Harris County, Texas

Comprehensive Annual Financial Report

For the Fiscal Year Ended February 28, 2011

Barbara J. Schott, CPA
County Auditor

HARRIS COUNTY, TEXAS

Comprehensive Annual Financial Report
For The Fiscal Year Ended
February 28, 2011

Prepared By:
Barbara J. Schott, C.P.A.
County Auditor
1001 Preston, Suite 800
Houston, Texas 77002

HARRIS COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED FEBRUARY 28, 2011
TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION (Unaudited)

County Auditor's Letter of Transmittal 1
Certificate of Achievement for Excellence in Financial Reporting 8
Organization Chart 9
Schedule of Elected and Selected Appointed Officials 10

FINANCIAL SECTION

Independent Auditors' Report 13
Management's Discussion and Analysis (Unaudited) 15

BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:

Statement of Net Assets 29
Statement of Activities 30

Fund Financial Statements:

Balance Sheet – Governmental Funds 31
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets 32
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 34
Statement of Net Assets – Proprietary Funds 35
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds 36
Statement of Cash Flows – Proprietary Funds 37
Statement of Fiduciary Net Assets – Fiduciary Funds 38
Statement of Net Assets – Component Units 39
Statement of Revenues, Expenses and Changes in Net Assets – Component Units 40

Notes to the Basic Financial Statements:

Note 1: Summary of Significant Accounting Policies 41
Note 2: Deposits and Investments 54
Note 3: Property Taxes 59
Note 4: Other Receivables 60
Note 5: Interfund Balances and Transfers 61
Note 6: Capital Assets 63
Note 7: Capital Leases Payable and Installment Purchases 65
Note 8: Other Liabilities 66
Note 9: Short-Term Debt 66
Note 10: Long-Term Liabilities 67
Note 11: Compensated Absences Payable 81
Note 12: Retirement Plan 81
Note 13: Other Post Employment Benefits 83
Note 14: Risk Management 87
Note 15: Landfill Postclosure Care Cost 89
Note 16: Commitments and Contingent Liabilities 89
Note 17: Revenue Leases 90
Note 18: Fund Balance Designations 91
Note 19: Recent Accounting Pronouncements 92

HARRIS COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED FEBRUARY 28, 2011
TABLE OF CONTENTS

PAGE

Required Supplementary Information (Unaudited):
Schedule of Available Resources – Budget and Actual – Budgetary Basis – General Fund 93
Schedule of Expenditures and Other Uses - Budget and Actual - Budgetary Basis - General Fund....96
Notes to the Required Supplementary Information 99
Other Post Employment Benefits – Schedule of Funding Progress 100
Texas County and District Retirement System – Schedule of Funding Progress....101

Combining and Individual Fund Information and Other Supplementary Information:
Nonmajor Governmental Funds:
Combining Balance Sheet - Nonmajor Governmental Funds - Summary....103
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - Summary....104
Special Revenue Funds:
Combining Balance Sheet - Nonmajor Governmental Funds - Special Revenue 108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - Special Revenue 114
Combining Balance Sheet - Nonmajor Governmental Funds - Special Revenue -Grants 120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - Special Revenue - Grants 121
Combining Balance Sheet - Nonmajor Governmental Funds - Special Revenue - Grants- Federal Programs .. 122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - Special Revenue- Grants - Federal Programs 123
Combining Balance Sheet - Nonmajor Governmental Funds - Special Revenue – Grants - State and Local Programs.... 124
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - Special Revenue - Grants - State and Local Programs.... 125
Schedule of Available Resources – Budget and Actual – Budgetary Basis – Special Revenue Fund 126
Schedule of Expenditures and Other Uses - Budget and Actual - Budgetary Basis – Special Revenue Fund 127
Debt Service Funds:
Combining Balance Sheet - Nonmajor Governmental Funds - Debt Service 129
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - Debt Service 130
Schedule of Available Resources – Budget and Actual – Budgetary Basis – Debt Service Funds....131
Schedule of Expenditures and Other Uses - Budget and Actual - Budgetary Basis – Debt Service Funds....132
Capital Projects Funds:
Combining Balance Sheet – Nonmajor Governmental Funds - Capital Projects.... 134
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds - Capital Projects.... 135
Schedule of Available Resources – Budget and Actual – Budgetary Basis – Capital Projects Funds....136
Schedule of Expenditures and Other Uses - Budget and Actual - Budgetary Basis – Capital Projects Funds....137

HARRIS COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED FEBRUARY 28, 2011
TABLE OF CONTENTS

	PAGE
Nonmajor Enterprise Funds:	
Combining Statement of Net Assets – Nonmajor Enterprise Funds	140
Combining Statement of Revenues, Expenses and Changes in Net Assets – Nonmajor Enterprise Funds	141
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	142
Internal Service Funds:	
Combining Statement of Net Assets – Internal Service Funds	144
Combining Statement of Revenues, Expenses and Changes in Net Assets – Internal Service Funds	145
Combining Statement of Cash Flows – Internal Service Funds	146
Fiduciary Funds:	
Combining Statement of Fiduciary Net Assets – Agency Funds	148
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	151
Component Units:	
Combining Statement of Net Assets - Nonmajor Component Units	156
Combining Statement of Revenues, Expenses and Changes in Net Assets - Nonmajor Component Units	157
Capital Assets Used in the Operation of Governmental Funds:	
Capital Assets Used in the Operation of Governmental Funds Schedule by Source	159
Capital Assets Used in the Operation of Governmental Funds Schedule by Function	160
Capital Assets Used in the Operation of Governmental Funds Schedule of Changes by Function	161

STATISTICAL SECTION
(Unaudited)

	TABLE	PAGE
Financial Trends:		
Net Assets by Component - Last Nine Fiscal Years	1	165
Changes in Net Assets - Last Nine Fiscal Years	2	166
Fund Balances, General Governmental Funds - Last Ten Fiscal Years	3	168
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	4	169
Revenue Capacity:		
Assessed Value and Actual Value of Taxable Property (Except Flood Control District) - Last Ten Fiscal Years	5	170
Assessed Value and Actual Value of Taxable Property - Flood Control District - Last Ten Fiscal Years	6	171
County-Wide Ad Valorem Tax Rates - Last Ten Fiscal Years	7	172
Property Tax Rates - All Direct and Overlapping Governments -Last Ten Fiscal Years	8	173
Principal Property Taxpayers – Current Year and Nine Years Ago	9	174
Property Tax Levies and Collections (Except Flood Control District) - Last Ten Fiscal Years	10	175
Property Tax Levies and Collections - Flood Control District - Last Ten Fiscal Years	11	176
Debt Capacity:		
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	12	177
Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years	13	178
Estimated Direct and Overlapping Bonded Debt	14	179
Legal Debt Margin Information - Last Ten Fiscal Years	15	180
Revenue Bond Coverages – Last Ten Fiscal Years	16	181

HARRIS COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED FEBRUARY 28, 2011
TABLE OF CONTENTS

	TABLE	PAGE
Demographic and Economic Information:		
Demographic and Economic Statistics - Last Ten Calendar Years	17	182
Principal Employers – Current Year and Nine Years Ago	18	183
Operating Information:		
Full-Time Equivalent County Employees by Function/Program – Last Ten Fiscal Years	19	184
Capital Asset Statistics by Function/Program – Last Eight Fiscal Years	20	185
Operating Indicators by Function/Program – Last Eight Fiscal Years	21	186
Other Information:		
Table of Tax Debt Outstanding	22	188
Table of Historical Tax Debt Outstanding	23	189
Table of County-Wide Ad Valorem Tax Debt Service Requirements	24	190
Table of County-Wide Bonded Debt Service Requirements	25	191
Table of County-Wide Authorized but Unissued Bonds	26	192
Table of Operating Funds Budget for the County's Fiscal Year 2011-2012	27	193
Table of County Capital Projects Funds Budgeting	28	194

COMPLIANCE SECTION
(Audited)

	PAGE
Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Federal and State Award Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	195
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based upon the Audit Performed in Accordance with *Government Auditing Standards*	197
Schedule of Expenditures of Federal and State Awards	199
Notes to the Schedule of Expenditures of Federal and State Awards	209
Schedule of Findings and Questioned Costs	211

INTRODUCTORY SECTION

Mike Post, C.P.A.
Chief Assistant County Auditor
Accounting Division

Steven L. Garner, C.P.A., C.F.E.
Chief Assistant County Auditor
Audit Division

BARBARA J. SCHOTT, C.P.A.
HARRIS COUNTY AUDITOR

1001 Preston, Suite 800
Houston, Texas 77002-1817
(713) 755-6505

FAX (713) 755-8932
Help Line (713) 755-HELP

August 12, 2011

Honorable District Judges of Harris County and
Honorable Members of the Harris County Commissioners Court

The County Auditor's Office (the "Auditor's Office") is pleased to present the Comprehensive Annual Financial Report ("CAFR") of Harris County, Texas (the "County") for the fiscal year ended February 28, 2011. This report is submitted in accordance with Section 114.025 of the Texas Local Government Code and was prepared by the staff of the County Auditor's Office.

The report consists of management's representations concerning the finances of the County. Therefore, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. We believe the information and data contained herein are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the County in accordance with generally accepted accounting principles in the United States of America ("GAAP"). All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included, beginning with Management's Discussion and Analysis ("MD&A") on page 15.

Management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement.

The County's financial statements were audited by Deloitte & Touche LLP, an independent audit firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for fiscal year ended February 28, 2011 are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the County's financial statements includes a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the compliance section of this report.

PROFILE OF THE COUNTY

History, Geographic Location, and Population

Archeological sites in Harris County reveal evidence of human habitation as far back as 6,000 years ago. In 1528 the Texas Gulf Coast was claimed by Spain and in 1821 the region became part of an independent Mexico. The Mexican government granted Stephen F. Austin permission to establish a colony that included Harris County and in 1826 John R. Harris, one of the colony's early settlers, opened a store and built a saw mill where Brays Bayou joined Buffalo Bayou. After Texas became independent, Harrisburg County was formed, but in 1839, the County's name was changed to Harris County in honor of John R. Harris.

Harris County is located in the Gulf Coast region of Texas approximately 50 miles from the Gulf of Mexico and covers over 1,700 square miles with over 4.0 million residents. The County, the nation's third most populous, gained over 690,000 residents from the 2000 census to 2010.

County Structure and Services

Harris 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 (the primary government) and its component units, solely or in cooperation with other local governmental entities, provide a full range of services as allowed by the Texas Constitution and Statutes including construction and maintenance of roads and bridges, health and housing services, social services, judicial and law enforcement, juvenile and adult justice programs, economic development, a library system, parks, recreation and cultural enrichment, flood control, a sports and entertainment complex, and general administration.

Component Units

The combined financial statements of the County as a financial reporting entity report all activities, organizations, and functions of the County, both as the primary government and its legally separate component units for which (1) the elected officials of the County are financially accountable and/or (2) exclusion of component units activities would cause the County's financial statements to be misleading or incomplete. The County's component units have been reported as blended with the County as the primary government or as discrete (separate) component units, 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 is financially accountable for the following component units:

- Harris County Flood Control District
- Harris County Industrial Development Corporation
- Harris County Hospital District
- Harris County Juvenile Board
- Harris County Housing Finance Corporation
- Mental Health and Mental Retardation Authority of Harris County
- Harris County Sports and Convention Corporation
- Children's Assessment Center Foundation, Incorporated
- Harris County Health Facilities Development Corporation
- Harris County Cultural Education Facilities Finance Corporation
- Friends of Countypets

Budget Process

In accordance with Chapter 111 of the Local Government Code, the County prepares and adopts an annual operating budget which serves as a financial plan for the new fiscal year beginning March 1. After adoption of the budget by Commissioners Court, the County Auditor is responsible for ensuring expenditures are made in compliance with budgeted appropriations. The level of budgetary control for the General Fund is at the department level; for other funds budgetary control is implemented at various levels. For example, budgetary control for debt service funds is at the individual bond issue level and budgetary control for special revenue funds is at the fund level. Commissioners Court may transfer available funds between various departments. However, no transfer may increase the total appropriation of a fund. Commissioners Court may also adopt supplemental budgets for the limited purposes of spending grant or aid money, for capital projects through the issuance of bonds, intergovernmental contracts, and new source revenue not anticipated at budget adoption. Purchase orders and contracts are not valid until the County Auditor certifies availability of funds for payment of the obligation. Encumbrance accounting is utilized to ensure effective budgetary control and accountability, and unencumbered appropriations lapse at year-end.

INFORMATION USEFUL IN ASSESSING ECONOMIC CONDITION

Local Economy

Houston was one of the last major metropolitan areas in the United States to slip into the recent global recession and it was one of the first to begin to recover. The Houston – Sugar Land – Baytown Metropolitan Area added 13,100 jobs from December 2009 to December 2010. Most of the job growth occurred in the following sectors: health care and social assistance; durable goods manufacturing; leisure and hospitality; and food services and drinking places.

Harris County's economy is largely based on a broad spectrum of industries including:

- Oil and gas exploration
- Basic petroleum refining
- Petrochemical production
- Medical research and health care delivery
- High technology – computers, aerospace, environmental, etc.
- Government – city, county, state and federal (i.e. NASA)
- International import & export
- Commercial fishing
- Agriculture
- Education
- Banking and finance
- Manufacturing and distribution
- Related service industries

The Houston Association of Realtors reported a 5.7 percent decline in single family home sales during 2010 and a 4.6 percent decrease in property sales. In April 2011, the average sales price for a single-family home was $202,545, which was 0.6 percent lower than in April 2010. The median price was $148,000, down 2.2% from April 2010. Sales of foreclosed properties decreased 4.6 percent in April compared with one year earlier.

Catalysts for growth in Harris County, the Port of Houston and the Houston Ship Channel are vibrant components of the regional economy. The Port of Houston is a 25-mile assembly of public and private facilities along the Houston Ship Channel. The Port is ranked first in the United States in foreign waterborne tonnage; first in U.S. imports; second in U.S. export tonnage and second in the U.S. in total tonnage.

The Houston Ship Channel is a 52-mile inland waterway which connects Houston to the Bay of Galveston, the Gulf Intra-coastal Waterway, and the Gulf of Mexico. It traces its origin to early trade on Buffalo Bayou and in 1837, the first steamboat, the *Laura*, ascended Buffalo Bayou to the town of Houston. Deepened and widened over the years, the Houston Ship Channel has become one of the busiest waterways in the United States and is home to the largest petrochemical complex in the world.

In addition to the County's moderate climate and diverse economic base, it offers a modern and efficient infrastructure for people working and doing business in the County. This includes local government that encourages business development, high capacity freeways, major rail lines, and state of the art telecommunication services. George Bush Intercontinental Airport, located approximately 23 miles north of downtown Houston, is the eighth busiest airport in the U.S. and the eighth busiest for international passengers.

As of the 2010 U.S. Census, Harris County had a population of 4.1 million, making it the most populous county in Texas and the third most populous county in the United States, ranking behind Los Angeles County, California and Cook County, Illinois. Twenty-three companies on the 2010 *Fortune 500* list are headquartered in Houston. Only two metropolitan statistical areas have more *Fortune 500* headquarters: New York with 74 and Chicago with 27.

The cost of living in Houston is among the lowest of all urban settings in the United States. The 2010 annual average ACCRA Cost of Living Index shows that Houston's overall after-taxes living costs are 9.1 percent below the national average, largely due to housing costs that are 21 percent below the average. Compared to 27 metropolitan areas with more than two million residents, Houston's housing costs were 37.7 percent below the average and Houston's overall living costs were 18.5 percent below the average.

Educational opportunities play a key role in Harris County's quality of life. The County has a number of acclaimed school districts and outstanding colleges and universities. Major institutions of higher learning include Rice University, Texas Southern University, University of Houston, University of St. Thomas and Houston Baptist University. Houston's two medical schools are the University of Texas Medical School and Baylor College of Medicine.

The County's major hospitals consistently rank among the nation's top institutions. Many of these facilities are located in the Texas Medical Center, a non-profit organization devoted to health education, research and patient care. Located just south of downtown Houston, the Texas Medical Center includes 13 hospitals, two medical schools, four nursing schools, two schools of pharmacy, and schools of dentistry and public health. The Texas Medical Center is at the forefront of research and treatment of cancer and heart disease.

Cultural attractions within Houston include a thriving theater district and numerous museums. Year-round resident companies in the major performing arts include the Houston Symphony Orchestra, the Houston Grand Opera, the Houston Ballet, and the Alley Theater. Major museums include the Museum of Fine Arts, the Contemporary Arts Museum, and the Menil Collection.

Houston is home to a number of professional sports teams with state-of-the art facilities. The Astros, Houston's Major League Baseball team, plays its home games at Minute Maid Park; the Texans of the National Football League make their home at Reliant Park; and the Rockets of the National Basketball Association and the Aeros of the American Hockey League share the Toyota Center. The Houston Dynamo soccer team plays its home games at the University of Houston's Robertson Stadium; however, a new $80 million stadium is planned for the 2012 season. In addition, collegiate teams from the University of Houston, Rice University, Texas Southern University and Houston Baptist University compete in most major sports.

Financial Policies and Long-Term Financial Planning

Some of the County's financial policies and strategies are:

- The County's policy has been for expenditures to be budgeted and controlled so that at the end of a fiscal year the minimum unreserved balance for operating funds would be no less than 15% of fiscal year expenditures;

- The County will need to focus on rebuilding its reserve capacity while controlling expenditures in order to meet the targeted minimum;

- Tax anticipation notes for annual cash flow purposes will be issued for the general operating fund;

- Sustaining the County's high bond rating; and

- An investment policy has been adopted by the County to establish policies and procedures that enhance opportunities for a prudent and systematic investment of County funds.

The County is responsible for setting the tax rates for the County, the Flood Control District, the Hospital District, and Port of Houston Authority (debt service only). Tax rates are levied for maintenance and operations and debt service requirements relative to General Obligation Bonds, Certificates of Obligation, Revenue Bonds and Commercial Paper. The respective tax rates which were adopted in 2010 for the County per $100 of taxable value are: $0.33221 for the General Fund, $0.00180 for the Public Improvement Contingency Fund, and $0.05404 for debt service, for a total of $0.38805.

Funds available for investment under the County's investment program as of February 28, 2011 totaled $2.4 billion with investment earnings for the fiscal year of $20.3 million. The average yield and maturity of such investments were 1.16% and 917 days**.**

The Risk Management Department is responsible for assessing the County's exposure to risk and obtaining coverage against that risk. The County is self-insured for group medical benefits as well as for workers' compensation medical and indemnity payments and is self-funded for dental and vision coverage provided under the employees' health insurance program. Additional information regarding the County's risk management program can be found in Note 14 of the notes to the financial statements.

The County provides retirement, disability, and death benefits for all of its employees (excluding temporary) through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the County's contribution rate is actuarially determined annually. The contribution rate payable by the employee members for fiscal year 2011 was 7%. In addition to providing retirement benefits, the County provides certain healthcare and life insurance benefits for retired employees. Additional information regarding the County's retirement plan and other post employment benefits can be found in Notes 12 and 13 of the notes to the financial statements.

Major Initiatives

Flood Control District - The District has $419.4 million available as a part of a five-year cycle for continuation of its capital program. Projects include using FEMA grants for County-wide buyouts, Federal flood damage reduction projects, and tributary flood damage reduction projects. The District receives funding for its projects through a combination of bond funds, cost-sharing partnership arrangements with other entities, and commercial paper.

Toll Road Authority - The Authority continues moving forward on projects authorized by Commissioners Court including the Hardy Toll Road Downtown Connector, and the widening of the Sam Houston Tollway from US 59 South to State Highway 288.

Precinct Roads – Projects estimated to cost $229.2 million are under design and available to bid.

Parks – Certain parks areas and trails have been blended with flood control storm water detention sites for the benefit of public use while retaining a primary flood control protection purpose.

County Buildings - Various County facility projects are underway or are being considered. Some of the projects and estimated costs include the following:

• North Bayou Central Plant	$28,000,000
• Additional Criminal Justice Center Elevators	6,000,000
• Replace County Clerk Warehouse Space Lost to Fire	4,700,000
• Replace 701 San Jacinto Elevator System	4,400,000
• Replace Administration Building Elevator System	3,000,000
• Renovate Institute of Forensic Science DNA Lab	2,700,000

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended February 28, 2010. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last thirty-seven years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it for review to GFOA.

The timely completion of this report could not have been achieved without the dedicated efforts of the County Auditor's staff, and the professional services provided by our independent auditors, Deloitte & Touche LLP. I wish to express my gratitude to the Commissioners Court, District Judges, and other County officials and departments for their interest and support in planning and conducting the financial affairs of the County in a responsible and professional 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 should be addressed to the County Auditor's Office, 1001 Preston Suite 800, Houston, Texas 77002. Additional financial information is provided on the County Auditor's webpage which can be accessed from the County's website, www.co.harris.tx.us.

Barbara J. Schott, C.P.A.
County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Harris County
Texas

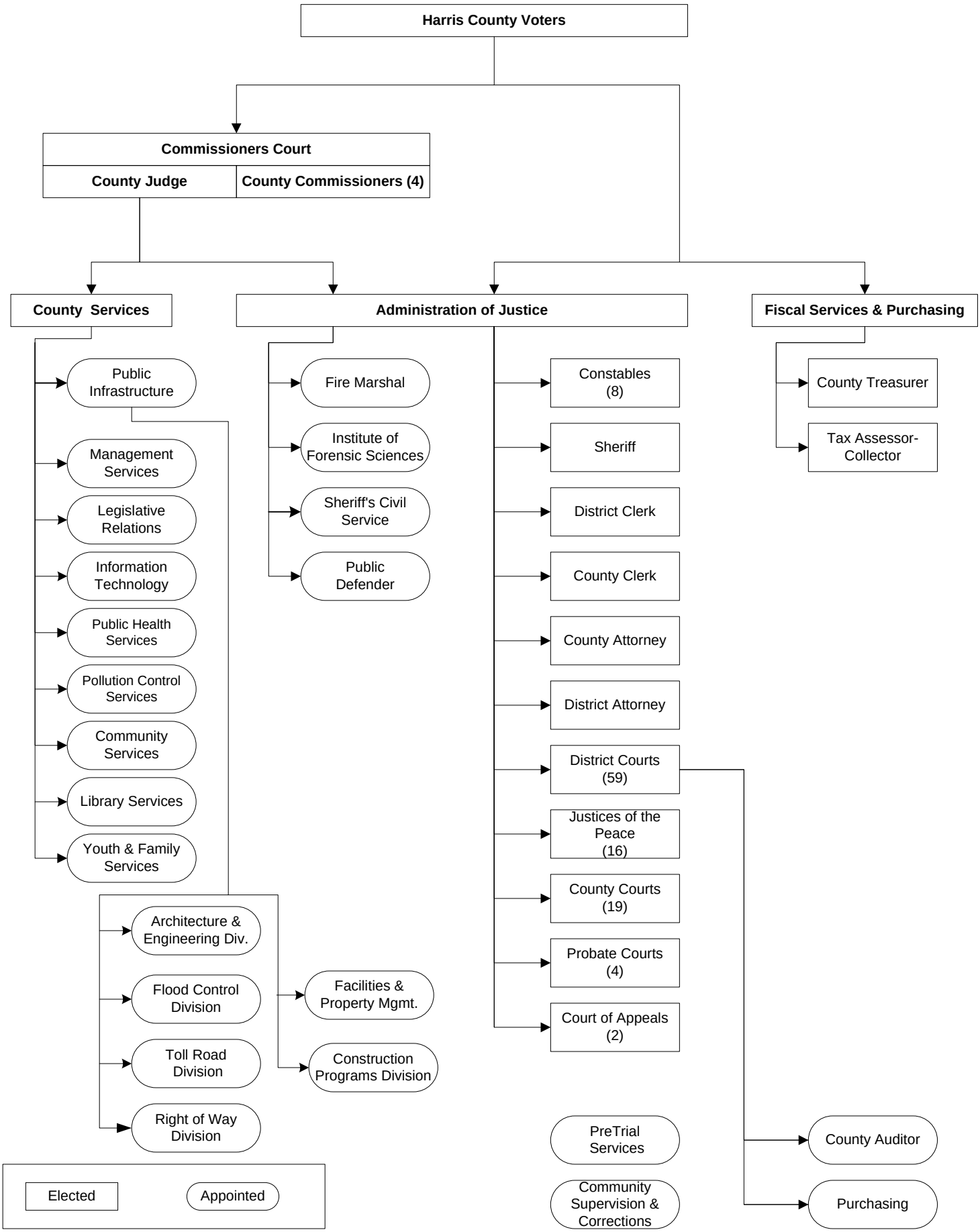
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
February 28, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Harris County Organization Chart



HARRIS COUNTY, TEXAS
SCHEDULE OF ELECTED AND SELECTED APPOINTED OFFICIALS
February 28, 2011

Commissioner's Court

County Judge	Emmett, Edward
Precinct 1	Lee, El Franco
Precinct 2	Morman, Jack
Precinct 3	Radack, Steve
Precinct 4	Eversole, Jerry

Sheriff	Garcia, Adrian
District Attorney	Lykos, Pat
County Attorney	Ryan, Vince
Tax Assessor/Collector	Sumners, Don
District Clerk	Daniel, Chris
County Clerk	Stanart, Stan
County Treasurer	Sanchez, Orlando

Justices of the Peace

Precinct 1, Position 1	Gorczynski, Dale M.
Precinct 1, Position 2	Patronella, David M.
Precinct 2, Position 1	Delgado, JoAnn
Precinct 2, Position 2	Risner, George E.
Precinct 3, Position 1	Parrott, Mike
Precinct 3, Position 2	Coffey, Don
Precinct 4, Position 1	Adams, J. Kent
Precinct 4, Position 2	Lawrence, Tom
Precinct 5, Position 1	Ridgway, Russ
Precinct 5, Position 2	Williams, Jeffrey S.
Precinct 6, Position 1	Vara, Richard C.
Precinct 6, Position 2	Rodriguez, Armando V.
Precinct 7, Position 1	Green, Hilary
Precinct 7, Position 2	Burney, Zinetta
Precinct 8, Position 1	Williamson, Holly
Precinct 8, Position 2	Ditta, Louie

Constables

Precinct 1	Abercia, Jack F.
Precinct 2	Freeman, Gary L.
Precinct 3	Jones, Ken
Precinct 4	Hickman, Ron
Precinct 5	Camus, Phil
Precinct 6	Trevino, Victor
Precinct 7	Walker, May
Precinct 8	Bailey, Bill (resigned May 31, 2011)
	Sandlin, Phil (appointed June 1, 2011)

District Judges - Civil Courts

11th District Court	Miller, Mike
55th District Court	Shadwick, Jeff
61st District Court	Bennett, Al
80th District Court	Weiman, Larry
113th District Court	Donovan, John
125th District Court	Carter, Kyle
127th District Court	Sandill, R.K.
129th District Court	Gomez, Michael
133rd District Court	McFarland, Jaclanel
151st District Court	Engelhart, Mike
152nd District Court	Schaffer, Robert
157th District Court	Wilson, Randy
164th District Court	Smoots-Hogan, Alexandra
165th District Court	Rendon, Josefina
189th District Court	Burke, Bill
190th District Court	Kerrigan, Patricia J.
215th District Court	Kirkland, Steven E.
234th District Court	Rondon, Reece
269th District Court	Hinde, Dan
270th District Court	Gamble, Brent
281st District Court	Matthews, Sylvia A.
295th District Court	Baker, Caroline E.
333rd District Court	Halbach, Joseph J. "Tad" Jr.
334th District Court	Wise, Ken

District Judges - Criminal Courts

174th District Court	Guerrero, Ruben
176th District Court	Reagin, Shawna L.
177th District Court	Fine, Kevin
178th District Court	Mendoza, David
179th District Court	Roll, Randy
180th District Court	Brown, Marc
182nd District Court	Barr, Jeannine
183rd District Court	Velasquez, Vanessa
184th District Court	Krocker, Jan
185th District Court	Brown, Susan
208th District Court	Collins, Denise
209th District Court	McSpadden, Michael
228th District Court	Carter, Marc
230th District Court	Hill, Belinda
232nd District Court	Keel, Mary Lou
248th District Court	Campbell, Joan
262nd District Court	Bradley, Denise
263rd District Court	Wallace, Jim
337th District Court	Ritchie, Herb
338th District Court	Jones, Hazel B.
339th District Court	Jackson, Maria T.
351st District Court	Ellis, Mark Kent

HARRIS COUNTY, TEXAS
SCHEDULE OF ELECTED AND SELECTED APPOINTED OFFICIALS
February 28, 2011

District Judges - Family Courts

245th District Court	Moore, Roy L.
246th District Court	York, Jim
247th District Court	Hellums, Bonnie Crane
257th District Court	Warne, Judy
280th District Court	Bradshaw-Hull, Lynn
308th District Court	Lombardino, James
309th District Court	Dean, Sheri Y.
310th District Court	Millard, Lisa
311th District Court	Pratt, Denise
312th District Court	Farr, David

District Judges - Juvenile Courts

313th District Court	Devlin, Glenn
314th District Court	Phillips, John
315th District Court	Schneider, Michael

County Courts - Civil

Court at Law No. 1	Cagle, R. Jack
Court at Law No. 2	Smith, Jacqueline Lucci
Court at Law No. 3	Storey, Linda
Court at Law No. 4	Lloyd, Roberta A.

County Courts - Criminal

Court at Law No. 1	Goodhart, Paula
Court at Law No. 2	Harmon, Bill
Court at Law No. 3	Fleming, Natalie C.
Court at Law No. 4	Clinton, John
Court at Law No. 5	Harris, Margaret
Court at Law No. 6	Standley, Larry
Court at Law No. 7	Derbyshire, Pam
Court at Law No. 8	Karahan, Jay
Court at Law No. 9	Wilkerson, Analia
Court at Law No. 10	Ross, Sherman
Court at Law No. 11	Bull, Diane
Court at Law No. 12	Brown, Robin
Court at Law No. 13	Smyth, Don
Court at Law No. 14	Fields, Michael R.
Court at Law No. 15	Hughes, Jean Sprading

Probate Courts

Court No. 1	Wright, Loyd
Court No. 2	Wood, Mike
Court No. 3	Olsen, Rory R.
Court No. 4	Butts, Christine

Court of Appeals

1st Court of Appeals	Radack, Sherry, Chief Justice
14th Court of Appeals	Hedges, Adele, Chief Justice

SELECTED APPOINTED OFFICIALS

Admin. Offices of The District Courts	Bowman, Clay
County Criminal Courts at Law Mgm't	Wells, Ed (appointed May 1, 2011)
Information Technology Center	High, Bruce
Children's Assessment Center	Stolte, Elaine
Protective Services for Children and Adults	Ford, George
Texas AgriLife Extension-Harris County	Williams-Willis, Linda
County Auditor	Schott, Barbara J.
County Library	Goldberg, Rhoda
Pre Trial Services	Oeller, Carol
Domestic Relations	Simpson, David W.
Greater Harris Co. 9-1-1 Emergency Network	Schwender, Lavergne
Fire and Emergency Services	Montgomery, Michael S.
Community Services Department	Turkel, David B.
Juvenile Probation	Brooks, Tom
Management Services	Raycraft, R. L.
Institute of Forensic Sciences (ME)	Sanchez, Luis A. MD
Public Health & Environmental Services	Palacio, Herminia MD
Public Infrastructure Department	Storey, Arthur L., Jr
Purchasing	Johnson, Kelly E.
Sheriff Civil Services	Mims, William H. Jr.

FINANCIAL SECTION

Deloitte & Touche LLP

Suite 4500
1111 Bagby Street
Houston, TX 77002-4196
USA

Tel: 1+713 982 2000
Fax: 1+713 982 2001
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

County Judge Ed Emmett
and Members of Commissioners Court of Harris County, Texas:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harris County, Texas (the "County"), as of and for the year ended February 28, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on the respective financial statements based on our audit. We audited the financial statements of the Harris County Hospital District, a discretely presented component unit, but did not audit the financial statements of the remaining discretely presented component units which statements reflect 7%, 9% and 11%, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We also did not audit the financial statements of the Harris County Clerk Registry Fund and the Harris County District Clerk Registry Fund agency funds, which statements reflect 32% percent of the assets of the agency funds at February 28, 2011. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the agency funds, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Harris County Sports & Convention Corporation, a blended component unit, the Harris County Clerk Registry Agency Fund and the Harris County District Clerk Registry Agency Fund were audited in accordance with generally accepted auditing standards, but were not audited in accordance *Government Auditing Standards.* The financial statements of Harris County Housing Finance Corporation, and the Harris County Industrial Development Corporation, discretely presented component units, were audited in accordance with generally accepted auditing standards, but were not audited in accordance with *Government Auditing Standards.* An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harris County, Texas, as of February 28, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1.C. to the County's basic financial statements, the County implemented Governmental Accounting Standards Board Statements No. 51 "Accounting and Financial Reporting for Intangible Assets" and No. 53 "Accounting and Financial Reporting for Derivative Instruments."

The Management's Discussion and Analysis, Schedule of Available Resources – Budget and Actual Budgetary Basis – General Fund, and the Schedule of Expenditures and Other Uses – Budget and Actual Budgetary Basis – General Fund, and the Other Post Employment Benefits – Schedule of Funding Progress, and the Texas County and District Retirement System – Schedule of Funding Progress are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. This required supplementary information is the responsibility of the County's management. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Introductory Section, Combining and Individual Fund Information and Other Supplementary Information and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal and State Awards is also presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by U.S. Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas *Uniform Grant Management Standards*. This supplementary information is the responsibility of the County's management. The Combining and Individual Fund Information and Other Supplementary Information and the Schedule of Expenditures of Federal and State Awards have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2011, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Deloitte & Touche LLP

August 12, 2011

This section of the Harris County, Texas (the "County") Comprehensive Annual Financial Report ("CAFR") presents a narrative overview and analysis of the financial activities of the primary government for the fiscal year ended February 28, 2011. Please read it in conjunction with the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

Government-wide

The total government-wide assets of the County exceeded the liabilities at February 28, 2011 by $10,362,454,916. This is a decrease of $87,624,282 from the previous year when assets exceeded liabilities by $10,450,079,198.

Total net assets of the primary government are comprised of the following:

(1) Capital assets, net of related debt, of $9,276,732,817 include land, improvements, buildings, infrastructure, intangible assets, construction in progress, and other capital assets, net of accumulated depreciation/amortization, and is reduced by outstanding debt, net of unspent proceeds, related to the purchase or construction of capital assets.
(2) Net assets of $1,124,234,075 are restricted by constraints imposed from outside the County such as debt obligations, laws, or regulations, including restrictions related to Toll Road and Mobility funds.
(3) Unrestricted net assets of negative $38,511,976. Unrestricted net assets in Governmental Activities was negative $46,700,686, which was primarily due to an increase in bonds payable and OPEB. These long-term liabilities are not generally paid with current resources.

Governmental Fund Financial Statements

- As of February 28, 2011, County governmental funds reported combined fund balances of $955,353,432. This reflects an increase of $42,389,239 from the previous fiscal year, primarily due to an increase in commercial paper issuance and funds reserved for Mobility in the current year. Combined unreserved fund balances of $365,152,928 for fiscal year 2011 shows an increase of $43,913,109 from the prior year.

- The General Fund is used to account for the general operations of the County, limited-tax permanent improvement debt service of the County, public improvement contingencies, and the mobility program. At the end of the fiscal year, the unreserved fund balance of the County's General Fund was negative $22,289,770. The General Fund's undesignated fund balance decreased $45,951,526 from the prior year and expenditures exceeded revenue by $127,825,854. The fiscal year 2011 operating loss and the negative undesignated fund balance reflect the County's use of its reserves. This negative situation was primarily caused by a decrease in property taxable valuations and the related decrease in tax revenue which resulted from a weakened economy. The General Fund had a reserved fund balance of $341,139,263 at February 28, 2011.

- During the fiscal year, the Harris County Toll Road Authority transferred $120 million of surplus toll road revenue to the mobility program which is accounted for within the General Fund. Mobility program monies are restricted by Section 284.0031 of the Texas Transportation Code for the study, design, construction, maintenance, repair or operation of roads, streets, highways, or other related facilities. The mobility program may not be used for the general operations of the County. The General Fund's unrestricted cash and investment balance at February 28, 2011 includes $169.8 million that belongs to the mobility program. Because of the legal restrictions imposed on the mobility program, $133,190,993 of the General Fund balance is reserved for mobility at February 28, 2011.

- The Roads Capital Projects fund is classified as a major fund. It had a fund balance of $185,042,011 of which $82,438,054 was reserved for encumbrances as well as prepaids, and the remaining $102,603,957 is designated for capital projects.

- The nonmajor governmental funds had total combined fund balances of $451,461,928 at February 28, 2011. Of this amount, $284,838,741 is unreserved with $142,492,440 designated for capital projects. The remaining $166,623,187 is reserved mainly for encumbrances, debt service, advances and prepaids.

Long-Term Debt
The County issues debt to finance an ongoing capital improvement program. During fiscal year 2010-2011, the County issued $211 million in commercial paper and $825 million in bonds primarily to defease and refund outstanding bonds. Note 10 to the financial statements provides details of long-term debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of the 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 a portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include administration of justice, parks, county administration, health and human services, flood control, tax administration, and roads and bridges. The business-type activities of the County include toll road, subscriber access, parking facilities, and sheriff's commissary fund activities.

Component units are included in the basic financial statements. Component units are legally separate organizations for which the elected officials of the County are financially accountable, or the relationship to the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. The County's component units have been reported as blended with the County as the primary government or as discrete (separate) component units, as appropriate. The following component units have been included in this year's report: Harris County Flood Control District, Harris County Juvenile Board, Harris County Sports and Convention Corporation, Harris County Hospital District, Harris County Housing Finance Corporation, Mental Health and Mental Retardation Authority of Harris County, Harris County Industrial Development Corporation, Children's Assessment Center Foundation, Inc., Harris County Health Facilities Development Corporation, Harris County Cultural Education Facilities Finance Corporation, and Friends of Countypets. For more detailed information on these component units, refer to Note 1A 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 fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

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

The County reports 65 governmental funds, which in some cases are aggregated individual funds (e.g., grant funds). Information is presented separately in the governmental fund balance sheet and in the governmental fund 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.

Proprietary funds are used for two purposes: Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Also, the County uses enterprise funds to account for toll road operations, computer access to certain District Clerk records, acquisition, operation and maintenance of parking facilities, and operation of a commissary for jail inmates. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its maintenance of County vehicles, operation of County radios, operation of the printing shop services provided by inmates, workers compensation, health insurance and other risk management activities. 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. The Toll Road Authority fund is considered to be a major fund of the County. The Subscriber Access, Parking Facilities, and Sheriff's Commissary funds are combined as nonmajor enterprise funds for the basic financial statements, but are presented individually in the fund financial statements that follow the required supplementary information. The County's internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

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 fiduciary funds are comprised of 18 agency funds. Agency funds are used to report resources held by the County in a purely custodial capacity (assets equal liabilities) and therefore 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 beginning on page 41 of this report.

Required Supplementary Information for the County's General Fund budgetary schedule is presented herein. The County adopts an annual budget for this fund. A budgetary comparison schedule, which includes the

original and final amended budget and actual figures, has been provided to demonstrate compliance with this budget. Also presented in this section are the Schedule of Funding Progress for Other Post Employment Benefits and the Schedule of Funding Progress for the Texas County and District Retirement System. Required supplementary information can be found beginning on page 93 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

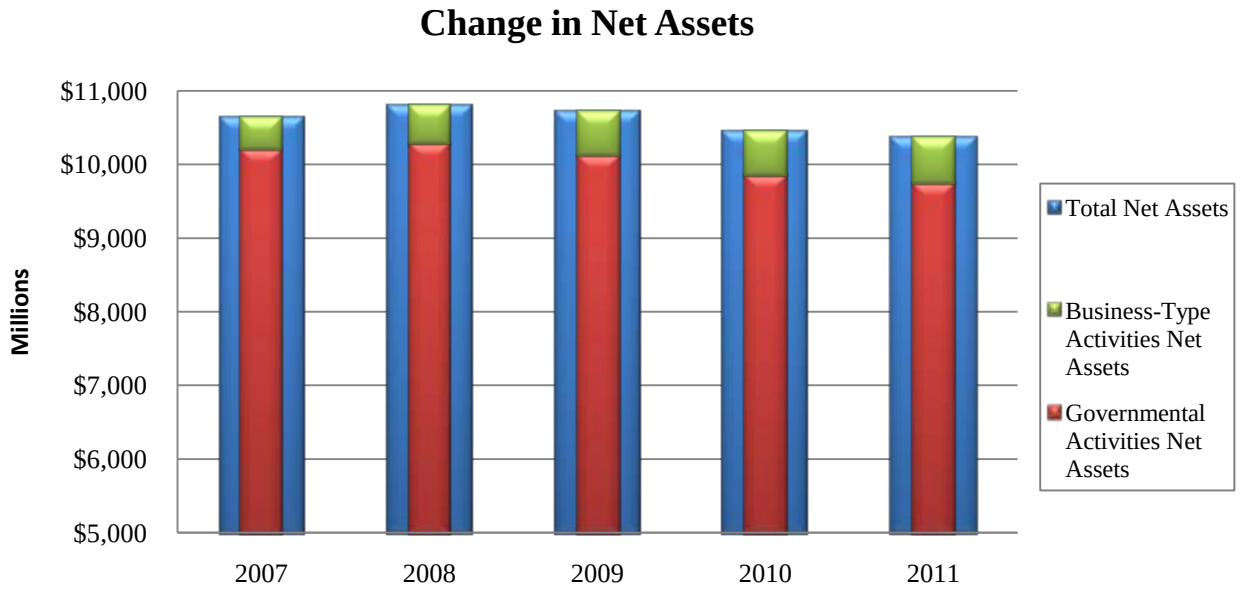
As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $10,362,454,916 for fiscal year 2011 and $10,450,079,198 for fiscal year 2010. Expenses exceeded revenues during the current year, decreasing net assets by $87,624,282.

Condensed Statement of Net Assets
February 28, 2011
(Amounts in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Current and other assets	$ 1,436,426	$ 1,367,462	$ 2,803,888
Capital assets	11,941,803	2,090,127	14,031,930
Total assets	13,378,229	3,457,589	16,835,818
Current and other liabilities	366,097	76,760	442,857
Long-term liabilities (including current portion)	3,268,550	2,761,956	6,030,506
Total liabilities	3,634,647	2,838,716	6,473,363
Net assets:			
Invested in capital assets, net of related debt	9,488,369	(211,636)	9,276,733
Restricted net assets	301,914	822,320	1,124,234
Unrestricted net assets	(46,701)	8,189	(38,512)
Total net assets	$ 9,743,582	$ 618,873	$ 10,362,455

Condensed Statement of Net Assets
February 28, 2010
(Amounts in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Current and other assets	$ 1,396,408	$ 1,493,961	$ 2,890,369
Capital assets	11,887,641	1,994,752	13,882,393
Total assets	13,284,049	3,488,713	16,772,762
Current and other liabilities	369,949	86,759	456,708
Long-term liabilities (including current portion)	3,070,721	2,795,254	5,865,975
Total liabilities	3,440,670	2,882,013	6,322,683
Net assets:			
Invested in capital assets, net of related debt	9,524,096	(216,112)	9,307,984
Restricted net assets	257,857	812,964	1,070,821
Unrestricted net assets	61,426	9,848	71,274
Total net assets	$ 9,843,379	$ 606,700	$ 10,450,079



The largest portion of the County's current fiscal year net assets, $9,276,732,817, is invested in in capital assets (e.g. land, improvements, buildings, equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The primary use of these capital assets is to provide services to citizens; therefore, 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. The decrease of $31,251,071 in the County's net assets invested in capital assets, net of related debt, is comprised of $149,537,480 increase in capital assets with an offsetting increase of $70,319,352 in debt related to capital assets and a decrease of unspent debt proceeds of $110,469,199.

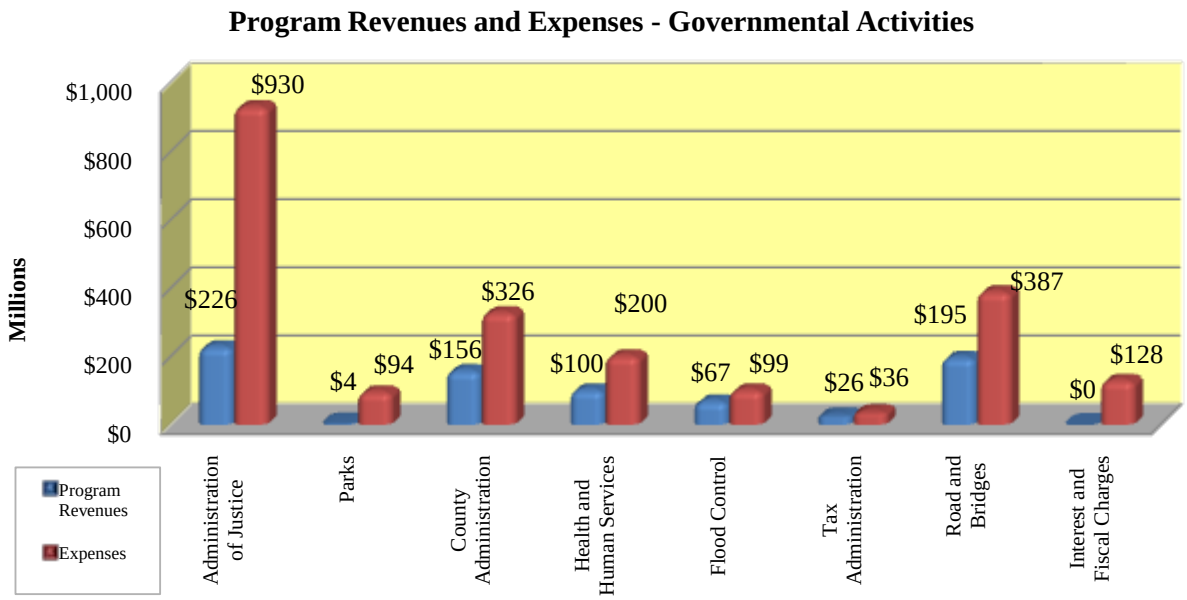
Another portion of the County's current fiscal year net assets, negative $38,511,976, represents unrestricted net assets, which because of the negative balance are not available to meet the County's ongoing unrestricted obligations to citizens and creditors. The remaining balance of net assets represents resources that are subject to external restrictions on how they may be used. A large portion of the restricted net assets, $520,142,101 is for use for the ongoing obligations of the Toll Road Authority. Restricted net assets of $133,190,993 are related to the mobility program and are restricted because of legal constraints imposed by the Texas Transportation Code; these funds can only be used for mobility purposes. Other restrictions include $382,985,802 for debt service payments, $84,610,209 for capital projects, $467,597 for grant programs and $2,837,373 for legislative restricted net assets.

At the end of the current fiscal year, the County reported positive net assets in two of the three categories of net assets for its governmental activities and positive net assets in two of the three categories for its business-type activities. Net assets invested in capital assets, net of related debt for business-type activities was negative $211,635,959 primarily due to the refunding of debt extending the repayment of the debt beyond the useful life of the assets.

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

	Condensed Statement of Activities (In Thousands) For the Year Ended February 28, 2011 Primary Government		
	Governmental Activities	Business-type Activities	Total
REVENUES			
Program revenues:			
Charges for Services	$ 255,893	$ 489,097	$ 744,990
Operating Grants and Contributions	236,859	852	237,711
Capital Grants and Contributions	280,755	3,063	283,818
General revenues:			
Taxes-levied for General Purposes	976,341	-	976,341
Taxes-levied for Debt Services	151,337	-	151,337
Hotel Occupancy Tax	23,312	-	23,312
Investment Earnings	6,796	13,542	20,338
Miscellaneous	45,269	953	46,222
Total revenues	1,976,562	507,507	2,484,069
EXPENSES			
Administration of Justice	929,889	-	929,889
Parks	94,145	-	94,145
County Administration	326,162	-	326,162
Health and Human Services	199,518	-	199,518
Flood Control	99,305	-	99,305
Tax Administration	36,152	-	36,152
Roads and Bridges	387,325	-	387,325
Interest and Fiscal Charges	127,520	-	127,520
Toll Road	-	363,266	363,266
Subscriber Access	-	83	83
Parking Facilities	-	889	889
Sheriff's Commissary	-	7,439	7,439
Total expenses	2,200,016	371,677	2,571,693
Excess (deficiency) before other items and transfers	(223,454)	135,830	(87,624)
Transfers	123,657	(123,657)	-
Change in net assets	(99,797)	12,173	(87,624)
Net assets - beginning	9,843,379	606,700	10,450,079
Net assets - ending	$ 9,743,582	$ 618,873	$ 10,362,455

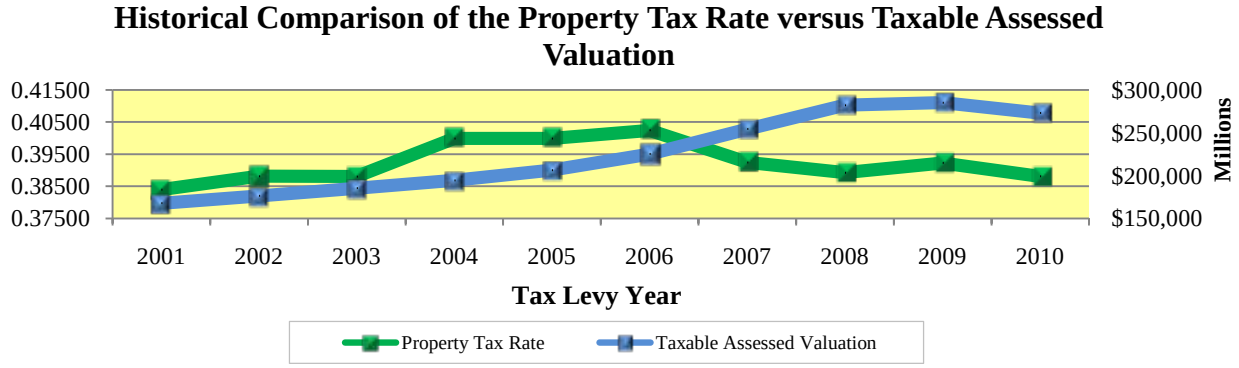
	Condensed Statement of Activities (In Thousands) For the Year Ended February 28, 2010 Primary Government		
	Governmental Activities	Business-type Activities	Total
REVENUES			
Program revenues:			
Charges for Services	$ 263,017	$ 464,368	$ 727,385
Operating Grants and Contributions	224,108	1,164	225,272
Capital Grants and Contributions	71,644	7,221	78,865
General revenues:			
Taxes-levied for General Purposes	1,033,302	-	1,033,302
Taxes-levied for Debt Services	171,768	-	171,768
Hotel Occupancy Tax	21,341	-	21,341
Investment Earnings	19,410	33,679	53,089
Miscellaneous	57,322	1,954	59,276
Total revenues	1,861,912	508,386	2,370,298
EXPENSES			
Administration of Justice	961,588	-	961,588
Parks	91,594	-	91,594
County Administration	342,683	-	342,683
Health and Human Services	220,090	-	220,090
Flood Control	103,435	-	103,435
Tax Administration	38,137	-	38,137
Roads and Bridges	381,380	-	381,380
Interest and Fiscal Charges	127,221	-	127,221
Toll Road	-	360,048	360,048
Subscriber Access	-	580	580
Parking Facilities	-	839	839
Sheriff's Commissary	-	8,564	8,564
Total expenses	2,266,128	370,031	2,636,159
Excess (deficiency) before other items and transfers	(404,216)	138,355	(265,861)
Transfers	128,989	(128,989)	-
Change in net assets	(275,227)	9,366	(265,861)
Net assets - beginning	10,118,606	597,334	10,715,940
Net assets - ending	$ 9,843,379	$ 606,700	$ 10,450,079



Revenues

For fiscal year ended February 28, 2011, revenues for the primary government totaled $2,484,068,995. The revenues are categorized by activity type: governmental activities totaled $1,976,562,148 and business-type activities totaled $507,506,847.

Property and Hotel Occupancy Taxes of $1,150,989,577 were one of the largest revenue sources for governmental activities and 46% of total revenues, which is a $75M decrease from prior year taxes of $1,226,410,742. The tax rate was $.38805 per $100 of assessed value for fiscal year 2011. The taxable assessed value decreased in fiscal year 2011 to $273,032,156,000 from the taxable assessed value in the prior fiscal year of $285,090,656,000.

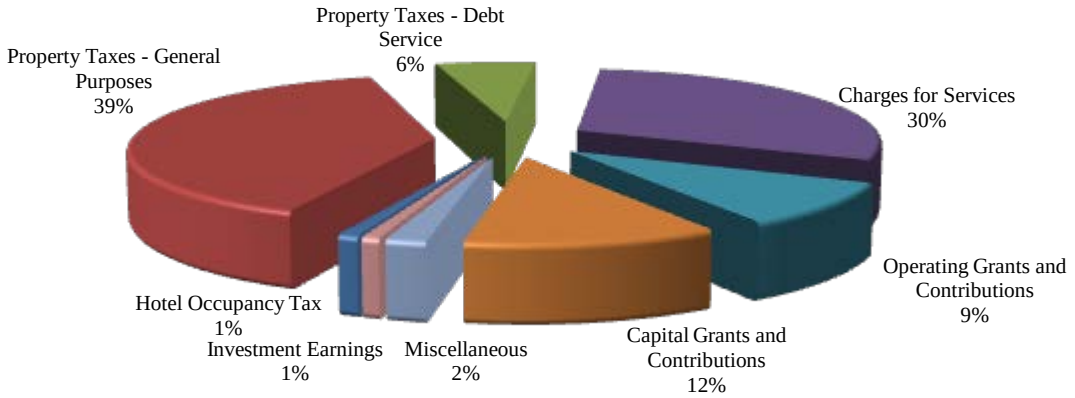


Program revenues are derived from the program itself and reduce the cost of the function to the County. Total program revenues were $1,266,520,143 or 51% of total revenues, which increased $234,997,531 compared to the prior year. The largest portion of program revenues is Charges for Services of $744,990,466 (30%). Of that $255,893,237 is from governmental activities, which represents fees collected by the tax collector, automobile registration, and charges for patrol services. The business-type Charges for Services were $489,097,229, which are primarily toll road receipts. The other portions of program revenues are Operating Grants and Contributions of $237,711,299 (9%) and Capital Grants and Contributions of $283,818,378 (12%).

Capital Grants and Contributions increased $204,952,924 from the prior year, primarily due an increase in contributions from the Army Corps of Engineers in conjunction with work on the Brays Bayou project and an increase in road dedications and donations, which represent receipts from various federal, state, and local agencies and developers.

General revenues are revenues that cannot be assigned to a specific function. They consist of taxes (previously discussed), Earnings on Investments of $20,337,319 (1% of total revenues), and Miscellaneous income of $46,221,956 (2% of total revenues).

REVENUES BY SOURCE
Year ended February 28, 2011



Expenses

For fiscal year ended February 28, 2011, expenses for the primary government totaled $2,571,693,277. These expenses are divided by activity type: governmental activities of $2,200,015,461 and business-type activities of $371,677,816.

The County's largest governmental activities function is Administration of Justice. The main components of this function are the civil and criminal courts and the Sheriff's Office. Total expenses for this activity were $929,888,978 and were 36% of total expenses. The expenses can be attributed to salaries, fringe benefits, costs of housing and trial of inmates, and fuel costs for patrol vehicles.

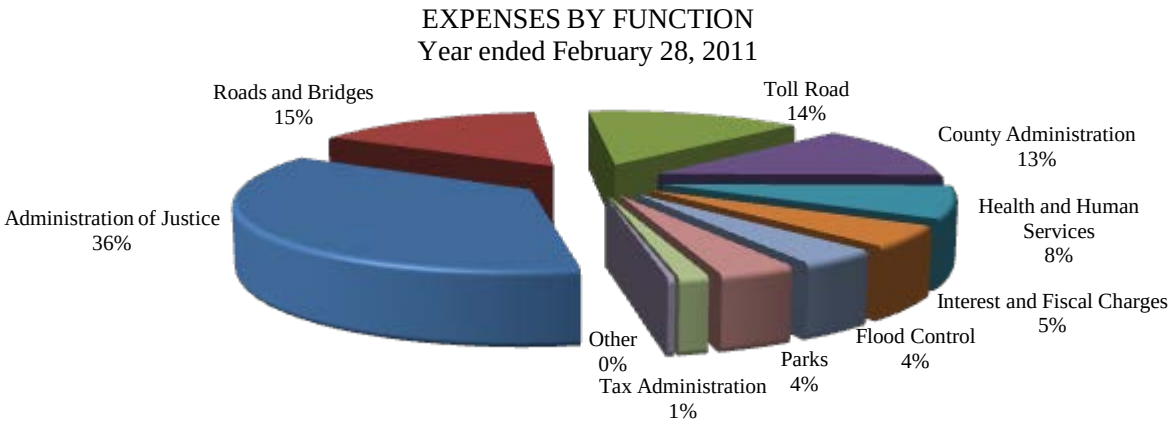
The expenses for the Roads and Bridges governmental activities function were $387,325,558 or 15% of total expenses. The County owns and maintains over six thousand miles of roads and bridges.

The County Administration governmental activities function expenses were $326,161,689 or 13% of total expenses. This is a decrease of $16.5 million from the prior fiscal year due to closer monitoring of expenditures and personnel reductions that occurred during the year.

The Toll Road business-type activities function expenses were $363,266,054 or 14% of total expenses. 35% is attributable to interest and fees incurred on outstanding debt balances. Expenses for other business-type activities were $8,411,762 and were less than 1% of total expenses. These activities are for Subscriber Access, Parking Facilities and Sheriff's Commissary.

The Interest and Fiscal Charges governmental activities functional expenses of $127,520,446 constituted 5% of total expenses and increased $300,076.

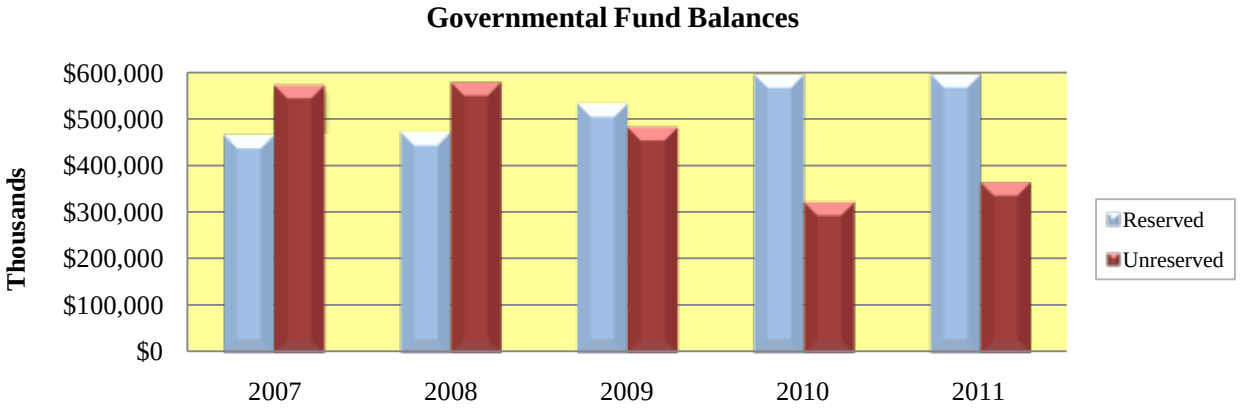
The remaining governmental activities functions are Health and Human Services with expenses of $199,517,570 or 8%, which includes operation of the County libraries, Flood Control with expenses of $99,304,877 or 4%, Parks with expenses of $94,144,575 or 4%, and Tax Administration with expenses of $36,151,768 or 1%.



FINANCIAL ANALYSIS OF MAJOR FUNDS

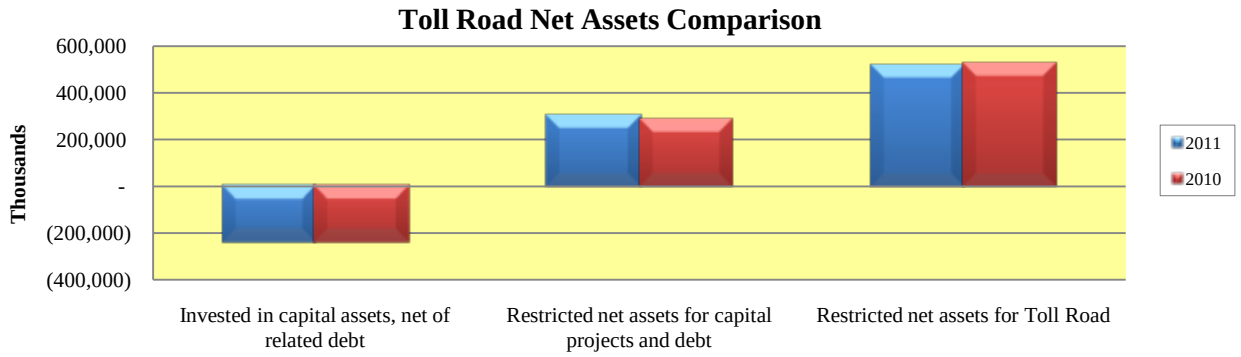
The General Fund is the County's chief operating fund and major governmental fund. For the year ended February 28, 2011, the General Fund reported a net fund balance decrease of $23,877,250. The General Fund total fund balance is $318,849,493 for the fiscal year of which $341,139,263 is reserved for encumbrances, debt service payments, prepaids, inventories, notes receivable, legislative issues, the Mobility program and imprest cash. The remaining negative $22,289,770 is unreserved.

The Roads Capital Projects fund is a major governmental fund. This is primarily due to a portion of unspent bond proceeds being available for investment. As of February 28, 2011 the total fund balance was $185,042,011 with $82,438,054 being reserved for encumbrances and prepaids.



The Toll Road Fund was the County's only major proprietary fund at February 28, 2011. This fund is used to account for the acquisition, operation, and maintenance of County toll roads. As of February 28, 2011, net assets invested in capital assets, net of related debt was a negative $231,001,927, and restricted net assets were

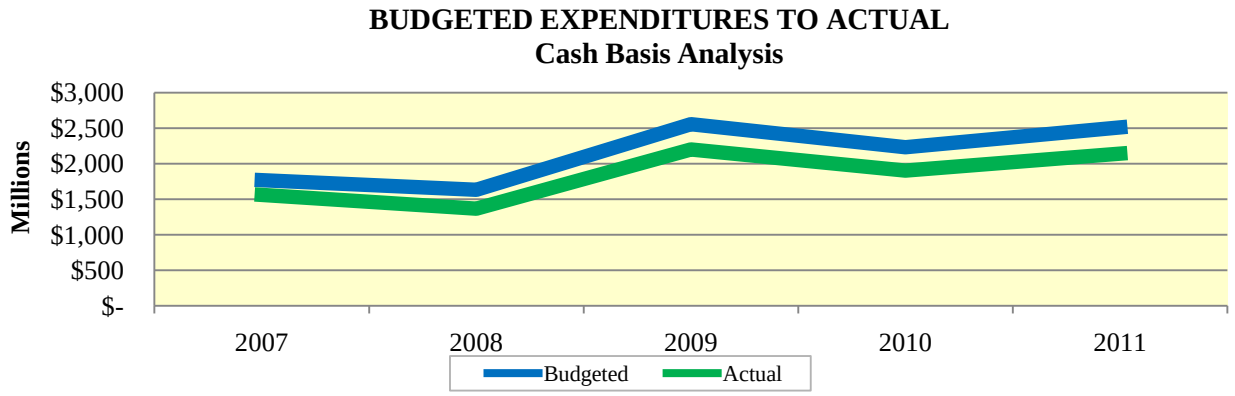
$822,320,076. Net assets invested in capital assets, net of related debt increased from a February 28, 2010 balance of negative $234,840,099. Net assets invested in capital assets net of related debt for both years was negative, primarily due to the refunding of debt which extended the repayment of the debt beyond the useful life of the assets. Restricted net assets are considered restricted due to debt obligations.



GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget reflected an increase of $634,555,352 in available resources. This increase is primarily due to issuance of refunding bonds. Differences between the original budget and the final amended budget resulted in $634,553,694 increase in appropriations.

During the year, budgetary estimates exceeded actual available resources by $5,931,933. This is primarily due to less beginning cash and investments rolling from the previous year than anticipated. Actual expenditures were $370,469,381 less than budgetary estimates. This difference is primarily due to a decrease in expenditures as a result of the carry forward of budget for capital projects for roads and bridges and maintenance funds in the precincts. Budget variances are not expected to impact future services or liquidity.



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The County's capital assets, net of accumulated depreciation/amortization, for its governmental and business-type activities as of February 28, 2011, was $14,031,930,398, an increase of $149,537,480 from capital assets reported February 28, 2010 of $13,882,392,918. These capital assets include land, construction in progress, land improvements, buildings, park improvements and facilities, infrastructure, equipment, other tangible assets, as well as intangible assets such as easements and the County's license agreement to operate toll facilities on the Katy Freeway.

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

- The County has several ongoing capital improvement projects, including a new Plaza/Jury Assembly Facility with a tunnel connection to the Civil Justice Center, John Phelps Courthouse (Pasadena), and restoration of the 1910 Civil Courts Building.

- The Flood Control District participated in ongoing flood damage reduction and mitigation projects in cooperation with the Federal Emergency Management Agency and the United States Army Corps of Engineers.

- The Harris County Toll Road Authority has several ongoing projects, including the Sam Houston Tollway North/East.

	Balance February 28, 2011	Balance February 28, 2010
Governmental Activities:		
Land	$ 3,972,031,927	$ 3,893,353,019
Construction in progress	341,793,216	426,290,166
Intangible assets - water rights	2,400,000	-
Intangible assets - software & licenses	33,418,586	-
Land improvements	5,684,597	11,010,787
Infrastructure	10,324,050,791	10,061,280,217
Park facilities	159,753,616	143,463,317
Flood control projects	705,436,470	652,847,783
Buildings	1,612,268,711	1,575,420,472
Equipment	311,804,773	285,231,758
	17,468,642,687	17,048,897,519
Less: Accumulated depreciation	(5,526,839,237)	(5,161,256,932)
Total governmental activities	$ 11,941,803,450	$ 11,887,640,587

	Balance February 28, 2011	Balance February 28, 2010
Business-type Activities:		
Land	$ 309,521,182	$ 301,382,032
Construction in progress	248,450,760	414,656,336
Intangible assets - license agreement	238,140,451	237,500,000
Land improvements	4,346,766	4,246,045
Infrastructure	2,098,798,007	1,776,820,536
Other tangible assets	22,052,955	21,598,642
Buildings	36,970,545	38,005,617
Equipment	62,967,047	59,873,598
	3,021,247,713	2,854,082,806
Less: Accumulated depreciation	(931,120,765)	(859,330,475)
Total business-type activities	$ 2,090,126,948	$ 1,994,752,331

For further information regarding capital assets, see Note 6 to the financial statements.

Long-term Liabilities. At February 28, 2011, the County had total long-term liabilities outstanding of $6,030,505,127. County officials, citizens and investors will find the ratio of bonded debt to taxable value of property and the amount of bonded debt per capita as useful indicators of the County's debt position. General

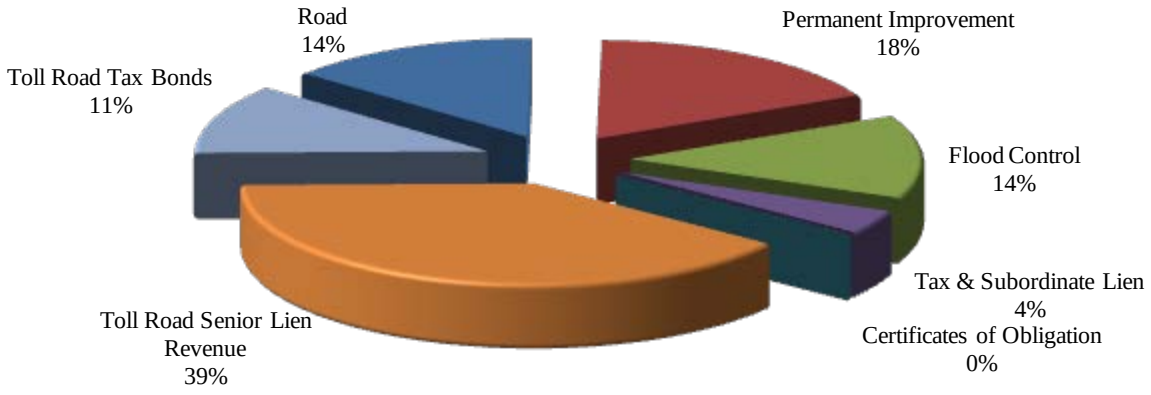
bonded debt represented 0.96% and 0.87% of taxable value of property for fiscal year 2011 and 2010, respectively. Debt per capita was $1,408 and $1,401 for fiscal year 2011 and 2010, respectively.

	Outstanding at February 28, 2011	Outstanding at February 28, 2010
Governmental Activities:		
Bonds payable	$ 2,616,505,031	$ 2,472,429,606
Commercial paper payable	343,163,000	332,048,000
Compensatory time payable	35,620,091	38,888,981
Obligations under capital leases	19,448,103	21,368,077
Judgments payable	4,900,000	5,353,417
Loan payable	5,619,676	9,642,857
OPEB obligation	240,428,712	188,310,144
Pollution remediation obligation	2,864,732	2,680,610
Total governmental activities	$ 3,268,549,345	$ 3,070,721,692
Business-type Activities:		
Bonds payable	$ 2,704,676,608	$ 2,783,578,440
Derivative instruments - interest rate swaps	42,580,963	-
Compensatory time payable	1,231,038	1,316,727
Obligations under capital leases	186,001	-
OPEB obligation	13,281,172	10,358,368
Total business-type activities	$ 2,761,955,782	$ 2,795,253,535

The County has a continuing goal to sustain the County's debt rating. The bond rating services of Moody's Investors Service, Inc., Standard & Poor's Ratings Services, and Fitch IBCA, Inc. have assigned the County long term bond ratings of Aaa, AAA, and AAA, respectively.

Please refer to Note 10 to the financial statements for further information on the County's long-term liabilities. See Note 13 to the financial statements for further information on the County's Other Post Employment Benefits (OPEB) plan.

Bonds Payable by Type as of February 28, 2011



ECONOMIC FACTORS

The unemployment rate for Harris County for calendar year 2010 was 8.3%. This is an unfavorable increase from the prior year rate of 8.1%. The state unemployment rate for calendar year 2010 was 8.0%.

THE NEXT FISCAL YEAR

During the first quarter of fiscal year 2012, $34 million was transferred to the County's General Operations Fund from the Mobility Fund for eligible mobility expenditures incurred in the County's general operations in prior fiscal years. The unrestricted cash balance in the County's General Operations Fund at June 30, 2011 was negative $3.2 million versus $320.4 million at June 30, 2010. The cash balance at June 30, 2011 includes $138 million from a short term loan (due to) the Mobility Fund. Without the loan (due to) Mobility Fund, the June 30, 2011 unrestricted cash balance of the County's General Operations Fund would be a negative $141 million. The General Operations Fund's undesignated fund balance at June 30, 2011 was a negative $289,912,494 as compared with a negative $286,199,609 balance at June 30, 2010. These balances are reported on a budgetary basis which is not in accordance with generally accepted accounting principles and are not audited.

On July 21, 2011, the County issued $450,000,000 in Tax Anticipation Notes (TANS) to fund the County's cumulative cash flow deficit due to timing differences between expenditures and the receipt of tax revenue. TANS of $450,000,000 was issued in June 2010 for the prior fiscal year.

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's 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, 1001 Preston, Suite 800, Houston, Texas 77002, or visit the County's website at www.co.harris.tx.us.

BASIC FINANCIAL STATEMENTS

HARRIS COUNTY, TEXAS
STATEMENT OF NET ASSETS
February 28, 2011

	Primary Government			
	Governmental Activities	Business- Type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	$ 413,481,679	$ 7,959,169	$ 421,440,848	$ 88,465,730
Investments	591,229,984	430,592	591,660,576	174,110,125
Taxes receivable, net	32,731,835	-	32,731,835	34,494,000
Accounts receivable, net	67,444,845	56,296	67,501,141	84,050,068
Accrued interest receivable	15,497,690	1,333	15,499,023	-
Lease receivable	273,300	-	273,300	-
Due from other governmental units	5,262,444	-	5,262,444	-
Other receivables	112,467,646	403,756	112,871,402	6,693,949
Internal balances	(51,978,214)	51,978,214	-	-
Inventories, prepaids and other assets	8,844,153	301,456	9,145,609	65,774,992
Restricted:				
Cash and cash equivalents	151,726,538	45,207,717	196,934,255	782,147,766
Investments	40,758,211	1,162,298,068	1,203,056,279	-
Investments, held as collateral by others	-	15,000,000	15,000,000	-
Receivables, net	-	1,007,900	1,007,900	-
Accrued interest receivable	-	3,569,785	3,569,785	-
Other receivables, net	-	3,948,617	3,948,617	-
Prepaids and other assets	-	8,482,301	8,482,301	-
Deferred charges, net of amortization	19,865,533	23,521,855	43,387,388	-
Notes receivable	28,819,472	714,312	29,533,784	-
Deferred outflows	-	42,580,963	42,580,963	-
Capital assets:				
Land and construction in progress	4,313,825,143	557,971,942	4,871,797,085	69,664,954
Intangible assets, net of amortization (when applicable)	31,632,916	235,361,701	266,994,617	1,365,734
Other capital assets, net of depreciation	7,596,345,391	1,296,793,305	8,893,138,696	279,890,058
Total assets	13,378,228,566	3,457,589,282	16,835,817,848	1,586,657,376
LIABILITIES				
Vouchers payable and other current liabilities	251,730,237	775,474	252,505,711	202,671,846
Unearned revenue	70,082,945	-	70,082,945	269,756
Payable from restricted assets:				
Vouchers payable and other current liabilities	-	75,985,199	75,985,199	-
Current portion of long-term liabilities	-	99,044,560	99,044,560	-
Non-current portion of long-term liabilities	-	2,662,722,804	2,662,722,804	-
Accrued interest	44,283,950	-	44,283,950	634,000
Long-term liabilities:				
Due within one year	92,662,214	63,498	92,725,712	6,934,706
Due in more than one year	3,175,887,131	124,920	3,176,012,051	423,364,234
Total liabilities	3,634,646,477	2,838,716,455	6,473,362,932	633,874,542
NET ASSETS				
Invested in capital assets, net of related debt	9,488,368,776	(211,635,959)	9,276,732,817	117,130,749
Restricted for:				
Debt service	137,052,754	245,933,048	382,985,802	-
Capital projects	28,365,282	56,244,927	84,610,209	51,152,663
Donor temporarily restricted	467,597	-	467,597	1,426,140
Legislative	2,837,373	-	2,837,373	-
Mobility program	133,190,993	-	133,190,993	-
Toll Road	-	520,142,101	520,142,101	-
Unrestricted	(46,700,686)	8,188,710	(38,511,976)	783,073,282
Total net assets	$ 9,743,582,089	$ 618,872,827	$ 10,362,454,916	$ 952,782,834

See notes to the financial statements.

HARRIS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For The Year Ended February 28, 2011

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
					Primary Government			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Units**
Primary government:								
Governmental activities:								
Administration of Justice	$ 929,888,978	$ 137,539,684	$ 88,735,375	$ -	$ (703,613,919)	-	$ (703,613,919)	
Parks	94,144,575	3,144,370	359,232	-	(90,640,973)	-	(90,640,973)	
County Administration	326,161,689	45,199,816	61,837,374	49,303,041	(169,821,458)	-	(169,821,458)	
Health and Human Services	199,517,570	14,264,523	85,561,765	-	(99,691,282)	-	(99,691,282)	
Flood Control	99,304,877	751,233	-	66,333,737	(32,219,907)	-	(32,219,907)	
Tax Administration	36,151,768	25,659,510	-	-	(10,492,258)	-	(10,492,258)	
Road and Bridges	387,325,558	29,334,101	365,589	165,118,342	(192,507,526)	-	(192,507,526)	
Interest and Fiscal Charges	127,520,446	-	-	-	(127,520,446)	-	(127,520,446)	
Total governmental activities	2,200,015,461	255,893,237	236,859,335	280,755,120	(1,426,507,769)	-	(1,426,507,769)	
Business-type activities:								
Toll Road	363,266,054	481,346,283	851,964	3,063,258	-	$ 121,995,451	121,995,451	
Subscriber Access	83,278	248,639	-	-	-	165,361	165,361	
Parking Facilities	889,347	387,295	-	-	-	(502,052)	(502,052)	
Sheriff's Commissary	7,439,137	7,115,012	-	-	-	(324,125)	(324,125)	
Total business-type activities	371,677,816	489,097,229	851,964	3,063,258	-	121,334,635	121,334,635	
Total primary government	$ 2,571,693,277	$ 744,990,466	$ 237,711,299	$ 283,818,378	(1,426,507,769)	121,334,635	(1,305,173,134)	
Component units:								
MHMRA	$ 169,837,222	$ 36,763,945	$ 116,570,063	$ -				$ (16,503,214)
Hospital District	1,497,363,000	277,274,000	184,849,000	506,556,000				(528,684,000)
Other component units	4,793,981	2,430,836	1,298,140	101,399				(963,606)
Total component units	$ 1,671,994,203	$ 316,468,781	$ 302,717,203	$ 506,657,399				(546,150,820)
General revenues:								
Taxes:								
Property taxes levied for General Purposes					976,340,934	-	976,340,934	504,496,000
Property taxes levied for Debt Service					151,337,019	-	151,337,019	-
Hotel Occupancy Tax					23,311,624	-	23,311,624	-
Earnings on Investments					6,795,566	13,541,753	20,337,319	7,298,449
Miscellaneous					45,269,313	952,643	46,221,956	30,757,289
Gain on disposal of capital assets					-	-	-	1,482,719
Transfers					123,656,600	(123,656,600)	-	-
Total general revenues and other items					1,326,711,056	(109,162,204)	1,217,548,852	544,034,457
Change in net assets					(99,796,713)	12,172,431	(87,624,282)	(2,116,363)
Net assets - beginning (see Note 1. A. on page 45)					9,843,378,802	606,700,396	10,450,079,198	954,899,197
Net assets - ending					$ 9,743,582,089	$ 618,872,827	$ 10,362,454,916	$ 952,782,834

See notes to the financial statements.

HARRIS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
February 28, 2011

	General	Roads Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments:				
Cash and cash equivalents	$ 108,385,569	$ 63,016,706	$ 192,826,002	$ 364,228,277
Investments	116,387,638	134,304,856	260,394,435	511,086,929
Receivables:				
Taxes, net	29,394,834	-	3,337,001	32,731,835
Accounts, net	7,242,625	3,840,437	53,767,841	64,850,903
Accrued interest	9,049,234	340,087	5,892,704	15,282,025
Lease	273,300	-	-	273,300
Other, net	65,344,916	-	44,447,523	109,792,439
Due from other funds	30,036,137	-	26,876,749	56,912,886
Inventories	1,980,380	-	2,044,333	4,024,713
Prepaids and other assets	2,987,992	614,385	3,908,504	7,510,881
Advances to other funds	40,000	-	12,585,000	12,625,000
Restricted cash and cash equivalents	95,349,557	-	56,376,981	151,726,538
Restricted investments	21,683,814	-	19,074,397	40,758,211
Notes receivable	28,379,252	-	440,220	28,819,472
Total assets	$ 516,535,248	$ 202,116,471	$ 681,971,690	$ 1,400,623,409
LIABILITIES AND FUND BALANCES				
Liabilities:				
Vouchers payable	$ 35,259,955	$ 15,589,704	$ 48,621,919	$ 99,471,578
Accrued payroll and compensated absences	79,378,838	-	6,929,327	86,308,165
Retainage payable	1,052,535	1,484,756	4,857,991	7,395,282
Due to other funds	240,046	-	57,739,909	57,979,955
Other liabilities	67,184	-	8,981	76,165
Advances from other funds	31,125,780	-	32,660,413	63,786,193
Deferred revenue	50,561,417	-	79,691,222	130,252,639
Total liabilities	197,685,755	17,074,460	230,509,762	445,269,977
Fund balances:				
Reserved for:				
Encumbrances	51,083,025	81,823,669	89,477,884	222,384,578
Debt service	120,212,803	-	62,184,921	182,397,724
Imprest fund	427,445	-	113,280	540,725
Legislative	2,837,373	-	-	2,837,373
Inventory	1,980,380	-	-	1,980,380
Prepaids	2,987,992	614,385	1,794,505	5,396,882
Mobility program	133,190,993	-	-	133,190,993
Advances	40,000	-	12,585,000	12,625,000
Notes receivable	28,379,252	-	-	28,379,252
Grant programs	-	-	467,597	467,597
Unreserved:				
Designated for capital projects	-	102,603,957	142,492,440	245,096,397
Undesignated - general fund	(22,289,770)	-	-	(22,289,770)
Undesignated - special revenue funds	-	-	148,474,089	148,474,089
Undesignated - capital project funds	-	-	(6,127,788)	(6,127,788)
Total fund balances	318,849,493	185,042,011	451,461,928	955,353,432
Total liabilities and fund balances	$ 516,535,248	$ 202,116,471	$ 681,971,690	$ 1,400,623,409

See notes to the financial statements.

HARRIS COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
February 28, 2011

Total fund balances for governmental funds		$ 955,353,432
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets (excluding internal service fund capital assets) consist of:		
Land	$ 3,971,772,927	
Construction in progress	341,793,216	
Intangible assets - water rights	2,400,000	
Intangible assets - software and licenses, net of $4,185,670 accumulated amortization	29,232,916	
Land improvements, net of $798,258 accumulated depreciation	4,886,339	
Infrastructure, net of $4,580,245,962 accumulated depreciation	5,743,804,829	
Parks, net of $32,875,857 accumulated depreciation	126,877,759	
Flood control projects, net of $262,197,053 accumulated depreciation	443,239,417	
Buildings, net of $440,457,053 accumulated depreciation	1,170,343,090	
Equipment and vehicles, net of $170,143,567 accumulated depreciation	90,637,366	
Total capital assets		11,924,987,859
Long-term assets are not recognized in the current period and accordingly are not reported as fund assets. Balances as of February 28, 2011 were:		
Deferred charges	19,865,533	
		19,865,533
Long-term liabilities applicable to Harris County's activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets. Balances (excluding internal service fund liabilities, where applicable) as of February 28, 2011 were:		
Accrued interest on bonds and loans	(44,283,950)	
Bonds payable	(2,616,505,031)	
Judgments payable	(4,900,000)	
Loan payable	(5,619,676)	
Capital leases	(19,448,103)	
Commercial paper payable	(343,163,000)	
Compensated absences	(35,302,225)	
OPEB obligation	(240,428,712)	
Pollution remediation obligation	(2,864,732)	
		(3,312,515,429)
Internal service funds are used by the County. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets. Internal service fund net assets are:		95,051,091
Some of the County's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		60,839,603
Total net assets of governmental activities		$ 9,743,582,089

See notes to the financial statements.

HARRIS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended February 28, 2011

	General	Roads Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 1,020,224,909	$ -	$ 146,791,476	$ 1,167,016,385
Charges for services	190,571,842	-	14,133,988	204,705,830
User fees	2,841,380	-	-	2,841,380
Fines and forfeitures	18,628,729	-	-	18,628,729
Lease revenue	1,885,937	-	199,499	2,085,436
Intergovernmental	40,420,672	55,607,364	263,993,359	360,021,395
Earnings on investments	1,616,583	1,469,769	2,433,201	5,519,553
Miscellaneous	45,319,992	5,917,187	23,451,020	74,688,199
Total revenues	1,321,510,044	62,994,320	451,002,543	1,835,506,907
EXPENDITURES				
Current operating:				
Administration of Justice	812,628,336	-	68,963,295	881,591,631
Parks	53,681,275	-	17,446,951	71,128,226
County Administration	216,828,813	-	82,484,465	299,313,278
Health and Human Services	106,062,482	-	93,041,892	199,104,374
Flood Control	-	-	75,115,893	75,115,893
Tax Administration	33,829,482	-	1,018,839	34,848,321
Roads and Bridges	88,640,188	15,259,647	10,500	103,910,335
Capital outlay	49,963,469	89,585,090	165,620,724	305,169,283
Debt service:				
Principal retirement	38,385,000	-	45,228,921	83,613,921
Bond issuance costs	3,238,202	90,750	2,349,532	5,678,484
Interest and fiscal charges	46,078,651	51,004	60,791,076	106,920,731
Total expenditures	1,449,335,898	104,986,491	612,072,088	2,166,394,477
Deficiency of revenues under expenditures	(127,825,854)	(41,992,171)	(161,069,545)	(330,887,570)
OTHER FINANCING SOURCES (USES)				
Transfers in	142,773,479	4,000,000	270,241,501	417,014,980
Transfers out	(41,118,336)	(2,434,142)	(254,666,568)	(298,219,046)
Refunding bonds issued	278,755,000	-	266,225,000	544,980,000
Premium on debt issued	34,024,217	-	30,093,091	64,117,308
Commercial paper issued	-	41,400,000	169,715,000	211,115,000
Payment to bond escrow agent	(310,487,211)	-	(94,428,115)	(404,915,326)
Payment to defease commercial paper	-	-	(200,000,000)	(200,000,000)
Proceeds from insurance recoveries	-	-	32,500,000	32,500,000
Proceeds from software license	-	-	2,210,655	2,210,655
Proceeds from loan	-	-	3,409,021	3,409,021
Proceeds from sale of capital assets	1,455	41,400	1,021,362	1,064,217
Total other financing sources (uses)	103,948,604	43,007,258	226,320,947	373,276,809
Net changes in fund balances	(23,877,250)	1,015,087	65,251,402	42,389,239
Fund balances, beginning	342,726,743	184,026,924	386,210,526	912,964,193
Fund balances, ending	$ 318,849,493	$ 185,042,011	$ 451,461,928	$ 955,353,432

See notes to the financial statements.

HARRIS COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended February 28, 2011

Net change in fund balances - total governmental funds		$ 42,389,239
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of $371,862,925 exceeded capital expenditures of $305,169,283 in the current period.		(66,693,642)
Capital asset donations		131,069,397
Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.		
Debt issued:		
Bonds	$(544,980,000)	
Bond premiums	(64,117,308)	
Commercial paper	(211,115,000)	
Loans	(5,619,676)	
Repayments:		
To paying agent for bond principal	83,613,921	
To refunding bond escrow agent	404,915,326	
Defeasance of commercial paper	200,000,000	
Loans	9,642,857	
Capital lease principal	1,864,006	
Refunding interest expense	(19,520,255)	
Net adjustment		(145,316,129)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather as it accrues. This adjustment combines the net changes of 10 balances.		
Compensated absences	3,265,231	
Judgments payable	(200,000)	
OPEB obligation	(52,118,568)	
Pollution remediation obligation	(184,122)	
Amortization of debt premium	13,953,278	
Accretion of capital appreciation bond interest	(8,549,870)	
Amortization of advanced refunding difference	(9,523,172)	
Accrued interest on debt	(4,055,592)	
Amortization of deferred charges	(1,473,898)	
Capitalization of deferred charges	4,605,421	
Combined adjustment		(54,281,292)
Internal service funds are used by the County. The net revenue of the internal service funds are reported with governmental activities.		9,920,758
Because some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased by this amount in the current period.		(5,929,106)
The net effect of disposal of capital assets is to decrease net assets.		(10,955,938)
Change in net assets of governmental activities		$ (99,796,713)

See notes to the financial statements.

HARRIS COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
February 28, 2011

	Enterprise Funds			
	Toll Road Authority	**Nonmajor Enterprise Funds**	**Total**	**Internal Service Funds**
ASSETS				
Current assets:				
Cash and cash equivalents	$ -	$ 7,959,169	$ 7,959,169	$ 49,253,402
Investments	-	430,592	430,592	80,143,055
Receivables, net	-	56,296	56,296	2,593,942
Accrued interest receivable	-	1,333	1,333	215,665
Other receivable, net	-	403,756	403,756	2,675,207
Inventories	-	301,456	301,456	1,237,731
Prepaids and other assets	-	-	-	1,333,272
Due from other funds	-	-	-	285,584
Restricted assets:				
Cash and cash equivalents	45,207,717	-	45,207,717	-
Investments	1,162,298,068	-	1,162,298,068	-
Receivables, net	1,007,900	-	1,007,900	-
Accrued interest receivable	3,569,785	-	3,569,785	-
Other receivables, net	3,948,617	-	3,948,617	-
Due from other funds	1,364,164	-	1,364,164	-
Inventories	6,992,554	-	6,992,554	-
Prepaids and other assets	1,489,747	-	1,489,747	-
Total current assets	1,225,878,552	9,152,602	1,235,031,154	137,737,858
Noncurrent assets:				
Investments, held as collateral by others	15,000,000	-	15,000,000	-
Advances to other funds	51,161,193	-	51,161,193	-
Notes receivable	714,312	-	714,312	-
Deferred charges, net of amortization	23,521,855	-	23,521,855	-
Deferred outflows	42,580,963	-	42,580,963	-
Capital assets:				
Land and construction in progress	554,008,344	3,963,598	557,971,942	259,000
License agreement, net of amortizatoin	235,361,701	-	235,361,701	-
Other capital assets, net of depreciation	1,281,390,935	15,402,370	1,296,793,305	16,556,591
Total noncurrent assets	2,203,739,303	19,365,968	2,223,105,271	16,815,591
Total assets	3,429,617,855	28,518,570	3,458,136,425	154,553,449
LIABILITIES				
Current liabilities:				
Vouchers payable	-	578,312	578,312	11,908,575
Accrued payroll and compensated absences	-	5,631	5,631	1,112,462
Estimated outstanding claims	-	-	-	13,335,947
Incurred but not reported claims	-	-	-	32,319,141
Customer deposits	-	193,029	193,029	-
Due to other funds	-	-	-	35,536
Deferred revenue	-	-	-	669,909
Current portion of long-term liabilities	-	62,000	62,000	-
Payable from restricted assets:				
Vouchers payable	22,477,945	-	22,477,945	-
Accrued payroll and compensated absences	4,410,513	-	4,410,513	-
Retainage payable	12,450,639	-	12,450,639	-
Customer deposits	1,365,830	-	1,365,830	-
Due to other funds	547,143	-	547,143	-
Due to other units	1,082,284	-	1,082,284	-
Deferred revenue	34,959,734	-	34,959,734	-
Current portion of long-term liabilities	98,282,814	-	98,282,814	-
Total current liabilities	175,576,902	838,972	176,415,874	59,381,570
Noncurrent liabilities:				
Noncurrent portion of long-term liabilities	-	124,920	124,920	120,788
Noncurrent portion of long-term liabilities payable from restricted assets	2,662,722,804	-	2,662,722,804	-
Total noncurrent liabilities	2,662,722,804	124,920	2,662,847,724	120,788
Total liabilities	2,838,299,706	963,892	2,839,263,598	59,502,358
NET ASSETS				
Invested in capital assets, net of related debt	(231,001,927)	19,365,968	(211,635,959)	16,815,591
Restricted for:				
Capital projects	56,244,927	-	56,244,927	-
Debt service	245,933,048	-	245,933,048	-
Toll Road	520,142,101	-	520,142,101	-
Unrestricted	-	8,188,710	8,188,710	78,235,500
Total net assets	$ 591,318,149	$ 27,554,678	$ 618,872,827	$ 95,051,091

See notes to the financial statements.

HARRIS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For The Year Ended February 28, 2011

	Enterprise Funds			
	Toll Road Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Toll revenues	$ 481,346,283	$ -	$ 481,346,283	$ -
Lease revenue	-	-	-	60,489
Intergovernmental	851,964	-	851,964	1,722,483
Charges to departments	-	-	-	227,767,187
Sales	-	7,115,012	7,115,012	-
User fees	-	570,472	570,472	8,957,782
Miscellaneous	-	65,462	65,462	-
Total operating revenues	482,198,247	7,750,946	489,949,193	238,507,941
OPERATING EXPENSES				
Salaries	51,442,644	657,556	52,100,200	9,444,312
Materials and supplies	9,959,147	1,142,864	11,102,011	666,436
Services and fees	79,340,641	2,060,905	81,401,546	7,574,289
Utilities	3,200,664	304,697	3,505,361	835,042
Transportation and travel	1,110,594	-	1,110,594	6,717,884
Incurred claims	-	-	-	198,306,659
Estimated claims	-	-	-	(1,335,791)
Cost of goods sold	-	3,529,835	3,529,835	6,627,534
Depreciation	72,934,209	715,905	73,650,114	5,550,056
Total operating expenses	217,987,899	8,411,762	226,399,661	234,386,421
Operating income (loss)	264,210,348	(660,816)	263,549,532	4,121,520
NONOPERATING REVENUES (EXPENSES)				
Earnings on investments	13,528,156	13,597	13,541,753	825,658
Lease income	134,086	-	134,086	-
Interest expense	(125,570,077)	-	(125,570,077)	-
Gain (loss) on disposal of capital assets	(2,567,997)	-	(2,567,997)	57,819
Amortization expense	(17,140,081)	-	(17,140,081)	-
Other nonoperating revenue	818,557	-	818,557	3,364
Total nonoperating revenues (expenses)	(130,797,356)	13,597	(130,783,759)	886,841
Income before contributions and transfers	133,412,992	(647,219)	132,765,773	5,008,361
Contributions	3,063,258	-	3,063,258	-
Transfers in	1,071,318	-	1,071,318	6,912,397
Transfers out	(124,352,918)	(375,000)	(124,727,918)	(2,000,000)
Total contributions and transfers	(120,218,342)	(375,000)	(120,593,342)	4,912,397
Change in net assets	13,194,650	(1,022,219)	12,172,431	9,920,758
Net assets, beginning	578,123,499	28,576,897	606,700,396	85,130,333
Net assets, ending	$ 591,318,149	$ 27,554,678	$ 618,872,827	$ 95,051,091

See notes to the financial statements.

HARRIS COUNTY, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For The Year Ended February 28, 2011

	Enterprise Funds			
	Toll Road Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 485,931,798	$ 9,451,548	$ 495,383,346	$ 239,232,855
Payment to employees	(48,689,021)	(657,322)	(49,346,343)	(9,390,776)
Payment to vendors	(101,698,889)	(7,196,225)	(108,895,114)	(20,112,708)
Claims paid	-	-	-	(198,050,491)
Receipts from miscellaneous reimbursements	818,557	-	818,557	-
Other receipts	-	-	-	3,364
Net cash provided by operating activities	336,362,445	1,598,001	337,960,446	11,682,244
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Internal activity - net receipts from other funds	1,756,568	-	1,756,568	-
Transfers from other funds	1,071,318	-	1,071,318	6,912,397
Transfers to other funds	(124,352,918)	(375,000)	(124,727,918)	(2,000,000)
Net cash provided by (used for) noncapital financing activities	(121,525,032)	(375,000)	(121,900,032)	4,912,397
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Receipts from lease of capital assets	134,086	-	134,086	-
Purchases of capital assets	(173,598,930)	(1,353,402)	(174,952,332)	(6,235,283)
Proceeds from sale of capital assets	406,904	-	406,904	-
Principal paid on capital lease	-	-	-	(55,968)
Principal and escrow paid on capital debt	(363,980,000)	-	(363,980,000)	-
Interest paid on capital debt	(133,162,549)	-	(133,162,549)	-
Proceeds from capital debt	283,852,674	-	283,852,674	-
Bond issuance cost	(1,107,236)	-	(1,107,236)	-
Net cash used for capital and related financing activities	(387,455,051)	(1,353,402)	(388,808,453)	(6,291,251)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of monies advanced to other funds	12,399,407	-	12,399,407	-
Purchase of investments	(1,780,372,053)	-	(1,780,372,053)	(63,174,603)
Proceeds from sales and maturities of investments	1,790,101,475	5,988,507	1,796,089,982	57,599,508
Interest paid	-	(223,728)	(223,728)	(16,589,622)
Interest received	26,713,341	70,833	26,784,174	814,273
Net cash provided by (used for) investing activities	48,842,170	5,835,612	54,677,782	(21,350,444)
Net change in cash and cash equivalents	(123,775,468)	5,705,211	(118,070,257)	(11,047,054)
Cash and cash equivalents, beginning	168,983,185	2,253,958	171,237,143	60,300,456
Cash and cash equivalents, ending	$ 45,207,717	$ 7,959,169	$ 53,166,886	$ 49,253,402
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	$ 264,210,348	$ (660,816)	$ 263,549,532	$ 4,121,520
Adjustment to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	72,934,209	715,905	73,650,114	5,550,056
Other nonoperating revenues	818,557	-	818,557	3,364
Changes in current assets and liabilities:				
Receivables, net	(508,051)	1,721,705	1,213,654	717,787
Notes and leases receivable	459,871	-	459,871	-
Prepaids and other assets	5,931,773	64,381	5,996,154	(161,522)
Inventories	(675,687)	(76,454)	(752,141)	722,747
Vouchers payable and accrued liabilities	(14,490,406)	(145,851)	(14,636,257)	700,120
Due to other governmental units	(41,436)	-	(41,436)	-
Other liabilities	(73,455)	(21,103)	(94,558)	-
Deferred revenue	3,781,731	-	3,781,731	2,682
Retainage payable	4,126,680	-	4,126,680	-
Compensatory time payable	(111,689)	234	(111,455)	25,490
Net cash provided by operating activities	$ 336,362,445	$ 1,598,001	$ 337,960,446	$ 11,682,244
Non-Cash Operating, Capital and Related Financing, And Investing Activities:				
Capital contributions received from other governments	$ 3,063,258	$ -	$ 3,063,258	$ -
Increase (decrease) in the fair value of investments	(12,682,540)	169,055	(12,513,485)	16,743,051

See notes to the financial statements.

HARRIS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
February 28, 2011

	AGENCY FUNDS
ASSETS	
Cash and cash equivalents	$ 208,846,961
Investments	114,398,148
Accounts receivable	673,273
Other receivables	6,004,869
Accrued interest receivable	388,465
Total assets	$ 330,311,716
LIABILITIES	
Vouchers payable	$ 2,956,614
Accrued payroll and compensated absences	10,312,629
Incurred but not reported claims	5,033,503
Held for others	312,008,970
Total liabilities	$ 330,311,716

See notes to the financial statements.

HARRIS COUNTY, TEXAS
STATEMENT OF NET ASSETS - COMPONENT UNITS
FEBRUARY 28, 2011

	Mental Health Mental Retardation Authority of Harris County	Harris County Hospital District	Nonmajor Component Units	Total
ASSETS				
Cash and cash equivalents	$ 8,866,816	$ 76,624,000	$ 2,974,914	$ 88,465,730
Investments, including accrued interest	33,069,514	138,117,000	2,923,611	174,110,125
Receivables:				
Taxes, net	-	34,494,000	-	34,494,000
Accounts, net	8,557,940	74,906,000	586,128	84,050,068
Other	6,692,518	-	1,431	6,693,949
Inventories	182,569	7,330,000	-	7,512,569
Prepaids and other assets	499,557	56,214,000	1,548,866	58,262,423
Restricted cash and investments	159,101	770,084,000	11,904,665	782,147,766
Capital assets:				
Land,improvements, and construction in progress	3,421,489	64,153,000	2,090,465	69,664,954
Intangible assets, net of accumulated amortization	1,365,734	-	-	1,365,734
Other capital assets, net of depreciation	18,605,142	254,083,000	7,201,916	279,890,058
Total assets	81,420,380	1,476,005,000	29,231,996	1,586,657,376
LIABILITIES				
Vouchers payable and accrued liabilities	12,473,291	138,364,000	365,555	151,202,846
Other liabilities	-	51,469,000	-	51,469,000
Deferred revenue	164,756	-	105,000	269,756
Accrued interest payable	-	634,000	-	634,000
Noncurrent liabilities:				
Due within one year	1,018,706	5,916,000	-	6,934,706
Due in more than one year	11,710,234	411,654,000	-	423,364,234
Total liabilities	25,366,987	608,037,000	470,555	633,874,542
NET ASSETS				
Invested in capital assets, net of related debt	13,800,749	103,330,000	-	117,130,749
Restricted for:				
Capital projects	113,663	51,039,000	-	51,152,663
Donor restrictions	-	-	1,426,140	1,426,140
Unrestricted net assets	42,138,981	713,599,000	27,335,301	783,073,282
Total net assets	$ 56,053,393	$ 867,968,000	$ 28,761,441	$ 952,782,834

See notes to the financial statements.

HARRIS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
COMPONENT UNITS
For The Year Ended February 28, 2011

	Mental Health Mental Retardation Authority of Harris County	Harris County Hospital District	Nonmajor Component Units	Total
REVENUES				
Program Revenues:				
Charges for services	$ 36,763,945	$ 277,274,000	$ 2,430,836	$ 316,468,781
Operating grants and contributions	116,570,063	184,849,000	1,298,140	302,717,203
Capital grants, contributions and other	-	506,556,000	101,399	506,657,399
Total program revenues	153,334,008	968,679,000	3,830,375	1,125,843,383
EXPENSES	169,837,222	1,497,363,000	4,793,981	1,671,994,203
Net (expenses) program revenues	(16,503,214)	(528,684,000)	(963,606)	(546,150,820)
General Revenues:				
Ad valorem tax revenues	-	504,496,000	-	504,496,000
Earnings on investments	177,634	6,946,000	174,815	7,298,449
Other	19,725,440	11,116,000	(84,151)	30,757,289
Gain on sale of capital assets	23,642	-	1,459,077	1,482,719
Net general revenues	19,926,716	522,558,000	1,549,741	544,034,457
Change in net assets	3,423,502	(6,126,000)	586,135	(2,116,363)
Net assets, beginning (see note 1. A. on page 45)	52,629,891	874,094,000	28,175,306	954,899,197
Net assets, ending	$ 56,053,393	$ 867,968,000	$ 28,761,441	$ 952,782,834

See notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Harris County, Texas ("County") have been prepared in conformity with generally accepted accounting principles ("GAAP") in the United States of America for local governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting 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, culture and recreation services, public improvements, flood control and general administration.

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

In accordance with these standards, a financial reporting entity consists of the primary government and its component 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. Each discretely presented component unit, on the other hand, is reported in a separate column under the component unit total column on the combined statements to emphasize that it is legally separate from the government.

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

Blended Component Units. For financial reporting purposes, the Harris County Flood Control District, the Harris County Juvenile Board, and the Harris County Sports & Convention Corporation are included in the operations and activities of the County as blended component units.

Harris County Flood Control District (“Flood Control District”). The Flood Control District provides programs and policies to protect homes and businesses from the hazards of flooding and facilitate economic development. The County prepares and approves the budget, sets the tax rate,

and approves all bond issuances of the Flood Control District. The criteria used to include the Flood Control District as a blended component unit of the County include: the County appoints a voting majority of the Flood Control District's governing body, the County is able to impose its will on the Flood Control District, and the County's and the Flood Control District's governing bodies are substantially the same.

Harris County Juvenile Board ("Juvenile Board"). The Juvenile Board monitors all of the Juvenile Probation department's programs, institutional services, and residential placement facilities. It also sets administrative policies and approves the department's annual budget prior to submission to Commissioners Court. The County has ministerial approval rights over the Juvenile Board budget. The criteria used to include the Juvenile Board as a blended component unit of the County include: fiscal dependency and that the Juvenile Board provides services entirely to the County.

Harris County Sports & Convention Corporation ("Sports & Convention Corporation"). The Sports and Convention Corporation was formed to act on behalf of the County by negotiating and managing a contract with an outside vendor for the operations and management of the Reliant Park Complex. The Sports & Convention Corporation is included as a blended component unit of the County because it almost exclusively benefits Harris County. The Sports & Convention Corporation was created by the County under the authority of state law. The County appoints a voting majority of the Sports & Convention Corporation's governing body; the County is able to impose its will on the Sports & Convention Corporation through the approval of the Corporation's annual budget, provision of funding to the Corporation, and the rights to any surpluses of the Corporation.

Discretely Presented Component Units. The component unit column in the government-wide financial statements includes the financial data of the County's discrete component units. These units are reported in a separate column to emphasize that they are legally separate from the County.

Harris County Hospital District ("Hospital District"). The Hospital District provides medical, dental and hospital care for Harris County's indigent and needy. The criteria used to determine inclusion as a discretely presented component unit are: members of the governing board of the Hospital District are appointed by Commissioners Court, Commissioners Court approves the Hospital District's tax rate and annual budget but does not provide any funding or hold title to any of the Hospital District's assets, and the Hospital District cannot issue bonded debt without Commissioners Court approval. Complete financial statements may be obtained from:

Chief Financial Officer
Harris County Hospital District
2525 Holly Hall, Suite 270
Houston, Texas 77054

Harris County Housing Finance Corporation ("Housing Finance Corporation"). The Housing Finance Corporation is exempt from federal income tax and is authorized to issue debt instruments for the purpose of purchasing single family home mortgages and providing financing for multifamily projects, both relating to low and moderate income residents. The criterion used

to determine the Housing Finance Corporation's inclusion as a discretely presented component unit is based on the Housing Finance Corporation's fiscal dependency on the County, as Commissioners Court must approve all bond issuances and members of the governing body are all appointed by Commissioners Court. The Housing Finance Corporation was created by Commissioners Court but is not a political subdivision of Harris County under state law. Services provided by the Housing Finance Corporation are to the citizenry and not to the County. Complete financial statements may be obtained from:

Harris County Housing Finance Corporation
1001 Fannin, Suite 2500
Houston, Texas 77002-6760

Mental Health and Mental Retardation Authority ("MHMRA") of Harris County. The MHMRA is a public agency providing services for residents of the County who do not require long-term institutional mental health care. The criteria used to determine inclusion as a discretely presented component unit are: members of the governing Board of Directors are appointed by Commissioners Court and the County approves the MHMRA's budget, but does not hold title to any of the MHMRA's assets. MHMRA can issue bonded debt without approval from the County. Complete financial statements may be obtained from:

Chief Financial Officer
MHMRA
P.O. Box 25381
Houston, TX 77265

Harris County Industrial Development Corporation ("Industrial Development Corporation"). The Industrial Development Corporation provides financing through the issuance of municipal bonds for qualified manufacturing and certain other facilities located in the County. The criteria used to determine inclusion as a discretely presented component unit are: members of the governing body are appointed by Commissioners Court and the Industrial Development Corporation has the authority to issue bonded debt, which must be approved by Commissioners Court, however, the County has no obligation to assume the bonded debt. In addition, the Industrial Development Corporation does not provide services to the County. Complete financial statements may be obtained from:

Board President – Robert L. Silvers
Fulbright & Jaworski, L.L.P.
1301 McKinney, Suite 5100
Houston, Texas 77010-3095

Children's Assessment Center Foundation, Inc. ("CACF"). The Foundation (a Texas nonprofit corporation) was created to raise and provide funding for the Children's Assessment Center ("CAC"). The CAC provides a safe haven to sexually abused children and their families. CAC

employs an extraordinarily effective, multidisciplinary team approach in the prevention, assessment, investigation, referral for prosecution and treatment of child sexual abuse. The criteria used to determine inclusion as a discretely presented component unit are: CACF provides a direct benefit to the County, has a history of supporting the County and the resources are significant to the County. Complete financial statements may be obtained from:

Chief Financial Officer - Betsey Runge
The Children's Assessment Center Foundation
2500 Bolsover
Houston, TX 77005

Harris County Health Facilities Development Corporation ("HFDC"). The HFDC provides financing for qualified health facilities. Eligible projects must improve the adequacy, cost and accessibility of health care in Houston, Texas. Under the current tax code, eligible borrowers are limited to non-profit corporations. HFDC financing costs are limited to land, buildings, and equipment. The criteria used to determine inclusion as a discretely presented component unit are: members of the governing body are appointed by Commissioners Court and the County approves the HFDC's budget and any bonded debt issued by the HFDC. HFDC is not required to issue separate audited financial statements and therefore are not included in the component unit column of the County's financial statements, but information relating to conduit debt can be found in note 10.D. in the notes to the financial statements.

Harris County Cultural Education Facilities Finance Corporation ("CEFFC"). The CEFFC provides and finances cultural education facilities for the exhibition and promotion of and education about the performing, dramatic, visual and literary arts, natural history and science for the public purpose of promoting the health, education and welfare of the citizens of the County. The criteria used to determine inclusion as a discretely presented component unit are: members of the governing body are appointed by Commissioners Court and the services of CEFFC are provided to the citizenry and not to the County. CEFFC is not required to issue separate audited financial statements and therefore are not included in the component unit column of the County's financial statements, but information relating to conduit debt can be found in note 10.D. in the notes to the financial statements.

Friends of Countypets. The Friends of Countypets is a public nonprofit corporation organized to aid and act on behalf of Harris County, Texas in providing funds for the operation, maintenance, and improvement of veterinary public health programs of Harris County Public Health and Environmental Services. The criteria used to determine inclusion as a discretely presented component unit are: members of the governing body are appointed by Commissioners Court, the County approves the Friends of Countypets budget and the services provided are to the County and not its citizenry. Friends of Countypets is a newly established organization and is still in the process of raising funds to operate, therefore there are no financial statements to report in the current year.

Condensed Financial Statements. Condensed financial statements of each discretely presented component unit discussed above are presented. The fiscal year-ends for the discretely presented component units are as follows:

- Harris County Hospital District: February 28, 2011
- Harris County Housing Finance Corporation: December 31, 2010
- Mental Health and Mental Retardation Authority of Harris County: August 31, 2010
- Harris County Industrial Development Corporation: August 31, 2010
- Children's Assessment Center Foundation, Inc.: February 28, 2011
- Friends of Countypets: February 28, 2011

Prior to fiscal year 2011, Harris County Housing Authority ("Housing Authority") was a discretely presented component unit. Due to changes in the Housing Authority's structure it was determined that they are no longer a component unit of Harris County. Therefore, the beginning net assets for component units has been adjusted by $56,020,223.

B. RELATED ORGANIZATIONS AND JOINTLY GOVERNED ORGANIZATIONS

Related organizations and jointly governed organizations provide services within the County that are administered by separate boards or commissions, but the County is not financially accountable, and such organizations are therefore not component units of the County, even though Commissioners Court may appoint a voting majority of an organization's board. Consequently, financial information for the following entities is not included within the scope of these financial statements.

Related Organizations. Related organizations of the County include the Emergency Service Districts which were created to implement emergency services to specific areas.

Jointly Governed Organizations. The County is a participant in jointly governed organizations. Commissioners Court appoints two of seven board members of the Port of Houston Authority; four of thirty-seven board members of the Gulf Coast Community Services Association; three of nineteen board members of the Harris-Galveston Coastal Subsidence District; two of thirty-five board members of the Houston-Galveston Area Council; two of nine board members of the Metropolitan Transit Authority of Harris County; six of thirteen board members of the Harris County/Houston Sports Authority, and the chairman is appointed jointly by Harris County and the City of Houston; three of twelve board members of the Gulf Coast Freight Rail District, and the chairman is appointed jointly by Harris County and the City of Houston; one of twenty-one board members of the Texas High Speed Rail and Transportation Corporation; at least three of the ten to thirteen board members of the Houston Ship Channel Security District.

During fiscal year 2011, the County disbursed the following amounts to these organizations: $161,180 to the Port of Houston Authority, $2,863 to Harris-Galveston Coastal Subsidence District, $15,165,873 to Houston-Galveston Area Council, $509,894 to the Metropolitan Transit Authority of Harris County, $240,590 to the Harris County/Houston Sports Authority, $75,000 to Gulf Coast Freight Rail District, and $50,000 to the Texas High Speed Rail and Transportation Corporation. The County also collected $235,520 from the Port of Houston

Authority, $651,492 from the Houston-Galveston Area Council, $34,831,458 from the Metropolitan Transit Authority of Harris County and $49,650 from the Harris County/Houston Sports Authority.

The County is also a participant in several jointly governed Tax Increment Reinvestment Zones, (TIRZs) with the City of Houston, City of La Porte, City of Webster, and the City of Baytown. The County's participation in each TIRZ is pursuant to an Interlocal Agreement between the County, the municipality, and the respective TIRZ board of directors. For each TIRZ in which the County participates, Commissioners Court appoints one board member, except for the City of Webster TIRZ, where it appoints two board members. There are six City of Houston TIRZs in which Harris County participates: four created by city action (Market Square, Gulfgate, Greenspoint, and East Downtown) and two created by petition (Midtown and South Post Oak). Each of the TIRZs that the County jointly governs has up to fifteen members of its board of directors. Depending upon the terms of the municipal creation ordinance for a specific TIRZ, a municipality appoints at least five members to a TIRZ board and any affected school district appoints one board member each. For petition TIRZs, state elected representatives in whose districts a TIRZ is created also appoint one board member each. The petition TIRZs are required by statute to set aside one-third of all increment paid into the TIRZ Fund to establish affordable housing within the area (not necessarily within the TIRZ itself), while the TIRZs created by city action have no such requirement.

During fiscal year 2011 (for the tax year ended 12/31/09), the County disbursed $5,898,031 to the City of Houston TIRZs, $97,513 to the City of Baytown TIRZ, $257,543 to the City of La Porte TIRZ and $77,249 to the City of Webster TIRZ. The County subsequently received $675,638 in affordable housing set-aside funds, in accordance with the Interlocal Agreements with the City of Houston petition TIRZs.

C. IMPLEMENTATION OF NEW STANDARDS

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

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* ("GASB 51"), establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. Implementation of GASB 51 is reflected in the financial statements and note disclosure (Note 6). The County did not retroactively restate assets with an indefinite useful life.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* ("GASB 53"), addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Implementation of GASB 53 is reflected in the financial statements and note disclosures (Notes 2 and 10).

GASB Statement 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies* ("GASB 58"), establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United

States Bankruptcy Code. Implementation of GASB 58 did not have an impact on the County's financial disclosures.

D. FINANCIAL STATEMENT PRESENTATION, MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-wide Statements

Government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which 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 administration of justice, parks, County administration, health and human services, flood control, tax administration, and roads and bridges. Taxes and other items not included among program revenues are reported instead as general revenues. Miscellaneous general revenues contain non program specific contributions including capital asset contributions.

Fiduciary funds are excluded from the government-wide presentation of the financial statements.

Fund 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 unliquidated items are reported at year-end as a reservation of fund balance. These funds are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds, including the enterprise 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 an economic resources measurement focus. This means that all assets and liabilities (whether current or non-current) associated with their activity are included in the funds' statement of net assets. The agency funds are custodial in nature and involve no measurement of results of operations.

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

Funds are classified into three categories: Governmental, Proprietary, and Fiduciary. The major funds of the County are noted within each category.

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, limited-tax permanent improvement debt service of the County, public improvement contingencies, and the mobility program.

Roads Capital Projects Fund – used to account for construction and improvements of roads in the County.

PROPRIETARY FUNDS: Enterprise funds are 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.

Toll Road Authority - used to account for the acquisition, operation, and maintenance of County toll roads. These facilities are financed primarily through user charges.

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. The County reports eighteen agency funds as nonmajor fiduciary funds. Agency funds are used to account for assets

held by the County as an agent on behalf of various third parties outside the primary government.

The County and its Component Units apply all GASB pronouncements as well as the Financial Accounting Standards Board ("FASB") pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, to business-type activities and enterprise funds, under the provision of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting.*

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 Subscriber Access and Parking Facilities Enterprise Funds are user fees. Operating revenues of the Sheriff's Commissary Enterprise Fund are comprised of sales revenue from the sale of items to inmates. Toll Road Enterprise Fund operating revenues consist of fees assessed each time a vehicle passes through a toll station on the County's toll roads. Operating revenues in the Internal Service Funds consist primarily of charges to the various County departments, plus lease revenue reported in the Vehicle Maintenance and Radio Operations Funds. Operating expenses in the enterprise and internal service funds include the cost of sales and services, administrative expenses, incurred and estimated claims and reinsurance, utilities, travel and transportation, 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.

E. BUDGETS

Harris County adheres to the following procedures in its consideration and adoption of its annual operating budget:

- Departmental annual budget requests are submitted by the Department or Agency Head to the County Budget Officer during the third quarter of the fiscal year for the upcoming fiscal year to begin March 1.

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

- The County Budget Officer 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 April 1. The adopted budget must be balanced; that is, budgeted expenditures may not exceed available resources.

- Annual budgets are legally adopted for the General Fund, Special Revenue Funds, Debt

Service Funds and Capital Project Funds.

- The department is the legal level of budgetary control for General Fund-Operating. Commissioners Court approval is necessary to transfer appropriations between departments. Transfers may not increase the total budget. Budgetary control for Special Revenue Funds, Debt Service Funds and Capital Project Funds is at the fund level.

- 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.

- The Commissioners Court may adopt a supplemental budget for the limited purpose of spending proceeds of the sale of bonds or other obligations to be issued against future revenues and public or private grant or aid money for its intended purpose.

- The County Auditor shall certify to the Commissioners Court the receipt of all public or private grant or aid money that is available for disbursement in a fiscal year, but not included in the budget for the fiscal year.

- For financial reporting purposes several funds created for budgetary purposes may be combined into a single column on the CAFR.

- Appropriations lapse at year-end for all funds except Harris County Juvenile Board, Special Revenue Grants, and Capital Project Funds.

- Budgets are prepared on a cash basis (budget basis) which differs from GAAP basis.

A reconciliation of General Fund revenues and expenditures on a cash basis (budgetary basis) compared to modified accrual basis (GAAP) is presented in the Notes to Required Supplementary Information.

F. RESTRICTED ASSETS

Certain assets of the County's General Fund are classified as restricted assets because their use is restricted for a specific purpose by contract or state statute. The County uses the General Fund to account for the debt service on bonds issued for permanent improvement purposes. The County also uses the General Fund to account for certain impressed bank accounts.

The Debt Service Funds' cash and investments are restricted for debt service on bonds issued for roads and flood control purposes.

All of the Toll Road Authority's current assets are classified as restricted assets because their use is completely restricted by bond indentures.

G. DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents include amounts in demand deposits as well as short-term investments with a maturity date of 90 days or less from date of purchase. Investments 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.

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 expenditures used to provide services, construct assets and meet debt service requirements. The effect of interfund activity has been eliminated in the Government-wide financial statements, except for transactions between governmental and business-type activities.

I. INVENTORY

Inventory is stated at the lower of cost or market value, using the first-in, first-out method for proprietary fund types and for governmental funds.

J. PREPAIDS AND OTHER ASSETS

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and fund level financial statements.

K. DEFERRED CHARGES AND PREMIUMS (DISCOUNTS) ON BONDS PAYABLE

Deferred charges consist of bond issuance costs of the bonds. Such costs are amortized on a straight-line basis over the term of the bonds. Premiums (discounts) on bonds payable are amortized using the effective interest method over the term of the bonds.

L. DEFERRED OUTFLOWS – INTEREST RATE SWAPS

Consists of the changes in fair value of the hedging derivative instruments that are applicable to future reporting periods.

M. CAPITAL ASSETS AND INFRASTRUCTURE

Capital assets include land (including easements and right of ways), intangible assets, construction in progress, land improvements, buildings and building improvements, park improvements and facilities, equipment (including machinery, vehicles, animals, other tangible assets, exhaustible works of art and historical treasures and computer software), and infrastructure that are used in the County's operations and benefit 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, bridges, flood control facilities, lighting, storm sewers, and tunnels.

Capital assets of the County are defined as assets with individual costs of $5,000 or more and estimated useful lives in excess of one year. Exceptions to the $5,000 capitalization threshold are as follows: it is the County's policy to capitalize all land other than easements, works of art and historical treasures, regardless of the historical cost. Easements greater than $100,000 are capitalized. Purchased software greater than $100,000 is capitalized and internally developed software greater than $1,000,000 is capitalized. The threshold for capitalizing land improvements, buildings and building improvements, and park improvements is $100,000. The capitalization threshold for infrastructure ranges from $25,000 to $250,000, depending on the type of infrastructure asset.

All capital assets are stated at historical cost or estimated historical cost if actual cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. It is the County's policy not to capitalize interest on construction for capital assets reported in the governmental activities of the government-wide financial statements. The Toll Road Enterprise Fund capitalizes, as a cost of its constructed property, the interest expense and certain other costs of bonds issued for construction purposes less the interest earned on the proceeds of those bonds from the date of the borrowing until the date the property is ready for use. During fiscal year 2011, $4,325,983 of interest expense was capitalized.

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

Asset	Years	Asset	Years
Land improvements	20	Computer software	5
Buildings	45	Infrastructure:	
Park improvements	30	Bridges	40
Equipment	3-20	Flood control channels	25-75
Machinery	15	Roads	20-50
Vehicles	4-15	Lighting	20
Animals	7	Storm sewers	30-75
Other tangible assets	5	Tunnels	40
Exhaustible works of art and historical treasures	10	Intangible - software licenses	contract term

N. NET ASSETS AND FUND BALANCES

NET ASSETS CLASSIFICATIONS

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

RESERVATIONS, DESIGNATIONS, AND RESTRICTIONS

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

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

O. COMPENSATED ABSENCES

Accumulated compensatory time, vacation, and sick leave expected to be liquidated with expendable available financial resources are reported as expenditures in the respective governmental funds. Accumulated compensated absences not expected to be liquidated with

expendable available resources are reported as expenses and long-term liabilities in the governmental activities column of the government-wide financial statements. The majority of these have typically been liquidated from the General Fund in previous years. A liability for compensated absences is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. 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 financial statements as the benefit accrues for the employee.

Employees accrue 9.75 days of sick leave per year. Sick leave benefits are recognized as they are used by the employees. Employees may accumulate up to 480 hours of sick leave. Unused sick leave benefits are not paid at termination. Employees accrue from three to ten hours of vacation per pay period depending on years of service and pay period type, standard versus extra. Employees may accumulate from 120 to 280 hours of vacation benefits, depending on years of service. Upon termination, employees are paid the balance of unused vacation benefits.

Non-exempt employees earn compensatory time at one and one-half times their full pay times the excess of 40 hours per week worked. The compensatory time balance for non-exempt employees may not exceed 240 hours. Hours in excess of the 240 hour maximum must be paid to the non-exempt employee at 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. Exempt employees earn compensatory time at their regular rate of pay for hours worked in excess of 40 hours a week. Exempt employees can accumulate up to 240 hours of compensatory time. Upon termination, exempt employees are paid one-half of the compensatory time earned at the wage rate at time of termination. Compensatory time is carried forward indefinitely.

P. STATEMENT OF CASH FLOWS

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

Q. DEFERRED REFUNDING LOSS

The difference between the reacquired price and net carrying amount of old debt incurred due to a bond refunding transaction is deferred and amortized in a manner that is systematic and rational over the remaining life of the old or new debt, whichever is shorter.

R. 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

S. COMPONENT UNIT TAX REVENUES

The Hospital District is partially financed by property tax levies (recorded as operating revenues), and partially financed by user charges, the usual revenue source for a proprietary fund

activity. However, because of the unique character of services provided by the Hospital District, proprietary fund accounting is necessary to provide meaningful measurement of cost of services of the Hospital District.

2. DEPOSITS AND INVESTMENTS

Deposits: Chapter 2257 of the Texas Government Code is known as the Public Funds Collateral Act. This act provides guidelines for the amount of collateral that is required to secure the deposit of public funds. Federal Depository Insurance Corporation (FDIC) is available for funds deposited at any financial institution with no maximum for all non-interest bearing demand deposits through December 31, 2012. The Public Funds Collateral Act requires that the deposit of public funds be collateralized in an amount not less than the total deposit, reduced by the amount of FDIC insurance available.

The custodial credit risk for deposits is the risk that the County will not be able to recover deposits that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not insured or collateralized. At February 28, 2011, the carrying amount of the County's demand and time deposits was $332,829,412 and the balance per various financial institutions was $84,828,067. The County's deposits are not exposed to custodial credit risk since all deposits are either covered by FDIC insurance or an irrevocable standby letter of credit with the Federal Home Loan Bank of Dallas, in accordance with the Public Funds Collateral Act.

Investments: Chapter 2256 of the Texas Government Code is known as the Public Funds Investment Act. This act authorizes Harris County to invest its funds pursuant to a written investment policy which primarily emphasizes the safety of principal and liquidity, addresses investment diversification, yield, and maturity.

The Harris County Investment policy is reviewed and approved annually by Commissioners Court. The Investment Policy includes a list of authorized investment instruments, a maximum allowable stated maturity by fund type, and the maximum weighted average maturity of the overall portfolio. Guidelines for diversification and risk tolerance are also detailed within the policy. Additionally, the policy includes specific investment strategies for fund groups that address each group's investment options and describes the priorities for suitable investments.

AUTHORIZED INVESTMENTS

Funds of Harris County may be invested as authorized by the Public Funds Investment Act which is located in Chapter 256 of the Texas Government Code. Allowable investments include:

1. Obligations of the U.S. or its agencies and instrumentalities.

2. Direct obligations of the State of Texas or its agencies and instrumentalities.

3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, with a stated final maturity of 10 years or less.

4. Other obligations the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of this state or the U.S.

5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

6. Certificates of deposit issued by a state or national bank domiciled in this state or a savings and loan association domiciled in this state that are guaranteed or insured by the FDIC or secured by authorized investments that have a market value of not less than the principal amount of the certificates.

7. Fully collateralized repurchase agreements as authorized by the Public Funds Investment Act.

8. Commercial paper with a stated maturity of 270 days or fewer from the date of issuance as authorized by the Public Funds Investment Act.

9. No-load money market mutual funds regulated by the SEC, with a dollar-weighted average stated maturity of 90 days or fewer and which include in their investment objectives the maintenance of a stable net asset value of $1 per share as authorized by the Public Funds Investment Act.

10. Guaranteed Investment Contracts as authorized by the Public Funds Investment Act.

11. Public Funds Investment Pools as authorized by the Investment Act.

Summary of Cash and Investments

Harris County's cash and investments are stated at fair value. The following is a summary of the County's cash and investments at February 28, 2011:

	Governmental Funds	Proprietary Funds	Total	Fiduciary Funds	Total
Cash and Cash Equivalents	$ 364,228,277	$ 57,212,571	$ 421,440,848	$ 208,846,961	$ 630,287,809
Restricted Cash and Cash Equivalents	151,726,538	45,207,717	196,934,255	-	196,934,255
Investments	511,086,929	80,573,647	591,660,576	114,398,148	706,058,724
Restricted Investments	40,758,211	1,177,298,068	1,218,056,279	-	1,218,056,279
Total Cash & Investments	$ 1,067,799,955	$ 1,360,292,003	$ 2,428,091,958	$ 323,245,109	$ 2,751,337,067

Harris County follows the practice of pooling investments for many of the funds identified on the financial statements. Most of the general fund is pooled with other County funds for investment purposes. Interest income earned on pooled cash and investments is allocated each accounting period to the various funds based on the ending cash balances. For financial statement purposes, the principal value of pooled investments is allocated between the participating funds.

The table below indicates the fair value and maturity value of the County's investments as of February 28, 2011, summarized by security type. Also demonstrated are the percentage of total portfolio and the weighted average maturity in days for each summarized security type.

Security	Fair Value	Percentage of Portfolio	Maturity Amount	Weighted Avg Modified Duration (Years)	Credit Rating S&P/ Moody's
US Agency Notes					
FAMCA	$ 10,194,300	0.42%	$ 10,000,000	0.0016	AAA/Aaa
FFCB	24,859,375	1.03%	25,000,000	0.0260	AAA/Aaa
FHLB	149,241,875	6.17%	151,150,000	0.2392	AAA/Aaa
FHLMC	423,949,963	17.53%	426,507,000	0.5465	AAA/Aaa
FNMA	607,110,063	25.09%	611,600,000	0.8184	AAA/Aaa
Commercial Paper					
GECC	34,998,043	1.45%	35,000,000	0.0007	A-1+/P-1
FCAR	146,688,490	6.07%	146,780,000	0.1217	A1+/P-1
FCAR	183,458,568	7.59%	183,602,000	0.2386	A-1+/P-1
FCAR	15,470,297	0.64%	15,480,000	0.0013	AAA/Aaa
TMCC	205,953,181	8.52%	206,000,000	0.0084	A-1+/P-1
Local Governments					
Allen, TX Economic Development	1,135,770	0.04%	1,125,000	0.0012	Aa3/AA3
Auburn Washington UT	1,948,067	0.08%	1,865,000	0.0083	AA
Burien Wash B	1,084,310	0.04%	1,160,000	0.0043	A1
College Station, TX	2,356,025	0.10%	2,395,000	0.0110	A+/Aa2
Connecticut State G/O	5,690,165	0.24%	5,675,000	0.0020	AA/Aa2
Dallas/Ft Worth, TX	2,043,340	0.08%	2,000,000	0.0002	A1/A+
Dallas, TX Refunding	1,949,400	0.08%	2,000,000	0.0019	Aa1/AA+
Dallas, TX WTR	3,607,184	0.15%	3,315,000	0.0061	Aa1/AAA
Denver, CO	3,172,760	0.13%	3,540,000	0.0140	Aa1/AAA
Ellis Cnty, TX G/O	2,723,877	0.11%	2,640,000	0.0087	AA/Aa2
Frisco, TX G/O	1,751,820	0.07%	1,630,000	0.0062	AA/Aa1
Gainesville, FL	420,810	0.02%	415,000	0.0001	AA+/Aa2
Galveston Cnty, TX	2,813,767	0.12%	2,775,000	0.0124	AA/Aa1
Grayson Cnty, TX	3,061,128	0.13%	3,040,000	0.0134	AA+/Aa2
Greensboro, ND	1,931,580	0.08%	2,000,000	0.0089	Aaa/AAA
Harris Cnty TX - Hospital District	7,246,707	0.30%	7,370,000	0.0285	A1/A
Hillsborough	13,344,608	0.55%	14,165,000	0.0510	Aa1/AA+
Houston, TX ISD	5,130,500	0.21%	5,000,000	0.0298	AAA/AAA
Houston, TX University	4,585,770	0.19%	4,500,000	0.0226	AA+/Aa2
Idaho Bond Ban	4,257,002	0.18%	4,240,000	0.0176	Aa1
Katy, TX ISD	2,063,050	0.09%	2,000,000	0.0087	Aaa/AAA
Mansfield, TX	4,248,280	0.18%	4,000,000	0.0212	Aaa/AAA
Maryland State	1,991,900	0.08%	2,000,000	0.0035	Aa1/AA+
Montgomery Cnty, TX	3,646,650	0.15%	3,500,000	0.0203	Aa2/AA
New York, NY	6,065,010	0.25%	6,000,000	0.0007	Aa2/AA
New York State D	23,748,271	0.98%	23,875,000	0.0221	AA/AAA
New York St University	30,285,600	1.25%	30,000,000	0.0285	Aae/AAA
North TX Municipal	2,613,909	0.11%	2,700,000	0.0044	Aa2/AAA
North TX TWY	3,730,265	0.15%	3,500,000	0.0127	Aa3/AA+
Northwest TX	2,114,040	0.09%	2,000,000	0.0109	Aaa/AAA
Ohio State Development	3,532,489	0.15%	3,455,000	0.0040	Aa2/AA
Oregon State ALT	2,632,243	0.11%	2,780,000	0.0139	Aa1/AA+

Security	Fair Value	Percentage of Portfolio	Maturity Amount	Weighted Avg Modified Duration (Years)	Credit Rating S&P/ Moody's
Pearland, TX	1,087,244	0.05%	1,075,000	0.0048	Aa2/AA+
Port Seattle	2,764,163	0.11%	2,750,000	0.0042	Aa1/AAA
Round Rock, TX	6,274,910	0.26%	6,255,000	0.0087	Aaa/AAA
Salt Lake County	1,459,567	0.06%	1,630,000	0.0066	AA+/AAA
San Antonio, TX	8,438,659	0.35%	8,545,000	0.0353	Aa1/AA
San Marcos, TX	1,547,055	0.06%	1,500,000	0.0068	Aaa/AAA
South Correction	512,470	0.02%	500,000	0.0004	Aa3/AA
Snohomish, CT	2,687,605	0.11%	2,760,000	0.0116	Aa2/AA
Texas City, TX	1,330,104	0.06%	1,285,000	0.0071	AA
Travis Cnty, TX	1,541,255	0.06%	1,505,000	0.0073	Aaa/AAA
Weatherford, TX	1,896,796	0.08%	1,825,000	0.0061	Aa3e
Williamson Cnty, TX	2,755,130	0.11%	2,665,000	0.0111	Aa1/AAA
Money Market Mutual Funds					
Fidelity Instl Treasury	402,562,548	16.65%	402,562,548	N/A	AAAm/Aaa
Fidelity Instl MMKT Tax Exempt	24,799,697	1.02%	24,799,697	N/A	AAAm/Aaa
Total Investments	2,418,507,655	100.00%	$ 2,427,436,245		
Demand and Time Deposits	332,829,412				
Total Cash & Investments	$ 2,751,337,067				

RISK DISCLOSURES

Interest Rate Risk: All investments carry the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the County manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by matching cash flows from maturities so that a portion of the portfolio is maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

According to the County investment policy, no more than 25% of the portfolio, excluding those investments held for future capital expenditures, the Health Insurance Fund, debt service payments, bond fund reserve accounts, capitalized interest funds, Toll Road Renewal and Replacement, Public Improvement Contingency, District Clerk Registry, County Clerk Registry, and Harris County and Metro Joint Deposit Escrow Funds, may be invested beyond 24 months. Additionally at least 15% of the portfolio, with the previous exceptions, is invested in overnight instruments or in marketable securities which can be sold to raise cash within one day's notice. Overall, the average maturity of the portfolio, with the previous exceptions, shall not exceed two years. As of February 28, 2011, the County was in compliance with all of these guidelines to manage interest rate risk.

Credit Risk and Concentration of Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The County mitigates these risks by emphasizing the importance of a diversified portfolio. All funds must be sufficiently diversified

to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In particular, no more than 50% of the overall portfolio may be invested in time deposits, including certificates of deposit, of a single issuer. Concentration by issuer for other investment instruments is not specifically addressed in the investment policy. However, the policy does specify that acceptable investment instruments must have high quality credit ratings and, consequently, risk is minimized.

The County's investment policy establishes minimum acceptable credit ratings for certain investment instruments. Securities of states, agencies, counties, cities and other political subdivisions must be rated as to investment quality by a nationally recognized investment rating firm as A or its equivalent. Money market mutual funds and public funds investment pools must be rated Aaa by Moody's Investor Rating Service.

The Harris County Sports & Convention Corporation (the "Corporation"), a blended component unit of the County, maintains investments made during the fiscal year ended February 28, 2003 of $12 million in the Sports Authority's Subordinate Lien Notes Series 2001 C-1 and Series 2001 C-2 which are not in compliance with Chapter 2256 of the Texas Government Code because the notes did not receive a rating from at least one nationally recognized investment rating firm.

Custodial Credit Risk: Investments are exposed to custodial credit risk if the investments are uninsured, are not registered in the County's name and are held by the counterparty. In the event of the failure of the counterparty, the County may not be able to recover the value of its investments that are held by the counterparty. As of February 28, 2011, all of the County's investments are held in the County's name.

Foreign Currency Risk: Foreign currency risk is the risk that fluctuations in the exchange rate will adversely affect the value of investments denominated in a currency other than the US dollar. The County Investment Policy does not list securities denominated in a foreign currency among the authorized investment instruments. Consequently, the County is not exposed to foreign currency risk.

FUND INVESTMENT CONSIDERATIONS

The Investment Policy outlines specific investment strategies for each fund or group of funds identified on the Harris County financial statements. The two investment strategies employed by Harris County are the Matching Approach and the Barbell Approach. The Matching Approach is an investment method that matches maturing investments with disbursements. Matching requires an accurate forecast of disbursement requirements. The Barbell Approach is an investment method where maturities are concentrated at two points, one at the short end of the investment horizon and the other at the long end. Additionally, the Investment Policy specifies average investment durations for each fund type, excluding Pooled Investments. Specific guidelines have not been established for Pooled Investments, but the same standards that were developed for the General Fund Group are also applicable to Pooled Investments. The investment strategies and maturity criteria are outlined in the following table.

Fund Type	Investment Strategy	Avg Investment Duration Per Policy (Days)	Maturity Amount	Average Remaining Days To Maturity
Pooled Investments	Matching	360	$ 365,500,000	237
Public Improvement Contingency	Barbell	1,800	174,365,000	1,500
General Fund Group	Matching	360	7,080,000	32
Special Revenue Funds	Matching	1,080	15,265,000	522
Debt Service Funds	Matching	1,080	161,422,000	80
Capital Project Funds	Matching	1,080	101,650,000	806
Proprietary Funds	Matching/Barbell	1,080	48,255,000	614
Toll Road Project Funds	Matching	1,080	726,057,000	923
Toll Road Renewal/Replacement	Matching	1,800	161,355,000	1,276
Toll Road Bond Reserve	Matching	Maturity of the bonds	99,085,000	5,439
County Clerk Registry	Matching/Barbell	2,520	48,030,000	1,384
District Clerk Registry	Matching/Barbell	2,520	53,280,000	1,597
Harris Co/Metro Joint Escrow	Matching/Barbell	5,400	38,730,000	4,719
Money Market Mutual Funds	N/A	N/A	427,362,245	N/A
			$ 2,427,436,245	

Note: Money Market Mutual Funds are excluded from the various fund types which may affect the average remaining days to maturity.

3. PROPERTY TAXES

COUNTY

Property taxes for the County and the Flood Control District are levied on tax rates adopted within 60 days of receiving the certified roll or September 30, whichever is later. Tax rates are usually adopted in September or October. Taxes are levied on the assessed value of all taxable real and personal property as of the preceding January 1. On January 1, at the time of assessment, an enforceable lien is attached to the property for property taxes. All tax payments not received by February 1, after the taxes are levied, are considered delinquent. Accordingly, no current taxes receivable are reported. Appraised values are determined by the Harris County Appraisal District ("Appraisal District") equal to 100% of the appraised market value as required by the State Property Tax Code. Real property must be appraised at least every three years. Taxpayers and taxing units may challenge appraisals of the Appraisal District through various appeals and, if necessary, legal action.

The County is responsible for setting the tax rate for the County, the Flood Control District, the Hospital District, and the Port of Houston Authority for debt service only. The County adopted the 2010 tax rate, per $100 of taxable value, for the County and Flood Control District as follows:

	Operations and Maintenance	Debt Service	Total
Harris County			
Constitutional Funds	$ 0.33401	$ 0.03635	$ 0.37036
Road Debt Service	-	0.01769	0.01769
Total - Harris County	$ 0.33401	$ 0.05404	$ 0.38805
Flood Control District	$ 0.02727	$ 0.00196	$ 0.02923

The County is permitted by law to levy tax rates for general fund, jury fund, road and bridge fund and permanent improvement fund purposes up to $0.80 per $100 of taxable valuation. The County levied a tax rate of $0.38805 per $100 of taxable valuation subject to the $0.80 tax rate limitation, of which $0.37036 per $100 valuation was for Constitutional Funds, and a tax rate of $0.01769 per $100 valuation was for the Road Debt Service.

The Flood Control District is permitted by law to levy a tax rate up to $0.30 per $100 of taxable valuation. There is no limitation on the tax rate which may be set for debt service within the $0.30 tax rate limit. The tax rate for operations and maintenance is limited to the rate as may from time to time be approved by the voters of the Flood Control District. The maximum tax rate for operations and maintenance is $0.15 per $100 of taxable valuation. A tax rate of $0.02727 per $100 valuation was set in 2010 for the Flood Control District's operations and maintenance. The County Tax Assessor bills and collects the taxes for the County, Flood Control District, Hospital District, Port of Houston Authority, City of Houston and various other jurisdictions within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the Tax Assessor's Agency Fund. Tax collections deposited for the County and Flood Control District are distributed on a periodic basis to the respective General Funds and Debt Service Funds. These distributions are based upon the tax rate established for each fund by order of the Commissioners Court for the tax year for which the collections are made.

Property tax receivables of $32,731,835 as of February 28, 2011 are reported net of an allowance for uncollectible taxes of $139,902,196.

COMPONENT UNITS

The Hospital District receives property taxes levied by the County Commissioners Court for operations. Ad Valorem tax revenues are recorded at the time the taxes are assessed, net of provisions for uncollected amounts and collection expenses. Subsequent adjustments to the tax rolls, recorded by the County Tax Assessor, are included in the revenues in the period such adjustments are made by the County Tax Assessor.

Property tax receivables of $34,494,000 as of February 28, 2011 are reported net of an allowance for uncollectible taxes of $57,365,000 for the Hospital District.

4. OTHER RECEIVABLES

The County reports accounts receivables and other receivables in the various funds for amounts to be received from customers, granting agencies, and the Tax Assessor. A breakdown of these

receivables at February 28, 2011 is as follows:

RECEIVABLES AND OTHER RECEIVABLES

	Customers	Granting Agencies	Tax Assessor	Totals
General	$ 38,141,703	$ -	$ 34,445,838	$ 72,587,541
Roads Capital Projects	3,840,437	-	-	3,840,437
Nonmajor Governmental	15,733,876	73,371,127	9,110,361	98,215,364
Toll Road	4,956,517	-	-	4,956,517
Nonmajor Enterprise	460,052	-	-	460,052
Internal Service	5,269,149	-	-	5,269,149
Component Units	84,050,068	6,693,949	-	90,744,017
Totals	$ 152,451,802	$ 80,065,076	$ 43,556,199	$ 276,073,077

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and proprietary funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenues in the governmental funds and proprietary funds were as follows:

	Earned but Unavailable	Unearned
Taxes receivable (General fund)	$ 29,394,834	$ -
Taxes receivable (nonmajor governmental funds)	3,337,001	-
Grant funding (nonmajor governmental funds)	-	36,617,388
Other receivables (General fund)	14,061,509	7,105,074
Other receivables (nonmajor governmental funds)	14,046,259	25,690,574
Other receivables (Toll Road fund)	-	34,959,734
Other receivables (internal service funds)	-	669,909
Total deferred revenue for governmental funds and proprietary funds	$ 60,839,603	$ 105,042,679

5. INTERFUND BALANCES 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 service funds are eliminated in the government-wide financial statements.

The interfund receivable and payable balances, by individual major fund, other governmental funds (aggregated), other proprietary funds (aggregated), internal service funds (aggregated),and fiduciary funds as of February 28, 2011 are as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	$ 29,732,469
	Toll Road	268,132
	Internal Service	35,536
Nonmajor Governmental	General	61,358
	Nonmajor Governmental	26,815,391
Toll Road	General	178,688
	Nonmajor Governmental	1,185,476
Internal Service	Nonmajor Governmental	6,573
	Toll Road	279,011
Total		$ 58,562,634

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount	
General	Nonmajor Governmental	$ 40,000	
Nonmajor Governmental	Nonmajor Governmental	12,585,000	(3)
Toll Road	General	31,125,780	(1)
	Nonmajor Governmental	20,035,413	(2)
Total		$ 63,786,193	

(1) In September 2006, the Toll Road Fund advanced $26 million to the County's General Fund to cover the County's repayment of a long term note on behalf of the Harris County Sports & Convention Corporation. The repayment of the note plus interest by the Harris County/Houston Sports Authority to the County and subsequently to the Toll Road Fund began in 2011 and will continue through 2020. (2) In October 2008, Commissioners Court approved an interfund borrowing and line of credit from the Toll Road fund to the Hurricane Ike Disaster fund, not to exceed $60 million. The borrowing and line of credit had a one-year maturity with principal and interest due at maturity with an option for Commissioners Court to extend the note for an additional year. During the fiscal year, the note was extended for an additional year. The interfund borrowing was $20 million at February 28, 2011. (3) The $12 million relates to the investment discussed in Note 2.

The following is a summary of the County's transfers for the year ended February 28, 2011:

Transfers Out:	Transfers In: General	Roads Capital Projects	Nonmajor Governmental	Toll Road	Internal Service	Total
General	$ -	$ -	$ 36,243,336	$ -	$ 4,875,000	$ 41,118,336
Road Capital Projects	1,863	-	2,432,279	-	-	2,434,142
Nonmajor Governmental	22,043,698	-	231,565,886	1,056,972	12	254,666,568
Toll Road	120,352,918	4,000,000	-	-	-	124,352,918
Nonmajor Enterprise	375,000	-	-	-	-	375,000
Internal Service	-	-	-	-	2,000,000	2,000,000
Governmental Capital Assets	-	-	-	14,346	37,385	51,731
Total	$ 142,773,479	$ 4,000,000	$ 270,241,501	$ 1,071,318	$ 6,912,397	$ 424,998,695

Toll Road transferred $120 million to the General fund for funding of a County thoroughfare and mobility program and an additional $4 million for the County to manage a non-toll bridge project for the Toll Road. All other transfers are routine in nature, such as cash match of grants, debt service payments, and internal service costs.

6. CAPITAL ASSETS

COUNTY

Capital asset activity for the year ended February 28, 2011 was as follows:

	Balance March 1, 2010	Additions	Deletions	Transfers	Balance February 28, 2011
Governmental Activities:					
Land	$ 3,893,353,019	$ 74,950,165	$ (2,374,716)	$ 6,103,459	$ 3,972,031,927
Construction in progress	426,290,166	237,688,093	(7,681,323)	(314,503,720)	341,793,216
Intangible assets - water rights	-	2,400,000	-	-	2,400,000
Total capital assets not depreciated	4,319,643,185	315,038,258	(10,056,039)	(308,400,261)	4,316,225,143
Intangible assets - software & licenses	-	11,096,342	-	22,322,244	33,418,586
Land improvements	11,010,787	500,000	-	(5,826,190)	5,684,597
Infrastructure	10,061,280,217	90,679,968	(4,467,817)	176,558,423	10,324,050,791
Park facilities	143,463,317	6,337,493	-	9,952,806	159,753,616
Flood control projects	652,847,783	100	-	52,588,587	705,436,470
Buildings	1,575,420,472	-	(6,096,494)	42,944,733	1,612,268,711
Equipment	285,231,758	26,180,895	(9,446,762)	9,838,882	311,804,773
	12,729,254,334	134,794,798	(20,011,073)	308,379,485	13,152,417,544
Less accumulated depreciation for:					
Intangible assets - software & licenses	-	(4,185,670)	-	-	(4,185,670)
Land improvements	(570,658)	(227,600)	-	-	(798,258)
Infrastructure	(4,297,769,375)	(284,076,707)	1,600,120	-	(4,580,245,962)
Park facilities	(29,458,300)	(3,417,557)	-	-	(32,875,857)
Flood control projects	(240,602,086)	(21,594,967)	-	-	(262,197,053)
Buildings	(409,511,890)	(33,667,215)	1,888,583	-	(441,290,522)
Equipment	(183,344,623)	(30,243,265)	8,335,543	6,430	(205,245,915)
	(5,161,256,932)	(377,412,981)	11,824,246	6,430	(5,526,839,237)
Total capital assets being depreciated, net	7,567,997,402	(242,618,183)	(8,186,827)	308,385,915	7,625,578,307
Governmental activities capital assets, net	$ 11,887,640,587	$ 72,420,075	$ (18,242,866)	$ (14,346)	$ 11,941,803,450

The $14,346 balance in the transfers column is due to assets that were transferred between the governmental and business-type funds.

	Balance March 1, 2010	Additions	Deletions	Transfers	Balance February 28, 2011
Business-type Activities:					
Land	$ 301,382,032	$ 7,971,684	$ -	$ 167,466	$ 309,521,182
Construction in progress	414,656,336	167,179,066	(7,033,930)	(326,350,712)	248,450,760
Total capital assets not depreciated	716,038,368	175,150,750	(7,033,930)	(326,183,246)	557,971,942
License Agreement	237,500,000	-	-	640,451	238,140,451
Land improvements	4,246,045	100,711	-	10	4,346,766
Infrastructure	1,776,820,536	-	-	321,977,471	2,098,798,007
Other tangible assets	21,598,642	9,158	-	445,155	22,052,955
Buildings	38,005,617	246,051	(3,062,867)	1,781,744	36,970,545
Equipment	59,873,598	3,188,922	(1,454,665)	1,359,192	62,967,047
	2,138,044,438	3,544,842	(4,517,532)	326,204,023	2,463,275,771
Less accumulated depreciation/amortizaiton for:					
License Agreement	(878,750)	(1,900,000)	-	-	(2,778,750)
Land improvements	(547,870)	(186,392)	-	-	(734,262)
Infrastructure	(813,963,238)	(60,369,047)	-	-	(874,332,285)
Other tangible assets	(15,178,883)	(5,546,549)	-	-	(20,725,432)
Buildings	(9,244,222)	(911,898)	476,447	-	(9,679,673)
Equipment	(19,517,512)	(4,736,228)	1,389,808	(6,431)	(22,870,363)
	(859,330,475)	(73,650,114)	1,866,255	(6,431)	(931,120,765)
Total capital assets being depreciated, net	1,278,713,963	(70,105,272)	(2,651,277)	326,197,592	1,532,155,006
Business-type activities capital assets, net	$ 1,994,752,331	$ 105,045,478	$ (9,685,207)	$ 14,346	$ 2,090,126,948

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

Governmental activities:	
Administration of Justice	$ 25,356,158
Parks	21,022,019
County Administration	23,707,128
Health and Human Services	1,737,370
Flood Control	22,853,983
Tax Administration	239,213
Roads and Bridges	282,497,110
	$377,412,981
Business-type activities:	
Parking Facilities	$ 470,006
Sheriff's Commissary	245,899
Toll Road	72,934,209
	$ 73,650,114

COMPONENT UNITS

MHMRA (August 31, 2010)	Fiscal Year Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Fiscal Year Ending Balance
Land	$ 3,219,943	$ 201,546	$ -	$ 3,421,489
Buildings & Improvements	24,314,984	806,186	-	25,121,170
Equipment, Furniture & Vehicles	7,982,222	318,495	(293,746)	8,006,971
Intangible Assets - Software	-	1,365,734	-	1,365,734
	35,517,149	2,691,961	(293,746)	37,915,364
Less accumulated depreciation for:				
Buildings & Improvements	(11,217,293)	(918,086)	-	(12,135,379)
Equipment, Furniture & Vehicles	(6,923,538)	(389,195)	285,683	(7,027,050)
	(18,140,831)	(1,307,281)	285,683	(19,162,429)
MHMRA capital assets, net	$ 17,376,318	$ 1,384,680	$ (8,063)	$ 18,752,935

Hospital District (February 28, 2011)	Fiscal Year Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Fiscal Year Ending Balance
Land & Improvements	$ 33,917,000	$ 2,910,000	$ (196,000)	$ 36,631,000
Construction in progress	49,720,000	(22,198,000)	-	27,522,000
Total capital assets not depreciated	83,637,000	(19,288,000)	(196,000)	64,153,000
Buildings and Improvements	322,559,000	70,165,000	(1,057,000)	391,667,000
Equipment	242,802,000	28,103,000	(10,443,000)	260,462,000
	565,361,000	98,268,000	(11,500,000)	652,129,000
Less accumulated depreciation	(366,089,000)	(42,382,000)	10,425,000	(398,046,000)
	(366,089,000)	(42,382,000)	10,425,000	(398,046,000)
Total capital assets being depreciated, net	199,272,000	55,886,000	(1,075,000)	254,083,000
Hospital District capital assets, net	$ 282,909,000	$ 36,598,000	$ (1,271,000)	$ 318,236,000

The Hospital District records land, buildings, improvements, and equipment at cost or fair market value at the time of donation and includes expenditures for new facilities and equipment and those which substantially increase the useful life of existing assets. Depreciation of facilities and equipment is provided using the straight-line method over the estimated useful lives of the assets.

MHMRA records all governmental capital assets at cost, except for donated fixed assets, which are recorded at their fair market value on the date donated. Depreciation is reported at the government-wide level using the straight-line method over the estimated useful lives of the assets. The schedule included here does not include the capital assets of MHMRA's discrete component units (a net value of $4,639,430).

7. CAPITAL LEASES PAYABLE AND INSTALLMENT PURCHASES

The County has entered into several capital lease agreements for the purchase of buildings, one for Sports and Convention Corporation equipment, and one for County equipment; the amounts capitalized are $32,314,676, $1,279,012, and $310,001, respectively. Payments for the buildings and equipment during the fiscal year ended February 28, 2011 totaled $2,969,771 and $336,988 respectively. Payments, including interest at an average rate of 6.3% per annum for buildings and no

interest for the equipment leases, are due as follows as of February 28, 2011:

Fiscal year	Governmental Activities		Business-Type Activities
	Buildings	Equipment	Equipment
2012	$ 2,969,767	$ 584,532	$ 62,000
2013	2,969,767	-	62,000
2014	2,969,767	-	62,001
2015	2,532,373	-	-
2016	2,386,579	-	-
2017-2021	10,422,413	-	-
2022-2026	754,000	-	-
Total future lease payments	25,004,666	584,532	186,001
Less: Interest	(6,141,095)	-	-
	$ 18,863,571	$ 584,532	$ 186,001

8. OTHER LIABILITIES

The balances Due to Other Governmental Units, by Fund, as of February 28, 2011 are as follows:

Receivable Entity	Payable Entity	
Fort Bend Toll Authority	Toll Road	$ 1,082,284
Total Due to Other Governmental Units		$ 1,082,284

9. SHORT-TERM DEBT

Tax Anticipation Notes

The County issues tax anticipation notes to bridge the cash flow deficit created by a mismatch between an evenly distributed expenditure budget and unevenly distributed revenue collection. Bondholder security is provided by a lien on General Fund property taxes exclusive of those levied for debt service. Property tax receipts are largely received in January and February, while the County's General Fund expenditures are dominated by payroll and benefit costs which are expensed in roughly equal installments throughout the year.

Activity for the year ended February 28, 2011, was as follows:

Governmental Activities	Outstanding March 1, 2010	Issued	Redeemed	Outstanding February 28, 2011
Tax Anticipation Notes	$ -	$ 450,000,000	$ (450,000,000)	$ -

10. LONG-TERM LIABILITIES

The changes in the County's Governmental Long-Term Liabilities and Business-Type/Enterprise Fund Liaibilities for fiscal year 2010-2011 were as follows:

	Outstanding March 1, 2010	Issued/ Increased	Redeemed/ Decreased	Outstanding February 28, 2011	Due Within Year
Governmental Activities:					
General Obligation Debt					
Road Bonds - Principal	$ 718,780,000	$ 84,340,000	$ (119,300,000)	$ 683,820,000	$ 19,270,000
Permanent Improvement Bonds - Principal	888,916,629	278,755,000	(305,260,000)	862,411,629	31,850,000
Flood Control Bonds - Principal	518,582,945	181,885,000	(10,268,921)	690,199,024	10,109,024
Total Principal General Obligation Debt	2,126,279,574	544,980,000	(434,828,921)	2,236,430,653	61,229,024
Unamortized Premiums, Road Bonds	34,605,967	7,238,078	(3,828,476)	38,015,569	-
Unamortized Premiums, PIB Bonds	31,615,746	32,386,782	(6,676,277)	57,326,251	-
Unamortized Premiums, FC Bonds	27,549,456	19,722,759	(2,687,316)	44,584,899	-
Bond Refunding Gain (Loss), Road Bonds	(18,330,767)	11,388,613	1,546,692	(5,395,462)	-
Bond Refunding Loss, PIB Bonds	(12,999,686)	(39,061,650)	5,421,645	(46,639,691)	-
Bond Refunding Loss, FC Bonds	(13,073,472)	-	1,012,854	(12,060,618)	-
Accretion of Discount - Capital Appreciation Bonds:					
Road Series 1996	34,324,530	3,838,288	-	38,162,818	-
PIB Series 1996	18,835,558	2,106,257	-	20,941,815	-
GO Revenue Series 2002	31,947,651	5,205,623	-	37,153,274	-
Flood Control Series 1993	3,661,318	325,826	(2,926,124)	1,061,020	1,061,020
Total General Obligation Debt	2,264,415,875	588,130,576	(442,965,923)	2,409,580,528	62,290,044
Tax and Subordinate Lien Revenue Bonds					
Tax and Subordinate Lien Revenue Refunding, Series 2004A	3,100,000	-	(925,000)	2,175,000	965,000
Tax and Subordinate Lien Revenue					-
Refunding, Series 2004B	176,800,000	-	-	176,800,000	-
Tax and Subordinate Lien Revenue Refunding, Series 2009C	28,315,000	-	-	28,315,000	-
Unamortized Premium, Tax & Sub Lien Rev	11,954,811	-	(761,209)	11,193,602	-
Bond Refunding Loss, Tax & Sub Lien Rev	(14,096,080)	-	1,541,981	(12,554,099)	-
Total Tax and Subordinate Lien Revenue Bonds	206,073,731	-	(144,228)	205,929,503	965,000
Certificates of Obligation					
Series 2001	1,940,000	-	(945,000)	995,000	995,000
Total Certificates of Obligation	1,940,000	-	(945,000)	995,000	995,000
Total Bonds Payable	2,472,429,606	588,130,576	(444,055,151)	2,616,505,031	64,250,044
Commercial Paper Payable	332,048,000	211,115,000	(200,000,000)	343,163,000	-
Compensatory Time Payable	38,888,981	18,505,990	(21,774,880)	35,620,091	22,084,456
Obligations Under Capital Leases	21,368,077	-	(1,919,974)	19,448,103	2,372,635
Judgments Payable	5,353,417	200,000	(653,417)	4,900,000	-
Loan Payable	9,642,857	5,619,676	(9,642,857)	5,619,676	3,407,472
OPEB Obligation	188,310,144	52,118,568	-	240,428,712	-
Pollution Remediation Obligation	2,680,610	1,027,539	(843,417)	2,864,732	547,607
Total Governmental Activities	$ 3,070,721,692	$ 876,717,349	$ (678,889,696)	$ 3,268,549,345	$ 92,662,214

	Outstanding March 1, 2010	Issued/ Increased	Redeemed/ Decreased	Outstanding February 28, 2011	Due Within Year
Business-type Activities:					
Senior Lien Revenue Bonds	$ 2,136,640,000	$ 254,330,000	$ (286,545,000)	$ 2,104,425,000	$ 37,645,000
Tax Bonds	624,030,000	25,410,000	(66,170,000)	583,270,000	45,380,000
Total Bond Principal	2,760,670,000	279,740,000	(352,715,000)	2,687,695,000	83,025,000
Unamortized Premium, Revenue Bonds	45,114,247	1,490,447	(5,577,819)	41,026,875	-
Unamortized Premium/(Discount), Tax Bonds	34,708,478	(640,034)	(6,896,560)	27,171,884	-
Accretion of Discount - Capital Appreciation Bonds:					
Unlimited Tax Series 1995A	19,873,789	4,653,043	(9,550,000)	14,976,832	8,452,238
Unlimited Tax Series 1997	5,718,666	1,108,669	(1,715,000)	5,112,335	1,521,730
Deferred Amount on Refunding	(89,607,163)	(17,717,689)	30,734,688	(76,590,164)	-
Accrued Interest Payable	7,100,423	124,653,682	(126,470,259)	5,283,846	5,283,846
Total Bonds Payable	2,783,578,440	393,288,118	(472,189,950)	2,704,676,608	98,282,814
Derivative instruments - interest rate swaps	-	42,580,963	-	42,580,963	-
Compensatory Time Payable	1,316,727	651,678	(737,367)	1,231,038	763,244
Obligations Under Capital Leases	-	310,001	(124,000)	186,001	62,000
OPEB Obligation	10,358,368	2,922,804	-	13,281,172	-
Total Business-type Activities	$ 2,795,253,535	$ 439,753,564	$ (473,051,317)	$ 2,761,955,782	$ 99,108,058

A. BONDED DEBT

Bonded debt of the County consists of various issues of General Obligation Bonds, Certificates of Obligation and Revenue Bonds. General Obligation Bonds and Certificates of Obligation are direct obligations of the County with the County's full faith and credit pledged towards the payment of this obligation. General Obligation Bonds are issued upon approval by the public at an election. Certificates of Obligation are issued by the vote of Commissioners Court as allowed under the Certificates of Obligation Act. Debt service is primarily paid from ad valorem taxes. Revenue Bonds are generally payable from the pledged revenue generated by the respective activity for which the bonds are issued.

Outstanding governmental bonded debt as of February 28, 2011 follows:

	Original Issue Amount	Interest Rates (%)	Date Series Issued	Date Series Matures	Balance February 28, 2011
Road Bonds					
Refunding Series 1996 - CAB	$ 124,905,000	5.90-6.00%	1996	2017	$ 26,260,000
Refunding Series 2001	195,680,000	4.00-5.375%	2001	2023	44,045,000
Refunding Series 2003A	46,105,000	3.00-5.25%	2003	2015	7,325,000
Refunding Series 2004A	56,055,000	3.00-5.00%	2004	2017	36,835,000
Refunding Series 2004B	144,890,000	3.75-5.25%	2004	2024	77,270,000
Refunding Series 2005A	34,420,000	5.00%	2005	2022	34,420,000
Forward Refunding Series 2006A	28,090,000	5.00%	2006	2012	11,165,000
Refunding Series 2006B	266,960,000	4.50-5.00%	2006	2031	230,265,000
Refunding Series 2008A	34,605,000	4.00-5.25%	2008	2020	33,860,000
Refunding Series 2009A	98,880,000	2.00-5.25%	2009	2023	98,035,000
Refunding Series 2010A	84,340,000	4.00-5.00%	2010	2024	84,340,000
	1,114,930,000				683,820,000

	Original Issue Amount	Interest Rates (%)	Date Series Issued	Date Series Matures	Balance February 28, 2011
Permanent Improvement Bonds					
Refunding Series 1996 - CAB	26,254,584	5.90-6.00%	1996	2017	15,944,584
Refunding Series 1997	57,930,000	4.70-5.75%	1997	2014	12,870,000
Refunding Series 2001	23,020,000	4.375-5.00%	2001	2011	715,000
Refunding Series 2002	195,665,000	2.75-5.25%	2002	2028	61,465,000
Refunding Series 2003A	29,025,000	3.00-5.00%	2003	2012	4,640,000
Refunding Series 2003B	79,725,000	4.00-5.25%	2003	2013	9,750,000
Refunding Series 2004A	118,535,000	3.00-5.25%	2004	2024	46,835,000
Refunding Series 2005A	69,845,000	5.00%	2005	2022	63,845,000
Refunding Series 2006A	73,545,000	4.00-5.00%	2006	2031	49,750,000
Refunding Series 2008A	34,055,000	3.25-5.00%	2008	2015	18,050,000
Refunding Series 2008B	79,325,000	3.50-5.00%	2008	2019	48,345,000
Refunding Series 2008C	200,495,000	5.00-5.75%	2008	2028	20,640,000
Refunding Series 2009A	23,485,000	4.00-5.00%	2009	2023	23,485,000
Refunding Series 2009B	97,855,000	4.00-5.50%	2009	2027	97,855,000
Refunding Series 2010A	185,390,000	1.50-5.00%	2010	2028	185,390,000
Refunding Series 2010B	93,365,000	4.00-5.00%	2010	2024	93,365,000
Criminal Justice Center Series 2004	63,515,000	3.00-5.00%	2004	2023	46,845,000
GO Revenue Refunding 2002	206,772,045	5.00-5.86%	2002	2028	62,622,045
	1,657,801,629				862,411,629
Flood Control Bonds					
Refunding Series 1993 - CAB	94,464,985	5.40-5.60%	1993	2011	259,024
Refunding Series 2002	44,495,000	3.00-5.50%	2002	2014	6,835,000
Refunding Series 2003A	36,945,000	3.00-6.00%	2003	2015	5,845,000
Refunding Series 2004A	139,865,000	3.00-5.25%	2004	2024	24,155,000
Refunding Series 2006A	94,185,000	5.00%	2006	2031	94,185,000
Improvement Series 2007	89,600,000	4.75-5.00%	2007	2031	89,600,000
Refunding Series 2008A	137,095,000	4.00-5.25%	2008	2021	134,190,000
Refunding Series 2008C	158,100,000	3.00-5.125%	2008	2031	153,245,000
Refunding Series 2010A	181,885,000	5.00%	2010	2039	181,885,000
	976,634,985				690,199,024
Tax & Subordinate Lien Revenue Bonds					
Refunding Series 2004A	3,680,000	4.00-5.00%	2004	2012	2,175,000
Refunding Series 2004B	176,800,000	5.00%	2004	2032	176,800,000
Refunding Series 2009C	28,315,000	4.00-5.25%	2009	2023	28,315,000
	208,795,000				207,290,000
Certificates of Obligation					
Series 2001	32,510,000	4.375-5.125%	2001	2011	995,000
	32,510,000				995,000
TOTAL	$ 3,990,671,614				$ 2,444,715,653

The Toll Road Project has been financed with a combination of unlimited tax and senior lien revenue bonds, subordinate lien revenue bonds and commercial paper. The proceeds from such bonds, including the interest earned, are being used to finance the construction and the related debt service.

Outstanding business-type bonded debt at February 28, 2011 follows:

	Original Issue Amount	Interest Rates (%)	Date Series Issued	Date Series Matures	Balance February 28, 2011
Senior Lien Revenue Bonds					
Refunding Series 2002	$ 397,520,000	5.00-5.375%	2002	2024	$ 163,480,000
Refunding Series 2004A	168,715,000	4.50-5.00%	2004	2033	168,715,000
Refunding Series 2004B	478,270,000	2.50-5.00%	2004	2018	177,795,000
Revenue Series 2006A	135,530,000	4.50-5.00%	2006	2036	135,530,000
Refunding Series 2007A	275,340,000	4.00-5.00%	2007	2033	269,075,000
Refunding Series 2007B	145,570,000	Floating	2007	2036	145,570,000
Refunding Series 2008B	324,475,000	4.625-5.25%	2008	2047	324,475,000
Series 2009A	215,455,000	4.00-5.00%	2009	2038	215,455,000
Series 2009C	250,000,000	5.00%	2009	2049	250,000,000
Refunding Series 2010A	199,915,000	2.00%	2010	2021	199,915,000
Refunding Series 2010C	18,995,000	0.88-2.79%	2010	2016	18,995,000
Refunding Series 2010D	35,420,000	3.00-5.00%	2010	2030	35,420,000
	2,645,205,000				2,104,425,000
Unlimited Tax and Subordinate Lien Bonds					
Refunding Series 1994A	59,925,000	6.50-8.00%	1994	2013	33,160,000
Refunding Series 1995A - CAB	1,500,000	5.80-6.05%	1995	2012	250,000
Refunding Series 1997	150,395,000	5.00-5.125%	1997	2024	25,855,000
Refunding Series 1997 - CAB	2,790,000	3.90-5.25%	1997	2013	600,000
Refunding Series 2001	120,740,000	6.00%	2001	2014	84,925,000
Refunding Series 2002	42,260,000	4.00-5.25%	2002	2015	15,085,000
Refunding Series 2007C	321,745,000	5.00-5.25%	2007	2033	321,745,000
Refunding Series 2008A	76,240,000	3.25-5.00%	2008	2016	76,240,000
Refunding Series 2010B	25,410,000	0.77-2.09%	2010	2015	25,410,000
	801,005,000				583,270,000
TOTAL	3,446,210,000				2,687,695,000

Annual debt service requirements to maturity as of February 28, 2011 are as follows:

	Governmental Activities				
Fiscal year	**Principal At 2/28/2011**	**Capital Appreciation Bonds**	**Principal Value At Maturity**	**Interest**	**Total**
2012	$ 63,189,024	$ 1,061,020	$ 64,250,044	$ 116,323,014	$ 180,573,058
2013	77,645,000	-	77,645,000	110,585,631	188,230,631
2014	69,752,924	16,654,155	86,407,079	108,083,034	194,490,113
2015	84,150,845	16,605,233	100,756,078	102,893,190	203,649,268
2016	85,049,530	15,768,655	100,818,185	99,656,275	200,474,460
2017-2021	622,091,205	35,815,183	657,906,388	436,288,082	1,094,194,470
2022-2026	712,267,388	8,834,518	721,101,906	268,672,335	989,774,241
2027-2031	516,009,737	2,580,163	518,589,900	112,780,632	631,370,532
2032-2036	154,200,000	-	154,200,000	23,999,097	178,199,097
2037-2041	60,360,000	-	60,360,000	12,072,500	72,432,500
	$ 2,444,715,653	$ 97,318,927	$ 2,542,034,580	$ 1,391,353,790	$ 3,933,388,370

	Business-Type Activities				
Fiscal year	Principal At 2/28/2011	Capital Appreciation Bonds	Principal Value At Maturity	Interest	Total
2012	$ 83,025,000	$ 9,973,968	$ 92,998,968	$ 137,823,380	$ 230,822,348
2013	91,405,000	7,843,886	99,248,886	135,865,846	235,114,732
2014	105,305,000	2,271,313	107,576,313	122,622,305	230,198,618
2015	103,025,000	-	103,025,000	124,298,847	227,323,847
2016	95,345,000	-	95,345,000	108,812,147	204,157,147
2017-2021	512,240,000	-	512,240,000	464,595,003	976,835,003
2022-2026	443,835,000	-	443,835,000	361,203,815	805,038,815
2027-2031	426,290,000	-	426,290,000	257,285,924	683,575,924
2032-2036	537,405,000	-	537,405,000	137,181,099	674,586,099
2037-2041	149,235,000	-	149,235,000	52,573,975	201,808,975
2042-2046	90,620,000	-	90,620,000	25,525,025	116,145,025
2047-2051	49,965,000	-	49,965,000	3,250,269	53,215,269
	$ 2,687,695,000	$ 20,089,167	$ 2,707,784,167	$ 1,931,037,635	$ 4,638,821,802

SIGNIFICANT DEBT COVENANTS

The Senior Lien Revenue Bonds are payable from the revenues of the Toll Road. The Tax Bonds are secured by and payable from a pledge of the County's unlimited ad valorem tax and also are secured by a pledge of and lien on the revenues of the Toll Road, subordinate to the lien of the Senior Lien Revenue Bonds. The County has covenanted to assess a maintenance tax to pay project expenses if revenues, after paying debt service, are insufficient. The County also has covenanted to collect tolls to produce revenues at the beginning of the third fiscal year following completion of the Toll Road equal to at least 1.25 times the debt service requirements on the Senior Lien Revenue Bonds. The revenue coverage requirement became effective with the completion of the project during fiscal year 1994. The Toll Road Project's revenue coverage ratio for fiscal year 2011 was 3.86.

B. COMMERCIAL PAPER

In addition to the outstanding bonded debt of the County, the Commissioners Court has established a general obligation commercial paper program secured by ad valorem taxes for the purpose of financing various short-term assets and temporary construction financing for certain long-term capital assets. The commercial paper program consists of six series totaling $1.0 billion payable from ad valorem taxes levied and Toll Road revenues. As of February 28, 2011, the County has outstanding, $343.1 million of commercial paper. Commissioners Court, by policy, limits the period allowed for a commercial paper project not to exceed three years. During the length of time the paper is outstanding, the paper may have a maturity term of 1 – 270 days.

The County enters into agreements with credit facilities to provide a line of credit that will act as assurance to the purchaser of the commercial paper that funds will be available to redeem the paper upon demand and that the County can rollover the commercial paper. For Commercial Paper Series A-1, the County has a credit agreement with State Street Bank and Trust Company, which expires August 20, 2013. For this line of credit, the County is assessed a fee of .55% per annum on the daily amount of the commitment. If converted to a term loan, the principal amount for Series A-1 is to be paid in twelve substantially equal installments due quarterly on the last business day of the month in

which such payment is due, commencing with the first such installment due on the term loan commencement date. For Commercial Paper Series B & C, the County has a credit agreement with the Bank of America, N.A., which expires August 20, 2013. For this line of credit, the County is assessed a fee of .45% per annum on the daily amount of commitment. If converted to a term loan, the principal amount for Series B and C is to be paid in twelve substantially equal installments due quarterly on the last business day of the month in which such payment is due, commencing with the first such installment due on the term loan commencement date. For Commercial Paper Series D, the County has a credit agreement with JPMorgan Chase Bank, National Association, which expires August 20, 2013. For this line of credit the County is assessed a fee of .50% per annum on the daily amount of commitment. If converted to a term loan, the principal amount outstanding for Series D is to be paid in twelve substantially equal installments due quarterly on the last business day of the month in which such payment is due, commencing with the first such installment due on the term loan commencement date. Interest is payable quarterly in arrears, at a rate per annum equal to the bank rate, provided that the principal amount of any term loan not paid when due shall bear interest at a rate per annum equal to the lesser of (A) the default rate (fluctuating rate of per annum interest equal to the greater of (i) the base rate plus 2.00% or (ii) the federal funds rate plus 2.00%) and (B) the highest lawful rate.

COMMERCIAL PAPER – FLOOD CONTROL

On August 21, 2001, Commissioners Court authorized a $200,000,000 commercial paper program designated as the Harris County Flood Control District Contract Tax Commercial Paper Notes, Series F ("Series F Notes") to fund projects identified in an agreement between the County and the Flood Control District ("Flood Contract") and refinance, refund, and renew the notes themselves and fund issuance costs. As of February 28, 2011, there is no outstanding Series F commercial paper.

The terms of the Series F Notes require the notes to be issued with a maturity of 270 days or less and allow for interest up to the maximum rate allowable under Chapter 1204 of the Texas Government Code, currently 15%. Payment of the principal and interest on the Series F Notes and all expenditures associated with the issuing and paying agent, the dealer and the credit provider is secured by a pledge and lien on the payments to be received by the Flood Control District from the County under the Flood Contract. Under the Flood Contract, the Flood Control District pays all costs relating to the County flood control projects and issues notes to provide the funding for such projects.

The County's commitment under the Flood Contract is the payment to the Flood Control District of amounts necessary for the principal and/or interest due; the fees and expenditures of the issuing and paying agent, the dealer, and the credit provider; amounts related to any special or contingency funds or accounts for the notes; and any amounts to restore deficiencies in such funds or accounts. The County's payment obligation is secured by a levy and pledge of a portion of the County's ad valorem taxes which extends until all obligations under the Series F Notes, including any obligations to refund the notes, are no longer outstanding. During the term of the Flood Contract, the County is required to levy taxes computed at a tax rate sufficient to provide the funds required to make the annual payments and to provide and maintain a sinking fund adequate for such amounts as they become due. Commissioners Court issued an order whereby the sinking fund may never be less than 2% of the County's outstanding indebtedness under the Flood Contract at the time of the tax levy. In setting the tax rate, the County may consider all sources of funding lawfully available or that are to be available including the credit agreement entered into for the Series F Notes, discussed below. The

tax year 2010 tax rate adopted by Commissioners Court for fiscal year 2011 to satisfy the annual amount due under the flood contracts related to the 2% limitation was .01378. Based on the County's outstanding indebtedness as of February 28, 2011 (exclusive of Flood Control District debt), this amount required under the 2% limitation is estimated to be zero.

Under a dealer agreement between the Flood Control District and Morgan Stanley & Co. Incorporated, the Series F Notes are issued in denominations of a minimum of $100,000 and integral multiples of $1,000 thereafter and may bear interest or be sold at a discount. The dealer agreement does not provide for extension, renewal, or automatic rollover of the notes upon maturity. In consideration for the services of the dealer, the Flood Control District is obligated to make quarterly payments equaling .05% of the daily outstanding principal amount of issued Series F Notes. The paying agent for the Series F Notes is Deutsche Bank for which it receives an annual administration fee of $2,500 and per transaction fees ranging from $10 to $40.

The Series F Notes are also secured through an irrevocable, direct-pay, transferable letter of credit between the Flood Control District and the New York branch of Landesbank Hessen-Thuringen Girozentrale. The amount of the letter of credit totals $214,794,521. This total includes the principal amount of the notes ($200,000,000) and interest of $14,794,521 calculated at 270 days at an assumed per annum rate of 10% and a 365-day year. The term of the letter of credit expires August 1, 2012 and is subject to extension. The letter of credit also provides for the establishment of loans with maturity dates ranging from three to four years depending on the earliest of several anniversary dates. The interest rate on such loans may not exceed the maximum rate allowed by law, currently 15%. The principal portion of the loans is repayable in equal quarterly installments and the interest is payable quarterly. Under the terms of the letter of credit, the Flood Control District is charged a quarterly fee, based on the daily average amount of the outstanding draws against the letter of credit ranging from 0.25% to 1.00%, depending on the County's long term parity debt rating. In addition, there are fixed transactional fees ranging from $175 to $5,000.

COMMERCIAL PAPER – TOLL ROAD

In addition to the outstanding long-term debt of the Toll Road Authority ("Toll Road"), the Commissioners Court has established a commercial paper program secured by and payable from Toll Road revenues. The commercial paper program consists of Harris County Toll Road Senior Lien Revenue Notes, Series E ("Notes") in an aggregate principal amount not to exceed $200 million outstanding at any one time. As of February 28, 2011, the Toll Road has no outstanding commercial paper, nor was there any Series E commercial paper activity during the year then ended.

The purpose of the Series E Notes is to provide funding for costs of acquiring, constructing, operating and maintaining, and improving Toll Road Project components, as well as to fund reserves, pay interest during construction, refinance, refund, and renew the notes themselves, and fund issuance costs.

CHANGES IN COMMERCIAL PAPER

The following is a schedule of changes in commercial paper for the year ended February 28, 2011:

Governmental Activities	Balance Outstanding March 1, 2010	Issued	Retired/ Refunded	Balance Outstanding February 28, 2011	Amount Due Within One Year
Commercial Paper A-1, B, C	$ 189,253,000	$ 74,810,000	$ -	$ 264,063,000	$ -
Commercial Paper D	32,360,000	46,740,000	-	79,100,000	-
Commercial Paper - Flood Control	110,435,000	89,565,000	(200,000,000)	-	-
	$ 332,048,000	$ 211,115,000	$ (200,000,000)	$ 343,163,000	$ -

DEBT SERVICE TO MATURITY - COMMERCIAL PAPER

Expected debt service requirements for the various Commercial Paper issuances are shown below. These requirements assume that as of February 28, 2011 the County had drawn down the outstanding principal balance on the lines of credit and letter of credit and subsequently executed term loans with the banks for a principal balance of $343,163,000 at the average rate for the quarter ending February 28, 2011 by series and reflect the effects of any refundings.

	Governmental Activities		
Fiscal year	Principal	Interest	Total
2014	$ 28,596,916	$ 13,047,343	$ 41,644,259
2015	114,387,666	41,316,587	155,704,253
2016	114,387,667	23,924,072	138,311,739
2017	85,790,751	6,541,544	92,332,295
	$ 343,163,000	$ 84,829,546	$ 427,992,546

C. COMPONENT UNITS' LONG-TERM LIABILITIES

The County has no obligation to assume any liability for the bonds issued by any of the discretely presented component units.

The total long-term liabilities of the Harris County Hospital District was $417,570,000 as of February 28, 2011 which comprises 97% of the total long-term liabilities of the County's discretely presented component units. These bonds are secured by a lien on the pledged revenues of the Harris County Hospital District and certain funds pursuant to the bond order.

The Harris County Hospital District also has defeased bonds, in the amount of $186,785,000 whereby the proceeds are held as irrevocable deposits of funds sufficient with trustees to pay the principal and interest of such bonds through their maturity. Accordingly, these trustee funds and the related defeased indebtedness are excluded from the Harris County Hospital District's balance sheet as of February 28, 2011.

The total long-term liabilities of the MHMRA was $12,728,940 of which $7,684,454 represents long-term liabilities of the primary government (comprised of $4,560,701 notes payable and $3,123,753 compensated absences), as of August 31, 2010 which comprises 3% of the total long-term liabilities of the County’s discretely presented component units.

D. COMPONENT UNITS' CONDUIT DEBT OBLIGATIONS

Harris County Industrial Development Corporation, Harris County Housing Finance Corporation, Harris County Health Facilities Development Corporation and Harris County Cultural Education Facilities Finance Corporation have issued bonds to provide financial assistance to private and public sector entities engaged in activities that are deemed to be in the public interest. These bonds are limited obligations of the issuing entities payable solely from the proceeds of the underlying financing agreements, and in the opinion of legal counsel, do not represent indebtedness or liability to the issuing entity, Harris County, the State of Texas, or any political subdivision; therefore, the bonds are not reported as liabilities in the accompanying financial statements. The Harris County Health Facilities Development Corporation and Harris County Cultural Education Facilities Finance Corporation have no other financial activity that would materially affect the County's financial statements, and are not required to issue separate audited financial statements, and as a result are not included in the Reporting Entity disclosure within the accompanying notes to the financial statements. A summary of the debt issued by each entity follows.

Harris County Industrial Development Corporation

The Corporation has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from the payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Corporation, nor the County, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

As of August 31, 2010, there were thirteen (13) series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable at August 31, 2010 for the bonds issued after September 1, 1996, was approximately $681,222,970.

Harris County Housing Finance Corporation

As of December 31, 2010, there were forty-two (42) series of bonds outstanding with an aggregate principal payable of $334,190,703. These bonds have been issued by the Housing Finance Corporation to provide financing for the purpose of purchasing single family home mortgages and multifamily home projects for low and moderate income owners/residents, and will be repaid from sources defined in the various underlying financing agreements between the Housing Finance Corporation and the entities for whose benefit the bonds were issued.

Harris County Health Facilities Development Corporation

The corporation issues bonds if there is a public benefit or public purpose that is necessary or convenient for health care, research or education. As of February 28, 2011 there were forty-two (42) series of bonds outstanding with an aggregate principal payable of $2,976,290,000. The bonds will be repaid from sources defined in the various underlying financing agreements between the Health Facilities Development Corporation and the entities for whose benefit the bonds were issued.

Harris County Cultural Education Facilities Finance Corporation

As of February 28, 2011 there were twenty-nine (29) series of Bonds outstanding with an aggregate principal payable of $2,129,216,627. The bonds were issued for the purpose of defraying expansion costs, for Space Center Houston projects, Houston Livestock Show and Rodeo projects, Baylor College of Medicine, Memorial Hermann Healthcare System, Methodist Hospital System, Texas Medical Center projects and the Young Men's Christian Association (YMCA) of the Greater Houston Area. The bonds will be repaid from payments required to be made under loan agreements between the issuing entity and the aforementioned parties.

E. UNISSUED AUTHORIZED BONDS

Capital projects are funded primarily by the issuance of bonded debt. The County has received voter approval for the issuance of bonds to maintain an ongoing capital improvement program.

The following is the summary of authorized, issued and unissued bonds and commercial paper:

Description	Year of Voter Authorization	Amount Authorized	Issued as of 2/28/2011	Authorized but Unissued as of 2/28/2011
Ad Valorem Tax Bonds		(amounts in millions)		
Toll Road	1983	$ 900.0	$ 884.9	$ 15.1
Civil Justice Center	1999	119.0	86.0	33.0
Roads	2001	475.0	475.0	-
Parks	2007	95.0	14.3	80.7
Forensic Lab	2007	80.0	-	80.0
Family Law Center	2007	70.0	-	70.0
Roads	2007	190.0	20.0	170.0
Total Ad Valorem Tax Bonds		$ 1,929.0	$ 1,480.2	$ 448.8

F. REFUNDING/ISSUANCE OF DEBT

On March 11, 2010, the County issued $185,390,000 Permanent Improvement Refunding Bonds, Series 2010A to refund and defease a portion of the County's outstanding Permanent Improvement Refunding Bonds, Series 2004A, and Series 2008C, and to pay costs of such issuance. The annual interest rates range from 1.5% to 5.0%. The issuance had a premium of $21,219,235. Interest accrues semiannually and the bonds mature in fiscal year 2028. The refunding resulted in a decrease in cash flow requirements of $9,343,205 and had an economic gain of $7,771,125.

On May 12, 2010, the County pledged a $10,000,000 Federal Home Loan Mortgage Corp. (FHLMC) bond to Citibank to cover the collateral threshold shortfall on the $199,915,000 interest rate swap for the 2009B Series bonds.

On June 30, 2010, the County issued $450,000,000 in Tax Anticipation Notes, Series 2010. The tax anticipation notes were issued to fund the County's cumulative cash flow deficit for the fiscal year beginning March 1, 2010 and ending February 28, 2011, and were repaid from fiscal year 2011 tax revenues. The tax anticipation notes, which matured February 28, 2011, were issued at an annual interest rate range of 1.5% to 2.0%.

On July 1, 2010, the County pledged a $10,000,000 Federal National Mortgage Association (FNMA) bond to Citibank to cover the collateral threshold shortfall on the $199,915,000 interest rate swap for the 2009B Series bonds and a portion of the $72,785,000 interest rate swap for the 2007B Series bonds. The FHLMC bond pledged on May 12, 2010 was returned.

On July 1, 2010, the County pledged a $10,000,000 Federal National Mortgage Association (FNMA) bond to JP Morgan Chase to cover the collateral threshold shortfall the $72,785,000 interest rate swap for the 2007B Series bonds.

On July 7, 2010, the County issued $84,340,000 Unlimited Tax Road Refunding Bonds, Series 2010A to refund and defease a portion of the Unlimited Tax Road Refunding Bonds, Series 2001, Series 2003A, Series 2003B, Series 2004B, and Series 2006B and to pay the costs of such issuance. The annual interest rates range from 4.0% to 5.0%. The issuance had a premium of $10,370,333. Interest accrues semiannually and the bonds mature in fiscal year 2024. The refunding resulted in a decrease in cash flow requirements of $8,040,299 and had an economic gain of $1,922,369.

On July 7, 2010, the County issued $93,365,000 Permanent Improvement Refunding Bonds, Series 2010B to refund and defease a portion of the Permanent Improvement Refunding Bonds, Series 2002, Series 2003B, Series 2004A, Series 2006A, Series 2008B, and Series 2008C and to pay the costs of such issuance. The annual interest rates range from 4.0% to 5.0%. The issuance had a premium of $12,804,981. Interest accrues semiannually and the bonds mature in fiscal year 2024. The refunding resulted in a decrease in cash flow requirements of $4,160,264 and had an economic gain of $2,341,886.

On August 11, 2010, the County issued $199,915,000 in Toll Road Senior Lien Revenue Refunding Bonds, Series 2010A to refund and defease the Toll Road Senior Lien Revenue Refunding Bonds, Series 2009B and to pay the costs of such issuance. The initial interest rate is 2.0%. The issuance had a premium of $3,324,586. Interest accrues semiannually and the bonds mature in fiscal year 2021. This issue had not economic gains or losses.

On August 13, 2010, the County pledged a $10,000,000 Federal National Mortgage Association (FNMA) bond to JP Morgan Chase to cover the collateral threshold shortfall on the $72,785,000 interest rate swap for the 2007B Series bonds. The FNMA bond pledged on July 1, 2010 was returned.

On September 3, 2010, the County pledged a $25,000,000 FNMA bond to Citibank to cover the collateral shortfall on the $199,915,000 interest rate swap for the 2010A Series bonds.

On September 23, 2010, the District issued $181,885,000 Flood Control District Contract Tax Bonds, Series 2010A to defease all or a portion of the District's Contract Tax Commercial Paper Notes, Series F and to pay costs of such issuance. The annual interest is 5.0%. The issuance had a premium of $19,722,759. Interest accrues semiannually and the bonds mature in fiscal year 2040.

On October 27, 2010, the interest rate swap with Goldman Sachs Capital Markets, L.P., relating to the Tax and Subordinate Lien Revenue Refunding Bonds, Series 2004A and 2004B bond issues

was terminated. The County received a final payment of $1,300,000.

On November 18, 2010, the County issued $25,410,000 of Toll Road Unlimited Tax and Subordinate Lien Revenue Refunding Bonds, Series 2010B to provide additional funds to pay qualifying costs of toll road projects, to partially refund and defease the County's outstanding Toll Road Unlimited Tax and Subordinate Lien Revenue Refunding Bonds, Series 2002 and to pay the costs of such issuance. The annual interest rates range from 0.77% to 2.09%. Interest accrues semiannually and the bonds mature in fiscal year 2015. The refunding resulted in a decrease in cash flow requirements of $859,862 and had an economic gain of $822,116.

On November 18, 2010, the County issued $18,995,000 of Toll Road Senior Lien Revenue Refunding Bonds, Taxable Series 2010C to partially refund and defease the County's outstanding Toll Road Senior Lien Revenue Refunding Bonds, Series 2002 and to pay the costs of such issuance. The annual interest rates range from 0.88% to 2.79%. Interest accrues semiannually and the bonds mature in 2016. The refunding resulted in a decrease of cash flow requirements of $536,539 and had an economic gain of $508,204.

On November 18, 2010, the County issued $35,420,000 of Toll Road Senior Lien Revenue Refunding Bonds, Series 2010D to partially refund and defease County's outstanding Toll Road Senior Lien Revenue Refunding Bonds, Series 2002, Toll Road Senior Lien Revenue Refunding Bonds, Series 2005A and to pay the costs of such issuance. The annual interest rates range from 3.0% to 5.0%. This issuance had a premium of $1,670,777. Interest accrues semiannually and the bonds mature in 2030. The refunding resulted in a decrease in cash flow requirements of $2,264,225 and had an economic gain of $1,693,136.

On February 25, 2011, the County pledged a $15,000,000 FNMA bond to Citibank to cover the collateral shortfall of the $199,915,000 interest rate swap for the 2010A Series bonds. The collateral pledged on September 3, 2010 was returned.

G. DEFEASANCE OF DEBT

In fiscal year 2011 and in prior years, the County has defeased certain property tax bonds, revenue bonds, certificates of obligation and Toll Road revenue bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. The trust account assets and the liability for the defeased bonds are not included in the County's basic financial statements.

As of February 28, 2011, the outstanding principal balance of these defeased bonds was as follows:

Property Tax Bonds:	Road	$ 312,230,000
	Permanent Improvement	675,115,000
Revenue Bonds:	Hotel Occupancy	3,360,000
Flood Control:	Flood Control	430,360,000
Certificates of Obligation:	General Obligation	71,500,000
Tax & Subordinate Lien Bonds:	Tax & Subordinate Lien	22,170,000
Toll Road Bonds:	Senior Lien Revenue Bonds	1,155,225,000
	Tax Bonds	839,600,000
Total Defeased Bonds		$ 3,509,560,000

H. 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 February 28, 2011 there were no estimated liabilities for arbitrage rebate on governmental debt or enterprise debt. The Debt Service Funds have typically been used to liquidate arbitrage liabilities in previous years.

I. INTEREST RATE SWAPS

TOLL ROAD: The County entered interest rate swaps with Citibank, N.A., New York, relating to the Toll Road Authority, Series 2010A and the Senior Lien Revenue Refunding Bonds, Series 2007B. The County entered an interest rate swap with JPMorgan Chase Bank, National Association, relating to the Senior Lien Revenue Refunding Bonds, Series 2007B. The purpose of the swaps was to create a fixed cost of funds on certain maturities of the related bonds that are lower than the fixed cost achievable in the cash bond market.

Terms:

	Citibank–Toll Road Authority, Series 2010A	Citibank-Senior Lien Revenue Refunding Bonds, Series 2007B	JP Morgan Chase-Senior Lien Revenue Refunding Bonds, Series 2007B
Trade Date:	November 28, 2006	May 22, 2007	May 22, 2007
Effective Date:	August 15, 2009	June 14, 2007	June 14, 2007
Termination Date:	August 15, 2019	February 15, 2035	February 15, 2035
Initial Notional Amount: (a)	$199,915,000	$72,785,000	$72,785,000
Authority Pays Fixed:	3.626%	4.398%	4.398%
Counterparty Pays Floating:	70% of 1 Month LIBOR	67% of 3 Month LIBOR + .67%	67% of 3 Month LIBOR + .67%
Payment Dates:	The 15th day of each month	The 15th day of February, May, August and November	The 15th day of February, May, August and November
Collateral Threshold: (b)	($15,000,000) (c)	($15,000,000)	($15,000,000)
Fair Value as of 2/28/10:	($20,796,325)	($10,892,319)	($10,892,319)

(a) The notional amount for the swaps amortizes to match the outstanding bond.
(b) Collateral threshold represents the maximum exposure that the counterparty is required to accept without a pledge of collateral. The difference between the fair value and the collateral threshold must be covered by County collateral. The maximum collateral threshold ceiling is $45,000,000.
(c) The County pledged FNMA note with a $15,000,000 par, at 1.5%, has been transferred to Citibank as collateral under the terms of the swap agreements related to the Toll Road Senior Revenue Refunding Bonds, Series 2010A.

Fair Value: Swaps are not normally valued through exchange-type markets with easily accessible quotation systems and procedures. The fair market value was calculated using information obtained from generally recognized sources with respect to quotations, reporting of specific transactions and market conditions and based on accepted industry standards and methodologies.

Summary of GASB 53 Effectiveness Testing:

	Citibank–Toll Road Authority, Series 2010A	Citibank-Senior Lien Revenue Refunding Bonds, Series 2007B	JP Morgan Chase-Senior Lien Revenue Refunding Bonds, Series 2007B
Derivative Instrument	Interest Rate Swap	Interest Rate Swap	Interest Rate Swap
Hedge Type	Cash Flow Hedge	Cash Flow Hedge	Cash Flow Hedge
Method of Effectiveness Testing	Dollar Offset	Consistent Critical Terms	Consistent Critical Terms
Result of Effectiveness Testing	Effective	Effective	Effective

Risks:

	Citibank–Toll Road Authority, Series 2010A	Citibank-Senior Lien Revenue Refunding Bonds, Series 2007B	JP Morgan Chase-Senior Lien Revenue Refunding Bonds, Series 2007B
Credit Risk: Credit Ratings Moody's, S&P, and Fitch	A1, A+, and A+	A1, A+, and A+	Aa1, AA-, and AA-
Interest Rate Risk – risk that changes of rates in the bond market will negatively affect the cash flow to the County in a SWAP transaction.	Citi Bank NA pays 70% of 1 month LIBOR, while the County pays a fixed rate of 3.626%.	Citi Bank NA pays 67% of 3 month LIBOR + 67bp, while the County pays a fixed rate of 4.398%.	JP Morgan Chase Bank NA pays 67% of 3 month LIBOR + 67bp, while the County pays a fixed rate of 4.398%.
Termination Risk – risk that the SWAP must be terminated prior to its stated final cash flow.	The exposure to the County is $20,796,325, which is based on a fair market value calculation.	The exposure to the County is $10,892,319, which is based on a fair market value calculation.	The exposure to the County is $10,892,319, which is based on a fair market value calculation.

J. SUBSEQUENT DEBT RELATED ACTIVITY

On May 24, 2011, the County pledged a $20M Federal National Mortgage (FNMA) bond to Citibank to cover the collateral threshold shortfall on the $199,915,000 interest rate swap for the Series 2010A bonds. The FNMA bond pledged on February 25, 2011 was returned.

On July 21, 2011, the County issued $450,000,000 in Tax Anticipation Notes, Series 2011. The tax anticipation notes were issued to fund the County's cumulative cash flow deficit for the fiscal year beginning March 1, 2011 and ending February 29, 2012, and will be repaid from fiscal year 2012 tax revenues. The tax anticipation notes, which mature February 29, 2012 and will pay interest at a range of 1.5% to 2.5%..

On August 1, 2011, the County pledged a $5M Federal Farm Credit Bank bond to JP Morgan to cover the collateral threshold shortfall on the $72,785,000 interest rate swap for the Series 2007B bonds. There was no change to the collateral pledged to Citibank.

On August 11, 2011, the County pledged a $5M Federal Farm Credit Bank bond to JP Morgan to cover the collateral threshold shortfall on the $72,785,000 interest rate swap for the Series 2007B bonds. There was no change to the collateral pledged on August 1, 2011.

On August 11, 2011, the County issued $199,915,000 of Toll Road Senior Lien Revenue Refunding Bonds, Series 2011A to refund and defease County's outstanding Toll Road Senior Lien Revenue Refunding Bonds, Series 2010A, and to pay the costs of such issuance. The annual interest rate is 2.0%. This issuance had a premium of $3,488,517. Interest accrues semiannually and the bonds mature in 2021.

11. COMPENSATED ABSENCES PAYABLE

Changes in long-term compensated absences for the year ended February 28, 2011 were as follows:

	Balance Outstanding March 1, 2010	Earned	Taken/ Paid	Balance Outstanding February 28, 2011	Amount Due Within One Year
Governmental Activities	$ 38,888,981	$ 18,505,990	$ (21,774,880)	$ 35,620,091	$ 22,084,456
Business-type Activities	1,316,727	651,678	(737,367)	1,231,038	763,244
Total	$ 40,205,708	$ 19,157,668	$ (22,512,247)	$ 36,851,129	$ 22,847,700

12. RETIREMENT PLAN

Plan Description

Harris County provides retirement, disability, and death benefits for all of its employees (excluding temporary) through a non-traditional 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 618 non-traditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report ("CAFR") on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

Under the state law governing TCDRS enacted in 1991, effective January 1, 1992, the County selected a plan of benefits to provide in the future, while at the same time considering the level of the employer contribution rate required to adequately finance the plan. Effective January 1, 1995, the County adopted an annually determined contribution rate plan, for which the employer contribution rate is actuarially determined as a part of the annual actuarial valuation. The rate, applicable for a calendar year, consists of the normal cost contribution rate plus the rate required to amortize the unfunded actuarial liability over the remainder of the plan's 25-year amortization period which began January 1, 1995 using the entry age actuarial cost method. Monthly contributions by the County are based on the covered payroll and the employer contribution rate in effect. The contribution rate for calendar year 2011 is 9.82%. The contribution rates for calendar years 2010 and 2009 were 11.31 % and 9.74 %, respectively.

The plan provisions are adopted by Commissioners Court of the County, within the options available in the state statutes governing TCDRS ("TCDRS Act"). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 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 the County.

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 Commissioners Court, 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.

Funding Policy

The County has elected the annually determined contribution rate ("ADCR") plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The County contributed using actuarially determined rate of 11.31% for the months of the calendar year in 2010, and 9.82% for the months of the calendar year in 2011.

The contribution rate payable by the employee members for 2010 and 2011 is the rate of 7% and 6% respectively, as adopted by Commissioners Court. The employee contribution rate and the employer contribution rate may be changed by Commissioners Court, within the options available in the TCDRS Act.

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

Annual Pension Cost

For the County's fiscal year ending February 28, 2011, the annual pension cost for the TCDRS plan and the actual contributions for its employees were $89,543,487. (This excludes actuarial contributions of $3,459,657 for Community Supervision, which is not considered a department or component unit of the County.) The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employees,* parameters based on the actuarial valuations as of December 31, 2009 and December 31, 2010, the basis for determining the contribution rates for calendar years 2010 and 2011. The December 31, 2010 is the most recent valuation.

Actuarial Valuation Method			
Actuarial Valuation Date	12/31/08	12/31/09	12/31/10
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period in years	20	20	20
Asset Valuation Method	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value
Actuarial Assumption			
Investment return (1)	8.0 %	8.0 %	8.0 %
Projected Salary Increases (1)	5.3 %	5.4 %	5.4 %
Inflation	3.5 %	3.5 %	3.5 %
Cost of Living Adjustments	0.0%	0.0%	0.0%
(1) Includes inflation at the stated rate.			

Harris County Trend Information			
Accounting Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
2/28/11	$ 89,543,487	100%	-
2/28/10	$ 84,946,672	100%	-
2/28/09	$ 79,047,481	100%	-

Schedule of Funding (including Community Supervision)	
Actuarial Valuation Date	12/31/10
Actuarial Value of Assets	$2,739,687,861
Actuarial Accrued Liability (AAL)	$3,123,164,193
Unfunded Actuarial Accrued Liability (UAAL)	$ 383,476,332
Funded Ratio	87.72%
Annual Covered Payroll (Actuarial)	$ 849,143,883
UAAL as Percentage of Covered Payroll	45.16%

13. OTHER POST EMPLOYMENT BENEFITS

THE PLAN:

Plan Description

Harris County administers an agent multiple-employer defined benefit post employment healthcare plan that covers retired employees of participating governmental entities. The plan provides medical, dental, vision, and basic life insurance benefits to plan members. Local Government Code Section 157.101 assigns the authority to establish and amend benefit provisions to Commissioners Court.

Membership in the plan at March 1, 2009, the date of the latest actuarial valuation, consists of the following:

Retirees and beneficiaries receiving benefits	3,361
Active plan members	14,841
Number of participating employers	5

Summary of Significant Accounting Policies

Basis of Accounting. The Plan's transactions are recorded using the accrual basis of accounting. Plan member and employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable.

Method Used to Value Investments. Investments are reported 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.

Contributions

Local Government Code Section 157.102 assigns to Commissioners Court the authority to establish and amend contribution requirements of the plan members and the participating employers. The

following tables present the criteria for the employers' contribution to the retiree's and qualifying dependent's benefits:

Retired Prior to March 1, 2002:

Years of Service	10 yrs.	9 yrs.	8 yrs.	< 8yrs. with proportionate service and/or disability
Retiree - Employer Share	100%	90%	80%	50%
Retiree - Retiree Share	0%	10%	20%	50%
Dependent - Employer Share	50%	45%	40%	25%
Dependent - Retiree Share	50%	55%	60%	75%

Retired or Eligible to Retire Prior to March 1, 2011:

Employee's age plus years of service	75	75	70-74	< 70	N/A
Years of service	10	8-9	8	4-7	< 4
Consecutive service years at retirement	4	4	4	4	N/A
Retiree - Employer Share	100%	80%	80%	50%	0%
Retiree - Retiree Share	0%	20%	20%	50%	100%
Dependent - Employer Share	50%	40%	40%	25%	0%
Dependent - Retiree Share	50%	60%	60%	75%	100%

Eligible to Retire March 1, 2011 or After:

A combination of age plus a minimum of 10 years of non-forfeited Harris County/ TCDRS service equal to 80 or at least age 65 with a minimum of 10 years of non-forfeited Harris County/TCDRS service to receive 100% County contributions for retiree coverage and 50% for dependent coverage. Retirees under age 65 will be required to pay an additional contribution as determined by Commissioners Court.

Employees Hired on or After March 1, 2007:

A combination of age plus a minimum of 20 years of non-forfeited Harris County/TCDRS service equal to 80 or at least age 65 with a minimum of 15 years of non-forfeited Harris County/TCDRS service to receive any County contributions for retiree or dependent coverage.

The Plan rates charged to retirees 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. For the year ended February 28, 2011, plan members or beneficiaries receiving benefits contributed $5.28 million, or approximately 13.6 percent of total benefits paid during the year. Participating employers contributed $33.59 million. The total contributions for the year ended February 28, 2011 were $38.87 million. Total contributions included actual medical claims paid, premiums for other insurance and administrative costs calculated through an annual rate calculation.

THE EMPLOYER:

Annual OPEB Cost and Net OPEB Obligation

For fiscal year 2011, the County's annual OPEB cost (expense) was $88,451,513 for the post employment healthcare plan. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended February 28, 2011 were as follows:

Annual Required Contribution (ARC)	$ 91,445,740
Add interest on Net OPEB Obligation	9,946,649
Less adjustment to Annual Required Contribution	(12,940,876)
Annual OPEB Cost	88,451,513
Less Contributions made	(33,588,280)
Change in Net OPEB Obligation	54,863,233
Net OPEB Obligation beginning of the year	198,932,991
Net OPEB Obligation end of the year	$ 253,796,224

Trend Information:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net Ending OPEB Obligation
2/28/2009	$ 96,615,958	$ 26,823,612	28%	$ 140,001,754
2/28/2010	89,338,513	30,407,276	34%	198,932,991
2/28/2011	88,451,513	33,588,280	38%	253,796,224

The above tables include information for the 5 participating employers to the agent multiple-employer defined benefit post employment healthcare plan that the County administers. Two of the employers, Emergency 911 and Community Supervision, are not considered departments or component units of the County. The annual net OPEB obligation for Emergency 911 and Community Supervision is $379,397 and $0 respectively for fiscal year 2010. The annual net OPEB obligation for Emergency 911 and Community Supervision is $468,194 and $0 respectively at February 28, 2011.

Funded Status and Funding Progress. The funded status of the plan as of March 1, 2009 (most recent actuarial valuation) was as follows:

Unfunded actuarial accrued liability (UAAL)	$ 859,681,747
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	$ 722,468,180
UAAL as percentage of covered payroll	119%

The above table includes UAAL of $915,483 for Emergency 911 and UAAL of $16,210,643 for Community Supervision.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial assumptions used in calculating the County's UAAL and ARC are elaborated later in this note. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes 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 benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are 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 such items as rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare trend and interest rates.

In the March 1, 2009 actuarial valuation, a 5.00% discount rate was used. The medical trend rates of 8% for 2009 and 7% for 2010 graded down to an ultimate rate of 5% by 2012 per the best estimate of expected long-term plan experience.

The actuarial cost method used in valuing the County's liabilities was the Projected Unit Cost Method. Under this method the benefits of each individual included in the valuation were allocated by a consistent formula over the years. The amortization period and method utilized was 30 year level dollar open period.

Additional Disclosures

Texas Local Government Code, Chapter 175 requires counties to make available continued health benefits coverage under certain circumstances to retirees and their dependents beyond the end of an individual's employment with the County ("Continuation Coverage") by permitting covered employees to purchase continued health benefits coverage in retirement. Texas law does not require counties to fund all or any portion of such coverage.

Because the County is given the authority to pay OPEB for its retired employees, it may incur a debt obligation to pay for OPEB so long as the County follows the constitutional requirement that it have sufficient taxing authority available at the time such debt is incurred to provide for the payment of the debt and has in fact levied a tax for such purpose concurrently with the incurrence of the debt. Any debt incurred in contravention of this constitutional requirement is considered void and payment will not be due. Harris County has not incurred a legal debt obligation for OPEB and has not levied a tax for the same. The County funds the cost associated with OPEB on a current "pay as you go" basis for a single fiscal year through an annual appropriation authorized by Commissioners Court during the County's annual budget adoption process.

GAAP requires governmental organizations to recognize an actuarially calculated accrued

liability for OPEB, even though it may not have a legally enforceable obligation to pay OPEB benefits.

Information and amounts presented in the County's Comprehensive Annual Financial Report relative to OPEB expense/expenditures, related liabilities (assets), note disclosures, and supplementary information are only intended to achieve compliance with the requirements of generally accepted accounting principles (GASB 45) and does not constitute or imply that the County is legally obligated to provide OPEB benefits.

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

14. RISK MANAGEMENT

The County's risk-of-loss exposures include exposure to liability and accidental loss of real and personal property as well as human resources. County operations involve a variety of high risk activities including, but not limited to, law enforcement, cash collections, construction, and maintenance activities. The Office of Human Resources & Risk Management is responsible for identifying, evaluating, and managing risk in order to reduce the exposure from liability and accidental loss of property and human resources.

The County has established the Risk Management Internal Service Fund to account for risk management activity. Risk financing activities include the purchase of property insurance, professional liability insurance, and crime and fidelity coverage. Harris County is self-insured for general liability, vehicle liability, and liability from property damage claims. Such non-litigated claims are handled on a pay-as-you-go basis and are expensed as paid; due to immateriality, no liabilities are reported in the financial statements for such claims or for an estimate of any claims which may have been incurred but have not been reported. Any liability arising from operation of motorized equipment will be considered under the Texas Tort Claims Act.

The County is self-insured for workers' compensation claims and reimburses a third-party administrator who evaluates and pays claims in accordance with State statute. The County's workers' compensation self-insurance program provides medical and indemnity payments as required by law for job-related injuries. The County has insurance coverage for excess workers' compensation and employer's liability. The retention (deductible) for the policy for the fiscal year ended February 28, 2011 is $850,000 per occurrence. The liability for outstanding losses includes an actuarially determined amount for incurred but not reported claims. Interfund premiums for workers' compensation are actuarially determined by claims expense experience and payroll history. During the past three fiscal years, there was one claim paid that exceeded the insurance coverage.

Contracted insurance providers receive disbursements from the Risk Management Fund based upon monthly enrollment and premium calculations. Departmental billings for premiums for property insurance, professional liability insurance, and crime and fidelity policies, as well as payments to the insurance carriers, are handled through the Risk Management Fund. Payments by the County for

general, vehicle, and property damage liability claims, for which the County is self-insured, are made through the Risk Management Fund unless litigation is involved. The County Attorney's Office handles any claims involving litigation.

The Risk Management Fund (Workers' Compensation) is available to pay claims and administrative costs of the programs and to fund claim reserves. During fiscal year 2011, a total of $13,494,597 was paid in benefits and administrative costs. As of February 28, 2011, claims liability, including an actuarial estimate of claims that have been incurred but not reported and accrued unpaid claims administration, totaled $25,225,310.

The following is a summary of the changes in worker's compensation claims liability for the Risk Management Fund for the fiscal years 2011 and 2010:

	2011	2010
Claims liability, beginning of fiscal year	$ 25,506,037	$ 23,996,709
Incurred claims (including IBNRs)	5,299,217	5,926,363
Claim payments	(5,579,944)	(4,417,035)
Claims liablility, end of fiscal year	$ 25,225,310	$ 25,506,037

The County currently provides medical, dental, vision, and basic life and disability insurance benefits to eligible employees and retirees. The County pays the full cost of employee coverage and 50% of the cost of dependent premiums. The total obligation for health insurance benefits is limited to the monthly premiums payable during the year and is based upon the number of enrolled employees, retirees and dependents during the year. The disability insurance will pay up to 50% of an employee's salary for two years with an employee paid option to extend the benefits period to age 65 and increase the percentage to 60%. The contributions and benefits for employees and their dependents are accounted for in the Health Insurance Management internal service fund. Retirees and their dependents are accounted for in the Retiree Healthcare agency fund.

For medical insurance benefits, the County is self-insured and contracts with Aetna to administer the program. Claims liability includes an estimated amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is based on past claim experience. The County has an excess coverage insurance policy that activates when claims reach 120% of expected claims in aggregate or individual claims in excess of $750,000. There were no significant reductions in insurance coverage from the prior year. During the past three fiscal years, there were no claims paid that exceeded the insurance coverage.

The following is a summary of the changes in medical insurance liability for the Health Insurance Management Fund for the fiscal years 2011 and 2010:

	2011	2010
Claims liability, beginning of fiscal year	$ 30,242,939	$ 27,808,556
Incurred claims (including IBNRs)	176,401,516	172,303,320
Claim payments	(176,591,208)	(169,868,937)
Claims liablility, end of fiscal year	$ 30,053,247	$ 30,242,939

15. LANDFILL POSTCLOSURE CARE COST

Harris County operated three permitted and/or licensed landfills which were closed prior to October 1993 according to the rules and regulations at the time. All three sites have completed applicable post closure care requirements and are no longer owned by Harris County. A fourth site, a former unpermitted landfill, now known as Allison R. Peirce, Jr. Wetlands Nature Sanctuary, was part of an enforcement action by the County and acquired by the County to ensure that the site was appropriately remediated under TCEQ requirements. The County received Supplemental Environmental Project (SEP) funds as the primary funding of this project. The site has met the requirements of the Texas Commission on Environmental Quality's Texas Risk Reduction Program. A "No Further Action" letter has been issued by the Texas Risk Reduction Program of the Texas Commission on Environmental Quality for this site and plans are being made to convert this site to a park facility. A fifth site was acquired when Harris County Flood Control acquired land for a detention basin. When construction for the detention basin began several years ago, an unpermitted landfill was discovered. This landfill was capped at the time. Harris County Flood Control District is in the process of performing a site assessment in order to be able to reasonably quantify the cost for possible remediation. Currently, the Harris County Flood Control has no regulatory requirement to remediate this site. The site assessment costs for this landfill are included with the pollution remediation obligation.

16. COMMITMENTS AND CONTINGENT LIABILITIES

POLLUTION REMEDIATION

The County is subject to numerous Federal, State and local environmental laws and regulations. GASB 49 established standards for the accounting and reporting of obligations incurred to address current or potential detrimental effects of existing pollution. The County recorded in the financial statements pollution remediation liabilities of $2,864,732. This includes $523,356 of Flood Control District liabilities. The County primarily has ground water and air pollution remediation obligations. The liabilities were calculated based on historical expenditures and professional judgment. The liabilities are an estimate and are subject to revision because of price increases or reductions, changes in technology, changes in applicable laws or regulations, or other circumstances that could cause changes. There are a few potential pollution remediation liabilities, or portions thereof, that are not yet recognized because they are not reasonably estimable at this time. These obligations include examples, such as ground water plumes whose extent and reach of contamination is in the process of being delineated under regulatory requirements and thus corrective action has not yet been determined; obligations recently indentified and/or not yet quantifiable; and a lawsuit for cost-recovery under CERCLA where the matter is under litigation, large numbers of responsible parties have been identified, and cost have not been apportioned yet by the court. Although uncertainties associated with environmental assessment remain and certain costs are not quantifiable, management believes the current provision for such costs is adequate. There are $153,770 in estimated recoveries reducing the liability as of February 28, 2011. These funds are from a Texas Department of Rural Affairs Grant for which there is no County matching requirement. Additional costs, if any, are not expected to have a material effect on the financial condition of the County.

LITIGATION

The County is involved in lawsuits and other claims in the ordinary course of operations. Such

litigation includes lawsuits alleging personal injuries, discriminatory hiring and firing practices, claims from contractors for amounts under construction contracts, inverse condemnation claims, and various other liability claims. The outcome of most 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. There are several civil cases that have resulted in settlements, consent decrees or are expected to have a financial impact on the County in subsequent fiscal years. Total liabilities of $4,900,000 for judgments payable have been recorded in the governmental activities of the Government-Wide financial statements. An additional amount of approximately $3.87 million is considered possible for payment in relation to other cases; accounting standards require that this amount be disclosed, but it is not recorded as a liability in the financial statements.

OTHER

The County received significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund. However, in the opinion of management, such disallowed claims, if any, will not have a material effect on any financial statements of the individual fund types included herein or on the overall financial position of the County as of February 28, 2011.

OPERATING LEASES

As of February 28, 2011, the County had several operating leases for office space. Such leases have terms from one to three years and are subject to renewal each year based upon the County's annual appropriation. As of February 28, 2011, the County's obligation for such annual rental payments, if the annual renewal option is exercised, is as follows:

Governmental Activities	
Fiscal year	**Office Space**
2012	$ 3,564,387
2013	2,416,070
2014	1,586,778
2015	1,483,301
2016	1,371,304
2017-2027	5,825,963
	$ 16,247,803

CONSTRUCTION COMMITMENTS

The County is committed under various contracts in connection with the construction of County facilities, buildings, and roads of $132,888,465. In addition, the County has construction commitments outstanding relating to the Toll Road of approximately $138,070,391.

17. REVENUE LEASES

OPERATING LEASES

The County is the lessor in several operating leases for certain land and office space. The land leases

are for various park areas and expire over the next four years. The office space is in various County owned buildings and expire over the next five to forty years. The following schedule provides an analysis of the County's investment in the property on the operating leases as of February 28, 2011:

	Carrying Value
Land	$ 3,494,848
Buildings	793,788,440
Total Carrying Value	797,283,288
Less: Accumulated Depreciation	(177,423,470)
	$ 619,859,818

The following is a schedule by years of minimum future rental receipts on non-cancelable operating leases as of February 28, 2011:

Fiscal year	Governmental Activities
2012	$ 1,039,827
2013	283,527
2014	156,216
2015	155,466
2016	68,842
2017-2021	86,735
2022-2026	39,735
2027-2031	37,262
2032-2036	31,008
2037-2041	31,008
2042-2046	31,008
2047-2051	31,008
2052-2056	5,168
Total minimum future rentals	$ 1,996,810

The total minimum future rentals amount above does not include contingent rentals which may be received under certain leases based on percentage of receipts. Contingent rentals amounted to $842,031 in 2011.

DIRECT-FINANCING LEASES

The County leases certain County-owned property to others for use as office space. The County's net investment in direct financing leases is $273,300. These leases are classified as direct-financing leases and expire at various intervals over the next 46 years and are not considered a significant part of the County's operating activities in terms of revenue.

18. FUND BALANCE DESIGNATIONS

The unreserved-designated fund balances include amounts which have been internally designated to be set aside and are not considered to be available for immediate appropriation. At February 28, 2011, the County's unreserved-designated fund balances in the Governmental Funds are for capital projects and maintenance. The following is a detail of capital projects by fund:

Unreserved, designated for:	
Roads	$ 102,603,957
Permanent Improvements	1,282,646
Flood Control	141,209,794
Total unreserved, designated for capital projects	$ 245,096,397

19. RECENT ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"), establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB 54 will be implemented by the County in fiscal year 2012 and the impact has not yet been determined.

GASB Statement 59, *Financial Instruments Omnibus* ("GASB 59"), updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. GASB 59 will be implemented by the County in fiscal year 2012 and the impact has not yet been determined.

GASB Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements* ("GASB 60"), improves financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. GASB 60 will be implemented by the County in fiscal year 2013 and the impact has not yet been determined.

GASB Statement 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34* ("GASB 61"), which modifies certain requirements for inclusion of component units in the financial reporting entity, amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances and clarifies the reporting of equity interests in legally separate organizations. GASB 61 will be implemented by the County in fiscal year 2014 and the impact has not yet been determined.

GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* ("GASB 62"), which incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict or contradict GASB pronouncements: 1) Financial Accounting Standards Board (FASB) Statements and Interpretations; 2) Accounting Principles Board Opinions; 3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. GASB 62 will be implemented by the County in fiscal year 2013 and the impact has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

HARRIS COUNTY, TEXAS
GENERAL FUND

SCHEDULE OF AVAILABLE RESOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For The Year Ended February 28, 2011

	Adopted Budget	Adjusted Budget	Actual	Over (Under)
GENERAL FUND - OPERATING				
Beginning Cash and Investments	$ 168,638,758	$ 168,638,758	$ 148,766,537	$ (19,872,221)
Revenues and Transfers In:				
Taxes	889,513,533	889,513,533	917,342,278	27,828,745
Intergovernmental	37,188,440	40,272,571	39,565,552	(707,019)
Charges for Services	196,163,891	196,226,138	196,047,915	(178,223)
Fines and Forfeitures	22,404,093	22,404,093	18,189,863	(4,214,230)
Rentals & Parks	4,520,380	4,520,380	4,622,894	102,514
Interest	1,635,418	1,635,418	973,999	(661,419)
Miscellaneous	41,447,428	42,591,808	51,459,188	8,867,380
Other Transfer In	6,500,000	6,500,000	10,190,038	3,690,038
Total Revenues and Transfers In	1,199,373,183	1,203,663,941	1,238,391,727	34,727,786
Total Available Resources - General Fund - Operating	1,368,011,941	1,372,302,699	1,387,158,264	14,855,565
GENERAL FUND - PUBLIC IMPROVEMENT CONTINGENCY				
Beginning Cash and Investments	34,455,946	34,455,946	34,678,817	222,871
Revenues and Transfers In:				
Taxes	5,668,946	5,668,946	5,014,534	(654,412)
Interest	329,222	329,222	768,276	439,054
Miscellaneous	15,000	15,000	6,636	(8,364)
Total Revenues and Transfers In	6,013,168	6,013,168	5,789,446	(223,722)
Total Available Resources - General Fund - Public Imp.	40,469,114	40,469,114	40,468,263	(851)
GENERAL FUND - MOBILITY FUND				
Beginning Cash and Investments	94,901,265	94,901,265	94,924,236	22,971
Revenues and Transfers In:				
Interest	916,202	916,202	984,085	67,883
Miscellaneous	-	-	14,321	14,321
Other - Transfers In	120,000,000	120,000,000	120,000,000	-
Total Revenues and Transfers In	120,916,202	120,916,202	120,998,406	82,204
Total Available Resources - General Fund - Mobility Fund	215,817,467	215,817,467	215,922,642	105,175
GENERAL FUND - DEBT SERVICE				
Beginning Cash and Investments:				
HC/FC Agreement 2008A CP Refunding	6,576,400	6,576,400	6,581,439	5,039
HC/FC Agreement 2008C CP Refunding	8,950,659	8,950,659	8,957,501	6,842
Permanent Improvements Refunding Series 1996	383,853	383,853	383,767	(86)
Permanent Improvements Refunding Series 1997	671,100	671,100	671,086	(14)
Commercial Paper Series B	1,432,000	1,432,000	1,430,550	(1,450)
Commercial Paper Series C	2,618,000	2,618,000	2,529,757	(88,243)
Permanent Improvements Refunding Series 2008C	13,378,000	13,378,000	13,377,557	(443)
Commercial Paper Series A1	1,017,000	1,017,000	1,014,115	(2,885)
HC/FC Agreement 2004A CP Refunding	6,146,000	6,146,000	6,149,761	3,761
Permanent Improvement Commercial Paper Series D	3,031,000	3,031,000	3,012,241	(18,759)
Flood Control Comm Paper Agreement	2,918,000	2,918,000	2,920,186	2,186
HC/FC Agreement 2006 CP Refunding	4,414,000	4,414,000	4,416,831	2,831
Certificates of Obligation Series 2001	1,869,000	1,869,000	1,820,336	(48,664)
Permanent Improvement Refunding Series 2001	878,000	878,000	842,333	(35,667)
Revenue Refunding Series 2002	62,175	62,175	62,175	-
Permanent Improvement Refunding Series 2002	15,373,000	15,373,000	15,382,394	9,394
Permanent Improvement Refunding Series 2003A	3,150,000	3,150,000	3,149,260	(740)
Permanent Improvement Refunding Series 2003 B	1,700,000	1,700,000	1,699,291	(709)
CJC Refunding Series 2004	5,440,000	5,440,000	5,439,227	(773)

See notes to required supplementary information.

HARRIS COUNTY, TEXAS
GENERAL FUND

SCHEDULE OF AVAILABLE RESOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For The Year Ended February 28, 2011

	Adopted Budget	Adjusted Budget	Actual	Over (Under)
Tax & Subordinate Lien Refunding Series 2004A	73,000	73,000	77	(72,923)
Tax & Subordinate Lien Refunding Series 2004B	2,855,000	2,855,000	2,855,443	443
Permanent Improvement Refunding Series 2004A	6,061,000	6,061,000	6,060,200	(800)
Road Refunding Series 2009A Cost of Issuance	210,205	210,205	210,211	6
Permanent Improvement Refunding Series 2005A	6,458,000	6,458,000	6,458,244	244
Permanent Improvement Refunding Series 2006A	3,445,500	3,445,500	3,445,765	265
Permanent Improvement Refunding Series 2008A	5,870,000	5,870,000	5,869,930	(70)
Tax & Subordinate Lien Refunding Series 2009C	218,000	218,000	34	(217,966)
Tax & Subordinate Lien Refunding Series 2009C - COI	86,300	86,300	86,204	(96)
Permanent Improvement Refunding Series 2008B	8,800,000	8,800,000	8,798,034	(1,966)
Permanent Improvement Refunding Series 2009A	1,098,000	1,098,000	1,096,102	(1,898)
Permanent Improvement Refunding Series 2009B	237	237	237	-
Permanent Improvement Refunding Series 2009B - COI	239,000	239,000	238,799	(201)
Total Beginning Cash and Investments	115,422,429	115,422,429	114,959,087	(463,342)
Revenues and Transfers In:				
HC/FC Agreement 2008A CP Refunding	7,067,420	7,067,420	6,988,733	(78,687)
HC/FC Agreement 2008C CP Refunding	9,555,623	9,555,623	9,438,076	(117,547)
HC/FC Agreement 2010A CP Refunding	-	-	8,721,069	8,721,069
Permanent Improvements Refunding Series 1996	12,542	12,542	13,589	1,047
Permanent Improvements Refunding Series 1997	749,991	749,991	776,771	26,780
Commercial Paper Series B	23,919	23,919	4,879	(19,040)
Commercial Paper Series C	4,113,038	4,113,038	1,320,435	(2,792,603)
Permanent Improvements Refunding Series 2008C	14,245,839	216,500,844	203,990,315	(12,510,529)
Commercial Paper Series A1	1,631,672	1,631,672	2,661,844	1,030,172
HC/FC Agreement 2004A CP Refunding	6,882,789	6,882,789	6,718,410	(164,379)
Permanent Improvement Commercial Paper Series D	3,252,007	3,252,007	2,902,798	(349,209)
Flood Control Comm Paper Agreement	3,464,942	3,464,942	62,204	(3,402,738)
HC/FC Agreement 2006 CP Refunding	4,835,341	4,835,341	4,722,359	(112,982)
Certificates of Obligation Series 2001	147,961	147,961	250,258	102,297
Permanent Improvement Refunding Series 2001	94,419	94,419	698,182	603,763
Revenue Refunding Series 2002	622	622	34	(588)
Revenue Certificates Series 2002	8	8	-	(8)
Permanent Improvement Refunding Series 2002	15,680,365	39,246,601	32,712,422	(6,534,179)
Permanent Improvement Refunding Series 2003A	2,564,191	2,564,191	2,652,201	88,010
Permanent Improvement Refunding Series 2003B	4,474,510	19,309,848	14,968,938	(4,340,910)
CJC Refunding Series 2004	6,103,626	6,103,626	5,939,269	(164,357)
Tax & Subordinate Lien Refunding Series 2004A	1,052,262	1,052,262	1,052,182	(80)
Tax & Subordinate Lien Refunding Series 2004B	8,973,084	8,973,084	3,909,827	(5,063,257)
Permanent Improvement Refunding Series 2004A	4,455,713	37,001,707	32,366,807	(4,634,900)
Road Refunding Series 2010A Cost of Issuance	-	323,742	323,737	(5)
Road Refunding Series 2009A Cost of Issuance	2,701	2,701	9	(2,692)
Permanent Improvement Refunding Series 2005A	6,982,908	6,982,908	6,904,945	(77,963)
Permanent Improvement Refunding Series 2006A	6,248,563	32,043,140	30,560,676	(1,482,464)
Permanent Improvement Refunding Series 2008A	2,365,576	2,365,576	6,439,814	4,074,238
Tax & Subordinate Lien Refunding Series 2009C	2,704,010	2,704,010	1,357,274	(1,346,736)
Tax & Subordinate Lien Refunding Series 2009C - COI	1,025	1,025	7	(1,018)
Permanent Improvement Refunding Series 2008B	10,270,791	21,760,851	16,662,380	(5,098,471)
Permanent Improvement Refunding Series 2009A	1,224,793	1,224,793	1,142,474	(82,319)
Permanent Improvement Refunding Series 2009B	8,209,811	8,209,811	8,038,280	(171,531)
Permanent Improvement Refunding Series 2009B - COI	2,983	2,983	16	(2,967)
Permanent Improvement Refunding Series 2010A	-	211,549,061	220,746,912	9,197,851
Permanent Improvement Refunding Series 2010A - COI	-	323,917	323,917	-
Permanent Improvement Refunding Series 2010B	-	107,225,954	111,504,411	4,278,457
Permanent Improvement Refunding Series 2010B - COI	-	354,710	354,705	(5)
Total Revenues and Transfers In	137,395,045	767,659,639	747,231,159	(20,428,480)

See notes to required supplementary information.

HARRIS COUNTY, TEXAS
GENERAL FUND

SCHEDULE OF AVAILABLE RESOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For The Year Ended February 28, 2011

	Adopted Budget	Adjusted Budget	Actual	Over (Under)
Total Available Resources:				
HC/FC Agreement 2008A CP Refunding	13,643,820	13,643,820	13,570,172	(73,648)
HC/FC Agreement 2008C CP Refunding	18,506,282	18,506,282	18,395,577	(110,705)
HC/FC Agreement 2010A CP Refunding	-	-	8,721,069	8,721,069
Permanent Improvements Refunding Series 1996	396,395	396,395	397,356	961
Permanent Improvements Refunding Series 1997	1,421,091	1,421,091	1,447,857	26,766
Commercial Paper Series B	1,455,919	1,455,919	1,435,429	(20,490)
Commercial Paper Series C	6,731,038	6,731,038	3,850,192	(2,880,846)
Permanent Improvements Refunding Series 2008C	27,623,839	229,878,844	217,367,872	(12,510,972)
Commercial Paper Series A1	2,648,672	2,648,672	3,675,959	1,027,287
HC/FC Agreement 2004A CP Refunding	13,028,789	13,028,789	12,868,171	(160,618)
Permanent Improvement Commercial Paper Series D	6,283,007	6,283,007	5,915,039	(367,968)
Flood Control Comm Paper Agreement	6,382,942	6,382,942	2,982,390	(3,400,552)
HC/FC Agreement 2006 CP Refunding	9,249,341	9,249,341	9,139,190	(110,151)
Certificates of Obligation Series 2001	2,016,961	2,016,961	2,070,594	53,633
Permanent Improvement Refunding Series 2001	972,419	972,419	1,540,515	568,096
Revenue Refunding Series 2002	62,797	62,797	62,209	(588)
Revenue Certificates Series 2002	8	8	-	(8)
Permanent Improvement Refunding Series 2002	31,053,365	54,619,601	48,094,816	(6,524,785)
Permanent Improvement Refunding Series 2003A	5,714,191	5,714,191	5,801,461	87,270
Permanent Improvement Refunding Series 2003 B	6,174,510	21,009,848	16,668,229	(4,341,619)
CJC Refunding Series 2004	11,543,626	11,543,626	11,378,496	(165,130)
Tax & Subordinate Lien Refunding Series 2004A	1,125,262	1,125,262	1,052,259	(73,003)
Tax & Subordinate Lien Refunding Series 2004B	11,828,084	11,828,084	6,765,270	(5,062,814)
Permanent Improvement Refunding Series 2004A	10,516,713	43,062,707	38,427,007	(4,635,700)
Road Refunding Series 2010A Cost of Issuance	-	323,742	323,737	(5)
Road Refunding Series 2009A Cost of Issuance	212,906	212,906	210,220	(2,686)
Permanent Improvement Refunding Series 2005A	13,440,908	13,440,908	13,363,189	(77,719)
Permanent Improvement Refunding Series 2006A	9,694,063	35,488,640	34,006,441	(1,482,199)
Permanent Improvement Refunding Series 2008A	8,235,576	8,235,576	12,309,744	4,074,168
Tax & Subordinate Lien Refunding Series 2009C	2,922,010	2,922,010	1,357,308	(1,564,702)
Tax & Subordinate Lien Refunding Series 2009C - COI	87,325	87,325	86,211	(1,114)
Permanent Improvement Refunding Series 2008B	19,070,791	30,560,851	25,460,414	(5,100,437)
Permanent Improvement Refunding Series 2009A	2,322,793	2,322,793	2,238,576	(84,217)
Permanent Improvement Refunding Series 2009B	8,210,048	8,210,048	8,038,517	(171,531)
Permanent Improvement Refunding Series 2009B - COI	241,983	241,983	238,815	(3,168)
Permanent Improvement Refunding Series 2010A	-	211,549,061	220,746,912	9,197,851
Permanent Improvement Refunding Series 2010A - COI	-	323,917	323,917	-
Permanent Improvement Refunding Series 2010B	-	107,225,954	111,504,411	4,278,457
Permanent Improvement Refunding Series 2010B - COI	-	354,710	354,705	(5)
Total Available Resources - General Fund - Debt Service	252,817,474	883,082,068	862,190,246	(20,891,822)
TOTAL GENERAL FUND				
Beginning Cash and Investments	413,418,398	413,418,398	393,328,677	(20,089,721)
Revenues and Transfers In	1,463,697,598	2,098,252,950	2,112,410,738	14,157,788
TOTAL GENERAL FUND	$ 1,877,115,996	$ 2,511,671,348	$ 2,505,739,415	$ (5,931,933)

See notes to required supplementary information.

HARRIS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER USES
BUDGET AND ACTUAL - BUDGETARY BASIS

For The Year Ended February 28, 2011

	Adopted Budget	Adjusted Budget	Actual	(Over) Under
GENERAL FUND DEPARTMENTS				
Public Infrastructure	$ 4,117,731	$ 2,987,033	$ 2,906,000	$ 81,033
Right of Way	2,204,495	1,995,635	1,984,387	11,248
Construction Programs Division	7,122,810	6,543,080	6,514,415	28,665
Appraisal District	6,642,325	9,143,186	9,143,186	-
County Judge	4,915,721	4,854,721	4,554,624	300,097
Commissioner Precinct 1	73,128,649	28,120,698	23,932,558	4,188,140
Commissioner Precinct 2	42,112,156	37,761,874	31,321,533	6,440,341
Commissioner Precinct 3	47,676,048	35,776,971	29,474,443	6,302,528
Commissioner Precinct 4	60,547,577	41,916,559	38,698,402	3,218,157
Tunnel and Ferries Operation	4,892,683	4,737,374	4,239,810	497,564
Management Services	13,738,247	43,778,552	43,404,156	374,396
Legislative Services	1,022,882	1,406,037	1,391,422	14,615
Public Infrastructure - Architecture & Engineering	28,169,540	27,738,848	27,644,266	94,582
Fire Marshal's Office	6,386,777	6,461,984	6,427,960	34,024
Medical Examiner	20,142,388	19,392,745	19,306,128	86,617
Public Health Services	28,011,067	28,012,172	27,029,446	982,726
Public Library	25,286,914	24,122,204	24,114,463	7,741
Domestic Relations	2,765,969	2,623,051	2,575,034	48,017
Community Services	9,734,019	9,468,969	9,213,288	255,681
Information Technology Center	35,000,466	33,548,076	33,486,425	61,651
MHMRA	22,468,907	22,304,770	22,304,752	18
Facilities and Property Management	59,564,266	56,973,608	55,804,130	1,169,478
Constable Precinct 1	23,800,790	26,027,377	25,980,425	46,952
Constable Precinct 2	6,040,217	6,151,934	6,120,895	31,039
Constable Precinct 3	10,590,070	10,565,010	10,536,818	28,192
Constable Precinct 4	30,800,146	35,288,662	35,229,356	59,306
Constable Precinct 5	28,500,337	31,310,844	31,293,729	17,115
Constable Precinct 6	7,200,772	7,158,282	7,135,391	22,891
Constable Precinct 7	7,700,082	8,374,228	8,357,745	16,483
Constable Precinct 8	6,175,279	6,475,954	6,471,105	4,849
Justice of the Peace 1-1	1,548,750	1,573,210	1,567,606	5,604
Justice of the Peace 1-2	2,220,098	2,156,603	2,151,448	5,155
Justice of the Peace 2-1	825,293	877,428	877,121	307
Justice of the Peace 2-2	830,013	838,448	838,332	116
Justice of the Peace 3-1	1,562,482	1,544,432	1,539,810	4,622
Justice of the Peace 3-2	1,101,466	1,093,676	1,088,892	4,784
Justice of the Peace 4-1	2,514,991	2,334,602	2,307,853	26,749
Justice of the Peace 4-2	1,269,956	1,263,021	1,262,324	697
Justice of the Peace 5-1	1,741,319	1,752,199	1,743,838	8,361
Justice of the Peace 5-2	2,419,625	2,382,860	2,357,778	25,082
Justice of the Peace 6-1	558,590	560,090	556,739	3,351
Justice of the Peace 6-2	623,432	631,882	627,070	4,812
Justice of the Peace 7-1	658,668	680,343	680,341	2
Justice of the Peace 7-2	841,448	863,598	861,828	1,770
Justice of the Peace 8-1	1,003,950	1,024,930	1,024,478	452

See notes to required supplementary information.

HARRIS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER USES
BUDGET AND ACTUAL - BUDGETARY BASIS

For The Year Ended February 28, 2011

	Adopted Budget	Adjusted Budget	Actual	(Over) Under
Justice of the Peace 8-2	1,010,864	919,824	919,672	152
County Attorney	18,070,360	21,548,475	21,040,901	507,574
County Clerk	24,360,033	24,320,499	24,319,351	1,148
County Treasurer	1,136,214	1,087,774	1,065,661	22,113
Tax Assessor-Collector	25,224,754	24,758,249	24,713,021	45,228
County Sheriff	376,002,360	413,110,182	412,968,656	141,526
District Attorney	56,600,035	58,488,302	58,449,457	38,845
District Clerk	27,725,061	27,617,663	27,329,961	287,702
Community Supervision and Correction	766,022	774,555	774,554	1
Pretrial Services	7,368,671	7,047,431	7,028,609	18,822
County Auditor	14,066,681	14,066,681	13,285,741	780,940
Purchasing Agent	6,952,335	6,564,415	6,523,746	40,669
District Courts	43,328,697	53,653,263	53,653,174	89
Texas Agrilife Extension Services	825,046	807,084	804,084	3,000
Juvenile Probation	71,254,682	67,653,617	67,091,769	561,848
Sheriff's Civil Service	220,082	185,187	184,425	762
Protective Services- Children and Adults	21,555,038	21,707,326	21,622,600	84,726
Children's Assessment Center	5,082,627	4,764,586	4,652,069	112,517
1st Court of Appeals	77,405	102,679	102,572	107
14th Court of Appeals	77,405	95,360	92,101	3,259
County Courts	14,573,880	16,173,498	16,161,535	11,963
Probate Court 1	1,051,354	1,155,725	1,155,722	3
Probate Court 2	1,051,354	1,246,569	1,246,566	3
Probate Court 3	2,400,216	2,767,829	2,767,826	3
Probate Court 4	1,051,354	1,052,077	1,052,074	3
Bail Bond Board - Cost Center	-	750	750	-
Total General Fund By Department	1,368,011,941	1,372,267,360	1,345,088,347	27,179,013
1020 Public Improvement Contingency	40,469,114	40,502,794	4,058,601	36,444,193
1070 Mobility Fund	215,817,467	215,817,467	46,982,628	168,834,839

See notes to required supplementary information.

HARRIS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER USES
BUDGET AND ACTUAL - BUDGETARY BASIS

For The Year Ended February 28, 2011

	Adopted Budget	Adjusted Budget	Actual	(Over) Under
GENERAL FUND DEBT SERVICE				
1050 HC/FC Agreement 2008A CP Refunding	13,643,820	13,643,820	6,992,000	6,651,820
1080 HC/FC Agreement 2008C CP Refunding	18,506,282	18,506,282	9,481,000	9,025,282
1250 Permanent Improvement Refunding Series 1996	396,395	396,395	-	396,395
1260 Permanent Improvement Refunding Series 1997	1,421,091	1,421,091	740,025	681,066
1390 Commercial Paper Series B	1,455,919	1,455,919	180,223	1,275,696
1400 Commercial Paper Series C	6,731,038	6,731,038	1,771,112	4,959,926
1410 Permanent Improvement Refunding Series 2008C	27,623,839	229,878,844	212,705,389	17,173,455
1420 Commercial Paper Series A-1	2,648,672	2,648,672	469,544	2,179,128
1440 HC/FC Agreement 2004A CP Refunding	13,028,789	13,028,789	6,530,000	6,498,789
1470 Commercial Paper Series - Flood Control	6,283,007	6,283,007	1,009,007	5,274,000
1480 Flood Control CP Agreement	6,382,942	6,382,942	1,002,187	5,380,755
1490 HC/FC Agreement 2006 CP Refunding	9,249,341	9,249,341	4,710,000	4,539,341
1530 Certificate of Obligation, Series 2001	2,016,961	2,016,961	1,018,375	998,586
1550 Permanent Improvement Refunding Series 2001	972,419	972,419	843,295	129,124
1600 Revenue Refunding Series 2002	62,797	62,797	-	62,797
1610 Revenue Certificates Series 2002	8	8	-	8
1620 Permanent Improvement Refunding Series 2002	31,053,365	54,619,600	39,431,748	15,187,852
1650 Permanent Improvement Refunding Series 2003A	5,714,191	5,714,191	3,382,000	2,332,191
1680 Permanent Improvement Refunding Series 2003B	6,174,510	21,009,848	15,998,613	5,011,235
1730 CJC Refunding Series 2004B	11,543,626	11,543,626	5,849,363	5,694,263
1750 Tax & Sub Lien Refunding 2004A	1,125,262	1,125,262	1,052,250	73,012
1770 Tax & Sub Lien Refunding 2004B	11,828,084	11,828,084	6,765,173	5,062,911
1780 Permanent Improvement Refunding Series 2004A	10,516,713	43,062,707	35,524,492	7,538,215
17A0 HC Road Ref 2010A Cost of Issuance	-	323,742	323,737	5
17B0 HC Road Ref 2009A Cost of Issuance	212,906	212,906	210,220	2,686
1800 PIB Refunding Bonds 2005A Debt Service	13,440,908	13,440,908	6,877,750	6,563,158
1850 PIB Refunding Bonds 2006A - Debt Service	9,694,063	35,488,641	29,133,834	6,354,807
1870 PIB Refunding Bonds 2008A - Debt Service	8,235,576	8,235,576	6,319,000	1,916,576
18A0 HC Tax/Sub 2009C Debt Service	2,922,010	2,922,010	1,351,563	1,570,447
18B0 HC Tax/Sub 2009C Cost of Issuance	87,325	87,325	86,210	1,115
1910 PIB Refunding Bonds 2008B - Debt Service	19,070,791	30,560,851	20,860,810	9,700,041
1960 HC PIB Refunding Bonds 2009A Debt Service	2,322,793	2,322,793	1,155,150	1,167,643
19A0 HC PIB 2009B Debt Service	8,210,048	8,210,048	3,604,364	4,605,684
19B0 HC PIB Refunding 2009B Cost of Issuance	241,983	241,983	238,815	3,168
19C0 HC PIB Refunding 2010A Debt Service	-	211,549,062	211,548,910	152
19D0 HC PIB Refunding 2010A Cost of Issuance	-	323,917	323,917	-
19E0 HC PIB Refunding 2010B Debt Service	-	107,225,955	107,225,953	2
19F0 HC PIB Refunding 2010B Cost of Issuance	-	354,709	354,704	5
Total General Fund Debt Service	252,817,474	883,082,069	745,070,733	138,011,336
Total General Fund	$ 1,877,115,996	$ 2,511,669,690	$ 2,141,200,309	$ 370,469,381

See notes to required supplementary information.

1. RECONCILIATION OF ACCOUNTING BASIS

A reconciliation of revenues and expenditures on a cash basis (budgetary basis) compared to modified accrual basis (GAAP) for the general fund is as follows:

	GENERAL FUND
REVENUES AND OTHER SOURCES	
Cash (budgetary) basis	$ 2,505,739,415
Beginning Cash and Investments	(393,328,677)
Accrued in 2010, received in 2011	(54,576,386)
Entry to eliminate transfers between funds	(320,815,652)
Accrued in 2011, to be received in 2012	40,045,495
Revenues and other sources on modified accrual (GAAP) basis	1,777,064,195
EXPENDITURES AND OTHER USES	
Cash (budgetary) basis	2,141,200,309
Incurred during 2010, paid in 2011	(102,757,480)
Entry to eliminate transfers between funds	(320,815,652)
Incurred during 2011, payable in 2012	83,314,268
Expenditures and other uses on modified accrual (GAAP) basis	1,800,941,445
Changes in Fund Balances	$ (23,877,250)

For further budgeting information, see Note 1.E. of the Notes to the Financial Statement

2. ANALYSIS OF SIGNIFICANT EXPENDITURE VARIANCES

In four departments, the Public Improvement Contingency Fund, the Mobility Fund and one general fund debt service account, there were significant variances between the budgeted amount and actual expenditures.

The four departments with significant variances are all Commissioner Precincts, which have a combined positive variance of $20,149,166. The precinct budgets include capital projects for roads and bridges. These budgets are set at the beginning of the projects and roll year-to-year. Therefore, these variances are anticipated.

The Public Improvement Contingency Fund has a positive variance of $36,444,193. These funds are set aside by Commissioners Court to assist with capital projects and for use in unforeseen emergency events.

The Mobility Fund has a positive variance of $168,834,839. These funds are set aside to increase general mobility within the County.

The Permanent Improvement Refunding Series 2002 has a positive variance of $15,187,852 and the Permanent Improvement Refunding Series 2008C has a positive variance of $17,173,455. The County's practice is to have a full year's worth of payments available for tax supported debt. As the tax year and budget year are not the same, there will always be a variance between the budget and actual expenditures. In these cases, the debt payment amounts are high enough to cause a significant variance, and will continue to cause significant variances in the future.

HARRIS COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS
February 28, 2011

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a percentage of covered payroll ((b-a)/c)
2009	3/1/2007	$ -	$ 852,350,950	$ 852,350,950	0%	$ 760,995,816	112.0%
2010	3/1/2009	-	859,681,747	859,681,747	0%	766,400,980	112.2%
2011	3/1/2009	-	859,681,747	859,681,747	0%	722,468,180	119.0%

The above table includes information for the 5 participating employers to the agent multiple-employer defined benefit post employment healthcare plan that the County administers. Two of the employers, Emergency 911 and Community Supervision are not considered departments or component units of the County; the UAAL for these entities are $915,483 and $16,210,643 respectively.

HARRIS COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS
February 28, 2011

Actuarial Valuation Date	12/31/08	12/31/09	12/31/10
Actuarial Value of Assets	$2,355,663,641	$2,619,204,575	$2,739,687,861
Actuarial Accrued Liability (AAL)	$2,724,786,646	$2,978,320,920	$3,123,164,193
Unfunded Actuarial Accrued Liability (UAAL)	$ 369,123,005	$ 359,116,345	$ 383,476,332
Funded Ratio	86.45%	87.94%	87.72%
Annual Covered Payroll (Actuarial)	$ 839,919,068	$ 882,729,740	$ 849,143,883
UAAL as Percentage of Covered Payroll	43.95%	40.68%	45.16%

NONMAJOR GOVERNMENTAL FUNDS

HARRIS COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
February 28, 2011

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments:				
Cash and cash equivalents	$ 95,863,723	$ -	$ 96,962,279	$ 192,826,002
Investments	148,388,909	-	112,005,526	260,394,435
Receivables:				
Taxes, net	1,796,553	1,540,448	-	3,337,001
Accounts	43,642,634	-	10,125,207	53,767,841
Accrued interest	5,609,093	-	283,611	5,892,704
Other	42,491,389	1,956,134	-	44,447,523
Due from other funds	26,129,147	-	747,602	26,876,749
Prepaids and other assets	3,494,551	-	413,953	3,908,504
Inventories	2,044,333	-	-	2,044,333
Advances to other funds	585,000	-	12,000,000	12,585,000
Restricted cash and cash equivalents	98,581	53,055,809	3,222,591	56,376,981
Restricted investments	-	7,074,397	12,000,000	19,074,397
Notes receivable	440,220	-	-	440,220
Total assets	$ 370,584,133	$ 63,626,788	$ 247,760,769	$ 681,971,690
LIABILITIES AND FUND BALANCE				
Liabilities:				
Vouchers payable	$ 35,935,066	$ -	$ 12,686,853	$ 48,621,919
Accrued payroll and compensated absences	6,929,327	-	-	6,929,327
Retainage payable	283,753	-	4,574,238	4,857,991
Due to other funds	56,457,670	-	1,282,239	57,739,909
Other liabilities	8,981	-	-	8,981
Advances from other funds	20,660,413	-	12,000,000	32,660,413
Deferred revenue	60,776,736	1,540,448	17,374,038	79,691,222
Total liabilities	181,051,946	1,540,448	47,917,368	230,509,762
Fund balances:				
Reserved for:				
Encumbrances	38,413,088	-	51,064,796	89,477,884
Debt service	98,581	62,086,340	-	62,184,921
Imprest funds	113,280	-	-	113,280
Prepaids	1,380,552	-	413,953	1,794,505
Advances	585,000	-	12,000,000	12,585,000
Grant programs	467,597	-	-	467,597
Unreserved:				
Designated for capital projects	-	-	142,492,440	142,492,440
Undesignated	148,474,089	-	(6,127,788)	142,346,301
Total fund balances	189,532,187	62,086,340	199,843,401	451,461,928
Total liabilities and fund balances	$ 370,584,133	$ 63,626,788	$ 247,760,769	$ 681,971,690

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
For the Year Ended February 28, 2011

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	$ 93,933,854	$ 52,857,622	$ -	$ 146,791,476
Charges for services	14,133,988	-	-	14,133,988
Lease revenue	199,499	-	-	199,499
Intergovernmental	236,372,636	-	27,620,723	263,993,359
Earnings on investments	1,439,364	121,580	872,257	2,433,201
Miscellaneous	16,864,746	113,821	6,472,453	23,451,020
Total revenues	362,944,087	53,093,023	34,965,433	451,002,543
EXPENDITURES				
Current operating:				
Administration of justice	68,963,295	-	-	68,963,295
Parks	8,986,823	-	8,460,128	17,446,951
County administration	73,551,083	-	8,933,382	82,484,465
Health and human services	91,415,696	-	1,626,196	93,041,892
Flood control	66,249,210	-	8,866,683	75,115,893
Tax administration	1,018,839	-	-	1,018,839
Roads and bridges	-	-	10,500	10,500
Capital outlay	40,368,264	-	125,252,460	165,620,724
Debt service:				
Principal retirement	-	45,228,921	-	45,228,921
Bond issuance costs	546,734	1,530,548	272,250	2,349,532
Interest and fiscal charges	208,274	60,582,802	-	60,791,076
Total Expenditures	351,308,218	107,342,271	153,421,599	612,072,088
Excess (deficiency) of revenues over (under) expenditures	11,635,869	(54,249,248)	(118,456,166)	(161,069,545)
OTHER FINANCING SOURCES (USES)				
Transfers in	235,085,066	35,043,209	113,226	270,241,501
Transfers out	(43,939,650)	(200,880,480)	(9,846,438)	(254,666,568)
Refunding bonds issued	-	266,225,000	-	266,225,000
Premium on bonds issued	-	30,093,091	-	30,093,091
Commercial paper issued	-	-	169,715,000	169,715,000
Payments to refunding bond escrow agent	-	(94,428,115)	-	(94,428,115)
Payments to defease commercial paper	(200,000,000)	-	-	(200,000,000)
Proceeds from insurance recovery	32,500,000	-	-	32,500,000
Proceeds from software license	-	-	2,210,655	2,210,655
Proceeds from loan	-	-	3,409,021	3,409,021
Sale of capital assets	895,625	-	125,737	1,021,362
Total other financing sources(uses)	24,541,041	36,052,705	165,727,201	226,320,947
Net changes in fund balances	36,176,910	(18,196,543)	47,271,035	65,251,402
Fund balances, beginning	153,355,277	80,282,883	152,572,366	386,210,526
Fund balances, ending	$ 189,532,187	$ 62,086,340	$ 199,843,401	$ 451,461,928

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources (other than expendable trusts and capital projects), which are restricted to expenditures for specified purposes.

FLOOD CONTROL - This fund is used to account for all revenues and expenditures relating to general operations of Harris County Flood Control District. The Flood Control District is responsible for developing a flood control plan for the County, carrying out an ongoing capital improvement program, maintaining district facilities and providing flood watch and flood alert programs.

SPORTS & CONVENTION CORPORATION - This fund was established under the Texas Transportation Act for the purpose of aiding and acting on behalf in managing, operating, maintaining and developing the sports and entertainment complex located on property owned by the County.

HOTEL OCCUPANCY TAX REVENUE - This fund was established in September 1987 to account for revenues primarily generated from a hotel occupancy tax and expenditures that serve the purpose of attracting visitors and promoting tourism.

DISTRICT COURT RECORDS ARCHIVE - Senate Bill 1658 amends Government Code Chapter 51, by adding Section 51.305 and authorizes the commissioners court of a county to adopt a district court records archive fee of not more than $5.00 for the filing of a suit, including an appeal from an inferior court, or a cross-action, counterclaim, intervention, contempt action, motion for a new trial, or third-party petition in a district court in the county as part of the county's annual budget.

DEED RESTRICTION ENFORCEMENT - This fund was authorized under House Bill 356 and provides for fees to administer the enforcement of deed restriction violations affecting real property subdivisions. This act requires fees be used only for enforcement of the deed restriction violations, and any unused funds are to be refunded to the complainants.

CHILD SUPPORT ENFORCEMENT – This fund is funded through an agreement with the Texas Office of Attorney General for work performed by the District Clerk on designated Title IVD Child Support cases.

FAMILY PROTECTION - This fund was authorized under House Bill 2292 and provides for a court fee of $15.00 for each divorce case filed. Moneys collected by the District Clerk are to be used for court-related services only.

CPS – SPECIAL REVENUE CONTRACTS - This fund is used to account for non-grant contracts for Child Protective Services.

UTILITY BILL ASSISTANCE PROGRAM - This fund is used by the Office of Social Services to assist clients with electric utility bill payments.

PROBATE COURT SUPPORT - This fund accounts for contributions received for fees collected under Section 51.704 of the Government Code. These funds are to be used only for court-related purposes for the support of statutory probate courts in the County.

APPELLATE JUDICIAL SYSTEM - This fund was authorized under House Bill 1889 and provides for a court fee of $5.00 for each civil suit filed to be assessed to assist in financing the Courts of Appeals in processing appeals filed from County Courts, County Courts at Law, Probate Courts and District Courts.

COUNTY ATTORNEY ADMINISTRATION - House Bill 1672 amended section 284.2031of the Transportation Code by adding section 284.2032, which allows a county with a population of 3.3 million or more to impose an administrative charge of $1.00 in association with collecting a toll or charge for each event of nonpayment of a required toll or charge imposed under Section 284.069 of the Transportation Code. The fees collected for this charge are to be administered by the County Attorney and may be used only to defray the salaries and expenses of the County Attorney's office, but not to supplement the County Attorney's salary.

DISTRICT ATTORNEY ADMINISTRATION - Confiscated gambling proceeds forfeited under Article 18.18 of the Texas Code of Criminal Procedure are deposited in this fund and are available to the District Attorney for use in special investigations. Fees

collected in connection with processing checks issued or passed in violation of the Texas Penal Code are deposited in this fund and used for the purpose of defraying the salaries and expenses of the District Attorney's Office.

COURTHOUSE SECURITY JUSTICE COURT - This fund was established according to House Bill 1934, which states that a defendant convicted of a misdemeanor offense in a justice court shall pay a $4.00 security fee as a cost of court. Fees collected are to be used to provide building security for buildings housing a justice court.

RECORDS MANAGEMENT - This fund is used to account for fees collected for records management and preservation services when documents are filed in the offices of the court clerks.

DONATION FUND - This fund is used to account for cash donations accepted by Commissioners Court for designated purposes. Separate accounts are maintained for various types of donations.

JUSTICE COURT TECHNOLOGY - This fund is used to account for fees collected from defendants convicted of misdemeanor offenses in a justice court.

CHILD ABUSE PREVENTION - This fund is authorized by Senate Bill 6 (79th Leg. Session) and provides Texas counties with funds for a child abuse prevention program. Funding is provided through $100 fee for persons convicted of certain offenses against children.

JUVENILE CASE MANAGER FEE - This fund was established under House Bill 1575, section 35 (79th Legislative Session) and provides for a fee not to exceed $5 to be assessed for court cost in justice and county courts for defendants convicted of fine-only misdemeanor offenses.

TAX ASSESSOR CHAPTER 19 - These funds are allocated by the state for voter registrars in each county to aid in purchasing goods and services that will enhance voter registration.

STAR DRUG COURTS - This fund, established under House Bill 530 (80th Leg. Session) is designated to be used for drug court programs for parents in Harris County with drug-related charges or pending criminal investigations related to drug involvement.

COUNTY & DISTRICT TECHNOLOGY FEE – This fund was established under House Bill 3637. This bill amends Code of Criminal Procedure, Chapter 102, adding Article 102.0169, to create a new $4.00 county and district court technology fee as a court cost for a defendant convicted in a county court, statutory county court, or district court.

STORMWATER MANAGEMENT - This fund was established to account for the revenues and expenditures under interagency agreements for the implementation of storm water permit program.

DA DIVERT PROGRAM - This fund was established in November, 2009 to account for a fee to reimburse the county for expenses related to a defendant's participation in a pretrial intervention program offered by the county.

GULF OF MEXICO ENERGY SECURITY ACT - These funds were established to implement the provisions of the US Minerals Management Service (MMS). The MMS under the Gulf of Mexico Energy Security Act of 2006 distributes revenues to coastal producing states from the Outer Continental Shelf lease in Planning Area 181 Eastern and South Zones. These funds are to be used in projects and activities for the purpose of coastal conservation, coastal restoration, hurricane protection and infrastructure directly affected by coastal wetland losses.

HESTER HOUSE - These funds were set up in November, 2008 to be used for Hester House Community Center.

SAN JACINTO WETLANDS PROJECT - This fund was established to account for monies received under the terms of a court settlement. Monies received are used to clean up a hazardous waste dump and establish a nature preserve at the site.

TCEQ POLLUTION CONTROL - This fund is used to account for funds from TNRC and donations to coordinate pollution control efforts.

COMMUNITY DEVELOPMENT FINANCIAL SURETIES – This fund is used to account for forfeited engineering fees charged to Residential Commercial Subdivision Developers when the County does the repairs.

EPH TCEQ SEP FUND - This fund is used to account for funds from TCEQ in accordance with the agreement concerning Supplemental Environmental Project Funds.

ELECTION SERVICES - This fund is used for defraying expenses of the County Clerk's Office in conducting Harris County elections.

LAW ENFORCEMENT FORFEITED FUND - These funds are used to account for expenses for the investigation of alleged violations of criminal law. It is also utilized to account for assets pursuant the federal forfeited asset programs.

CRIMINAL COURTS AUDIO VISUAL - These funds provided by the District Attorney are to be used to upgrade audio-visual equipment in the District and County criminal courts.

MEDICAID ADMINISTRATIVE CLAIM-REIMBURSEMENT - This fund is used to account for the receipt of Medicaid Administrative Claim reimbursements and the associated expenditures for health related services for clients.

DISPUTE RESOLUTION - This fund is used to account for funds collected after October 1, 1995 from a fee of $10.00 assessed on cases to fund an alternative system for the peaceable and expeditious resolution of citizen disputes not requiring formal court action.

FIRE COUNTY CLERK ELECTION - This fund was established to account for expenditures related to the fire that occurred at 606 Canino on August 27, 2010 which housed the Election Technology Center.

LEOSE-LAW ENFORCEMENT - This fund was authorized under S.B. 1135 and provides for state monies to law enforcement agencies to ensure continuing education for persons licensed under Chapter 415, Government Code.

LIBRARY DONATION FUND - This fund accounts for revenues from donations and contributions made to the Harris County Library for specific reason.

LAW LIBRARY - This fund accounts for revenues and expenditures to maintain a law library for members of the Texas Bar Association in Harris County. It is financed by a $15.00 fee which is assessed against each civil case filed in County and District Courts of Harris County.

RESTRICTED FUNDS - This fund is used to account for funds collected by various departments for specific uses.

TIRZ AFFORDABLE HOUSING - This fund is used to revitalize or redevelop unproductive, underproductive or blighted areas. The participating taxing units contribute some or all of the tax revenues generated by the growth in a TIRZ's taxable value to the revitalization or redevelopment effort.

HURRICANE IKE - This fund was established in October, 2008 to be used to accumulate certain expenses for Hurricane Ike in relation to a loan from the Toll Road Authority.

HARRIS COUNTY JUVENILE BOARD - This fund was established to account for juvenile probation services funded by the Texas Juvenile Probation Commission in Harris County.

FLOOD CONTROL GRANTS - These funds were established to account for grant programs applicable to the Harris County Flood Control District.

GRANTS - These funds were established to account for grant programs applicable to the County.

HARRIS COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
February 28, 2011

	Flood Control	Sports & Convention Corporation	Hotel Occupancy Tax Revenue	District Court Records Archive	Deed Restriction Enforcement	Child Support Enforcement
ASSETS						
Cash and cash equivalents	$ 6,057,358	$ 12,500,266	$ 741,883	$ 159,795	$ 3,773	$ 291,132
Investments	93,642,339		919,384	104,802	2,362	190,921
Receivables:						
Taxes, net	1,796,553	-	-	-	-	-
Accounts, net	-	3,456,692	-	-	-	-
Accrued interest	172,864	5,313,584	2,846	325	7	591
Other	2,647,250	-	4,506,977	-	-	-
Due from other funds	8,433,331	4,782,006	88,325	-	-	-
Prepaids and other assets	179,184	110,785	292,886	-	-	-
Inventories	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Restricted cash and cash equivalents	98,581	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Total assets	$ 113,027,460	$ 26,163,333	$ 6,552,301	$ 264,922	$ 6,142	$ 482,644
LIABILITIES AND FUND BALANCES						
Liabilities:						
Vouchers payable	$ 4,900,202	$ 3,333,964	$ 1,352,420	$ -	$ -	$ 2,875
Accrued payroll and compensated absences	2,066,806	52,751	-	29,583	-	83,357
Retainage payable	195,391	41,199	-	-	-	-
Due to other funds	6,346	11,191,867	1,670,474	-	-	-
Other liabilities	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Deferred revenue	1,796,553	2,289,503	3,668,558	-	-	-
Total liabilities	8,965,298	16,909,284	6,691,452	29,583	-	86,232
Fund Balances:						
Reserved for encumbrances	25,439,355	-	15,800	-	-	6,856
Reserved for debt service	98,581	-	-	-	-	-
Reserved for imprest funds	600	-	-	-	-	-
Reserved for prepaids	179,184	-	292,886	-	-	-
Reserved for advances	-	-	-	-	-	-
Reserved for grant programs	-	-	-	-	-	-
Unreserved:						
Undesignated	78,344,442	9,254,049	(447,837)	235,339	6,142	389,556
Total fund balances	104,062,162	9,254,049	(139,151)	235,339	6,142	396,412
Total liabilities and fund balances	$ 113,027,460	$ 26,163,333	$ 6,552,301	$ 264,922	$ 6,142	$ 482,644

(continued)

Family Protection	CPS-Special Revenue Contracts	Utility Bill Assistance Program	Probate Court Support	Appellate Judicial System	County Attorney Administration	District Attorney Administration	Courthouse Security Justice Court
$ 56,226	$ 439	$ 40,519	$ 448,519	$ 36,776	$ 228,247	$ 5,001,348	$ 353,385
40,804	-	28,992	295,294	27,704	153,767	8,025,448	249,335
-	-	-	-	-	-	-	-
-	-	-	-	38,022	78,085	-	-
126	-	90	914	86	476	13,369	772
-	-	-	64,657	125,644	-	3,033	-
-	-	-	-	-	-	-	-
-	-	-	83	971	-	925	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 97,156	$ 439	$ 69,601	$ 809,467	$ 229,203	$ 460,575	$ 13,044,123	$ 603,492
$ 20,942	$ -	$ 8,505	$ 11,068	$ 9,193	$ 37,044	$ 27,490	$ 45,000
-	866	-	-	4,664	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	125,644	-	-	-
20,942	866	8,505	11,068	139,501	37,044	27,490	45,000
1,179	-	-	4,784	6,451	118,899	85,910	40,072
-	-	-	-	-	-	-	-
-	-	-	-	-	2,500	7,500	-
-	-	-	83	971	-	925	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
75,035	(427)	61,096	793,532	82,280	302,132	12,922,298	518,420
76,214	(427)	61,096	798,399	89,702	423,531	13,016,633	558,492
$ 97,156	$ 439	$ 69,601	$ 809,467	$ 229,203	$ 460,575	$ 13,044,123	$ 603,492

(continued)

HARRIS COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
February 28, 2011

	Records Management	Donation Fund	Justice Court Technology	Child Abuse Prevention	Juvenile Case Manager Fee	Tax Assessor Chapter 19	Star Drug Court
ASSETS							
Cash and cash equivalents	$ 9,232,074	$ 1,658,957	$ 1,378,736	$ 16,469	$ 1,656,753	$ 28,837	$ 612,231
Investments	6,250,564	1,093,553	904,565	10,738	1,087,111	-	209,672
Receivables:							
Taxes, net	-	-	-	-	-	-	-
Accounts, net	-	-	-	-	-	-	-
Accrued interest	19,352	3,386	2,801	33	3,366	-	1,008
Other	48	2	-	41	6	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaids and other assets	533,902	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Total assets	$ 16,035,940	$ 2,755,898	$ 2,286,102	$ 27,281	$ 2,747,236	$ 28,837	$ 822,911
LIABILITIES AND FUND BALANCES							
Liabilities:							
Vouchers payable	$ 702,234	$ 233,168	$ -	$ -	$ 1,508	$ -	$ -
Accrued payroll and compensated absences	165,619	-	-	-	33,328	-	-
Retainage payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	45,058	-
Other liabilities	-	10	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	867,853	233,178	-	-	34,836	45,058	-
Fund Balances:							
Reserved for encumbrances	1,430,801	52,685	-	-	463	-	-
Reserved for debt service	-	-	-	-	-	-	-
Reserved for imprest funds	-	550	-	-	-	-	-
Reserved for prepaids	533,902	-	-	-	-	-	-
Reserved for advances	-	-	-	-	-	-	-
Reserved for grant programs	-	-	-	-	-	-	-
Unreserved:							
Undesignated	13,203,384	2,469,485	2,286,102	27,281	2,711,937	(16,221)	822,911
Total fund balances	15,168,087	2,522,720	2,286,102	27,281	2,712,400	(16,221)	822,911
Total liabilities and fund balances	$ 16,035,940	$ 2,755,898	$ 2,286,102	$ 27,281	$ 2,747,236	$ 28,837	$ 822,911

(continued)

County & District Technology Fee	Stormwater Management	DA Divert Program	Gulf of Mexico Energy Security Act	Hester House	San Jacinto Wetlands Project	TCEQ Pollution Control	Community Development Financial Sureties	EPH TCEQ SEP Fund
$ 30,506	$ 181,811	$ 178,581	$ 73,021	$ 2,242,469	$ 29,883	$ 170,175	$ 392,642	$ 472,838
20,187	140,023	117,044	47,892	1,471,530	19,543	112,319	257,496	-
				-				
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
63	434	362	148	4,556	61	348	797	-
548	-	7,684	-	-	-	9,375	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$ 51,304	$ 322,268	$ 303,671	$ 121,061	$ 3,718,555	$ 49,487	$ 292,217	$ 650,935	$ 472,838
$ -	$ -	$ -	$ -	$ 41,560	$ 4,420	$ 550	$ -	$ 5,740
-	-	11,288	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	11,288	-	41,560	4,420	550	-	5,740
-	16,384	-	-	85,811	-	21,098	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
51,304	305,884	292,383	121,061	3,591,184	45,067	270,569	650,935	467,098
51,304	322,268	292,383	121,061	3,676,995	45,067	291,667	650,935	467,098
$ 51,304	$ 322,268	$ 303,671	$ 121,061	$ 3,718,555	$ 49,487	$ 292,217	$ 650,935	$ 472,838

(continued)

HARRIS COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE
February 28, 2011

	Election Services	Law Enforcement Forfeited Fund	Criminal Courts Audio Visual	Medicaid Administrative Claim-Reimburse	Dispute Resolution	Fire County Clerk Election	LEOSE-Law Enforcement
ASSETS							
Cash and cash equivalents	$ 192,394	$ 10,542,325	$ 495,682	$ -	$ 315,349	$ 13,409,367	$ 319,051
Investments	126,064	7,298,461	325,145	-	206,813	8,800,614	221,631
Receivables:							
Taxes, net	-	-	-	-	-	-	-
Accounts, net	97,566	-	-	-	-	-	-
Accrued interest	390	17,787	1,007	-	640	27,247	686
Other	-	279,588	-	1,085,069	-	5,000,000	-
Due from other funds	-	362,587	-	-	-	-	-
Prepaids and other assets	-	135,978	-	-	-	57,347	23,509
Inventories	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Total assets	$ 416,414	$ 18,636,726	$ 821,834	$ 1,085,069	$ 522,802	$ 27,294,575	$ 564,877
LIABILITIES AND FUND BALANCES							
Liabilities:							
Vouchers payable	$ -	$ 232,204	$ 765,878	$ -	$ 107,133	$ 2,931,961	$ 102,354
Accrued payroll and compensated absences	-	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	-	-
Due to other funds	-	36,680	-	-	-	2,574	-
Other liabilities	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	1,085,069	-	5,000,000	-
Total liabilities	-	268,884	765,878	1,085,069	107,133	7,934,535	102,354
Fund Balances:							
Reserved for encumbrances	-	810,191	3,385	-	-	10,188,693	7,332
Reserved for debt service	-	-	-	-	-	-	-
Reserved for imprest funds	-	102,000	-	-	-	-	-
Reserved for prepaids	-	135,978	-	-	-	57,347	23,509
Reserved for advances	-	-	-	-	-	-	-
Reserved for grant programs	-	-	-	-	-	-	-
Unreserved:							
Undesignated	416,414	17,319,673	52,571	-	415,669	9,114,000	431,682
Total fund balances	416,414	18,367,842	55,956	-	415,669	19,360,040	462,523
Total liabilities and fund balances	$ 416,414	$ 18,636,726	$ 821,834	$ 1,085,069	$ 522,802	$ 27,294,575	$ 564,877

(continued)

Library Donation Fund	Law Library	Restricted Funds	TIRZ Affordable Housing	Hurricane Ike	Harris County Juvenile Board	Flood Control Grants	Grants	Total
$ 194,023	$ 341,095	$ 1,441,057	$ 876,779	$ 9,329,238	$ 8,386,469	$ 1,700	$ 5,743,545	$ 95,863,723
130,574	318,058	946,659	575,340	419,854	9,988,782	-	3,607,525	148,388,909
		-						
-	-	-	-	-	-	-	-	1,796,553
-	-	12,811	-	-	1,281,495	2,790,428	35,887,535	43,642,634
404	985	2,931	1,781	1,300	-	-	11,170	5,609,093
-	-	42	-	-	1,343,995	2,030,294	25,387,136	42,491,389
-	-	-		11,103,542	4,205	1,229,742	125,409	26,129,147
-	129,711	-	-	-	-	1,862,354	166,916	3,494,551
-	-	-	-	-	-	-	2,044,333	2,044,333
-	-	-	585,000	-	-	-	-	585,000
-	-	-	-	-	-	-	-	98,581
-	-	175,548	-	-	-	-	264,672	440,220
$ 325,001	$ 789,849	$ 2,579,048	$ 2,038,900	$ 20,853,934	$ 21,004,946	$ 7,914,518	$ 73,238,241	$ 370,584,133
$ 18,797	$ 29,900	$ 49,441	$ -	$ 25,457	$ 1,455,379	$ 302,894	$ 19,175,785	$ 35,935,066
-	36,651	-	-	-	1,444,755	-	2,999,659	6,929,327
-	-	-	-	-	-	-	47,163	283,753
-	-	-	-	3,105,044	133,994	7,496,469	32,769,164	56,457,670
-	-	-	-	-	8,971	-	-	8,981
-	-	327,500	-	20,035,413	-	-	297,500	20,660,413
-	-	175,548	-	11,103,542	17,961,847	115,155	17,455,317	60,776,736
18,797	66,551	552,489	-	34,269,456	21,004,946	7,914,518	72,744,588	181,051,946
24,529	6,887	-	-	45,523	-	-	-	38,413,088
-	-	-	-	-	-	-	-	98,581
-	130	-	-	-	-	-	-	113,280
-	129,711	-	-	-	-	-	26,056	1,380,552
-	-	-	585,000	-	-	-	-	585,000
-	-	-	-	-	-	-	467,597	467,597
281,675	586,570	2,026,559	1,453,900	(13,461,045)	-	-	-	148,474,089
306,204	723,298	2,026,559	2,038,900	(13,415,522)	-	-	493,653	189,532,187
$ 325,001	$ 789,849	$ 2,579,048	$ 2,038,900	$ 20,853,934	$ 21,004,946	$ 7,914,518	$ 73,238,241	$ 370,584,133

(concluded)

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
For The Year Ended February 28, 2011

	Flood Control	Sports and Convention Corporation	Hotel Occupancy Tax Revenue	District Court Records Archive	Deed Restriction Enforcement	Child Support Enforcement
REVENUES						
Taxes	$ 71,369,211	$ -	$ 22,564,643	$ -	$ -	$ -
Charges for services	-	-	-	329,636	-	-
Lease revenue	199,498	-	1	-	-	-
Intergovernmental	440,444	4,382,094	-	-	-	1,054,109
Earnings on investments	660,903	61,428	1,265	1,271	37	2,576
Miscellaneous	1,049,142	1,046,430	695,212	-	-	-
Total revenues	73,719,198	5,489,952	23,261,121	330,907	37	1,056,685
EXPENDITURES						
Current operating:						
Administration of justice	-	-	-	205,362	-	1,089,460
Parks	-	8,125,203	840,922	-	-	-
County administration	-	-	19,347,752	-	-	-
Health and human services	-	-	-	-	-	-
Flood control	65,410,356	-	-	-	-	-
Tax administration	650,151	-	-	-	-	-
Capital outlay	1,015,215	-	-	-	-	-
Debt service:						
Bond issuance costs	546,734	-	-	-	-	-
Interest and fiscal charges	208,274	-	-	-	-	-
Total expenditures	67,830,730	8,125,203	20,188,674	205,362	-	1,089,460
Excess (deficiency) of revenues over (under) expenditures	5,888,468	(2,635,251)	3,072,447	125,545	37	(32,775)
OTHER FINANCING SOURCES (USES)						
Transfers in	203,877,695	-	-	-	-	37,611
Transfers out	(2,510,087)	-	(6,290,275)	-	-	-
Payment to defease commercial paper	(200,000,000)	-	-	-	-	-
Proceeds from insurance recoveries	-	-	-	-	-	-
Sale of capital assets	895,625	-	-	-	-	-
Total other financial sources (uses)	2,263,233	-	(6,290,275)	-	-	37,611
Net changes in fund balances	8,151,701	(2,635,251)	(3,217,828)	125,545	37	4,836
Fund balances, beginning	95,910,461	11,889,300	3,078,677	109,794	6,105	391,576
Fund balances, ending	$ 104,062,162	$ 9,254,049	$ (139,151)	$ 235,339	$ 6,142	$ 396,412

(continued)

Family Protection	CPS-Special Revenue Contracts	Utility Bill Assistance Program	Probate Court Support	Appellate Judicial System	County Attorney Administration	District Attorney Administration	Courthouse Security Justice Court
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
284,671	500	-	-	448,874	773,237	231,815	160,152
-	-	-	-	-	-	-	-
-	76,665	-	319,372	-	-	-	-
576	-	789	3,810	293	1,765	67,998	4,958
85	-	315,000	-	107,589	2,094	324,604	-
285,332	77,165	315,789	323,182	556,756	777,096	624,417	165,110
29,500	-	-	-	583,586	-	551,978	-
-	-	-	-	-	-	-	-
28,465	-	-	53,221	-	594,902	-	321,712
217,199	68,591	308,741	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	120,084	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
275,164	68,591	308,741	53,221	583,586	594,902	672,062	321,712
10,168	8,574	7,048	269,961	(26,830)	182,194	(47,645)	(156,602)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(121,491)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(121,491)	-
10,168	8,574	7,048	269,961	(26,830)	182,194	(169,136)	(156,602)
66,046	(9,001)	54,048	528,438	116,532	241,337	13,185,769	715,094
$ 76,214	$ (427)	$ 61,096	$ 798,399	$ 89,702	$ 423,531	$ 13,016,633	$ 558,492

(continued)

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
For The Year Ended February 28, 2011

	Records Management	Donation Fund	Justice Court Technology	Child Abuse Prevention	Juvenile Case Manager Fee	Tax Assessor Chapter 19	Star Drug Court
REVENUES							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for services	6,486,944	-	640,449	8,587	792,037	-	250,249
Lease revenue	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	357,084	-
Earnings on investments	91,355	17,006	13,187	137	14,672	-	4,054
Miscellaneous	77	127,779	-	-	-	-	-
Total revenues	6,578,376	144,785	653,636	8,724	806,709	357,084	254,303
EXPENDITURES							
Current operating:							
Administration of justice	1,256,512	93,701	-	-	197,629	-	-
Parks	-	16,278	-	-	-	-	-
County administration	4,123,893	87,873	350,000	-	-	-	-
Health and human services	-	173,414	-	-	-	-	-
Flood control	-	-	-	-	-	-	-
Tax administration	-	-	-	-	-	368,688	-
Capital outlay	767,953	-	34,680	-	-	-	-
Debt service:							
Bond issuance costs	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	6,148,358	371,266	384,680	-	197,629	368,688	-
Excess (deficiency) of revenues over (under) expenditures	430,018	(226,481)	268,956	8,724	609,080	(11,604)	254,303
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(755)	-	-	-	-	-
Commercial paper issued	-	-	-	-	-	-	-
Payment to defease commercial paper	-	-	-	-	-	-	-
Proceeds from insurance recoveries	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Total other financial sources (uses)	-	(755)	-	-	-	-	-
Net changes in fund balances	430,018	(227,236)	268,956	8,724	609,080	(11,604)	254,303
Fund balances, beginning	14,738,069	2,749,956	2,017,146	18,557	2,103,320	(4,617)	568,608
Fund balances, ending	$ 15,168,087	$ 2,522,720	$ 2,286,102	$ 27,281	$ 2,712,400	$ (16,221)	$ 822,911

(continued)

County & District Technology Fee	Stormwater Management	DA Divert Program	Gulf of Mexico Energy Security Act	Hester House	San Jacinto Wetlands Project	TCEQ Pollution Control	Community Development Financial Sureties	EPH TCEQ SEP Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
50,443	-	335,434	-	-	-	-	650,935	-
-	-	-	-	-	-	-	-	-
-	42,474	-	3,749	-	-	-	-	-
129	2,937	1,208	699	23,624	297	5,058	-	-
-	-	-	-	17,360	-	65,009	-	3,424
50,572	45,411	336,642	4,448	40,984	297	70,067	650,935	3,424
-	-	55,411	-	-	-	-	-	-
-	-	-	-	-	4,420	-	-	-
-	254,754	-	-	-	-	1,567	-	-
-	-	-	-	569,199	-	27,757	-	5,740
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	254,754	55,411	-	569,199	4,420	29,324	-	5,740
50,572	(209,343)	281,231	4,448	(528,215)	(4,123)	40,743	650,935	(2,316)
-	-	-	-	-	-	-	-	469,414
-	(186,988)	-	-	-	-	(469,414)	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	(186,988)	-	-	-	-	(469,414)	-	469,414
50,572	(396,331)	281,231	4,448	(528,215)	(4,123)	(428,671)	650,935	467,098
732	718,599	11,152	116,613	4,205,210	49,190	720,338	-	-
$ 51,304	$ 322,268	$ 292,383	$ 121,061	$ 3,676,995	$ 45,067	$ 291,667	$ 650,935	$ 467,098

(continued)

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
For The Year Ended February 28, 2011

	Election Services	Law Enforcement Forfeited Fund	Criminal Courts Audio Visual	Medicaid Administrative Claim-Reimburse	Dispute Resolution	Fire County Clerk Election	LEOSE-Law Enforcement
REVENUES							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for services	-	44,100	-	-	951,218	-	-
Lease revenue	-	-	-	-	-	-	-
Intergovernmental	-	66,155	-	-	-	-	321,580
Earnings on investments	2,923	48,919	10,595	-	3,401	70,863	4,408
Miscellaneous	504,367	4,314,219	-	-	-	-	-
Total revenues	507,290	4,473,393	10,595	-	954,619	70,863	325,988
EXPENDITURES							
Current operating:							
Administration of justice	-	5,406,175	1,615,089	-	991,895	-	284,580
Parks	-	-	-	-	-	-	-
County administration	424,288	2,400	-	-	-	13,157,929	67,725
Health and human services	-	-	-	-	-	-	-
Flood control	-	-	-	-	-	-	-
Tax administration	-	-	-	-	-	-	-
Capital outlay	-	235,277	-	-	-	52,894	-
Debt service:							
Bond issuance costs	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	424,288	5,643,852	1,615,089	-	991,895	13,210,823	352,305
Excess (deficiency) of revenues over (under) expenditures	83,002	(1,170,459)	(1,604,494)	-	(37,276)	(13,139,960)	(26,317)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	397,463	-	-	-	-	-
Transfers out	-	(43,243)	-	-	-	-	-
Payment to defease commercial paper	-	-	-	-	-	-	-
Proceeds from insurance recoveries	-	-	-	-	-	32,500,000	-
Sale of capital assets	-	-	-	-	-	-	-
Total other financial sources (uses)	-	354,220	-	-	-	32,500,000	-
Net changes in fund balances	83,002	(816,239)	(1,604,494)	-	(37,276)	19,360,040	(26,317)
Fund balances, beginning	333,412	19,184,081	1,660,450	-	452,945	-	488,840
Fund balances, ending	$ 416,414	$ 18,367,842	$ 55,956	$ -	$ 415,669	$ 19,360,040	$ 462,523

(continued)

Library Donation Fund	Law Library	Restricted Funds	TIRZ Affordable Housing	Hurricane Ike	Harris County Juvenile Board	Flood Control Grants	Grants	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 93,933,854
-	1,347,508	95,890	-	-	-	-	251,309	14,133,988
-	-	-	-	-	-	-	-	199,499
8,770	-	675,183	-	-	31,576,496	9,234,292	187,814,169	236,372,636
2,008	4,485	12,105	7,573	125,970	111,518	-	52,564	1,439,364
226,042	27,201	83,961	675,638	502,120	494	-	6,776,899	16,864,746
236,820	1,379,194	867,139	683,211	628,090	31,688,508	9,234,292	194,894,941	362,944,087
-	-	-	-	-	33,312,375	-	23,290,043	68,963,295
-	-	-	-	-	-	-	-	8,986,823
-	11,815	108,565	-	4,308,077	-	-	30,306,145	73,551,083
221,492	1,438,635	1,059,509	2,784	-	-	-	87,322,634	91,415,696
-	-	-	-	-	-	838,854	-	66,249,210
-	-	-	-	-	-	-	-	1,018,839
-	-	658,556	-	25,500	117,494	10,039,069	27,301,542	40,368,264
-	-	-	-	-	-	-	-	546,734
-	-	-	-	-	-	-	-	208,274
221,492	1,450,450	1,826,630	2,784	4,333,577	33,429,869	10,877,923	168,220,364	351,308,218
15,328	(71,256)	(959,491)	680,427	(3,705,487)	(1,741,361)	(1,643,631)	26,674,577	11,635,869
-	-	590,500	-	18,987,181	1,919,883	1,757,607	7,047,712	235,085,066
-	-	(10,496)	(290,500)	-	(178,522)	(113,976)	(33,723,903)	(43,939,650)
-	-	-	-	-	-	-	-	(200,000,000)
-	-	-	-	-	-	-	-	32,500,000
-	-	-	-	-	-	-	-	895,625
-	-	580,004	(290,500)	18,987,181	1,741,361	1,643,631	(26,676,191)	24,541,041
15,328	(71,256)	(379,487)	389,927	15,281,694	-	-	(1,614)	36,176,910
290,876	794,554	2,406,046	1,648,973	(28,697,216)	-	-	495,267	153,355,277
$ 306,204	$ 723,298	$ 2,026,559	$ 2,038,900	$ (13,415,522)	$ -	$ -	$ 493,653	$ 189,532,187

(concluded)

HARRIS COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS-
SPECIAL REVENUE - GRANTS
February 28, 2011

	Federal Grant Programs	State and Local Grant Programs	Total
ASSETS			
Cash and cash equivalents	$ 4,589,030	$ 1,154,515	5,743,545
Investments	2,807,976	799,549	3,607,525
Accounts receivable	34,604,318	1,283,217	35,887,535
Accrued interest receivable	8,694	2,476	11,170
Other receivables	14,893,409	10,493,727	25,387,136
Due from other funds	125,409	-	125,409
Inventories	2,044,333	-	2,044,333
Prepaids and other assets	102,888	64,028	166,916
Notes receivable	264,672	-	264,672
Total assets	$ 59,440,729	$ 13,797,512	$ 73,238,241
LIABILITIES AND FUND BALANCES			
Liabilities:			
Vouchers payable	$ 19,013,032	$ 162,753	$ 19,175,785
Accrued payroll and compensated absences	2,322,323	677,336	2,999,659
Retainage payable	22,717	24,446	47,163
Due to other funds	31,299,792	1,469,372	32,769,164
Advances from other funds	297,500	-	297,500
Deferred revenue	5,991,712	11,463,605	17,455,317
Total liabilities	58,947,076	13,797,512	72,744,588
Fund Balances:			
Reserved	493,653	-	493,653
Total liabilities and fund balances	$ 59,440,729	$ 13,797,512	$ 73,238,241

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE - GRANTS
For The Year Ended February 28, 2011

	Federal Grant Programs	State and Local Grant Programs	Total
REVENUES			
Intergovernmental	$ 165,974,880	$ 21,839,289	$ 187,814,169
Charges for services	251,309	-	251,309
Earnings on investments	52,564	-	52,564
Miscellaneous	6,745,375	31,524	6,776,899
Total revenues	173,024,128	21,870,813	194,894,941
EXPENDITURES			
Administration of justice	18,912,267	4,377,776	23,290,043
County administration	17,000,477	13,305,668	30,306,145
Health and human services	84,263,040	3,059,594	87,322,634
Capital outlay	23,348,090	3,953,452	27,301,542
Total expenditures	143,523,874	24,696,490	168,220,364
Excess (deficiency) of revenues over (under) expenditures	29,500,254	(2,825,677)	26,674,577
OTHER FINANCING SOURCES (USES)			
Transfers in	4,203,532	2,844,180	7,047,712
Transfers out	(33,705,400)	(18,503)	(33,723,903)
Total transfers	(29,501,868)	2,825,677	(26,676,191)
Net changes in fund balances	(1,614)	-	(1,614)
Fund balances, beginning	495,267	-	495,267
Fund balances, ending	$ 493,653	$ -	$ 493,653

HARRIS COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE - GRANTS
FEDERAL PROGRAMS
February 28, 2011

	Department of Agriculture	Department of Commerce	Department of Housing and Urban Development	Department of Justice	Department of Homeland Security	Department of Health and Human Services	Other Federal Programs	Total
ASSETS								
Cash and cash equivalents	$ -	$ -	$ -	$ 4,033,812	$ -	$ 497,440	$ 57,778	$ 4,589,030
Investments	-	-	-	2,788,647	-	-	19,329	2,807,976
Accounts receivable	759,617	4,086,120	3,164,910	431,129	22,440,614	2,397,284	1,324,644	34,604,318
Accrued interest receivable	-	-	-	8,634	-	-	60	8,694
Other receivables	1,459,687	3,122,576	1,278,685	10,353	1,242,872	5,856,926	1,922,310	14,893,409
Due from other funds	-	52,497	-	72,912	-	-	-	125,409
Inventories	-	-	1,390,112	654,221	-	-	-	2,044,333
Prepaids and other assets	18,243	-	2,558	49,058	2,500	26,056	4,473	102,888
Notes receivable	-	-	264,672	-	-	-	-	264,672
Total assets	$ 2,237,547	$ 7,261,193	$ 6,100,937	$ 8,048,766	$ 23,685,986	$ 8,777,706	$ 3,328,594	$ 59,440,729
LIABILITIES AND FUND BALANCES								
Liabilities:								
Vouchers payable	$ 53,224	$ 3,092,827	$ 3,052,362	$ 2,327,079	$ 4,789,057	$ 4,618,542	$ 1,079,941	$ 19,013,032
Accrued payroll and compensated absences	665,326	570	468,245	279,723	55,721	794,562	58,176	2,322,323
Retainage payable	-	-	22,717	-	-	-	-	22,717
Due to other funds	1,518,997	4,167,796	1,930,396	391,232	18,841,208	2,870,949	1,579,214	31,299,792
Advances from other funds	-	-	297,500	-	-	-	-	297,500
Deferred revenue	-	-	329,717	5,050,732	-	-	611,263	5,991,712
Total liabilities	2,237,547	7,261,193	6,100,937	8,048,766	23,685,986	8,284,053	3,328,594	58,947,076
Fund balances	-	-	-	-	-	493,653	-	493,653
Total liabilities and fund balances	$ 2,237,547	$ 7,261,193	$ 6,100,937	$ 8,048,766	$ 23,685,986	$ 8,777,706	$ 3,328,594	$ 59,440,729

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE - GRANTS - FEDERAL PROGRAMS

For The Year Ended February 28, 2011

	Department of Agriculture	Department of Commerce	Department of Housing and Urban Development	Department of Justice	Department of Homeland Security	Department of Health and Human	Other Federal	Total
REVENUES								
Intergovernmental	$ 10,043,523	$ 6,825,893	$ 30,168,897	$ 10,741,518	$ 60,179,591	$ 40,865,650	$ 7,149,808	$ 165,974,880
Charges for services	-	-	-	1,073	-	250,236	-	251,309
Earnings on investments	-	-	52	52,442	70	-	-	52,564
Miscellaneous	-	-	4,442,271	-	919,021	858,024	526,059	6,745,375
Total revenues	10,043,523	6,825,893	34,611,220	10,795,033	61,098,682	41,973,910	7,675,867	173,024,128
EXPENDITURES								
Administration of justice	-	-	-	7,526,934	6,570,043	2,130,733	2,684,557	18,912,267
County administration	-	2,716,419	143,446	-	12,410,524	401,300	1,328,788	17,000,477
Health and human services	10,039,609	289,795	32,373,867	301,876	407,855	39,466,275	1,383,763	84,263,040
Capital outlay	3,914	4,962,658	2,142,293	3,259,468	11,297,667	62,218	1,619,872	23,348,090
Total expenditures	10,043,523	7,968,872	34,659,606	11,088,278	30,686,089	42,060,526	7,016,980	143,523,874
Excess of revenues over (under) expenditures	-	(1,142,979)	(48,386)	(293,245)	30,412,593	(86,616)	658,887	29,500,254
OTHER FINANCING SOURCES (USES)								
Transfers in	-	1,142,979	431,546	849,652	306,768	821,061	651,526	4,203,532
Transfers out	-	-	(383,160)	(556,407)	(30,719,361)	(736,059)	(1,310,413)	(33,705,400)
Total transfers	-	1,142,979	48,386	293,245	(30,412,593)	85,002	(658,887)	(29,501,868)
Net changes in fund balances	-	-	-	-	-	(1,614)	-	(1,614)
Fund balance, beginning	-	-	-	-	-	495,267	-	495,267
Fund balance, ending	$ -	$ -	$ -	$ -	$ -	$ 493,653	$ -	$ 493,653

HARRIS COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
GRANTS - STATE AND LOCAL PROGRAMS
February 28, 2011

	Texas Department of Health	Texas Department of Transportation	Texas Commission on Environmental Quality	Texas Historical Commission	Other State Programs	Local Grants	Total
ASSETS							
Cash and cash equivalents	$ -	$ -	$ -	$ 177,138	$ 471,845	$ 505,532	$ 1,154,515
Investments	-	-	-	116,400	335,454	347,695	799,549
Accounts receivable	131,487	513,108	74,966	312,590	15,377	235,689	1,283,217
Accrued interest receivable	-	-	-	360	1,039	1,077	2,476
Other receivables	6,474	-	9,401,587	432	892,772	192,462	10,493,727
Prepaids and other assets	552	-	-	-	63,476	-	64,028
Total assets	$ 138,513	$ 513,108	$ 9,476,553	$ 606,920	$ 1,779,963	$ 1,282,455	$ 13,797,512
LIABILITIES AND FUND BALANCES							
Liabilities:							
Vouchers payable	$ 11,279	$ 1,137	$ -	$ -	$ 99,419	$ 50,918	$ 162,753
Accrued payroll and compensated absences	100,037	139,846	-	-	209,552	227,901	677,336
Retainage payable	-	-	24,446	-	-	-	24,446
Due to other funds	27,197	279,542	42,815	606,920	278,884	234,014	1,469,372
Deferred revenue	-	92,583	9,409,292	-	1,192,108	769,622	11,463,605
Total liabilities	138,513	513,108	9,476,553	606,920	1,779,963	1,282,455	13,797,512
Fund balances	-	-	-	-	-	-	-
Total liabilities and fund balances	$ 138,513	$ 513,108	$ 9,476,553	$ 606,920	$ 1,779,963	$ 1,282,455	$ 13,797,512

HARRIS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE - GRANTS - STATE AND LOCAL PROGRAMS

For The Year Ended February 28, 2011

	Texas Department of Health	Texas Department of Transportation	Texas Department of Protective & Regulatory Services	Texas Historical Commission	Other State Programs	Local Grants	Total
REVENUES							
Intergovernmental	$ 824,786	$ 871,980	$ 13,734,502	$ 3,303,125	$ 379,696	$ 2,725,200	$ 21,839,289
Miscellaneous	-	31,524	-	-	-	-	31,524
Total revenues	824,786	903,504	13,734,502	3,303,125	379,696	2,725,200	21,870,813
EXPENDITURES							
Administration of justice	-	1,689,608	12,690	-	701,132	1,974,346	4,377,776
County administration	-	-	13,218,935	-	-	86,733	13,305,668
Health and human services	1,001,758	-	-	-	320,847	1,736,989	3,059,594
Capital outlay	-	-	496,474	3,303,125	153,853	-	3,953,452
Total expenditures	1,001,758	1,689,608	13,728,099	3,303,125	1,175,832	3,798,068	24,696,490
Excess of revenues over (under) expenditures	(176,972)	(786,104)	6,403	-	(796,136)	(1,072,868)	(2,825,677)
OTHER FINANCING SOURCES (USES)							
Transfers in	176,972	786,104	10,000	-	796,136	1,074,968	2,844,180
Transfers out	-	-	(16,403)	-	-	(2,100)	(18,503)
Total transfers	176,972	786,104	(6,403)	-	796,136	1,072,868	2,825,677
Net changes in fund balances	-	-	-	-	-	-	-
Fund balance, beginning	-	-	-	-	-	-	-
Fund balance, ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -

HARRIS COUNTY, TEXAS
SPECIAL REVENUE FUNDS

SCHEDULE OF AVAILABLE RESOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For The Year Ended February 28, 2011

	Adopted Budget	Adjusted Budget	Actual	Over (Under)
Beginning Cash and Investments	$ 163,275,191	$ 163,275,191	$ 154,483,277	$ (8,791,914)
Revenues and Transfers In:				
Taxes	95,486,228	95,486,228	94,177,732	(1,308,496)
Charges for Services	11,670,178	11,952,602	13,836,101	1,883,499
Forfeitures	-	-	43,767	43,767
Lease revenue	175,001	175,001	199,499	24,498
Intergovernmental	2,356,253	3,029,408	3,365,561	336,153
Interest	1,817,923	1,817,971	1,800,805	(17,166)
Miscellaneous	3,013,338	4,092,097	13,913,686	9,821,589
Other - Transfers In	26,085,020	254,919,288	256,912,564	1,993,276
Total Revenues and Transfers In	140,603,941	371,472,595	384,249,715	12,777,120
Total Available Resources	$ 303,879,132	$ 534,747,786	$ 538,732,992	$ 3,985,206

HARRIS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES AND OTHER USES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended February 28, 2011

	Adopted Budget	Budget	Actual	(Over) Under
Flood Control				
Commercial Paper Series F - Flood Control	$ 2,332,512	$ 202,332,512	$ 200,208,274	$ 2,124,238
FC Contract Tax Bond 2010A	-	556,827	556,822	5
Flood Control General Fund	171,203,537	171,390,525	68,920,476	102,470,049
Total Flood Control	173,536,049	374,279,864	269,685,572	104,594,292
Hotel Occupancy Tax	26,580,708	27,257,216	26,204,380	1,052,836
District Court Records Archive	403,701	403,701	184,871	218,830
Deed Restriction Enforcement	6,161	6,161	-	6,161
Child Support Enforcement	1,582,498	1,582,498	1,088,946	493,552
Family Protection	359,405	359,405	269,281	90,124
CPS - Special Revenue Contracts	204,627	204,627	76,530	128,097
Utility Bill Assistance Program	13,489	369,790	302,537	67,253
Probate Court Support	774,925	774,925	43,254	731,671
Appellate Judicial System	614,652	614,652	585,528	29,124
County Attorney Administration	850,243	869,316	606,536	262,780
District Attorney Administration				
District Attorney Special Investigation	7,811,086	7,811,086	493,423	7,317,663
District Attorney Hot Check Depository	5,605,880	5,605,880	283,374	5,322,506
Total District Attorney Administration	13,416,966	13,416,966	776,797	12,640,169
Courthouse Security Justice Court	866,383	866,383	276,712	589,671
Records Management	20,579,639	20,579,639	6,123,580	14,456,059
Donation Fund	2,921,541	2,948,816	454,598	2,494,218
Justice Court Technology	2,736,269	2,736,269	384,680	2,351,589
Child Abuse Prevention	24,772	24,772	-	24,772
Juvenile Case Manager Fee	2,982,874	2,982,874	177,389	2,805,485
Tax Office - Chapter 19	500,000	500,000	368,688	131,312
Star Drug Court	888,378	888,378	-	888,378
County & District Technology Fee	101,170	101,170	-	101,170
Stormwater Management Fund	722,285	767,139	444,505	322,634
DA Divert Program	58,517	237,517	44,123	193,394
Gulf of Mexico Energy Security Act	117,589	117,589	-	117,589
Hester House				
Hester House Operating	83,152	83,152	-	83,152
Hester House Construction	4,159,081	4,159,081	527,639	3,631,442
Total Hester House	4,242,233	4,242,233	527,639	3,714,594
San Jacinto Wetlands Project	49,615	49,615	4,420	45,195
TCEQ - Pollution Control	728,127	783,761	498,835	284,926
EPH TCEQ SEP Fund	-	472,838	-	472,838
Election Services	515,077	515,077	368,974	146,103

HARRIS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES AND OTHER USES
BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended February 28, 2011

	Adopted Budget	Budget	Actual	(Over) Under
Law Enforcement Forfeited Fund				
District Attorney Seized Assets - Treasury	57,590	57,590	48,378	9,212
District Attorney Seized Assets - Justice	85,471	85,471	-	85,471
Constable Seized Assets - Treasury	40,893	40,893	2,060	38,833
Constable Seized Assets - Justice	142,142	142,142	39,143	102,999
Sheriff Seized Assets - Treasury	2,555,259	2,555,259	1,049,232	1,506,027
Sheriff Seized Assets - Justice	1,674,428	1,674,428	284,512	1,389,916
Sheriff Seized Assets - State	2,742,467	2,742,467	1,721,070	1,021,397
District Attorney Seized Assets - State	8,973,341	8,973,341	2,207,662	6,765,679
Constable Seized Assets - State	891,855	891,855	343,937	547,918
Seized Assets - Commissioner's Court	2,419,580	2,419,580	182,530	2,237,050
Fire Marshall Seized Assets	8,748	8,748	4,264	4,484
Total Law Enforcement Forfeited Fund	19,591,774	19,591,774	5,882,788	13,708,986
Crim Courts Audio/Visual	1,674,545	1,674,545	849,211	825,334
Dispute Resolution	1,434,312	1,434,312	1,032,187	402,125
Fire County Clerk Election	-	27,500,000	13,176,667	14,323,333
LEOSE - Law Enforcement	832,618	832,618	321,391	511,227
Library Donation Fund	482,540	482,540	220,598	261,942
Law Library	1,964,776	1,964,776	1,423,893	540,883
Restricted Fund				
Restricted Fund	2,817,312	4,037,031	2,268,874	1,768,157
Restricted Fund - General	239,541	323,892	151,436	172,456
Total Restricted Fund	3,056,853	4,360,923	2,420,310	1,940,613
TIRZ Affordable Housing				
TIRZ Affordable Housing - Non Interest Bearing	1	1	-	1
TIRZ Affordable Housing - Interest Bearing	1,652,667	1,652,667	293,284	1,359,383
Total TIRZ Affordable Housing	1,652,668	1,652,668	293,284	1,359,384
Hurricane Ike	16,811,153	16,811,153	4,302,003	12,509,150
Total Special Revenue Fund	$ 303,879,132	$ 535,258,500	$ 339,420,707	$ 195,837,793

DEBT SERVICE FUNDS

HARRIS COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE

February 28, 2011

	Roads	Flood Control	Total
ASSETS			
Restricted cash and cash equivalents	$ 47,174,338	$ 5,881,471	$ 53,055,809
Restricted investments	4,279,079	2,795,318	7,074,397
Taxes Receivable, net	1,328,147	212,301	1,540,448
Other receivables	1,739,729	216,405	1,956,134
Total assets	$ 54,521,293	$ 9,105,495	$ 63,626,788
LIABILITIES AND FUND BALANCES			
Liabilities:			
Deferred revenue	$ 1,328,147	$ 212,301	$ 1,540,448
Total liabilities	1,328,147	212,301	1,540,448
Fund Balances:			
Reserved for debt service	53,193,146	8,893,194	62,086,340
Total fund balances	53,193,146	8,893,194	62,086,340
Total liabilities and fund balances	$ 54,521,293	$ 9,105,495	$ 63,626,788

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE
For The Year Ended February 28, 2011

	Roads	Flood Control	Total
REVENUES			
Taxes - Property	$ 47,584,812	$ 5,272,810	$ 52,857,622
Earnings on investments	99,898	21,682	121,580
Miscellaneous	68,283	45,538	113,821
Total revenues	47,752,993	5,340,030	53,093,023
EXPENDITURES			
Debt Service:			
Principal retirement	34,960,000	10,268,921	45,228,921
Bond issuance costs	483,846	1,046,702	1,530,548
Interest and fiscal charges	31,890,710	28,692,092	60,582,802
Total expenditures	67,334,556	40,007,715	107,342,271
Excess (deficiency) of revenue over (under) expenditures	(19,581,563)	(34,667,685)	(54,249,248)
OTHER FINANCING SOURCES (USES)			
Transfers in	3,923,434	31,119,775	35,043,209
Transfers out	(323,701)	(200,556,779)	(200,880,480)
Refunding on bonds issued	84,340,000	181,885,000	266,225,000
Premium on bonds issued	10,370,333	19,722,758	30,093,091
Payments to escrow agent	(94,428,115)	-	(94,428,115)
Total other financing sources (uses)	3,881,951	32,170,754	36,052,705
Net changes in fund balances	(15,699,612)	(2,496,931)	(18,196,543)
Fund balances, beginning	68,892,758	11,390,125	80,282,883
Fund balances, ending	$ 53,193,146	$ 8,893,194	$ 62,086,340

HARRIS COUNTY, TEXAS
DEBT SERVICE FUNDS
SCHEDULE OF AVAILABLE RESOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS
For The Year Ended Febraruy 28, 2011

	Adopted Budget	Adjusted Budget	Actual	Over (Under)
Beginning Cash and Investments	$ 77,876,106	$ 77,876,106	$ 77,871,596	$ (4,510)
Revenues and Transfers In:				
Taxes	72,484,882	72,484,882	53,297,914	(19,186,968)
Interest	728,914	728,914	171,766	(557,148)
Miscellaneous	52,500	52,500	128,637	76,137
Other Transfers In	32,712,919	423,900,347	430,091,087	6,190,740
Total Revenues and Transfers In	105,979,215	497,166,643	483,689,404	(13,477,239)
Total Available Resources	$ 183,855,321	$ 575,042,749	$ 561,561,000	$ (13,481,749)

HARRIS COUNTY, TEXAS
DEBT SERVICE FUNDS
SCHEDULE OF EXPENDITURES AND OTHER USES
BUDGET AND ACTUAL - BUDGETARY BASIS

For The Year Ended February 28, 2011

	Adopted Budget	Adjusted Budget	Actual	(Over) Under
Roads				
Road Series 1996	$ 1,281,914	$ 1,281,914	$ -	$ 1,281,914
Road Refunding Series 2001	42,294,758	54,408,351	34,617,500	19,790,851
Road Refunding Series 2003A	9,545,511	12,791,019	8,933,833	3,857,186
Road Refunding Series 2003B	2,738,482	18,760,046	18,057,443	702,603
Road Refunding Series 2004A-D	12,250,911	33,917,320	27,895,958	6,021,362
Unlimited Tax Road Refunding Series 2004	11,828,144	11,828,144	6,764,675	5,063,469
Unlimited Tax Road Refunding Series 2005A	3,392,769	3,392,769	1,721,000	1,671,769
Unlimited Tax Forward Refunding 2006A-D	14,399,318	14,399,318	7,992,250	6,407,068
Roads Refunding 2006B	25,335,457	66,190,999	52,661,167	13,529,832
Unlimited Tax Road Refunding Series 2008A	3,420,547	3,420,547	1,777,650	1,642,897
Road Refunding Series 2009A	9,618,041	9,618,041	4,717,803	4,900,238
Road Refunding Series 2010A	-	95,677,056	95,676,879	177
Total Roads	136,105,852	325,685,524	260,816,158	64,869,366
Flood Control				
Flood Control Contract Refunding 2006A	4,709,764	4,709,764	4,709,250	514
Flood Control Refunding Series 1993A	3,745,099	3,745,099	3,570,000	175,099
Flood Control Refunding Series 2002	3,039,969	3,039,969	1,504,675	1,535,294
Flood Control Refunding Series 2003	3,139,813	3,139,813	1,507,419	1,632,394
Flood Control Contract Refunding 2004A-D	6,975,006	6,975,006	6,811,500	163,506
Flood Control Improvement Bonds 2007	8,839,445	8,839,445	4,384,000	4,455,445
Flood Control Contract Refunding 2010A	-	201,607,758	201,603,482	4,276
Flood Control Contract Refunding 2008A	6,995,482	6,995,482	6,993,600	1,882
Flood Control Contract Refunding 2008C	9,481,231	9,481,231	9,480,569	662
Total Flood Control	46,925,809	248,533,567	240,564,495	7,969,072
Total Debt Service Funds	$ 183,031,661	$ 574,219,091	$ 501,380,653	$ 72,838,438

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for bond sale proceeds and other revenues which are used for the construction and acquisition of major capital projects of the County, Flood Control District, and the Sports and Convention Corp.

PERMANENT IMPROVEMENTS - Permanent Improvement bonds are used for purchase, construction or improvement of office and courts buildings, juvenile facilities, parks and other public facilities.

RELIANT PARK - This fund is used to account for construction and/or improvement of facilities in the Reliant Stadium, Reliant Exposition Center, Reliant Park Central Plant, and Astrodome Complex.

SPORTS AND CONVENTION CORPORATION – This fund is used for construction of the sports and entertainment complex located on property owned by the County.

FLOOD CONTROL DISTRICT – This fund is used to account for construction of flood control and drainage improvements.

HARRIS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
February 28, 2011

	Permanent Improvements	Reliant Park	Sports and Convention Corporation	Flood Control	Total
ASSETS					
Cash and cash equivalents	$ 18,417,805	$ -	$ -	$ 78,544,474	$ 96,962,279
Investments	8,766,255	-	-	103,239,271	112,005,526
Accounts receivable	48,698	-	-	10,076,509	10,125,207
Accrued interest receivable	24,720	-	-	258,891	283,611
Due from other funds	670,111	-	-	77,491	747,602
Prepaids and other assets	187,045	-	-	226,908	413,953
Advances to other funds	-	12,000,000	-	-	12,000,000
Restricted cash and cash equivalents	-	-	3,222,591	-	3,222,591
Restricted investments	-	-	12,000,000	-	12,000,000
Total assets	$ 28,114,634	$ 12,000,000	$ 15,222,591	$ 192,423,544	$ 247,760,769
LIABILITIES AND FUND BALANCES					
Liabilities:					
Vouchers payable	$ 6,472,617	$ -	$ 2,052,850	$ 4,161,386	$ 12,686,853
Retainage payable	3,685,421	-	-	888,817	4,574,238
Due to other funds	52,497	-	-	1,229,742	1,282,239
Advances from other funds	-	-	12,000,000	-	12,000,000
Deferred revenue	-	-	7,297,529	10,076,509	17,374,038
Total liabilities	10,210,535	-	21,350,379	16,356,454	47,917,368
Fund Balances:					
Reserved for encumbrances	16,434,408	-	-	34,630,388	51,064,796
Reserved for prepaids	187,045	-	-	226,908	413,953
Reserved for advances	-	12,000,000		-	12,000,000
Unreserved - designated for capital projects	1,282,646	-	-	141,209,794	142,492,440
Unreserved, undesignated	-	-	(6,127,788)	-	(6,127,788)
Total fund balances	17,904,099	12,000,000	(6,127,788)	176,067,090	199,843,401
Total liabilities and fund balances	$ 28,114,634	$ 12,000,000	$ 15,222,591	$ 192,423,544	$ 247,760,769

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
For The Year Ended February 28, 2011

	Permanent Improvements	Reliant Park	Sports and Convention Corporation	Flood Control	Total
REVENUES					
Intergovernmental	$ 7,697,896	$ -	$ -	$ 19,922,827	$ 27,620,723
Earnings on investments	62,166	1	-	810,090	872,257
Miscellaneous	315,923	-	5,023,749	1,132,781	6,472,453
Total Revenues	8,075,985	1	5,023,749	21,865,698	34,965,433
EXPENDITURES					
Parks	190,058	-	8,270,070	-	8,460,128
County administration	8,933,382	-	-	-	8,933,382
Health and human services	1,626,196	-	-	-	1,626,196
Flood control	-	-	-	8,866,683	8,866,683
Road and bridges	10,500	-	-	-	10,500
Capital outlay	83,164,120	-	422,679	41,665,661	125,252,460
Debt service:					
Bond issuance costs	272,250	-	-	-	272,250
Total expenditures	94,196,506	-	8,692,749	50,532,344	153,421,599
Excess (deficiency) of revenues over (under) expenditures	(86,120,521)	1	(3,669,000)	(28,666,646)	(118,456,166)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	113,226	113,226
Transfers out	(7,161,804)	(1,387)	-	(2,683,247)	(9,846,438)
Proceeds from software license	2,210,655	-	-	-	2,210,655
Proceeds from loan	-	-	3,409,021	-	3,409,021
Commercial paper issued	80,150,000	-	-	89,565,000	169,715,000
Sale of capital assets	125,737	-	-	-	125,737
Total other financing sources (uses)	75,324,588	(1,387)	3,409,021	86,994,979	165,727,201
Net change in fund balances	(10,795,933)	(1,386)	(259,979)	58,328,333	47,271,035
Fund balances, beginning	28,700,032	12,001,386	(5,867,809)	117,738,757	152,572,366
Fund balances, ending	$ 17,904,099	$ 12,000,000	$ (6,127,788)	$ 176,067,090	$ 199,843,401

HARRIS COUNTY, TEXAS
CAPITAL PROJECTS FUNDS

SCHEDULE OF AVAILABLE RESOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS

For The Year Ended February 28, 2011

	Adopted Budget	Adjusted Budget	Actual	Over (Under)
Beginning Cash and Investments	$ 328,328,829	$ 328,328,829	$ 329,871,931	$ 1,543,102
Revenues and Transfers In:				
Interest	-	4,079,409	4,132,287	52,878
Miscellaneous	-	6,103,060	7,040,226	937,166
Intergovernmental	-	83,688,429	93,121,155	9,432,726
Other Sale of Real Property	-	125,737	167,137	41,400
Other Proceeds Comm Paper	441,055,418	640,970,315	211,115,000	(429,855,315)
Other Transfers In	-	4,000,000	4,113,226	113,226
Total Revenues and Transfers In	441,055,418	738,966,950	319,689,031	(419,277,919)
Total Available Resources	$ 769,384,247	$ 1,067,295,779	$ 649,560,962	$ (417,734,817)

HARRIS COUNTY, TEXAS
CAPITAL PROJECTS FUNDS
SCHEDULE OF EXPENDITURES AND OTHER USES
BUDGET AND ACTUAL - BUDGETARY BASIS
HARRIS COUNTY, TEXAS

For The Year Ended February 28, 2011

	Adopted Budget	Adjusted Budget	Actual	(Over) Under
Roads				
METRO Street Improvement	$ 7,073,250	$ 7,148,941	$ 1,347,222	$ 5,801,719
1975 Road Bonds Construction	561,587	565,064	4,409	560,655
Road Capital Projects	33,164,323	60,462,629	18,092,338	42,370,291
METRO Designated Projects	26,553,843	76,451,139	15,981,019	60,470,120
Road Refunding 2004B	29,371,708	29,853,492	8,657,364	21,196,128
Road Refunding 2006B	93,540,046	94,389,218	18,367,088	76,022,130
Road Series 1993 Construction	56,087	56,112	4,633	51,479
Road 1996 Construction	382,007	382,240	196,312	185,928
Commercial Paper Series C	81,993,841	81,535,033	40,977,850	40,557,183
Total Roads	272,696,692	350,843,868	103,628,235	247,215,633
Permanent Improvements				
Buildings/Parks/Library Projects	4,191,225	4,843,785	911,804	3,931,981
1982 Park Bonds Construction	335,915	337,994	2,636	335,358
CO Series 2001 Construction	9,258,504	9,332,170	5,307,677	4,024,493
Permanent Improvements 2002 Construction	36,777	36,798	22	36,776
Permanent Improvements 1994 Construction	475,970	476,218	104,442	371,776
CO Series 1994 Construction	3,033,916	3,030,525	1,044,468	1,986,057
Commercial Paper Series B	36,124,830	36,059,035	14,005,486	22,053,549
Commercial Paper Series A-1	84,670,094	84,681,493	22,902,927	61,778,566
Commercial Paper Series New D	148,519,891	148,849,164	54,873,703	93,975,461
Total Permanent Improvements	286,647,122	287,647,182	99,153,165	188,494,017
Reliant Park				
Commercial Paper Series D	1,386	1,387	1,387	-
Total Reliant Park	1,386	1,387	1,387	-
Flood Control				
Regional Flood Control Projects	15,278,149	15,471,141	1,032,494	14,438,647
Flood Control Capital Projects	44,851,232	64,702,367	15,577,167	49,125,200
FC Bonds 2004A-Construction	15,492,829	15,631,782	4,092,346	11,539,436
FC Improvement Bonds 2007	44,670,076	44,654,509	8,190,873	36,463,636
Commercial Paper - Flood Control	89,746,762	289,887,441	23,512,592	266,374,849
Total Flood Control	210,039,048	430,347,240	52,405,472	377,941,768
Total Capital Projects Funds	$ 769,384,248	$ 1,068,839,677	$ 255,188,259	$ 813,651,418

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes

SUBSCRIBER ACCESS - This fund is used to account for the use of computer access to certain District Clerk records. The information is available only to qualified users, and all costs associated with the program are passed on to the users through user charges.

PARKING FACILITIES - This fund is used to account for the acquisition, operation and maintenance of parking facilities. These facilities are intended to be financed primarily through user charges.

SHERIFF'S COMMISSARY FUND - This fund is used to account for the operation of a commissary for jail inmates. In addition, the fund is used to account for inmate monies held in a trustee capacity, from which inmates can make commissary purchases and from which inmates are required to reimburse the County for certain medical services provided to them. The Commissary is funded primarily through profits on sales of commissary items to inmates.

.

HARRIS COUNTY, TEXAS

COMBINING STATEMENT OF NET ASSETS - NONMAJOR ENTERPRISE FUNDS

February 28, 2011

	Subscriber Access	Parking Facilities	Sheriff's Commissary	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 601,310	$ 41,911	$ 7,315,948	$ 7,959,169
Investments	390,003	40,589	-	430,592
Accounts receivable, net	17,310	38,986	-	56,296
Accrued interest receivable	1,207	126	-	1,333
Other receivables	18,304	-	385,452	403,756
Inventories	-	-	301,456	301,456
Total current assets	1,028,134	121,612	8,002,856	9,152,602
Noncurrent assets:				
Land	-	3,963,598	-	3,963,598
Buildings	-	21,154,443	-	21,154,443
Equipment	757,739	-	3,960,094	4,717,833
Accumulated depreciation	(757,739)	(7,291,974)	(2,420,193)	(10,469,906)
Total noncurrent assets	-	17,826,067	1,539,901	19,365,968
Total assets	1,028,134	17,947,679	9,542,757	28,518,570
LIABILITIES				
Current liabilities:				
Vouchers payable	4,619	32,048	541,645	578,312
Accrued payroll and compensated absences	5,631	-	-	5,631
Customer deposits	193,029	-	-	193,029
Current portion of long-term liabilities	-	-	62,000	62,000
Total current liabilities	203,279	32,048	603,645	838,972
Noncurrent liabilities:				
Noncurrent portion of long-term liabilities	919	-	124,001	124,920
Total noncurrent liabilities	919	-	124,001	124,920
Total Liabilities	204,198	32,048	727,646	963,892
NET ASSETS				
Invested in capital assets, net of related debt	-	17,826,067	1,539,901	19,365,968
Unrestricted	823,936	89,564	7,275,210	8,188,710
Total net assets	$ 823,936	$ 17,915,631	$ 8,815,111	$ 27,554,678

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - NON MAJOR ENTERPRISE FUNDS
For The Year Ended February 28, 2011

	Subscriber Access	Parking Facilities	Sheriff's Commissary	Total
OPERATING REVENUES				
Sales	$ -	$ -	$ 7,115,012	$ 7,115,012
User fees	183,177	387,295	-	570,472
Miscellaneous	65,462	-	-	65,462
Total operating revenues	248,639	387,295	7,115,012	7,750,946
OPERATING EXPENSES				
Salaries	57,556	-	600,000	657,556
Materials and supplies	-	-	1,142,864	1,142,864
Services and fees	25,722	114,644	1,920,539	2,060,905
Utilities	-	304,697	-	304,697
Cost of goods sold	-	-	3,529,835	3,529,835
Depreciation	-	470,006	245,899	715,905
Total operating expenses	83,278	889,347	7,439,137	8,411,762
Operating Income (Loss)	165,361	(502,052)	(324,125)	(660,816)
NONOPERATING REVENUES (EXPENSES)				
Earnings on investments	5,417	239	7,941	13,597
Total nonoperating revenue (expenses)	5,417	239	7,941	13,597
Income (loss) before transfers	170,778	(501,813)	(316,184)	(647,219)
Transfers out	-	(375,000)	-	(375,000)
Total transfers	-	(375,000)	-	(375,000)
Change in net assets	170,778	(876,813)	(316,184)	(1,022,219)
Net assets, beginning	653,158	18,792,444	9,131,295	28,576,897
Net assets, ending	$ 823,936	$ 17,915,631	$ 8,815,111	$ 27,554,678

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS -
NONMAJOR ENTERPRISE FUNDS
For The Year Ended February 28, 2011

	Subscriber Access	Parking Facilities	Sheriff's Commissary	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 233,409	$ 381,828	$ 8,836,311	$ 9,451,548
Payments to employees	(57,322)	-	(600,000)	(657,322)
Payments to vendors	(924)	(381,373)	(6,813,928)	(7,196,225)
Net cash provided by operating activities	175,163	455	1,422,383	1,598,001
CASH FLOWS FROM NONCAPTIAL FINANCING ACTIVITIES				
Transfers to other funds	-	(375,000)	-	(375,000)
Net cash used for noncapital financing activities	-	(375,000)	-	(375,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	-	(1,353,402)	(1,353,402)
Net cash used for capital and related financing activities	-	-	(1,353,402)	(1,353,402)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	-	-	5,988,507	5,988,507
Interest paid	(223,728)	-	-	(223,728)
Interest received	-	51,729	19,104	70,833
Net cash provided by (used for) investing activities	(223,728)	51,729	6,007,611	5,835,612
Net change in cash and cash equivalents	(48,565)	(322,816)	6,076,592	5,705,211
Cash and cash equivalents, beginning	649,875	364,727	1,239,356	2,253,958
Cash and cash equivalents, ending	$ 601,310	$ 41,911	$ 7,315,948	$ 7,959,169
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	$ 165,361	$ (502,052)	$ (324,125)	$ (660,816)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	470,006	245,899	715,905
Change in current assets and liabilities:				
Receivables, net	5,873	(5,467)	1,721,299	1,721,705
Prepaids and other assets	25,670	38,711	-	64,381
Inventories	-	-	(76,454)	(76,454)
Vouchers payable and accrued liabilities	(872)	(743)	(144,236)	(145,851)
Other liabilities	(21,103)	-	-	(21,103)
Compensatory time payable	234	-	-	234
Net cash provided by operating activities	$ 175,163	$ 455	$ 1,422,383	$ 1,598,001
Non-Cash Investing Activities:				
Increase (decrease) in the fair value of investments	$ 228,740	$ (51,161)	$ (8,524)	$ 169,055

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

VEHICLE MAINTENANCE - This fund is used to account for the operation of the County's Vehicle Maintenance Department which is to be financed through user charges.

RADIO OPERATIONS - This fund is used to account for the operation of County radios which is to be financed through user charges.

INMATE INDUSTRIES - This fund is used to account for the operation of the printing shop provided by inmates to County departments which is to be financed by user charges.

HEALTH INSURANCE MANAGEMENT - This fund is used to account for County employees' group health insurance activities.

RISK MANAGEMENT - This fund is used to account for the County's workers' compensation and other risk management activities. Workers' Compensation includes medical and indemnity payments as required by law for on-the-job related injuries. Other risk management activities include coordination of all insurance policies and management of self-insured risk.

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
February 28, 2011

	Vehicle Maintenance	Radio Operations	Inmate Industries	Health Insurance Management	Risk Management	Total
ASSETS						
Current assets:						
Cash and cash equivalents	$ 6,686,330	$ -	$ 1,616,526	$ 38,749,390	$ 2,201,156	$ 49,253,402
Investments	4,612,597	219,699	1,067,997	25,900,595	48,342,167	80,143,055
Receivables:						
Accounts	10,853	929,538	-	1,653,301	250	2,593,942
Accrued interest	14,281	680	3,307	80,189	117,208	215,665
Other	2,797	-	381	1,175,913	1,496,116	2,675,207
Inventories	1,084,343	153,388	-	-	-	1,237,731
Prepaids and other assets	-	-	8,730	-	1,324,542	1,333,272
Due from other funds	222,619	6,113	-	-	56,852	285,584
Total current assets	12,633,820	1,309,418	2,696,941	67,559,388	53,538,291	137,737,858
Noncurrent assets:						
Land	259,000	-	-	-	-	259,000
Buildings	1,468,568	-	-	-	-	1,468,568
Equipment	48,930,560	1,614,680	478,600	-	-	51,023,840
Accumulated depreciation	(34,061,905)	(1,528,427)	(345,485)	-	-	(35,935,817)
Total noncurrent assets	16,596,223	86,253	133,115	-	-	16,815,591
Total assets	29,230,043	1,395,671	2,830,056	67,559,388	53,538,291	154,553,449
LIABILITIES						
Current liabilities:						
Vouchers payable	2,033,335	45,526	12,981	9,129,623	687,110	11,908,575
Accrued payroll and compensated absences	366,892	273,750	-	-	471,820	1,112,462
Estimated outstanding claims	-	-	-	-	13,335,947	13,335,947
Incurred but not reported claims	-	-	-	20,429,778	11,889,363	32,319,141
Due to other funds	-	35,536	-	-	-	35,536
Deferred revenue	-	657,267	-	-	12,642	669,909
Total current liabilities	2,400,227	1,012,079	12,981	29,559,401	26,396,882	59,381,570
Noncurrent liabilities:						
Noncurrent portion of long-term liabilities	49,726	22,694	-	-	48,368	120,788
Total noncurrent liabilities	49,726	22,694	-	-	48,368	120,788
Total liabilities	2,449,953	1,034,773	12,981	29,559,401	26,445,250	59,502,358
NET ASSETS						
Invested in capital assets, net of related debt	16,596,223	86,253	133,115	-	-	16,815,591
Unrestricted	10,183,867	274,645	2,683,960	37,999,987	27,093,041	78,235,500
Total net assets	$ 26,780,090	$ 360,898	$ 2,817,075	$ 37,999,987	$ 27,093,041	$ 95,051,091

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS
For The Year Ended February 28, 2011

	Vehicle Maintenance	Radio Operations	Inmate Industries	Health Insurance Management	Risk Management	Totals
OPERATING REVENUES						
Lease revenue	$ -	$ 60,489	$ -	$ -	$ -	$ 60,489
Intergovernmental	-	-	-	1,722,483	-	1,722,483
Charges to departments	18,373,254	298,452	555,831	195,133,355	13,406,295	227,767,187
User fees	6,844,404	2,113,378	-	-	-	8,957,782
Total operating revenues	25,217,658	2,472,319	555,831	196,855,838	13,406,295	238,507,941
OPERATING EXPENSES						
Salaries	2,690,923	2,501,709	-	-	4,251,680	9,444,312
Materials and supplies	245,526	90,202	91,715	-	238,993	666,436
Services and fees	2,133,753	1,928,913	47,782	65,919	3,397,922	7,574,289
Utilities	84,848	705,271	-	44,048	875	835,042
Transportation and travel	6,704,011	-	-	-	13,873	6,717,884
Incurred claims	-	-	-	191,872,772	6,433,887	198,306,659
Estimated claims	-	-	-	(493,158)	(842,633)	(1,335,791)
Cost of goods sold	6,115,721	511,813	-	-	-	6,627,534
Depreciation	5,424,867	99,841	25,348	-	-	5,550,056
Total operating expenses	23,399,649	5,837,749	164,845	191,489,581	13,494,597	234,386,421
Operating income (loss)	1,818,009	(3,365,430)	390,986	5,366,257	(88,302)	4,121,520
NONOPERATING REVENUES (EXPENSES)						
Earnings on investments	53,632	2,518	14,986	331,969	422,553	825,658
Gain on sale of capital assets	57,819	-	-	-	-	57,819
Other nonoperating revenues (expenses)	10,131	(6,767)	-	-	-	3,364
Total nonoperating revenues (expenses)	121,582	(4,249)	14,986	331,969	422,553	886,841
Income (loss) before transfers	1,939,591	(3,369,679)	405,972	5,698,226	334,251	5,008,361
Transfers in	37,397	2,850,000	-	-	4,025,000	6,912,397
Transfers out	-	-	-	-	(2,000,000)	(2,000,000)
Total transfers	37,397	2,850,000	-	-	2,025,000	4,912,397
Change in net assets	1,976,988	(519,679)	405,972	5,698,226	2,359,251	9,920,758
Net assets, beginning	24,803,102	880,577	2,411,103	32,301,761	24,733,790	85,130,333
Net assets, ending	$ 26,780,090	$ 360,898	$ 2,817,075	$ 37,999,987	$ 27,093,041	$ 95,051,091

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
For The Year Ended February 28, 2011

	Vehicle Maintenance	Radio Operations	Inmate Industries	Health Insurance Management	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$ 25,125,238	$ 2,704,301	$ 558,525	$ 195,551,463	$ 15,293,328	$ 239,232,855
Payments to employees	(2,707,696)	(2,483,781)	-	-	(4,199,299)	(9,390,776)
Payments to vendors	(14,002,279)	(2,893,837)	(141,935)	436,081	(3,510,738)	(20,112,708)
Claims paid	-	-	-	(192,178,510)	(5,871,981)	(198,050,491)
Other receipts	10,131	(6,767)	-	-	-	3,364
Net cash provided by (used for) operating activities	8,425,394	(2,680,084)	416,590	3,809,034	1,711,310	11,682,244
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	37,397	2,850,000	-	-	4,025,000	6,912,397
Transfers to other funds	-	-	-	-	(2,000,000)	(2,000,000)
Net cash provided by noncapital financing activities	37,397	2,850,000	-	-	2,025,000	4,912,397
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal paid on capital lease	-	(55,968)	-	-	-	(55,968)
Purchases of capital assets	(6,228,558)	-	(6,725)	-	-	(6,235,283)
Net cash used for capital and related financing activities	(6,228,558)	(55,968)	(6,725)	-	-	(6,291,251)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	-	-	-	-	(63,174,603)	(63,174,603)
Proceeds from sales and maturities of investments	-	-	-	-	57,599,508	57,599,508
Interest paid	(2,602,885)	(180,269)	(597,065)	(13,209,403)	-	(16,589,622)
Interest received (paid)	-	-	-	-	814,273	814,273
Net cash used for investing activities	(2,602,885)	(180,269)	(597,065)	(13,209,403)	(4,760,822)	(21,350,444)
Net change in cash and cash equivalents	(368,652)	(66,321)	(187,200)	(9,400,369)	(1,024,512)	(11,047,054)
Cash and cash equivqlents, beginning	7,054,982	66,321	1,803,726	48,149,759	3,225,668	60,300,456
Cash and cash equivalents, ending	$ 6,686,330	$ -	$ 1,616,526	$ 38,749,390	$ 2,201,156	$ 49,253,402
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Operating income (loss)	$ 1,818,009	$ (3,365,430)	$ 390,986	$ 5,366,257	$ (88,302)	$ 4,121,520
Adjustments to reconcile operating income to net cash Provided by operating activites:						
Depreciation expense	5,424,867	99,841	25,348	-	-	5,550,056
Other non-operating revenues	10,131	(6,767)	-	-	-	3,364
Change in assets and liabilities:						
Receivables, net	(92,420)	227,375	2,694	(1,304,375)	1,884,513	717,787
Prepaids and other assets	60	10,939	(1,089)	-	(171,432)	(161,522)
Inventories	311,571	411,176	-	-	-	722,747
Vouchers payable and accrued liabilities	967,372	(49,130)	(1,349)	(252,848)	36,075	700,120
Deferred revenue	-	4,607	-	-	(1,925)	2,682
Compensatory time payable	(14,196)	(12,695)	-	-	52,381	25,490
Net cash provided by (used for) operating activities	$ 8,425,394	$ (2,680,084)	$ 416,590	$ 3,809,034	$ 1,711,310	$ 11,682,244
Non-Cash Investing Activities:						
Increase (decrease) in the fair value of investments	$ 2,651,979	$ 182,293	$ 611,015	$ 13,522,691	$ (224,927)	$ 16,743,051

FIDUCIARY FUNDS

AGENCY FUNDS:

DISTRICT CLERK REGISTRY - Established for the purpose of accounting for monies held in the custody of the District Clerk under orders of various Harris County courts.

COUNTY CLERK REGISTRY - Established for the purpose of accounting for monies held in the custody of the County Clerk under orders of various Harris County courts.

OFFICERS' FEES - This fund is used as a clearing fund for fees, fines and court costs collected by Sheriff, County Clerk, District Clerk, and/or other fee officers of the County.

BAIL SECURITY - Assets pledged by Bail Bond licensees as collateral are accounted for in this fund.

TAX COLLECTOR'S - Tax collections are deposited in the Tax Collector's agency fund pending audit and distribution to the County or other taxing jurisdiction. Receipts from the sale of beer licenses are deposited in this fund pending approval by the State Alcoholic Beverage Commission.

INMATE PROPERTY – This fund is used to account for jail inmates' properties held in the custody of Harris County.

TREASURER ESCHEAT - This fund is used to account for unclaimed property $100 or less held in the custody of Harris County.

JUVENILE RESTITUTION - This fund is used to account for collection and distribution of monies for Harris County Juvenile Probation Department clients ordered by courts to make victim restitution payments.

FORFEITED RESTITUTION - This fund is used to account for collection and distribution of monies for Harris County District Attorney's office to make consumer fraud restitution payments.

DISTRICT CLERK CONTINGENCY - This fund is used to account for collection of a five dollar fee to cover the District Clerk and any deputy clerk against liabilities incurred through errors or omissions in the performance of official duties.

ARMY CORPS OF ENGINEERS ESCROW - This fund is used to account for funds held in escrow for Flood Control projects in conjunction with the Army Corp of Engineers.

JJC SUBCONTRACTOR UNDERPAYMENT - This fund is used to account for funds in order to finalize the Juvenile Justice Center construction contract.

RETIREE HEALTHCARE FUND - This fund is used to account for other post-employment benefits of retirees that are due to or from the County.

RETIREMENT ADJUSTMENT UNDERPAYMENT - This fund is used to account for monies owed to the Texas County and District Retirement System (TCDRS) for missed deductions from employees paychecks caused when they move from one department to another within the County.

DA SEIZED ASSETS - This fund is used to account for assets seized pursuant to the state forfeiture law Chapter 59, Code of Criminal Procedure.

HOUSTON HIDTA SEIZED FUNDS - This fund is used to account for assets seized on behalf of the Houston High Intensity Drug Trafficking Area (HIDTA).

PAYROLL FUND - This fund is used to pay amounts due to external parties withheld and related payroll liabilities from the central payroll system.

CUSTODIAL - This fund is used to account for various custodial bank accounts activities.

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
February 28, 2011

	District Clerk Registry	County Clerk Registry	Officers' Fees	Bail Security	Tax Collector's
ASSETS					
Cash and cash equivalents	$ 3,239,840	$ 2,122,768	$ 15,553,325	$ 11,451,175	$ 138,825,734
Investments	52,706,206	47,680,316	7,003,295	2,339,586	-
Accounts receivable	-	-	11,497	-	-
Other receivables	-	-	-	-	-
Accrued interest receivable	175,211	167,195	24,407	7,243	-
Total assets	$ 56,121,257	$ 49,970,279	$ 22,592,524	$ 13,798,004	$ 138,825,734
LIABILITIES					
Vouchers payable	$ -	$ -	$ -	$ 10,000	$ -
Accrued payroll and compensated absences	-	-	-	-	-
Incurred but not reported claims	-	-	-	-	-
Held for others	56,121,257	49,970,279	22,592,524	13,788,004	138,825,734
Total liabilities	$ 56,121,257	$ 49,970,279	$ 22,592,524	$ 13,798,004	$ 138,825,734

Inmate Property	Treasurer Escheat	Juvenile Restitution	Forfeited Restitution	District Clerk Contingency	Army Corps of Engineers Escrow	JJC Subcontractor Underpayment	Retiree Healthcare Fund
$ 1,748,625	$ 191,292	$ 63,631	$ 4,115	$ 242,175	$ 625,738	$ 14,925	$ -
-	-	-	-	158,707	-	9,664	-
-	-	-	-	-	-	-	493,845
36,130	-	-	-	-	-	-	5,843,257
-	-	-	-	492	-	30	-
$ 1,784,755	$ 191,292	$ 63,631	$ 4,115	$ 401,374	$ 625,738	$ 24,619	$ 6,337,102
$ 385,452	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,303,599
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5,033,503
1,399,303	191,292	63,631	4,115	401,374	625,738	24,619	-
$ 1,784,755	$ 191,292	$ 63,631	$ 4,115	$ 401,374	$ 625,738	$ 24,619	$ 6,337,102

(continued)

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
February 28, 2011

	Retirement Adjustment Underpayment	DA Seized Assets	Houston HIDTA Seized Funds	Payroll Fund	Custodial	Total Agency Funds
ASSETS						
Cash and cash equivalents	$ 6,215	$ 24,967,913	$ 882,031	$ 6,800,114	$ 2,107,345	$ 208,846,961
Investments	4,295	-	-	4,496,079	-	114,398,148
Accounts receivable	-	-	-	167,931	-	673,273
Other receivables	-	-	-	125,482	-	6,004,869
Accrued interest receivable	13	-	-	13,874	-	388,465
Total assets	$ 10,523	$ 24,967,913	$ 882,031	$ 11,603,480	$ 2,107,345	$ 330,311,716
LIABILITIES						
Vouchers payable	$ -	$ -	$ -	$ 1,257,563	$ -	$ 2,956,614
Accrued payroll and compensated absences	-	-	-	10,312,629	-	10,312,629
Incurred but not reported claims	-	-	-	-	-	5,033,503
Held for others	10,523	24,967,913	882,031	33,288	2,107,345	312,008,970
Total liabilities	$ 10,523	$ 24,967,913	$ 882,031	$ 11,603,480	$ 2,107,345	$ 330,311,716

(concluded)

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended February 28, 2011

	Balance March 1, 2010	Additions	Deletions	Balance February 28, 2011
District Clerk Registry				
ASSETS				
Cash and cash equivalents	$ 421,111	$ 123,825,526	$ 121,006,797	$ 3,239,840
Investments	58,521,916	93,103,059	98,918,769	52,706,206
Accrued interest receivable	295,612	175,211	295,612	175,211
Total Assets	$ 59,238,639	$ 217,103,796	$ 220,221,178	$ 56,121,257
LIABILITIES				
Held for others	$ 59,238,639	$ 26,004,486	$ 29,121,868	$ 56,121,257
Total Liabilities	$ 59,238,639	$ 26,004,486	$ 29,121,868	$ 56,121,257
County Clerk Registry				
ASSETS				
Cash and cash equivalents	$ 1,515,291	$ 132,385,786	$ 131,778,309	$ 2,122,768
Investments	47,198,871	85,083,900	84,602,455	47,680,316
Accrued interest receivable	168,304	167,195	168,304	167,195
Total Assets	$ 48,882,466	$ 217,636,881	$ 216,549,068	$ 49,970,279
LIABILITIES				
Held for others	$ 48,882,466	$ 48,843,340	$ 47,755,527	$ 49,970,279
Total Liabilities	$ 48,882,466	$ 48,843,340	$ 47,755,527	$ 49,970,279
Officers' Fees				
ASSETS				
Cash and cash equivalents	$ 19,358,202	$ 136,343,554	$ 140,148,431	$ 15,553,325
Investments	4,876,037	7,003,295	4,876,037	7,003,295
Accounts receivable	3,644	373,461	365,608	11,497
Accrued interest receivable	26,230	24,407	26,230	24,407
Total Assets	$ 24,264,113	$ 143,744,717	$ 145,416,306	$ 22,592,524
LIABILITIES				
Vouchers payable	$ 224,253	$ 38,692,552	$ 38,916,805	$ -
Held for others	24,039,860	205,426,900	206,874,236	22,592,524
Total Liabilities	$ 24,264,113	$ 244,119,452	$ 245,791,041	$ 22,592,524
Bail Security				
ASSETS				
Cash and cash equivalents	$ 12,409,865	$ 8,134,197	$ 9,092,887	$ 11,451,175
Investments	1,167,185	2,339,587	1,167,186	2,339,586
Accrued interest receivable	5,800	7,243	5,800	7,243
Total Assets	$ 13,582,850	$ 10,481,027	$ 10,265,873	$ 13,798,004
LIABILITIES				
Vouchers payable	$ 5,228	$ 408,692	$ 403,920	$ 10,000
Held for others	13,577,622	1,011,488	801,106	13,788,004
Total Liabilities	$ 13,582,850	$ 1,420,180	$ 1,205,026	$ 13,798,004
Tax Collector's				
ASSETS				
Cash and cash equivalents	$ 189,638,907	$ 6,356,389,567	$ 6,407,202,740	$ 138,825,734
Investments	-	14,573,180	14,573,180	-
Total Assets	$ 189,638,907	$ 6,370,962,747	$ 6,421,775,920	$ 138,825,734
LIABILITIES				
Held for others	$ 189,638,907	$ 6,323,728,016	$ 6,374,541,189	$ 138,825,734
Total Liabilities	$ 189,638,907	$ 6,323,728,016	$ 6,374,541,189	$ 138,825,734

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended February 28, 2011

	Balance March 1, 2010	Additions	Deletions	Balance February 28, 2011
Inmate Property				
ASSETS				
Cash and cash equivalents	$ 3,956,667	$ 28,270,819	$ 30,478,861	$ 1,748,625
Other receivable	36,130	-	-	36,130
Total Assets	3,992,797	$ 28,270,819	$ 30,478,861	$ 1,784,755
LIABILITIES				
Payables	$ 2,106,751	$ 8,678,239	$ 10,399,538	$ 385,452
Held for others	1,886,046	17,497,068	17,983,811	1,399,303
Total Liabilities	$ 3,992,797	$ 26,175,307	$ 28,383,349	$ 1,784,755
Treasurer Escheat				
ASSETS				
Cash and cash equivalents	$ 115,027	$ 77,137	$ 872	$ 191,292
Total Assets	$ 115,027	$ 77,137	$ 872	$ 191,292
LIABILITIES				
Held for others	$ 115,027	$ 79,414	$ 3,149	$ 191,292
Total Liabilities	$ 115,027	$ 79,414	$ 3,149	$ 191,292
Juvenile Restitution				
ASSETS				
Cash and cash equivalents	$ 69,705	$ 106,785	$ 112,859	$ 63,631
Total Assets	$ 69,705	$ 106,785	$ 112,859	$ 63,631
LIABILITIES				
Held for others	$ 69,705	$ 75,320	$ 81,394	$ 63,631
Total Liabilities	$ 69,705	$ 75,320	$ 81,394	$ 63,631
Forfeited Restitution				
ASSETS				
Cash and cash equivalents	$ 4,115	$ -	$ -	$ 4,115
Total Assets	$ 4,115	$ -	$ -	$ 4,115
LIABILITIES				
Held for others	$ 4,115	$ -	$ -	$ 4,115
Total Liabilities	$ 4,115	$ -	$ -	$ 4,115
District Clerk Contingency				
ASSETS				
Cash and cash equivalents	$ 320,733	$ 442,214	$ 520,772	$ 242,175
Investments	80,943	158,707	80,943	158,707
Accrued interest receivable	402	492	402	492
Total Assets	$ 402,078	$ 601,413	$ 602,117	$ 401,374
LIABILITIES				
Held for others	$ 402,078	$ 650	$ 1,354	$ 401,374
Total Liabilities	$ 402,078	$ 650	$ 1,354	$ 401,374
Army Corps of Engineers Escrow				
ASSETS				
Cash and cash equivalents	$ 1,343,453	$ 404	$ 718,119	$ 625,738
Total Assets	$ 1,343,453	$ 404	$ 718,119	$ 625,738
LIABILITIES				
Held for others	$ 1,343,453	$ 404	$ 718,119	$ 625,738
Total Liabilities	$ 1,343,453	$ 404	$ 718,119	$ 625,738

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended February 28, 2011

	Balance March 1, 2010	Additions	Deletions	Balance February 28, 2011
JJC Subcontractor Underpayment				
ASSETS				
Cash and cash equivalents	$ 19,564	$ 26,906	$ 31,545	$ 14,925
Investments	4,884	9,664	4,884	9,664
Accrued interest receivable	24	30	24	30
Total Assets	$ 24,472	$ 36,600	$ 36,453	$ 24,619
LIABILITIES				
Held for others	$ 24,472	$ 207	$ 60	$ 24,619
Total Liabilities	$ 24,472	$ 207	$ 60	$ 24,619
Retiree Healthcare				
ASSETS				
Accounts receivable	$ 430,778	$ 493,845	$ 430,778	$ 493,845
Other receivables	5,279,201	5,843,257	5,279,201	5,843,257
Total Assets	$ 5,709,979	$ 6,337,102	$ 5,709,979	$ 6,337,102
LIABILITIES				
Vouchers payable	$ 982,214	$ 1,303,599	$ 982,214	1,303,599
Incurred but not reported claims	4,727,765	5,033,503	4,727,765	5,033,503
Total Liabilities	$ 5,709,979	$ 6,337,102	$ 5,709,979	$ 6,337,102
Retirement Adjustment Underpayment				
ASSETS				
Cash and cash equivalents	$ 3,599	$ 14,474	$ 11,858	$ 6,215
Investments	935	4,295	935	4,295
Accrued interest receivable	5	13	5	13
Total Assets	$ 4,539	$ 18,782	$ 12,798	$ 10,523
LIABILITIES				
Held for others	$ 4,539	$ 6,005	$ 21	$ 10,523
Total Liabilities	$ 4,539	$ 6,005	$ 21	$ 10,523
DA Seized Assets				
ASSETS				
Cash and cash equivalents	$ 26,014,866	$ 2,795,398	$ 3,842,351	$ 24,967,913
Total Assets	$ 26,014,866	$ 2,795,398	$ 3,842,351	$ 24,967,913
LIABILITIES				
Held for others	$ 26,014,866	$ 2,795,398	$ 3,842,351	$ 24,967,913
Total Liabilities	$ 26,014,866	$ 2,795,398	$ 3,842,351	$ 24,967,913
Houston HIDTA Seized Funds				
ASSETS				
Cash and cash equivalents	$ 326,614	$ 617,160	$ 61,743	$ 882,031
Total Assets	$ 326,614	$ 617,160	$ 61,743	$ 882,031
LIABILITIES				
Held for others	$ 326,614	$ 617,160	$ 61,743	$ 882,031
Total Liabilities	$ 326,614	$ 617,160	$ 61,743	$ 882,031

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended February 28, 2011

	Balance March 1, 2010	Additions	Deletions	Balance February 28, 2011
Payroll Fund				
ASSETS				
Cash and cash equivalents	$ -	$ 1,255,594,571	$ 1,248,794,457	$ 6,800,114
Investments	-	4,496,079	-	4,496,079
Accounts receivable	-	2,349,570	2,181,639	167,931
Other receivables	-	1,181,337,581	1,181,212,099	125,482
Accrued interest receivable	-	13,874	-	13,874
Total Assets	$ -	$ 2,443,791,675	$ 2,432,188,195	$ 11,603,480
LIABILITIES				
Vouchers payable	$ -	$ 56,295,227	$ 55,037,664	$ 1,257,563
Accrued payroll and compensated absences	-	659,120,190	648,807,561	10,312,629
Incurred but not reported claims	-	-	-	-
Held for others	-	27,696,653	27,663,365	33,288
Total Liabilities	$ -	$ 743,112,070	$ 731,508,590	$ 11,603,480
Custodial				
ASSETS				
Cash and cash equivalents	$ 2,237,456	$ 8,243,169	$ 8,373,280	$ 2,107,345
Total Assets	$ 2,237,456	$ 8,243,169	$ 8,373,280	$ 2,107,345
LIABILITIES				
Vouchers payable	$ 50,000	$ -	$ 50,000	$ -
Held for others	2,187,456	8,212,955	8,293,066	2,107,345
Total Liabilities	$ 2,237,456	$ 8,212,955	$ 8,343,066	$ 2,107,345
Total Agency Funds				
ASSETS				
Cash and cash equivalents	$ 257,755,175	$ 8,053,267,667	$ 8,102,175,881	$ 208,846,961
Investments	111,850,771	206,771,766	204,224,389	114,398,148
Accounts receivable	434,422	3,216,876	2,978,025	673,273
Other receivable	5,315,331	1,187,180,838	1,186,491,300	6,004,869
Accrued interest receivable	496,377	388,465	496,377	388,465
Total Assets	$ 375,852,076	$ 9,450,825,612	$ 9,496,365,972	$ 330,311,716
LIABILITIES				
Vouchers payable	$ 3,368,446	$ 105,378,309	$ 105,790,141	$ 2,956,614
Accrued payroll and compensated absences	-	659,120,190	648,807,561	10,312,629
Incurred but not reported claims	4,727,765	5,033,503	4,727,765	5,033,503
Held for others	367,755,865	6,661,995,464	6,717,742,359	312,008,970
Total Liabilities	$ 375,852,076	$ 7,431,527,466	$ 7,477,067,826	$ 330,311,716

COMPONENT UNITS

Discretely presented component units are legally separate organizations that, because of the nature and significance of their relationship with the primary government, are included in the financial reporting entity but shown separately from the primary government's financial activities.

HARRIS COUNTY HOUSING FINANCE CORPORATION - This organization was established under the Texas Housing Finance Corporation Act as a separate non-profit corporate entity. The corporation was created in 1980 by the Commissioner's Court of Harris County, but it is not a political subdivision of Harris County under state law. The corporation is exempt from federal income tax and is authorized to issue debt instruments for the purpose of purchasing single family home mortgages and providing financing for multifamily projects, both relating to low and moderate income owners/residents.

HARRIS COUNTY INDUSTRIAL DEVELOPMENT CORPORATION - This corporation was created in 1981 to approve the issuance of industrial and manufacturing bonds which promote and encourage employment and the public welfare in Harris County. Its Board of Directors is appointed by the Commissioner's Court of Harris County. The corporation is a tax-exempt entity. Although it may issue debt that Harris County has no obligation to assume, Commissioner's Court must approve the debt issuance.

CHILDREN'S ASSESSMENT CENTER FOUNDATION, INC. - This foundation was established in 1995 to provide a professional, compassionate and coordinated approach to the treatment of sexually abused children and their families and to serve as an advocate for all children in our community. The foundation is a tax-exempt entity.

HARRIS COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS - NONMAJOR COMPONENT UNITS
FEBRUARY 28, 2011

	Harris County Housing Finance Corporation	Harris County Industrial Development Corporation	Children's Assessment Center Foundation	Total
ASSETS				
Cash and cash equivalents	$ 1,930,851	$ 155,053	$ 889,010	$ 2,974,914
Investments, including accrued interest	2,720,298	203,313	-	2,923,611
Receivables:				
Accounts	-	-	586,128	586,128
Other	-	1,431	-	1,431
Prepaids and other assets	1,541,109	2,925	4,832	1,548,866
Restricted cash and investments	-	-	11,904,665	11,904,665
Capital assets:				
Land, improvements and construction in progress	-	-	2,090,465	2,090,465
Other capital assets, net of depreciation	-	-	7,201,916	7,201,916
Total assets	6,192,258	362,722	22,677,016	29,231,996
LIABILITIES				
Vouchers payable and accrued liabilities	306,477	2,837	56,241	365,555
Deferred revenue	-	-	105,000	105,000
Total liabilities	306,477	2,837	161,241	470,555
NET ASSETS				
Restricted for:				
Donor restrictions	-	-	1,426,140	1,426,140
Unrestricted net assets	5,885,781	359,885	21,089,635	27,335,301
Total net assets	$ 5,885,781	$ 359,885	$ 22,515,775	$ 28,761,441

HARRIS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

NONMAJOR COMPONENT UNITS

For The Year Ended February 28, 2011

	Harris County Housing Finance Corporation	Harris County Industrial Development Corporation	Children's Assessment Center Foundation	Total
REVENUES				
Program Revenues:				
Charges for services	$ 1,337,370	$ 3,000	$ 1,090,466	$ 2,430,836
Operating grants and contributions	20,000	-	1,278,140	1,298,140
Capital grants and contributions	-	-	101,399	101,399
Total program revenues	1,357,370	3,000	2,470,005	3,830,375
EXPENSES	2,766,062	35,711	1,992,208	4,793,981
Net (expenses) program revenues	(1,408,692)	(32,711)	477,797	(963,606)
General Revenues (Expenses):				
Earnings on investments	163,713	2,612	8,490	174,815
Other	288,287	-	(372,438)	(84,151)
Gain on sale of capital assets	-	-	1,459,077	1,459,077
Net general revenues (expenses)	452,000	2,612	1,095,129	1,549,741
Change in net assets	(956,692)	(30,099)	1,572,926	586,135
Net assets, beginning (see note 1. A. on page 45)	6,842,473	389,984	20,942,849	28,175,306
Net assets, ending	$ 5,885,781	$ 359,885	$ 22,515,775	$ 28,761,441

CAPITAL ASSETS

HARRIS COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
February 28, 2011

		Total
Governmental funds capital assets:		
Land	$	3,971,772,927
Construction in progress		341,793,216
Intangible assets - water rights		2,400,000
Intangible assets - software & licenses		33,418,586
Land improvements		5,684,597
Infrastructure		10,324,050,791
Park facilities		159,753,616
Flood control projects		705,436,470
Buildings		1,610,800,143
Equipment		260,780,933
Total governmental funds capital assets	$	17,415,891,279

Investments in governmental funds capital assets by source:			
3002	General fund	$	606,485,392
3003	Special revenue fund		212,173,989
3001	Capital projects fund		14,722,260,992
3004	Gifts		1,874,970,906
		$	17,415,891,279

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the $52,751,408 of capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included within the governmental activities in the statement of net assets.

HARRIS COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION
For The Year Ended February 28, 2011

Function	Land	Construction in Progress	Intangible Assets	Land Improvements	Infrastructure	Park Facilities	Flood Control Projects	Buildings	Equipment	Total
Administration of justice	$ 16,664,986	$ 17,225,685	$ -	$ 359,250	$ -	$ -	$ -	$ 698,610,581	$ 64,430,229	$ 797,290,731
Parks	144,706,437	(10,373,053)	-	1,844,721	1,932,061	133,940,278	-	687,234,728	32,446,729	991,731,901
County administration	165,217,972	206,815,400	33,418,586	(3,132,733)	15,437,018	7,004,623	-	149,734,440	67,879,927	642,375,233
Health and human services	8,258,135	6,891,739	-	830,967	274,171	960,397	-	37,139,610	14,010,604	68,365,623
Flood control	1,533,210,480	117,505,377	2,400,000	641,531	-	-	705,436,470	11,870,371	9,286,083	2,380,350,312
Tax administration	-	-	-	-	-	-	-	7,011,581	1,167,830	8,179,411
Roads and bridges	2,103,714,917	3,728,068	-	5,140,861	10,306,407,541	17,848,318	-	19,198,832	71,559,531	12,527,598,068
Total governmental funds capital assets	$ 3,971,772,927	$ 341,793,216	$ 35,818,586	$ 5,684,597	$ 10,324,050,791	$ 159,753,616	$ 705,436,470	$ 1,610,800,143	$ 260,780,933	$ 17,415,891,279

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the $52,751,408 of capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included within the governmental activities in the statement of net assets.

HARRIS COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
For The Year Ended February 28, 2011

Function	Balance March 1, 2010	Additions	Deletions	Balance February 28, 2011
Administration of justice	$ 780,563,743	$ 16,854,148	$ (127,160)	$ 797,290,731
Parks	983,626,449	8,116,352	(10,900)	991,731,901
County administration	535,141,661	127,043,326	(19,809,754)	642,375,233
Health and human services	65,155,328	3,221,674	(11,379)	68,365,623
Flood control	2,302,449,744	78,620,902	(720,334)	2,380,350,312
Tax administration	7,980,643	198,768	-	8,179,411
Roads and bridges	12,326,124,583	209,391,145	(7,917,660)	12,527,598,068
Total governmental funds capital assets	$ 17,001,042,151	$ 443,446,315	$ (28,597,187)	$ 17,415,891,279

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the $52,751,408 of capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included within the governmental activities in the statement of net assets.

STATISTICAL SECTION

This part of Harris County's 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.

Listed below are the areas covered in the statistical section:

FINANCIAL TRENDS – These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

REVENUE CAPACITY – These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

DEBT CAPACITY – These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION – These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

OPERATING INFORMATION – These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the service the County provides and the activities it performs.

OTHER INFORMATION – These schedules contain information that although is not required, but is presented to help the reader obtain additional insights into County activities and finances.

Table 1

HARRIS COUNTY, TEXAS
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS (accrual basis of accounting)*
(amounts in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:									
Invested in capital assets, net of related debt	$ 9,195,119	$ 8,882,630	$ 9,299,331	$ 9,679,340	$ 9,659,255	$ 9,700,793	$ 9,709,904	$ 9,524,096	$ 9,488,369
Restricted for:									
Debt service	139,699	152,193	153,846	142,250	151,067	154,297	150,777	155,452	137,053
Capital projects	270,658	228,351	36,162	48,564	24,659	22,129	33,791	18,739	28,365
Donor temporarily restricted	6,806	3,048	2,307	1,669	809	752	53	258	468
Legislative	-	-	1,462	1,577	1,637	1,687	4,657	3,063	2,837
Mobility program	-	-	-	-	-	-	-	80,345	133,191
Unrestricted	161,747	416,360	372,614	366,255	360,744	399,503	219,424	61,426	(46,701)
Total governmental activities net assets	$ 9,774,029	$ 9,682,582	$ 9,865,722	$ 10,239,655	$ 10,198,171	$ 10,279,161	$ 10,118,606	$ 9,843,379	$ 9,743,582
Business-type activities:									
Invested in capital assets, net of related debt	$ (246,050)	$ (349,339)	$ (357,245)	$ (401,045)	$ (491,756)	$ (314,975)	$ (255,104)	$ (216,112)	$ (211,636)
Restricted for:									
Debt service	82,178	68,071	122,387	128,540	144,027	164,840	187,086	235,586	245,933
Capital projects	21,310	27,436	41,866	42,038	36,337	48,600	44,748	51,376	56,245
Toll road	189,116	310,691	364,590	524,388	734,894	618,163	607,922	526,002	520,142
Unrestricted	9,185	11,661	10,021	11,260	12,652	12,759	12,683	9,848	8,189
Total business-type activities	$ 55,739	$ 68,520	$ 181,619	$ 305,181	$ 436,154	$ 529,387	$ 597,335	$ 606,700	$ 618,873
Primary government:									
Invested in capital assets, net of related debt	$ 8,949,069	$ 8,533,291	$ 8,942,086	$ 9,278,295	$ 9,167,499	$ 9,385,818	$ 9,454,800	$ 9,307,984	$ 9,276,733
Restricted	709,767	789,790	722,620	889,026	1,093,430	1,010,468	1,029,034	1,070,821	1,124,234
Unrestricted	170,932	428,021	382,635	377,515	373,396	412,262	232,107	71,274	(38,512)
Total primary government	$ 9,829,768	$ 9,751,102	$ 10,047,341	$ 10,544,836	$ 10,634,325	$ 10,808,548	$ 10,715,941	$ 10,450,079	$ 10,362,455

* Reporting net assets began in fiscal year 2003 with implementation of GASB 34.

Table 2

HARRIS COUNTY, TEXAS
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS (accrual basis of accounting)*
(amounts in thousands)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
EXPENSES									
Governmental activities:									
Administration of Justice	$ 549,453	$ 565,038	$ 613,153	$ 621,764	$ 704,472	$ 846,107	$ 944,400	$ 961,588	$ 929,889
Parks	37,509	50,446	51,333	60,417	72,865	82,222	78,911	91,594	94,145
County Administration	311,997	230,597	267,178	250,098	277,592	299,310	407,483	342,683	326,162
Health and Human Services	142,918	174,341	171,065	185,057	197,880	193,348	182,120	220,090	199,518
Flood Control	23,263	65,744	81,182	72,445	81,126	90,253	97,695	103,435	99,305
Tax Administration	29,286	34,308	30,040	30,709	31,300	35,191	37,949	38,137	36,152
Roads and Bridges	325,921	320,911	332,468	347,524	347,061	364,111	373,484	381,380	387,325
Interest and Fiscal Charges	96,328	72,691	81,899	108,636	116,178	136,944	125,018	127,221	127,520
Total governmental activities expenses	1,516,675	1,514,076	1,628,318	1,676,650	1,828,474	2,047,486	2,247,060	2,266,128	2,200,016
Business-type activities:									
Toll Road	180,727	213,526	213,358	230,254	276,671	272,972	305,754	360,048	363,266
Subscriber Access	619	328	368	267	239	161	132	580	83
Parking Facilities	359	421	491	786	867	952	895	839	889
Sheriff's Commissary	5,759	5,012	4,816	6,251	6,946	8,142	8,561	8,564	7,439
Total business-type activities	187,464	219,287	219,033	237,558	284,723	282,227	315,342	370,031	371,677
Total primary government expenses	$ 1,704,139	$ 1,733,363	$ 1,847,351	$ 1,914,208	$ 2,113,197	$ 2,329,713	$ 2,562,402	$ 2,636,159	$ 2,571,693
PROGRAM REVENUES									
Governmental activities:									
Charges for services:									
Administration of Justice	$ 101,587	$ 104,344	$ 96,367	$ 117,322	$ 116,644	$ 126,189	$ 128,469	$ 138,701	$ 137,540
Parks	956	1,079	1,151	2,579	3,288	3,560	1,237	3,272	3,144
County Administration	43,844	57,028	50,999	53,636	59,751	62,780	58,259	47,722	45,200
Health and Human Services	8,579	9,238	6,959	7,827	9,062	9,637	10,139	11,172	14,265
Flood Control	3,862	2,899	2,545	1,008	849	410	551	314	751
Tax Administration	64,151	50,872	65,195	66,392	46,448	28,749	26,920	28,173	25,659
Roads and Bridges	27,585	29,080	28,093	30,632	32,132	32,703	32,835	33,663	29,334
Interest and Fiscal Charges	1,302	2,288	-	-	-	-	-	-	-
Operating grants and contributions	157,977	140,624	168,325	170,733	144,548	148,358	213,880	224,108	236,859
Capital grants and contributions	23,231	28,418	161,929	659,448	227,271	312,732	206,561	71,644	280,755
Total governmental activities program revenues	433,074	425,870	581,563	1,109,577	639,993	725,118	678,851	558,769	773,507

Business-type activities:									
Charges for services:									
Toll Road	244,171	265,913	317,712	349,341	392,993	428,868	442,015	455,548	481,346
Subscriber Access	235	354	205	395	347	265	283	265	249
Parking Facilities	643	837	451	409	406	368	382	365	387
Sheriff's Commissary	5,023	5,517	5,954	6,961	7,552	8,267	8,620	8,190	7,115
Operating grants and contributions	-	-	11,764	-	1,612	1,286	994	1,164	852
Capital grants and contributions	5,048	15,189	12,522	3,130	3,113	3,059	9,198	7,221	3,063
Total business-type activities program revenues	255,120	287,810	348,608	360,236	406,023	442,113	461,492	472,753	493,012
Total primary government program revenues	$ 688,194	$ 713,680	$ 930,171	$ 1,469,813	$ 1,046,016	$ 1,167,231	$ 1,140,343	$ 1,031,522	$ 1,266,519
NET (EXPENSE)/REVENUE									
Governmental activities	$ (1,083,601)	$ (1,088,206)	$ (1,046,755)	$ (567,073)	$ (1,188,481)	$ (1,322,368)	$ (1,568,209)	$ (1,707,359)	$ (1,426,509)
Business-type activities	67,656	68,523	129,575	122,678	121,300	159,886	146,150	102,722	121,335
Total primary government net expense	$ (1,015,945)	$ (1,019,683)	$ (917,180)	$ (444,395)	$ (1,067,181)	$ (1,162,482)	$ (1,422,059)	$ (1,604,637)	$ (1,305,174)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS									
Governmental activities:									
Taxes:									
Property taxes	$ 754,304	$ 769,749	$ 854,735	$ 856,870	$ 988,162	$ 1,103,852	$ 1,161,088	$ 1,205,070	$ 1,127,678
Hotel occupancy taxes	-	15,535	16,830	19,271	20,727	26,371	26,610	21,341	23,312
Earnings on investments	20,543	14,644	12,555	30,748	47,500	58,751	32,717	19,410	6,796
Miscellaneous	228,245	126,717	25,181	32,029	59,380	59,378	66,157	57,322	45,269
Gain (Loss) on sale of capital assets	(2,154)	(492)	21	877	115	43	145	-	-
Transfers	20,058	67,500	23,401	20,284	31,112	121,236	120,937	128,989	123,657
Special item	-	-	-	(19,074)	-	33,727	-	-	-
Total governmental activities	1,020,996	993,653	932,723	941,005	1,146,996	1,403,358	1,407,654	1,432,132	1,326,712
Business-type activities:									
Earnings on investments	16,267	10,528	6,439	20,168	40,035	49,690	41,671	33,679	13,542
Miscellaneous	124	1,707	487	1,001	741	4,754	1,062	1,954	953
Gain (Loss) on sale of capital assets	(120)	(478)	-	-	11	140	-	-	-
Transfers	(20,058)	(67,500)	(23,401)	(20,284)	(31,112)	(121,236)	(120,937)	(128,989)	(123,657)
Total business-type activities	(3,787)	(55,743)	(16,475)	885	9,675	(66,652)	(78,204)	(93,356)	(109,162)
Total primary government	$ 1,017,209	$ 937,910	$ 916,248	$ 941,890	$ 1,156,671	$ 1,336,706	$ 1,329,450	$ 1,338,776	$ 1,217,550
CHANGE IN NET ASSETS									
Governmental actvities	$ (62,605)	$ (94,553)	$ (114,032)	$ 373,932	$ (41,485)	$ 80,990	$ (160,555)	$ (275,227)	$ (99,797)
Business-type activities	63,869	12,780	113,100	123,563	130,975	93,234	67,946	9,366	12,173
Total primary government	$ 1,264	$ (81,773)	$ (932)	$ 497,495	$ 89,490	$ 174,224	$ (92,609)	$ (265,861)	$ (87,624)

* Reporting net assets began in fiscal year 2003 with implementation of GASB 34.

Table 3

HARRIS COUNTY, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (modified accrual basis of accounting)
(amounts in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:										
Reserved	$ 69,003	$ 105,162	$ 100,143	$ 112,291	$ 146,215	$ 175,301	$ 175,956	$ 202,321	$ 283,664	$ 341,139
Unreserved	246,811	214,160	250,939	203,684	175,581	128,418	192,616	166,726	59,063	(22,290)
Total general fund	$ 315,814	$ 319,322	$ 351,082	$ 315,975	$ 321,796	$ 303,719	$ 368,572	$ 369,047	$ 342,727	$ 318,849
All Other Governmental Funds:										
Reserved	$ 197,453	$ 333,288	$ 331,606	$ 310,683	$ 313,717	$ 287,549	$ 293,213	$ 327,803	$ 308,060	$ 249,061
Unreserved, reported in:										
Special revenue funds	91,509	98,593	109,072	114,248	120,682	134,012	142,857	112,052	120,416	148,474
Debt service funds	-	-	(3)	-	-	-	-	-	-	-
Capital projects funds	68,987	58,012	(18,714)	155,377	118,213	308,020	240,871	201,246	141,761	238,969
Total all other governmental funds	$ 357,949	$ 489,893	$ 421,961	$ 580,308	$ 552,612	$ 729,581	$ 676,941	$ 641,101	$ 570,237	$ 636,504

Table 4

HARRIS COUNTY, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (modified accrual basis of accounting)
(amounts in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
REVENUES										
Taxes	$ 714,646	$ 759,430	$ 797,098	$ 845,544	$ 902,656	$ 994,398	$1,110,571	$1,202,832	$1,230,871	$ 1,167,016
Charges for Services	180,390	168,333	183,959	188,018	218,835	225,159	222,568	206,075	206,744	204,706
User fees	-	-	-	-	1,942	2,833	2,693	2,904	2,722	2,841
Fines and Forfeitures	23,248	22,619	23,513	23,974	24,801	23,363	20,903	21,138	20,869	18,629
Lease revenue	-	-	-	-	2,270	2,104	2,179	2,485	2,358	2,085
Intergovernmental	195,622	193,959	182,276	201,293	239,072	205,469	209,889	305,421	292,431	360,021
Earnings on investments	31,111	18,048	12,570	10,766	28,131	48,237	58,042	31,385	16,687	5,520
Miscellaneous	58,669	54,847	53,045	53,182	64,966	51,143	56,058	71,684	59,358	74,688
Total revenues	1,203,686	1,217,236	1,252,461	1,322,777	1,482,673	1,552,706	1,682,903	1,843,924	1,832,040	1,835,506
EXPENDITURES										
Administration of Justice	475,695	520,771	547,406	595,623	608,878	681,412	783,755	896,488	911,300	881,592
Parks	34,633	32,803	39,832	40,509	49,518	52,031	57,524	66,130	67,671	71,128
County Administration	202,303	259,848	203,978	217,169	239,179	264,922	276,798	358,308	293,562	299,313
Health and Human Services	180,830	141,011	173,590	171,756	184,370	196,891	185,616	193,127	218,687	199,105
Flood Control	44,534	39,395	49,534	48,450	58,761	66,721	71,590	69,792	69,569	75,116
Tax Administration	29,055	28,706	29,985	29,740	30,169	31,263	33,358	36,269	36,678	34,848
Roads and Bridges	41,881	56,212	62,609	68,437	84,341	84,338	87,946	91,351	113,208	103,910
Capital Outlay	326,026	235,333	329,324	326,820	283,937	263,492	241,272	214,553	244,495	305,169
Debt Service:										
Interest and fiscal charges	75,770	89,135	64,590	60,260	102,896	119,447	140,698	122,993	125,058	112,599
Principal	49,715	46,020	97,000	65,180	76,600	70,191	64,868	75,396	83,757	83,614
	1,460,442	1,449,234	1,597,848	1,623,944	1,718,649	1,830,708	1,943,425	2,124,407	2,163,985	2,166,394
Excess of revenues over (under) expenditures	(256,756)	(231,998)	(345,387)	(301,167)	(235,976)	(278,002)	(260,522)	(280,483)	(331,945)	(330,888)
OTHER FINANCING SOURCES (USES)										
Proceeds from borrowings	232,818	684,835	716,518	447,081	195,582	195,640	146,355	122,961	102,910	214,524
Proceeds from refundings	205,127	-	-	502,743	113,224	578,613	-	851,958	282,101	609,097
Payments to escrow agent	(78,964)	(157,712)	(117,095)	(316,461)	(112,236)	(66,181)	-	(563,174)	(279,883)	(404,915)
Payments to defease commercial paper	(125,000)	(209,000)	(367,330)	(226,000)	(335)	(298,936)	-	(282,763)	-	(200,000)
Capital leases	-	-	839	1,279	311	833	168	-	-	-
Proceeds from insurance recovery	-	-	-	-	-	-	-	438	-	32,500
Sale of capital assets	-	4,898	3,306	2,062	1,966	1,267	8,253	424	799	1,064
Capital contributions	-	4,556	9,657	-	2,500	2,500	-	-	-	2,211
Transfers in	49,557	203,730	568,209	543,651	114,442	481,768	211,513	185,813	219,502	417,015
Transfers out	(30,833)	(185,773)	(504,887)	(528,780)	(101,351)	(458,611)	(93,555)	(70,538)	(90,667)	(298,219)
Total other financing sources (uses)	252,705	345,534	309,217	425,575	214,103	436,893	272,734	245,119	234,762	373,277
Net change in fund balances	$ (4,051)	$ 113,536	$ (36,170)	$ 124,408	$ (21,873)	$ 158,891	$ 12,212	$ (35,364)	$ (97,183)	$ 42,389
Debt service as a percentage of noncapital expenditures	11.1%	11.1%	12.7%	9.7%	12.5%	12.1%	12.1%	10.4%	10.9%	10.5%

Table 5

HARRIS COUNTY, TEXAS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
(EXCEPT FLOOD CONTROL DISTRICT)

LAST TEN FISCAL YEARS
(Unaudited)
(amounts in thousands)

Fiscal Year	Real Property	Personal Property	Less Exemptions (a)	Total Taxable Assessed Value		Total Direct Tax Rate
2002	$ 165,804,662	$ 30,668,510	$ 28,809,564	$ 167,663,608		0.38393
2003	177,809,114	30,171,225	31,764,643	176,215,696	(b)	0.38814
2004	189,334,256	30,644,381	34,822,427	185,156,210	(b)	0.38803
2005	199,378,304	32,159,586	37,273,945	194,263,945	(b)	0.39986
2006	230,050,598	37,313,520	61,017,743	206,346,375	(c)	0.39986
2007	250,997,888	40,381,452	66,142,090	225,237,250	(c)	0.40239
2008	281,251,230	46,122,092	73,150,566	254,222,756		0.39239
2009	313,740,198	50,453,455	82,016,388	282,177,265		0.38923
2010	316,949,419	54,044,038	85,902,801	285,090,656		0.39224
2011	307,139,208	51,636,041	85,743,093	273,032,156		0.38805

(a) The majority of exemptions are made up of the optional 20% homestead property exemption. In addition, persons 65 years of age or older or disabled receive an exemption up to a maximum individual amount of $160,000 ($156,240 prior to 2008).
(b) HCAD tax supplement as of February 1 of the tax year.
(c) HCAD tax supplement as of January 29 of the tax year.

Source: Harris County Appraisal District.

Note: Property in the County must be revalued every three years. Property is assessed at market value; therefore, the taxable values are equal to market value less applicable exemptions. Tax rates are per $100 of assessed value.

Table 6

HARRIS COUNTY, TEXAS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
FLOOD CONTROL DISTRICT

LAST TEN FISCAL YEARS
(Unaudited)
(amounts in thousands)

Fiscal Year	Real Property	Personal Property	Less Exemptions (a)	Total Taxable Assessed Value		Total Direct Tax Rate
2002	$ 165,804,662	$ 30,627,904	$ 28,809,564	$ 167,623,002		0.04758
2003	177,809,114	30,129,999	31,764,643	176,174,470	(b)	0.04174
2004	189,334,256	30,601,495	34,822,427	185,113,324	(b)	0.04174
2005	199,378,304	32,119,653	37,273,945	194,224,012	(b)	0.03318
2006	230,050,598	37,276,435	61,017,743	206,309,290	(c)	0.03322
2007	250,997,888	40,345,611	66,142,090	225,201,409	(c)	0.03241
2008	281,251,230	46,086,287	73,150,566	254,186,951		0.03106
2009	321,147,405	43,010,048	89,424,111	274,733,342		0.03086
2010	325,453,516	45,496,068	94,414,243	276,535,341		0.02922
2011	315,200,613	43,537,642	93,805,049	264,933,206		0.02923

(a) The majority of exemptions are made up of the optional 20% homestead property exemption. In addition, persons 65 years of age or older or disabled receive an exemption up to a maximum individual amount of $160,000 ($156,240 prior to 2008). The Flood Control District has an exemption for goods exported from Texas ("Freeport Exemption").

(b) HCAD tax supplement as of February 1 of the tax year.

(c) HCAD tax supplement as of January 29 of the tax year.

Source: Harris County Appraisal District.

Note: Property in the County must be revalued every three years. Property is assessed at market value; therefore, the taxable values are equal to market value less applicable exemptions. Tax rates are per $100 of assessed value.

Table 7

HARRIS COUNTY, TEXAS
COUNTY-WIDE AD VALOREM TAX RATES
LAST TEN FISCAL YEARS
(rate per $100 of assessed value)
(Unaudited)

Purpose	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Harris County -										
General Fund	$0.33606	$0.33538	$0.34490	$0.33117	$0.34728	$0.34221	$0.33918	$0.33815	$0.33401	$0.33401
General Bonds Debt Service	0.02368	0.03056	0.01889	0.04303	0.03047	0.03885	0.03200	0.03192	0.03642	0.03635
Total - Constitutional Funds	0.35974	0.36594	0.36379	0.37420	0.37775	0.38106	0.37118	0.37007	0.37043	0.37036
County-Wide Road Debt Service	0.02419	0.02220	0.02424	0.02566	0.02211	0.02133	0.02121	0.01916	0.02181	0.01769
Total - Harris County	0.38393	0.38814	0.38803	0.39986	0.39986	0.40239	0.39239	0.38923	0.39224	0.38805
Flood Control District -										
Maintenance	0.02853	0.02853	0.02981	0.02553	0.02733	0.02733	0.02754	0.02754	0.02754	0.02727
Debt Service	0.01905	0.01321	0.01193	0.00765	0.00589	0.00508	0.00352	0.00332	0.00168	0.00196
Total - Flood Control	0.04758	0.04174	0.04174	0.03318	0.03322	0.03241	0.03106	0.03086	0.02922	0.02923
Port of Houston Authority -										
Debt Service	0.01826	0.01989	0.02000	0.01673	0.01474	0.01302	0.01437	0.01773	0.01636	0.02054
Hospital District - General	0.19021	0.19021	0.19021	0.19021	0.19216	0.19216	0.19216	0.19216	0.19216	0.19216
Total	$0.63998	$0.63998	$0.63998	$0.63998	$0.63998	$0.63998	$0.62998	$0.62998	$0.62998	$0.62998

Source: Harris County Auditor.

Table 8

HARRIS COUNTY, TEXAS
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(rates per $100 of assessed value)
(Unaudited)

Purpose	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
County-Wide Taxing Jurisdiction:										
Harris County	$ 0.3839	$ 0.3881	$ 0.3880	$ 0.3999	$ 0.3999	$ 0.4024	$ 0.3924	$ 0.3892	$ 0.3922	$ 0.3881
Harris County Flood Control District	0.0475	0.0417	0.0417	0.0332	0.0332	0.0324	0.0311	0.0309	0.0292	0.0292
Port of Houston Authority	0.0183	0.0199	0.0200	0.0167	0.0147	0.0130	0.0144	0.0177	0.0164	0.0205
Harris County Hospital District	0.1902	0.1902	0.1902	0.1902	0.1922	0.1922	0.1922	0.1922	0.1922	0.1922
Total	$ 0.6399	$ 0.6399	$ 0.6399	$ 0.6400	$ 0.6400	$ 0.6400	$ 0.6301	$ 0.6300	$ 0.6300	$ 0.6300
Cities:										
Baytown	0.7370	0.7370	0.7370	0.7370	0.7370	0.7370	0.7370	0.7870	0.7870	0.7870
Bellaire	0.4900	0.4900	0.4800	0.4800	0.4700	0.4400	0.4400	0.3775	0.3759	0.3999
Deer Park	0.7000	0.6990	0.7000	0.7200	0.7200	0.7200	0.7200	0.7050	0.7050	0.7050
Houston	0.6650	0.6550	0.6550	0.6550	0.6500	0.6475	0.6450	0.6438	0.6388	0.6388
LaPorte	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100
League City	0.6700	0.6625	0.6400	0.6400	0.6275	0.6088	0.6088	0.6300	0.6300	0.6160
Missouri City	0.5200	0.5033	0.5100	0.5017	0.4980	0.4945	0.4993	0.5172	0.5284	0.5284
Pasadena	0.5790	0.5670	0.5670	0.5670	0.5670	0.5670	0.5670	0.5620	0.5620	0.5916
Pearland	0.6860	0.6860	0.6960	0.6950	0.6744	0.6527	0.6526	0.6526	0.6526	0.6651
Seabrook	0.6010	0.6006	0.6082	0.6196	0.6307	0.6210	0.6203	0.5884	0.5884	0.6268
South Houston	0.6950	0.0000	0.7000	0.7000	0.6863	0.6588	0.6770	0.6784	0.6732	0.6732
Webster	0.2600	0.2400	0.2510	0.2680	0.2575	0.2575	0.2489	0.2060	0.2325	0.2575
West University Place	0.4200	0.4300	0.4467	0.4467	0.4300	0.4020	0.3660	0.3590	0.3588	0.3741
School Districts and Junior Colleges:										
Aldine	1.5880	1.6180	1.6680	1.6890	1.7090	1.6040	1.2770	1.2920	1.3005	1.4305
Alief	1.6400	1.6750	1.6750	1.6750	1.7200	1.5900	1.5900	1.3400	1.3400	1.3400
Clear Creek	1.7250	1.7400	1.7300	1.7450	1.7750	1.6300	1.3200	1.3600	1.3600	1.2937
Cypress-Fairbanks	1.7450	1.7900	1.7900	1.7900	1.8000	1.8000	1.6450	1.3240	1.3500	1.4100
Deer Park	1.6900	1.8035	1.8071	1.8055	1.8055	1.6623	1.3177	1.3367	1.3667	1.3967
Galena Park	1.6830	1.7135	1.7650	1.7950	1.8150	1.7100	1.4309	1.4550	1.4784	1.5134
Goose Creek	1.7110	1.6942	1.6837	1.6837	1.7275	1.5956	1.3020	1.2821	1.2821	1.3021
Houston	1.5800	1.5800	1.5800	1.5800	1.7275	1.6200	1.1570	1.1567	1.1567	1.1567
Humble	1.6800	1.7400	1.7400	1.7400	1.7700	1.7700	1.3100	1.5200	1.5200	1.5200
Katy	1.9200	1.9400	1.9700	2.0000	2.0000	1.8150	1.5266	1.5266	1.5266	1.5266
Klein	1.7200	1.7200	1.7200	1.7000	1.7000	1.5800	1.2600	1.3100	1.3600	1.4100
LaPorte	1.6300	1.6800	1.6800	1.7335	1.7335	1.6350	1.3200	1.3250	1.3250	1.3250
North Forest	1.7440	1.7444	1.7444	1.7444	1.7125	1.7125	1.2367	1.3143	1.3500	1.3500
Lone Star College System*	0.1100	0.1055	0.1145	0.1145	0.1207	0.1167	0.1144	0.1101	0.1101	0.1176
Pasadena	1.6600	1.6875	1.7750	1.7750	1.8050	1.6900	1.3500	1.3500	1.3500	1.3500
Pearland	1.8200	1.8370	1.8092	1.7922	1.7922	1.6622	1.4272	1.4194	1.4194	1.4194
San Jacinto Junior College	0.1260	0.1307	0.1307	0.1391	0.1391	0.1454	0.1454	0.1634	0.1708	0.1708
Sheldon	1.6330	1.6330	1.7030	1.7460	1.7500	1.6340	1.4300	1.4300	1.4300	1.4300
Spring	1.6900	1.7000	1.7600	1.8700	1.9500	1.7100	1.4400	1.4400	1.4600	1.4600
Spring Branch	1.8100	1.7900	1.8100	1.8100	1.8100	1.8100	1.2850	1.3825	1.3945	1.3945
Tomball	1.6500	1.6800	1.7300	1.7300	1.7100	1.5800	1.2750	1.3600	1.3600	1.3600

* Name change in FY2009 from North Harris Montgomery Community College

Table 9

HARRIS COUNTY, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(amounts in thousands)
(Unaudited)

	2011			2002		
Taxpayers	2010 Taxable Valuations (a)	Rank	Percentage of Total 2010 Taxable Valuation (b)	2001 Taxable Valuations (a)	Rank	Percentage of Total 2001 Taxable Valuation (c)
Exxon Mobil Corporation	$ 2,699,284	1	0.99%	$ 2,992,442	1	1.78%
Centerpoint Energy, Inc.	2,397,515	2	0.88	-		0.00
Shell Oil Company	1,862,692	3	0.68	1,375,099	3	0.82
Chevron Chemical Company	1,294,400	4	0.47	-		0.00
National Oilwell Inc	1,225,750	5	0.45	-		0.00
Hines Interests Ltd Partnership	1,065,135	6	0.39	988,015	6	0.59
Crescent Real Estate	1,028,245	7	0.38	498,717	10	0.30
Houston Refining	953,784	8	0.35	-		0.00
Hewlett Packard Company	915,543	9	0.34	-		0.00
Equistar Chemicals LP	888,184	10	0.33	1,324,083	4	0.79
AT&T Mobility LLC	871,762	11	0.32	-		0.00
Walmart	731,711	12	0.27	-		0.00
Lyondell Chemical	634,045	13	0.23	836,736	7	0.50
Cullen Allen Holdings LP	632,089	14	0.23	-		0.00
Amoco Chemical Company	550,690	15	0.20	-		0.00
Houston Lighting and Power Company	-		0.00	2,059,774	2	1.23
Southwestern Bell Telephone	-		0.00	1,310,878	5	0.78
Compaq Computer Corporation	-		0.00	608,117	8	0.36
Oxy Vinlys LP	-		0.00	538,049	9	0.32
Celanese Ltd	-		0.00	456,687	11	0.27
Crescent Real Estate Equities	-		0.00	439,936	12	0.26
Lyondell-Citgo Refining Company	-		0.00	438,054	13	0.26
Anhueser Busch Incorporated	-		0.00	410,641	14	0.24
Trizechahn Allen Center LP	-		0.00	408,966	15	0.24
Total	$ 17,750,829		6.51%	$ 14,686,194		8.74%

Source: Harris County Appraisal District.

(a) Amounts shown for these taxpayers do not include taxable valuations, which may be substantial, attributable to certain subsidiaries and affiliates which are not grouped on the tax rolls with the taxpayers shown.

(b) Based on the County's total taxable value as of February 28, 2011.

(c) Based on the County's total taxable value as of February 28, 2002.

Table 10

HARRIS COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
(EXCEPT FLOOD CONTROL DISTRICT)

LAST TEN FISCAL YEARS
(Unaudited)
(amounts in thousands)

Fiscal Year	Taxes Levied for the Fiscal Year	Adjusted Levy as of End of Current Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years*	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2002	$ 643,711	$ 643,476	$ 617,800	96.0%	$ 22,449	$ 640,249	99.5%
2003	682,975	682,732	657,498	96.3	21,463	678,961	99.4
2004	704,093	705,065	693,384	98.5	7,860	701,244	99.5
2005	793,759	762,284	740,302	93.3	17,594	757,896	99.4
2006	796,885	820,345	719,922	90.3	95,992	815,914	99.5
2007	887,598	903,994	793,835	89.4	105,130	898,965	99.4
2008	929,929	991,262	910,828	97.9	74,136	984,964	99.4
2009	1,089,141	1,085,945	981,807	90.1	94,713	1,076,520	99.1
2010	1,114,429	1,105,875	1,036,477	93.0	53,313	1,089,790	98.5
2011	1,058,623	1,058,623	987,684	93.3	-	987,684	93.3

* For reporting purposes refunds associated with a prior year are netted against the prior year collections.

Table 11

HARRIS COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
FLOOD CONTROL DISTRICT

LAST TEN FISCAL YEARS
(Unaudited)
(amounts in thousands)

Fiscal Year	Taxes Levied for the Fiscal Year	Adjusted Levy as of End of Current Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years*	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2002	$ 79,755	$ 79,734	$ 77,629	97.3%	$ 1,704	$ 79,333	99.5%
2003	73,429	73,404	71,492	97.4	1,507	72,999	99.4
2004	75,721	75,826	74,979	99.0	437	75,416	99.5
2005	64,263	64,158	61,911	96.3	1,880	63,791	99.4
2006	64,981	67,122	60,008	92.3	6,745	66,753	99.5
2007	70,782	71,503	62,680	88.6	8,420	71,100	99.4
2008	72,083	76,835	69,058	95.8	7,279	76,337	99.4
2009	84,057	83,796	74,344	88.4	8,705	83,049	99.1
2010	80,534	79,876	74,798	92.9	3,890	78,688	98.5
2011	77,374	77,374	72,089	93.2	-	72,089	93.2

* For reporting purposes refunds associated with a prior year are netted against the prior year collections.

Table 12

HARRIS COUNTY, TEXAS

RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)
(amounts in thousands, except per capita)

	Governmental Activities					Business-Type Activities						
Fiscal Year	General Bonded Debt (a)	Commercial Paper	Capital Leases	Notes Payable	Loan Payable	Senior Lien Revenue Bonds	Tax Bonds	Commercial Paper	Capital Leases	Total Primary Government	Percentage of Personal Income (b)	Debt Per Capita (b)
2002	$ 1,156,438	$ 368,414	$ 32,332	$ 21,934	$ -	$ 692,147	$ 832,661	$ 73,767	$ 400	$ 3,178,093	2.45%	$ 918
2003	1,451,148	335,605	31,094	37,605	-	987,039	805,645	-	-	3,648,136	2.84%	1,026
2004	1,670,492	176,109	30,616	25,404	-	981,224	881,989	106,270	-	3,872,104	2.90%	1,077
2005	2,048,286	151,698	30,219	24,294	-	1,158,365	864,606	39,960	-	4,317,428	3.04%	1,185
2006	1,978,755	346,945	28,691	23,136	-	1,349,012	833,771	-	-	4,560,310	2.91%	1,235
2007	2,418,906	242,585	27,384	2,796	-	1,459,430	800,597	12,610	-	4,964,308	2.79%	1,277
2008	2,344,035	388,940	25,431	1,480	-	1,445,874	774,022	67,000	-	5,046,782	2.60%	1,282
2009	2,559,589	229,138	23,266	78	-	1,736,115	737,884	-	-	5,286,070	2.78%	1,327
2010	2,472,430	332,048	21,368	-	9,643	2,181,754	684,331	-	-	5,701,574	2.90%	1,401
2011	2,616,505	343,163	19,448	-	5,620	2,145,452	630,531	-	186	5,760,905	n/a	1,408

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

(a) See Table 13 for detail of general bonded debt.

(b) See Table 17 for personal income and population data. These ratios are calculated using the personal income and population for the prior year calendar year.

Table 13

HARRIS COUNTY, TEXAS

RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)
(amounts in thousands, except per capita)

	General Bonded Debt Outstanding							
Fiscal Year	General Obligation Bonds	Revenue Bonds	Tax and Subordinate Lien Revenue Bonds	Certificates of Obligation	Total	Percentage of Actual Taxable Value of Property (a)	Percentage of Personal Income (b)	Debt Per Capita (b)
2002	911,473	18,295	48,090	178,580	1,156,438	0.69%	0.89%	334
2003	1,256,953	16,075	44,870	133,250	1,451,148	0.82%	1.13%	408
2004	1,485,836	12,770	41,430	130,456	1,670,492	0.90%	1.25%	465
2005	1,721,630	-	213,810	112,846	2,048,286	1.05%	1.44%	562
2006	1,698,587	-	210,311	69,857	1,978,755	0.96%	1.26%	536
2007	2,147,020	-	205,176	66,710	2,418,906	1.07%	1.36%	622
2008	2,080,487	-	201,278	62,270	2,344,035	0.92%	1.21%	596
2009	2,304,952	-	197,534	57,103	2,559,589	0.91%	1.35%	642
2010	2,264,416	-	206,074	1,940	2,472,430	0.87%	1.26%	607
2011	2,409,581	-	205,929	995	2,616,505	0.96%	n/a	639

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

(a) See Table 5 for property value data.

(b) See Table 17 for personal income and population data. These ratios are calculated using the personal income and population for the prior year calendar year.

Table 14

HARRIS COUNTY, TEXAS
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
February 28, 2011
(Unaudited)

	Percentage Applicable To Name of Government	Net Debt (Thousands)
County-Wide Jurisdiction:		
Harris County (2/28/11) (a)	100.00%	$ 2,179,247
Harris County Flood Control District (2/28/11)	100.00	644,660
Port of Houston Authority (06/30/10)	100.00	514,712
Total County-Wide Direct Debt		3,338,619
Cities:		
Baytown (9/30/10)	80.75	$ 66,406
Bellaire (9/30/10)	100.00	67,414
Bunker Hill Village (2/8/11)	100.00	9,383
Deer Park (9/30/10)	100.00	31,917
Friendswood (9/30/10)	100.00	18,285
Galena Park (9/30/10)	100.00	7,307
Houston (6/30/10)	99.36	3,395,560
Jacinto City (9/30/10)	100.00	5,552
Jersey Village (9/30/10)	100.00	21,014
Katy (10/1/10)	69.19	11,785
La Porte (9/30/10)	100.00	12,597
League City (9/30/10)	5.52	80,485
Missouri City (6/30/10)	8.33	90,981
Pasadena (9/30/10)	100.00	135,605
Pearland (1/31/10)	6.16	277,528
Piney Point Village (4/30/11)	100.00	5,301
Seabrook (9/30/10)	100.00	16,806
South Houston (9/30/10)	100.00	5,242
Southside Place (5/5/11)	100.00	10,634
Tomball (9/30/10)	100.00	13,992
Webster (10/01/10)	100.00	16,111
West University Place (1/1/11)	100.00	81,908
Other Cities (b)	100.00	6,858
Sub-Total Cities		4,388,671
School Districts and Junior Colleges:		
Aldine (2/28/11)	100.00	415,207
Alief (8/31/10)	100.00	231,157
Channelview (8/31/10)	100.00	168,967
Clear Creek (3/31/10)	80.62	1,064,317
Crosby (8/31/10)	100.00	71,048
Cypress-Fairbanks (6/30/10)	100.00	1,744,349
Deer Park (8/31/10)	100.00	204,288
Galena Park (8/31/10)	100.00	234,850
Goose Creek (2/28/11)	80.04	320,912
Houston (2/28/11)	100.00	2,476,577
Huffman (2/2/11)	100.00	51,807
Humble (6/30/10)	100.00	588,991
Katy (8/31/10)	88.64	870,081
Klein (8/31/10)	100.00	633,315
LaPorte (2/17/11)	100.00	209,721
Lone Star College System (8/31/10)	78.67	570,582
North Forest (8/31/10)	100.00	60,633
Pasadena (8/31/10)	100.00	654,938
Pearland (8/31/10)	2.25	327,770
San Jacinto Junior College (2/28/11)	100.00	264,698
Sheldon (8/31/10)	100.00	141,806
Spring (6/30/10)	100.00	1,088,690
Spring Branch (12/31/10)	100.00	731,279
Tomball (8/31/10)	88.02	261,779
Waller (2/15/11)	31.68	143,328
Other Schools (c)	100.00	14,966
Sub-Total School Districts and Junior Colleges		13,546,056
Utility Districts (d)	100.00	3,711,873
Total Overlapping Debt		21,646,600
Total Direct and Overlapping Debt (Estimated $6,105 Per Capita) (e)		$ 24,985,219

(a) Includes all Tax Bonds.
(b) Aggregate net debt of 10 cities, each of which had a net debt of less than $5,000,000.
(c) Aggregate net debt of 2 schools, each of which had a net debt of less than $25,000,000.
(d) Estimated aggregate net debt of several hundred utility districts. Source: Municipal Advisory Council.
(e) Census Bureau population estimated at 4,092,459. Source: Bureau of the Census.

Table 15

HARRIS COUNTY, TEXAS
LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(Unaudited)
(amounts in thousands)

Legal Debt Margin Calculation for Fiscal Year 2011		
Assessed Value of All Taxable Property		$ 358,775,249
Assessed Value of Real Property		$ 307,139,208
Debt Limit (25% of real property assessed value) (a)		76,784,802
Amount of Debt Applicable to Constitutional Debt Limit:		
Total Bonded Applicable Debt	1,267,090	
Less: Debt Service Funds Cash	(123,252)	
Total Net Debt Applicable to Limit		1,143,838
Legal Debt Margin, Bonds Issued Uner Article III, Section 52 of the Texas Constitution		$ 75,640,964

	Fiscal Year									
	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Debt Limit	$ 41,451,166	$ 44,452,279	$ 47,333,564	$ 49,844,576	$ 57,512,650	$ 62,749,472	$ 70,312,808	$ 78,435,050	$ 79,237,355	$ 76,784,802
Total Net Debt Applicable to Limit	1,065,806	1,026,324	1,074,243	1,178,759	1,152,955	1,390,672	1,313,108	1,278,101	1,205,427	1,143,838
Legal Debt Margin	$ 40,385,360	$ 43,425,955	$ 46,259,321	$ 48,665,817	$ 56,359,695	$ 61,358,800	$ 68,999,700	$ 77,156,949	$ 78,031,928	$ 75,640,964
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	2.57%	2.31%	2.27%	2.36%	2.00%	2.22%	1.87%	1.63%	1.52%	1.49%

(a) The County is authorized under Article III, Section 52 of the State Constitution to issue bonds payable from ad valorem taxes for the construction and maintenance of roads. There is no constitutional or statutory limit as to the rate on bonds issued pursuant to such constitutional provision. However, the amount of bonds which may be issued is limited to 25% of the assessed valuation of real property in the County.

Bonds Issued Under Article VIII, Section 9:

In addition to unlimited tax bonds, the County may issue statutorily authorized bonds payable from the proceeds of a limited ad valorem tax provided for in Article VIII, Section 9 of the State Constitution. Such constitutional provision provides that a county is limited to an ad valorem tax rate of $0.80 per $100 of assessed valuation for general fund, permanent improvement fund, road and bridge fund and jury fund purposes.

Certain of the County's bonds payable from such limited tax may be issued under the provisions of Chapter 2, Title 22, Vernon's Texas Civil Statutes. The principal amount of all bonds, which may be issued under the provisions of such Chapter, is limited in aggregate to 5% of the assessed valuation. The debt limit under Chapter 2, Title 22 is approximately $17,938,762 compared to applicable bonds outstanding at February 28, 2011 of $-0-.

Bonds Issued Under Article XVI, Section 59:

The Harris County Flood Control District issues bonds pursuant to Article XVI, Section 59 of the State Constitution. No limits are prescribed in such constitutional provision; however, Chapter 407, Acts of 50th Legislature of Texas, Regular Session 1947 provides for a tax limit of $0.30 per $100 of taxable valuation for operational and debt service funds. A tax of $0.02923 per $100 of taxable value, which includes $0.00196 per $100 of taxable value for debt service, was levied by the Flood Control District in tax year 2010.

Table 16

HARRIS COUNTY, TEXAS
REVENUE BOND COVERAGES

LAST TEN FISCAL YEARS
(Unaudited)
(amounts in thousands)

Fiscal Year	Gross Revenues	Net Revenue Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
TOLL ROAD REVENUE BONDS						
2002	$ 257,938	$ 257,938	$ 15,045	$ 37,632	$ 52,677	4.90
2003	256,367	256,367	17,530	55,754	73,284	3.50
2004	265,913	265,913	19,730	49,898	69,628	3.82
2005	317,712	317,712	19,920	55,467	75,387	4.21
2006	350,342	350,342	20,890	69,042	89,932	3.90
2007	394,605	394,605	23,000	70,691	93,691	4.21
2008	430,154	430,154	26,460	67,760	94,220	4.57
2009	443,010	443,010	28,120	66,129	94,249	4.70
2010	456,712	456,712	34,460	101,877	136,337	3.35
2011	482,198	482,198	37,645	98,031	135,676	3.55

Table 17

HARRIS COUNTY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS
(Unaudited)

Calendar Year	Population	Unemployment Rate	Personal Income (amounts in thousands)	Per Capita Personal Income
2001	3,460,589	5.7%	$ 129,728,437	$ 37,487
2002	3,557,055	5.4%	128,298,585	36,069
2003	3,596,086	6.3%	133,472,645	37,116
2004	3,644,285	5.9%	142,229,854	39,028
2005	3,693,050	5.4%	156,920,733	42,491
2006	3,886,207	4.0%	178,160,838	45,844
2007	3,935,855	4.2%	194,177,877	49,336
2008	3,984,349	5.5%	190,226,395	47,743
2009	4,070,989	8.1%	196,779,227	48,337
2010	4,092,459	8.3%	n/a	n/a

Sources: Population - Bureau of the Census
Unemployment Rate - Texas Workforce Commission
Personal Income - Bureau of Economic Analysis

Table 18

HARRIS COUNTY, TEXAS
PRINCIPAL CORPORATE EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO*
(amounts in thousands)
(Unaudited)

	2010			2001		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Continental Airlines (merger pending w/ United Airlines)	14,792	1	0.56%	17,010	1	0.74%
Exxon Mobil	13,500	2	0.51%			
Shell Oil Company	12,700	3	0.48%	6,933	9	0.30%
National Oilwell Varco Inc.	8,500	4	0.32%			
Chevron Companies	7,000	5	0.26%			
JP Morgan Chase	6,750	6	0.25%	6,295	10	0.27%
Jacobs Technology	6,500	7	0.25%			
AT&T Inc. (acquired SWB)	6,214	8	0.23%			
Halliburton (KBR spun off)	5,675	9	0.21%	15,704	2	0.68%
CenterPoint Energy (spun off from Reliant Energy)	4,744	10	0.18%			
Compaq Computer				12,996	3	0.56%
Wal-Mart				9,700	4	0.42%
Kroger Food Stores				9,689	5	0.42%
Reliant Energy Inc				8,091	6	0.35%
Southwestern Bell/SWB				7,342	7	0.32%
Enron				7,311	8	0.32%
	86,375			101,071		

* Based on calendar year.

Source: Houston Business Journal, Business First Survey/Greater Houston Partnership/HBJ

Note: Total County Employment for 2010 was an estimated 2,650,000 (based on prior year employment figures) and for 2001 was 2,307,099.

Table 19

HARRIS COUNTY, TEXAS
FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Administration of Justice	8,177	8,115	8,450	8,554	8,380 (a)	8,168	8,740	9,425	9,308	8,779
Parks	*	*	*	*	715	706	732	787	797	670
County Administration	2,817	2,627	2,720	2,787	2,726	2,871	3,024	3,339	3,161	3,032
Health and Human Services	*	*	*	*	1,613	1,604	1,706	1,796	1,718	1,467
Flood Control	277	289	331	342	312	333	325	354	374	335
Tax Administration	468	450	465	442	428	426	435	428	415	378
Roads and Bridges	736	752	817	837	782	779	807	856	914	597
Other *	1,742	2,050	2,287	2,441	*	*	*	*	*	*

* Prior to 2006, the Parks and Health and Human Services functions were grouped as other on this schedule.

(a) Beginning in FY 2006, the Administration of Justice function no longer included Community Supervision employees, who are currently considered employees of the State of Texas.

Note: (1) As of February 28, 2011, it is estimated that approximately 2,734 of the County's employees were members of various labor organizations, some of which are unions affiliated with the AFL-CIO. The County does not maintain collective bargaining agreements with any unions.

(2) This schedule represents the number of County employees at the end of each fiscal year.

Table 20

HARRIS COUNTY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS**
(Unaudited)

	Fiscal Years							
Function/Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Administration of Justice								
Law Enforcement Vehicles	1,733	2,013	1,988	1,739	1,753	2,117	2,043	1,938
Jail Facilities (Incl. Only Jails Owned by County)	2	2	2	2	2	2	2	2
Juvenile Probation Facilities (Incl. Only County Owned Facilities	5	5	5	5	5	5	5	5
Forensic Center	1	1	1	1	1	1	1	1
Parks								
Number of Active Parks	118	119	118	129	129	145	147	147
County Administration								
Stadiums	2	2	2	2	2	2	2	2
Exhibition Center	1	1	1	1	1	1	1	1
Arena	1	1	1	1	1	1	1	1
Ferries	2	2	2	2	2	2	2	2
Health and Human Services								
Libraries (Incl. Only Library Buildings Owned by County)	19	19	19	19	19	18*	18*	18*
Veterinary Public Health Shelter	1	1	1	1	1	1	1	1
Flood Control								
Sites by Acreage (Incl. Easements and Fee Simple Ownership)								
Basins	8,827	11,403	12,309	13,192	14,866	15,361	15,467	15,724
Buyouts	414	640	763	776	825	845	880	931
Channels	20,562	20,661	20,704	20,753	20,799	20,832	20,858	20,935
Roads and Bridges								
Road Miles	5,433	5,784	6,073	6,307	6,194	6,564	6,317	6,454
Bridge Miles	22	24	24	24	22	24	33	23
Toll Road								
Road Miles	85	85	96	103	103	107	107	115
Lane Miles	471	479	491	491	550	556	556	598

Source: The Budget Office and Various County Departments.

* Evelyn Meador Library excluded from total due to damage from Hurricane Ike. The library has closed and not re-opened. Plans call for a new library to be built on the same property. Expected completion date is fiscal year 2012.

** Reporting statistical information began with implementation of GASB 44.

Table 21

HARRIS COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS*
(Unaudited)

	Fiscal Years							
Function/Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Administration of Justice								
District Courts **								
Criminal Courts- Cases Filed with District Clerk	36,900	38,173	39,501	45,814	48,203	48,501	53,677	48,869
Civil Courts- Cases Filed with District Clerk	30,615	33,467	40,479	39,724	39,201	35,703	34,942	41,041
Family and Juv. Courts- Cases Filed with District Clerk	53,558	55,626	56,743	58,314	57,654	59,092	52,323	50,944
County Courts								
Criminal Courts- New Cases Filed	61,537	68,048	72,967	80,144	79,638	76,108	75,115	82,328
Civil Courts- New Cases Filed	21,215	22,488	21,148	20,730	28,038	27,768	20,984	21,849
Civil Courts- New Instruments Filed	400,991	412,077	430,693	517,076	539,356	573,032	475,899	466,433
Justices of the Peace Courts								
Criminal Filings	556,366	571,917	526,593	529,839	489,483	455,400	444,797	448,608
Civil Filings	68,226	74,080	73,872	78,893	82,047	100,452	100,822	88,478
Fire Marshal								
Fire Safety Inspections	1,307	1,197	1,250	1,450	4,475	7,298	8,156	12,049
Constables								
Traffic Tickets Issued	130,454	186,282	114,479	116,449	131,041	131,921	131,472	146,170
Civil Papers Executed	439,659	455,788	449,431	533,013	519,572	509,788	485,252	505,403
Criminal Warrants Executed	220,914	188,698	187,578	176,849	215,635	146,918	142,752	144,198
Juvenile Probation								
Juvenile Probation Referrals	20,069	23,600	25,459	23,939	24,918	22,872	20,225	19,581
Average Daily Population at Facilities	776	707	685	691	691	732	687	612
Sheriff								
Jail Prisoners, Average/Day	6,958	7,337	8,397	8,882	8,929	9,723	10,988	11,064
District Attorney								
Cases Filed DA Intake	91,329	97,478	102,775	114,879	114,588	113,353	112,676	117,968
Medical Examiner								
Harris County Autopsies***	3,140	2,828	2,862	3,073	4,198	4,199	4,199	3,859
Cases Investigated	11,375	12,586	12,291	13,911	15,304	16,357	16,357	9,321
Parks								
Precincts								
Number of Park Concessionaire Agreements	68	68	68	68	72	74	75	77
Number of Bus Trips ****	5,021	5,200	7,790	8,077	7,582	8,454	8,494	7,767
County Administration								
County Auditor								
Accounts Payable Checks and EFTs Issued	105,208	147,002	131,727	133,058	132,026	129,257	128,011	127,165
Payroll Checks/Direct Deposit/Pay Cards Processed	367,120	371,318	386,570	393,550	397,124	425,197	438,695	453,387
Audit Chargeable Service Hours	25,221	23,763	24,629	25,901	23,811	26,375	17,255	21,394
Purchasing								
Number of Purchase Orders Issued (for Harris County)	13,900	16,250	16,319	16,725	19,526	21,904	23,603	22,386
Management Services								
Tort Claims Incidents	1,563	2,492	2,286	2,235	2,067	2,231	2,603	2,452
Information Technology Center								
Traffic on Harris County Web Sites	32,897,022	36,087,044	65,000,000	130,082,793	225,005,194	223,675,416	250,830,197	257,908,836
County Clerk								
Marriage and Informal Marriage Licenses	34,793	32,660	33,178	32,714	32,859	33,027	32,406	29,947
Real Property Filings	835,230	957,740	858,236	832,821	860,798	736,403	601,263	582,386
Assumed Name Certificates (DBAs)	72,773	76,916	75,717	68,135	66,630	66,909	62,255	62,424
Health and Human Services								
Public Health and Environmental Services								
Food Inspections	14,259	15,652	15,000	16,213	15,788	15,948	16,285	17,557
Animals Adopted	1,614	1,900	1,855	2,685	2,334	1,979	1,979	3,815
Protective Services for Children & Adults								
Children in Conservatorship at Year End (August)	3,989	3,674	4,393	4,953	5,180	5,108	4,962	5,640
Adults Served by the Guardianship Program	1,298	1,314	1,365	1,398	1,406	1,431	1,447	1,422
County Library								
Library Program Attendance	203,686	228,005	262,211	284,973	351,869	417,712	384,175	419,894
Library Books/Materials Circulated	6,718,923	8,775,334	10,000,000	10,724,945	10,958,109	11,096,150	10,834,511	11,485,172

Table 21

HARRIS COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS*
(Unaudited)

	Fiscal Years							
Function/Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Flood Control								
Developer Plans Approved- Watershed Mgt. *****	1,095	976	1,114	1,221	1,467	1,578	1,713	1,833
Citizen Services Requests	2,462	1,980	2,393	2,681	2,948	2,573	2,476	2,479
Tax Administration								
Tax Assessor-Collector								
Tax Account/Statements	1,290,045	1,316,006	1,417,878	1,431,975	1,452,912	1,505,318	1,531,794	1,544,299
Auto Licenses/Registrations	2,817,697	2,837,285	2,866,994	2,959,176	3,107,456	3,219,906	3,332,920	3,307,065
Beer and Wine Licenses Issued	7,377	7,566	7,915	7,526	7,106	6,775	6,859	6,675
Liquor Licenses Issued	3,191	3,176	3,167	3,062	4,901	6,973	5,085	4,806
Voter Registration	1,773,121	1,807,933	1,842,625	1,880,749	1,780,271	1,835,385	1,868,588	1,891,033
Roads and Bridges								
Engineering Department								
Traffic Studies/Counts	412	375	583	848	827	618	676	586
Road Crossing Inspections	1,408	1,660	1,676	2,026	2,156	1,738	1,738	1,240
Road Crossing Permits	704	820	838	1,013	1,078	869	869	620
Toll Road								
Traffic Transactions	289,229,167	289,080,403	284,865,914	297,237,479	359,952,935	375,731,726	353,948,710	371,245,774

Source: The Budget Office and Various County Departments

* Reporting statistical information began with implementation of GASB 44.

** Criminal Courts - Incoming Cases Include: Appeals, Misdemeanor Indictments, Felony Indictments, Complaints, Writs, Motions to Revoke Probation and Motions to Adjudicate
Civil Courts - Includes Tax Cases
Family & Juv. Courts - Includes CPS and Delinquency Cases

***Harris County Autopsies - includes autopsies and external exams.

**** Not all the data was available for bus trips for fiscal years 2003 and 2004.

***** 2008 number was corrected by the department.

Table 22

HARRIS COUNTY, TEXAS
TABLE OF TAX DEBT OUTSTANDING
(Unaudited)

	County's Total Outstanding Tax Debt (a)
Limited Tax Debt	$ 1,070,696,629
Unlimited Tax Debt	683,820,000
Flood Control	587,660,000
Toll Road Tax Bonds	583,270,000
Total	$ 2,925,446,629
Less: Toll Road Tax Bonds	(583,270,000)
Total (Approximately 0.65% of 2010 Assessed Value)	$ 2,342,176,629

(a) Excluding Flood Control District debt paid for by the District's ad valorem tax revenues. Amounts expressed at gross value, not considering unamortized premium or discount or accretion of capital appreciation bonds.

Table 23

HARRIS COUNTY, TEXAS
TABLE OF HISTORICAL TAX DEBT OUTSTANDING
(Unaudited)

The following table sets forth the County's ad valorem tax debt outstanding, as of the end of the Fiscal years 2001-2002 through 2010-11.

Fiscal Year	County's Debt Outstanding (a) (thousands)	Taxable Value (b) (thousands)	Outstanding as a Percentage of Taxable Value	Estimated Population (c)	Debt Outstanding Per Capita	Per Capita Excluding Toll Road
2002	$ 1,640,580	$ 167,663,608	0.98%	3,460,589	$ 474	$ 257
2003	1,928,192	176,215,696	1.09	3,557,055	542	336
2004	1,968,193	185,156,210	1.06	3,596,086	547	346
2005	2,258,539	194,263,945	1.16	3,644,285	620	423
2006	2,522,538	206,346,375	1.22	3,693,050	683	490
2007	2,856,915	225,237,250	1.27	3,886,207	735	530
2008	2,768,709	254,222,756	1.09	3,935,855	703	531
2009	2,981,996	282,177,265	1.06	3,984,349	748	581
2010	2,854,982	285,090,656	1.00	4,070,989	701	548
2011	2,925,447	273,032,156	1.07	4,092,459	715	572

(a) Includes debt paid for by the County's ad valorem tax revenues. Excludes Flood Control debt paid by District's ad valorem tax revenues.

(b) Taxable values are net of exemptions and abatements. Property is assessed at 100% of appraised value.

(c) Source: Bureau of the Census.

Table 24

HARRIS COUNTY, TEXAS
TABLE OF COUNTY-WIDE AD VALOREM TAX DEBT SERVICE REQUIREMENTS
(Unaudited)
(amounts in thousands)

Fiscal	Limited Tax Debt			Unlimited Tax Debt			Toll Road Unlimited Tax & Subordinate Lien Revenue Bonds			Flood Control (a)			Total County-Wide Tax Debt		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2012	$ 33,810	$ 48,170	$ 81,980	$ 19,270	$ 32,339	$ 51,609	$ 45,380	$ 39,793	$ 85,173	$ 10,109	$ 35,814	$ 45,923	$ 108,569	$ 156,116	$ 264,685
2013	38,975	45,180	84,155	27,215	31,375	58,590	47,000	37,907	84,907	11,455	34,030	45,485	124,645	148,492	273,137
2014	40,245	47,275	87,520	17,703	32,066	49,769	57,695	27,011	84,706	11,805	33,492	45,297	127,448	139,844	267,292
2015	54,078	46,936	101,014	19,313	29,354	48,667	51,770	31,086	82,856	10,760	32,932	43,692	135,921	140,308	276,229
2016	56,102	45,334	101,436	19,163	28,690	47,853	40,525	17,992	58,517	9,785	32,420	42,205	125,575	124,436	250,011
2017	65,017	43,699	108,716	18,719	28,021	46,740	38,195	4,604	42,799	9,045	31,961	41,006	130,976	108,285	239,261
2018	62,691	41,483	104,174	23,452	27,358	50,810	26,610	15,128	41,738	9,450	31,530	40,980	122,203	115,499	237,702
2019	66,241	39,214	105,455	37,900	26,488	64,388	27,445	13,742	41,187	24,245	31,058	55,303	155,831	110,502	266,333
2020	60,441	36,692	97,133	36,370	24,521	60,891	28,345	12,277	40,622	40,100	29,791	69,891	165,256	103,281	268,537
2021	68,645	25,340	93,985	59,120	22,776	81,896	29,285	10,765	40,050	40,655	27,704	68,359	197,705	86,585	284,290
2022	89,920	22,238	112,158	56,885	20,860	77,745	19,445	9,486	28,931	45,170	25,664	70,834	211,420	78,248	289,668
2023	55,005	18,123	73,128	47,750	19,816	67,566	20,240	8,449	28,689	45,290	23,298	68,588	168,285	69,686	237,971
2024	46,901	27,197	74,098	26,940	16,762	43,702	20,700	7,385	28,085	46,605	21,033	67,638	141,146	72,377	213,523
2025	80,557	25,564	106,121	43,755	13,612	57,367	21,165	6,297	27,462	17,055	18,703	35,758	162,532	64,176	226,708
2026	39,039	21,991	61,030	38,140	10,888	49,028	12,070	5,430	17,500	33,255	17,838	51,093	122,504	56,147	178,651
2027	50,065	8,087	58,152	38,140	8,981	47,121	12,090	4,796	16,886	34,255	16,175	50,430	134,550	38,039	172,589
2028	50,740	5,878	56,618	38,140	7,074	45,214	12,115	4,161	16,276	35,280	14,462	49,742	136,275	31,575	167,850
2029	30,550	17,975	48,525	38,135	5,292	43,427	12,135	3,524	15,659	35,735	12,730	48,465	116,555	39,521	156,076
2030	19,325	2,405	21,730	27,710	3,511	31,221	12,160	2,886	15,046	36,205	10,975	47,180	95,400	19,777	115,177
2031	20,025	1,748	21,773	25,000	2,250	27,250	12,185	2,247	14,432	36,705	9,197	45,902	93,915	15,442	109,357
2032	20,775	1,067	21,842	25,000	1,125	26,125	12,210	1,607	13,817	37,225	7,362	44,587	95,210	11,161	106,371
2033	21,550	359	21,909	-	-	-	12,240	965	13,205	11,520	5,501	17,021	45,310	6,825	52,135
2034	-	-	-	-	-	-	12,265	322	12,587	12,095	4,925	17,020	24,360	5,247	29,607
2035	-	-	-	-	-	-	-	-	-	12,700	4,320	17,020	12,700	4,320	17,020
2036	-	-	-	-	-	-	-	-	-	13,335	3,685	17,020	13,335	3,685	17,020
2037	-	-	-	-	-	-	-	-	-	14,005	3,018	17,023	14,005	3,018	17,023
2038	-	-	-	-	-	-	-	-	-	14,705	2,318	17,023	14,705	2,318	17,023
2039	-	-	-	-	-	-	-	-	-	15,440	1,582	17,022	15,440	1,582	17,022
2040	-	-	-	-	-	-	-	-	-	16,210	810	17,020	16,210	810	17,020
Total	$ 1,070,697	$ 571,955	$ 1,642,652	$ 683,820	$ 393,159	$ 1,076,979	$ 583,270	$ 267,860	$ 851,130	$ 690,199	$ 524,328	$ 1,214,527	$ 3,027,986	$ 1,757,302	$ 4,785,288

(a) Includes Flood Control District debt paid for by the District's ad valorem tax revenues and debt paid for by the County's ad valorem tax revenues as a result of refunded commercial paper.

Table 25

HARRIS COUNTY, TEXAS
TABLE OF COUNTY-WIDE BONDED DEBT SERVICE REQUIREMENTS
(Unaudited)
(amounts in thousands)

Fiscal	County-Wide Tax Debt (a)			Toll Road Senior Lien Revenue Bonds			Total County-Wide Bonded Debt		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2012	$ 108,569	$ 156,116	$ 264,685	$ 37,645	$ 98,031	$ 135,676	$ 146,214	$ 254,147	$ 400,361
2013	124,645	148,492	273,137	44,405	97,959	142,364	169,050	246,451	415,501
2014	127,448	139,844	267,292	47,610	95,611	143,221	175,058	235,455	410,513
2015	135,921	140,308	276,229	51,255	93,213	144,468	187,176	233,521	420,697
2016	125,575	124,436	250,011	54,820	90,820	145,640	180,395	215,256	395,651
2017	130,976	108,285	239,261	65,955	88,048	154,003	196,931	196,333	393,264
2018	122,203	115,499	237,702	70,320	84,817	155,137	192,523	200,316	392,839
2019	155,831	110,502	266,333	72,175	81,461	153,636	228,006	191,963	419,969
2020	165,256	103,281	268,537	75,435	78,459	153,894	240,691	181,740	422,431
2021	197,705	86,585	284,290	78,475	75,294	153,769	276,180	161,879	438,059
2022	211,420	78,248	289,668	84,015	71,463	155,478	295,435	149,711	445,146
2023	168,285	69,686	237,971	63,105	67,958	131,063	231,390	137,644	369,034
2024	141,146	72,377	213,523	65,635	64,849	130,484	206,781	137,226	344,007
2025	162,532	64,176	226,708	68,250	61,627	129,877	230,782	125,803	356,585
2026	122,504	56,147	178,651	69,210	58,260	127,470	191,714	114,407	306,121
2027	134,550	38,039	172,589	67,800	54,841	122,641	202,350	92,880	295,230
2028	136,275	31,575	167,850	66,490	51,495	117,985	202,765	83,070	285,835
2029	116,555	39,521	156,076	70,360	48,102	118,462	186,915	87,623	274,538
2030	95,400	19,777	115,177	74,385	44,571	118,956	169,785	64,348	234,133
2031	93,915	15,442	109,357	86,570	40,662	127,232	180,485	56,104	236,589
2032	95,210	11,161	106,371	91,190	36,314	127,504	186,400	47,475	233,875
2033	45,310	6,825	52,135	95,150	31,750	126,900	140,460	38,575	179,035
2034	24,360	5,247	29,607	100,825	26,928	127,753	125,185	32,175	157,360
2035	12,700	4,320	17,020	104,285	22,069	126,354	116,985	26,389	143,374
2036	13,335	3,685	17,020	109,240	17,227	126,467	122,575	20,912	143,487
2037	14,005	3,018	17,023	42,830	13,711	56,541	56,835	16,729	73,564
2038	14,705	2,318	17,023	31,905	11,874	43,779	46,610	14,192	60,802
2039	15,440	1,582	17,022	33,545	10,238	43,783	48,985	11,820	60,805
2040	16,210	810	17,020	20,145	8,896	29,041	36,355	9,706	46,061
2041	-	-	-	20,810	7,855	28,665	20,810	7,855	28,665
2042	-	-	-	14,030	6,950	20,980	14,030	6,950	20,980
2043	-	-	-	17,885	6,116	24,001	17,885	6,116	24,001
2044	-	-	-	18,680	5,164	23,844	18,680	5,164	23,844
2045	-	-	-	19,520	4,169	23,689	19,520	4,169	23,689
2046	-	-	-	20,505	3,126	23,631	20,505	3,126	23,631
2047	-	-	-	21,340	2,036	23,376	21,340	2,036	23,376
2048	-	-	-	22,325	897	23,222	22,325	897	23,222
2049	-	-	-	3,100	237	3,337	3,100	237	3,337
2050	-	-	-	3,200	80	3,280	3,200	80	3,280
Total	$ 3,027,986	$ 1,757,302	$ 4,785,288	$ 2,104,425	$ 1,663,178	$ 3,767,603	$ 5,132,411	$ 3,420,480	$ 8,552,891

(a) See Table 24 for more detail of Tax Debt Service Requirements.

Table 26

Harris County, Texas
Table of County-Wide Authorized but Unissued Bonds
(Unaudited)
(Amounts in Thousands)

As of February 28, 2011, the following County-wide ad valorem tax bonds authorized by the voters at elections held in September, 1983, November, 1999, November, 2001 and November, 2007 remain unissued.

The Table reflects the County's use of voted authority when it issues general obligation commercial paper notes pursuant to its Series B (parks and libraries) and Series C (roads and bridges) programs.

County Ad Valorem Tax Bonds		
Limited Tax:		
Civil Justice Center	$ 33,000	
Parks	80,730	
Forensic Lab	80,000	
Family Law Center	70,000	
Total Limited Tax Bonds		$ 263,730
Unlimited Tax:		
Road Bonds	169,993	
Total Unlimited Tax Bonds		169,993
Combination Unlimited Tax and Revenue:		
Toll Roads	15,148	
Total Unlimited Tax and Revenue Bonds		15,148
Harris County Flood Control District Limited Tax Bonds		-
Total Harris County Ad Valorem Tax Bonds		448,871
Total Authorized but Unissued Bonds		$ 448,871

Table 27

HARRIS COUNTY, TEXAS
TABLE OF OPERATING FUNDS BUDGET FOR THE COUNTY'S FISCAL YEAR 2011-2012
(Unaudited)

On March 8, 2011 the Commissioners Court adopted the budget for the County for the Fiscal Year 2011-2012. The Fiscal Year 2012 Budget included appropriations for some capital projects, which are financed from current revenues. The following is a summary of the Fiscal Year 2011-2012 Budget for the County's Current Operating Fund:

Cash Balance as of March 1, 2011	$ 38,841,734
Estimated Revenues:	
Ad Valorem and Miscellaneous Taxes	879,935,994
Charges for Services	199,543,959
Fines and Forfeitures	18,188,918
Intergovernmental Revenues	36,802,769
Interest	602,429
Other	56,572,907
Total Cash and Estimated Revenues	$ 1,230,488,710
Appropriations:	
Current Operating Expenses	$ 1,190,690,898
Capital Outlay:	
Roads	33,378,105
Parks	6,387,737
Office/Courts	31,970
Total Appropriations	$ 1,230,488,710

Table 28

HARRIS COUNTY, TEXAS
TABLE OF COUNTY CAPITAL PROJECTS FUNDS BUDGETING
(Unaudited)

County Capital Projects Funds are used to construct roads, office and court buildings, jails, juvenile home facilities, parks and libraries. Cash and investments on hand in the Capital Projects Funds at February 28, 2011 derived from the sale of bonds and the investment income thereon, are designated to be spent over a period of several years for the following purposes:

Roads	$ 197,321,562
Permanent Improvements	27,184,060
Flood Control	181,783,745
Reliant Park	15,222,591
Total	$ 421,511,958

COMPLIANCE SECTION

Deloitte.

Deloitte & Touche LLP

Suite 4500
1111 Bagby Street
Houston, TX 77002-4196
USA

Tel: 1+713 982 2000
Fax: 1+713 982 2001
www.deloitte.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

County Judge Ed Emmett and
Members of Commissioners Court of
Harris County, Texas:

Compliance

We have audited Harris County, Texas's (the "County") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended February 28, 2011. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and the State of Texas *Uniform Grants Management Standards* ("UGMS"). Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal and state programs for the year ended February 28, 2011.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 11-01 and 11-02. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the County Judge and Commissioner's Court members, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

August 12, 2011

Deloitte.

Deloitte & Touche LLP

Suite 4500
1111 Bagby Street
Houston, TX 77002-4196
USA

Tel: 1+713 982 2000
Fax: 1+713 982 2001
www.deloitte.com

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

County Judge Ed Emmett and
Members of Commissioners Court of
Harris County, Texas:

We have audited the financial statements of Harris County, Texas (the "County") as of and for the year ended February 28, 2011, and have issued our report thereon dated August 12, 2011. We audited the financial statements of the Harris County Hospital District, a discretely presented component unit, but did not audit the financial statements of the remaining discretely presented component units which statements reflect 7%, 9%, and 11%, respectively, of the assets, net assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We also did not audit the financial statements of the Harris County Clerk Registry Fund and the Harris County District Clerk Registry Fund agency funds, which statements reflect 32% of the assets of the agency funds at February 28, 2011. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for the agency funds, is based solely on the reports of the other auditors. 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. The financial statements of the blended component unit Harris County Sports & Convention Corporation, the Harris County Clerk Registry Agency Fund and the Harris County District Clerk Registry Agency Fund, and discrete component units Harris County Housing Finance Corporation and the Harris County Industrial Development Corporation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated August 12, 2011.

This report is intended solely for the information and use of the County Judge and Commissioner's Court, management, federal and state awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

August 12, 2011

HARRIS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 2011

Fund No.	Federal Grantor / Pass-Through Agency Grantor / Program	CFDA Number	Grantor or Pass-through Grantor's Number	FY11 Program Expenditures	Amount Provided to Subrecipients
	FEDERAL GRANTS				
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
	DIRECT PROGRAMS:				
7020	Supportive Housing Program 2008	14.235	N/A	$ 38,592	$ 38,592
7020	Supportive Housing Program 2009	14.235	N/A	117,873	117,873
7034	Livable Communities Initiative	14.251	B-08-SP-TX-0223	46,109	-
7055	Unincorporated Area Revitalization Program	14.246	B-04-SP-TX-0782	18,000	-
7055	Unincorporated Area Revitalization Program	14.251	B-05-SP-TX-0981	143,447	-
7086	Lead Hazard Reduction Demonstration Program	14.905	TXLHD0178-07	688,326	-
7130	Emergency Shelter Grant Program 2008	14.231	S-08-UC-48-0002	24,637	21,037
7130	Emergency Shelter Grant Program 2009	14.231	S-09-UC-48-0002	66,778	66,778
7130	Emergency Shelter Grant Program 2010	14.231	S-10-UC-48-0002	364,712	340,907
7140	HOME Investment Partnership Program 2002	14.239	M-02-UC-48-0215	200,000	200,000
7140	HOME Investment Partnership Program 2003	14.239	M-03-UC-48-0215	149,261	149,261
7140	HOME Investment Partnership Program 2005	14.239	M-05-UC-48-0215	112,886	111,963
7140	HOME Investment Partnership Program 2006	14.239	M-06-UC-48-0215	964,013	958,987
7140	HOME Investment Partnership Program 2007	14.239	M-07-UC-48-0215	291,364	284,234
7140	HOME Investment Partnership Program 2008	14.239	M-08-UC-48-0215	570,574	358,222
7140	HOME Investment Partnership Program 2009	14.239	M-09-UC-48-0215	733,832	-
7140	HOME Investment Partnership Program 2010	14.239	M-10-UC-48-0215	1,025,283	-
7200	Shelter Plus Care Program 1996	14.238	TX21C96	713,163	710,302
7200	Shelter Plus Care Program 1997	14.238	TX21C97	41	41
7200	Shelter Plus Care Program 2008	14.238	N/A	259,345	214,700
7200	Shelter Plus Care Program 2009	14.238	N/A	1,942,041	1,820,731
7660	Community Development Block Grant/Entitlement Grants 2003	14.218	B-03-UC-48-0002	7,187	2,590
7660	Community Development Block Grant/Entitlement Grants 2004	14.218	B-04-UC-48-0002	56,526	-
7660	Community Development Block Grant/Entitlement Grants 2005	14.218	B-05-UC-48-0002	18,458	-
7660	Community Development Block Grant/Entitlement Grants 2006	14.218	B-06-UC-48-0002	182,635	18,765
7660	Community Development Block Grant/Entitlement Grants 2007	14.218	B-07-UC-48-0002	396,873	142,380
7660	Community Development Block Grant/Entitlement Grants 2008	14.218	B-08-UC-48-0002	866,871	138,915
7594	CDBG - Neighborhood Stabilization Program 2008	14.228	B-08-UN-48-0401	4,114,734	285,000
7660	Community Development Block Grant/Entitlement Grants 2009	14.218	B-09-UC-48-0002	3,400,301	2,735,150
7660	Community Development Block Grant/Entitlement Grants 2010	14.218	B-10-UC-48-0002	4,720,835	1,067,679
	PASS THROUGH PROGRAMS, TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS:				
7084	Disaster Recovery	14.218	N/A	1,771,703	1,702,207
7514	Emergency Shelter Grant Program	14.231	42090000641	19,348	-
8112	Community Development Block Grant/Disaster Recovery Program	14.228	70090003	4,849,819	-
	PASS THROUGH PROGRAMS, TEXAS DEPARTMENT OF RURAL AFFAIRS:				
7517	CDBG Supplemental Disaster Recovery Funds	14.228	DRS010064	548,873	-
	PASS THROUGH PROGRAMS, CHILDRENS ASSESSMENT CENTER FOUNDATION:				
	Community Development Block Grant/Entitlement Grants - CAC	14.218	268	12,019	-
	Community Development Block Grant/Entitlement Grants - CAC	14.218	275	79,562	-
	Community Development Block Grant/Entitlement Grants - CAC	14.218	277	30,896	-
	PASS THROUGH PROGRAMS, CITY OF HOUSTON:				
7135	ESG Child Care Council 09	14.231	N/A	22,489	-
	TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			29,569,406	11,486,314

See notes to schedule.

HARRIS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 2011

Fund No.	Federal Grantor / Pass-Through Agency Grantor / Program	CFDA Number	Grantor or Pass-through Grantor's Number	FY11 Program Expenditures	Amount Provided to Subrecipients
	U.S. DEPARTMENT OF JUSTICE				
	DIRECT PROGRAMS:				
1000	State Criminal Alien Assistance Program	16.606	N/A	2,656,448	-
1000	Southwest Border Prosecution Initiative Grant	16.609	N/A	3,044	-
2610	Sheriff Seized Assets - Justice Department	16.000	N/A	284,512	-
7058	Medico-Legal Death Investigation Conference	16.560	2007-DN-BX-K213	14,551	-
7096	Social Science Research in Forensic Science	16.560	2008-NI-CX-0004	2,995	-
7098	Digital Asset Management (DAM) Project	16.753	2008-DD-BX-0385	225,998	-
7126	Solving Cold Cases with DNA	16.560	2008-DN-BX-K312	20,793	-
7215	Human Trafficking Rescue Alliance Support	16.320	2010-VT-BX-0028	21,596	-
7477	Terrorism Prevention Grant	16.753	2009-D1-BX-0027	254,372	-
7478	Street Crimes-Gang Task Force	16.753	2009-D1-BX-0021	75,988	-
7512	Solving Cold Cases with DNA	16.560	2008-DN-BX-K312	204,626	-
7527	FY09 Paul Coverdell Forensic Science Improvement Grant Program	16.742	2009-CD-BX-0089	83,582	-
7561	Human Trafficking Initiative - OVC Collaborative '10	16.320	2010-VT-BX-K015	13,208	-
7579	Collection of DNS Samples from Buried Unidentified Decedents	16.560	2010-DN-BX-K207	1,500	-
7583	Fundamental Research to Improve Understanding of the Accuracy, Reliability and Validity of Forensic Science Disciplines	16.560	2010-DN-BX-K222	367	-
7586	Forensic Anthropology: Understanding Error Rates in Microscopic Analysis	16.560	2010-DN-BX-K235	21,065	-
7587	Gang Prevention and Enforcement Unit	16.753	2010-DD-BX-0001	31,403	-
7588	Preventing Violence Against Women	16.753	2010-DD-BX-0431	24,164	-
7695	Sex Offenders Program	16.753	2009-DD-BX-0020	178,559	-
8039	Family Drug Court Program	16.585	2010-DC-BX-0090	2,455	-
8605	Bulletproof Vest Partnership Program 2007	16.607	BPV-2007	8,944	-
8605	Bulletproof Vest Partnership Program 2008	16.607	BPV-2008	5,293	-
8605	Bulletproof Vest Partnership Program 2009	16.607	BPV-2009	110,475	-
8778	Forensic Casework DNA Backlog Reduction Program	16.743	2008-DN-BX-K040	150,680	-
8778	Forensic Casework DNA Backlog Reduction Program	16.743	2009-DN-BX-K078	662,973	-
8778	Forensic Casework DNA Backlog Reduction Program	16.741	2010-DN-BX-K097	271,561	-
	PASS THROUGH PROGRAMS, OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION:				
7019	STAR - Success Through Addiction Recovery	16.738	DJ-08-A10-16920-07	25,130	-
7019	STAR - Success Through Addiction Recovery	16.738	DJ-09-A10-16920-08	77,717	-
7076	Consolidated Law Enforcement Application	16.738	DJ-09-A10-20289-03	292,847	-
7072	Victims of Crime Act	16.575	VA-09-V30-19974-02	37,476	-
7072	Victims of Crime Act	16.575	VA-10-V30-19974-03	31,756	-
7543	Violence Against Women Unit	16.588	WF-09-V30-21326-01	7,345	-
7543	Violence Against Women Unit	16.588	WF-10-V30-21326-02	30,900	-
7553	Veterans' Court Program	16.738	DJ-08-A10-22830-01	56,025	-
7553	Veterans' Court Program	16.738	DJ-09-A10-22830-02	424	-
7577	Gang Prevention Youth Mentoring Grant	16.540	JA-10-J20-23697-01	40,446	-
7980	Coordinated Juvenile Crime Enforcement	16.523	JB-08-J20-13316-11	168,195	-
7980	Coordinated Juvenile Crime Enforcement	16.523	JB-09-J20-13316-12	118,943	-
8410	New Choices	16.593	DJ-07-V30-14878-12	201,194	-
8410	New Choices	16.593	DJ-09-A10-14878-13	134,285	-
8520	Domestic Violence Enhancement/Victims Assistance	16.588	WF-09-V30-13456-12	26,873	-
8520	Domestic Violence Enhancement/Victims Assistance	16.588	WF-10-V30-13456-13	21,583	-
8676	Harris County Medical Examiner Office Coverdell Improvement Project	16.742	CD-09-A10-17480-05	342,437	-
8676	Harris County Medical Examiner Office Coverdell Improvement Project	16.742	CD-10-A10-17480-06	28,742	-
8705	Crime Victims Assistance Unit - Pct.5	16.588	WF-09-V30-18112-05	45,875	-
8705	Crime Victims Assistance Unit - Pct.5	16.588	WF-10-V30-18112-06	33,026	-
8707	Crime Victims Assistance Coordinator	16.575	VA-08-V30-18216-03	2,889	-
8707	Crime Victims Assistance Coordinator	16.575	VA-09-V30-18216-04	36,536	-
8707	Crime Victims Assistance Coordinator	16.575	VA-10-V30-18216-05	29,936	-
8711	Protective Order Prosecutor Project	16.588	WF-09-V30-13457-12	39,169	-
8711	Protective Order Prosecutor Project	16.588	WF-10-V30-13457-13	33,365	-
8760	Caseworker Intervention Expansion Project	16.588	WF-09-V30-13454-12	38,470	-
8760	Caseworker Intervention Expansion Project	16.588	WF-10-V30-13454-13	31,769	-
8766	Felony Family Violence Caseworker Project	16.588	WF-09-V30-17204-06	28,006	-
8766	Felony Family Violence Caseworker Project	16.588	WF-10-V30-17204-07	21,999	-
8960	Police Training for Violence Against Women	16.588	WF-09-V30-13455-12	35,403	-
8960	Police Training for Violence Against Women	16.588	WF-10-V30-13455-13	34,823	-

HARRIS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 2011

Fund No.	Federal Grantor / Pass-Through Agency Grantor / Program	CFDA Number	Grantor or Pass-through Grantor's Number	FY11 Program Expenditures	Amount Provided to Subrecipients
	PASS THROUGH PROGRAMS, CITY OF HOUSTON:				
8715	2007 Justice Assistance Grant	16.738	2007-DJ-BX-1269	759,277	-
8715	2008 Justice Assistance Grant	16.738	2008-DJ-BX-0596	564,177	-
8715	2009 Justice Assistance Grant	16.738	2009-DJ-BX-1284	505,458	-
8715	2010 Justice Assistance Grant	16.738	2010-DJ-BX-1032	69,889	-
	PASS THROUGH PROGRAMS, CHILDRENS ASSESSMENT CENTER FOUNDATION:				
	Victims of Crime Act Grant FY2008	16.575	VA-09-V30-13747-09	38,402	-
	Victims of Crime Act Grant FY2009	16.575	VA-10-V30-13747-11	40,874	-
	National Children's Alliance	16.543	N/A	10,000	-
	PASS THROUGH PROGRAMS, SAM HOUSTON STATE UNIVERSITY:				
7101	Project Safe Neighborhood	16.609	321-20-B48B	15,022	-
7101	Project Safe Neighborhood	16.609	321-20-C03B	8,527	-
7464	Project Safe Neighborhood - Texas Southern District	16.609	321-20-C03L	14,791	-
7707	Project Safe Neighborhood	16.609	2007-PG-BX-0074	26,127	-
	PASS THROUGH PROGRAMS, PASADENA ISD:				
7557	Internet Crimes Against Children (ICAC)	16.543	N/A	52,884	-
	TOTAL U.S. DEPARTMENT OF JUSTICE			9,490,164	-
	U.S. DEPARTMENT OF LABOR				
	PASS THROUGH PROGRAMS, HOUSTON-GALVESTON AREA COUNCIL:				
7071	Workforce Solutions - RIDES	17.258	N/A	503	-
	TOTAL U.S. DEPARTMENT OF LABOR			503	-
	U.S. DEPARTMENT OF TRANSPORTATION				
	DIRECT PROGRAMS:				
7054	Houston Urbanized Area Formula Funds	20.507	TX-90-X790-00	153,940	-
7054	Houston Urbanized Area Formula Funds	20.507	T0701	270,727	-
7054	Houston Urbanized Area Formula Funds	20.507	TX-90-X824-00	539,286	-
7054	Houston Urbanized Area Formula Funds	20.507	TX-90-X853-00	209,376	-
	PASS THROUGH PROGRAMS, HOUSTON-GALVESTON AREA COUNCIL:				
7017	Non-Emergency Transportation Services	20.205	TS7111-09	24,740	-
7017	Non-Emergency Transportation Services	20.205	TS7111-12	36,542	-
7017	Non-Emergency Transportation Services	20.205	TS7111-14	31,537	-
	PASS THROUGH PROGRAMS, METROPOLITAN TRANSIT AUTHORITY:				
7062	New Freedom Transportation- RIDES	20.521	N/A	235,805	-
	PASS THROUGH PROGRAMS, TEXAS DEPARTMENT OF TRANSPORTATION:				
7103	STEP - Click it or Ticket Mobilization	20.600	2010-HARRIS4-CIOT-00026	12,807	-
7416	Elderly and Disabled Transportation Program	20.513	51912F7218	222,051	-
7416	Elderly and Disabled Transportation Program	20.513	51012F7271	80,399	-
7501	STEP - Click it or Ticket Mobilization	20.600	2010-HARRISP7-CIOT-00001	9,865	-
7502	Houston TranStar Expansion	20.205	12-0XXF5007	385,809	-
7545	Transportation Plaza Grant	20.505	12-0XXF5006	1,145,888	-
7562	No Refusal DWI Program	20.600	2011-HARRISDA-G-3YG-0026	65,180	-
8895	STEP - Comprehensive	20.600	2010-HARRISCO-S-SYG-0037	83,131	-

See notes to schedule.

HARRIS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 2011

Fund No.	Federal Grantor / Pass-Through Agency Grantor / Program	CFDA Number	Grantor or Pass-through Grantor's Number	FY11 Program Expenditures	Amount Provided to Subrecipients
8895	STEP - Comprehensive	20.600	2011-HARRISCO-S-3YG-0013	138,597	-
7556	Hurricane Ike 2008	20.000	HTA-TX	1,310,886	-
	TOTAL U.S. DEPARTMENT OF TRANSPORTATION			4,956,566	-
	U.S. DEPARTMENT OF AGRICULTURE				
	PASS THROUGH PROGRAMS, TEXAS DEPARTMENT OF STATE HEALTH SERVICES:				
8320	WIC - Women, Infant, and Children	10.557	2010-033296	6,455,831	-
8320	WIC - Women, Infant, and Children	10.557	2011-037159	3,580,961	-
	PASS THROUGH PROGRAMS, TEXAS HEALTH AND HUMAN SERVICES COMMISSION:				
1000	National School Lunch and Breakfast Program - Juvenile Probation	10.553	75F4006	899,790	-
1000	National School Lunch and Breakfast Program - CPS	10.553	75D4002	35,748	-
	National School Lunch Program Commodities - CPS	10.555	75D4002	1,395	-
	National School Lunch Program Commodities - Juvenile Probation	10.555	75F4006	63,120	-
	TOTAL U.S. DEPARTMENT OF AGRICULTURE			11,036,845	-
	U.S DEPARTMENT OF COMMERCE				
	PASS THROUGH PROGRAMS, GOVERNORS DIVISION OF EMERGENCY MANAGEMENT:				
7067	Public Safety Interoperable Communications Grant Program	11.555	07-SR 48201-04	3,703,316	-
	TOTAL U.S. DEPARTMENT OF COMMERCE			3,703,316	-
	U.S. ENVIRONMENTAL PROTECTION AGENCY				
	DIRECT PROGRAMS:				
7097	Community Action for a Renewal Environment Program	66.035	RE-96682501	70,775	-
	TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			70,775	-
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
	DIRECT PROGRAMS:				
7052	Minority AIDS Initiative Programs	93.914	H3MHA08461-03	921,298	873,738
7296	Harris County Alliance for Children & Families	93.104	5 U79 SM57024-05	999,213	-
7296	Harris County Alliance for Children & Families	93.104	5 U79 SM57024-06	484,924	-
7479	Specialized Substance Abuse and Trauma Treatment for Females	93.243	1H79TI021529-01	203,506	-
7479	Specialized Substance Abuse and Trauma Treatment for Females	93.243	5 H79 TI021529-02	48,023	-
8040	Basic Center Program for Runaway and Homeless Youth	93.623	09CY2425/01	21,031	-
8040	Basic Center Program for Runaway and Homeless Youth	93.623	90CY2425/02	20,600	-
8200	Ryan White Title I - Formula & Supplemental	93.914	H89HA00004-19	4,556,355	4,420,301
8200	Ryan White Title I - Formula & Supplemental	93.914	H89HA00004-20	15,541,792	13,460,617
	PASS THROUGH PROGRAMS, TEXAS DEPARTMENT OF STATE HEALTH SERVICES:				
7375	Cities Readiness Initiative	93.283	2009-031671-001	285,329	-
7375	Cities Readiness Initiative	93.283	2010-035560-001	166,788	-
7524	Pandemic Influenza Preparedness/H1N1 Novel Influenza	93.069	2010-033324-001	134,025	-
7524	Pandemic Influenza Preparedness/H1N1 Novel Influenza	93.069	2011-037439-001	59,548	-
7988	Regional Local Services System/Social Services Block Grant	93.667	2010-034943-001	43,887	-
7989	Bioterrorism Discretionary Projects	93.283	2010-035063-001	18,809	-
8050	Title V - Maternal & Child Health	93.994	2010-031675-001	368,523	3,681
8050	Title V - Maternal & Child Health	93.994	2010-034113-001	324,103	-
8050	Title V - Maternal & Child Health	93.994	2011-036630-001	141,806	-
8050	Title V - Family Planning	93.994	2011-036997-001	186,918	-

See notes to schedule.

HARRIS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 2011

Fund No.	Federal Grantor / Pass-Through Agency Grantor / Program	CFDA Number	Grantor or Pass-through Grantor's Number	FY11 Program Expenditures	Amount Provided to Subrecipients
8060	Refugee Health Screening Program	93.576	2010-033426-001	1,230,975	-
8060	Refugee Health Screening Program	93.576	2011-037298-001	495,016	-
8070	Immunization Action Plan	93.268	2010-032006-001	318,558	-
8070	Immunization Action Plan	93.268	2011-036369-001	449,475	-
8090	Tuberculosis Prevention and Control	93.116	2010-034143-001	172,115	-
8090	Tuberculosis Prevention and Control	93.116	2011-037475-001	20,469	-
8100	TB - Prevention and Control	93.116	2010-034193-001	37,492	-
8100	TB - Prevention and Control	93.116	2011-037657-001	7,134	-
8110	Title X - Family Planning	93.217	7604545149-2005-10	528	-
8110	Title X - HIV	93.217	2010-034380-001	94,752	-
8110	Title X - Family Planning	93.217	2010-034338-001	902,345	-
8110	Title X - HIV	93.217	2011-037303-001	71,072	-
8110	Title X - Family Planning	93.217	2011-037036-001	759,996	-
8140	HIV Prevention	93.940	2010-034414-001	197,664	-
8140	HIV Prevention	93.940	2011-037641-001	42,677	-
8150	HIV Prevention	93.940	2010-034401-001	120,328	-
8160	Community Health Services - Population Based	93.994	2010-032884-001	87,300	-
8165	Bioterrorism Preparedness	93.283	2009-031936-001	501,972	-
8165	Bioterrorism Preparedness	93.283	2010-035376-001	615,617	-
8215	Infectious Disease Epidemiology and Surveillance - West Nile	93.283	2010-034581-001	117,314	-
8215	Infectious Disease Epidemiology and Surveillance - West Nile	93.283	2011-037564-001	8,738	-
	PASS THROUGH PROGRAMS, HOUSTON-GALVESTON AREA COUNCIL:				
7523	HGAC-Social Service Block Grant	93.667	714-10	1,902,617	-
7983	Hurricane Ike Recovery Assistance Round II	93.667	754-10	58,365	-
	PASS THROUGH PROGRAMS, TEXAS OFFICE OF THE ATTORNEY GENERAL:				
7003	Access and Visitation Shared Parenting '11/'12	93.597	11-C0107	48,712	-
7012	Harris County Integrated Child Support System	93.563	07-C0062	299,534	-
7012	Harris County Integrated Child Support System	93.563	10-C0015	1,462,028	-
	PASS THROUGH PROGRAMS, TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES:				
7007	TITLE IV-E Legal Services	93.658	23380591	1,084,779	-
7007	TITLE IV-E Legal Services	93.658	23380591	703,116	-
7023	TITLE IV-E Child Welfare Services FY2010	93.658	23380590	858,024	-
7275	Stand Alone Drug Services	93.556	23368038	24,835	-
7275	Stand Alone Drug Services	93.556	23812221	26,226	-
7519	Permanency Planning Services	93.556	23367168	488,099	-
7519	Permanency Planning Services	93.556	23785482	435,849	-
7521	Family Assessment Services	93.556	23367167	192,491	-
7521	Family Assessment Services	93.556	23789561	154,388	-
7522	Concrete Services	93.658	23367460	50,916	-
7522	Concrete Services	93.658	23810661	25,614	-
7986	Pre-Adopt Review and Approval Staffing Services '10	93.556	23714601	14,850	-
7986	Pre-Adopt Review and Approval Staffing Services '11	93.556	23714601	10,742	-
8045	STAR - Services to At Risk Youth Program	93.556	23420901	130,963	-
8045	STAR - Services to At Risk Youth Program	93.556	23420901	109,932	-
8487	Preparation for Adult Living (PAL-204)	93.556	23367184	221,656	-
8487	Preparation for Adult Living (PAL-206)	93.674	23367184	515,610	-
8487	Preparation for Adult Living (PAL-204)	93.556	23787501	204,059	-
8487	Preparation for Adult Living (PAL-206)	93.674	23787501	334,506	-
8488	Community Youth Development FY2010	93.556	23362203	656,202	479,097
8488	Community Youth Development FY2010	93.556	23362203	166,281	53,842
	PASS THROUGH PROGRAMS, TEXAS CENTER FOR THE JUDICIARY:				
7476	Court Team Training for the Infants and Toddlers Court	93.643	CJA-10-07	19,999	-
	PASS THROUGH PROGRAMS, TEXAS WORKFORCE COMMISSION:				
7024	PAL - Transition Center	93.558	2809TAN002	207,010	-

See notes to schedule.

HARRIS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 2011

Fund No.	Federal Grantor / Pass-Through Agency Grantor / Program	CFDA Number	Grantor or Pass-through Grantor's Number	FY11 Program Expenditures	Amount Provided to Subrecipients
7024	PAL - Transition Center	93.558	2811TAN002	149,938	-
	PASS THROUGH PROGRAMS, SUPREME COURT OF TEXAS:				
7531	CIP Infant & Toddler Court	93.586	201-10-00034	49,028	-
	PASS THROUGH PROGRAMS, UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON:				
8145	St. Louis Encephalitis - UTMB	93.856	N01-AI-25489	167,790	-
	PASS THROUGH PROGRAMS, UNIVERSITY OF TEXAS PREVENTION RESEARCH CENTER:				
7982	UT: Health Promotion and Disease Prevention Centers	93.135	0007159A	9,199	-
7982	UT: Health Promotion and Disease Prevention Centers	93.135	0007159A	16,562	-
7591	Teenage Pregnancy Prevention (TPP)	93.297	0008092B	1,631	-
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			41,579,566	19,291,276
	OFFICE OF NATIONAL DRUG CONTROL POLICY				
	DIRECT PROGRAMS:				
8008	Major Drug Squad 2008	07.999	18PHNP510	16,014	-
8008	Houston Money Laundering	07.999	18PHNP510	40,086	-
8008	Truck, Air, Rail & Port	07.999	18PHNP510	14,381	-
8008	Major Drug Squad 2009	07.999	G09HN0004A	13,289	-
8008	Houston Money Laundering	07.999	G09HN0004A	145,578	-
8008	Houston Intelligence Support Center 2009	07.999	G09HN0004A	18,621	-
8008	Truck, Air, Rail, and Port	07.999	G09HN0004A	4,171	-
8008	Operation Hemisphere 2009	07.999	G09HN0004A	860,579	-
8008	Major Squad 2010	07.999	G10HN0004A	74,652	-
8008	Houston Money Laundering	07.999	G10HN0004A	235,005	-
8008	Houston Intelligence Support Center 2010	07.999	G10HN0004A	58,711	-
8008	Truck, Air, Rail, and Port	07.999	G10HN0004A	13,816	-
8008	Gang Squad 2010	07.999	G10HN0004A	5,277	-
8620	Houston Money Laundering	07.999	I7PHNP513	1,170	-
	TOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY			1,501,350	-
	U.S. DEPARTMENT OF HOMELAND SECURITY				
	PASS THROUGH PROGRAMS, UNITED WAY:				
7280	FEMA Phase XXV - Emergency Food & Shelter Program	97.024	N/A	390,829	-
	PASS THROUGH PROGRAMS, GOVERNORS DIVISION OF EMERGENCY MANAGEMENT:				
7016	Urban Area Security Initiative	97.008	2007-HSGP-48201	1,364,828	-
7016	Urban Area Security Initiative	97.008	2008-GE-T8-0034	7,578,351	-
7016	Urban Area Security Initiative	97.008	2009-SS-T9-0064	1,254,379	-
7037	Buffer Zone Protection Program	97.078	2008-BZ-T8-0007	97,039	-
7037	Buffer Zone Protection Program	97.078	2009-BF-T9-0003	178,559	-
7094	FEMA - Public Assistance - Hurricane Ike	97.036	FEMA-1791-DR-TX	31,700,835	-
7107	Citizens Corps Grant FY2009	97.053	2009-SS-T9-0064	46,930	-
7289	Emergency Management Performance Grant 2010	97.042	10TX-EMPG-0348	244,213	-
7558	Regional Catastrophic Preparedness Initiative '08	97.111	2008-CP-T8-0023	655,629	-
7558	Regional Catastrophic Preparedness Initiative '09	97.111	2009-CA-T9-0002	93,397	-
8034	Port Security Grant Program - FY2005	97.056	2005-GB-T5-0050	10,355,909	-
8034	Port Security Grant Program - FY2005	97.056	2005-GB-T5-0050	825,437	-
8525	Homeland Security Grant Program	97.073	2007-HSGP-48201	452,000	-
8525	Homeland Security Grant Program	97.073	2008-GE-T8-0034	206,820	-
8525	Homeland Security Grant Program	97.073	2009-SS-T9-0064	370,027	-
8525	Law Enforcement Terror - LETPP	97.074	2007-GE-T7-0024	69,650	-
	TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			55,884,832	-

See notes to schedule.

HARRIS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 2011

Fund No.	Federal Grantor / Pass-Through Agency Grantor / Program	CFDA Number	Grantor or Pass-through Grantor's Number	FY11 Program Expenditures	Amount Provided to Subrecipients
	U.S. ELECTION ASSISTANCE COMMISSION				
	PASS THROUGH PROGRAMS, TEXAS SECRETARY OF STATE:				
7262	General HAVA Title III Compliance	90.401	78576	392,238	-
	TOTAL U.S. ELECTION ASSISTANCE COMMISSION			392,238	-
	U.S. DEPARTMENT OF THE TREASURY				
	DIRECT PROGRAMS:				
2600	Sheriff Seized Assets	21.000	N/A	973,001	-
	TOTAL U.S. DEPARTMENT OF TREASURY			973,001	-
	TOTAL EXPENDITURES OF FEDERAL AWARDS (EXCLUDING ARRA FEDERAL GRANTS)			$ 159,158,562	$ 30,777,590
	ARRA FEDERAL GRANTS				
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
	DIRECT PROGRAMS:				
7439	ARRA Healthy Homes Demonstration Program	14.901	TXLHH0179-08	$ 293,570	$ -
7507	ARRA Community Development Block Grant (CDBG-R)	14.253	B-09-UY-48-0002	1,693,690	1,653,395
7511	ARRA Homelessness Prevention and Rapid Re-Housing	14.257	S-09-UY-48-0002	1,371,029	167,311
	TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - ARRA GRANTS			3,358,289	1,820,706
	U.S. DEPARTMENT OF JUSTICE				
	PASS THROUGH PROGRAMS, CITY OF HOUSTON:				
7529	ARRA JAG Formula Allocation	16.804	2009-SB-B9-0717	2,467,141	-
	PASS THROUGH PROGRAMS, TEXAS OFFICE OF THE ATTORNEY GENERAL:				
7548	ARRA Internet Crimes Against Children Task Force	16.800	1018571	77,091	-
7551	ARRA Internet Crimes Against Children Task Force	16.800	1018415	91,771	-
	PASS THROUGH PROGRAMS, OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION:				
7554	ARRA JAG Assistance Grant - State Solicitation	16.803	SU-09-A10-22172-01	1,563,468	-
7571	ARRA Victims Assistance '09	16.588	EF-09-V30-22869-01	23,700	-
7572	ARRA Family Violence Prosecution Fortification Project	16.588	EF-09-V30-22931-01	57,290	-
7711	ARRA Domestic Violence Equipment and Training	16.588	EF-09-V30-22871-01	16,337	-
7712	ARRA Domestic Violence Court Equipment	16.588	EF-09-V30-23101-01	4,113	-
7713	ARRA Domestic Violence and Child Abuse	16.588	EF-09-V30-23065-01	4,997	-
7721	ARRA Violence Against Women '09	16.588	EF-09-V30-23021-01	4,655	-
7985	ARRA Violence Against Women Equipment and Training	16.588	EF-09-V30-22942-01	23,855	-
	TOTAL U.S. DEPARTMENT OF JUSTICE - ARRA GRANTS			4,334,418	-
	U.S. DEPARTMENT OF TRANSPORTATION				
	DIRECT PROGRAMS:				
7509	ARRA Houston Urbanized Area Formula	20.507	TX-96-X041-00	215,865	-
	TOTAL U.S. DEPARTMENT OF TRANSPORTATION - ARRA GRANTS			215,865	-

See notes to schedule.

HARRIS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 2011

Fund No.	Federal Grantor / Pass-Through Agency Grantor / Program	CFDA Number	Grantor or Pass-through Grantor's Number	FY11 Program Expenditures	Amount Provided to Subrecipients
	U.S. DEPARTMENT OF COMMERCE				
	PASS THROUGH PROGRAMS, TEXAS STATE LIBRARY AND ARCHIVES COMMISSION:				
7596	ARRA Public Computer Center Grant	11.557	461-11015	123,360	-
	TOTAL U.S. DEPARTMENT OF COMMERCE - ARRA GRANT			123,360	-
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
	PASS THROUGH PROGRAM, TEXAS DEPARTMENT OF STATE HEALTH SERVICES				
8110	ARRA CHS-Title XX Family Planning	93.714	2010-034162-001A	31,113	-
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - ARRA GRANT			31,113	-
	TOTAL EXPENDITURES OF ARRA FEDERAL AWARDS			$ 8,063,045	$ 1,820,706
	TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 167,221,607	$ 32,598,296
	STATE GRANTS				
	OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION				
	DIRECT PROGRAMS:				
7076	High Tech Criminal Investigator	N/A	SF-10-A10-20289-02	35,092	-
7088	Intensive Supervision Juvenile Sex Offender	N/A	JA-08-J20-19656-03	2,531	-
7196	School Resource Officer - Pct. 6	N/A	SF-09-A10-19454-03	13,388	-
7462	Dowling Middle School Gang Free Zone	N/A	SF-11-J20-20367-03	14,037	-
7528	Systems of Hope Sunnyside	N/A	SF-10-J21-21367-01	43,922	-
7528	Systems of Hope Sunnyside	N/A	SF-11-J20-21367-02	26,878	-
7593	Gang Disruption Initiative	N/A	C0-11-A10-24287-01	862	-
8768	Success Through Addiction Recovery - State Drug Court	N/A	DC-08-A10-17374-06	30,917	-
8768	Success Through Addiction Recovery - State Drug Court	N/A	DC-11-A10-17374-07	6,773	-
	PASS THROUGH PROGRAMS, HOUSTON-GALVESTON AREA COUNCIL:				
1000	Regional Law Enforcement Training Program	N/A	N/A	24,231	-
	TOTAL OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION			198,631	-
	TEXAS PARKS AND WILDLIFE DEPARTMENT				
	DIRECT PROGRAMS:				
8114	Armand Bayou Nature Center	N/A	51-000066	19,151	-
	PASS THROUGH PROGRAMS, MONTGOMERY COUNTY:				
7087	Spring Creek Greenway Project	N/A	50-000400	24,923	-
	TOTAL TEXAS PARKS AND WILDLIFE DEPARTMENT			44,074	-
	TEXAS OFFICE OF THE ATTORNEY GENERAL				
	DIRECT PROGRAMS:				
8270	Texas Automated Victim Notification - VINE	N/A	1121003	125,918	-

See notes to schedule.

HARRIS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 2011

Fund No.	Federal Grantor / Pass-Through Agency Grantor / Program	CFDA Number	Grantor or Pass-through Grantor's Number	FY11 Program Expenditures	Amount Provided to Subrecipients
	PASS THROUGH PROGRAMS, CHILDRENS ASSESSMENT CENTER FOUNDATION:				
	Other Victims Assistance Grant FY2009	N/A	269	22,127	-
	Other Victims Assistance Grant FY2010	N/A	270	24,482	-
	TOTAL TEXAS OFFICE OF THE ATTORNEY GENERAL			172,527	-
	CHILDREN'S ADVOCACY CENTERS OF TEXAS				
	PASS THROUGH PROGRAMS, CHILDRENS ASSESSMENT CENTER FOUNDATION:				
	Children's Advocacy Center Grant	N/A	271	264,773	-
	Children's Advocacy Center Grant	N/A	280	188,834	-
	TOTAL CHILDREN'S ADVOCACY CENTERS OF TEXAS			453,607	-
	OFFICE OF THE COMPTROLLER				
	DIRECT PROGRAMS:				
8685	Tobacco Compliance 2010	N/A	N/A	4,747	-
	TOTAL OFFICE OF THE COMPTROLLER			4,747	-
	TEXAS HEALTH AND HUMAN SERVICES COMMISSION				
	DIRECT PROGRAMS:				
7724	Expansion of Guardianship Program - Ward Mentor Program	N/A	HHSC-529-08-0136-01	27,285	-
7724	Expansion of Guardianship Program - Ward Mentor Program	N/A	HHSC-529-08-0136-01	32,894	-
	PASS THROUGH PROGRAMS, ONESTAR FOUNDATION:				
7599	Improving the Capacity of HC Community Housing Development Organization	N/A	NA	2,408	-
	TOTAL TEXAS HEALTH AND HUMAN SERVICES COMMISSION			62,587	-
	TEXAS DEPARTMENT OF STATE HEALTH SERVICES				
	DIRECT PROGRAMS:				
8020	Tuberculosis Prevention and Control	N/A	2010-032849-001	283,229	-
8020	Tuberculosis Prevention and Control	N/A	2011-035280-001	310,888	-
8030	Regional and Local Services	N/A	2010-032802-001	103,255	-
8030	Regional and Local Services	N/A	2011-035634-001	120,544	-
8175	IDCU/FLU Internet Based Web	N/A	2010-031529	12,582	-
	PASS THROUGH PROGRAMS, THE RESOURCE GROUP:				
8515	Early Medical Intervention Program	N/A	10HCS00SS	54,210	-
8515	Early Medical Intervention Program	N/A	11HCS00SS	73,475	-
	TOTAL TEXAS DEPARTMENT OF STATE HEALTH SERVICES			958,183	-
	TEXAS DEPARTMENT OF MOTOR VEHICLES				
	PASS THROUGH PROGRAMS, AUTOMOBILE THEFT PREVENTION AUTHORITY:				
8710	Auto Theft Division	N/A	SA-T01-10052-10	222,654	-
8710	Auto Theft Division	N/A	SA-T01-10052-11	981,504	-
	TOTAL TEXAS DEPARTMENT OF MOTOR VEHICLES			1,204,158	-

See notes to schedule.

HARRIS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 2011

Fund No.	Federal Grantor / Pass-Through Agency Grantor / Program	CFDA Number	Grantor or Pass-through Grantor's Number	FY11 Program Expenditures	Amount Provided to Subrecipients
	TEXAS HISTORICAL COMMISSION				
	DIRECT PROGRAMS:				
7075	Texas Historical Courthouse Preservation Program	N/A	CTH-HARRIS-05-2008	3,303,125	-
	TOTAL TEXAS HISTORICAL COMMISSION			3,303,125	-
	THE SUPREME COURT OF TEXAS				
	DIRECT PROGRAMS:				
7709	Dedicated MDL Asbestos Court	N/A	201-10-00001	58,950	-
7709	Dedicated MDL Asbestos Court	N/A	201-11-00001	64,677	-
	TOTAL THE SUPREME COURT OF TEXAS			123,627	-
	TEXAS STATE LIBRARY AND ARCHIVES COMMISSION				
	DIRECT PROGRAMS:				
8285	Loan Star Libraries Program FY10	N/A	442-10149	324,337	-
8285	Loan Star Libraries Program FY11	N/A	442-11582	6,075	-
	PASS THROUGH PROGRAMS, HOUSTON AREA LIBRARY SYSTEM:				
7453	HALS-Staff Development Grant	N/A	NONE	1,930	-
	TOTAL TEXAS STATE LIBRARY AND ARCHIVES COMMISSION			332,342	-
	TEXAS COMMISSION ON ENVIRONMENTAL QUALITY				
	DIRECT PROGRAMS:				
7222	Low Income Vehicle Repair Assistance Program	N/A	582-9-90416-06	7,270,735	7,270,734
7222	Low Income Vehicle Repair Assistance Program	N/A	582-9-90416-06	5,524,068	5,524,068
7504	LIRAP - Local Initiative Project	N/A	582-8-89962-01	367,142	340,892
	PASS THROUGH PROGRAMS, HOUSTON GALVESTON AREA COUNCIL:				
7044	Solid Waste Implementation Grant	N/A	10-16-G14	72,438	-
7552	Lynchburg Ferry Engine Upgrade	N/A	TC9103-01	384,830	-
8731	Local Enforcement Program/Equipment	N/A	03-16-G13	802	-
8731	Environmental Crimes Unit FY10	N/A	10-16-G16	38,050	-
	TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY			13,658,065	13,135,694
	TEXAS OFFICE OF COURT ADMINISTRATION				
	DIRECT PROGRAMS:				
1000	Indigent Defense Formula Grant	N/A	N/A	2,797,270	-
7553	Targeted Specific Discretionary Grant	N/A	N/A	16,059	-
8275	Public Defender Pilot Program	N/A	212-11-D03	227,726	-
	TOTAL TEXAS OFFICE OF COURT ADMINISTRATION			3,041,055	-
	TOTAL EXPENDITURES OF STATE AWARDS			$ 23,556,728	$ 13,135,694
	GRAND TOTAL EXPENDITURES OF FEDERAL & STATE AWARDS			$ 190,778,335	$ 45,733,990

See notes to schedule.

HARRIS COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 2011

1. The accompanying schedule of expenditures of federal and state awards includes the federal grant activity and state grant activity of the County and is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

   Federal and state awards provided to subrecipients are treated as expenditures when paid to the subrecipient.

2. Reconciliation of the Schedule of Expenditures of Federal and State Awards to Grants Special Revenue Fund of the Comprehensive Annual Financial Report ("CAFR") for the year ended February 28, 2011:

Federal expenditures (excluding ARRA Federal Grants) per schedule	$ 159,158,562
ARRA Federal expeditures per schedule	8,063,045
State expenditures per schedule	23,556,728
Subtotal	190,778,335
Add:	
Trial Balance adjustments for modified accrual basis of accounting	2,296
County funded portion of grants	6,492,106
Local grants	4,095,608
Less:	
Trial Balance adjustments for modified accrual basis of accounting	(24,697,454)
Grants - other fund types	(8,450,527)
Total	$ 168,220,364
Balance per CAFR - Grants Special Revenue Fund	$ 168,220,364

3. Reporting Entity - The County, for purposes of the supplementary schedule of expenditures of federal and state awards includes all the funds of the primary government as defined by the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." It does not include the following component units of the County as follows:

Harris County Hospital District
Harris County Flood Control District
Harris County Juvenile Board
Mental Health and Mental Retardation Authority
The Children's Assessment Center Foundation

These component units also receive federal financial assistance but separately satisfy the audit requirements of OMB Circular A-133 by engaging other auditors to perform an audit in accordance with OMB Circular A-133.

4. Noncash Awards - Certain federal financial award programs do not involve cash awards to Harris County. These programs include commodities as follows:

U.S. Department of Agriculture

Donated Commodities (CFDA #10.555)		
Value of commodities issued	$	64,515

HARRIS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED FEBRUARY 28, 2011

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified.
Internal control over financial reporting:	
Material weakness (es) identified?	No.
Significant deficiency (ies) identified not considered to be a material weakness?	None reported.
Noncompliance material to financial statements noted?	No.

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	No.
Significant deficiency (ies) identified not considered to be a material weakness?	Yes.
Type of auditors' report issued on compliance for major programs:	Unqualified.
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section 510(a))?	Yes.

Identification of major programs:

Name of Major Federal/State Program	CFDA Number
Public Safety Interoperable Communications Grant Program	11.555
Community Development Block Grant/Entitlement Grants	14.218
Home Program	14.239
ARRA - Community Development Block Grant (CDBG-R), JAG Formula Allocation	14.253
ARRA - Homelessness Prevention and Rapid Re-Housing	14.257
ARRA - JAG Assistance Grant - State Solitation	16.803
ARRA - JAG Formula Grant	16.804
FEMA - Public Assistance - Hurricane Ike	97.036
Port Security Grant Program - FY 2005	97.056
Ryan White Title I - Formula & Supplement	93.914
Low Income Vehicle Repair Assistance Program	State
Indigent Defense Formula Grant	State

Dollar threshold used to distinguish between Type A and Type B programs:	$3,000,000 and $706,702 for federal and state, respectively
Auditee qualified as a low-risk auditee?	No.

II. FINANCIAL STATEMENT FINDINGS SECTION

None noted.

III. FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS SECTION

Program	Finding/Noncompliance	Questioned Cost
CFDA 14.218 Community Development Block Grants, Disaster Recover, Stay in School Programs CFDA 14.253 ARRA Community Development Block Grant (CDBG-R) CFDA 14.257 ARRA Homelessness Prevention and Rapid Re-Housing CFDA 16.803 ARRA JAG Assistance Grant – State Solicitation CFDA 97.036 FEMA – Public Assistance – Hurricane Ike CFDA 97.056 Port Security Grant Program – FY2005	**Finding 11-01 – Internal Control - Procurement, Suspension & Debarment** Condition: Per review of bid packages for procurement expenditures funded by federal funds, it was noted that there was not tangible proof that vendors awarded contracts through the County and funded with federal grant money, were reviewed against the Excluded Party Listing to confirm they were not suspended or debarred prior to award. Criteria: All non-federal entities shall follow federal laws and implement regulations applicable to procurements, as noted in federal agency implementation of the A-102 Common Rule and OMB Circular A-110. The guidance states that the "common rule restricts sub-awards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs or activities." Impact: Grant funded contracts could be awarded to vendors that are suspended or debarred which would be in violation of federal regulations. Recommendation: Prior to procuring expenditures funded by federal awards, the County Purchasing Department and County Public Infrastructure Department – Architecture and Engineering Division, should review the Excluded Party Listing at www.epls.gov to confirm the vendor is not suspended or debarred. Further, tangible proof should be maintained in the bid packages to corroborate that the review was performed. Corrective Action Plan of Management: The Harris County Purchasing Department and Harris County Public Infrastructure Department (HCPID) will follow the policy and procedures established by the Harris County Purchasing Agent's Office to verify that HCPID is not doing business with federally excluded vendors. The Purchasing Department and HCPID will maintain printed documentation of the verification in the bid file. Estimated Completion Date: 08/31/2011 County Contact Person: Dave Bechtol, Director of Finance in HCPID and Kelly Johnson, Harris County Purchasing Agent	**N/A**

Program	Finding/Noncompliance	Questioned Cost
	Finding 11-02 – Internal Control – Fraud Allegation	$50,000 (estimated)
CFDA 93.556/93.674 Preparation for Adult Living (PAL-204/206)	Condition: Harris County Protective Services for Children and Adults (Protective Services) did not maintain effective internal controls which resulted in alleged employee fraud. The fraud has been reported to the applicable county departments and is still being investigated.	

Criteria: Protective Services is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis.

Cause: Not maintaining effective internal controls resulted in an employee(s) using purchase orders (PO's) at certain merchants fraudulently. The employee was able to purchase personal items including gift cards. This occurred over a six year period. The employee who was authorized to use these PO's was also the person approving the invoices for payment. Management did not adequately monitor the employee's activity.

Effect: Federal funds estimated to be $50,000 were used inappropriately and should be refunded to the granting agency by the County.

Recommendation: Protective Services should revise existing, or establish new, policies and procedures which would maintain effective internal controls. These controls should require two employees present when using PO's at stores. The employee approving the invoice for payment should not be one of the employees who purchased items on the PO. Management should periodically review the purchasing activities of employees.

Corrective Action Plan of Management: The department has reviewed the purchasing and payables procedures with the staff and Program Directors and a training was held on purchase and authorization controls. These controls include: 1) having the purchaser and the purchase order preparer being two different individuals, 2) the purchaser must provide a budget and list of items to be purchased to the Program Director prior to receiving a store card, 3) the purchaser must present a store card, valid ID and a copy of the purchase order in order to make a purchase, 4) the Program Director must review the detailed receipts and agree to the pre-authorized list.

Program	Finding/Noncompliance	Questioned Cost
	Estimated Completion Date: 5/31/2011 County Contact Person: Beverly Pettway, Chief Financial Officer, Protective Services for Children and Adults	

IV. STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Program	Finding/Noncompliance	Questioned Cost
	Finding 03-01	
	Condition: The Harris County Sports & Convention Corporation's (the "Corporation"), a blended component unit of Harris County, Texas (the "County"), investment activities are governed by the State of Texas Public Funds Investment Act (the "Act"). The Corporation made a $12 million investment in the Harris County – Houston Sports Authority's Subordinate Lien Notes Series 2001 C-1 and Series C-2 (the "Notes") that were not in compliance with the Act, because the Notes did not receive a rating from at least one nationally recognized investment rating firm.	N/A
	Criteria: Under the Act, the Corporation is authorized to invest in (1) direct debt securities of the United States or its Agencies, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States, (5) obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.	
	Recommendation: Ensure compliance with the Act.	
	FY 2010 Status: The Corporation agrees that this investment does not comply with the Texas Public Investment Act; however, the Corporation has been unable to divest itself of the Notes. The Corporation has adopted an investment policy that prohibits future investments that do not comply with the Act.	
	Estimated Completion Date: Maturity of Notes.	
	County Contact Person: Willie P. Loston, Executive Director of Harris County Sports & Convention Corporation.	