

*ANNUAL FINANCIAL REPORT*  
of  
**SAN JACINTO COUNTY, TEXAS**

For the Year Ended  
September 30, 2015

**Prepared by:  
County Auditor's Office**

**Carole Martin  
County Auditor**

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# SAN JACINTO COUNTY, TEXAS

## TABLE OF CONTENTS

September 30, 2015

<b><u>INTRODUCTORY SECTION</u></b>		<b><u>Page</u></b>
List of Elected and Appointed Officials		2
Organizational Chart		3
<b><u>FINANCIAL SECTION</u></b>		
<b>Independent Auditors' Report</b>		7
<b>Management's Discussion and Analysis (Required Supplementary Information)</b>		13
<b><u>BASIC FINANCIAL STATEMENTS</u></b>		
<b>Government-Wide Financial Statements</b>		
Statement of Net Position		23
Statement of Activities		24
<b>Governmental Funds Financial Statements</b>		
Balance Sheet – Governmental Funds		26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position		29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds		30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities		33
<b>Fiduciary Funds Financial Statements</b>		
Statement of Fiduciary Net Position – Fiduciary Funds		35
<b>Notes to Financial Statements</b>		37
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund		58
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Road and Bridge Fund		60
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Grants Fund		61
Schedule of Changes in Net Pension Liability and Related Ratios – Texas County and District Retirement System		63
Schedule of Contributions – Texas County and District Retirement System		64
<b><u>COMBINING STATEMENTS AND SCHEDULES</u></b>		
Combining Balance Sheet – Nonmajor Governmental Funds		68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds		74
Combining Balance Sheet – Road and Bridge Funds		80

# SAN JACINTO COUNTY, TEXAS

## TABLE OF CONTENTS (Continued)

September 30, 2015

	<u>Page</u>
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Road and Bridge Funds	82
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	85
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Road and Bridge Fund – Precincts One through Four	86
Combining Statement of Net Position – Agency Funds	90
Combining Statement of Changes in Assets and Liabilities – Agency Funds	95

### STATISTICAL SECTION

Property Tax Rates – Direct and Overlapping Governments	98
Principal Property Taxpayers	101
Full-Time Equivalent Employees by Function	103

# ***INTRODUCTORY SECTION***

# **SAN JACINTO COUNTY, TEXAS**

## ***LIST OF ELECTED AND APPOINTED OFFICIALS***

September 30, 2015

### **COMMISSIONERS' COURT:**

John Lovett	County Judge
Ray McCoppin	Commissioner, Precinct #1
Donny Marrs	Commissioner, Precinct #2
Thomas Bonds	Commissioner, Precinct #3
Mark Nettuno	Commissioner, Precinct #4

### **JUDICIAL:**

Robert H. Trapp	District Attorney
Rebecca Capers	District Clerk

### **COUNTY COURT AT LAW:**

Dawn Wright	County Clerk
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### **JUSTICE COURTS:**

Beth Sewell	Justice of the Peace, Precinct #1
Harris Blanchette	Justice of the Peace, Precinct #2
Randy Ellisor	Justice of the Peace, Precinct #3
Greg Magee	Justice of the Peace, Precinct #4

### **LAW ENFORCEMENT:**

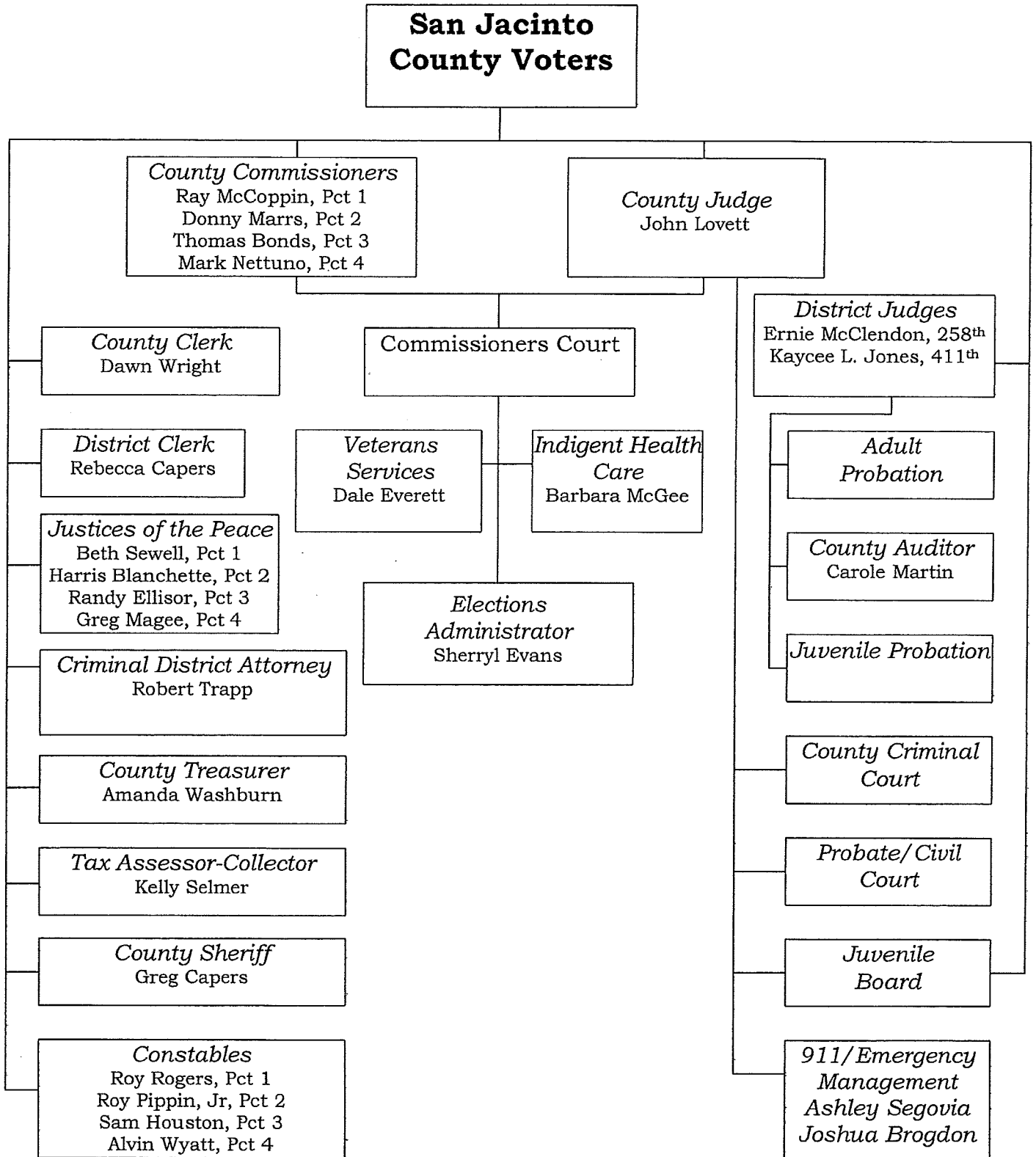
Greg Capers	County Sheriff
Roy Rogers	Constable, Precinct #1
Roy Pippin, Jr.	Constable, Precinct #2
Sam Houston	Constable, Precinct #3
Alvin Wyatt	Constable, Precinct #4

### **FINANCIAL ADMINISTRATION:**

Kelly Selmer	Tax Assessor/Collector
Amanda Washburn	County Treasurer
Carole Martin	County Auditor*

\*Designated appointed official. All others are elected.

**SAN JACINTO COUNTY, TEXAS**  
**ORGANIZATIONAL CHART**  
 September 30, 2015



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***FINANCIAL SECTION***

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## ***INDEPENDENT AUDITORS' REPORT***

To the Honorable County Judge and  
Members of the Commissioners' Court of  
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, 2015, 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's 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2015, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

In 2015, the County adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, and schedule of contributions for the Texas County and District Retirement System, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *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, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the financial statements.

The combining 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 statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2016 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* in considering the County's internal control over financial reporting and compliance.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
August 1, 2016

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***MANAGEMENT'S DISCUSSION AND ANALYSIS***

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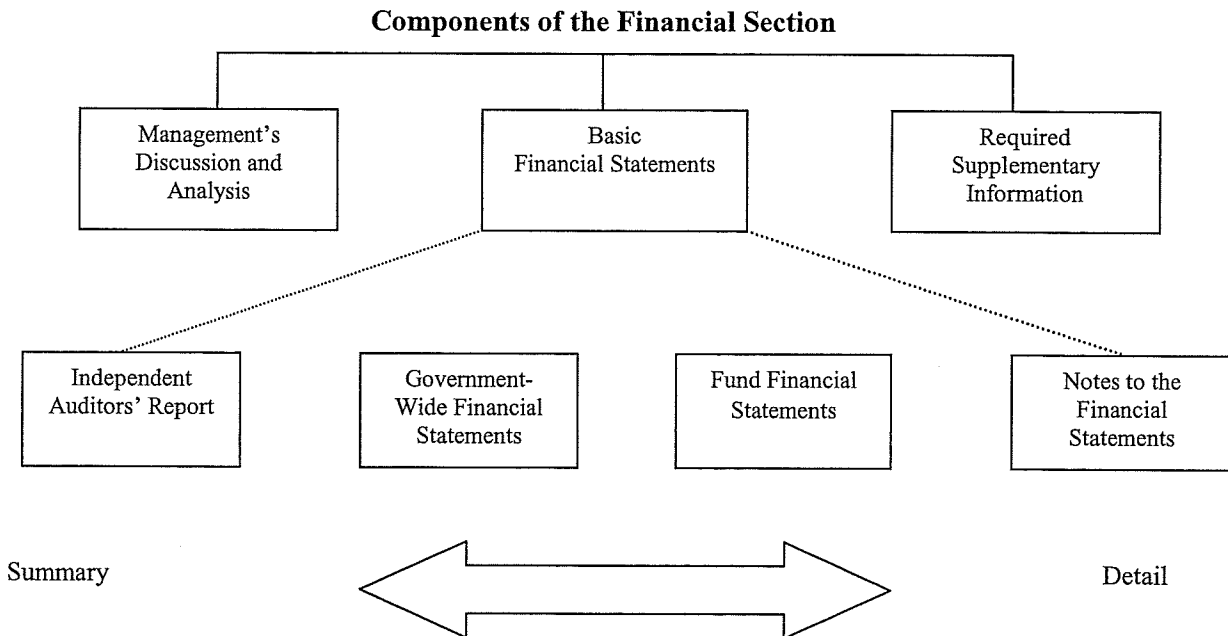
# SAN JACINTO COUNTY, TEXAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2015

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of San Jacinto County, Texas (the "County") for the year ending September 30, 2015. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the County's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the County's financial statements, which follow this section.

### THE STRUCTURE OF OUR ANNUAL REPORT



The County's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

### GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information for the County as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the County as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the County's financial statements, report information on the County's activities that enable the reader to understand the financial condition of the County. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the County's assets, liabilities, and deferred outflows/inflows of resources, with the difference 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. Other non-financial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered in order to assess the overall health of the County.

**SAN JACINTO COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2015

The Statement of Activities presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows using the accrual method rather than modified accrual that is used in the fund level statements.

In the Statement of Net Position and the Statement of Activities, the County has only one type of activity:

1. *Governmental Activities* – The County's basic services are reported here such as general government, administration of justice, roads and bridges, health and human services, tax administration, and interest and fiscal agent fees on long-term debt. Property tax, sales tax, charges for services, and operating and capital grants and contribution revenue finance most of these activities.

The government-wide financial statements can be found after the MD&A.

## **FUND FINANCIAL STATEMENTS**

Funds may be considered as operating companies of the parent corporation, which is the County. They are usually segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of County funds are governmental and fiduciary.

### **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*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the County's near-term financing requirements.

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

The County maintains 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, road and bridge fund, grants fund, and seizure fund which are considered to be major funds for reporting purposes.

The County adopts an annual appropriated budget for its general, road and bridge, grants, and debt service funds. Budgetary comparison schedules have been provided for the general, road and bridge, grants, and debt service funds to demonstrate compliance with these budgets.

**SAN JACINTO COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2015**

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for the government-wide statements. The County maintains 11 fiduciary funds. The County's fiduciary activities are reported separately in a statement of fiduciary net position.

**Notes to Financial Statements**

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

**Other Information**

In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general fund, road and bridge fund, and grants fund, as well as a schedule of changes in net pension liability and related ratios, and schedule of contributions for the Texas County and District Retirement System. RSI can be found after the notes to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve, over time, as a useful indicator of the County's financial position. Assets and deferred outflows exceed liabilities and deferred inflows by \$26,238,517 as of September 30, 2015. This compares to \$24,591,769 from the prior fiscal year, which is an increase of seven percent. This increase is primarily due to an increase in operating grants for construction of infrastructure. A portion of the County's net position, 74 percent, reflects its investments in capital assets (e.g., construction in progress, building, equipment, and infrastructure) less any debt used to acquire those assets that is still outstanding. 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 assets themselves cannot be used to liquidate these liabilities.

**SAN JACINTO COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2015

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
Current and other assets	\$ 9,165,326	\$ 8,628,193
Capital assets, net	23,367,834	22,049,047
<b>Total Assets</b>	<b>32,533,160</b>	<b>30,677,240</b>
Deferred outflows - pension	516,654	367,635
<b>Total Deferred Outflows of Resources</b>	<b>516,654</b>	<b>367,635</b>
Long-term liabilities	4,745,549	4,948,606
Other liabilities	2,018,315	1,504,500
<b>Total Liabilities</b>	<b>6,763,864</b>	<b>6,453,106</b>
Deferred inflows - pension	47,433	-
<b>Total Deferred Inflows of Resources</b>	<b>47,433</b>	<b>-</b>
<b>Net Position:</b>		
Net investment in capital assets	19,295,431	17,818,900
Restricted	1,767,681	1,827,403
Unrestricted	5,175,405	4,945,466
<b>Total Net Position</b>	<b>\$ 26,238,517</b>	<b>\$ 24,591,769</b>

A portion of the County's net position, \$1,767,681 or six percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$5,175,405 or 20 percent, may be used to meet the County's ongoing obligation to citizens and creditors.

During the current fiscal year, the County's total net position increased by \$1,646,748. This increase is primarily attributable to operating grants and contributions.

Current assets increased by \$537,133 to \$9,165,326 as compared to capital assets, which increased by \$1,318,787 to \$23,367,834. The significant increase in capital assets is due to the addition of the ongoing construction in progress with the Texas General Land Office's grant-related construction projects. Long-term liabilities decreased by \$203,057 in fiscal year 2015, due to current year debt reductions from scheduled payments.

**SAN JACINTO COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2015

**Statement of Activities:**

The following table provides a summary of the County's changes in net position:

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 2,550,350	\$ 2,641,250
Operating grants and contributions	2,456,412	1,011,498
Capital grants and contributions	14,400	6,518,760
General revenues:		
Taxes	10,272,520	9,576,000
Investment income	6,635	8,706
Other revenues	640,444	289,011
<b>Total Revenues</b>	<b>15,940,761</b>	<b>20,045,225</b>
<b>Expenses</b>		
General government	3,166,408	2,569,507
Administration of justice	5,929,330	5,086,785
Roads and bridges	4,255,855	4,303,353
Health and human services	400,458	968,918
Tax administration	396,188	338,767
Interest and fiscal agent fees on long-term debt	145,774	170,397
<b>Total Expenses</b>	<b>14,294,013</b>	<b>13,437,727</b>
<b>Change in Net Position</b>	<b>1,646,748</b>	<b>6,607,498</b>
Beginning net position	24,591,769	17,984,271
<b>Ending Net Position</b>	<b>\$ 26,238,517</b>	<b>\$ 24,591,769</b>

Total governmental revenues decreased by \$4,104,464 from the prior year. This decrease is primarily due to the result of less capital grants and contributions offset by more tax revenue from higher property values. Other revenue increased primarily due to more reimbursements and revenue from developers.

Governmental expenses increased by \$856,286 from the prior year. This increase is attributable to an increase in expenses in maintenance for road and bridges, data processing, and payroll for new personnel.

**SAN JACINTO COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2015

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

**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 balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

The County's governmental funds reflect a combined fund balance of \$5,150,559. Of this, \$982 is restricted for debt service, \$2,379 is restricted for capital projects, \$889,892 is restricted for road and bridge, and \$874,428 is restricted for special projects. The amount of unassigned fund balance is \$3,382,878.

The fund balance of the general fund had a decrease of \$309,660 with an ending fund balance of \$3,382,878. This change can be attributed to spending more on operational expenditures than in the prior year. The general fund is the chief operating fund of the County. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned and total fund balance represents 37 percent of total general fund expenditures.

There was a decrease of \$1,565 in the debt service fund providing an ending fund balance of \$982. Debt service payments totaled \$971,224 for the year.

The road and bridge fund had a decrease in fund balance of \$76,155, which brings the ending fund balance to \$889,892. The decrease was primarily due to a decrease in property tax revenue and an increase in expenses related to road and bridge projects.

There was a decrease in grant revenues and expenditures when compared to the prior year in the grant fund, which was primarily due to decreases in monies received from Texas General Land Office for the construction of an emergency shelter, street improvements, and the purchase of generators. Several projects related to grant expenditures were completed in the current year.

The seizure fund is a new major fund this year. Through increased activity, law enforcement was able to seize assets that are being held by the County. The fund recognized an increase in cash and related liability without recognizing revenues and expenses. Revenues and expenses will be recognized as cases clear the judicial system and revenues or an expense will be recognized upon settlement.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

General fund expenditures were under the final budget by \$803,607. This positive expenditure variance is primarily due to less money being spent in various departments than expected. The general fund's budgeted revenues were over actual revenues by \$714,051.

**CAPITAL ASSETS**

At the end of the year, the County's governmental activities had invested \$23,367,834 in a variety of capital assets and infrastructure, net of depreciation.

**SAN JACINTO COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2015**

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

- Construction of an emergency shelter, street improvements, and purchase of generators
- Vehicles for the Sheriff's and other departments
- Tyler Technologies financial software system

More detailed information about the County's capital assets is presented in note III.C to the financial statements.

**LONG-TERM DEBT**

At the end of the year, the County reported certificates of obligation and capital leases of \$4,072,403. The County acquired financing of \$525,847 utilizing capital leases during fiscal year 2015.

The County's certificates of obligation have been successful in qualifying for bond insurance resulting in ratings of "A2" and "AA" by Moody's and Standard & Poor's, respectively.

More detailed information about the County's long-term liabilities is presented in note III.D to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The County's property tax rate for the fiscal year 2015-2016 will remain at \$0.6480. Property tax revenue is expected to increase by approximately \$463,000, which is primarily due to new property added to the tax roll. The County has budgeted general expenditures to be approximately \$10.3 million, which is a slight increase from the prior year.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the County's finances. Questions concerning this report or requests for additional financial information should be directed to Carole Martin, San Jacinto County Auditor, One State Hwy 150, Coldspring, Texas 77331.

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***BASIC FINANCIAL STATEMENTS***

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# SAN JACINTO COUNTY, TEXAS

## STATEMENT OF NET POSITION

September 30, 2015

	<u>Primary Government Governmental Activities</u>
<b><u>Assets</u></b>	
Current assets:	
Cash and cash equivalents	\$ 6,640,776
Receivables, net	2,515,934
Due from other units	8,616
<b>Total Current Assets</b>	<u>9,165,326</u>
Noncurrent assets:	
Nondepreciable capital assets	3,368,705
Capital assets, net of accumulated depreciation	19,999,129
<b>Total Noncurrent Assets</b>	<u>23,367,834</u>
<b>Total Assets</b>	<u>32,533,160</u>
<b><u>Deferred Outflows of Resources</u></b>	
Deferred outflows - pension	<u>516,654</u>
<b><u>Liabilities</u></b>	
Current liabilities:	
Accounts payable and accrued liabilities	1,167,390
Accrued interest payable	14,577
Unearned revenue	836,348
<b>Total Current Liabilities</b>	<u>2,018,315</u>
Noncurrent liabilities:	
Long-term liabilities due within one year	1,009,073
Long-term liabilities due in more than one year	3,736,476
<b>Total Noncurrent Liabilities</b>	<u>4,745,549</u>
<b>Total Liabilities</b>	<u>6,763,864</u>
<b><u>Deferred Inflows of Resources</u></b>	
Deferred inflows - pension	<u>47,433</u>
<b><u>Net Position</u></b>	
Net investment in capital assets	19,295,431
Restricted for:	
Debt service	982
Road and bridge	889,892
Special projects	874,428
Capital projects	2,379
Unrestricted	5,175,405
<b>Total Net Position</b>	<u>\$ 26,238,517</u>

See Notes to Financial Statements.

# SAN JACINTO COUNTY, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 3,166,408	\$ 6,618	\$ -	\$ -
Administration of justice	5,929,330	1,633,153	176,749	-
Roads and bridges	4,255,855	632,922	2,172,745	-
Health and human services	400,458	277,657	106,918	14,400
Tax administration	396,188	-	-	-
Interest and fiscal agent fees on long-term debt	145,774	-	-	-
<b>Total Governmental Activities</b>	<b>14,294,013</b>	<b>2,550,350</b>	<b>2,456,412</b>	<b>14,400</b>
<b>Total Primary Government</b>	<b>\$ 14,294,013</b>	<b>\$ 2,550,350</b>	<b>\$ 2,456,412</b>	<b>\$ 14,400</b>

**General Revenues:**

- Property taxes
- Sales taxes
- Other taxes
- Investment income
- Other revenues

**Total General Revenues**

**Change in Net Position**

Beginning net position

**Ending Net Position**

See Notes to Financial Statements.

**Net (Expense)  
Revenue and  
Changes in Net  
Position**

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**Governmental  
Activities**

---

\$ (3,159,790)  
(4,119,428)  
(1,450,188)  
(1,483)  
(396,188)

---

(145,774)

---

(9,272,851)

---

(9,272,851)

---

9,813,920  
400,357  
58,243  
6,635  
640,444

---

10,919,599

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1,646,748

24,591,769

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**\$ 26,238,517**

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# SAN JACINTO COUNTY, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

September 30, 2015

	General	Debt Service	Road and Bridge	Grants
<b><u>Assets</u></b>				
Cash and equity in pooled cash	\$ 3,887,212	\$ 982	\$ 966,567	\$ 98,203
Receivables, net	1,612,696	220,390	579,344	84,931
Due from other funds	138,720	-	-	-
Due from other units	8,616	-	-	-
<b>Total Assets</b>	<b>\$ 5,647,244</b>	<b>\$ 221,372</b>	<b>\$ 1,545,911</b>	<b>\$ 183,134</b>
 <b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 929,425	\$ -	\$ 84,321	\$ 124,344
Unearned revenue	-	-	-	58,790
Due to other funds	-	-	116,000	-
<b>Total Liabilities</b>	<b>929,425</b>	<b>-</b>	<b>200,321</b>	<b>183,134</b>
 <b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	1,334,941	220,390	455,698	-
 <b><u>Fund Balances</u></b>				
Restricted:				
Debt service	-	982	-	-
Road and bridge	-	-	889,892	-
Special projects	-	-	-	-
Capital projects	-	-	-	-
Unassigned	3,382,878	-	-	-
<b>Total Fund Balances</b>	<b>3,382,878</b>	<b>982</b>	<b>889,892</b>	<b>-</b>
 <b>Total Liabilities, Deferred Inflows of of Resources, and Fund Balances</b>	 <b>\$ 5,647,244</b>	 <b>\$ 221,372</b>	 <b>\$ 1,545,911</b>	 <b>\$ 183,134</b>

See Notes to Financial Statements.

<u>Seizures</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 822,829	\$ 864,983	\$ 6,640,776
-	18,573	2,515,934
-	-	138,720
-	-	8,616
<u>\$ 822,829</u>	<u>\$ 883,556</u>	<u>\$ 9,304,046</u>
\$ -	\$ 29,300	\$ 1,167,390
777,558	-	836,348
-	22,720	138,720
<u>777,558</u>	<u>52,020</u>	<u>2,142,458</u>
-	-	2,011,029
-	-	982
-	-	889,892
45,271	829,157	874,428
-	2,379	2,379
-	-	3,382,878
<u>45,271</u>	<u>831,536</u>	<u>5,150,559</u>
<u>\$ 822,829</u>	<u>\$ 883,556</u>	<u>\$ 9,304,046</u>

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**SAN JACINTO COUNTY, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO**  
**THE STATEMENT OF NET POSITION**  
September 30, 2015

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances for governmental funds	\$	5,150,559
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Nondepreciable capital assets		3,368,705
Depreciable capital assets, net		19,999,129
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		
Deferred revenue		2,011,029
Deferred outflows and inflows related to pension activity		
Deferred outflows - pension		516,654
Deferred inflows - pension		(47,433)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable		(14,577)
Long-term liabilities due within one year		(1,009,073)
Long-term liabilities due in more than one year		(3,736,476)
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>26,238,517</u></b>

See Notes to Financial Statements.

# SAN JACINTO COUNTY, TEXAS

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended September 30, 2015

	General	Debt Service	Road and Bridge	Grants
<b>Revenues</b>				
Property taxes	\$ 6,461,676	\$ 936,318	\$ 2,037,179	\$ -
Sales taxes	400,357	-	-	-
Other taxes	20,215	-	25,991	-
Fines and forfeitures	-	-	632,922	-
Charges for services	1,395,651	-	-	-
Intergovernmental	176,749	-	-	2,172,745
Licenses and permits	1,893	-	-	-
Investment income	6,424	-	177	-
Other revenue	242,299	-	318,743	-
<b>Total Revenues</b>	8,705,264	936,318	3,015,012	2,172,745
<b>Expenditures</b>				
<b>Current:</b>				
General government	2,498,838	-	-	-
Administration of justice	5,322,834	-	-	137,304
Roads and bridges	-	-	3,213,330	2,018,328
Health and human services	495,799	-	-	1,083
Tax administration	399,541	-	-	-
<b>Capital outlay</b>	413,265	-	5,784	16,030
<b>Debt service:</b>				
Principal	-	811,497	-	-
Interest and fiscal charges	-	159,727	-	-
<b>Total Expenditures</b>	9,130,277	971,224	3,219,114	2,172,745
<b>Excess (Deficiency) of Revenues (Under) Expenditures</b>	(425,013)	(34,906)	(204,102)	-
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	33,341	-	-
Transfers (out)	(246,868)	-	(52,946)	-
Debt issued	362,221	-	163,626	-
Sale of capital assets	-	-	17,267	-
<b>Total Other Financing Sources</b>	115,353	33,341	127,947	-
<b>Net Change in Fund Balances</b>	(309,660)	(1,565)	(76,155)	-
Beginning fund balances	3,692,538	2,547	966,047	-
<b>Ending Fund Balances</b>	\$ 3,382,878	\$ 982	\$ 889,892	\$ -

See Notes to Financial Statements.

<u>Seizures</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 9,435,173
-	-	400,357
-	12,037	58,243
28,975	141,527	803,424
-	349,382	1,745,033
-	106,918	2,456,412
-	-	1,893
6	28	6,635
-	62,135	623,177
<u>28,981</u>	<u>672,027</u>	<u>15,530,347</u>
-	106,420	2,605,258
67,167	162,331	5,689,636
-	116,453	5,348,111
-	497,112	993,994
-	-	399,541
-	-	435,079
-	-	811,497
-	-	159,727
<u>67,167</u>	<u>882,316</u>	<u>16,442,843</u>
(38,186)	(210,289)	(912,496)
-	291,512	324,853
-	(25,039)	(324,853)
-	-	525,847
-	-	17,267
<u>-</u>	<u>266,473</u>	<u>543,114</u>
(38,186)	56,184	(369,382)
<u>83,457</u>	<u>775,352</u>	<u>5,519,941</u>
<u>\$ 45,271</u>	<u>\$ 831,536</u>	<u>\$ 5,150,559</u>

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# SAN JACINTO COUNTY, TEXAS

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2015

Amounts reported for governmental activities in the Statement of Activities are different, because:

Net changes in fund balances – total governmental funds \$ (369,382)

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

Capital outlay	2,490,783
Depreciation expense	(1,171,996)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred revenue	378,747
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The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on 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 payment	811,497
Debt issuance	(525,847)

Net pension liability and deferred outflows and deferred inflows related to the net pension liability not reported in the governmental funds.

Net pension liability	(38,821)
Deferred outflows - pension	149,019
Deferred inflows - pension	(47,433)

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. This adjustment reflects the net change in interest payable on the accrual basis of accounting and the net change in compensated absences.

Accrued interest payable	13,953
Compensated absences	(43,772)

<b>Change in Net Position of Governmental Activities</b>	<b>\$ 1,646,748</b>
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See Notes to Financial Statements.

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**SAN JACINTO COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
September 30, 2015

		<u>Agency</u>
<b><u>Assets</u></b>		
Cash and cash equivalents		\$ 2,356,186
	<b>Total Assets</b>	<u>\$ 2,356,186</u>
<b><u>Liabilities</u></b>		
Amounts held for others		\$ 700,678
Due to other units		1,655,508
	<b>Total Liabilities</b>	<u>\$ 2,356,186</u>

See Notes to Financial Statements.

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# SAN JACINTO COUNTY, TEXAS

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2015

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

San Jacinto County, Texas (the "County") is an independent government entity created in 1870 by an act of the Texas Legislature. The County is governed by Commissioners' Court, composed of four County Commissioners and the County Judge, all of whom are elected officials.

The County's financial statements include the accounts of all County operations. The County provides a vast array of services including administration of justice, health and human services, public improvements, and general administration.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the County's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the County is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the County's financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

#### B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, of which the County has none.

#### C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

# SAN JACINTO COUNTY, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2015

### D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported in another fund. The principal sources of revenues include local property taxes, sales taxes, fines and forfeitures, and charges for services. Expenditures include general government, administration of justice, health and human services, and tax administration. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The primary source of revenue for debt service is local property taxes. This fund is not technically a major fund, but due to its significance, management has chosen to present it as a major fund for reporting purposes.

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The following special revenue funds are considered major funds for reporting purposes:

*Road and Bridge Fund* – This fund is used to account for revenues of property taxes levied and vehicle registration fees. Uses of funds are restricted for the maintenance of roads, bridges, and the operations of related facilities. All precinct operations, as well as permanent road monies, are accounted for in this fund.

*Grants Fund* – This fund is used to account for various grants received by the County which are not reported in a separate fund.

*Seizure Fund* – This fund is used to account for seizures of assets from law enforcement activity.

The remaining special revenue funds are considered nonmajor funds for reporting purposes.

The *capital projects funds* are 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.

Additionally, the County reports the following fund types:

The *fiduciary funds* account for and report assets held by the government in a trustee capacity or as an agent on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2015**

The County has the following type of fiduciary funds:

The *agency funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and fiduciary fund financial 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 taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales tax, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Cash and Cash Equivalents**

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

The County maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and equity in pooled cash".

**2. Investments**

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the County reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The Public Funds Investment Act, Chapter 2256 of the Texas Government Code authorizes the County to invest in:

- Direct obligations of U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Fully collateralized repurchase agreements
- Securities Lending Program that meets requirements of 2256.0115
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Commercial paper that meets certain criteria
- Guaranteed investment contracts that meets the requirements of 2256.015 for bond proceeds
- Statewide investment pools

**3. Inventories and Prepaid Items**

The costs of governmental fund inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental 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 more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are 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.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Infrastructure	20 to 35 years
Buildings	5 to 45 years
Improvements	5 to 20 years
Machinery and equipment	3 to 20 years

The costs of a significant portion of capital assets have been estimated based on management's estimated historical cost.

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category on the government-wide Statement of Net Position. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the County's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made. Another deferred charge has been recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has one item that qualifies for reporting in this category in the government-wide Statement of Net Position. Deferred inflows of resources are recognized as a result of differences between the actuarial expectations and the actual economic experience related to the County's defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members. At the fund level, the County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the

# **SAN JACINTO COUNTY, TEXAS**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

For the Year Ended September 30, 2015

governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

### **6. Compensated Employee Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. Additionally, Sheriff's department employees are allowed to accumulate holidays. Upon termination, the employee may be paid up to 240 hours of unused vacation time. No liability is reported for unpaid accumulated sick leave since it does not vest. Vacation, compensatory time, and holiday pay that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave and compensatory time that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

### **7. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other 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.

The property tax rate is allocated each year between the general, road and bridge, and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

Assets acquired under the terms of a capital lease 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 financing sources and as capital outlay expenditures in the applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the debt service fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

### **8. Net Position Flow Assumption**

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide 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 net position to have been depleted before unrestricted net position is applied.

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

**9. Fund Balance Flow Assumptions**

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.

**10. Fund Balance Policies**

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The Commissioners' Court is the highest level of decision-making authority for the County that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Commissioners' Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**11. Estimates**

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

**12. Pensions**

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

position of the Texas County District Retirement System (TCDRS) and additions to/deductions from TCERS's fiduciary net position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are 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.

**G. Revenues and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**2. Property Taxes**

General property taxes are recorded as revenue when levied for the current year and are due, payable, and collected in the current year. Uncollected amounts at year end are reported as deferred revenue. Delinquent property taxes collected within 60 days subsequent to year end were not considered material.

The property tax calendar dates are:

- Levy date and due date – October 1
- Collection dates – October 1 through January 31
- Lien date – February 1

The County bills and collects its own taxes and those for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the tax assessor's agency fund. Tax collections deposited for the County are distributed on a periodic basis to the general, road and bridge, and debt service funds of the County. This distribution is based upon the tax rate established for each fund by order of the Commissioners' Court for the tax year for which the collections are made.

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 appraisal district must review the value of the property within the County every three years 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.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The original budget is adopted by the Commissioners' Court prior to the beginning of the fiscal year. The legal level of control is at the fund level in the general fund and road and bridge special revenue fund. The legal level control for other special revenue funds is at the fund level. Although budgets are adopted annually for all other special revenue funds, they are not subject to performance measurement.



**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

Only special revenue funds that are considered a major fund present a budget. The debt service fund's legal level of control is at the fund level. Management may not amend the budget without the approval of Commissioners' Court and County Judge.

Appropriations lapse at the end of the year, except in the road and bridge and other special revenue funds. Budgets are adopted on a generally accepted accounting principles basis for all budgeted funds. Several supplemental budget appropriations were made for the year ended September 30, 2015.

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of September 30, 2015, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	\$ 1,639,793	0.30
TexPool	1,246,944	0.00
Texas CLASS	5,012	0.00
<b>Total fair value</b>	<u>\$ 1,251,956</u>	
Portfolio weighted average maturity		0.17

*Interest rate risk.* In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less.

*Credit risk.* State law and the County's investment policy limits investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent. Further, commercial paper must be rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies. As of September 30, 2015, the County's investments in TexPool and Texas CLASS were rated "AAAm" by Standard & Poor's.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2015, bank balances did not exceed the market values of pledged securities and FDIC insurance.

**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 exercises 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 of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool "AAAm". As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

**Texas CLASS**

The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) 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 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](http://www.texasclass.com).

TexPool and Texas CLASS operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. 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.

**B. Receivables**

The following comprise receivable balances at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Road and Bridge</u>	<u>Grants</u>	<u>Nonmajor</u>	<u>Total</u>
Property taxes	\$ 1,560,708	\$ 222,808	\$ 579,344	\$ -	\$ -	\$ 2,362,860
Other taxes	63,802	-	-	-	-	63,802
Other	213,953	-	-	84,931	18,573	317,457
Allowance	(225,767)	(2,418)	-	-	-	(228,185)
	<u>\$ 1,612,696</u>	<u>\$ 220,390</u>	<u>\$ 579,344</u>	<u>\$ 84,931</u>	<u>\$ 18,573</u>	<u>\$ 2,515,934</u>

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

**C. Capital Assets**

A summary of changes in capital assets for the year ended September 30, 2015 is as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>(Decreases)</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 1,996,961	\$ -	\$ -	\$ 1,996,961
Construction in progress	6,011,706	1,247,508	(5,887,470)	1,371,744
<b>Total capital assets not         being depreciated</b>	<b>8,008,667</b>	<b>1,247,508</b>	<b>(5,887,470)</b>	<b>3,368,705</b>
Other capital assets:				
Infrastructure	197,310,388	6,322,860	-	203,633,248
Buildings	7,101,279	-	-	7,101,279
Improvements	517,430	-	-	517,430
Machinery and equipment	9,307,752	807,885	(24,500)	10,091,137
<b>Total other capital assets</b>	<b>214,236,849</b>	<b>7,130,745</b>	<b>(24,500)</b>	<b>221,343,094</b>
Less accumulated depreciation for:				
Infrastructure	(191,155,608)	(400,152)	-	(191,555,760)
Buildings	(2,046,326)	(184,655)	-	(2,230,981)
Improvements	(288,832)	(19,356)	-	(308,188)
Machinery and equipment	(6,705,703)	(567,833)	24,500	(7,249,036)
<b>Total accumulated depreciation</b>	<b>(200,196,469)</b>	<b>(1,171,996)</b>	<b>24,500</b>	<b>(201,343,965)</b>
Other capital assets, net	14,040,380	5,958,749	-	19,999,129
<b>Governmental Activities         Capital Assets, Net</b>	<b>\$ 22,049,047</b>	<b>\$ 7,206,257</b>	<b>\$ (5,887,470)</b>	<b>23,367,834</b>
			Less associated debt	(4,072,403)
			<b>Net Investment in Capital Assets</b>	<b>\$ 19,295,431</b>

Depreciation was charged to governmental functions as follows:

General government	\$ 116,041
Administration of justice	266,751
Roads and bridges	741,585
Health and human services	47,619
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$ 1,171,996</b>

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

**D. Long-Term Liabilities**

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended September 30, 2015. In general, the County uses the general and debt service funds to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds, notes payable, and capital leases:					
Certificates of obligation	\$ 3,205,000	\$ -	\$ (340,000)	\$ 2,865,000	\$ 355,000
Notes payable	47,841	-	(47,841)	-	-
Obligations under capital leases	** 1,105,212	525,847	(423,656)	1,207,403	349,855
	<u>4,358,053</u>	<u>525,847</u>	<u>(811,497)</u>	<u>4,072,403</u>	<u>* 704,855</u>
Other:					
Compensated absences	294,248	147,414	(103,642)	338,020	304,218
Net pension liability	** 296,305	38,821	-	335,126	-
	<u>294,248</u>	<u>147,414</u>	<u>(103,642)</u>	<u>673,146</u>	<u>304,218</u>
<b>Total Governmental Activities</b>	<u>\$ 4,652,301</u>	<u>\$ 673,261</u>	<u>\$ (915,139)</u>	<u>\$ 4,745,549</u>	<u>\$ 1,009,073</u>
				<u>\$ 3,736,476</u>	
				<u>\$ 4,072,403</u>	

\*\* Restated beginning balance

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Long-term debt obligations of the County as of September 30, 2015, are as follows:

	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance</u>
<b>Certificates of Obligation</b>			
Certificates of Obligation, Series 2007	4.00-5.00%	\$ 4,565,000	\$ 2,865,000
<b>Capital Leases</b>			
Various	1.80-3.37%	Various	1,207,403
		<b>Total</b>	<u>\$ 4,072,403</u>

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

A summary of the County's debt service requirements, including interest, is as follows:

Year Ending Sept. 30	Governmental Activities			
	Certificate of Obligation		Capital Leases	
	Principal	Interest	Principal	Interest
2016	\$ 355,000	\$ 113,025	\$ 349,855	\$ 26,040
2017	375,000	94,775	350,627	20,918
2018	395,000	77,500	272,274	11,718
2019	410,000	61,400	213,438	5,469
2020	425,000	44,700	21,209	466
2021-2022	905,000	36,500	-	-
<b>Totals</b>	<b>\$ 2,865,000</b>	<b>\$ 427,900</b>	<b>\$ 1,207,403</b>	<b>\$ 64,612</b>

Machinery and equipment acquired under current capital lease obligations totaled \$1,207,403 and accumulated depreciation totaled \$446,885.

**Federal Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the County could result. Although the County does not anticipate that it will have any arbitrage liability, it periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

**E. Interfund Transactions**

Operating transfers between the primary government funds during the year were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amounts</u>
Debt service fund	Road and bridges fund	\$ 33,341
Nonmajor funds	General fund	246,868
	Road and bridges fund	19,605
	Nonmajor funds	25,039
	<b>Total</b>	<b>\$ 324,853</b>

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.

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

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

Due to	Due from	Amounts
General fund	Road and bridges fund	\$ 116,000
	Nonmajor	22,720
	<b>Total</b>	<b>\$ 138,720</b>

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

**F. Restatement of Net Position**

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result, the County has restated beginning net position to account for a net pension liability as of the measurement date, December 31, 2013. In addition, the County has restated beginning net position to record a deferred outflow for contributions made to the pension plan between the initial measurement date and the end of the prior fiscal year, December 31, 2014. The County is also restating net position to recognize a capital lease. The beginning net position was restated as follows:

	<b>Governmental Activities</b>
Beginning net position - as reported	\$ 24,648,345
Long term debt - capital lease	(127,906)
Deferred outflows - pension	367,635
Net pension liability	(296,305)
<b>Beginning net position - restated</b>	<b>\$ 24,591,769</b>

**IV. OTHER INFORMATION**

**A. 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; and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 279 other entities in the Texas Association of Counties' Workers' Compensation Self-Insurance Fund. The Texas Association of Counties created this pool in 1974 to insure the County for workers' compensation related claims. The County also provides its employees benefits, including medical and life insurance, which the County obtains through the Texas Association of Counties' Insurance Trust Fund. This pool purchases commercial insurance at group rates for participants in the pool. The County has no additional risk or responsibility to either of the pools in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

**B. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, and amount of payout and other economic and social factors. No claim liabilities are reported at year end.

**C. Pension Plans**

**Texas County and District Retirement System**

Plan Description

The Texas County and District Retirement System (TCDRS) is a statewide, agent multiple-employer, public-employee retirement system. TCDRS serves 677 actively participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the Commissioners' Court of each employer, within the options available in the TCDRS Act. Because of that, the County has the flexibility and local control to select benefits and pay for those benefits based on its needs and budgets.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered a tax qualified plan under Section 401(a) of the Internal Revenue Code. TCDRS issues a publicly available comprehensive annual financial report that can be obtained at [www.tcdrs.org](http://www.tcdrs.org).

All eligible employees (except temporary staff) of the County must be enrolled in the plan.

Benefits Provided

TCDRS provides retirement, disability, and death benefits. The benefits provisions are adopted by the Commissioners' Court within the options available in Texas state statutes governing TCDRS. Members can retire at age 60 and above with five 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 five years of service, but must leave their accumulated contributions in the plan to receive any County-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

Benefit amounts are determined by the sum of the employee's contribution to the plan, with interest, and County-financed monetary credits. The level of these monetary credits is adopted by the Commissioners' Court within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the County's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

accumulated contributions and the County-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	111
Inactive employees entitled, to but not yet receiving benefits	218
Active employees	181
<b>Total</b>	<b>510</b>

Contributions

A combination of three elements funds each employer’s plan: employee deposits, employer contributions, and investment income.

- The deposit rate for employees is four percent, five percent, six percent, or seven percent of compensation, as adopted by the employer’s governing body.
- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method.
- Investment income funds a large part of the benefits employees earn.

Employers have the option of paying more than the required contribution rate each year. Extra contributions can help employers “prefund” benefit increases, such as a cost-of-living adjustment to retirees, and they can be used to help offset or mitigate future increases in the required rate due to negative plan experience. There are two approaches for making extra contributions:

- (a) paying an elected contribution rate higher than the required rate and
- (b) making an extra lump-sum contribution to the employer account.

Employees for the County were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the County were 9.90 percent and 9.53 percent in calendar years 2014 and 2015, respectively. The County’s contributions to TCDRS for the fiscal year ended September 30, 2015 were \$508,176 and were equal to the required contributions.

Net Pension Liability

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

Actuarial Assumptions

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



**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

See the information below (Actuarial Methods and Assumptions Used for GASB Calculations) for a listing of key assumptions used in the calculation of the TPL and other GASB 68 metrics.

Following are the key assumptions and methods used in the December 31, 2014 actuarial valuation:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in the which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	
Smoothing Period	5 years
Recognition Method	Non-asymptotic
Corridor	None
Inflation	3.00%
Salary Increases	8.10%
Investment Rate of Return	3.50%
Cost of Living Adjustments	Cost-of-living adjustments for the County are not considered to be substantively automatic under GASB 68. Therefore, an assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

The long-term expected rate of return of TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The target allocation and best estimate of geometric real rate of return for each major asset class are summarized in the following table:

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

# SAN JACINTO COUNTY, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2015

### Discount Rate

The discount rate used to measure the TPL was 8.10 percent. 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 TPL.

### Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 655,637	\$ -	\$ 655,637
Interest	1,152,773	-	1,152,773
Change of benefit terms	120,272	-	120,272
Difference between expected and actual experience	(71,149)	-	(71,149)
Changes of assumptions	-	-	-
Contributions - employer	-	498,304	(498,304)
Contributions - employee	-	352,263	(352,263)
Net investment income	-	956,050	(956,050)
Benefit payments, including refunds of employee contributions	(957,675)	(957,675)	-
Administrative expense	-	(11,134)	11,134
Other changes	-	23,229	(23,229)
<b>Net Changes</b>	<b>899,858</b>	<b>861,037</b>	<b>38,821</b>
Balance at December 31, 2013	14,320,881	14,024,576	296,305
<b>Balance at December 31, 2014</b>	<b>\$ 15,220,739</b>	<b>\$ 14,885,613</b>	<b>\$ 335,126</b>

### Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (7.1%)	Discount Rate (8.1%)	1% Increase in Discount Rate (9.1%)
County's Net Pension Liability	\$ 2,020,383	\$ 335,126	\$ (1,067,965)

### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at [www.tcdrs.com](http://www.tcdrs.com).

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

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

For the fiscal year ended September 30, 2015, the County recognized pension expense of \$434,716.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ -	\$ 47,433
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	149,842	-
Contributions subsequent to the measurement date	366,812	-
<b>Total</b>	<b>\$ 516,654</b>	<b>\$ 47,433</b>

\$366,812 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended September 30:</u>	<b>Pension Expense Amount</b>
2016	\$ 13,744
2017	13,744
2018	37,460
2019	37,460
2020	-
Thereafter	-
<b>Total</b>	<b>\$ 102,408</b>

**D. Other Post Employment Benefits**

**Group Term Life Insurance**

Plan Description

The County also participates in the cost sharing multiple-employer defined benefit group term life insurance plan operated by the TCDRS known as the Group Term Life Fund (GTLF). The County elected, by ordinance, to provide group term life insurance coverage to both current and retired employees. The County may terminate coverage under and discontinue participation in the GTLF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$5,000; this coverage is an "other post-employment benefit," or OPEB. The obligations of this plan are payable only from the GTLF and are not an obligation of, or a claim against, the Pension Trust Fund.

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

Funding Policy

The County contributes to the GTLF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the GTLF 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.

The County's contributions to the TCDRS GTLF for the years ended September 30, 2015, 2014, and 2013 were \$27,540, \$24,456, and \$23,241, respectively, which equaled the required contributions for each year.

**E. Subsequent Event**

At the June 14, 2016 Commissioners Court, the County Judge and County Auditor were authorized to approve the amount, interest rate, price, and terms to issue general obligation refunding bonds series 2016.

***REQUIRED SUPPLEMENTARY INFORMATION***

**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)**  
**GENERAL FUND**

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 7,002,093	\$ 7,002,093	\$ 6,461,676	\$ (540,417)
Sales taxes	306,000	306,000	400,357	94,357
Other taxes	44,000	44,000	20,215	(23,785)
Charges for services	1,808,151	1,844,981	1,395,651	(449,330)
Intergovernmental	105,954	105,954	176,749	70,795
Licenses and permits	5,000	5,000	1,893	(3,107)
Investment income	7,502	7,502	6,424	(1,078)
Other revenue	103,785	103,785	242,299	138,514
<b>Total Revenues</b>	<b>9,382,485</b>	<b>9,419,315</b>	<b>8,705,264</b>	<b>(714,051)</b>
<b>Expenditures</b>				
<b>General Government:</b>				
County judge	213,541	213,541	171,059	42,482
County clerk	216,860	216,860	202,533	14,327
County treasurer	120,493	120,493	119,822	671
County auditor	220,752	220,752	223,521	(2,769)
Data processing	62,211	67,211	63,620	3,591
Solid waste	45,502	45,502	44,916	586
Permit administration	113,369	113,369	105,907	7,462
Emergency management	81,053	81,321	68,386	12,935
Buildings	408,152	408,152	384,749	23,403
Elections	173,340	192,706	168,528	24,178
Professional fees and claims	455,514	455,514	197,691	257,823
Other unclassified	755,992	831,199	748,106	83,093
	<b>2,866,779</b>	<b>2,966,620</b>	<b>2,498,838</b>	<b>467,782</b>
<b>Administration of Justice:</b>				
County court	14,100	14,100	8,281	5,819
District clerk	248,671	248,671	236,674	11,997
District judges	373,689	373,689	372,701	988
Justice of the peace pct. 1	142,925	142,925	104,248	38,677
Justice of the peace pct. 2	192,850	192,850	139,590	53,260
Justice of the peace pct. 3	125,867	125,867	86,411	39,456
Justice of the peace pct. 4	139,295	139,295	104,514	34,781
District attorney	380,963	380,963	350,086	30,877
Department of public safety	97,266	97,266	97,750	(484)
Sheriff	2,214,911	2,278,601	2,265,177	13,424
Detention center	1,299,309	1,299,309	1,268,986	30,323
Constables	299,667	331,745	288,416	43,329
	<b>5,529,513</b>	<b>5,625,281</b>	<b>5,322,834</b>	<b>302,447</b>

**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2)**  
**GENERAL FUND**

For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Expenditures (continued)</u></b>				
<b>Health and Human Services:</b>				
Autopsies	\$ 61,000	\$ 61,000	\$ 66,685	\$ (5,685)
Senior citizens	56,887	56,887	56,857	30
Veterans services	13,756	13,756	12,662	1,094
County extension	135,250	135,250	108,511	26,739
Health care	186,969	186,969	184,467	2,502
Animal control	68,623	68,623	65,120	3,503
Parks and wildlife	2,200	2,200	1,497	703
	<u>524,685</u>	<u>524,685</u>	<u>495,799</u>	<u>28,886</u>
<b>Tax Administration:</b>				
Tax assessor/collector	396,415	396,415	399,541	(3,126)
	<u>396,415</u>	<u>396,415</u>	<u>399,541</u>	<u>(3,126)</u>
<b>Capital Outlay</b>	<u>105,000</u>	<u>420,883</u>	<u>413,265</u>	<u>7,618</u>
<b>Total Expenditures</b>	<u>9,422,392</u>	<u>9,933,884</u>	<u>9,130,277</u>	<u>803,607</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(39,907)</u>	<u>(514,569)</u>	<u>(425,013)</u>	<u>89,556</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers (out)	(888,809)	(916,309)	(246,868)	669,441
Debt issued	476,381	476,381	362,221	(114,160)
<b>Total Other Financing Sources (Uses)</b>	<u>(412,428)</u>	<u>(439,928)</u>	<u>115,353</u>	<u>555,281</u>
<b>Net Change in Fund Balance</b>	<u>\$ (452,335)</u>	<u>\$ (954,497)</u>	<u>(309,660)</u>	<u>\$ 644,837</u>
Beginning fund balance			<u>3,692,538</u>	
<b>Ending Fund Balance</b>			<u>\$ 3,382,878</u>	

**Notes to Required Supplementary Information**

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUND**

For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Property taxes	\$ 2,365,694	\$ 2,365,694	\$ 2,037,179	\$ (328,515)
Other taxes	25,700	25,700	25,991	291
Fines and forfeitures	616,300	616,300	632,922	16,622
Investment income	1,500	1,500	177	(1,323)
Other revenue	32,725	187,955	318,743	130,788
<b>Total Revenues</b>	<u>3,041,919</u>	<u>3,197,149</u>	<u>3,015,012</u>	<u>(182,137)</u>
<b><u>Expenditures</u></b>				
<b>Roads and Bridges:</b>				
Precinct 1	\$ 671,734	\$ 684,884	\$ 624,129	\$ 60,755
Precinct 2	813,951	867,835	749,975	117,860
Precinct 3	983,124	1,070,822	871,891	198,931
Precinct 4	1,147,682	1,318,071	967,335	350,736
Capital outlay	104,856	104,856	5,784	99,072
<b>Total Expenditures</b>	<u>3,721,347</u>	<u>4,046,468</u>	<u>3,219,114</u>	<u>827,354</u>
<b>(Deficiency) of</b> <b>Revenues (Under) Expenditures</b>	(679,428)	(849,319)	(204,102)	645,217
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers out	(315,939)	(424,853)	(52,946)	371,907
Debt issued	50,000	213,626	163,626	(50,000)
Sale of capital assets	2,500	19,130	17,267	(1,863)
<b>Total Other Financing</b> <b>Sources (Uses)</b>	<u>(263,439)</u>	<u>(192,097)</u>	<u>127,947</u>	<u>320,044</u>
<b>Net Change in Fund Balance</b>	<u>\$ (942,867)</u>	<u>\$ (1,041,416)</u>	<u>(76,155)</u>	<u>\$ 965,261</u>
Beginning fund balance			<u>966,047</u>	
<b>Ending Fund Balance</b>			<u>\$ 889,892</u>	

**Notes to Required Supplementary Information**

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).



**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GRANT FUND**

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Revenues</b>				
Intergovernmental	\$ 5,046,366	\$ 5,007,893	\$ 2,172,745	\$ (2,835,148)
<b>Total Revenues</b>	5,046,366	5,007,893	2,172,745	(2,835,148)
<b>Expenditures</b>				
Administration of justice	18,300	103,087	137,304	(34,217)
Roads and bridges	4,210,205	4,195,927	2,018,328	2,177,599
Health and human services	-	838,739	1,083	837,656
Capital outlay	824,461	16,000	16,030	(30)
<b>Total Expenditures</b>	5,052,966	5,153,753	2,172,745	2,981,008
<b>Net Change in Fund Balance</b>	\$ (6,600)	\$ (145,860)	-	\$ 145,860
Beginning fund balance			-	
<b>Ending Fund Balance</b>			\$ -	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**  
For the Year Ended September 30, 2015

	<b>Measurement Year*</b>
	<b>2014</b>
<b>Total Pension Liability</b>	
Service cost	\$ 655,637
Interest (on the total pension liability)	1,152,773
Changes of benefit terms	120,272
Difference between expected and actual experience	(71,149)
Change of assumptions	-
Benefit payments, including refunds of employee contributions	(957,675)
<b>Net Change in Total Pension Liability</b>	<b>899,858</b>
Beginning total pension liability	14,320,881
<b>Ending Total Pension Liability</b>	<b>\$ 15,220,739</b>
<b>Plan Fiduciary Net Position</b>	
Contributions - employer	\$ 498,304
Contributions - employee	352,263
Net investment income	956,050
Benefit payments, including refunds of employee contributions	(957,675)
Administrative expense	(11,134)
Other	23,229
<b>Net Change in Plan Fiduciary Net Position</b>	<b>861,037</b>
Beginning plan fiduciary net position	14,024,576
<b>Ending Plan Fiduciary Net Position</b>	<b>\$ 14,885,613</b>
<b>Net Pension Liability</b>	<b>\$ 335,126</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	97.80%
<b>Covered Employee Payroll</b>	\$ 5,032,889
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	6.66%

\* Only one year of information is currently available. The County will build this schedule over the next nine-year period.

**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF CONTRIBUTIONS**  
**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**  
**Last Nine Years\***

	Measurement Year			
	2006	2007	2008	2009
Actuarially determined contribution	\$ 238,999	\$ 308,145	\$ 307,106	\$ 327,937
Contributions in relation to the actuarially determined contribution	238,999	308,145	307,106	327,937
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 3,775,662	\$ 3,915,436	\$ 4,014,462	\$ 4,407,760
Contributions as a percentage of covered employee payroll	6.33%	7.87%	7.65%	7.44%

Notes to Required Supplementary Information:

\* Only nine years of information is currently available.

1. Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5 year smoothed market;
Inflation	3.0%
Salary increases	3.50% plus 1.4% per year merit increase for career employee
Investment rate of return	8.10%
Retirement age	Experience-based table of rates that are specific to the County's plan of benefits.
Mortality	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.

3. Other Information:

There were no benefit changes during the year.

Measurement Year				
2010	2011	2012	2013	2014
\$ 441,251	\$ 405,838	\$ 425,337	\$ 453,789	\$ 498,256
441,251	405,838	425,337	453,841	498,304
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52)</u>	<u>\$ (48)</u>
\$ 4,801,427	\$ 4,499,338	\$ 4,603,241	\$ 4,746,751	\$ 5,032,889
9.19%	9.02%	9.24%	9.56%	9.90%

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***COMBINING STATEMENTS  
AND SCHEDULES***

**SAN JACINTO COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 1 of 3)**  
September 30, 2015

Special Revenue Funds

	<u>LEOSE Education</u>	<u>JP Technology</u>	<u>County Energy Transportation</u>	<u>Justice Court Building</u>
<b>Assets</b>				
Cash and equity in pooled cash	\$ 22,437	\$ 74,486	\$ 969	\$ 48,120
Receivables, net	-	411	14,451	103
<b>Total Assets</b>	<u>\$ 22,437</u>	<u>\$ 74,897</u>	<u>\$ 15,420</u>	<u>\$ 48,223</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	14,000	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted:				
Special projects	22,437	74,897	1,420	48,223
Capital projects	-	-	-	-
<b>Total Fund Balances</b>	<u>22,437</u>	<u>74,897</u>	<u>1,420</u>	<u>48,223</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 22,437</u>	<u>\$ 74,897</u>	<u>\$ 15,420</u>	<u>\$ 48,223</u>



**Special Revenue Funds**

<b>County Clerk Records Archive</b>	<b>District Clerk Records Archive</b>	<b>District Clerk (Criminal) Records Archive</b>	<b>Hot Check</b>	<b>Law Library</b>	<b>Records Prevention</b>
\$ 99,770	\$ 21,089	\$ 1,409	\$ 20,104	\$ 16,353	\$ 96,934
660	481	25	-	840	538
<u>\$ 100,430</u>	<u>\$ 21,570</u>	<u>\$ 1,434</u>	<u>\$ 20,104</u>	<u>\$ 17,193</u>	<u>\$ 97,472</u>
\$ 6,429	\$ 300	\$ -	\$ 937	\$ -	\$ 888
-	-	-	-	-	-
<u>6,429</u>	<u>300</u>	<u>-</u>	<u>937</u>	<u>-</u>	<u>888</u>
94,001	21,270	1,434	19,167	17,193	96,584
-	-	-	-	-	-
<u>94,001</u>	<u>21,270</u>	<u>1,434</u>	<u>19,167</u>	<u>17,193</u>	<u>96,584</u>
<u>\$ 100,430</u>	<u>\$ 21,570</u>	<u>\$ 1,434</u>	<u>\$ 20,104</u>	<u>\$ 17,193</u>	<u>\$ 97,472</u>

**SAN JACINTO COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)**  
September 30, 2015

Special Revenue Funds

	<u>County Clerk Records Preservation</u>	<u>District Clerk Records Preservation</u>	<u>Courthouse Security</u>	<u>Economic Development</u>
<b>Assets</b>				
Cash and equity in pooled cash	\$ 42,452	\$ 9,888	\$ 70,111	\$ 28,692
Receivables, net	-	230	654	-
<b>Total Assets</b>	<u>\$ 42,452</u>	<u>\$ 10,118</u>	<u>\$ 70,765</u>	<u>\$ 28,692</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 147	\$ 2,476	\$ 10,652	\$ -
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<u>147</u>	<u>2,476</u>	<u>10,652</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted:				
Special projects	42,305	7,642	60,113	28,692
Capital projects	-	-	-	-
<b>Total Fund Balances</b>	<u>42,305</u>	<u>7,642</u>	<u>60,113</u>	<u>28,692</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 42,452</u>	<u>\$ 10,118</u>	<u>\$ 70,765</u>	<u>\$ 28,692</u>

**Special Revenue Funds**

<b>Sanitation</b>	<b>Hotel Occupancy Tax</b>	<b>County Child Abuse Prevention</b>	<b>Sherriff's Cash Bond</b>	<b>District Attorney Discretionary</b>	<b>Historical Commission</b>
\$ 150,600	\$ 32,582	\$ 15,708	\$ 90,367	\$ 11,067	\$ 9,466
-	-	180	-	-	-
<u>\$ 150,600</u>	<u>\$ 32,582</u>	<u>\$ 15,888</u>	<u>\$ 90,367</u>	<u>\$ 11,067</u>	<u>\$ 9,466</u>
\$ 5,075	\$ 1,800	\$ -	\$ -	\$ 596	\$ -
-	-	-	-	8,720	-
<u>5,075</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>9,316</u>	<u>-</u>
145,525	30,782	15,888	90,367	1,751	9,466
-	-	-	-	-	-
<u>145,525</u>	<u>30,782</u>	<u>15,888</u>	<u>90,367</u>	<u>1,751</u>	<u>9,466</u>
<u>\$ 150,600</u>	<u>\$ 32,582</u>	<u>\$ 15,888</u>	<u>\$ 90,367</u>	<u>\$ 11,067</u>	<u>\$ 9,466</u>

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**SAN JACINTO COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)**  
September 30, 2015

	<u>Capital Project Fund</u>	
	<u>Capital Improvements</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>Assets</u></b>		
Cash and equity in pooled cash	\$ 2,379	\$ 864,983
Receivables, net	-	18,573
<b>Total Assets</b>	<b><u>\$ 2,379</u></b>	<b><u>\$ 883,556</u></b>
 <b><u>Liabilities and Fund Balances</u></b>		
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ 29,300
Due to other funds	-	22,720
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>52,020</u></b>
 <b>Fund Balances:</b>		
Restricted:		
Special projects	-	829,157
Capital projects	2,379	2,379
<b>Total Fund Balances</b>	<b><u>2,379</u></b>	<b><u>831,536</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,379</u></b>	<b><u>\$ 883,556</u></b>

**SAN JACINTO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (page 1 of 3)**  
For the Year Ended September 30, 2015

	Special Revenue Funds			
	LEOSE Education	JP Technology	County Energy Transportation	Justice Court Building
<b>Revenues</b>				
Other taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	8,114	16,625	-	4,130
Charges for services	-	-	-	-
Intergovernmental	-	-	81,523	-
Investment income	-	7	-	-
Other revenue	-	-	-	-
<b>Total Revenues</b>	<u>8,114</u>	<u>16,632</u>	<u>81,523</u>	<u>4,130</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	-	-
Administration of justice	3,899	16,840	-	477
Road and bridges	-	-	116,453	-
Health and human services	-	-	-	-
<b>Total Expenditures</b>	<u>3,899</u>	<u>16,840</u>	<u>116,453</u>	<u>477</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>4,215</u>	<u>(208)</u>	<u>(34,930)</u>	<u>3,653</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	4,215	(208)	(34,930)	3,653
Beginning fund balances	<u>18,222</u>	<u>75,105</u>	<u>36,350</u>	<u>44,570</u>
<b>Ending Fund Balances</b>	<u>\$ 22,437</u>	<u>\$ 74,897</u>	<u>\$ 1,420</u>	<u>\$ 48,223</u>

**Special Revenue Funds**

<b>County Clerk Records Archive</b>	<b>District Clerk Records Archive</b>	<b>District Clerk (Criminal) Records Archive</b>	<b>Hot Check</b>	<b>Law Library</b>	<b>Records Prevention</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
69,165	4,799	201	36,438	-	-
-	-	-	-	18,134	-
-	-	-	-	-	-
11	-	-	-	2	2
-	-	-	-	-	37,190
<u>69,176</u>	<u>4,799</u>	<u>201</u>	<u>36,438</u>	<u>18,136</u>	<u>37,192</u>
69,998	-	-	-	-	33,146
-	-	-	44,633	21,075	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>69,998</u>	<u>-</u>	<u>-</u>	<u>44,633</u>	<u>21,075</u>	<u>33,146</u>
<u>(822)</u>	<u>4,799</u>	<u>201</u>	<u>(8,195)</u>	<u>(2,939)</u>	<u>4,046</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(822)</u>	<u>4,799</u>	<u>201</u>	<u>(8,195)</u>	<u>(2,939)</u>	<u>4,046</u>
<u>94,823</u>	<u>16,471</u>	<u>1,233</u>	<u>27,362</u>	<u>20,132</u>	<u>92,538</u>
<u>\$ 94,001</u>	<u>\$ 21,270</u>	<u>\$ 1,434</u>	<u>\$ 19,167</u>	<u>\$ 17,193</u>	<u>\$ 96,584</u>

**SAN JACINTO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)**  
For the Year Ended September 30, 2015

**Special Revenue Funds**

	<b>County Clerk Records Preservation</b>	<b>District Clerk Records Preservation</b>	<b>Courthouse Security</b>	<b>Economic Development</b>
<b>Revenues</b>				
Other taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Charges for services	1,642	3,083	24,091	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Other revenue	-	-	-	14,007
<b>Total Revenues</b>	<b>1,642</b>	<b>3,083</b>	<b>24,091</b>	<b>14,007</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	13	3,263	-	-
Administration of justice	-	-	31,609	-
Road and bridges	-	-	-	-
Health and human services	-	-	-	-
<b>Total Expenditures</b>	<b>13</b>	<b>3,263</b>	<b>31,609</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,629</b>	<b>(180)</b>	<b>(7,518)</b>	<b>14,007</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>1,629</b>	<b>(180)</b>	<b>(7,518)</b>	<b>14,007</b>
Beginning fund balances	40,676	7,822	67,631	14,685
<b>Ending Fund Balances</b>	<b>\$ 42,305</b>	<b>\$ 7,642</b>	<b>\$ 60,113</b>	<b>\$ 28,692</b>



**Special Revenue Funds**

<b>Sanitation</b>	<b>Hotel Occupancy Tax</b>	<b>County Child Abuse Prevention</b>	<b>Sherriff's Cash Bond</b>	<b>District Attorney Discretionary</b>	<b>Historical Commission</b>
\$ -	\$ 12,037	\$ -	\$ -	\$ -	\$ -
-	-	2,055	-	-	-
277,657	-	-	24,775	-	-
-	-	-	-	25,395	-
-	-	-	6	-	-
-	-	-	-	-	10,938
<u>277,657</u>	<u>12,037</u>	<u>2,055</u>	<u>24,781</u>	<u>25,395</u>	<u>10,938</u>
-	-	-	-	-	-
-	-	3,498	16,500	23,800	-
-	-	-	-	-	-
476,337	-	-	-	-	20,775
<u>476,337</u>	<u>-</u>	<u>3,498</u>	<u>16,500</u>	<u>23,800</u>	<u>20,775</u>
<u>(198,680)</u>	<u>12,037</u>	<u>(1,443)</u>	<u>8,281</u>	<u>1,595</u>	<u>(9,837)</u>
291,512	-	-	-	-	-
<u>(25,039)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>266,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
67,793	12,037	(1,443)	8,281	1,595	(9,837)
<u>77,732</u>	<u>18,745</u>	<u>17,331</u>	<u>82,086</u>	<u>156</u>	<u>19,303</u>
<u>\$ 145,525</u>	<u>\$ 30,782</u>	<u>\$ 15,888</u>	<u>\$ 90,367</u>	<u>\$ 1,751</u>	<u>\$ 9,466</u>

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**SAN JACINTO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)**  
For the Year Ended September 30, 2015

	<u>Capital Project Fund</u>	
	<u>Capital Improvements</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>Revenues</u></b>		
Other taxes	\$ -	\$ 12,037
Fines and forfeitures	-	141,527
Charges for services	-	349,382
Intergovernmental	-	106,918
Investment income	-	28
Other revenue	-	62,135
<b>Total Revenues</b>	<u>-</u>	<u>672,027</u>
<b><u>Expenditures</u></b>		
<b>Current:</b>		
General government	-	106,420
Administration of justice	-	162,331
Road and bridges	-	116,453
Health and human services	-	497,112
<b>Total Expenditures</b>	<u>-</u>	<u>882,316</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(210,289)</u>
<b><u>Other Financing Sources (Uses)</u></b>		
Transfers in	-	291,512
Transfers (out)	-	(25,039)
<b>Total Other Financing Sources</b>	<u>-</u>	<u>266,473</u>
<b>Net Change in Fund Balances</b>	-	56,184
Beginning fund balances	<u>2,379</u>	<u>775,352</u>
<b>Ending Fund Balances</b>	<u>\$ 2,379</u>	<u>\$ 831,536</u>

# SAN JACINTO COUNTY, TEXAS

## COMBINING BALANCE SHEET

### ROAD AND BRIDGE FUNDS

September 30, 2015

	Road and Bridge Precinct No. 1	Road and Bridge Precinct No. 2	Road and Bridge Precinct No. 3	Road and Bridge Precinct No. 4
<b><u>Assets</u></b>				
Cash and equity in pooled cash	\$ 233,906	\$ 128,535	\$ 148,096	\$ 456,030
Receivables, net	99,188	142,362	189,927	147,867
<b>Total Assets</b>	<b>\$ 333,094</b>	<b>\$ 270,897</b>	<b>\$ 338,023</b>	<b>\$ 603,897</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 17,275	\$ 30,891	\$ 21,054	\$ 15,101
Due to other units	-	-	-	-
Due to other funds	-	116,000	-	-
<b>Total Liabilities</b>	<b>17,275</b>	<b>146,891</b>	<b>21,054</b>	<b>15,101</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	96,517	96,334	131,059	131,788
<b><u>Fund Balances</u></b>				
Restricted				
Road and bridge	219,302	27,672	185,910	457,008
<b>Total Fund Balances</b>	<b>219,302</b>	<b>27,672</b>	<b>185,910</b>	<b>457,008</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 333,094</b>	<b>\$ 270,897</b>	<b>\$ 338,023</b>	<b>\$ 603,897</b>

**Total  
Road and  
Bridge Funds**

\$	966,567
	<u>579,344</u>
\$	<u><u>1,545,911</u></u>

\$	84,321
	-
	<u>116,000</u>
	<u>200,321</u>

455,698

	<u>889,892</u>
	<u>889,892</u>

\$ 1,545,911

**SAN JACINTO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**ROAD AND BRIDGE FUNDS**  
For the Year Ended September 30, 2015

	Road and Bridge Precinct No. 1	Road and Bridge Precinct No. 2	Road and Bridge Precinct No. 3	Road and Bridge Precinct No. 4
<b><u>Revenues</u></b>				
Property taxes	\$ 436,896	\$ 437,846	\$ 558,477	\$ 603,960
Other taxes	6,981	-	9,479	9,531
Fines and forfeitures	135,001	148,376	164,577	184,968
Investment income	43	-	33	101
Other	25,794	50,694	51,835	190,420
<b>Total Revenues</b>	<b>604,715</b>	<b>636,916</b>	<b>784,401</b>	<b>988,980</b>
<b><u>Expenditures</u></b>				
Roads and bridges	\$ 624,129	\$ 749,975	\$ 871,891	\$ 967,335
Capital outlay	5,784	-	-	-
<b>Total Expenditures</b>	<b>629,913</b>	<b>749,975</b>	<b>871,891</b>	<b>967,335</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(25,198)</b>	<b>(113,059)</b>	<b>(87,490)</b>	<b>21,645</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers (out)	-	-	(52,946)	-
Debt issued	-	11,929	151,697	-
Sale of capital assets	632	16,635	-	-
<b>Total Other Financing Sources</b>	<b>632</b>	<b>28,564</b>	<b>98,751</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(24,566)</b>	<b>(84,495)</b>	<b>11,261</b>	<b>21,645</b>
Beginning fund balances	243,868	112,167	174,649	435,363
<b>Ending Fund Balances</b>	<b>\$ 219,302</b>	<b>\$ 27,672</b>	<b>\$ 185,910</b>	<b>\$ 457,008</b>

**Total  
Road and  
Bridge Funds**

\$ 2,037,179  
25,991  
632,922  
177  
318,743  
3,015,012

\$ 3,213,330  
5,784  
3,219,114

(204,102)

(52,946)  
163,626  
17,267  
127,947

(76,155)

966,047

\$ 889,892

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**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ 936,318	\$ 936,318
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>936,318</u>	<u>936,318</u>
<b>Expenditures</b>				
<b>Debt Service:</b>				
Principal	546,328	546,328	811,497	(265,169)
Interest and fiscal charges	162,576	162,576	159,727	2,849
<b>Total Expenditures</b>	<u>708,904</u>	<u>708,904</u>	<u>971,224</u>	<u>(262,320)</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(708,904)</u>	<u>(708,904)</u>	<u>(34,906)</u>	<u>673,998</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	913,966	1,020,333	33,341	(986,992)
<b>Total Other Financing Sources</b>	<u>913,966</u>	<u>1,020,333</u>	<u>33,341</u>	<u>(986,992)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 205,062</u>	<u>\$ 311,429</u>	<u>(1,565)</u>	<u>\$ (312,994)</u>
Beginning fund balance			<u>2,547</u>	
<b>Ending Fund Balance</b>			<u>\$ 982</u>	

**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUND - Precinct One**  
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 495,623	\$ 495,623	\$ 436,896	\$ (58,727)
Other taxes	7,500	7,500	6,981	(519)
Fines and forfeitures	141,500	141,500	135,001	(6,499)
Investment income	420	420	43	(377)
Other	9,500	9,500	25,794	16,294
<b>Total Revenues</b>	<u>654,543</u>	<u>654,543</u>	<u>604,715</u>	<u>(49,828)</u>
<b>Expenditures</b>				
<b>Roads and Bridges:</b>				
Precinct 1	671,734	684,884	624,129	60,755
Capital Outlay	104,856	104,856	5,784	99,072
<b>Total Expenditures</b>	<u>776,590</u>	<u>789,740</u>	<u>629,913</u>	<u>159,827</u>
<b>(Deficiency) of Revenues</b>				
<b>(Under) Expenditures</b>	<u>(122,047)</u>	<u>(135,197)</u>	<u>(25,198)</u>	<u>109,999</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(63,038)	(63,038)	-	63,038
Debt issued	50,000	50,000	-	(50,000)
Sale of capital assets	2,500	2,500	632	(1,868)
<b>Total Other Financing Sources (Uses)</b>	<u>(10,538)</u>	<u>(10,538)</u>	<u>632</u>	<u>11,170</u>
<b>Net Change in Fund Balance</b>	<u>\$ (132,585)</u>	<u>\$ (145,735)</u>	<u>(24,566)</u>	<u>\$ 121,169</u>
Beginning fund balance			<u>243,868</u>	
<b>Ending Fund Balance</b>			<u>\$ 219,302</u>	

**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUND - Precinct Two**  
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 555,770	\$ 555,770	\$ 437,846	\$ (117,924)
Fines and forfeitures	141,800	141,800	148,376	6,576
Other	16,125	16,125	50,694	34,569
<b>Total Revenues</b>	<u>713,695</u>	<u>713,695</u>	<u>636,916</u>	<u>(76,779)</u>
<b>Expenditures</b>				
<b>Roads and Bridges:</b>				
Precinct 2	813,951	867,835	749,975	117,860
<b>Total Expenditures</b>	<u>813,951</u>	<u>867,835</u>	<u>749,975</u>	<u>117,860</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(100,256)</u>	<u>(154,140)</u>	<u>(113,059)</u>	<u>41,081</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(118,156)	(118,156)	-	118,156
Debt issued	-	11,929	11,929	-
Sale of capital assets	-	16,630	16,635	5
<b>Total Other Financing Sources (Uses)</b>	<u>(118,156)</u>	<u>(89,597)</u>	<u>28,564</u>	<u>118,161</u>
<b>Net Change in Fund Balance</b>	<u>\$ (218,412)</u>	<u>\$ (243,737)</u>	<u>(84,495)</u>	<u>\$ 159,242</u>
Beginning fund balance			<u>112,167</u>	
<b>Ending Fund Balance</b>			<u>\$ 27,672</u>	

**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUND - Precinct Three**  
For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Property taxes	\$ 660,573	\$ 660,573	\$ 558,477	\$ (102,096)
Other taxes	9,500	9,500	9,479	(21)
Fines and forfeitures	169,000	169,000	164,577	(4,423)
Investment income	500	500	33	(467)
Other	1,000	1,000	51,835	50,835
<b>Total Revenues</b>	<u>840,573</u>	<u>840,573</u>	<u>784,401</u>	<u>(56,172)</u>
<b><u>Expenditures</u></b>				
<b>Roads and Bridges:</b>				
Precinct 3	983,124	1,070,822	871,891	198,931
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>983,124</u>	<u>1,070,822</u>	<u>871,891</u>	<u>198,931</u>
<b>(Deficiency) of Revenues</b> <b>(Under) Expenditures</b>	<u>(142,551)</u>	<u>(230,249)</u>	<u>(87,490)</u>	<u>142,759</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers out	(75,463)	(184,377)	(52,946)	131,431
Debt issued	-	151,697	151,697	-
<b>Total Other Financing Sources (Uses)</b>	<u>(75,463)</u>	<u>(32,680)</u>	<u>98,751</u>	<u>131,431</u>
<b>Net Change in Fund Balance</b>	<u>\$ (218,014)</u>	<u>\$ (262,929)</u>	<u>11,261</u>	<u>\$ 274,190</u>
Beginning fund balance			<u>174,649</u>	
<b>Ending Fund Balance</b>			<u>\$ 185,910</u>	

**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUND - Precinct Four**

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 653,728	\$ 653,728	\$ 603,960	\$ (49,768)
Other taxes	8,700	8,700	9,531	831
Fines and forfeitures	164,000	164,000	184,968	20,968
Investment income	580	580	101	(479)
Other	6,100	161,330	190,420	29,090
<b>Total Revenues</b>	<u>833,108</u>	<u>988,338</u>	<u>988,980</u>	<u>642</u>
<b>Expenditures</b>				
<b>Roads and Bridges:</b>				
Precinct 4	1,147,682	1,318,071	967,335	350,736
<b>Total Expenditures</b>	<u>1,147,682</u>	<u>1,318,071</u>	<u>967,335</u>	<u>350,736</u>
<b>Excess (Deficiency) of</b>				
<b>Revenues Over (Under) Expenditures</b>	<u>(314,574)</u>	<u>(329,733)</u>	<u>21,645</u>	<u>351,378</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(59,282)	(59,282)	-	59,282
Debt issuance	120,000	120,000	-	(120,000)
<b>Total Other Financing Sources</b>	<u>60,718</u>	<u>60,718</u>	<u>-</u>	<u>(60,718)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (253,856)</u>	<u>\$ (269,015)</u>	<u>21,645</u>	<u>\$ 290,660</u>
Beginning fund balance			<u>435,363</u>	
<b>Ending Fund Balance</b>			<u>\$ 457,008</u>	

# SAN JACINTO COUNTY, TEXAS

## COMBINING STATEMENT OF NET POSITION

### AGENCY FUNDS (Page 1 of 2)

September 30, 2015

	<u>Memorial Wall</u>	<u>Inmate Commissary</u>	<u>Sherriff's Commissary</u>	<u>County Clerk's Probate Trust</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 661	\$ 22,658	\$ 4,174	\$ 167,380
<b>Total Assets</b>	<b>\$ 661</b>	<b>\$ 22,658</b>	<b>\$ 4,174</b>	<b>\$ 167,380</b>
<b><u>Liabilities</u></b>				
Amounts held for others	\$ -	\$ 22,658	\$ 4,174	\$ 167,380
Due to other units	661	-	-	-
<b>Total Liabilities</b>	<b>\$ 661</b>	<b>\$ 22,658</b>	<b>\$ 4,174</b>	<b>\$ 167,380</b>

<u>District Clerk's Trust</u>	<u>District Clerk's Regular</u>	<u>District Clerk's Escrow</u>	<u>Tax Assessor's Ad Valorem</u>	<u>Tax Assessor's Motor Vehicle</u>	<u>Tax Assessor's VIT</u>
\$ 506,466	\$ 834,800	\$ 109,700	\$ 584,204	\$ 33,634	\$ 105
<u>\$ 506,466</u>	<u>\$ 834,800</u>	<u>\$ 109,700</u>	<u>\$ 584,204</u>	<u>\$ 33,634</u>	<u>\$ 105</u>
\$ 506,466	\$ -	\$ -	\$ -	\$ -	\$ -
-	834,800	109,700	584,204	33,634	105
<u>\$ 506,466</u>	<u>\$ 834,800</u>	<u>\$ 109,700</u>	<u>\$ 584,204</u>	<u>\$ 33,634</u>	<u>\$ 105</u>





# SAN JACINTO COUNTY, TEXAS

## COMBINING STATEMENT OF NET POSITION

### AGENCY FUNDS (Page 2 of 2)

September 30, 2015

	<u>Tax Assessor Credit Card</u>	<u>Total Agency Funds</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 92,404	\$ 2,356,186
<b>Total Assets</b>	<b>\$ 92,404</b>	<b>\$ 2,356,186</b>
<b><u>Liabilities</u></b>		
Amounts held for others	\$ -	\$ 700,678
Due to other units	92,404	1,655,508
<b>Total Liabilities</b>	<b>\$ 92,404</b>	<b>\$ 2,356,186</b>

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**SAN JACINTO COUNTY, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**

For the Year Ended September 30, 2015

		Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
<b>Memorial Wall</b>					
<b>Asset</b>	Cash and cash equivalents	\$ 661	\$ -	\$ -	\$ 661
<b>Liability</b>	Due to other units	\$ 661	\$ -	\$ -	\$ 661
<b>Inmate Commissary</b>					
<b>Asset</b>	Cash and cash equivalents	\$ 21,891	\$ 767	\$ -	\$ 22,658
<b>Liability</b>	Amounts held for others	\$ 21,891	\$ 767	\$ -	\$ 22,658
<b>Sheriff's Commissary</b>					
<b>Asset</b>	Cash and cash equivalents	\$ 1,380	\$ 2,794	\$ -	\$ 4,174
<b>Liability</b>	Amounts held for others	\$ 1,380	\$ 2,794	\$ -	\$ 4,174
<b>County Clerk's Probate Trust</b>					
<b>Asset</b>	Cash and cash equivalents	\$ 168,706	\$ -	\$ 1,326	\$ 167,380
<b>Liability</b>	Amounts held for others	\$ 168,706	\$ -	\$ 1,326	\$ 167,380
<b>District Clerk's Trust</b>					
<b>Asset</b>	Cash and cash equivalents	\$ 497,877	\$ 8,589	\$ -	\$ 506,466
<b>Liability</b>	Amounts held for others	\$ 497,877	\$ 8,589	\$ -	\$ 506,466
<b>District Clerk's Regular</b>					
<b>Asset</b>	Cash and cash equivalents	\$ 183,387	\$ 651,413	\$ -	\$ 834,800
<b>Liability</b>	Due to other units	\$ 183,387	\$ 651,413	\$ -	\$ 834,800
<b>District Clerk's Escrow</b>					
<b>Asset</b>	Cash and cash equivalents	\$ 109,700	\$ -	\$ -	\$ 109,700
<b>Liability</b>	Due to other units	\$ 109,700	\$ -	\$ -	\$ 109,700
<b>Tax Assessor's Ad Valorem</b>					
<b>Asset</b>	Cash and cash equivalents	\$ 435,046	\$ 149,158	\$ -	\$ 584,204
<b>Liability</b>	Due to other units	\$ 435,046	\$ 149,158	\$ -	\$ 584,204
<b>Tax Assessor's Motor Vehicle</b>					
<b>Asset</b>	Cash and cash equivalents	\$ 109,890	\$ -	\$ 76,256	\$ 33,634
<b>Liability</b>	Due to other units	\$ 109,890	\$ -	\$ 76,256	\$ 33,634
<b>Tax Assessor's VIT</b>					
<b>Asset</b>	Cash and cash equivalents	\$ 114	\$ -	\$ 9	\$ 105
<b>Liability</b>	Due to other units	\$ 114	\$ -	\$ 9	\$ 105
<b>Tax Assessor's Credit Card</b>					
<b>Asset</b>	Cash and cash equivalents	\$ 10,320	\$ 82,084	\$ -	\$ 92,404
<b>Liability</b>	Due to other units	\$ 10,320	\$ 82,084	\$ -	\$ 92,404
<b>Total</b>					
<b>Asset</b>	Cash and cash equivalents	\$ 1,538,972	\$ 894,805	\$ 77,591	\$ 2,356,186
<b>Liabilities</b>	Amounts held for others	\$ 689,854	\$ 12,150	\$ 1,326	\$ 700,678
	Due to other units	849,118	882,655	76,265	1,655,508
	<b>Total Liabilities</b>	\$ 1,538,972	\$ 894,805	\$ 77,591	\$ 2,356,186

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***STATISTICAL SECTION***

**SAN JACINTO COUNTY, TEXAS**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
 Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
San Jacinto County, Texas by fund:				
General	\$ 0.41220	\$ 0.40000	\$ 0.47710	\$ 0.47470
Road and Bridge	0.19100	0.17780	0.10690	0.10690
Debt Service	0.02310	0.02060	0.04470	0.04480
<b>Total Direct Rates</b>	<b>\$ 0.62630</b>	<b>\$ 0.59840</b>	<b>\$ 0.62870</b>	<b>\$ 0.62640</b>
City of Shepherd	\$ 0.27200	\$ 0.27200	\$ 0.26460	\$ 0.25460
Coldspring School District	1.55580	1.45450	1.11500	1.10500
Shepherd School District	1.50000	1.37900	1.36000	1.47000
Waterwood Municipal Utility District	1.16000	0.92000	0.94000	0.94000
Waterwood Debt Service	-	-	-	-
San Jacinto County Emergency Service District	0.10000	0.09120	0.10000	0.10000
<b>Total Direct and Overlapping Rates</b>	<b>\$ 5.21410</b>	<b>\$ 4.71510</b>	<b>\$ 4.40830</b>	<b>\$ 4.49600</b>

Source: San Jacinto County Tax Assessor-Collector

Note: Overlapping rates are those of local and county governments that apply within the County.

Tax rates per \$100 of assessed valuation

**Fiscal Year**

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 0.44000	\$ 0.43000	\$ 0.42970	\$ 0.48350	\$ 0.44560	\$ 0.48360
0.15360	0.14970	0.15430	0.04590	0.14850	0.04590
0.03000	0.05790	0.05360	0.11860	0.05390	0.11850
<u>\$ 0.62360</u>	<u>\$ 0.63760</u>	<u>\$ 0.63760</u>	<u>\$ 0.64800</u>	<u>\$ 0.64800</u>	<u>\$ 0.64800</u>
\$ 0.26460	\$ 0.26460	\$ 0.26460	\$ 0.26770	\$ 0.26770	\$ 0.25688
1.09500	1.09500	1.09500	1.09500	1.09500	1.09500
1.36000	1.36000	1.36000	1.36000	1.36000	1.36000
0.50000	0.50000	0.94000	0.89000	0.89000	0.89000
0.44000	0.44000	0.44000	0.44000	0.44000	0.44000
0.10000	0.10000	0.10000	0.10000	0.10000	0.10000
<u>\$ 4.38320</u>	<u>\$ 4.39720</u>	<u>\$ 4.83720</u>	<u>\$ 4.80070</u>	<u>\$ 4.80070</u>	<u>\$ 4.78988</u>

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# SAN JACINTO COUNTY, TEXAS

## PRINCIPAL PROPERTY TAXPAYERS

Current Year

Property Taxpayer	2015		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Sam Houston Electric Coop Inc.	\$ 10,713,400	1	0.25%
5G, LP, A Limited Partnership	10,603,825	2	0.24%
East Texas Electric Cooperative	8,059,300	3	0.18%
Union Pacific Railroad	7,754,760	4	0.18%
Holiday Villages of Livingston	7,480,660	5	0.17%
Eastex Telephone Co-Op Inc.	6,593,960	6	0.15%
Oneok Arbuckle	6,532,170	7	0.15%
Entergy Texas Inc.	5,913,105	8	0.14%
FAMCOR Oil Inc	4,880,281	9	0.11%
Oneok NGL Pipeline LP	4,764,740	10	0.11%
Subtotal	73,296,201		1.68%
Other Taxpayers	4,365,890,487		98.32%
<b>Total</b>	<b>\$ 4,370,655,227</b>		<b>100.00%</b>

Source: San Jacinto Tax Assessor-Collector's records

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**SAN JACINTO COUNTY, TEXAS**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION**  
 Last Ten Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b><u>General Government</u></b>										
Building	4	5	5	5	5	5	5	5	6	5
County Judge	3	3	3	3	3	3	3	3	2	2
County Clerk	9	9	7	6	5	5	6	6	6	6
Elections	4	4	3	2	2	2	2	2	2	2
Veterans Services	1	1	1	1	1	1	1	1	1	1
Computer Technician	-	-	-	-	-	-	-	-	-	1
<b><u>Financial Administration</u></b>										
County Auditor	4	4	4	4	4	4	4	4	4	4
County Treasurer	3	3	2	2	2	2	2	2	2	2
Tax Assessor-Collector	6	7	7	8	8	8	8	8	8	7
<b><u>Health and Welfare</u></b>										
Extension Service	3	3	3	1	1	1	2	1	1	1
Indigent Health Care	2	2	2	1	1	1	1	1	1	1
Sanitation	8	8	10	5	5	5	5	5	6	6
Senior Citizens	2	2	2	1	1	1	1	1	1	1
<b><u>Judicial</u></b>										
258th Judicial District	1	1	3	3	3	3	3	1	1	1
411th Judicial District	3	2	3	3	3	3	3	1	1	1
District Clerk	6	6	5	5	5	5	5	5	5	5
District Attorney	7	7	6	6	6	6	6	5	5	6
Justice of the Peace, Pct. 1	2	2	2	2	2	2	2	2	2	2
Justice of the Peace, Pct. 2	4	6	5	3	3	2	2	2	2	3
Justice of the Peace, Pct. 3	3	3	3	3	1	1	1	1	1	1
Justice of the Peace, Pct. 4	2	3	2	2	2	2	2	2	2	2
<b><u>Public Safety</u></b>										
Sheriff's Office	23	25	30	38	40	40	44	42	41	43
Constables	4	4	4	4	4	4	4	4	4	4
Department of Public Safety	2	2	2	2	2	2	2	2	2	2
Animal Control	1	1	1	1	1	1	1	1	1	1
Public Safety Programs	6	8	7	-	-	-	-	-	-	-
Detention Center	13	15	14	19	19	19	19	19	19	19
Emergency Management	3	1	1	1	1	1	1	1	1	1
911/Permits	-	2	2	2	1	1	1	2	2	2
<b><u>Road and Bridge</u></b>										
Commissioners	4	4	4	4	4	4	4	4	4	4
Road and Bridge Workers	36	33	31	27	28	26	25	32	32	28
<b>Total County Positions</b>	<b>169</b>	<b>176</b>	<b>174</b>	<b>164</b>	<b>163</b>	<b>160</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>164</b>

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