

**SAN JACINTO COUNTY, TEXAS**

**AUDITED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2019**



**SAN JACINTO COUNTY, TEXAS  
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SEPTEMBER 30, 2019**

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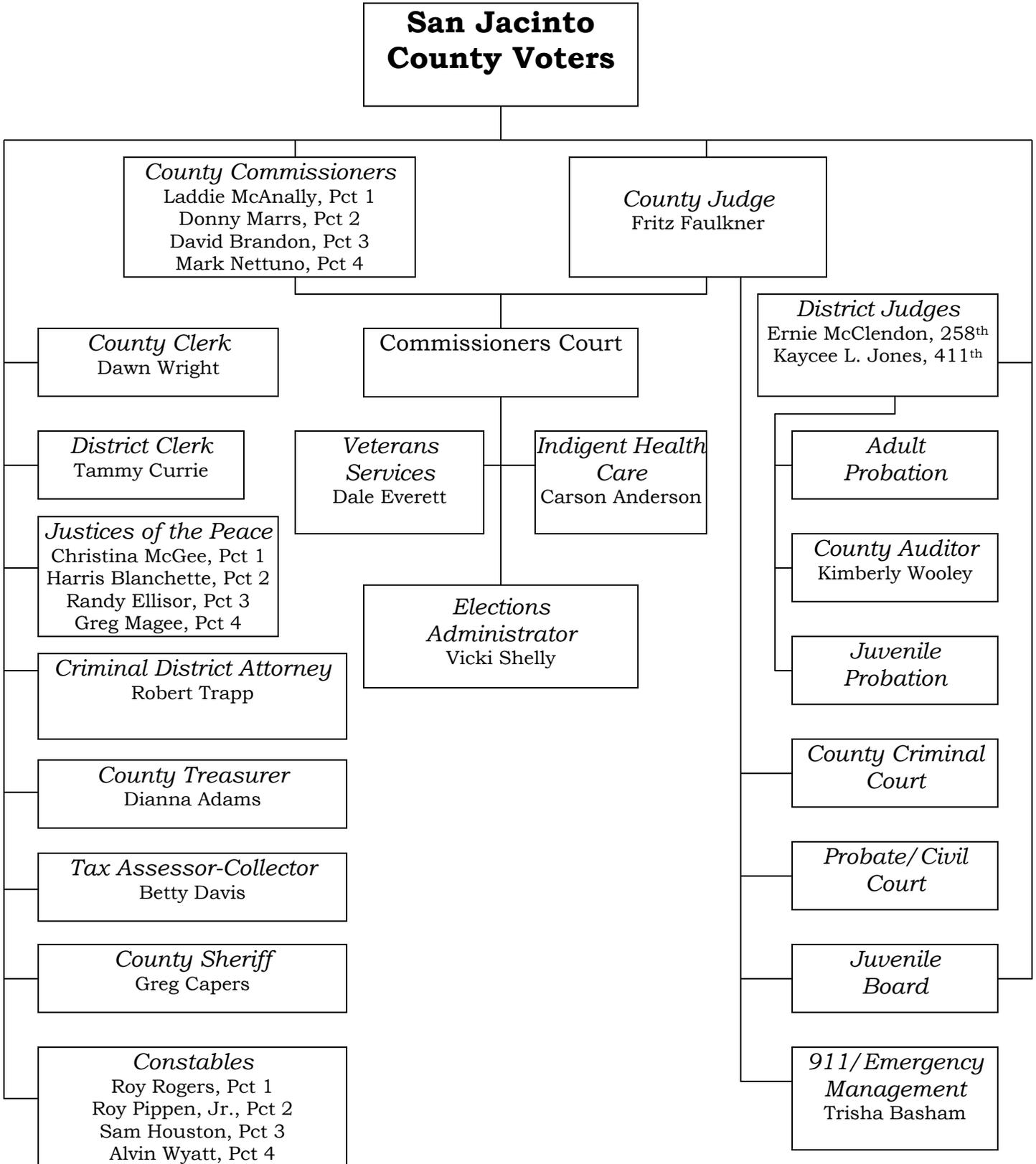
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## **INTRODUCTORY SECTION**

**SAN JACINTO COUNTY, TEXAS  
ORGANIZATIONAL CHART  
SEPTEMBER 30, 2019**



**SAN JACINTO COUNTY, TEXAS  
PRINCIPAL PUBLIC OFFICIALS  
AT SEPTEMBER 30, 2019**

**COMMISSIONERS' COURT**

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

**COUNTY ELECTED OFFICIALS**

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

**APPOINTED OFFICIALS**

Kimberly Wooley..... County Auditor

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**FINANCIAL SECTION**

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# Todd, Hamaker & Johnson, LLP

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CERTIFIED PUBLIC ACCOUNTANTS

420 S 1<sup>st</sup> Street • PO Box 468 • Lufkin, TX 75902-0468 • (936) 632-8181  
301 N 6<sup>th</sup> Street • PO Box 1249 • Crockett, TX 75835-1249 • (936) 544-2143

Melvin R. Todd, CPA  
Daren Hamaker, CPA  
Kim Johnson, CPA  
Samantha Wright, CPA

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Jacinto County, Texas, as of and for the year ended September 30, 2019, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of San Jacinto County, Texas, as of September 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## INDEPENDENT AUDITORS' REPORT – CONTINUED

### ***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, schedule of pension contributions, and schedule of changes in total OPEB liability on pages 11-17 and 65-83, respectively, 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 combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, on pages 89-115, 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 nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2020, 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.

*Todd, Hamaker & Johnson, LLP*

Todd, Hamaker & Johnson, LLP  
Lufkin, Texas

June 22, 2020

**Management's Discussion and Analysis  
(unaudited)**

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**SAN JACINTO COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(UNAUDITED)**

As management of San Jacinto County, Texas (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2019. We encourage readers to consider information presented here as well as the County's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

**Government-wide Financial Statements**

- The County's overall assets and deferred outflows exceeded its total liabilities and deferred inflows by \$26,931,880 (net position) at September 30, 2019.
- Total assets decreased by \$228,966 over the prior year; total liabilities increased by \$671,760 from the prior year.
- Overall revenues exceeded expenses (or an increase in net position) by \$463,030.

**Fund Financial Statements**

- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$5,838,543, an increase of \$755,507 from the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements.** The *government-wide financial statements*, which begin on page 23 of this report, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

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

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

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

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**SAN JACINTO COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(UNAUDITED)**

**Governmental Funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources* available at the end of the fiscal year.

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

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

The governmental fund financial statements can be found on pages 28 to 35 of this report.

**Fiduciary Funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the County's own programs.

The fiduciary fund financial statements can be found on page 37 and pages 113 to 115 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41 to 62 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of government's financial position. The County's assets exceeded its liabilities by \$26,931,880 (net position) as of September 30, 2019.

The largest portion of the County's net position, or \$19,411,293, reflects its investment in capital assets (\$21,591,634) less the related debt used to acquire those assets that remains outstanding (\$2,180,341). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position totaling \$3,564,065 represents resources that are subject to restriction on how they may be used.

The remaining balance is \$3,956,522 and unrestricted in nature.

**SAN JACINTO COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(UNAUDITED)**

**The County's Net Position**

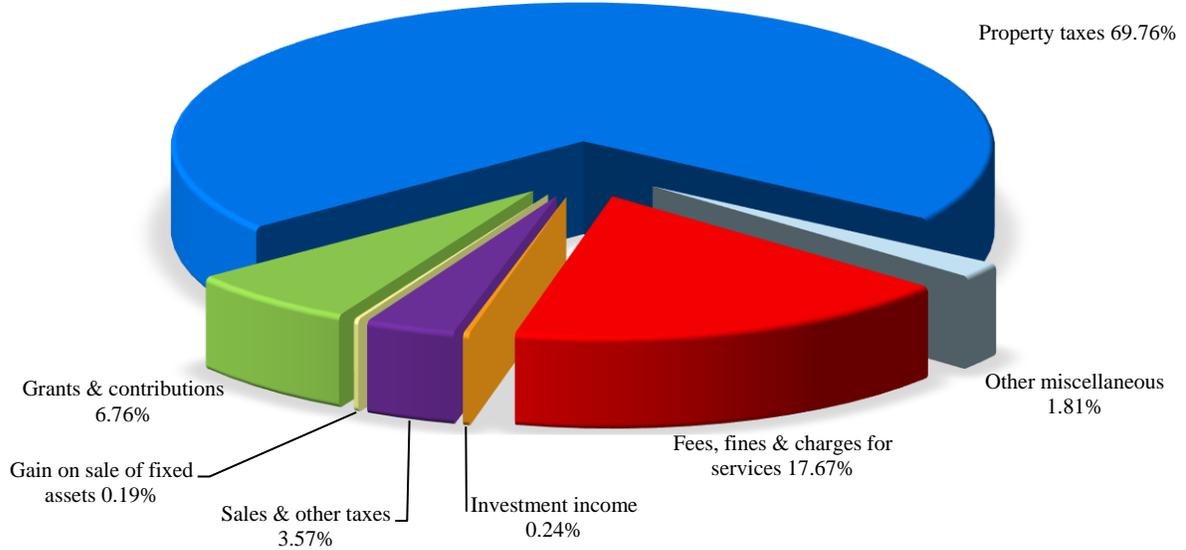
	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 10,612,366	\$ 9,979,286
Net pension asset	-	26,840
Capital assets, net	<u>21,591,634</u>	<u>22,426,840</u>
Total assets	<u>32,204,000</u>	<u>32,432,966</u>
Deferred outflows of resources	<u>1,593,423</u>	<u>544,837</u>
Long-term liabilities	4,383,528	3,607,680
Other liabilities	<u>2,421,372</u>	<u>2,525,460</u>
Total liabilities	<u>6,804,900</u>	<u>6,133,140</u>
Deferred inflows of resources	<u>60,643</u>	<u>375,813</u>
Net position		
Invested in capital assets, net of related debt	19,411,293	19,370,074
Restricted	3,564,065	2,984,217
Unrestricted	<u>3,956,522</u>	<u>4,114,559</u>
Total net position	<u>\$ 26,931,880</u>	<u>\$ 26,468,850</u>

**Change in Net Position**

	<u>2019</u>	<u>2018</u>
Revenues		
Program revenues:		
Charges for services	\$ 3,093,873	\$ 3,144,384
Operating grants and contributions	657,338	973,309
Capital grants and contributions	526,576	168,695
General revenues:		
Taxes	12,838,502	11,990,671
Investment income	42,078	30,344
Other revenues	<u>349,951</u>	<u>1,148,852</u>
Total revenues	<u>17,508,318</u>	<u>17,456,255</u>
Expenses		
General government	3,409,843	3,500,915
Tax administration	456,348	387,409
Roads and bridges	4,458,152	4,656,732
Health and human services	1,189,393	1,483,586
Administration of justice	7,276,308	6,981,966
Pass-through expenditures	192,968	356,217
Interest on long-term debt	<u>62,276</u>	<u>76,009</u>
Total expenses	<u>17,045,288</u>	<u>17,442,834</u>
Increase (decrease) in net position	463,030	13,421
Net position at beginning of year	26,468,850	27,260,507
Prior period adjustment	-	(805,078)
Net position at end of year	<u>\$ 26,931,880</u>	<u>\$ 26,468,850</u>

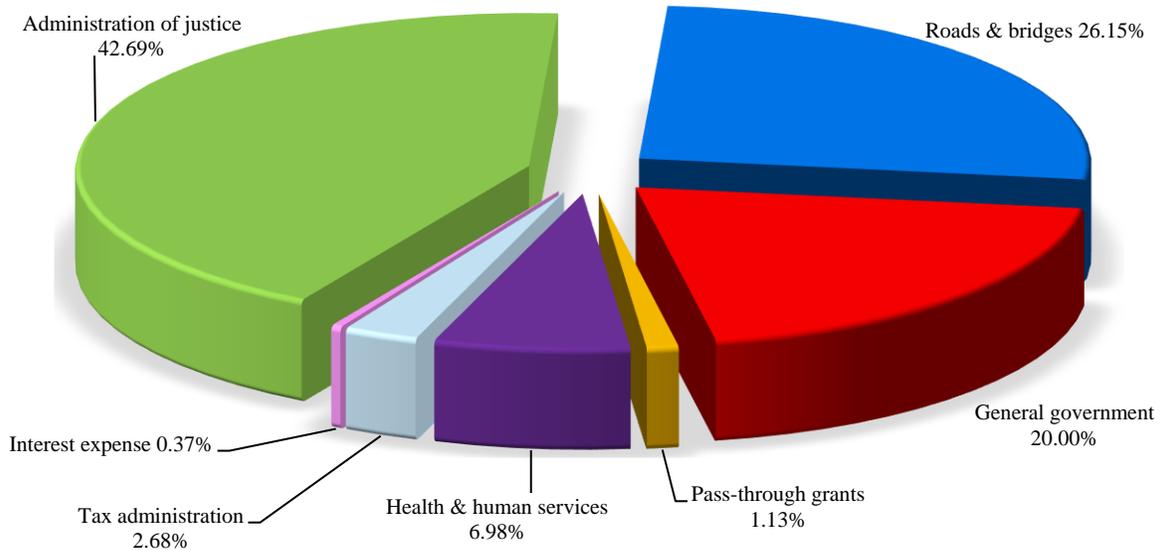
**SAN JACINTO COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(UNAUDITED)**

**Revenues by Source  
For the Fiscal Year Ended September 30, 2019**



The County's total revenues were \$17,508,318. A significant portion, \$12,214,185 or 69.76%, of the County's revenues come from property taxes.

**Expenses by Function  
For the Fiscal Year Ended September 30, 2019**



The total cost of all governmental programs and services was \$17,045,288. The administration of justice and road and bridge functions accounted for \$11,734,460 or 68.84%.

**SAN JACINTO COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(UNAUDITED)**

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

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

The County's governmental fund financial statements are presented on pages 28 to 35.

As of September 30, 2019, the County's governmental funds reported a total fund balance of \$5,838,543. This fund balance is comprised of \$3,625,995 that is either restricted or assigned for a specific purpose. The remaining balance, \$2,212,548, is unassigned. During the year, the fund balance in the County's governmental funds increased by \$755,507.

**Budgetary Comparisons.** A comparison of the general fund budget and actual results, as well as comparisons of the road and bridge funds budgets and actual results are presented as required supplementary information on pages 65 through 73.

*General fund.* Actual revenues were higher than budgeted amounts by \$185,735. Actual expenditures were lower than budgeted amounts by \$93,191. Actual other financing sources (uses) were favorable to budgeted amounts by \$2,255. An overall decrease in fund balance of \$7,513 had been projected, using prior year budget carryovers to fund the decrease. Actual results were better than expected, resulting in an increase in fund balance of \$273,668 for the fiscal year.

*Road and bridge precinct no. 1.* Actual revenues were higher than budgeted amounts by \$64,622. Actual expenditures were lower than budgeted amounts by \$199,563. Actual other financing sources (uses) were favorable to budgeted amounts by \$26,778. An overall decrease in fund balance of \$223,416 had been projected, using prior year budget carryovers to fund the decrease. Actual amounts resulted in an increase in fund balance of \$67,547 for the fiscal year.

*Road and bridge precinct no. 2.* Actual revenues were higher than budgeted amounts by \$87,004. Actual expenditures were lower than budgeted amounts by \$127,335. Actual other financing sources (uses) were favorable to budgeted amounts by 6,638. An overall decrease in fund balance of \$161,040 had been projected, using prior year budget carryovers to fund the decrease. Actual results were better than expected, resulting in an increase in fund balance of \$59,937 for the fiscal year.

*Road and bridge precinct no. 3.* Actual revenues were higher than budgeted amounts by \$18,944. Actual expenditures were lower than budgeted amounts by \$176,340. Actual other financing sources (uses) were favorable to budgeted amounts by \$25,816. An overall decrease in fund balance of \$105,394 had been projected, using prior year budget carryovers to fund the decrease. Actual results were better than expected, resulting in an increase in fund balance of \$115,706 for the fiscal year.

*Road and bridge precinct no. 4.* Actual revenues were higher than budgeted amounts by \$9,358. Actual expenditures were lower than budgeted amounts by \$283,680. Actual other financing sources (uses) were favorable to budgeted amounts by \$1,435. An overall decrease in fund balance of \$40,400 had been projected, using prior year budget carryovers to fund the decrease. Actual amounts resulted in an increase in fund balance of \$254,073 for the fiscal year.

**SAN JACINTO COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(UNAUDITED)**

**CAPITAL ASSETS**

The County's investment in capital assets as of September 30, 2019, totaled \$21,591,634 (net of accumulated depreciation). This investment includes land, land improvements, buildings, machinery and equipment, and infrastructure assets.

Significant capital purchases included:

- Completion of the community center (grant funded)
- Various vehicles, equipment and machinery for law enforcement and road and bridge departments
- Acquisition of NIBRS software for the Sheriff's office (grant funded)

**Capital Assets (Net of Depreciation)**

	2019	2018
Land	\$ 2,030,081	\$ 2,030,081
Construction in progress	-	2,845,109
Land improvements	517,430	517,430
Buildings	10,104,904	7,141,073
Machinery and equipment	12,238,031	11,866,311
Infrastructure	203,633,249	203,633,249
Less: accumulated depreciation	(206,932,061)	(205,606,413)
Total	\$ 21,591,634	\$ 22,426,840

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the County had total bond debt and capital lease obligations of \$2,180,341. During the year, the County fully paid-off five capital lease obligations. No new capital leases were incurred.

**Debt Outstanding**

	Beginning Balance	Additions	Reductions	Ending Balance
Certificates of obligation	\$ 1,645,000	\$ -	\$ (390,000)	\$ 1,255,000
Unamortized premiums	122,328	-	(30,582)	91,746
Capital leases	1,289,438	-	(455,843)	833,595
Total	\$ 3,056,766	\$ -	\$ (876,425)	\$ 2,180,341

**ECONOMIC FACTORS AND FUTURE FUNDING**

The fiscal year 2020 budget (all funds) totaling \$34,925,693 was approved and adopted by the Commissioners Court in September 2019. Of the 2020 budget total, \$15,916,321 consists of various grant funding. The County has budgeted general expenditures to be \$11,907,946, which is an increase

**SAN JACINTO COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(UNAUDITED)**

from the prior year of approximately \$1,030,564. The tax rate required to fund the 2020 budget totals \$0.63168 per \$100 valuation with an estimated collection rate of 96%. The prior year tax rate was \$0.63497 per \$100 valuation with an estimated collection rate of 96%. Overall property tax revenue is expected to increase by approximately \$811,212, which is primarily due to new property added to the tax roll and increased appraised values of existing property.

**REQUESTS FOR INFORMATION**

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

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## **Basic Financial Statements**

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**Government-wide Financial Statements**

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**SAN JACINTO COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

	Primary Government	
	Governmental Activities	Total
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,033,293	\$ 7,033,293
Receivables		
Property taxes, net of allowance for uncollectibles	2,419,901	2,419,901
Sales tax receivable	115,420	115,420
Grants	921,177	921,177
Other - miscellaneous	9,013	9,013
Prepaid expenses	113,562	113,562
Capital assets, net of accumulated depreciation	21,591,634	21,591,634
<b>TOTAL ASSETS</b>	32,204,000	32,204,000
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amount on bond refunding	16,432	16,432
Pension plan	1,563,337	1,563,337
Other postemployment benefits	13,654	13,654
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	1,593,423	1,593,423
<b>LIABILITIES</b>		
Accounts payable	593,941	593,941
Accrued expenses	397,176	397,176
Accrued interest	10,699	10,699
Due to other units	456,038	456,038
Unearned revenue	436,318	436,318
Accrued compensated absences	572,200	572,200
Noncurrent liabilities		
Total OPEB liability	508,399	508,399
Net pension liability	1,649,788	1,649,788
Due within one year	614,746	614,746
Due in more than one year	1,565,595	1,565,595
<b>TOTAL LIABILITIES</b>	6,804,900	6,804,900
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension plan	14,588	14,588
Other postemployment benefits	46,055	46,055
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	60,643	60,643
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	19,411,293	19,411,293
Restricted for		
Debt service	309,633	309,633
Road and bridge	2,112,327	2,112,327
Capital projects	94	94
Special projects/purposes	1,142,011	1,142,011
Unrestricted	3,956,522	3,956,522
<b>TOTAL NET POSITION</b>	\$ 26,931,880	\$ 26,931,880

See accompanying Notes to the Financial Statements.

**SAN JACINTO COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Expenses
Primary government	
Governmental activities	
General government	\$ 3,409,843
Tax administration	456,348
Roads and bridges	4,458,152
Health and human services	1,189,393
Administration of justice	7,276,308
Pass-through expenditures	192,968
Interest on long-term debt	62,276
Total governmental activities	\$ 17,045,288

Program Revenues			Net (Expenses) Revenues and Changes in Net Position
Fees, Fines, Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
\$ 557,556	\$ -	\$ -	\$ (2,852,287)
-	-	-	(456,348)
792,974	285,362	-	(3,379,816)
330,465	10,439	141,176	(707,313)
1,412,878	168,569	385,400	(5,309,461)
-	192,968	-	-
-	-	-	(62,276)
<u>\$ 3,093,873</u>	<u>\$ 657,338</u>	<u>\$ 526,576</u>	<u>(12,767,501)</u>

General revenues	
Property taxes	12,214,185
Sales taxes	534,530
Other taxes	89,787
Investment income	42,078
Gain (loss) on sale of assets	32,628
Other revenues	317,323
Total general revenues	<u>13,230,531</u>
Change in net position	463,030
Net position - beginning	<u>26,468,850</u>
Net position - ending	<u>\$ 26,931,880</u>

See accompanying Notes to the Financial Statements.

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**Fund Financial Statements**

**SAN JACINTO COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	General Fund	Road and Bridge Fund Pct. No. 1	Road and Bridge Fund Pct. No. 2
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,814,469	\$ 747,323	\$ 387,662
Receivables			
Property taxes, net of allowance for uncollectibles	1,643,448	129,886	129,886
Sales taxes	115,420	-	-
Grants	25,462	-	-
Other - miscellaneous	9,213	-	-
<b>TOTAL ASSETS</b>	<b>\$ 5,608,012</b>	<b>\$ 877,209</b>	<b>\$ 517,548</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities</b>			
Deficit in pooled cash	\$ -	\$ -	\$ -
Accounts payable	196,517	40,580	84,484
Accrued expenses	307,977	15,506	17,163
Due to other units	294,439	-	-
Unearned revenue	8,495	-	-
<b>Total liabilities</b>	<b>807,428</b>	<b>56,086</b>	<b>101,647</b>
 <b>Deferred inflows of resources</b>			
Unavailable revenue - grants	-	-	-
Unavailable revenue - property taxes	1,556,827	123,232	123,232
<b>Total deferred inflows of resources</b>	<b>1,556,827</b>	<b>123,232</b>	<b>123,232</b>
 <b>Fund balances</b>			
Restricted	-	697,891	292,669
Assigned	-	-	-
Unassigned	3,243,757	-	-
<b>Total fund balances</b>	<b>3,243,757</b>	<b>697,891</b>	<b>292,669</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 5,608,012</b>	<b>\$ 877,209</b>	<b>\$ 517,548</b>

Road and Bridge Fund Pct. No. 3	Road and Bridge Fund Pct. No. 4	Nonmajor Governmental Funds	Total Governmental Funds
\$ 774,658	\$ 541,357	\$ 2,193,127	\$ 8,458,596
152,475	152,475	211,731	2,419,901
-	-	-	115,420
-	-	895,715	921,177
-	(200)	-	9,013
<u>\$ 927,133</u>	<u>\$ 693,632</u>	<u>\$ 3,300,573</u>	<u>\$ 11,924,107</u>

\$ -	\$ -	\$ 1,425,303	\$ 1,425,303
71,882	104,096	96,382	593,941
18,147	15,545	22,838	397,176
-	-	161,599	456,038
-	-	427,823	436,318
<u>90,029</u>	<u>119,641</u>	<u>2,133,945</u>	<u>3,308,776</u>

-	-	484,127	484,127
144,664	144,664	200,042	2,292,661
<u>144,664</u>	<u>144,664</u>	<u>684,169</u>	<u>2,776,788</u>

692,440	429,327	1,451,738	3,564,065
-	-	61,930	61,930
-	-	(1,031,209)	2,212,548
<u>692,440</u>	<u>429,327</u>	<u>482,459</u>	<u>5,838,543</u>

<u>\$ 927,133</u>	<u>\$ 693,632</u>	<u>\$ 3,300,573</u>	<u>\$ 11,924,107</u>
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See accompanying Notes to the Financial Statements.

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**SAN JACINTO COUNTY, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Total fund balances - governmental funds balance sheet	\$ 5,838,543
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	21,591,634
Prepaid expenditures are not reported as assets in the governmental funds.	113,562
Differences resulting from the refunding of certificates of obligation relate to long-term debt and therefore, are not reported in the governmental funds.	16,432
Deferred pension plan and OPEB amounts relate to subsequent pension plan measurement periods and/or do not consume current financial resources and therefore, these amounts are not reported in the governmental funds.	1,516,348
Certain revenues are not available to pay current period expenditures and therefore, are deferred in the governmental funds.	2,776,788
Payables for accrued interest on long-term liabilities are not due in the current period and therefore, are not reported in the governmental funds.	(10,699)
Payables for accrued compensated absences are not due in the current period and therefore, are not reported in the governmental funds.	(572,200)
Payables for noncurrent liabilities, including certificates of obligations, capital leases, net pension liabilities, and total OPEB liabilities are not due in the current period and therefore, are not reported in the governmental funds.	<u>(4,338,528)</u>
Net position of governmental activities	<u>\$ 26,931,880</u>

See accompanying Notes to the Financial Statements.

**SAN JACINTO COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>General Fund</u>	<u>Road and Bridge Fund Pct. No. 1</u>	<u>Road and Bridge Fund Pct. No. 2</u>
<b>REVENUES</b>			
Property taxes	\$ 8,416,751	\$ 669,286	\$ 669,285
General sales and use taxes	534,530	-	-
Other taxes	49,780	7,573	7,573
Fines, fees, and forfeitures	1,001,497	-	-
Intergovernmental revenue and grants	242,331	86,480	-
Licenses and permits	222,195	162,066	159,936
Charges for services	399,378	-	-
Investment earnings	31,935	1,453	746
Rent	15,030	-	-
Insurance reimbursements and other revenue	111,690	5,174	27,393
Total revenues	<u>11,025,117</u>	<u>932,032</u>	<u>864,933</u>
<b>EXPENDITURES</b>			
General government	2,829,048	-	-
Tax administration	442,448	-	-
Roads and bridges	-	845,225	806,455
Health and human services	570,696	-	-
Administration of justice	6,422,348	-	-
Pass-through expenditures	-	-	-
Capital outlay	138,880	45,293	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>10,403,420</u>	<u>890,518</u>	<u>806,455</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>621,697</u>	<u>41,514</u>	<u>58,478</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of real and personal property	1,348	16,678	6,638
Proceeds from issuance of debt	-	-	-
Transfers in	15,068	10,300	-
Transfers out	(364,445)	(945)	(5,179)
Net other financing sources (uses)	<u>(348,029)</u>	<u>26,033</u>	<u>1,459</u>
<b>NET CHANGE IN FUND BALANCE</b>	273,668	67,547	59,937
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>2,970,089</u>	<u>630,344</u>	<u>232,732</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,243,757</u>	<u>\$ 697,891</u>	<u>\$ 292,669</u>

Road and Bridge Fund Pct. No. 3	Road and Bridge Fund Pct. No. 4	Nonmajor Governmental Funds	Total Governmental Funds
\$ 785,683	\$ 785,683	\$ 993,735	\$ 12,320,423
-	-	-	534,530
8,890	8,890	7,081	89,787
-	-	236,081	1,237,578
-	6,050	894,026	1,228,887
181,821	196,621	285,975	1,208,614
-	-	36,942	436,320
316	1,069	6,559	42,078
-	-	5,250	20,280
<u>7,789</u>	<u>26,489</u>	<u>138,788</u>	<u>317,323</u>
<u>984,499</u>	<u>1,024,802</u>	<u>2,604,437</u>	<u>17,435,820</u>
-	-	193,397	3,022,445
-	-	-	442,448
890,775	756,525	272,008	3,570,988
-	-	563,591	1,134,287
-	-	648,405	7,070,753
-	-	192,968	192,968
-	15,639	142,657	342,469
-	-	845,843	845,843
-	-	92,074	92,074
<u>890,775</u>	<u>772,164</u>	<u>2,950,943</u>	<u>16,714,275</u>
<u>93,724</u>	<u>252,638</u>	<u>(346,506)</u>	<u>721,545</u>
7,863	1,435	-	33,962
-	-	-	-
17,953	-	367,970	411,291
<u>(3,834)</u>	<u>-</u>	<u>(36,888)</u>	<u>(411,291)</u>
<u>21,982</u>	<u>1,435</u>	<u>331,082</u>	<u>33,962</u>
115,706	254,073	(15,424)	755,507
<u>576,734</u>	<u>175,254</u>	<u>497,883</u>	<u>5,083,036</u>
<u>\$ 692,440</u>	<u>\$ 429,327</u>	<u>\$ 482,459</u>	<u>\$ 5,838,543</u>

See accompanying Notes to the Financial Statements.

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**SAN JACINTO COUNTY, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Net change in fund balance - governmental funds	\$	755,507
Amounts reported for governmental activities in the statement of activities are different because:		
Expenditures for capital assets are not reported as expenses in the statement of activities.		799,553
The depreciation of capital assets used in governmental activities is not reported in the governmental funds.		(1,633,426)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.		(1,333)
Amount represents the change in prepaid expenses from the beginning of the period to the end of the period.		10,154
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		39,870
Repayment of long-term debt is an expenditure in the governmental funds, but is not an expense in the statement of activities.		845,843
Amount represents the change in accrued compensated absences from the beginning of the period to the end of the period.		(118,055)
Amount represents the change in accrued interest from the beginning of the period to the end of the period.		4,692
This amount represents the change in net pension assets/liabilities and total OPEB liabilities and related deferred amounts from the beginning of the period to the end of the period.		(264,880)
This amount represents the net change in the bond premium and the deferred amount on refunding from the beginning of the period to the end of the period.		<u>25,105</u>
Change in net position of governmental activities	\$	<u>463,030</u>

See accompanying Notes to the Financial Statements.

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**SAN JACINTO COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2019**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,959,810
<b>TOTAL ASSETS</b>	<u>\$ 1,959,810</u>
<b>LIABILITIES</b>	
Amounts held for others	\$ 428,043
Due to other units	<u>1,531,767</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 1,959,810</u>

See accompanying Notes to the Financial Statements.

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**Notes to the Financial Statements**

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**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Introduction**

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

**Reporting Entity**

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

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

**Government-wide and Fund Financial Statements**

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

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

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

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

**New Accounting Pronouncements**

GASB Statement No. 83, *Certain Asset Retirement Obligations* (“GASB 83”), addresses accounting and financial reporting for certain asset retirements which include a legally enforceable liability associated with the retirement of such tangible capital asset. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2018. Implementation of GASB 83 did not have an impact on the County’s financial disclosures.

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

GASB Statement No. 84, *Fiduciary Activities* (“GASB 84”), improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2018. The effects of implementing GASB 84 on the County’s financial disclosures have not been evaluated by management.

GASB Statement No. 87, *Leases* (“GASB 87”), is intended to increase the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2019. The effects of implementing GASB 87 on the County’s financial disclosures have not been evaluated by management.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (“GASB 88”), is intended to improve the information that is disclosed in notes to government financial statements related to debt and to clarify which liabilities governments should include when disclosing information related to debt. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2018. Implementation of GASB 88 is reflected in the County’s notes to the financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (“GASB 89”), is intended to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2019. The effects of implementing GASB 89 on the County’s financial disclosures have not been evaluated by management.

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61* (“GASB 90”), is intended to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2018. The effects of implementing GASB 90 on the County’s financial disclosures have not been evaluated by management.

GASB Statement No. 91, *Conduit Debt Obligations* (“GASB 91”), is intended to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in certain practices. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2020. The effects of implementing GASB 91 on the County’s financial disclosures have not been evaluated by management.

GASB Statement No. 92, *Omnibus 2020* (“GASB 92”), is intended to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2020. The effects of implementing GASB 92 on the County’s financial disclosures have not been evaluated by management.

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

The government-wide statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

for which they are levied. Grants and donations are recognized as revenue in the fiscal year in which grantor eligibility requirements have been satisfied.

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

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

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

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

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

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

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

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

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

*Agency funds* are used to account for assets received and held for the benefit of other funds, individuals, or organizations. Agency funds held by the county function as clearing accounts and are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

As of September 30, 2019, the general fund is reported as a major governmental fund. Additionally, the County has elected to present the road and bridge funds for precincts 1, 2, 3, and 4 as major funds due to their significance within the County. The County has no proprietary funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the County's policy to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the County that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

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

**Deposits and Investments**

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

Investments consist of certificates of deposit with maturities greater than three months and investment positions in local government investment pools, such as TexPool and Texas CLASS, that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Certificates of deposit are recorded at cost, which approximates market value at September 30, 2019. TexPool and Texas CLASS investments are reported using the pool's net asset value per share.

The County is required by the Public Funds Collateral Act (Government Code, chapter 2257) to maintain security for all deposits of funds that exceed coverage provided by the Federal Deposit Insurance Corporation ("FDIC"). As of the balance sheet date, the County's cash deposits were fully collateralized by securities pledged by the depository banks. Based on audit procedures conducted in conjunction with the audit of the basic financial statements, the County appears to have complied with the requirements of the Public Funds Collateral Act.

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

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

- U.S. Treasury securities which have a liquid market; direct obligations of the State of Texas, and other obligations that are guaranteed by the State of Texas or United States of America;
- obligations of states, agencies, counties, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent;
- fully insured or collateralized certificates of deposit at commercial banks;
- repurchase agreements collateralized by U.S. Treasury or U.S. Government Agency securities in accordance with a master repurchase agreement;

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

- joint pools of political subdivisions in the State of Texas which invest in instruments and follow practices allowed by current law (the pool must be continuously rated no lower than “AAA” or “AAA-m” by at least one nationally recognized rating service).

The Act also requires an annual audit of investment practices. Based on audit procedures conducted in conjunction with the audit of the basic financial statements, the County appears to have complied with the requirements of the Public Funds Investment Act.

**Fair Value of Financial Instruments**

The County evaluates the fair value of its non-investment financial instruments based on the current interest rate environment and current pricing of debt instruments with comparable terms. The carrying value of all non-investment financial instruments, including debt, is considered to approximate fair value.

**Property Tax Receivables**

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

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

The tax rate, per \$100 valuation, adopted for the fiscal year ended September 30, 2019, was as follows:

General fund	\$ .43410
Lateral road	.10465
Special road and bridge	.04590
Debt service - lateral road	.01326
Debt service - general	<u>.03706</u>
Total	<u>\$ .63497</u>

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

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

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**Grant Receivables**

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

**Restricted Assets**

Certain assets are classified as restricted because they are maintained in separate accounts and their use is limited by applicable bond covenants, grant agreements, laws or regulations, and/or other contractual agreements.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. In accordance with GASB guidelines, these amounts have been recorded only in the government-wide financial statements.

**Capital Assets, Depreciation, and Amortization**

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

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

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

The estimated useful lives are as follows:

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

**Deferred Inflows/Outflows of Resources**

*Deferred Outflows 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 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 that time. The County has three types of items, which arise only under a full accrual basis of accounting, that qualify for reporting in this category: 1) deferred amount on bond refunding, which is an amount that arose due to the refunding of the County's Series 2007 certificates of obligation and is being amortized to interest expense over the life of the new Series 2016 bonds; 2) deferred amounts relating to the County's pension plan which result from actuarial, economic, and/or

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investment assumption which are amortized to pension expense at an actuarially determined rate, and pension contributions subsequent to the plan measurement date which is recognized as a component of pension expense in the following fiscal year; and 3) deferred amounts relating to the County's other postemployment benefits which result from actuarial, economic, and/or investment assumption which are amortized to pension expense at an actuarially determined rate.

*Deferred Inflows of Resources.* 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 represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items, which arise only under a full accrual basis of accounting, that qualify for reporting in this category: 1) deferred amounts relating to the County's pension plan which result from actuarial, economic, and/or investment assumption which are amortized to pension expense at an actuarially determined rate; and 3) deferred amounts relating to the County's other postemployment benefits which result from actuarial, economic, and/or investment assumption which are amortized to pension expense at an actuarially determined rate.

### **Compensated Absences**

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

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

### **Long-term Obligations**

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

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

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

### **Pensions**

For purposes of measuring the net pension liability/net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County & District Retirement System ("TCDRS") and additions to/deductions from

**SAN JACINTO COUNTY, TEXAS**  
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TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Net Position and Fund Balances**

In the government-wide financial statements, the difference between the County's total assets and total liabilities represents net position. Net position is displayed in three components – invested in capital assets, net of related debt; restricted; and unrestricted. At September 30, 2019, restricted net position represents monies that are legally restricted for payment of debt service, road and bridge costs, capital projects, and other special projects or other activities for which special assessments or revenues have been received. Unrestricted net position represents the net assets available for future operations.

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

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

Restricted – amounts that can be spent only for specific purposes due to constraints imposed on resources either (a) externally by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

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

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – all other spendable amounts.

**Estimates**

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

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**SAN JACINTO COUNTY, TEXAS**  
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**STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Deficit Balances**

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. At September 30, 2019, the sanitation fund, shelter/community building fund, FEMA DR 4223 fund, FEMA DR 4332 fund, and the sheriff's seizure fund, had deficit balances. These deficits are the result of the timing relating to payment of invoices, expenditures in excess of appropriations, and transfers to and from pooled funds.

**Budget Expenditures in Excess of Appropriations**

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

General fund:

Other expenditures	\$ 47,432
SCAAP correctional fund	103
Professional fees and claims	7,360
Autopsies	39,486
258 <sup>th</sup> judicial district	19
District court	12,546
Justice of the peace, Pct. No. 1	2,590
Detention center	57,985

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**SAN JACINTO COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
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**DETAILED NOTES ON ALL FUNDS**

**ASSETS**

**Deposits and Investments**

As of September 30, 2019, the County had the following investments:

	Value	Weighted Average Maturity (years)
Investments by type		
Certificates of deposit	\$ 1,654,633	0.19
TexPool	1,309,476	0.00
Texas CLASS	5,287	0.00
Total value	\$ 2,969,396	
Portfolio weighted average maturity		0.11

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

*Credit Risk.* State law and the County’s investment policy limit investments to obligations of states, agencies, counties, cities and other political subdivisions of any state rates as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent. As of September 30, 2019, the County’s investments in TexPool and Texas CLASS were rated “AAAm” by Standard and Poor’s. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States government.

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned. As of September 30, 2019, the County’s cash deposits with depository banks totaled \$7,675,793. Included in the balances are certificates of deposit totaling \$1,654,633 and agency funds totaling \$2,049,247. All deposits were fully collateralized by securities pledged by the depository banks with total collateral value of \$12,590,515, in addition to FDIC coverage.

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

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

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a

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net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool’s authority may only impose restrictions on redemptions in the event of a general suspension of trading on major national markets, general banking moratorium, or a national state of emergency that affects TexPool’s liquidity.

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

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

**Receivables**

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

	Property Taxes	Sales Taxes	Grants	Other	Totals
Receivables by fund					
General fund	\$ 1,729,947	\$ 115,420	\$ 25,462	\$ 9,213	\$ 1,880,042
Road and bridge 1	136,722	-	-	-	136,722
Road and bridge 2	136,722	-	-	-	136,722
Road and bridge 3	160,499	-	-	-	160,499
Road and bridge 4	160,499	-	-	(200)	160,299
Nonmajor funds	<u>222,875</u>	<u>-</u>	<u>895,715</u>	<u>-</u>	<u>1,118,590</u>
Total receivables, gross	<u>2,547,264</u>	<u>115,420</u>	<u>921,177</u>	<u>9,013</u>	<u>3,592,874</u>
Allowance for for uncollectibles	<u>(127,363)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(127,363)</u>
Total receivables, net	<u>\$ 2,419,901</u>	<u>\$ 115,420</u>	<u>\$ 921,177</u>	<u>\$ 9,013</u>	<u>\$ 3,465,511</u>

*Property Taxes.* Of the \$2,547,264 in gross property taxes receivable, \$1,785,846 represents the outstanding balances of assessments for tax years 2017 and prior.

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**Capital Assets**

	<u>Balance</u> <u>09/30/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>09/30/2019</u>
Capital assets, not being depreciated				
Land	\$ 2,030,081	\$ -	\$ -	\$ 2,030,081
Construction in progress	<u>2,845,109</u>	<u>100,529</u>	<u>(2,945,638)</u>	<u>-</u>
Total not being depreciated	<u>4,875,190</u>	<u>100,529</u>	<u>(2,945,638)</u>	<u>2,030,081</u>
Capital assets, being depreciated				
Land improvements	517,430	-	-	517,430
Buildings	7,141,073	2,963,831	-	10,104,904
Machinery and equipment	11,866,311	680,831	(309,111)	12,238,031
Infrastructure	<u>203,633,249</u>	<u>-</u>	<u>-</u>	<u>203,633,249</u>
Total being depreciated	<u>223,158,063</u>	<u>3,644,662</u>	<u>(309,111)</u>	<u>226,493,614</u>
Less accumulated depreciation:				
Land improvements	(362,214)	(17,879)	-	(380,093)
Buildings	(2,784,230)	(176,880)	-	(2,961,110)
Machinery and equipment	(8,752,986)	(723,446)	307,778	(9,168,654)
Infrastructure	<u>(193,706,983)</u>	<u>(715,221)</u>	<u>-</u>	<u>(194,422,204)</u>
Total accumulated depreciation	<u>(205,606,413)</u>	<u>(1,633,426)</u>	<u>307,778</u>	<u>(206,932,061)</u>
Total being depreciated, net	<u>17,551,650</u>	<u>2,011,236</u>	<u>(1,333)</u>	<u>19,561,553</u>
Total capital assets, net	<u>\$ 22,426,840</u>	<u>\$ 2,111,765</u>	<u>\$ (2,946,971)</u>	<u>\$ 21,591,634</u>
				<u>(2,180,341)</u>
				<u>\$ 19,411,293</u>

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

General government	\$ 331,226
Tax administration	6,863
Roads and bridges	860,476
Administration of justice	369,472
Health and human services	<u>65,389</u>
Total	<u>\$ 1,633,426</u>

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**SAN JACINTO COUNTY, TEXAS**  
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**LIABILITIES**

**Accrued Expenses**

At September 30, 2019, accrued expenses of the County's governmental funds are as follows:

	<u>Payroll</u> <u>Liabilities</u>	<u>Construction</u> <u>Retainage</u>	<u>Other</u>	<u>Totals</u>
General fund	\$ 295,124	\$ -	\$ 12,853	\$ 307,977
Road and bridge 1	15,506	-	-	15,506
Road and bridge 2	17,163	-	-	17,163
Road and bridge 3	18,147	-	-	18,147
Road and bridge 4	15,545	-	-	15,545
Nonmajor funds	<u>19,560</u>	<u>-</u>	<u>3,278</u>	<u>22,838</u>
Total accrued expenses	<u>\$ 381,045</u>	<u>\$ -</u>	<u>\$ 16,131</u>	<u>\$ 397,176</u>

**Capital Leases**

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

The assets acquired through capital leases are as follows:

	<u>General</u> <u>Fund</u>	<u>Road and</u> <u>Bridge Funds</u>	<u>Nonmajor</u> <u>Funds</u>	<u>Totals</u>
Asset:				
Machinery and equipment	\$ 782,377	\$ 659,022	\$ -	\$ 1,441,399
Less accumulated depreciation	<u>(456,478)</u>	<u>(79,509)</u>	<u>-</u>	<u>(535,987)</u>
Total	<u>\$ 325,899</u>	<u>\$ 579,513</u>	<u>\$ -</u>	<u>\$ 905,412</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2019, were as follows:

<u>Year ending September 30,</u>	<u>General</u> <u>Fund</u>	<u>Road and</u> <u>Bridge Funds</u>	<u>Nonmajor</u> <u>Funds</u>	<u>Totals</u>
2020	\$ 159,236	\$ 70,004	\$ -	\$ 229,240
2021	139,061	142,990	-	282,050
2022	80,967	142,990	-	223,957
2023	-	142,705	-	142,705
2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total minimum lease payments	\$ 379,264	\$ 498,689	\$ -	\$ 877,952
Less amount representing interest	<u>(24,904)</u>	<u>(19,453)</u>	<u>-</u>	<u>(44,357)</u>
Present value of minimum lease payments	<u>\$ 354,359</u>	<u>\$ 479,236</u>	<u>\$ -</u>	<u>\$ 833,595</u>

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**Long-term Liabilities**

Long-term liability activity for the year ended September 30, 2019, was as follows:

	Balance 09/30/18	Additions	Reductions	Balance 09/30/19	Due Within One Year
Long-term debt:					
<i>Direct borrowings:</i>					
Capital leases	\$ 1,289,438	\$ -	\$ (455,843)	\$ 833,595	\$ 214,746
<i>Other debt:</i>					
2016 Bonds	1,645,000	-	(390,000)	1,255,000	400,000
Bond premiums:					
2016 Bonds	122,328	-	(30,582)	91,746	-
	<u>3,056,766</u>	<u>-</u>	<u>(876,425)</u>	<u>2,180,341</u>	<u>614,746</u>
Other:					
Compensated absences	454,145	118,055	-	572,200	-
Net pension liability	(26,840)	1,676,628	-	1,649,788	-
Total OPEB liability	550,914	-	(42,515)	508,399	-
	<u>978,219</u>	<u>1,794,683</u>	<u>(42,515)</u>	<u>2,730,387</u>	<u>-</u>
Totals	<u>\$ 4,034,985</u>	<u>\$ 1,794,683</u>	<u>\$ (918,940)</u>	<u>\$ 4,910,728</u>	<u>\$ 614,746</u>

Interest expense for the year ended September 30, 2019 was as follows:

Interest charges	\$ 92,074
Increase (decrease) in accrued interest payable	(4,693)
Amortization of bond premium	(30,582)
Amortization of refunding loss	5,477
Total	<u>\$ 62,276</u>

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

Year ending September 30,	Direct Borrowings		Other Debt	
	Principal	Interest	Principal	Interest
2019	\$ 214,746	\$ 15,494	\$ 400,000	\$ 48,750
2020	265,269	15,781	420,000	32,250
2021	214,739	9,218	435,000	10,875
2022	138,841	3,864	-	-
Total	<u>\$ 833,595</u>	<u>\$ 44,357</u>	<u>\$ 1,255,000</u>	<u>\$ 91,875</u>

At year end, the County had cash totaling \$297,944 available in the debt service fund to service long-term debt.

Certificates of obligation and other debt payable at September 30, 2019, are comprised of the following:

*San Jacinto County, Texas General Obligation Refunding Bonds, Series 2016.* In June, 2016, the County issued \$2,025,000 of general obligation refunding bonds carrying interest at rates of 3.00% to 5.00%. The County issued the bonds to advance refund a callable portion (\$2,135,000) of the outstanding *Certificates of Obligation, Series 2007* with interest at rates of 4.00% to 5.00% and original maturities of 2008-2022. The

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certificates were issued with an original issue premium of \$214,076. The premium is reported on the statement of net position and is being amortized over the life of the bonds as a component of interest expense. The net proceeds were used to purchase U.S. Government securities which were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 2007 series bonds. The advance refunding was calculated by the County’s financial adviser to have reduced total debt service payments by over \$2,440,500. The refunding resulted in a deferred amount on refunding totaling \$32,864, which is reported on the statement of net position as a deferred outflow of resources and is being amortized over the life of the bonds as a component of interest expense.

The bonds are secured by the County’s ad valorem taxes and require annual payments of principal and semi-annual payments of interest at varying amounts. The bond indenture allows the County to pay the bonds from the proceeds of an additional ad valorem tax that may be levied by the County, and the County has pledged any such proceeds to secure the payment. The bonds have been recorded in the debt service fund.

*Capital Leases (Direct Borrowings).* The County has entered into various lease purchase agreements for the purpose of purchasing equipment. During the year, the County paid-off four existing leases and incurred two new leases. The agreements accrue interest at rates from 2.01% to 2.90% and are all for durations greater than one year. Each lease purchase is collateralized by the equipment that each respective agreement serves to finance.

**Bond Compliance Requirements**

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

**Interfund Receivables, Payables, and Transfers**

*Interfund Balances.* Interfund receivable and payable balances are the result of cash needed by a fund until the fund is able to generate sufficient revenues to cover expenditures. Utilizing a pooled cash system, interfund balances do not usually arise. Interfund “borrowing” is indicated as a deficit in pooled cash and reported on the fund financial statements as such. Accordingly, there were no interfund receivable and payable balances at September 30, 2019.

*Interfund Transfers.* Transfers between funds are indicative of funding for capital projects; lease payments or debt service; subsidies of various County operations; and re-allocations of special revenues. The following schedule summarizes the County’s transfers at September 30, 2019:

Fund	Transfers In	Transfers Out
General	\$ 15,068	\$ (364,445)
Road and Bridge Precinct No. 1	10,300	(945)
Road and Bridge Precinct No. 2	-	(5,179)
Road and Bridge Precinct No. 3	17,953	(3,834)
Road and Bridge Precinct No. 4	-	-
Nonmajor	367,970	(36,888)
Totals	\$ 411,291	\$ (411,291)

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**Defined Benefit Pension Plan**

**Plan Description.** San Jacinto County participates as one of 760 plans in the non-traditional defined benefit plan in the statewide Texas County and District Retirement System (“TCDRS”). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system. TCDRS in the aggregate issues a comprehensive annual financial report (“CAFR”) on a calendar year basis. The CAFR is available online at [www.tcdrs.org](http://www.tcdrs.org).

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

Members can retire at ages 75 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

**Employees Covered by Benefit Terms.** At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	143
Inactive employees entitled to but not yet receiving benefits	299
Active employees	188
	630

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

The County has not elected the annually determined contribution rate (“ADCR”) plan provisions of the TCDRS Act. The County contributes using the actuarially determined rate of 8.73% for calendar year 2018 and 8.51% for calendar year 2019. The contribution rate payable by the employee members for fiscal year 2019 is the rate of 7.00% as adopted by the County. For fiscal year 2019, the County’s required contributions equaled actual contributions which totaled \$557,347.

The County’s Net Pension Liability/Asset (“NPL”) was measured as of December 31, 2018, and the Total Pension Liability (“TPL”) used to calculate the NPL was determined by an actuarial valuation as of that date.

**Actuarial Assumptions.** The required contribution was determined as part of the December 31, 2018, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2018, included (a) 8.0% investment rate of return (net of administrative expenses), and (b) projected salary increases of 4.9 percent. Both (a) and (b) included an inflation component of 2.75 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market

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value of investments over a five-year period. The total pension liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2018 was 10.3 years.

Salary increases were based on a service-related table. Mortality rates for active members were based on 90% of the RP-2014 Active Employee Mortality Table for males and females, projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for active members were based on 110% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. For disabled annuitants, mortality rates were based on 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Updated mortality assumptions were adopted in 2017. All other actuarial assumptions that determined the total pension liability as of December 31, 2017 valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB 68. Assumptions are reviewed annually.

The long-term expected rate of return on pension plan investments is 8.10%. The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2019 information for a 10-year time horizon.

The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017 for the period January 1, 2013 - December 31, 2016. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class:</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return (Geometric)</u>
US equities	10.5%	5.40%
Private equity	18.0%	8.40%
Global equities	2.5%	5.70%
International equities - developed	10.0%	5.40%
International equities - emerging	7.0%	5.90%
Investment-grade bonds	3.0%	1.60%
Strategic credit	12.0%	4.39%
Direct lending	11.0%	7.95%
Distressed debt	2.0%	7.20%
REIT equities	2.0%	4.15%
Master limited partnerships	3.0%	5.35%
Private real estate partnerships	6.0%	6.30%
Hedge funds	13.0%	3.90%
Total	100.0%	

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**Discount Rate.** The discount rate used to measure the Total Pension Liability was 8.10%, which is net of investment expenses and increased by 0.10% to be gross of administrative expenses. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2017	\$ 18,061,909	\$ 18,088,749	\$ (26,840)
Changes for the year:			
Service cost	730,507	-	730,507
Interest on total pension liability	1,477,959	-	1,477,959
Effect of economic/demographic (gains) or losses	84,719	-	84,719
Effect of assumption changes or inputs	-	-	-
Refund of contributions	(117,876)	(117,876)	-
Benefit payments	(995,823)	(995,823)	-
Administrative expenses	-	(14,130)	14,130
Employer contributions	-	539,317	(539,317)
Member contributions	-	432,443	(432,443)
Net investment income	-	(338,576)	338,576
Other	-	(2,497)	2,497
Net changes	<u>1,179,486</u>	<u>(497,142)</u>	<u>1,676,628</u>
Balance at 12/31/2018	<u>\$ 19,241,395</u>	<u>\$ 17,591,607</u>	<u>\$ 1,649,788</u>

**Sensitivity of the Net Pension Liability/Asset to Changes in the Discount Rate.** The following presents the net pension liability/asset of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability/asset would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1%) or 1-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%)
Total pension liability	\$ 21,462,725	\$ 19,241,395	\$ 17,362,167
Fiduciary net position	<u>17,591,606</u>	<u>17,591,607</u>	<u>17,591,606</u>
Net pension liability (asset)	<u>\$ 3,871,119</u>	<u>\$ 1,649,788</u>	<u>\$ (229,439)</u>

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

***Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions.*** For the year ended September 30, 2019, the County recognized net pension (benefit) expense of \$811,013. Net pension (benefit) expense was charged to functions/programs as follows:

<u>Function/program</u>	<u>Governmental Activities</u>
General government	\$ 143,149
Tax administration	33,776
Roads and bridges	160,397
Administration of justice	431,003
Health and human services	<u>42,688</u>
Total	<u>\$ 811,013</u>

At September 30, 2019, the County reported deferred amounts related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ (14,588)
Difference between projected and actual investment earnings	1,092,600	-
Changes in actuarial assumptions	40,374	-
Contributions subsequent to the measurement date	<u>430,363</u>	<u>-</u>
Totals, governmental activities	<u>\$ 1,563,337</u>	<u>\$ (14,588)</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Plan year ended December 31,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2019	\$ 879,800	\$ (14,588)
2020	172,092	-
2021	151,951	-
2022	<u>359,494</u>	<u>-</u>
Total	<u>\$ 1,563,337</u>	<u>\$ (14,588)</u>

**Other Post-Employment Benefits – Group Term Life Insurance Fund**

***Plan Description.*** San Jacinto County participates in the cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County & District Retirement System. This plan is referred to 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 obligations from this plan are payable only from the GTLF and are not an obligation of, or a claim against, the Pension Trust Fund. The GTLF is a separate trust administered by the TCDRS board of trustees. TCDRS issues a publicly available comprehensive annual financial report (“CAFR”) that includes financial statements and required supplementary information for the GTLF. This report is available at [www.tcdrs.org](http://www.tcdrs.org).

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**Benefit Terms.** This optional plan provides group term life insurance coverage to current eligible employees and retired employees. The coverage provided to retired employees is a postemployment benefit other than pension benefits (“OPEB”). 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.

**Employees Covered by Benefit Terms.** At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	113
Inactive employees entitled to but not yet receiving benefits	73
Active employees	188
	374

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

The total supplemental death benefit (“SDB”) contribution rates were 0.53% and 0.55% in calendar years 2018 and 2019, respectively. The retiree portion of the SDB contribution rates were 0.25% and 0.27% in calendar years 2018 and 2019, respectively. The County’s contributions to the GTLF for the year ended September 30, 2019 were \$35,522 and were equal to the contractually required contributions.

The County’s Total OPEB Liability (“TOL”) was measured as of December 31, 2018 and calculated based on an actuarial valuation as of that date.

**Actuarial Assumptions.** The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Discount Rate	4.10%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line amortization over Expected Working Life

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

Actuarial assumptions used in the December 31, 2018, valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2013 through December 31, 2016.

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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

	Total OPEB Liability
Balance at 12/31/2017	\$ 550,914
Changes for the year:	
Service cost	20,045
Interest on total OPEB liability	19,378
Changes in benefit terms	-
Difference between expected and actual experience	(10,455)
Changes in assumptions or other inputs	(56,039)
Benefit payments	(15,444)
Net changes	(42,515)
Balance at 12/31/2018	\$ 508,399

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.** The following presents the total OPEB liability of the County, calculated using the discount rate of 4.10%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current rate:

	1% Decrease in Discount Rate (3.10%)	Discount Rate (4.10%)	1% Increase in Discount Rate (5.10%)
County's total OPEB liability	\$ 597,157	\$ 508,399	\$ 438,805

**OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB.** For the year ended September 30, 2019, the County recognized net OPEB expense of \$28,504. Net OPEB expense was charged to functions/programs as follows:

Function/program	Governmental Activities
General government	\$ 5,031
Tax administration	1,187
Roads and bridges	5,638
Administration of justice	15,148
Health and human services	1,500
Totals	\$ 28,504

At September 30, 2019, the County reported deferred amounts related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ (14,754)
Changes in assumptions and other inputs	-	(31,301)
Contributions subsequent to the measurement date	13,654	-
Totals	\$ 13,654	\$ (46,055)

**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

<u>Year ended December 31,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2019	\$ 13,654	\$ (10,919)
2020	-	(10,919)
2021	-	(10,919)
2022	-	(13,298)
2023	-	-
Totals	<u>\$ 13,654</u>	<u>\$ (46,055)</u>

**OTHER INFORMATION**

**Risk Management**

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

**Contingent Liabilities**

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

**Subsequent Events**

Management has evaluated subsequent events through June 22, 2020, the date when the financial statements were available to be issued.

As a result of the COVID-19/coronavirus pandemic, economic uncertainties have arisen which are likely to negatively impact certain estimates and assumptions used in preparing the County's financial statements. Other financial impacts could occur though such potential impacts are unknown at this time.

**Required Supplementary Information**  
**(unaudited)**

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**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variances
	Original Adopted	Final Appropriated	Fund Basis	Fav (Unfav) Final to Actual
<b>REVENUES</b>				
Property taxes	\$ 8,488,993	\$ 8,488,993	\$ 8,416,751	\$ (72,242)
General sales and use taxes	356,500	356,500	534,530	178,030
Other taxes	38,400	38,400	49,780	11,380
Fines, fees, and forfeitures	1,066,525	1,066,525	1,001,497	(65,028)
Intergovernmental revenue and grants	236,189	236,189	242,331	6,142
Licenses and permits	134,500	134,500	222,195	87,695
Charges for services	371,000	371,000	399,378	28,378
Investment earnings	1,745	1,745	31,935	30,190
Rent	21,000	21,000	15,030	(5,970)
Insurance reimbursements and other revenue	124,530	124,530	111,690	(12,840)
Total revenues	<u>10,839,382</u>	<u>10,839,382</u>	<u>11,025,117</u>	<u>185,735</u>
<b>EXPENDITURES</b>				
General government				
County judge	217,359	217,359	208,097	9,262
County clerk	231,553	231,553	217,923	13,630
Other expenditures	757,874	757,914	805,346	(47,432)
Elections	193,482	196,462	182,894	13,568
County auditor	256,758	256,758	249,883	6,875
County treasurer	179,404	179,404	172,878	6,526
Buildings	607,325	607,325	560,057	47,268
IT/computer department	83,812	83,812	82,428	1,384
Emergency management	65,669	65,669	57,576	8,093
911 Administrator	130,410	130,410	99,540	30,870
Fire marshal	23,200	23,200	16,463	6,737
SCAAP correctional fund	500	500	603	(103)
Professional fees and claims	168,000	168,000	175,360	(7,360)
Total general government	<u>2,915,346</u>	<u>2,918,366</u>	<u>2,829,048</u>	<u>89,318</u>
Tax administration				
Tax assessor-collector	469,116	469,116	442,448	26,668
Total tax administration	<u>469,116</u>	<u>469,116</u>	<u>442,448</u>	<u>26,668</u>
Health and human services				
Veteran service officer	13,814	13,814	13,447	367
Animal control	74,425	74,425	70,897	3,528
Autopsies	61,000	61,000	100,486	(39,486)
Texas parks & wildlife	2,200	2,200	2,122	78
Extension office	126,730	126,730	122,492	4,238
Senior citizens	56,871	56,871	56,713	158
Indigent health care	217,531	217,531	204,539	12,992
Total health and human services	<u>552,571</u>	<u>552,571</u>	<u>570,696</u>	<u>(18,125)</u>

(continued)

**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**(CONTINUED)**

	Budgeted Amounts		Actual Amounts	Variances
	Original Adopted	Final Appropriated	Fund Basis	Fav (Unfav) Final to Actual
<b>EXPENDITURES - continued</b>				
Administration of justice				
District clerk	280,590	285,083	269,629	15,454
258th judicial district	3,501	3,501	3,520	(19)
District court	389,350	389,350	401,896	(12,546)
Criminal district attorney	401,830	401,830	393,442	8,388
411th judicial district	3,501	3,501	3,401	100
County court	15,000	15,000	13,079	1,921
Justice of the peace, Pct. No. 1	117,330	117,330	119,920	(2,590)
Justice of the peace, Pct. No. 2	165,781	165,781	150,507	15,274
Justice of the peace, Pct. No. 3	96,213	96,213	94,711	1,502
Justice of the peace, Pct. No. 4	115,619	115,619	114,927	692
Constable, Pct. No. 1	73,424	73,424	71,884	1,540
Constable, Pct. No. 2	128,495	128,495	127,321	1,174
Constable, Pct. No. 3	74,906	74,906	74,601	305
Constable, Pct. No. 4	73,684	73,684	73,131	553
Sheriff office	2,808,673	2,819,471	2,806,034	13,437
Detention center	1,538,945	1,538,945	1,596,930	(57,985)
Dept of public safety	109,223	109,223	107,415	1,808
Total administration of justice	<u>6,396,065</u>	<u>6,411,356</u>	<u>6,422,348</u>	<u>(10,992)</u>
Capital outlay				
Buildings	11,000	11,000	-	11,000
Sheriff office	120,000	109,202	114,621	(5,419)
911 Administrator	25,000	25,000	24,259	741
Total capital outlay	<u>156,000</u>	<u>145,202</u>	<u>138,880</u>	<u>6,322</u>
Total expenditures	<u>10,489,098</u>	<u>10,496,611</u>	<u>10,403,420</u>	<u>93,191</u>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER EXPENDITURES</b>				
	<u>350,284</u>	<u>342,771</u>	<u>621,697</u>	<u>278,926</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of real and personal property	1,000	1,000	1,348	348
Proceeds from issuance of debt	-	-	-	-
Transfers in	-	-	15,068	15,068
Transfers out	(351,284)	(351,284)	(364,445)	(13,161)
Net other financing sources (uses)	<u>(350,284)</u>	<u>(350,284)</u>	<u>(348,029)</u>	<u>2,255</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(7,513)	273,668	281,181
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>2,970,089</u>	<u>2,970,089</u>	<u>2,970,089</u>	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,970,089</u>	<u>\$ 2,962,576</u>	<u>\$ 3,243,757</u>	<u>\$ 281,181</u>

See accompanying Notes to the Budgetary Comparison Schedules.

**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ROAD AND BRIDGE PRECINCT NO. 1**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variances
	Original Adopted	Final Appropriated	Fund Basis	Fav (Unfav) Final to Actual
<b>REVENUES</b>				
Property taxes	\$ 699,234	\$ 699,234	\$ 669,286	\$ (29,948)
General sales and use taxes	-	-	-	-
Other taxes	7,500	7,500	7,573	73
Fines, fees, and forfeitures	-	-	-	-
Intergovernmental revenue and grants	7,500	7,500	86,480	78,980
Licenses and permits	148,000	148,000	162,066	14,066
Charges for services	-	-	-	-
Investment earnings	76	76	1,453	1,377
Rent	-	-	-	-
Insurance reimbursements and other revenue	5,100	5,100	5,174	74
Total revenues	<u>867,410</u>	<u>867,410</u>	<u>932,032</u>	<u>64,622</u>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Tax administration	-	-	-	-
Roads and bridges	856,760	863,560	845,225	18,335
Health and human services	-	-	-	-
Administration of justice	-	-	-	-
Pass-through expenditures	-	-	-	-
Capital outlay	196,521	226,521	45,293	181,228
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,053,281</u>	<u>1,090,081</u>	<u>890,518</u>	<u>199,563</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(185,871)</u>	<u>(222,671)</u>	<u>41,514</u>	<u>264,185</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of real and personal property	200	200	16,678	16,478
Proceeds from issuance of debt	-	-	-	-
Transfers in	-	-	10,300	10,300
Transfers out	(945)	(945)	(945)	-
Net other financing sources (uses)	<u>(745)</u>	<u>(745)</u>	<u>26,033</u>	<u>26,778</u>
<b>NET CHANGE IN FUND BALANCE</b>	(186,616)	(223,416)	67,547	290,963
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>630,344</u>	<u>630,344</u>	<u>630,344</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 443,728</u>	<u>\$ 406,928</u>	<u>\$ 697,891</u>	<u>\$ 290,963</u>

See accompanying Notes to the Budgetary Comparison Schedules.

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**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ROAD AND BRIDGE PRECINCT NO. 2**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variances
	Original Adopted	Final Appropriated	Fund Basis	Fav (Unfav) Final to Actual
<b>REVENUES</b>				
Property taxes	\$ 599,994	\$ 599,994	\$ 669,285	\$ 69,291
General sales and use taxes	-	-	-	-
Other taxes	8,000	8,000	7,573	(427)
Fines, fees, and forfeitures	-	-	-	-
Intergovernmental revenue and grants	3,400	3,400	-	(3,400)
Licenses and permits	161,500	161,500	159,936	(1,564)
Charges for services	-	-	-	-
Investment earnings	35	35	746	711
Rent	-	-	-	-
Insurance reimbursements and other revenue	5,000	5,000	27,393	22,393
Total revenues	<u>777,929</u>	<u>777,929</u>	<u>864,933</u>	<u>87,004</u>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Tax administration	-	-	-	-
Roads and bridges	882,750	887,429	806,455	80,974
Health and human services	-	-	-	-
Administration of justice	-	-	-	-
Pass-through expenditures	-	-	-	-
Capital outlay	-	46,361	-	46,361
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>882,750</u>	<u>933,790</u>	<u>806,455</u>	<u>127,335</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(104,821)</u>	<u>(155,861)</u>	<u>58,478</u>	<u>214,339</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of real and personal property	-	-	6,638	6,638
Proceeds from issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(5,179)	(5,179)	(5,179)	-
Net other financing sources (uses)	<u>(5,179)</u>	<u>(5,179)</u>	<u>1,459</u>	<u>6,638</u>
<b>NET CHANGE IN FUND BALANCE</b>	(110,000)	(161,040)	59,937	220,977
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>232,732</u>	<u>232,732</u>	<u>232,732</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 122,732</u>	<u>\$ 71,692</u>	<u>\$ 292,669</u>	<u>\$ 220,977</u>

See accompanying Notes to the Budgetary Comparison Schedules.

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**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ROAD AND BRIDGE PRECINCT NO. 3**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variances</u>
	<u>Original Adopted</u>	<u>Final Appropriated</u>	<u>Fund Basis</u>	<u>Fav (Unfav) Final to Actual</u>
<b>REVENUES</b>				
Property taxes	\$ 764,135	\$ 764,135	\$ 785,683	\$ 21,548
General sales and use taxes	-	-	-	-
Other taxes	10,500	10,500	8,890	(1,610)
Fines, fees, and forfeitures	-	-	-	-
Intergovernmental revenue and grants	-	-	-	-
Licenses and permits	190,400	190,400	181,821	(8,579)
Charges for services	-	-	-	-
Investment earnings	20	20	316	296
Rent	-	-	-	-
Insurance reimbursements and other revenue	500	500	7,789	7,289
Total revenues	<u>965,555</u>	<u>965,555</u>	<u>984,499</u>	<u>18,944</u>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Tax administration	-	-	-	-
Roads and bridges	1,052,109	1,067,115	890,775	176,340
Health and human services	-	-	-	-
Administration of justice	-	-	-	-
Pass-through expenditures	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,052,109</u>	<u>1,067,115</u>	<u>890,775</u>	<u>176,340</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(86,554)</u>	<u>(101,560)</u>	<u>93,724</u>	<u>195,284</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of real and personal property	-	-	7,863	7,863
Proceeds from issuance of debt	-	-	-	-
Transfers in	-	-	17,953	17,953
Transfers out	(3,834)	(3,834)	(3,834)	-
Net other financing sources (uses)	<u>(3,834)</u>	<u>(3,834)</u>	<u>21,982</u>	<u>25,816</u>
<b>NET CHANGE IN FUND BALANCE</b>	(90,388)	(105,394)	115,706	221,100
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>576,734</u>	<u>576,734</u>	<u>576,734</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 486,346</u>	<u>\$ 471,340</u>	<u>\$ 692,440</u>	<u>\$ 221,100</u>

See accompanying Notes to the Budgetary Comparison Schedules.

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**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ROAD AND BRIDGE PRECINCT NO. 4**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variances
	Original Adopted	Final Appropriated	Fund Basis	Fav (Unfav) Final to Actual
<b>REVENUES</b>				
Property taxes	\$ 833,150	\$ 833,150	\$ 785,683	\$ (47,467)
General sales and use taxes	-	-	-	-
Other taxes	9,980	9,980	8,890	(1,090)
Fines, fees, and forfeitures	-	-	-	-
Intergovernmental revenue and grants	6,000	6,000	6,050	50
Licenses and permits	165,200	165,200	196,621	31,421
Charges for services	-	-	-	-
Investment earnings	114	114	1,069	955
Rent	-	-	-	-
Insurance reimbursements and other revenue	1,000	1,000	26,489	25,489
Total revenues	<u>1,015,444</u>	<u>1,015,444</u>	<u>1,024,802</u>	<u>9,358</u>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Tax administration	-	-	-	-
Roads and bridges	1,015,444	1,025,844	756,525	269,319
Health and human services	-	-	-	-
Administration of justice	-	-	-	-
Pass-through expenditures	-	-	-	-
Capital outlay	-	30,000	15,639	14,361
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,015,444</u>	<u>1,055,844</u>	<u>772,164</u>	<u>283,680</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>-</u>	<u>(40,400)</u>	<u>252,638</u>	<u>293,038</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of real and personal property	-	-	1,435	1,435
Proceeds from issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,435</u>	<u>1,435</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	-	(40,400)	254,073	294,473
<b>FUND BALANCE - BEGINNING OF YEAR</b>				
	<u>175,254</u>	<u>175,254</u>	<u>175,254</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>				
	<u>\$ 175,254</u>	<u>\$ 134,854</u>	<u>\$ 429,327</u>	<u>\$ 294,473</u>

See accompanying Notes to the Budgetary Comparison Schedules.

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**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO THE BUDGETARY COMPARISON SCHEDULES**  
**SEPTEMBER 30, 2019**

**BUDGETS AND BUDGETARY PROCESS**

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

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

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**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)**  
**AND RELATED RATIOS - LAST TEN YEARS \***  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Plan Year Ending December 31, **				
	2018	2017	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>					
Service cost	\$ 730,507	\$ 760,379	\$ 774,730	\$ 678,628	\$ 655,637
Interest on total pension liability	1,477,959	1,398,465	1,284,652	1,223,233	1,152,774
Effect of plan changes	-	-	-	(81,506)	120,272
Effect of assumption changes or inputs	-	121,120	-	189,032	-
Effect of economic/demographic (gains) or losses	84,719	(170,842)	14,831	(221,877)	(71,149)
Benefit payments/refunds of contributions	<u>(1,113,699)</u>	<u>(1,082,599)</u>	<u>(1,017,996)</u>	<u>(1,029,081)</u>	<u>(957,675)</u>
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>1,179,486</b>	<b>1,026,523</b>	<b>1,056,217</b>	<b>758,429</b>	<b>899,859</b>
<b>TOTAL PENSION LIABILITY - BEGINNING</b>	<b><u>18,061,909</u></b>	<b><u>17,035,386</u></b>	<b><u>15,979,169</u></b>	<b><u>15,220,740</u></b>	<b><u>14,320,881</u></b>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>(a) <u>\$ 19,241,395</u></b>	<b><u>\$ 18,061,909</u></b>	<b><u>\$ 17,035,386</u></b>	<b><u>\$ 15,979,169</u></b>	<b><u>\$ 15,220,740</u></b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Employer contributions	\$ 539,317	\$ 524,105	\$ 535,610	\$ 510,994	\$ 498,304
Member contributions	432,443	424,132	410,005	375,337	352,263
Investment income, net of investment expenses	(338,576)	2,321,024	1,101,128	29,358	956,051
Benefit payments/refunds of contributions	(1,113,699)	(1,082,599)	(1,017,996)	(1,029,081)	(957,675)
Administrative expenses	(14,130)	(12,030)	(11,957)	(10,704)	(11,134)
Other	<u>(2,497)</u>	<u>(1,914)</u>	<u>40,119</u>	<u>97,604</u>	<u>23,229</u>
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>(497,142)</b>	<b>2,172,718</b>	<b>1,056,909</b>	<b>(26,492)</b>	<b>861,038</b>
<b>PLAN FIDUCIARY NET POSITION - BEGINNING</b>	<b><u>18,088,749</u></b>	<b><u>15,916,031</u></b>	<b><u>14,859,122</u></b>	<b><u>14,885,614</u></b>	<b><u>14,024,576</u></b>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>(b) <u>\$ 17,591,607</u></b>	<b><u>\$ 18,088,749</u></b>	<b><u>\$ 15,916,031</u></b>	<b><u>\$ 14,859,122</u></b>	<b><u>\$ 14,885,614</u></b>
<b>NET PENSION LIABILITY (ASSET) - ENDING</b>	<b>(a - b) <u>\$ 1,649,788</u></b>	<b><u>\$ (26,840)</u></b>	<b><u>\$ 1,119,355</u></b>	<b><u>\$ 1,120,047</u></b>	<b><u>\$ 335,126</u></b>
<b>RELATED RATIOS</b>					
Plan Fiduciary Net Position as a percentage of Total Pension Liability	91.43%	100.15%	93.43%	92.99%	97.80%
Pensionable Covered Payroll	\$ 6,177,753	\$ 6,059,030	\$ 5,662,320	\$ 5,361,948	\$ 5,032,889
Net Pension Liability (Asset) as a percentage of Covered Payroll	26.71%	-0.44%	19.77%	20.89%	6.66%

\* - GASB 68 requires ten years of data to be presented. Data for only five years are available.

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

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**SAN JACINTO COUNTY, TEXAS  
SCHEDULE OF PENSION CONTRIBUTIONS  
LAST TEN FISCAL YEARS\*  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Fiscal Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 510,994	\$ 510,994	\$ -	\$ 5,275,216	9.69%
2016	535,933	535,933	-	5,785,021	9.26%
2017	527,869	527,869	-	6,018,962	8.77%
2018	537,029	537,029	-	6,164,758	8.71%
2019	557,347	557,347	-	6,511,681	8.56%

\* - GASB 68 requires ten years of data to be presented. Data for only five years are available.

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**SAN JACINTO COUNTY, TEXAS**  
**NOTES TO THE SCHEDULE OF PENSION CONTRIBUTIONS**  
**SEPTEMBER 30, 2019**

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

**Methods and Assumptions Used to Determine Contribution Rates**

<i>Actuarial Cost Method</i>	Entry Age
<i>Amortization Method</i>	Level percentage of payroll, Closed
<i>Amortization Period</i>	10.3 years (based on contribution rate calculate in 12/31/18 valuation)
<i>Asset Valuation Method</i>	5-year smoothed market
<i>Inflation</i>	2.75%
<i>Salary Increases</i>	4.9% average over career including inflation, varies by age and service.
<i>Investment Rate of Return</i>	8.0%, net of investment expenses, including inflation
<i>Cost-of-Living Adjustments</i>	0.0%
<i>Retirement Age</i>	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
<i>Mortality</i>	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014..
<i>Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*</i>	2015: New inflation, mortality, and other assumptions were reflected.
	2017: New mortality assumptions were reflected.
<i>Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*</i>	2015: No changes in plan provisions were reflected in the Schedule.
	2016: No changes in plan provisions were reflected in the Schedule.
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018: No changes in plan provisions were reflected in the Schedule.

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

**Other Information** No changes in plan provisions are reflected in the Schedule of Pension Contributions.

**Presentation of Schedule** In accordance with GASB standards, the County reports contribution activity included in the Schedule of Pension Contributions based on the County's fiscal year end of September 30.

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**SAN JACINTO COUNTY, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS - LAST TEN YEARS \***  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Plan Year Ending December 31,	
	2018	2017
<b>TOTAL OPEB LIABILITY</b>		
Service cost	\$ 20,045	\$ 23,409
Interest on Total OPEB Liability	19,378	19,911
Changes of benefit terms	-	-
Difference between expected and actual experience	(10,455)	(10,650)
Changes in assumptions or other inputs	(56,039)	22,550
Benefit payments	(15,444)	(15,148)
<b>NET CHANGE IN TOTAL OPEB LIABILITY</b>	(42,515)	40,072
<b>TOTAL OPEB LIABILITY - BEGINNING</b>	550,914	510,842
<b>TOTAL OPEB LIABILITY - ENDING</b>	\$ 508,399	\$ 550,914
 <b>RELATED RATIOS</b>		
Covered Employee Payroll	\$ 6,177,753	\$ 6,059,030
 Total OPEB Liability as a percentage of Covered Employee Payroll	8.23%	9.09%

**NOTES TO THE SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY**

**Assumptions Used to Determine Contribution Rates**

Discount Rate	4.10%	20 Year Bond GO Index published by bondbuyer.com as of December 31, 2018.
Mortality Rates - Depositing Members	RP-2014 Active Employee Mortality Table with male and female rates multiplied by 90% and projected with 110% of the MP-2014 Ultimate scale after 2014.	
Mortality Rates - Service Retirees	RP-2014 Healthy Annuitant Mortality Table with male rates multiplied by 130% and female rates multiplied by 110% and projected with 110% of the MP-2014 Ultimate scale after 2014.	
Mortality Rates - Disabled Retirees	RP-2014 Disabled Annuitant Mortality Table with male rates multiplied by 130% and female rates multiplied by 115% and projected with 110% of the MP-2014 Ultimate scale after 2014.	

**Other Information**

Notes	No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.
Presentation of Schedule	In accordance with GASB standards, the County has elected to present data calculated at the actuarial valuation/measurement date, which occurs during each fiscal year on December 31.

\* - GASB 75 requires ten years of data to be presented. Data for only two years are available.

See Independent Auditors' Report.

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**SUPPLEMENTARY INFORMATION SECTION**

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**Combining Fund Statements**

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**SAN JACINTO COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	Debt Service Fund	Capital Improvements Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 297,944	\$ 2,095	\$ 1,893,088	\$ 2,193,127
Receivables				
Property taxes, net of allowance for uncollectib	211,731	-	-	211,731
Grants	-	-	895,715	895,715
Other - miscellaneous	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u>\$ 509,675</u>	<u>\$ 2,095</u>	<u>\$ 2,788,803</u>	<u>\$ 3,300,573</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Deficit in pooled cash	\$ -	\$ 2,001	\$ 1,423,302	\$ 1,425,303
Accounts payable	-	-	96,382	96,382
Accrued expenses	-	-	22,838	22,838
Due to other units	-	-	161,599	161,599
Unearned revenue	<u>          </u>	<u>          </u>	<u>427,823</u>	<u>427,823</u>
Total liabilities	<u>          </u>	<u>2,001</u>	<u>2,131,944</u>	<u>2,133,945</u>
 <b>Deferred inflows of resources</b>				
Unavailable revenue - grants	-	-	484,127	484,127
Unavailable revenue - property taxes	<u>200,042</u>	<u>          </u>	<u>          </u>	<u>200,042</u>
Total deferred inflows of resources	<u>200,042</u>	<u>          </u>	<u>484,127</u>	<u>684,169</u>
 <b>Fund balances</b>				
Nonspendable	-	-	-	-
Restricted	309,633	94	1,142,011	1,451,738
Assigned	-	-	61,930	61,930
Unassigned	<u>          </u>	<u>          </u>	<u>(1,031,209)</u>	<u>(1,031,209)</u>
Total fund balances	<u>309,633</u>	<u>94</u>	<u>172,732</u>	<u>482,459</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 509,675</u>	<u>\$ 2,095</u>	<u>\$ 2,788,803</u>	<u>\$ 3,300,573</u>

See Independent Auditors' Report.

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**SAN JACINTO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Debt Service Fund	Capital Improvements Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>				
Property taxes	\$ 993,735	\$ -	\$ -	\$ 993,735
General sales and use taxes	-	-	-	-
Other taxes	-	-	7,081	7,081
Fines, fees, and forfeitures	-	-	236,081	236,081
Intergovernmental revenue and grants	-	-	894,026	894,026
Licenses and permits	-	-	285,975	285,975
Charges for services	-	-	36,942	36,942
Investment earnings	-	46	6,513	6,559
Rent	-	-	5,250	5,250
Insurance reimbursements and other revenue	-	-	138,788	138,788
Total revenues	<u>993,735</u>	<u>46</u>	<u>1,610,656</u>	<u>2,604,437</u>
<b>EXPENDITURES</b>				
General government	-	-	193,397	193,397
Tax administration	-	-	-	-
Roads and bridges	-	-	272,008	272,008
Health and human services	-	-	563,591	563,591
Administration of justice	-	-	648,405	648,405
Pass-through expenditures	-	-	192,968	192,968
Capital outlay	-	-	142,657	142,657
Debt service				
Principal	845,843	-	-	845,843
Interest	<u>92,074</u>	<u>-</u>	<u>-</u>	<u>92,074</u>
Total expenditures	<u>937,917</u>	<u>-</u>	<u>2,013,026</u>	<u>2,950,943</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>55,818</u>	<u>46</u>	<u>(402,370)</u>	<u>(346,506)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of real and personal property	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
Transfers in	37,951	-	330,019	367,970
Transfers out	<u>-</u>	<u>-</u>	<u>(36,888)</u>	<u>(36,888)</u>
Net other financing sources (uses)	<u>37,951</u>	<u>-</u>	<u>293,131</u>	<u>331,082</u>
<b>NET CHANGE IN FUND BALANCE</b>	93,769	46	(109,239)	(15,424)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>215,864</u>	<u>48</u>	<u>281,971</u>	<u>497,883</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 309,633</u>	<u>\$ 94</u>	<u>\$ 172,732</u>	<u>\$ 482,459</u>

See Independent Auditors' Report.

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**SAN JACINTO COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2019**

	<u>LEOSE Education</u>	<u>JP Technology</u>	<u>Constables Seizure Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 34,357	\$ 62,851	\$ 41,901
Receivables			
Grants	-	-	-
Other - miscellaneous	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 34,357</u>	<u>\$ 62,851</u>	<u>\$ 41,901</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities</b>			
Deficit in pooled cash	\$ -	\$ 22,684	\$ 36,067
Accounts payable	-	1,429	-
Accrued expenses	-	-	-
Due to other units	-	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>24,113</u>	<u>36,067</u>
 <b>Deferred inflows of resources</b>			
Unavailable revenue - grants	-	-	-
Unavailable revenue - property taxes	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Fund balances</b>			
Restricted	34,357	38,738	5,834
Assigned	-	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<u>34,357</u>	<u>38,738</u>	<u>5,834</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 34,357</u>	<u>\$ 62,851</u>	<u>\$ 41,901</u>

*(continued)*

**SAN JACINTO COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2019**

	<u>Justice Court Building Fund</u>	<u>County Clerk Records Archive</u>	<u>District Clerk Records Archive</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 56,524	\$ 94,276	\$ 28,800
Receivables			
Grants	-	-	-
Other - miscellaneous	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 56,524</u>	<u>\$ 94,276</u>	<u>\$ 28,800</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities</b>			
Deficit in pooled cash	\$ -	\$ 27,688	\$ -
Accounts payable	50	805	1,983
Accrued expenses	-	3,673	133
Due to other units	-	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<u>50</u>	<u>32,166</u>	<u>2,116</u>
 <b>Deferred inflows of resources</b>			
Unavailable revenue - grants	-	-	-
Unavailable revenue - property taxes	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Fund balances</b>			
Restricted	56,474	62,110	26,684
Assigned	-	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<u>56,474</u>	<u>62,110</u>	<u>26,684</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 56,524</u>	<u>\$ 94,276</u>	<u>\$ 28,800</u>

District Clerk (Criminal) Records Archive	Hot Check	Law Library Fund	Records Preservation	County Clerk Records Preservation	District Clerk Records Preservation
\$ 2,518	\$ 25,305	\$ 40,832	\$ 129,334	\$ 42,742	\$ 12,764
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,518</u>	<u>\$ 25,305</u>	<u>\$ 40,832</u>	<u>\$ 129,334</u>	<u>\$ 42,742</u>	<u>\$ 12,764</u>
\$ -	\$ 1,240	\$ -	\$ -	\$ -	\$ -
-	250	1,071	1,776	-	4
-	1,928	-	404	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>3,418</u>	<u>1,071</u>	<u>2,180</u>	<u>-</u>	<u>4</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,518	21,887	39,761	127,154	42,742	12,760
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,518</u>	<u>21,887</u>	<u>39,761</u>	<u>127,154</u>	<u>42,742</u>	<u>12,760</u>
<u>\$ 2,518</u>	<u>\$ 25,305</u>	<u>\$ 40,832</u>	<u>\$ 129,334</u>	<u>\$ 42,742</u>	<u>\$ 12,764</u>

(continued)

**SAN JACINTO COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2019**

	<u>Courthouse Security</u>	<u>Economic Development</u>	<u>Sanitation</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,937	\$ 22,375	\$ -
Receivables			
Grants	-	-	-
Other - miscellaneous	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 7,937</u>	<u>\$ 22,375</u>	<u>\$ -</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities</b>			
Deficit in pooled cash	\$ -	\$ -	\$ 202,045
Accounts payable	479	-	9,053
Accrued expenses	4,135	-	10,819
Due to other units	-	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<u>4,614</u>	<u>-</u>	<u>221,917</u>
 <b>Deferred inflows of resources</b>			
Unavailable revenue - grants	-	-	-
Unavailable revenue - property taxes	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Fund balances</b>			
Restricted	3,323	22,375	-
Assigned	-	-	-
Unassigned	-	-	(221,917)
<b>Total fund balances</b>	<u>3,323</u>	<u>22,375</u>	<u>(221,917)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 7,937</u>	<u>\$ 22,375</u>	<u>\$ -</u>

<u>Hotel Occupancy Tax</u>	<u>County Child Abuse Prevention</u>	<u>Ike Grant</u>	<u>FEMA DR 4223</u>	<u>Sheriff's Cash Bond</u>	<u>FEMA DR 4269</u>
\$ 20,986	\$ 5,251	\$ 4	\$ -	\$ 125,576	\$ 26,433
-	-	-	484,127	-	-
-	-	-	-	-	-
<u>\$ 20,986</u>	<u>\$ 5,251</u>	<u>\$ 4</u>	<u>\$ 484,127</u>	<u>\$ 125,576</u>	<u>\$ 26,433</u>
\$ -	\$ -	\$ -	\$ 484,127	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	26,433
<u>-</u>	<u>-</u>	<u>-</u>	<u>484,127</u>	<u>-</u>	<u>26,433</u>
-	-	-	484,127	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>484,127</u>	<u>-</u>	<u>-</u>
20,986	-	4	-	125,576	-
-	-	-	-	-	-
-	5,251	-	(484,127)	-	-
<u>20,986</u>	<u>5,251</u>	<u>4</u>	<u>(484,127)</u>	<u>125,576</u>	<u>-</u>
<u>\$ 20,986</u>	<u>\$ 5,251</u>	<u>\$ 4</u>	<u>\$ 484,127</u>	<u>\$ 125,576</u>	<u>\$ 26,433</u>

(continued)

**SAN JACINTO COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2019**

	<u>CDBG Senior Center Grant</u>	<u>FEMA DR 4272</u>	<u>District Attorney Discretionary</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 75,985	\$ 12,873
Receivables			
Grants	3,000	-	-
Other - miscellaneous	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 3,000</u>	<u>\$ 75,985</u>	<u>\$ 12,873</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities			
Deficit in pooled cash	\$ 3,000	\$ -	\$ 596
Accounts payable	-	-	-
Accrued expenses	-	-	-
Due to other units	-	-	-
Unearned revenue	-	75,985	-
Total liabilities	<u>3,000</u>	<u>75,985</u>	<u>596</u>
Deferred inflows of resources			
Unavailable revenue - grants	-	-	-
Unavailable revenue - property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances			
Restricted	-	-	12,277
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>12,277</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 3,000</u>	<u>\$ 75,985</u>	<u>\$ 12,873</u>

<u>Historical Society</u>	<u>Polk Estate</u>	<u>Shelter/ Community Building</u>	<u>Elections</u>	<u>FEMA DR 4332</u>	<u>Hurricane Harvey Recovery</u>
\$ 61,930	\$ 298,511	\$ -	\$ 62,364	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 61,930</u>	<u>\$ 298,511</u>	<u>\$ -</u>	<u>\$ 62,364</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 61,608	\$ -	\$ 246,932	\$ -
-	-	2,297	-	105	-
-	-	1,350	-	396	-
-	-	-	-	-	-
-	-	-	-	19,081	-
<u>-</u>	<u>-</u>	<u>65,255</u>	<u>-</u>	<u>266,514</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	298,511	-	62,364	-	-
61,930	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(65,255)</u>	<u>-</u>	<u>(266,514)</u>	<u>-</u>
<u>61,930</u>	<u>298,511</u>	<u>(65,255)</u>	<u>62,364</u>	<u>(266,514)</u>	<u>-</u>
<u>\$ 61,930</u>	<u>\$ 298,511</u>	<u>\$ -</u>	<u>\$ 62,364</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**SAN JACINTO COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2019**

	<u>Seizure Holdings</u>	<u>D. A. Seizure Funds</u>	<u>Sheriff Seizure Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 153,099	\$ 140,113	\$ -
Receivables			
Grants	-	-	-
Other - miscellaneous	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 153,099</u>	<u>\$ 140,113</u>	<u>\$ -</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities			
Deficit in pooled cash	\$ -	\$ -	\$ 6,037
Accounts payable	-	-	-
Accrued expenses	-	-	-
Due to other units	153,099	8,500	-
Unearned revenue	-	-	-
Total liabilities	<u>153,099</u>	<u>8,500</u>	<u>6,037</u>
Deferred inflows of resources			
Unavailable revenue - grants	-	-	-
Unavailable revenue - property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances			
Restricted	-	131,613	(6,037)
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>-</u>	<u>131,613</u>	<u>(6,037)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 153,099</u>	<u>\$ 140,113</u>	<u>\$ -</u>

<u>National Forest Funds</u>	<u>Title IV-E Foster Legal</u>	<u>DEA Cannabis Grant</u>	<u>NIBRS Grant</u>	<u>Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 268,075	\$ -	\$ -	\$ -	\$ 39,372	\$ 1,893,088
-	4,137	19,051	385,400	-	895,715
-	-	-	-	-	-
<u>\$ 268,075</u>	<u>\$ 4,137</u>	<u>\$ 19,051</u>	<u>\$ 385,400</u>	<u>\$ 39,372</u>	<u>\$ 2,788,803</u>
\$ -	\$ 4,137	\$ 18,821	\$ 308,320	\$ -	\$ 1,423,302
-	-	-	77,080	-	96,382
-	-	-	-	-	22,838
-	-	-	-	-	161,599
<u>268,075</u>	<u>-</u>	<u>230</u>	<u>-</u>	<u>38,019</u>	<u>427,823</u>
<u>268,075</u>	<u>4,137</u>	<u>19,051</u>	<u>385,400</u>	<u>38,019</u>	<u>2,131,944</u>
-	-	-	-	-	484,127
-	-	-	-	-	-
-	-	-	-	-	484,127
-	-	-	-	-	1,142,011
-	-	-	-	-	61,930
-	-	-	-	1,353	(1,031,209)
-	-	-	-	1,353	172,732
<u>\$ 268,075</u>	<u>\$ 4,137</u>	<u>\$ 19,051</u>	<u>\$ 385,400</u>	<u>\$ 39,372</u>	<u>\$ 2,788,803</u>

See Independent Auditors' Report.

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**SAN JACINTO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>LEOSE</u> <u>Education</u>	<u>JP</u> <u>Technology</u>	<u>Constables</u> <u>Seizure</u> <u>Funds</u>
<b>REVENUES</b>			
General sales and use taxes	\$ -	\$ -	\$ -
Other taxes	-	-	-
Fines, fees, and forfeitures	-	8,109	2,800
Intergovernmental revenue and grants	7,808	-	-
Licenses and permits	-	-	-
Charges for services	-	-	-
Investment earnings	-	1,388	926
Rent	-	-	-
Insurance reimbursements and other revenue	-	-	-
Total revenues	7,808	9,497	3,726
<b>EXPENDITURES</b>			
General government	-	-	-
Tax administration	-	-	-
Roads and bridges	-	-	-
Health and human services	-	-	-
Administration of justice	1,850	27,673	-
Pass-through expenditures	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	1,850	27,673	-
<b>EXCESS (DEFICIENCY) OF REVENUES</b>			
<b>OVER EXPENDITURES</b>	5,958	(18,176)	3,726
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of real and personal property	-	-	-
Proceeds from issuance of debt	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	5,958	(18,176)	3,726
<b>FUND BALANCE - BEGINNING OF YEAR</b>	28,399	56,914	2,108
<b>FUND BALANCE - END OF YEAR</b>	\$ 34,357	\$ 38,738	\$ 5,834

*(continued)*

**SAN JACINTO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Justice Court Building Fund</u>	<u>County Clerk Records Archive</u>	<u>District Clerk Records Archive</u>
<b>REVENUES</b>			
General sales and use taxes	\$ -	\$ -	\$ -
Other taxes	-	-	-
Fines, fees, and forfeitures	2,003	78,992	6,005
Intergovernmental revenue and grants	-	-	-
Licenses and permits	-	-	-
Charges for services	-	-	-
Investment earnings	-	2,083	-
Rent	-	-	-
Insurance reimbursements and other revenue	-	-	-
Total revenues	2,003	81,075	6,005
<b>EXPENDITURES</b>			
General government	-	92,269	-
Tax administration	-	-	-
Roads and bridges	-	-	-
Health and human services	-	-	-
Administration of justice	662	-	6,735
Pass-through expenditures	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	662	92,269	6,735
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	1,341	(11,194)	(730)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of real and personal property	-	-	-
Proceeds from issuance of debt	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	1,341	(11,194)	(730)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	55,133	73,304	27,414
<b>FUND BALANCE - END OF YEAR</b>	\$ 56,474	\$ 62,110	\$ 26,684

District Clerk (Criminal) Records Archive	Hot Check	Law Library Fund	Records Preservation	County Clerk Records Preservation	District Clerk Records Preservation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,474	237	19,479	43,628	-	2,362
-	-	-	-	-	-
-	-	-	-	-	-
-	-	347	463	-	-
-	-	-	-	-	-
-	9,372	-	-	-	-
<u>1,474</u>	<u>9,609</u>	<u>19,826</u>	<u>44,091</u>	<u>-</u>	<u>2,362</u>
-	-	-	32,779	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
912	16,002	13,619	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>912</u>	<u>16,002</u>	<u>13,619</u>	<u>32,779</u>	<u>-</u>	<u>-</u>
<u>562</u>	<u>(6,393)</u>	<u>6,207</u>	<u>11,312</u>	<u>-</u>	<u>2,362</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>562</u>	<u>(6,393)</u>	<u>6,207</u>	<u>11,312</u>	<u>-</u>	<u>2,362</u>
<u>1,956</u>	<u>28,280</u>	<u>33,554</u>	<u>115,842</u>	<u>42,742</u>	<u>10,398</u>
<u>\$ 2,518</u>	<u>\$ 21,887</u>	<u>\$ 39,761</u>	<u>\$ 127,154</u>	<u>\$ 42,742</u>	<u>\$ 12,760</u>

(continued)

See Independent Auditors' Report.

**SAN JACINTO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Courthouse Security</u>	<u>Economic Development</u>	<u>Sanitation</u>
<b>REVENUES</b>			
General sales and use taxes	\$ -	\$ -	\$ -
Other taxes	-	-	-
Fines, fees, and forfeitures	18,653	-	-
Intergovernmental revenue and grants	-	-	-
Licenses and permits	-	-	285,975
Charges for services	-	-	-
Investment earnings	-	-	79
Rent	-	-	-
Insurance reimbursements and other revenue	-	-	17,771
Total revenues	<u>18,653</u>	<u>-</u>	<u>303,825</u>
<b>EXPENDITURES</b>			
General government	-	2,500	-
Tax administration	-	-	-
Roads and bridges	-	-	-
Health and human services	-	-	519,025
Administration of justice	62,629	-	-
Pass-through expenditures	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>62,629</u>	<u>2,500</u>	<u>519,025</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(43,976)</u>	<u>(2,500)</u>	<u>(215,200)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of real and personal property	-	-	-
Proceeds from issuance of debt	-	-	-
Transfers in	37,027	-	260,492
Transfers out	-	-	(566)
Net other financing sources (uses)	<u>37,027</u>	<u>-</u>	<u>259,926</u>
<b>NET CHANGE IN FUND BALANCE</b>	(6,949)	(2,500)	44,726
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>10,272</u>	<u>24,875</u>	<u>(266,643)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,323</u>	<u>\$ 22,375</u>	<u>\$ (221,917)</u>

<u>Hotel Occupancy Tax</u>	<u>County Child Abuse Prevention</u>	<u>Ike Grant</u>	<u>FEMA DR 4223</u>	<u>Sheriff's Cash Bond</u>	<u>FEMA DR 4269</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,081	-	-	-	-	-
-	1,710	-	-	-	-
-	-	104,830	-	-	115,141
-	-	-	-	-	-
-	-	-	-	1,227	-
-	-	-	-	-	-
-	-	-	-	34,632	-
<u>7,081</u>	<u>1,710</u>	<u>104,830</u>	<u>-</u>	<u>35,859</u>	<u>115,141</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	146,107	-	115,141
2,000	-	4,300	-	-	-
-	7,778	-	-	27,523	-
-	-	-	-	-	-
-	-	100,530	-	-	-
-	-	-	-	-	-
<u>2,000</u>	<u>7,778</u>	<u>104,830</u>	<u>146,107</u>	<u>27,523</u>	<u>115,141</u>
<u>5,081</u>	<u>(6,068)</u>	<u>-</u>	<u>(146,107)</u>	<u>8,336</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	13,000	-	-	-	-
(10,000)	-	-	-	-	-
<u>(10,000)</u>	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(4,919)	6,932	-	(146,107)	8,336	-
25,905	(1,681)	4	(338,020)	117,240	-
<u>\$ 20,986</u>	<u>\$ 5,251</u>	<u>\$ 4</u>	<u>\$ (484,127)</u>	<u>\$ 125,576</u>	<u>\$ -</u>

(continued)

See Independent Auditors' Report.

**SAN JACINTO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	CDBG Senior Center Grant	FEMA DR 4272	District Attorney Discretionary
	<u>          </u>	<u>          </u>	<u>          </u>
REVENUES			
General sales and use taxes	\$ -	\$ -	\$ -
Other taxes	-	-	-
Fines, fees, and forfeitures	-	-	-
Intergovernmental revenue and grants	-	-	-
Licenses and permits	-	-	-
Charges for services	-	-	27,500
Investment earnings	-	-	-
Rent	-	-	-
Insurance reimbursements and other revenue	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>27,500</u>
EXPENDITURES			
General government	-	-	-
Tax administration	-	-	-
Roads and bridges	-	-	-
Health and human services	-	-	-
Administration of justice	-	-	27,480
Pass-through expenditures	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>27,480</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>20</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of real and personal property	-	-	-
Proceeds from issuance of debt	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	20
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>12,257</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,277</u>

<u>Historical Society</u>	<u>Polk Estate</u>	<u>Shelter/ Community Building</u>	<u>Elections</u>	<u>FEMA DR 4332</u>	<u>Hurricane Harvey Recovery</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	121,249	-
-	-	-	9,442	-	-
-	-	-	-	-	-
-	-	5,250	-	-	-
<u>10,683</u>	<u>506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,423</u>
<u>10,683</u>	<u>506</u>	<u>5,250</u>	<u>9,442</u>	<u>121,249</u>	<u>63,423</u>
-	-	-	2,426	-	63,423
-	-	-	-	-	-
-	-	-	-	10,760	-
9,624	-	26,242	-	-	-
-	-	-	-	-	-
-	-	-	-	97,136	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,624</u>	<u>-</u>	<u>26,242</u>	<u>2,426</u>	<u>107,896</u>	<u>63,423</u>
<u>1,059</u>	<u>506</u>	<u>(20,992)</u>	<u>7,016</u>	<u>13,353</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
10,000	-	9,500	-	-	-
-	-	-	-	(17,953)	-
<u>10,000</u>	<u>-</u>	<u>9,500</u>	<u>-</u>	<u>(17,953)</u>	<u>-</u>
11,059	506	(11,492)	7,016	(4,600)	-
<u>50,871</u>	<u>298,005</u>	<u>(53,763)</u>	<u>55,348</u>	<u>(261,914)</u>	<u>-</u>
<u>\$ 61,930</u>	<u>\$ 298,511</u>	<u>\$ (65,255)</u>	<u>\$ 62,364</u>	<u>\$ (266,514)</u>	<u>\$ -</u>

(continued)

See Independent Auditors' Report.

**SAN JACINTO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Seizure Holdings</u>	<u>D. A. Seizure Funds</u>	<u>Sheriff Seizure Funds</u>
<b>REVENUES</b>			
General sales and use taxes	\$ -	\$ -	\$ -
Other taxes	-	-	-
Fines, fees, and forfeitures	-	43,576	7,053
Intergovernmental revenue and grants	-	-	-
Licenses and permits	-	-	-
Charges for services	-	-	-
Investment earnings	-	-	-
Rent	-	-	-
Insurance reimbursements and other revenue	-	-	-
Total revenues	<u>-</u>	<u>43,576</u>	<u>7,053</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Tax administration	-	-	-
Roads and bridges	-	-	-
Health and human services	-	-	-
Administration of justice	-	42,812	8,278
Pass-through expenditures	-	-	-
Capital outlay	-	-	7,254
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>-</u>	<u>42,812</u>	<u>15,532</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>764</u>	<u>(8,479)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of real and personal property	-	-	-
Proceeds from issuance of debt	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	764	(8,479)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>-</u>	<u>130,849</u>	<u>2,442</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 131,613</u>	<u>\$ (6,037)</u>

<u>National Forest Funds</u>	<u>Title IV-E Foster Legal</u>	<u>DEA Cannabis Grant</u>	<u>NIBRS Grant</u>	<u>Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	7,081
-	-	-	-	-	236,081
95,832	8,369	19,052	385,400	36,345	894,026
-	-	-	-	-	285,975
-	-	-	-	-	36,942
-	-	-	-	-	6,513
-	-	-	-	-	5,250
-	-	-	-	2,401	138,788
<u>95,832</u>	<u>8,369</u>	<u>19,052</u>	<u>385,400</u>	<u>38,746</u>	<u>1,610,656</u>
-	-	-	-	-	193,397
-	-	-	-	-	-
-	-	-	-	-	272,008
-	-	-	-	2,400	563,591
-	-	19,052	385,400	-	648,405
95,832	-	-	-	-	192,968
-	-	-	-	34,873	142,657
-	-	-	-	-	-
-	-	-	-	-	-
<u>95,832</u>	<u>-</u>	<u>19,052</u>	<u>385,400</u>	<u>37,273</u>	<u>2,013,026</u>
-	8,369	-	-	1,473	(402,370)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	330,019
-	(8,369)	-	-	-	(36,888)
-	(8,369)	-	-	-	293,131
-	-	-	-	1,473	(109,239)
-	-	-	-	(120)	281,971
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,353</u>	<u>\$ 172,732</u>

See Independent Auditors' Report.

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**SAN JACINTO COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2019**

	Memorial Wall Fund	Inmate Commissary Fund	Sheriff's Commissary Fund	County Clerk's Probate Trust Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 661	\$ 28,590	\$ 5,407	\$ 30,843
<b>TOTAL ASSETS</b>	<b>\$ 661</b>	<b>\$ 28,590</b>	<b>\$ 5,407</b>	<b>\$ 30,843</b>
<b>LIABILITIES</b>				
Amounts held for others	\$ -	\$ 28,590	\$ 5,407	\$ 30,843
Due to other units	661	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 661</b>	<b>\$ 28,590</b>	<b>\$ 5,407</b>	<b>\$ 30,843</b>

*(continued)*

**SAN JACINTO COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2019**

	District Clerk's <u>Trust Fund</u>	District Clerk's <u>Reg Fund</u>	District Clerk's <u>Escrow Fund</u>	Tax Assessor's <u>Ad Valorem</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 362,721	\$ 536,925	\$ 108,700	\$ 689,681
<b>TOTAL ASSETS</b>	<u>\$ 362,721</u>	<u>\$ 536,925</u>	<u>\$ 108,700</u>	<u>\$ 689,681</u>
<b>LIABILITIES</b>				
Amounts held for others	\$ 362,721	\$ -	\$ -	\$ -
Due to other units	<u>-</u>	<u>536,925</u>	<u>108,700</u>	<u>689,681</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 362,721</u>	<u>\$ 536,925</u>	<u>\$ 108,700</u>	<u>\$ 689,681</u>

<u>Tax Assessor's Motor Vehicle</u>	<u>Tax Assessor's Credit Card</u>	<u>Tax Assessor's MV Credit Card</u>	<u>Mounted Posse</u>	<u>Total Agency Funds</u>
\$ 177,091	\$ 16,599	\$ 2,110	\$ 482	\$ 1,959,810
<u>\$ 177,091</u>	<u>\$ 16,599</u>	<u>\$ 2,110</u>	<u>\$ 482</u>	<u>\$ 1,959,810</u>
\$ -	\$ -	\$ -	\$ 482	\$ 428,043
177,091	16,599	2,110	-	1,531,767
<u>\$ 177,091</u>	<u>\$ 16,599</u>	<u>\$ 2,110</u>	<u>\$ 482</u>	<u>\$ 1,959,810</u>

See Independent Auditors' Report.