
SAN JACINTO COUNTY, TEXAS

**ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

whitleypenn 

CPAs and Professional Consultants

SAN JACINTO COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

Prepared by:

San Jacinto's County Auditor's Office

SAN JACINTO COUNTY, TEXAS

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INTRODUCTORY SECTION



SAN JACINTO COUNTY, TEXAS

PRINCIPAL PUBLIC OFFICIALS

September 30, 2020

COMMISSIONERS' COURT

Fritz Faulkner County Judge
Laddie McAnally Commissioner, Precinct No. 1
Donny Marrs Commissioner, Precinct No. 2
David Brandon Commissioner, Precinct No. 3
Mark Nettuno Commissioner, Precinct No. 4

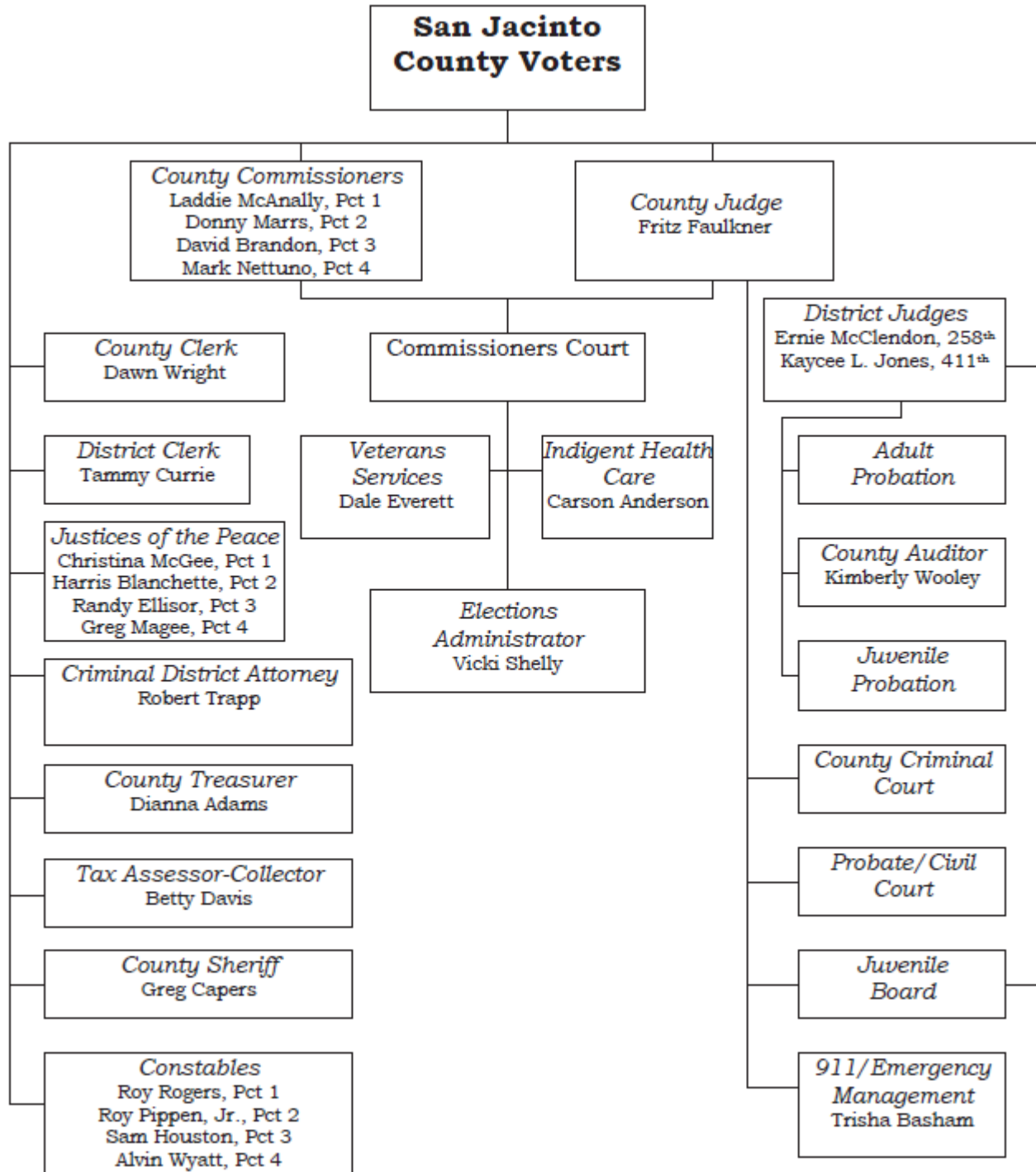
COUNTY ELECTED OFFICIALS

Robert Trapp District Attorney
Tammy Currie District Clerk
Dawn Wright County Clerk
Christina McGee Justice of the Peace, Precinct No. 1
Harris "Red" Blanchette Justice of the Peace, Precinct No. 2
Randy Ellisor Justice of the Peace, Precinct No. 3
Greg Magee Justice of the Peace, Precinct No. 4
Greg Capers Sheriff
Roy Rogers Constable, Precinct No. 1
Sonny R. Atchley Constable, Precinct No. 2
Sam Houston Constable, Precinct No. 3
Alvin Wyatt Constable, Precinct No. 4
Dianna Adams County Treasurer
Betty Davis Tax Assessor/Collector

APPOINTED OFFICIALS

Kimberly Wooley County Auditor

SAN JACINTO COUNTY, TEXAS
ORGANIZATIONAL CHART
 September 30, 2020



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable County Judge
and Members of the Commissioners' Court
San Jacinto County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Jacinto County, Texas (the "County") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County as of September 30, 2020, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Honorable County Judge
and Members of the Commissioners' Court

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section and the combining and individual non-major fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



Houston, Texas
October 20, 2021

SAN JACINTO COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of San Jacinto County, Texas (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2020. We encourage readers to consider information presented here as well as the County's financial statements, which follow this section.

Financial Highlights

Government-wide Financial Statements

- The County's overall assets and deferred outflows exceeded its total liabilities and deferred inflows by \$29.9 million (net position) at September 30, 2020.
- Total assets and deferred outflows increased by \$4.0 million over the prior year; total liabilities and deferred inflows increased by \$1.1 million from the prior year.
- Overall revenues exceeded expenses (increased net position) by \$2.9 million.

Fund Financial Statements

- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$8.6 million, an increase of \$2.8 million from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other required supplementary information that further explains and supports the information in the financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the County's assets, liabilities and deferred outflows/inflows, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the fiscal year. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows.

Fund financial statements

A fund is a grouping of related accounts that is 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 compliance with finance-related legal requirements.

SAN JACINTO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Governmental 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 available at the end of the fiscal year.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest, which are reported as expenditures in the year due.

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

Fiduciary funds

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 are not available to support the County's own programs.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the County's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statement.

The combining statements referred to earlier in connection with nonmajor governmental fund and fiduciary funds are presented immediately following the required supplementary information on pensions and OPEB.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. The County's assets exceeded its liabilities by \$29.9 million (net position) as of September 30, 2020.

The largest portion of the County's net position is its investment in capital assets, net of related debt in the amount of \$20,775,911. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position totaling \$4,686,518 represents resources that are subject to restriction on how they may be used.

SAN JACINTO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The remaining balance is \$4,394,438 and unrestricted in nature.

San Jacinto's County's Net Position

	<u>2020</u>	<u>2019</u>
Assets		
Current and other assets	\$ 14,861,736	\$ 10,612,366
Capital assets, net	<u>22,271,616</u>	<u>21,591,634</u>
Total Assets	<u>37,133,352</u>	<u>32,204,000</u>
Deferred Outflows of Resources	<u>650,741</u>	<u>1,593,423</u>
Liabilities		
Long-term liabilities	3,765,530	4,383,528
Current and other liabilities	<u>3,616,124</u>	<u>2,421,372</u>
Total Liabilities	<u>7,381,654</u>	<u>6,804,900</u>
Deferred Inflows of Resources	<u>545,572</u>	<u>60,643</u>
Net position		
Net investment in capital assets	20,775,911	19,411,293
Restricted	4,686,518	3,564,065
Unrestricted	<u>4,394,438</u>	<u>3,956,522</u>
Total Net Position	<u>\$ 29,856,867</u>	<u>\$ 26,931,880</u>

The County's current and other assets increased by \$4,249,370 due to the issuance of Tax Notes, Series 2020, in the amount of \$1,040,000, in addition to increases in operating grants of \$1,135,716 for new COVID-19 related funding and capital grants of \$1,206,043 for reimbursements for FEMA projects. Capital assets, net of accumulated depreciation, increased by \$679,982 due to primarily due to the recognition of depreciation expense of approximately \$1.75 million. Long-term liabilities decreased by \$617,998 due to payments on bonds and capital leases, net of the issuance of the tax note. Other liabilities increased by \$1,194,752 due to large accruals of CDBG project expenditures.

SAN JACINTO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

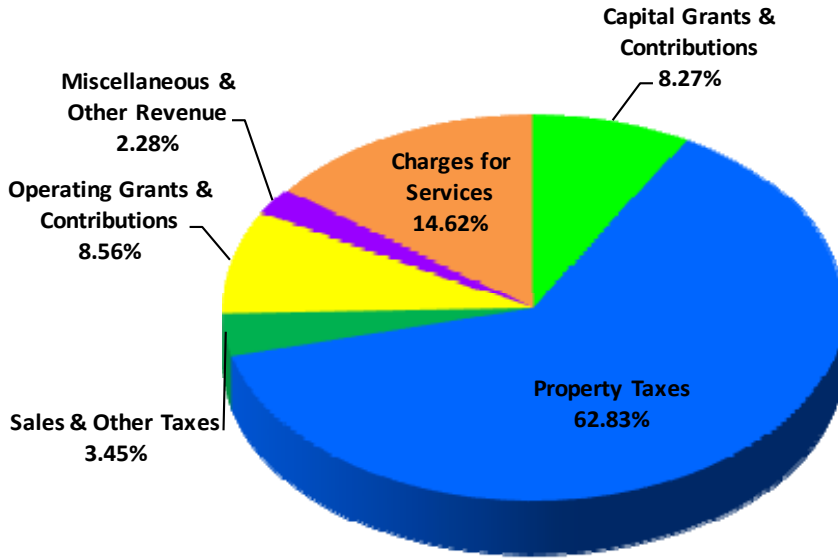
San Jacinto's Changes in Net Position

	<u>2020</u>	<u>2019</u>
Revenues		
Program revenues:		
Charges for services	\$ 3,064,760	\$ 3,093,873
Operating grants and contributions	1,793,054	657,338
Capital grants and contributions	1,732,619	526,576
General revenues:		
Taxes	13,889,439	12,838,502
Investment income	34,072	42,078
Other revenues	443,075	349,951
Total Revenues	<u>20,957,019</u>	<u>17,508,318</u>
Expenses		
General government	4,049,563	3,409,843
Tax administration	499,994	456,348
Roads and bridges	4,680,011	4,458,152
Health and human services	1,453,774	1,189,393
Administration of justice	7,175,285	7,276,308
Pass-through expenditures	91,202	192,968
Interest on long-term debt	82,203	62,276
Total Expenses	<u>18,032,032</u>	<u>17,045,288</u>
Increase (decrease) in net position	2,924,987	463,030
Net Position at Beginning of Year	<u>26,931,880</u>	<u>26,468,850</u>
Net Position at End of Year	<u>\$ 29,856,867</u>	<u>\$ 26,931,880</u>

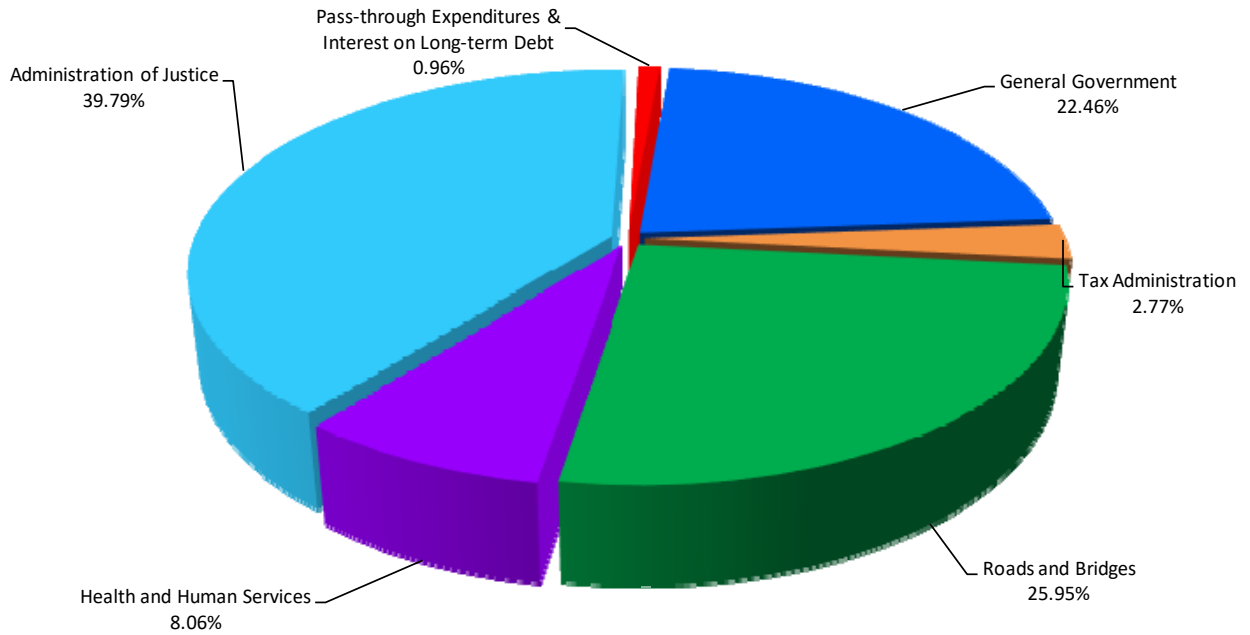
The County's operating grants and contributions increased by \$1,135,716 due to additional COVID-19 related funding received in the current year. Capital grants and contributions increased by \$1,206,043 due to funds received for FEMA related funding. Tax revenue increased by \$1,050,937 due to an increase in appraised values of approximately \$215 million (11% increase). General government expenses increased by \$639,720 due to salary increases and other operational costs. Roads and bridges expenses increased by \$221,859 due to planned capital projects and additional spending.

SAN JACINTO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Revenues by Source
For the Fiscal Year Ended September 30, 2020



Expenses by Function
For the Fiscal Year Ended September 30, 2020



SAN JACINTO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis of the County's Funds

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

As of September 30, 2020, the County's governmental funds reported a total fund balance of \$8.6 million. This fund balance is comprised of \$5,587,648 that is either restricted or assigned for a specific purpose. The remaining balance, \$3,002,084, is unassigned. During the year, the fund balance in the County's governmental funds increased by \$2.8 million.

Analysis of Individual Funds. The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund increased to \$3,697,940, which comprises 100% of total fund balance in this fund. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total general fund expenditures. Fund balance represents 34.2% of total general fund expenditures. The fund balance of the general fund experienced an increase in fund balance of \$454,183 primarily due to an increase in property tax revenues as a result of the increase in appraised values.

The 2016 GLO Flood Grant fund is new in fiscal year 2020 and had revenues of \$1,889,190 and transfers in from the general fund to cover the grant local match of \$121,000, less expenditures of \$2,010,190. This grant operates on a reimbursement basis and typically does not carry a fund balance.

Budgetary Comparisons. A comparison of the General Fund and 2016 GLO Flood Grant budget and actual result are presented as required supplementary information.

General fund. Actual revenues were lower than budgeted amounts by \$69,376. Actual expenditures were lower than budgeted amounts by \$917,163. Actual other financing sources (uses) were unfavorable to budgeted amounts by \$422,045. An overall increase in fund balance of \$28,441 had been projected, using prior year budget carryovers to fund the increase. Actual results were better than expected, resulting in an increase in fund balance of \$454,183 for the fiscal year.

2016 GLO Flood Grant fund. Actual revenues were higher than budgeted amounts by \$77,370. Actual expenditures were higher than budgeted amounts by \$98,370. Actual other financing sources (uses) were favorable to budgeted amounts by \$21,000. An overall decrease in fund balance of \$0 had been projected, which agreed to actual results.

A comparison of the road and bridge funds budgets and actual results are presented as required supplementary information.

Road and bridge precinct no. 1. Actual revenues were higher than budgeted amounts by \$198,102. Actual expenditures were lower than budgeted amounts by \$115,517. Actual other financing sources (uses) were favorable to budgeted amounts by \$100,673. An overall decrease in fund balance of \$343,712 had been projected, using prior year budget carryovers to fund the decrease. Actual amounts were better than expected, resulting in an increase in fund balance of \$70,580 for the fiscal year.

Road and bridge precinct no. 2. Actual revenues were higher than budgeted amounts by \$54,802. Actual expenditures were lower than budgeted amounts by \$146,069. Actual other financing sources (uses) were favorable to budgeted amounts by \$102,418. An overall decrease in fund balance of \$274,938 had been projected, using prior year budget carryovers to fund the decrease. Actual results were better than expected, resulting in an increase in fund balance of \$28,351 for the fiscal year.

SAN JACINTO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Road and bridge precinct no. 3. Actual revenues were lower than budgeted amounts by \$3,746. Actual expenditures were lower than budgeted amounts by \$336,998. Actual other financing sources (uses) were favorable to budgeted amounts by \$80,779. An overall decrease in fund balance of \$209,494 had been projected, using prior year budget carryovers to fund the decrease. Actual results were better than expected, resulting in an increase in fund balance of \$204,537 for the fiscal year.

Road and bridge precinct no. 4. Actual revenues were higher than budgeted amounts by \$171,439. Actual expenditures were lower than budgeted amounts by \$104,685. Actual other financing sources (uses) were to budgeted amounts by \$0. An overall decrease in fund balance of \$75 had been projected, using prior year budget carryovers to fund the decrease. Actual results were better than expected, resulting in an increase in fund balance of \$276,049 for the fiscal year.

Capital Assets

The County's investment in capital assets as of September 30, 2020, totaled (net of accumulated depreciation). This investment includes land, land improvements, construction in progress, buildings, machinery and equipment, and infrastructure assets. Additional information on the County's capital assets can be found in Note 3.A. of this report.

Approximate costs for significant capital purchases included 2016 GLO Flood Project (\$1,900,000), vehicles (\$150,000), an excavator (\$192,000), a loader (\$158,000), a sweeper (\$33,000), an A/C unit (\$45,000), and other various machinery & equipment (\$35,000).

	<u>2020</u>	<u>2019</u>
Non-Depreciable Assets		
Land	\$ 2,030,081	\$ 2,030,081
Construction in progress	1,917,787	-
Other Capital Assets, Net		
Land improvements	517,430	517,430
Buildings	10,104,904	10,104,904
Infrastructure	12,238,031	12,238,031
Machinery and equipment	203,781,747	203,633,249
Less: accumulated depreciation	<u>(208,318,364)</u>	<u>(206,932,061)</u>
Total Capital Assets	<u>\$ 22,271,616</u>	<u>\$ 21,591,634</u>

Debt Administration

At the end of the current fiscal year, the County had total bond debt and capital lease obligations of \$2,508,479. No new capital leases were incurred during the year.

	<u>2020</u>	<u>2019</u>
General obligation bonds	\$ 855,000	\$ 1,255,000
Unamortized premiums	61,164	91,746
Tax notes	1,040,000	-
Capital leases	<u>552,315</u>	<u>833,595</u>
Total	<u>\$ 2,508,479</u>	<u>\$ 2,180,341</u>

During the fiscal year, the County issued Tax Notes, Series 2020, in the amount of \$1,040,000. The proceeds are to be used for (i) construction of a new economic development center; (ii) construction of and improvements to County law enforcement center; (iii) construction of and improvements to County animal control facility; (iv) the acquisition of vehicles; and (v) pay the costs of professional services and the costs of issuance of the Notes.

SAN JACINTO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The County has maintained an AA+ rating from Standard & Poor's for general obligation debt. Additional information on the County's long-term debt can be found in Note 3.B. of this report.

Economic Factors and Future Funding

The fiscal year 2021 budget (all funds) totaling \$37,177,726 was approved and adopted by the Commissioners Court in September 2020. Of the 2021 budget total, \$16,513,040 consists of various grant funding. The County has budgeted general expenditures to be \$12,954,112. The tax rate required to fund the 2021 budget totals \$0.61473 per \$100 valuation with an estimated collection rate of 96%. The prior year tax rate was \$0.63497 per \$100 valuation with an estimated collection rate of 96%.

Requests for Information

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need any additional information, contact Kimberly Wooley, San Jacinto County Auditor, One State Hwy 150, Coldspring, Texas 77331.

BASIC FINANCIAL STATEMENTS

SAN JACINTO COUNTY, TEXAS**STATEMENT OF NET POSITION***September 30, 2020*

	Governmental Activities (Primary Government)
Assets	
Cash and cash equivalents	\$ 10,970,000
Receivables:	
Property taxes, net of allowance	2,337,942
Sales taxes	100,252
Grants	1,453,542
Capital assets, not being depreciated	3,947,868
Capital assets, net of accumulated depreciation	<u>18,323,748</u>
Total Assets	<u>37,133,352</u>
Deferred Outflows of Resources	
Deferred charge on refunding	10,955
Pension related	513,320
OPEB related	<u>126,466</u>
Total Deferred Outflows of Resources	<u>650,741</u>
Liabilities	
Accounts Payable	1,599,411
Accrued expenditures	704,657
Accrued interest	9,618
Due to other units	513,312
Amounts held for others	8,800
Unearned revenues	780,326
Noncurrent liabilities:	
Due within one year	901,057
Due in more than one year	2,041,127
Net pension liability	172,006
Net OPEB liability	<u>651,340</u>
Total Liabilities	<u>7,381,654</u>
Deferred Inflows of Resources	
Pension related	494,565
OPEB related	<u>51,007</u>
Total Deferred Inflows of Resources	<u>545,572</u>
Net Position	
Net investment in capital assets	20,775,911
Restricted:	
Debt service	634,352
Road and bridge	2,691,844
Special projects/purposes	1,360,322
Unrestricted	<u>4,394,438</u>
Total Net Position	<u>\$ 29,856,867</u>

SAN JACINTO COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Primary Government					
Governmental Activities:					
General government	\$ 4,049,563	\$ 294,866	\$ 399,669	\$ -	\$ (3,355,028)
Tax administration	499,994	197,515	-	-	(302,479)
Roads and bridges	4,680,011	957,675	764,462	1,732,619	(1,225,255)
Health and human services	1,453,774	319,088	273,060	-	(861,626)
Administration of justice	7,175,285	1,295,616	151,885	-	(5,727,784)
Pass-through expenditures	91,202	-	203,978	-	112,776
Interest on long-term debt	82,203	-	-	-	(82,203)
Total Primary Government	<u>\$ 18,032,032</u>	<u>\$ 3,064,760</u>	<u>\$ 1,793,054</u>	<u>\$ 1,732,619</u>	<u>(11,441,599)</u>

General Revenues:

Property taxes	13,167,125
Sale taxes	618,609
Other taxes	103,705
Investment income	34,072
Gain on sale of assets	21,316
Miscellaneous	421,759
Total General Revenues	<u>14,366,586</u>
Changes in Net Position	2,924,987
Net Position, Beginning	<u>26,931,880</u>
Net Position, Ending	<u>\$ 29,856,867</u>

SAN JACINTO COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020

	General Fund	2016 GLO Flood Grant	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 5,020,942	\$ 202,404	\$ 5,746,654	\$ 10,970,000
Receivables:				
Property taxes, net of allowance	1,592,491	-	745,451	2,337,942
Sales taxes	100,252	-	-	100,252
Grants	33,475	742,998	677,069	1,453,542
Due from other funds	-	-	1,177,011	1,177,011
Total Assets	\$ 6,747,160	\$ 945,402	\$ 8,346,185	\$ 16,038,747
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	295,219	702,360	601,832	1,599,411
Accrued expenditures	428,520	161,638	114,499	704,657
Due to other funds	407,839	81,404	687,768	1,177,011
Due to other units	316,351	-	196,961	513,312
Amounts held for others	8,800	-	-	8,800
Unearned revenue	-	-	780,326	780,326
Total Liabilities	1,456,729	945,402	2,381,386	4,783,517
Deferred Inflows of Resources				
Unavailable revenue - grants	-	-	327,556	327,556
Unavailable revenue - property taxes	1,592,491	-	745,451	2,337,942
Total Deferred Inflows of Resources	1,592,491	-	1,073,007	2,665,498
Fund Balances:				
Restricted	-	-	5,551,848	5,551,848
Assigned	-	-	35,800	35,800
Unassigned	3,697,940	-	(695,856)	3,002,084
Total Fund Balances	3,697,940	-	4,891,792	8,589,732
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,747,160	\$ 945,402	\$ 8,346,185	\$ 16,038,747

SAN JACINTO COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2020

Total Fund Balance, Governmental Funds	\$ 8,589,732
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	22,271,616
Differences resulting from the refunding of certificates of obligation relate to long-term debt and therefore, are not reported in the governmental funds.	10,955
Deferred pension plan and OPEB amounts relate to subsequent pension plan measurement periods and/or do not consume current financial resources and therefore, these amounts are not reported in the governmental funds.	94,214
Certain revenues are not available to pay current period expenditures and therefore, are deferred in the governmental funds.	2,665,498
Payables for accrued interest on long-term liabilities are not due in the current period and therefore, are not reported in the governmental funds.	(9,618)
Payables for accrued compensated absences are not due in the current period and therefore, are not reported in the governmental funds.	(433,705)
Payables for noncurrent liabilities, including certificates of obligations, capital leases, net pension liabilities, and total OPEB liabilities are not due in the current period and therefore, are not reported in the governmental funds.	<u>(3,331,825)</u>
Net Position of Governmental Activities	<u><u>\$ 29,856,867</u></u>

SAN JACINTO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	General Fund	2016 GLO Flood Grant	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 8,973,208	\$ -	\$ 4,148,636	\$ 13,121,844
General sales and uses taxes	618,609	-	-	618,609
Other taxes	48,558	-	55,147	103,705
Fines, fees, and forfeitures	864,463	-	525,009	1,389,472
Intergovernmental revenue	286,382	1,889,190	1,631,449	3,807,021
Licenses and permits	218,220	-	1,127,982	1,346,202
Charges for services	124,618	-	57,745	182,363
Investment earnings	26,181	-	7,891	34,072
Rent	16,396	-	5,550	21,946
Miscellaneous revenue	275,647	-	146,112	421,759
Total Revenues	11,452,282	1,889,190	7,705,521	21,046,993
Expenditures				
Current:				
General government	3,115,412	-	475,634	3,591,046
Tax administration	494,797	-	-	494,797
Roads and bridges	-	2,010,190	3,675,907	5,686,097
Health and human services	628,682	-	758,345	1,387,027
Administration of justice	6,492,866	-	312,991	6,805,857
Pass-through expenditures	-	-	91,202	91,202
Capital outlay	69,807	-	544,948	614,755
Debt service - principal	-	-	681,280	681,280
Debt service - interest	-	-	70,095	70,095
Debt service - issuance cost	-	-	38,294	38,294
Total Expenditures	10,801,564	2,010,190	6,648,696	19,460,450
Excess (deficiency) of revenues over (under) Expenditures	650,718	(121,000)	1,056,825	1,586,543
Other Financing Sources (Uses)				
Issuance of tax note	-	-	1,040,000	1,040,000
Sale of capital assets	-	-	124,646	124,646
Operating transfers in	217,956	121,000	637,962	976,918
Operating transfers out	(414,491)	-	(562,427)	(976,918)
Total Other Financing Sources (Uses)	(196,535)	121,000	1,240,181	1,164,646
Net change in fund balances	454,183	-	2,297,006	2,751,189
Fund Balance-Beginning	3,243,757	-	2,594,786	5,838,543
Fund Balances - Ending	\$ 3,697,940	\$ -	\$ 4,891,792	\$ 8,589,732

SAN JACINTO COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

Net Change in Fund Balance - Governmental Funds	\$ 2,751,189
Amounts reported for governmental activities in the statement of activities are different because:	
Expenditures for capital assets are not reported as expenses in the statement of activities.	2,532,542
The depreciation of capital assets used in governmental activities is not reported in the governmental funds.	(1,749,230)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.	(103,330)
Amount represents the change in prepaid expenses from the beginning of the period to the end of the period.	(113,562)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property taxes	45,281
Grants	(156,571)
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:	
Principal paid on bonds and capital leases	681,280
Issuance of tax note	(1,040,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Accrued interest on long-term debt	1,081
Amortization of bond premiums and discounts and deferred amounts of refunding	25,105
Compensated absences	138,495
Changes in pension/OPEB liabilities and related deferred outflows and inflows of resources	(87,293)
Change in Net Position of Governmental Activities	<u>\$ 2,924,987</u>

SAN JACINTO COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2020

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 1,920,560
Total Assets	<u>1,920,560</u>
Liabilities	
Due to other units	\$ 1,305,908
Amounts held for others	<u>614,652</u>
Total Liabilities	<u>\$ 1,920,560</u>

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Introduction

The financial statements of San Jacinto County, Texas (the "County") have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies used by the County are discussed below.

Reporting Entity

The County is a public corporation and political subdivision of the State of Texas. The County is governed by an elected Commissioners Court, comprised of the County Judge and four Commissioners. The County provides the following services as authorized by the laws of the State of Texas: general government (e.g. tax collection), administration of justice (courts, juries, district attorney, sheriff, jail, etc.), highways and streets, and health and human services (e.g. juvenile services and assistance to indigents).

For financial reporting purposes, based on standards established by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, these financial statements should present the County (the primary government) and its component units. Component units generally are legally separate entities for which the primary government is financially accountable or for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The County does not have any blended or discretely presented component units.

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information on all of the activities of the County as a whole. Governmental activities include programs normally supported by taxes, grants, and other intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements.

New Accounting Pronouncements

The following GASB pronouncements have been implemented by the County in the current fiscal year:

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement was issued in March 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The requirements of this Statement are effective immediately.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

The effective dates of the following pronouncements are postponed by 12 months:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*.

The County implemented GASB No. 83 *Certain Asset Retirement Obligations* and GASB No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* in fiscal year 2019. The County plans on implementing GASB No. 84 *Fiduciary Activities* in fiscal year 2021 and GASB No. 87 *Leases* in fiscal year 2022.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied. Grants and donations are recognized as revenue in the fiscal year in which grantor eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The County considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related liability is incurred, as under accrual accounting. Debt service expenditures, both principal and interest, are recorded only when payment is due.

Major governmental fund revenue sources susceptible to accrual include sales and use taxes, property taxes, and investment income. In general, all other revenue items are considered to be measurable and available only when cash is received. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The County's funds are classified as either governmental or fiduciary and are described below.

Governmental Funds. Governmental funds are used to account for all or most of a government's general activity.

The *general fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The principal sources of revenues include local property taxes, fines, fees, license and permits, and intergovernmental revenue and grants. Expenditures include general government; judicial; public safety; and health and welfare.

The *debt service fund* is used to account for the collection of interest and sinking funds collected and expenditures for the payment of the County's certificates of obligation.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by the County, grantor, or statute, in a special revenue fund.

Fiduciary funds account for assets held by a government in a trustee or agency capacity on behalf of others.

Agency funds are used to account for assets received and held for the benefit of other funds, individuals, or organizations. Agency funds held by the county function as clearing accounts and 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.

As of September 30, 2020, the General Fund and 2016 GLO Flood Grant are reported as major governmental funds. The County has no proprietary funds.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

Deposits and Investments

The County maintains a pooled cash and cash equivalents account. Each fund whose monies are deposited in the pooled cash and cash equivalents account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month's end. Amounts on deposit in interest bearing accounts and other investment are displayed on the financial statements as "cash and cash equivalents". The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposit and short-term, highly liquid investments that are readily convertible to known amounts of cash and so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents include investments with original maturities of three months or less. Cash equivalents are stated at fair value.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

Deposits and Investments (continued)

Investments consist of certificates of deposit with maturities greater than three months and investment positions in local government investment pools, such as TexPool and Texas CLASS. Certificates of deposit are recorded at cost, which approximates market value on September 30, 2020. TexPool and Texas CLASS investments are reported using the pool's net asset value per share.

The County is required by the Public Funds Collateral Act (Government Code, chapter 2257) to maintain security for all deposits of funds that exceed coverage provided by the Federal Deposit Insurance Corporation ("FDIC"). As of the balance sheet date, the County's cash deposits were fully collateralized by securities pledged by the depository banks.

The County is required by the Public Funds Investment Act (Government Code, chapter 2256) (the "Act") to adopt, implement, and publicize a written investment policy which primarily emphasizes safety of principal and liquidity, and addresses investment diversification, yield, and maturity. Additionally, the policy must address the quality and capability of investment management and include the types of investments in which the entity may invest its funds, as well as the maximum allowable stated maturity of any individual investment, the maximum dollar-weighted average maturity allowed based on the stated maturity date for the portfolio of pooled fund groups and bid requirements for certificates of deposit.

The County is authorized to invest in financial instruments, as authorized by the Act, including:

- U.S. Treasury securities which have a liquid market; direct obligations of the State of Texas, and other obligations that are guaranteed by the State of Texas or United States of America;
- obligations of states, agencies, counties, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent;
- fully insured or collateralized certificates of deposit at commercial banks;
- repurchase agreements collateralized by U.S. Treasury or U.S. Government Agency securities in accordance with a master repurchase agreement;
- joint pools of political subdivisions in the State of Texas which invest in instruments and follow practices allowed by current law (the pool must be continuously rated no lower than "AAA" or "AAA-m" by at least one nationally recognized rating service).

Fair Value of Financial Instruments

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

Property Tax Receivables

Property taxes are levied on October 1 and are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On February 1 of each year, a tax lien attaches to property to secure payment of all taxes, penalties, and interest ultimately imposed. The County provides an allowance for all delinquent property taxes, calculated based on historical collection rates.

The County bills and collects for its own taxes and those for certain governmental entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the Tax Assessor’s Ad Valorem account in the agency funds. Tax collections deposited for the County are distributed on a periodic basis to the General and Road and Bridge Funds of the County. The distribution is based upon the tax rate established for each fund by order of the Commissioner’s Court for the tax year for which the collections are made.

The tax rate, per \$100 valuation, adopted for the fiscal year ended September 30, 2020, was as follows:

General fund	\$	0.43214
Lateral road		0.10909
Special road and bridge		0.04590
Debt service - lateral road		0.03656
Debt service - general		0.00799
Total	\$	<u>0.63168</u>

The appraisal of property within the County is the responsibility of the county-wide appraisal district which is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of the property within the County must be reviewed every three years by the appraisal district unless the County, at its own expense, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

Property tax receivables reflect outstanding and delinquent property tax levies and are shown net of an allowance for uncollectibles. The property tax receivable allowance is calculated based on historical collection rates.

Grant Receivables

Accounts receivable from other governments include amounts due from grantors in regard to approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements have been met and reimbursable costs are incurred.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

Capital Assets, Depreciation, and Amortization

The County's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and reported in the applicable governmental type activities column in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the County as assets with an initial, individual cost of \$2,500 or greater and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

The estimated useful lives are as follows:

Land improvements	5 to 20 years
Buildings	5 to 45 years
Machinery and equipment	3 to 15 years
Infrastructure	10 to 40 years

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The County has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, deferred amounts related to pension, and deferred amounts related to OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the County reports deferred amounts related to pension and deferred amounts related to OPEB.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation, personal time (hours worked on holidays), compensated time and sick pay benefits. Upon termination, the employee may be paid up to 176 hours of vacation time plus any personal or compensated time. An employee is not entitled to be paid for any accumulated sick time.

Amounts vested for accumulated vacation, personal, and compensated time that are not expected to be liquidated with expendable available financial resources are accrued in the government-wide statements.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the bond premiums or discounts. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period such activity occurs. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financial sources and as capital outlay in the acquiring fund. Lease payments representing both principal and interest are recorded as expenditures in the applicable fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

Pension and Other Post-Employment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the Fiduciary Net Position of the Texas County & District Retirement System ("TCDRS") and additions to/deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position and Fund Balances

In the government-wide financial statements, the difference between the County's total assets and total liabilities represents net position. Net position is displayed in three components – invested in capital assets, net of related debt; restricted; and unrestricted. As of September 30, 2020, restricted net position represents monies that are legally restricted for payment of debt service, road and bridge costs, capital projects, and other special projects or other activities for which special assessments or revenues have been received. Unrestricted net position represents the net assets available for future operations.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

Net Position and Fund Balances (continued)

In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable – amounts that cannot be spent either because they are in non-spendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes due to constraints imposed on resources either (a) externally by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The County reports amounts restricted for capital projects, debt service, road and bridge, and for special projects/purposes as they relate to grant funds.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Commissioners Court – the government’s highest level of decision-making authority. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Commissioners Court.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The county reports assigned fund balance for amounts set aside for the Historical Society.

Unassigned – amounts represent the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

As previously mentioned, sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Stewardship, Compliance, and Accountability

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. As of September 30, 2020, the FEMA DR 4223, FEMA DR 4332, and Sanitation funds had deficit balances in the amounts of \$352,356, 50,225, and \$174,459, respectively. The deficit is a result of the timing relating to payment of reimbursable grant expenditures for the FEMA funds and the charges for services in the Sanitation fund were not enough to cover expenditures which will be funded from the General Fund in the future.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Stewardship, Compliance, and Accountability (continued)

Budget Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, and Grant Funds. The appropriated budget is prepared by fund, function, and category/department. The County’s department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Commissioners. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. In the County’s major funds, expenditures exceeded appropriations at the legal level of budgetary control as follows:

<u>Category/department</u>	<u>Amount</u> <u>Exceeding Budget</u>
General Fund - Health and human services	\$ 8,580
2016 GLO Flood Grant - Roads and bridges	98,370

Note 3 - Detailed Notes on all Funds

A. Assets

Deposits and Investments

As of September 30, 2020, the County had the following investments:

	<u>Value</u>	<u>Weighted Average Maturity (days)</u>	<u>% of Portfolio</u>	<u>Investment Rating</u>
Investments by type				
Certificates of deposit	\$ 1,659,306	47	56%	
TexPool	1,321,251	38	44%	AAAm
Texas CLASS	<u>5,350</u>	56		AAAm
Total value	<u>\$ 2,985,907</u>		<u>100%</u>	
Portfolio weighted average maturity		43		

Interest Rate Risk. In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the maturity of any single investment to twelve months or less.

Credit Risk. State law and the County’s investment policy limit investments to obligations of states, agencies, counties, cities and other political subdivisions of any state rates as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent. As of September 30, 2020, the County’s investments in TexPool and Texas CLASS were rated “AAAm” by Standard and Poor’s. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States government.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned. As of September 30, 2020, the County’s cash deposits with depository banks totaled \$11,842,606. Included in the balances are certificates of deposit totaling \$1,659,306 and agency funds totaling \$570,501. All deposits were fully collateralized by securities pledged by the depository banks with total collateral value of \$14,432,623, in addition to FDIC coverage.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

A. Assets (continued)

Deposits and Investments (continued)

The County voluntarily invests in two local government investment pools: the Texas Local Government Investment Pool ("TexPool") and the Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"). Each public funds investment pool operates in full compliance with the Texas Public Investment Act.

TexPool. TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercised oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investments policy and management fee structure. Finally, Standard and Poor's rates TexPool "AAAm." As a requirement to maintain the ranking, weekly portfolio information must be submitted to Standard and Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions.

TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major national markets, general banking moratorium, or a national state of emergency that affects TexPool's liquidity.

Texas CLASS. The Texas Cooperative Liquid Assets Securities System Trust is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended (the "Act"). Texas CLASS is created under an Amended and Restated Trust Agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in the pool (the "Participants"), with Cutwater Investor Services Corporation as Program Administrator and Wells Fargo Bank Texas, NA as Custodian. Texas CLASS is not U.S. Securities and Exchange Commission ("SEC") registered and is not subject to regulation by the State of Texas. Under the Agreement, however, Texas CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, Texas CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of Texas CLASS. Separate financial statements for Texas CLASS may be obtained from Texas CLASS' website at www.texasclass.com.

TexPool and Texas CLASS use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool and Texas CLASS are the same as the value of TexPool and Texas CLASS shares.

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

A. Assets (continued)

Receivables

Receivable and Uncollectible Accounts. Receivables at year end for the County's individual major funds, including the related allowances for uncollectible accounts are as follows:

	Property Taxes	Sales Taxes	Grants	Totals
Receivables by Fund:				
General Fund	\$ 1,676,306	\$ 100,252	\$ 33,475	\$ 1,810,033
2016 GLO Flood Grant	-	-	742,998	742,998
Nonmajor governmental funds	784,685	-	677,069	1,461,754
Total Receivables, Gross	<u>2,460,991</u>	<u>100,252</u>	<u>1,453,542</u>	<u>4,014,785</u>
Allowance for uncollectibles	(123,049)	-	-	(123,049)
Total Receivables, Net	<u>\$ 2,337,942</u>	<u>\$ 100,252</u>	<u>\$ 1,453,542</u>	<u>\$ 3,891,736</u>

Capital Assets

	Balance 09/30/2019	Additions	Deletions	Balance 09/30/2020
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 2,030,081	\$ -	\$ -	\$ 2,030,081
Construction in progress	-	1,917,787	-	1,917,787
Total Capital Assets Not Being Depreciated	<u>2,030,081</u>	<u>1,917,787</u>	<u>-</u>	<u>3,947,868</u>
Capital Assets Being Depreciated:				
Land improvements	517,430	-	-	517,430
Buildings	10,104,904	-	-	10,104,904
Infrastructure	12,238,031	-	-	12,238,031
Machinery and equipment	203,633,249	614,755	(466,257)	203,781,747
Total Capital Assets Being Depreciated	<u>226,493,614</u>	<u>614,755</u>	<u>(466,257)</u>	<u>226,642,112</u>
Less Accumulated Depreciation:				
Land improvements	(380,093)	(17,879)	-	(397,972)
Buildings	(2,961,110)	(267,965)	-	(3,229,075)
Infrastructure	(9,168,654)	(715,221)	-	(9,883,875)
Machinery and equipment	(194,422,204)	(748,165)	362,927	(194,807,442)
Total Accumulated Depreciation	<u>(206,932,061)</u>	<u>(1,749,230)</u>	<u>362,927</u>	<u>(208,318,364)</u>
Total Capital Assets Being Depreciated, Net	<u>19,561,553</u>	<u>(1,134,475)</u>	<u>(103,330)</u>	<u>18,323,748</u>
Total Net Capital Assets	<u>\$ 21,591,634</u>	<u>\$ 783,312</u>	<u>\$ (103,330)</u>	<u>\$ 22,271,616</u>

The County's construction in progress relates to the CDBG 2016 GLO project which is near completion at fiscal year-end and the CDBG Harvey project which has approximately \$1.8 million remaining in construction commitments.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

A. Assets (continued)

Capital Assets (continued)

Depreciation expense was charged to the following functions/programs of governmental activities as follows:

	Depreciation Expense
General government	\$ 354,709
Tax administration	7,350
Roads and bridges	921,480
Administration of justice	70,025
Health and human services	395,666
Total Depreciation Expense	\$ 1,749,230

B. Liabilities

Accrued Expenses

As of September 30, 2020, accrued expenditures of the County's governmental funds are as follows:

Accrued Expenditures	Payroll Accrual	Payroll Liabilities	Construction Retainage	Other	Totals
General Fund	\$ 308,889	\$ 106,638	\$ -	\$ 12,993	\$ 428,520
2016 GLO Flood Grant	-	-	161,638	-	161,638
Nonmajor governmental funds	73,785	35,074	-	5,640	114,499
Total Accrued Expenditures	\$ 382,674	\$ 141,712	\$ 161,638	\$ 18,633	\$ 704,657

Due to Other Units

As of September 30, 2020, due to other units for the County's governmental funds are comprised of the following amounts:

Due to Other Units	State Fees	Miscellaneous Fees	Seizure Holding	Probate Bonds	Totals
General fund	\$ 109,518	\$ 19,528	\$ -	\$ 187,305	\$ 316,351
Nonmajor governmental funds	-	-	153,100	43,861	196,961
Total Due to Other Units	\$ 109,518	\$ 19,528	\$ 153,100	\$ 231,166	\$ 513,312

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

B. Liabilities (continued)

Unearned Revenue

As of September 30, 2020, unearned revenue of the County’s governmental funds is comprised of the following amounts:

Unearned Revenue	Nonmajor Governmental Funds
National Forest Funds	\$ 274,467
Coronavirus Relief Funds	243,629
Pre-Trial Diversion Programs	37,120
DEA Cannibas Grant	230
FEMA DR 4332	99,491
2020 Election CARES Act	125,389
Total Unearned Revenue	\$ 780,326

Capital Leases

The County has entered into lease agreements as lessee for financing the acquisition of machinery and equipment and vehicles. The agreements accrue interest at rates from 2.01% to 2.90% and are all for durations greater than one year. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Amount
Machinery and equipment	\$ 1,441,399
Less accumulated depreciation	(739,028)
Total	\$ 702,371

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020, were as follows:

	Capital Leases	
	Principal	Interest
2021	\$ 268,039	\$ 14,011
2022	216,556	7,401
2023	67,720	2,000
Total	\$ 552,315	\$ 23,412

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

B. Liabilities (continued)

Long-term Liabilities

Long-term liability activity for the year ended September 30, 2020, was as follows:

	Balance 9/30/2019	Additions	Reductions	Balance 09/30/2020	Due Within One Year
Long-term debt:					
Bonds payable:					
General obligation bonds	\$ 1,255,000	\$ -	\$ (400,000)	855,000	420,000
Premium	91,746	-	(30,582)	61,164	-
Total bonds payable	<u>1,346,746</u>	<u>-</u>	<u>(430,582)</u>	<u>916,164</u>	<u>420,000</u>
Tax notes	-	1,040,000	-	1,040,000	20,000
Capital leases	833,595	-	(281,280)	552,315	268,039
Compensated absences	572,200	176,824	(315,319)	433,705	193,018
	<u>\$ 2,752,541</u>	<u>\$ 1,216,824</u>	<u>\$ (1,027,181)</u>	<u>\$ 2,942,184</u>	<u>\$ 901,057</u>

In August 2020, the County issued Tax Notes, Series 2020, in the amount of \$1,040,000 at an interest rate of 1.09%. The proceeds are to be used for (i) construction of a new economic development center; (ii) construction of and improvements to County law enforcement center; (iii) construction of and improvements to County animal control facility; (iv) the acquisition of vehicles; and (v) pay the costs of professional services and the costs of issuance of the Notes.

The annual debt service requirements to maturity for long-term debt (excluding the unamortized bond premium) are as follows:

	General Obligation Refunding Bonds Series 2016		Tax Notes Series 2020		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
	2021	\$ 420,000	\$ 32,250	\$ 20,000	\$ 10,849	\$ 268,039
2022	435,000	10,875	20,000	11,009	216,556	7,401
2023	-	-	195,000	9,837	67,720	2,000
2024	-	-	200,000	7,684	-	-
2025	-	-	200,000	5,504	-	-
2026-2030	-	-	405,000	4,441	-	-
Total	<u>\$ 855,000</u>	<u>\$ 43,125</u>	<u>\$ 1,040,000</u>	<u>\$ 49,324</u>	<u>\$ 552,315</u>	<u>\$ 23,412</u>

At year end, the County had cash totaling \$354,129 available in the debt service fund to service long-term debt.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

B. Liabilities (continued)

Long-term Liabilities (continued)

Bonds payable and tax notes as of September 30, 2020, are comprised of the following:

<u>Type</u>	<u>Issue</u>	<u>Original Issuance Amount</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Debt Outstanding</u>
Public	G.O. Refunding Bonds, Series 2016	\$2,025,000	3.00% - 5.00%	2022	\$ 855,000
Private	Tax Notes, Series 2020	1,040,000	1.09%	2027	1,040,000
		<u>\$3,065,000</u>			<u>\$ 1,895,000</u>

The bonds and notes are secured by the County’s ad valorem taxes and require annual payments of principal and semi- annual payments of interest at varying amounts. The County is allowed to pay the bonds and notes from the proceeds of an additional ad valorem tax that may be levied by the County, and the County has pledged any such proceeds to secure the payment.

In the prior year’s the County refunded the Certificates of Obligation, Series 2007 with the General Obligation Refunding Bonds, Series 2016. As of February 15, 2017, there were no defeased bonds outstanding.

Capital Leases (Direct Borrowings). The County has entered into various lease purchase agreements for the purpose of purchasing equipment. The City did not enter into any new leases during the fiscal year/ The agreements accrue interest at rates from 2.01% to 2.90% and are all for durations greater than one year. Each lease purchase is collateralized by the equipment that each respective agreement serves to finance.

Bond Compliance Requirements

The bond ordinances require that during the period in which the bonds are outstanding, the County must create and maintain certain accounts or funds to receive the proceeds from the sale of the bonds and to account for the revenues (as defined) and/or taxes, which are pledged for payment of the bonds. The assets can be used only in accordance with the terms of the bond ordinance and for the specific purpose(s) designated therein.

Interfund Receivables, Payables, and Transfers

Interfund Balances. Interfund receivable and payable balances are the result of cash needed by a fund until the fund is able to generate sufficient revenues to cover expenditures. Utilizing a pooled cash system, interfund balances do not usually arise. Interfund “borrowing” is indicated as a deficit in pooled cash and reported on the fund financial statements as such. The following schedule summarizes the County’s interfund balances as of September 30, 2020:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ -	\$ 407,839
2016 GLO Flood grant	-	81,404
Nonmajor governmental funds	1,177,011	687,768
Totals	<u>\$ 1,177,011</u>	<u>\$ 1,177,011</u>

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

B. Liabilities (continued)

Interfund Receivables, Payables, and Transfers (continued)

Interfund Transfers. Transfers between funds are indicative of funding for capital projects; lease payments or debt service; subsidies of various County operations; and re-allocations of special revenues. The following schedule summarizes the County's transfers during the fiscal year:

Transfers Out:	Transfers in:			Total
	General Fund	2016 GLO Flood Grant	Nonmajor Governmental Funds	
General fund	\$ -	\$ -	\$ 414,491	\$ 414,491
Nonmajor governmental funds	217,956	121,000	223,471	562,427
Totals	\$ 217,956	\$ 121,000	\$ 637,962	\$ 976,918

Defined Benefit Pension Plan

Plan Description. The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide 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 677 nontraditional defined benefit pension plans. TCDRS issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available, upon written request, from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas, 78768-2034 or online at www.tcdrs.org.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS ("TCDRS Act"). Members can retire at age 60 and above with 5 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 5 years of service but must leave their accumulated contributions to the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits, with interest. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitments to contribute. At retirement, disability or death, 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, as prescribed by the TCDRS Act.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

B. Liabilities (continued)

Defined Benefit Pension Plan (continued)

Benefits Provided. The County provides retirement benefits for all of its full-time employees. TCDRS is a savings-based plan. For the County’s plan, 7% of each employee’s pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 180%) and is then converted to an annuity. There are no automatic cost of living adjustments. The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS.

Members can retire at ages 75 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.

Employees Covered by Benefit Terms. At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	142
Inactive employees entitled to but not yet receiving benefits	319
Active employees	197
	<hr style="width: 100%; border: 0.5px solid black;"/>
	658

Contributions and Actuarial Information. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings. The employee contribution rate may be changed by the County, within the options available in the TCDRS Act. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually, and the employer is required to contribute at that rate. The employer may increase its contribution rate and/or make additional contributions in excess of its annual required contribution.

The County has not elected the annually determined contribution rate (“ADCR”) plan provisions of the TCDRS Act. The County contributes using the actuarially determined rate of 8.51% for calendar year 2019 and 9.04% for calendar year 2020. The contribution rate payable by the employee members for fiscal year 2020 is the rate of 7.00% as adopted by the County. For fiscal year 2020, the County’s required contributions equaled actual contributions which totaled \$597,384.

The County’s Net Pension Liability/Asset (“NPL”) was measured as of December 31, 2019, and the Total Pension Liability (“TPL”) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The required contribution was determined as part of the December 31, 2019, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of December 31, 2019, included (a) 8.0% investment rate of return (net of administrative expenses), and (b) projected salary increases of 4.9%. Both (a) and (b) included an inflation component of 2.75%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The total pension liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period as of December 31, 2019 was 9.1 years.

Salary increases were based on a service-related table. Mortality rates for active members were based on 130% of the RP-2014 Active Employee Mortality Table for males and females, projected with 110% of the MP-2014 Ultimate scale after 2014.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

B. Liabilities (continued)

Defined Benefit Pension Plan (continued)

Mortality rates for active members were based on 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. For disabled annuitants, mortality rates were based on 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Updated mortality assumptions were adopted in 2019. All other actuarial assumptions that determined the total pension liability as of December 31, 2019 valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB 68. Assumptions are reviewed annually.

The long-term expected rate of return on pension plan investments is 8.0%. The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on April 2020 information for a 10-year time horizon.

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS. The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return
US Equities	14.50%	5.20%
Private Equity	20.00%	8.20%
Global Equities	2.50%	5.50%
International Equities - Developed Markets	7.00%	5.20%
International Equities - Emerging Markets	7.00%	5.70%
Investment-Grade Bonds	3.00%	-0.20%
Strategic Credit	12.00%	3.14%
Direct Lending	11.00%	7.16%
Distressed Debt	4.00%	6.90%
REIT Equities	3.00%	4.50%
Master Limited Partnerships (MLPs)	2.00%	8.40%
Private Real Estate Partnerships	6.00%	5.50%
Hedge Funds	8.00%	2.30%
Total	100.00%	

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

B. Liabilities (continued)

Defined Benefit Pension Plan (continued)

Discount Rate. The discount rate used to measure the Total Pension Liability was 8.10%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability/Asset. A schedule of changes in net pension liability/asset is as follows:

	<u>Increase (Decrease)</u>		<u>Net Pension Liability / (Asset) (A)-(B)</u>
	<u>Total Pension Liability (A)</u>	<u>Fiduciary Net Position (B)</u>	
Balance at 12/31/2018	\$ 19,241,395	\$ 17,591,606	\$ 1,649,789
Changes for the year:			
Service cost	749,935	-	749,935
Interest on total pension liability	1,570,712	-	1,570,712
Effect of economic/demographic gains or losses	101,195	-	101,195
Refund of contributions	(143,783)	(143,783)	-
Benefit payments	(1,079,695)	(1,079,695)	-
Administrative expenses	-	(15,445)	15,445
Member contributions	-	464,765	(464,765)
Net investment income	-	2,889,089	(2,889,089)
Employer contributions	-	565,024	(565,024)
Other	-	(3,808)	3,808
Balance at 12/31/2019	<u>\$ 20,439,759</u>	<u>\$ 20,267,753</u>	<u>\$ 172,006</u>

Sensitivity of the Net Pension Liability/Asset to Changes in the Discount Rate. The following presents the net pension liability/asset of the County, calculated using the discount rate of 8.10%, as well as what the County's net pension liability/asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	7.10%	8.10%	9.10%
Total Pension Liability	\$ 22,804,004	\$ 20,439,759	\$ 18,437,578
Fiduciary net position	20,267,753	20,267,753	20,267,753
Net Pension Liability/(Asset)	<u>\$ 2,536,251</u>	<u>\$ 172,006</u>	<u>\$ (1,830,175)</u>

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

B. Liabilities (continued)

Defined Benefit Pension Plan (continued)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions. For the year ended September 30, 2020 the County recognized pension expense of \$649,593.

As of September 30, 2020, the County reported deferred amounts related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 50,597	\$ -
Net difference between projected and actual investment earnings	-	(494,565)
Contributions subsequent to the measurement date	462,723	-
Totals, Governmental Activities	\$ 513,320	\$ (494,565)

The \$462,723 reported as deferred outflows of resources related to County contributions subsequent to the measurement date will be recognized as a reduction of the pension liability in the year ending September 30, 2021. Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Amount
2021	\$ (71,836)
2022	(142,574)
2023	64,967
2024	(294,525)
Total	\$ (443,968)

Other Post-Employment Benefits – Group Term Life Insurance Fund

Plan Description. The County participates in the retiree Group Term Life (GTL) program for the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system. The benefit terms of this program are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year. The County’s contribution rate for the retiree GTL program is calculated annually on an actuarial basis and is equal to the cost of providing a one-year death benefit equal to \$5,000.

Benefit Terms. The benefits provided by this program are as follows:

- All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan. Only employers that have elected participation in the retiree Group Term Life program are included in the OPEB plan.
- The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program.
- The OPEB benefit is a fixed \$5,000 lump-sum benefit.
- No future increases are assumed in the \$5,000 benefit amount.
- Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

B. Liabilities (continued)

Other Post-Employment Benefits – Group Term Life Insurance Fund (continued)

Employees Covered by Benefit Terms. At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	113
Inactive employees entitled to but not yet receiving benefits	75
Active employees	<u>197</u>
Total	<u><u>385</u></u>

Contributions and Actuarial Information. Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees’ entire careers. No assets are accumulated in a trust as defined by paragraph 4 of GASB Statement No. 75.

The total supplemental death benefit (“SDB”) contribution rates were 0.54% and 0.56% in calendar years 2019 and 2020, respectively. The retiree portion of the SDB contribution rates were 0.27% and 0.28% in calendar years 2019 and 2020, respectively. The County’s contributions to the GTLF for the year ended September 30, 2020 were \$18,605 and were equal to the contractually required contributions.

The County’s Total OPEB Liability (“TOL”) was measured as of December 31, 2019 and calculated based on an actuarial valuation as of that date.

Actuarial Assumptions. The Total OPEB Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Discount Rate	2.74%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line amortization over Expected Working Life

Mortality rates for service retirees were based on the RP-2014 Healthy Annuitant Mortality Table, with male rates multiplied by 130% and female rates multiplied by 110%, both projected with 110% of the MP-2014 Ultimate scale after 2014. For disabled retirees, the RP-2010 Disabled Annuitant Mortality Tables are used with male rates multiplied by 130% and female rates multiplied by 115%, both projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for depositing members were based on the RP-2014 Active Employee Mortality Table, with male and female rates multiplied by 90%, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Actuarial assumptions used in the December 31, 2019, valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2013 through December 31, 2016.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

B. Liabilities (continued)

Other Post-Employment Benefits – Group Term Life Insurance Fund (continued)

Changes in the Total OPEB Liability. A summary of changes in total OPEB liability follows:

	Total OPEB Liability
Balance at 12/31/2018	\$ 508,399
Changes for the year:	
Service cost	19,269
Interest on total OPEB liability	21,271
Effect of economic/demographic gains or losses	(8,564)
Effect of assumptions changes or inputs	128,892
Benefit payments	(17,927)
Balance at 12/31/2019	<u>\$ 651,340</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, calculated using the discount rate of 2.74%, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower and 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	1.74%	2.74%	3.74%
Total OPEB liability/(asset)	\$ 780,381	\$ 651,340	\$ 552,399

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB. For the year ended September 30, 2020, the County recognized net OPEB expense of \$53,686.

As of September 30, 2020, the County reported deferred amounts related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ (17,384)
Changes in actuarial assumptions	112,134	(33,623)
Contributions subsequent to the measurement date	14,332	-
Totals, Governmental Activities	<u>\$ 126,466</u>	<u>\$ (51,007)</u>

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

B. Liabilities (continued)

Other Post-Employment Benefits – Group Term Life Insurance Fund (continued)

The \$14,332 reported as deferred outflows of resources related to County contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending September 30, 2021. Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 13,146
2022	13,146
2023	10,767
2024	24,068
Total	\$ 61,127

Note 4 - Other Information

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The County provides insurance coverage for each of these risks. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims did not exceed this coverage during the current year.

Contingent Liabilities

All amounts received or receivable from grant agencies are subject to audit and adjustment by the granting agency. Any disallowed claims, including amounts already collected, may be required to be repaid to the granting agency. Amounts payable by the County in its capacity as a pass-through grantor have been accrued along with an offsetting grant receivable (i.e. should expenditures claimed by subrecipients be disallowed by the granting agency(ies), no liability to the County would exist). The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

Subsequent Events

On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. On March 13, 2020, the Governor of Texas (the “Governor”) declared a state of disaster for all counties in Texas in response to the COVID-19, which disaster declaration he has subsequently extended. In addition, the County Judge of San Jacinto County, also declared a local state of disaster.

The full extent of the ongoing impact of COVID-19 on the County’s fiscal year 2021 and longer-term operational and financial performance will depend on future developments, many of which are outside of its control, including the effectiveness of the mitigation strategies related to COVID-19, the duration and spread of COVID-19, and future governmental actions, all of which are highly uncertain and cannot be predicted.



REQUIRED SUPPLEMENTARY INFORMATION



SAN JACINTO COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variances
	Original	Final		Fav (Unfav)
	Adopted	Appropriated		Final to Actual
Revenues				
Property taxes	\$ 9,120,984	\$ 9,120,984	\$ 8,973,208	\$ (147,776)
General sales and uses taxes	466,500	466,500	618,609	152,109
Other taxes	38,000	38,000	48,558	10,558
Fines, fees, and forfeitures	982,800	982,800	864,463	(118,337)
Intergovernmental revenue	285,149	285,149	286,382	1,233
Licenses and permits	134,250	134,250	218,220	83,970
Charges for services	366,030	366,030	124,618	(241,412)
Investment earnings	1,745	1,745	26,181	24,436
Rent	16,000	16,000	16,396	396
Miscellaneous revenue	110,200	110,200	275,647	165,447
Total Revenues	11,521,658	11,521,658	11,452,282	(69,376)
Expenditures				
Current:				
General government	3,727,972	3,762,572	3,115,412	647,160
Tax administration	529,881	529,881	494,797	35,084
Health and human services	619,566	620,102	628,682	(8,580)
Administration of justice	6,636,730	6,731,921	6,492,866	239,055
Capital outlay	61,551	74,251	69,807	4,444
Total Expenditures	11,575,700	11,718,727	10,801,564	917,163
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,042)	(197,069)	650,718	847,787
Other Financing Sources (Uses)				
Issuance of tax note	400,000	400,000	-	(400,000)
Sale of capital assets	1,000	1,000	-	(1,000)
Operating transfers in	46,488	217,956	217,956	-
Operating transfers out	(393,446)	(393,446)	(414,491)	(21,045)
Total Other Financing Sources (Uses)	54,042	225,510	(196,535)	(422,045)
Net change in fund balances	-	28,441	454,183	425,742
Fund Balance-Beginning	3,243,757	3,243,757	3,243,757	-
Fund Balances - Ending	\$ 3,243,757	\$ 3,272,198	\$ 3,697,940	\$ 425,742

SAN JACINTO COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

2016 GLO FLOOD GRANT

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variances
	Original Adopted	Final Appropriated		Fav (Unfav) Final to Actual
Revenues				
Intergovernmental revenue	1,811,820	1,811,820	1,889,190	77,370
Total Revenues	<u>1,811,820</u>	<u>1,811,820</u>	<u>1,889,190</u>	<u>77,370</u>
Expenditures				
Current:				
Roads and bridges	1,911,820	1,911,820	2,010,190	(98,370)
Total Expenditures	<u>1,911,820</u>	<u>1,911,820</u>	<u>2,010,190</u>	<u>(98,370)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(100,000)</u>	<u>(100,000)</u>	<u>(121,000)</u>	<u>(21,000)</u>
Other Financing Sources (Uses)				
Operating transfers in	100,000	100,000	121,000	21,000
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>121,000</u>	<u>21,000</u>
Net change in fund balances	-	-	-	-
Fund Balance-Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAN JACINTO COUNTY, TEXAS
NOTES TO THE BUDGETARY COMPARISON SCHEDULES

Budgets and Budgetary Process

A proposed annual operating budget is filed by the County Judge and Commissioners' Court with the County Clerk's office and made available for public inspection at least 15 days prior to public budget hearing. Public hearings are conducted to obtain taxpayer comments. The budget is legally enacted by the Commissioners' Court on or before October 1, as required by statute. Only the Commissioners' Court may amend the budget. Under state statute, actual expenditures cannot exceed budgetary appropriations at any level for which the budget is formally approved. The legal level of budgetary control is at the department level. Budgets are adopted for all funds except the fiduciary funds.

Subsequent to approval, the Commissioners Court and County Judge may amend the legally adopted budget when unexpected modifications are required in estimated revenues and expenditures. All appropriations lapse at the end of each fiscal year. The County amended its budget several times during the year, with all budget amendments being approved by an act of the Commissioners Court.

Budget Expenditures in Excess of Appropriations

The legal level of budgetary control is the department level. Therefore, expenditures may not legally exceed budget appropriations at the department level. In the County's major funds, expenditures exceeded appropriations at the legal level of budgetary control as follows:

<u>Category/department</u>	<u>Amount</u> <u>Exceeding Budget</u>
General Fund - Health and human services	\$ 8,580
2016 GLO Flood Grant - Roads and bridges	98,370

SAN JACINTO COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
For the Last Six Measurement Years*

	Year Ended December 31 **					
	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 749,935	\$ 730,507	\$ 760,379	\$ 774,730	\$ 678,628	\$ 655,637
Interest on total pension liability	1,570,712	1,477,959	1,398,465	1,284,652	1,223,233	1,152,774
Effect of plan changes	-	-	-	-	(81,506)	120,272
Effect of assumption changes or inputs	-	-	121,120	-	189,032	-
Effect of economic/demographic (gains) or losses	101,195	84,719	(170,842)	14,831	(221,877)	(71,149)
Benefit payments/refunds of contributions	(1,223,478)	(1,113,699)	(1,082,599)	(1,017,996)	(1,029,081)	(957,675)
Net change in total pension liability	<u>1,198,364</u>	<u>1,179,486</u>	<u>1,026,523</u>	<u>1,056,217</u>	<u>758,429</u>	<u>899,859</u>
Total Pension Liability, Beginning	<u>19,241,395</u>	<u>18,061,909</u>	<u>17,035,386</u>	<u>15,979,169</u>	<u>15,220,740</u>	<u>14,320,881</u>
Total Pension Liability, Ending (A)	<u>\$ 20,439,759</u>	<u>\$ 19,241,395</u>	<u>\$ 18,061,909</u>	<u>\$ 17,035,386</u>	<u>\$ 15,979,169</u>	<u>\$ 15,220,740</u>
Fiduciary Net Position						
Employer contributions	\$ 565,024	\$ 539,317	\$ 524,105	\$ 535,610	\$ 510,994	\$ 498,304
Member contributions	464,765	432,443	424,132	410,005	375,337	352,263
Investment income net of investment expenses	2,889,089	(338,576)	2,321,024	1,101,128	29,358	956,051
Benefit payments/refunds of contributions	(1,223,478)	(1,113,699)	(1,082,599)	(1,017,996)	(1,029,081)	(957,675)
Administrative expenses	(15,445)	(14,130)	(12,030)	(11,957)	(10,704)	(11,134)
Other	(3,808)	(2,497)	(1,914)	40,118	97,604	23,229
Net change in fiduciary net position	<u>2,676,147</u>	<u>(497,142)</u>	<u>2,172,718</u>	<u>1,056,908</u>	<u>(26,492)</u>	<u>861,038</u>
Fiduciary Net Position, Beginning	<u>17,591,606</u>	<u>18,088,748</u>	<u>15,916,030</u>	<u>14,859,122</u>	<u>14,885,614</u>	<u>14,024,576</u>
Fiduciary Net Position, Ending (B)	<u>\$ 20,267,753</u>	<u>\$ 17,591,606</u>	<u>\$ 18,088,748</u>	<u>\$ 15,916,030</u>	<u>\$ 14,859,122</u>	<u>\$ 14,885,614</u>
Net Pension Liability / (Asset), Ending = (A) - (B)	<u>\$ 172,006</u>	<u>\$ 1,649,789</u>	<u>\$ (26,839)</u>	<u>\$ 1,119,356</u>	<u>\$ 1,120,047</u>	<u>\$ 335,126</u>
Fiduciary net position as a % of total pension liability	99.16%	91.43%	100.15%	93.43%	92.99%	97.80%
Pensionable covered payroll	\$ 6,639,497	\$ 6,177,753	\$ 6,059,030	\$ 5,662,320	\$ 5,361,948	\$ 5,032,889
Net pension liability as a % of covered payroll	2.59%	26.71%	-0.44%	19.77%	20.89%	6.66%

* GASB No. 68 requires ten years of data be presented, however GASB 68 was implemented during the fiscal year ended September 30, 2015.

** In accordance with GASB standards, the County has elected to present data calculated at the actuarial valuation/ measurement date, which occurs on December 31 of the year preceding each fiscal year.

SAN JACINTO COUNTY, TEXAS
SCHEDULE OF PENSION CONTRIBUTIONS
*For the Last Six Fiscal Years**

Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 510,994	\$ 510,994	\$ -	\$ 5,275,216	9.69%
2016	535,933	535,933	-	5,785,021	9.26%
2017	527,869	527,869	-	6,018,962	8.77%
2018	537,029	537,029	-	6,164,758	8.71%
2019	557,347	557,347	-	6,511,681	8.56%
2020	597,384	597,384	-	6,700,997	8.91%

** GASB No. 68 was implemented during the fiscal year ended September 30, 2015.
Ten years of data should be presented in the schedule, but data was unavailable prior to 2015.*

SAN JACINTO COUNTY, TEXAS
NOTES TO THE SCHEDULE OF PENSION CONTRIBUTIONS

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

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, Closed
Amortization Period	9.1 years (based on contribution rate calculate in 12/31/19 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	4.9% average over career including inflation, varies by age and service.
Investment Rate of Return	8.0%, net of investment expenses, including inflation
Cost-of-Living Adjustments	0.00%
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality, and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: Employer contributions reflect that a 2% flat COLA was adopted. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule.

**Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to the Schedule.*

SAN JACINTO COUNTY, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

*For the Last Three Measurement Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service cost	\$ 19,269	\$ 20,045	\$ 23,409
Interest on total OPEB liability	21,271	19,378	19,911
Effect of assumption changes or inputs	128,892	(56,039)	22,550
Effect of economic/demographic (gains) or losses	(8,564)	(10,455)	(10,650)
Benefit payments	<u>(17,927)</u>	<u>(15,444)</u>	<u>(15,148)</u>
Net Change in Total OPEB Liability	<u>142,941</u>	<u>(42,515)</u>	<u>40,072</u>
Total OPEB Liability - Beginning	<u>508,399</u>	<u>550,914</u>	<u>510,842</u>
Total OPEB Liability - Ending	<u>\$ 651,340</u>	<u>\$ 508,399</u>	<u>\$ 550,914</u>
 Related Ratios			
Covered employee payroll	\$ 6,639,497	\$ 6,177,753	\$ 6,059,030
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 9.81%	 8.23%	 9.09%

**GASB 75 was implemented during the fiscal year ended September 30, 2017.*

Ten years of data should be presented in the schedule, but data was unavailable prior to 2017.

SAN JACINTO COUNTY, TEXAS
SCHEDULE OF OPEB CONTRIBUTIONS
*For the Last Six Fiscal Years**

Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 13,770	\$ 13,770	\$ -	\$ 5,275,216	0.26%
2016	16,185	16,185	-	5,785,021	0.28%
2017	15,998	15,998	-	6,018,962	0.27%
2018	16,263	16,263	-	6,164,758	0.26%
2019	17,761	17,761	-	6,511,681	0.27%
2020	18,605	18,605	-	6,700,997	0.28%

** GASB No. 75 was implemented during the fiscal year ended September 30, 2017.
Ten years of data should be presented in the schedule, but data was unavailable prior to 2015.*

SAN JACINTO COUNTY, TEXAS

NOTES TO THE SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

Assumptions Used to Determine Contribution Rates

Discount Rate The TCDRS GTL program is treated as an unfunded OPEB plan because the GTL trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.74% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2019.

Mortality Rates
 Depositing Members 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.

Mortality Rates
 Service Retirees 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Mortality Rates
 Disabled Retirees 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Other Information

Notes No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.



OTHER SUPPLEMENTARY INFORMATION



**COMBINING AND INDIVIDUAL
NON-MAJOR FUND FINANCIAL
STATEMENTS AND SCHEDULES**

SAN JACINTO COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND – PRECINCT NO. 1

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variances
	Original Adopted	Final Appropriated		Fav (Unfav) Final to Actual
Revenues				
Property taxes	\$ 770,542	\$ 770,542	\$ 778,334	\$ 7,792
Other taxes	7,500	7,500	7,569	69
Intergovernmental revenue	13,500	13,500	118,777	105,277
Licenses and permits	142,000	142,000	220,682	78,682
Investment earnings	76	76	1,975	1,899
Miscellaneous revenue	5,100	5,100	9,483	4,383
Total Revenues	938,718	938,718	1,136,820	198,102
Expenditures				
Current:				
Roads and bridges	886,418	875,908	782,599	93,309
Capital outlay	270,000	375,277	353,069	22,208
Total Expenditures	1,156,418	1,251,185	1,135,668	115,517
Excess (Deficiency) of Revenues Over (Under) Expenditures	(217,700)	(312,467)	1,152	313,619
Other Financing Sources (Uses)				
Sale of capital assets	200	200	100,873	100,673
Operating transfers in	14,500	36,555	36,555	-
Operating transfers out	(47,000)	(68,000)	(68,000)	-
Total Other Financing Sources (Uses)	(32,300)	(31,245)	69,428	100,673
Net change in fund balances	(250,000)	(343,712)	70,580	414,292
Fund Balance-Beginning	697,891	697,891	697,891	-
Fund Balances - Ending	\$ 447,891	\$ 354,179	\$ 768,471	\$ 414,292

SAN JACINTO COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND – PRECINCT NO. 2

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variances
	Original Adopted	Final Appropriated		Fav (Unfav) Final to Actual
Revenues				
Property taxes	\$ 714,838	\$ 714,838	\$ 708,330	\$ (6,508)
Other taxes	8,000	8,000	7,569	(431)
Licenses and permits	151,600	151,600	212,102	60,502
Charges for services	3,400	3,400	-	(3,400)
Investment earnings	100	100	1,177	1,077
Miscellaneous revenue	5,000	5,000	8,562	3,562
Total Revenues	882,938	882,938	937,740	54,802
Expenditures				
Current:				
Roads and bridges	1,028,219	1,079,349	937,393	141,956
Capital outlay	50,000	85,000	80,887	4,113
Total Expenditures	1,078,219	1,164,349	1,018,280	146,069
Excess (Deficiency) of Revenues Over (Under) Expenditures	(195,281)	(281,411)	(80,540)	200,871
Other Financing Sources (Uses)				
Operating transfers in	19,081	36,273	138,691	102,418
Operating transfers out	(29,800)	(29,800)	(29,800)	-
Total Other Financing Sources (Uses)	(10,719)	6,473	108,891	102,418
Net change in fund balances	(206,000)	(274,938)	28,351	303,289
Fund Balance-Beginning	292,669	292,669	292,669	-
Fund Balances - Ending	\$ 86,669	\$ 17,731	\$ 321,020	\$ 303,289

SAN JACINTO COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND – PRECINCT NO. 3

For the Year Ended September 30, 2020

	Budgeted Amounts			Variances
	Original	Final	Actual	Fav (Unfav)
	Adopted	Appropriated		Final to Actual
Revenues				
Property taxes	\$ 843,178	\$ 843,178	\$ 840,710	\$ (2,468)
Other taxes	10,500	10,500	8,885	(1,615)
Licenses and permits	180,900	180,900	173,132	(7,768)
Investment earnings	20	20	698	678
Miscellaneous revenue	500	500	7,927	7,427
Total Revenues	<u>1,035,098</u>	<u>1,035,098</u>	<u>1,031,352</u>	<u>(3,746)</u>
Expenditures				
Current:				
Roads and bridges	1,148,134	1,211,673	875,723	335,950
Capital outlay	30,000	30,000	28,952	1,048
Total Expenditures	<u>1,178,134</u>	<u>1,241,673</u>	<u>904,675</u>	<u>336,998</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(143,036)</u>	<u>(206,575)</u>	<u>126,677</u>	<u>333,252</u>
Other Financing Sources (Uses)				
Sale of capital assets	-	-	23,773	23,773
Operating transfers in	-	-	57,006	57,006
Operating transfers out	(2,919)	(2,919)	(2,919)	-
Total Other Financing Sources (Uses)	<u>(2,919)</u>	<u>(2,919)</u>	<u>77,860</u>	<u>80,779</u>
Net change in fund balances	(145,955)	(209,494)	204,537	414,031
Fund Balance-Beginning	<u>692,440</u>	<u>692,440</u>	<u>692,440</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 546,485</u>	<u>\$ 482,946</u>	<u>\$ 896,977</u>	<u>\$ 414,031</u>

SAN JACINTO COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND – PRECINCT NO. 4

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variances
	Original Adopted	Final Appropriated		Fav (Unfav) Final to Actual
Revenues				
Property taxes	\$ 890,244	\$ 890,244	\$ 913,695	\$ 23,451
Other taxes	9,980	9,980	8,885	(1,095)
Intergovernmental revenue	6,000	6,000	6,000	-
Licenses and permits	165,200	165,200	226,982	61,782
Investment earnings	114	114	1,360	1,246
Miscellaneous revenue	1,000	1,000	87,055	86,055
Total Revenues	<u>1,072,538</u>	<u>1,072,538</u>	<u>1,243,977</u>	<u>171,439</u>
Expenditures				
Current:				
Roads and bridges	1,016,538	1,016,613	913,978	102,635
Capital outlay	30,000	30,000	27,950	2,050
Total Expenditures	<u>1,046,538</u>	<u>1,046,613</u>	<u>941,928</u>	<u>104,685</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>26,000</u>	<u>25,925</u>	<u>302,049</u>	<u>276,124</u>
Other Financing Sources (Uses)				
Operating transfers out	(26,000)	(26,000)	(26,000)	-
Total Other Financing Sources (Uses)	<u>(26,000)</u>	<u>(26,000)</u>	<u>(26,000)</u>	<u>-</u>
Net change in fund balances	-	(75)	276,049	276,124
Fund Balance-Beginning	<u>429,327</u>	<u>429,327</u>	<u>429,327</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 429,327</u>	<u>\$ 429,252</u>	<u>\$ 705,376</u>	<u>\$ 276,124</u>

SAN JACINTO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020

	Road and Bridge Fund Pct. No. 1	Road and Bridge Fund Pct. No. 2	Road and Bridge Fund Pct. No. 3	Road and Bridge Fund Pct. No. 4
Assets				
Cash and cash equivalents	\$ 944,387	\$ 392,630	\$ 953,013	\$ 795,526
Receivables:				
Property taxes, net of allowance	137,849	137,849	161,823	161,823
Grants	-	-	-	-
Due from other funds	-	-	17,987	-
Total Assets	<u>\$ 1,082,236</u>	<u>\$ 530,479</u>	<u>\$ 1,132,823</u>	<u>\$ 957,349</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	93,985	38,942	53,229	48,501
Accrued expenditures	18,452	20,147	20,794	21,280
Due to other funds	63,479	12,521	-	20,369
Due to other units	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>175,916</u>	<u>71,610</u>	<u>74,023</u>	<u>90,150</u>
Deferred Inflows of Resources				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	137,849	137,849	161,823	161,823
Total Deferred Inflows of Resources	<u>137,849</u>	<u>137,849</u>	<u>161,823</u>	<u>161,823</u>
Fund Balances:				
Restricted	768,471	321,020	896,977	705,376
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>768,471</u>	<u>321,020</u>	<u>896,977</u>	<u>705,376</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,082,236</u>	<u>\$ 530,479</u>	<u>\$ 1,132,823</u>	<u>\$ 957,349</u>

SAN JACINTO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020

	<u>FEMA DR 4223</u>	<u>FEMA DR 4269</u>	<u>FEMA DR 4272</u>	<u>FEMA DR 4332</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 48,448
Receivables:				
Property taxes, net of allowance	-	-	-	-
Grants	327,556	-	-	-
Due from other funds	-	-	-	1,021
Total Assets	<u>\$ 327,556</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,469</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	-	-	-	-
Accrued expenditures	-	-	-	203
Due to other funds	352,356	-	-	-
Due to other units	-	-	-	-
Unearned revenue	-	-	-	99,491
Total Liabilities	<u>352,356</u>	<u>-</u>	<u>-</u>	<u>99,694</u>
Deferred Inflows of Resources				
Unavailable revenue - grants	327,556	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>327,556</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	(352,356)	-	-	(50,225)
Total Fund Balances	<u>(352,356)</u>	<u>-</u>	<u>-</u>	<u>(50,225)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 327,556</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,469</u>

SAN JACINTO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020

	Debt Service Fund	Capital Improvements Fund	Sanitation	National Forest Funds
Assets				
Cash and cash equivalents	\$ 354,129	\$ 113	\$ -	\$ 274,467
Receivables:				
Property taxes, net of allowance	146,107	-	-	-
Grants	-	-	-	-
Due from other funds	143,734	1,001,706	-	-
Total Assets	<u>\$ 643,970</u>	<u>\$ 1,001,819</u>	<u>\$ -</u>	<u>\$ 274,467</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	-	-	32,128	-
Accrued expenditures	-	-	20,403	-
Due to other funds	-	-	121,928	-
Due to other units	-	-	-	-
Unearned revenue	-	-	-	274,467
Total Liabilities	<u>-</u>	<u>-</u>	<u>174,459</u>	<u>274,467</u>
Deferred Inflows of Resources				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	146,107	-	-	-
Total Deferred Inflows of Resources	<u>146,107</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	497,863	1,001,819	-	-
Assigned	-	-	-	-
Unassigned	-	-	(174,459)	-
Total Fund Balances	<u>497,863</u>	<u>1,001,819</u>	<u>(174,459)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 643,970</u>	<u>\$ 1,001,819</u>	<u>\$ -</u>	<u>\$ 274,467</u>

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020

	CDBG Hurricane Harvey Grant	Seizure Holdings	Local Special Revenue Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ -	\$ 344,657	\$ 1,639,284	\$ 5,746,654
Receivables:				
Property taxes, net of allowance	-	-	-	745,451
Grants	326,324	-	23,189	677,069
Due from other funds	-	-	12,563	1,177,011
Total Assets	\$ 326,324	\$ 344,657	\$ 1,675,036	\$ 8,346,185
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	326,324	-	8,723	601,832
Accrued expenditures	-	-	13,220	114,499
Due to other funds	-	-	117,115	687,768
Due to other units	-	153,100	43,861	196,961
Unearned revenue	-	-	406,368	780,326
Total Liabilities	326,324	153,100	589,287	2,381,386
Deferred Inflows of Resources				
Unavailable revenue - grants	-	-	-	327,556
Unavailable revenue - property taxes	-	-	-	745,451
Total Deferred Inflows of Resources	-	-	-	1,073,007
Fund Balances:				
Restricted	-	191,557	1,168,765	5,551,848
Assigned	-	-	35,800	35,800
Unassigned	-	-	(118,816)	(695,856)
Total Fund Balances	-	191,557	1,085,749	4,891,792
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 326,324	\$ 344,657	\$ 1,675,036	\$ 8,346,185

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2020

	Road and Bridge Fund Pct. No. 1	Road and Bridge Fund Pct. No. 2	Road and Bridge Fund Pct. No. 3	Road and Bridge Fund Pct. No. 4
Revenues				
Property taxes	\$ 778,334	\$ 708,330	\$ 840,710	\$ 913,695
Other taxes	7,569	7,569	8,885	8,885
Fines, fees, and forfeitures	-	-	-	-
Intergovernmental revenue	118,777	-	-	6,000
Licenses and permits	220,682	212,102	173,132	226,982
Charges for services	-	-	-	-
Investment earnings	1,975	1,177	698	1,360
Rent	-	-	-	-
Miscellaneous revenue	9,483	8,562	7,927	87,055
Total Revenues	1,136,820	937,740	1,031,352	1,243,977
Expenditures				
Current:				
General government	-	-	-	-
Roads and bridges	782,599	937,393	875,723	913,978
Health and human services	-	-	-	-
Administration of justice	-	-	-	-
Pass-through expenditures	-	-	-	-
Capital outlay	353,069	80,887	28,952	27,950
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Debt service - issuance cost	-	-	-	-
Total Expenditures	1,135,668	1,018,280	904,675	941,928
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,152	(80,540)	126,677	302,049
Other Financing Sources (Uses)				
Issuance of tax note	-	-	-	-
Sale of capital assets	100,873	-	23,773	-
Operating transfers in	36,555	138,691	57,006	-
Operating transfers out	(68,000)	(29,800)	(2,919)	(26,000)
Total Other Financing Sources (Uses)	69,428	108,891	77,860	(26,000)
Net change in fund balances	70,580	28,351	204,537	276,049
Fund Balance-Beginning	697,891	292,669	692,440	429,327
Fund Balances - Ending	\$ 768,471	\$ 321,020	\$ 896,977	\$ 705,376

SAN JACINTO COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020**

	<u>FEMA DR 4223</u>	<u>FEMA DR 4269</u>	<u>FEMA DR 4272</u>	<u>FEMA DR 4332</u>
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Fines, fees, and forfeitures	-	-	-	-
Intergovernmental revenue	156,571	26,433	75,985	505,473
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Rent	-	-	-	-
Miscellaneous revenue	-	-	-	-
Total Revenues	<u>156,571</u>	<u>26,433</u>	<u>75,985</u>	<u>505,473</u>
Expenditures				
Current:				
General government	-	-	-	-
Roads and bridges	24,800	-	-	28,638
Health and human services	-	-	-	-
Administration of justice	-	-	-	-
Pass-through expenditures	-	-	-	-
Capital outlay	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Debt service - issuance cost	-	-	-	-
Total Expenditures	<u>24,800</u>	<u>-</u>	<u>-</u>	<u>28,638</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>131,771</u>	<u>26,433</u>	<u>75,985</u>	<u>476,835</u>
Other Financing Sources (Uses)				
Issuance of tax note	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	(26,433)	(75,985)	(260,546)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(26,433)</u>	<u>(75,985)</u>	<u>(260,546)</u>
Net change in fund balances	131,771	-	-	216,289
Fund Balance-Beginning	<u>(484,127)</u>	<u>-</u>	<u>-</u>	<u>(266,514)</u>
Fund Balances - Ending	<u>\$ (352,356)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,225)</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020**

	Debt Service Fund	Capital Improvements Fund	Sanitation	National Forest Funds
Revenues				
Property taxes	\$ 907,567	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Fines, fees, and forfeitures	-	-	-	-
Intergovernmental revenue	-	-	-	203,978
Licenses and permits	-	-	295,084	-
Charges for services	-	-	18,454	-
Investment earnings	-	19	174	-
Rent	-	-	-	-
Miscellaneous revenue	-	-	-	-
Total Revenues	907,567	19	313,712	203,978
Expenditures				
Current:				
General government	-	-	-	-
Roads and bridges	-	-	-	112,776
Health and human services	-	-	545,335	-
Administration of justice	-	-	-	-
Pass-through expenditures	-	-	-	91,202
Capital outlay	-	-	3,099	-
Debt service - principal	681,280	-	-	-
Debt service - interest	70,095	-	-	-
Debt service - issuance cost	-	38,294	-	-
Total Expenditures	751,375	38,294	548,434	203,978
Excess (Deficiency) of Revenues Over (Under) Expenditures	156,192	(38,275)	(234,722)	-
Other Financing Sources (Uses)				
Issuance of tax note	-	1,040,000	-	-
Sale of capital assets	-	-	-	-
Operating transfers in	32,038	-	282,180	-
Operating transfers out	-	-	-	-
Total Other Financing Sources (Uses)	32,038	1,040,000	282,180	-
Net change in fund balances	188,230	1,001,725	47,458	-
Fund Balance-Beginning	309,633	94	(221,917)	-
Fund Balances - Ending	\$ 497,863	\$ 1,001,819	\$ (174,459)	\$ -

SAN JACINTO COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2020

	CDBG Hurricane Harvey Grant	Seizure Holdings	Local Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 4,148,636
Other taxes	-	-	22,239	55,147
Fines, fees, and forfeitures	-	268,762	256,247	525,009
Intergovernmental revenue	345,726	-	192,506	1,631,449
Licenses and permits	-	-	-	1,127,982
Charges for services	-	-	39,291	57,745
Investment earnings	-	-	2,488	7,891
Rent	-	-	5,550	5,550
Miscellaneous revenue	-	-	33,085	146,112
Total Revenues	<u>345,726</u>	<u>268,762</u>	<u>551,406</u>	<u>7,705,521</u>
Expenditures				
Current:				
General government	345,726	-	129,908	475,634
Roads and bridges	-	-	-	3,675,907
Health and human services	-	-	213,010	758,345
Administration of justice	-	77,205	235,786	312,991
Pass-through expenditures	-	-	-	91,202
Capital outlay	-	-	50,991	544,948
Debt service - principal	-	-	-	681,280
Debt service - interest	-	-	-	70,095
Debt service - issuance cost	-	-	-	38,294
Total Expenditures	<u>345,726</u>	<u>77,205</u>	<u>629,695</u>	<u>6,648,696</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>191,557</u>	<u>(78,289)</u>	<u>1,056,825</u>
Other Financing Sources (Uses)				
Issuance of tax note	-	-	-	1,040,000
Sale of capital assets	-	-	-	124,646
Operating transfers in	-	-	91,492	637,962
Operating transfers out	-	-	(72,744)	(562,427)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>18,748</u>	<u>1,240,181</u>
Net change in fund balances	-	191,557	(59,541)	2,297,006
Fund Balance-Beginning	<u>-</u>	<u>-</u>	<u>1,145,290</u>	<u>2,594,786</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 191,557</u>	<u>\$ 1,085,749</u>	<u>\$ 4,891,792</u>

SAN JACINTO COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2020

	<u>District Clerk's Regular Fund</u>	<u>District Clerk's Escrow Fund</u>	<u>Sheriff's Commissary Fund</u>	<u>Other Agency Funds</u>	<u>Memorial Wall Fund</u>	<u>Total Agency Funds</u>
Assets						
Cash and cash equivalents	\$ 680,374	\$ 108,700	\$ 5,820	\$ 1,125,005	\$ 661	\$ 1,920,560
Total Assets	<u>\$ 680,374</u>	<u>\$ 108,700</u>	<u>\$ 5,820</u>	<u>\$ 1,125,005</u>	<u>\$ 661</u>	<u>\$ 1,920,560</u>
Liabilities						
Due to other units	\$ 680,374	\$ 108,700	\$ -	\$ 516,173	\$ 661	\$ 1,305,908
Amounts held for others	-	-	5,820	608,832	-	614,652
Total Liabilities	<u>\$ 680,374</u>	<u>\$ 108,700</u>	<u>\$ 5,820</u>	<u>\$ 1,125,005</u>	<u>\$ 661</u>	<u>\$ 1,920,560</u>

SAN JACINTO COUNTY, TEXAS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

September 30, 2020

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
District Clerk's Regular Fund				
Cash and cash equivalents	\$ 536,925	\$ 299,832	\$ (156,383)	\$ 680,374
District Clerk's Escrow Fund				
Cash and cash equivalents	108,700	-	-	108,700
Sheriff's Commissary Fund				
Cash and cash equivalents	5,406	15,188	(14,774)	5,820
Other Agency Funds				
Cash and cash equivalents	1,210,877	10,205,601	(10,291,473)	1,125,005
Memorial Wall Fund				
Cash and cash equivalents	661	-	-	661
Total Assets	<u>\$ 1,862,569</u>	<u>\$ 10,520,621</u>	<u>\$ (10,462,630)</u>	<u>\$ 1,920,560</u>
District Clerk's Regular Fund				
Due to other units	\$ 536,925	\$ 299,832	\$ (156,383)	\$ 680,374
District Clerk's Escrow Fund				
Due to other units	108,700	-	-	108,700
Sheriff's Commissary Fund				
Amounts held for others	5,407	15,188	(14,775)	5,820
Other Agency Funds				
Due to other units	788,241	9,997,994	(10,270,062)	516,173
Amounts held for others	422,636	207,607	(21,411)	608,832
Memorial Wall Fund				
Due to other units	661	-	-	661
Total Liabilities	<u>\$ 1,862,570</u>	<u>\$ 10,520,621</u>	<u>\$ (10,462,631)</u>	<u>\$ 1,920,560</u>