deplaned	26,117	22,387	21,588	17,997	18,207	5,328	24,351	35,340	34,517	28,098
Health Insurance Risk Pool										
Number of Participants in Plan	1,429	1,490	1,541	1,568	1,550	1,581	1,612	1,807	1,652	1,667
Entertainment Complex										
Number of Events	160	221	183	198	188	185	176	174	170	183
Total Attendance	617,246	280,012	658,337	647,207	629,123	712,688	668,718	650,089	303,562	336,555

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Judicial & Law Enforcement										
Sheriff										
Patrol Units	109	119	116	120	122	122	126	121	123	141
Aviation Units	2	3	3	3	3	4	4	3	3	3
Marine Units	3	4	9	9	11	11	11	11	11	10
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	30	31	32	27	24	29	32	32	34
Education & Recreation										
Library Holdings (ie books, audio, video)	44,281	46,104	35,549	36,038	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
Maintenane - Equipment & Structures										
Road (miles)	368	370	370	370	370	369	370	370	369	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)	154,376	144,276	123,076	123,076	150,470	150,470	150,470	150,470	150,470	150,470
Office Space (square feet)	15,535	14,439	14,426	14,426	18,885	18,885	43,850	43,850	43,850	45,850
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

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