

SAN JACINTO COUNTY, TEXAS

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

**SAN JACINTO COUNTY, TEXAS
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SEPTEMBER 30, 2017**

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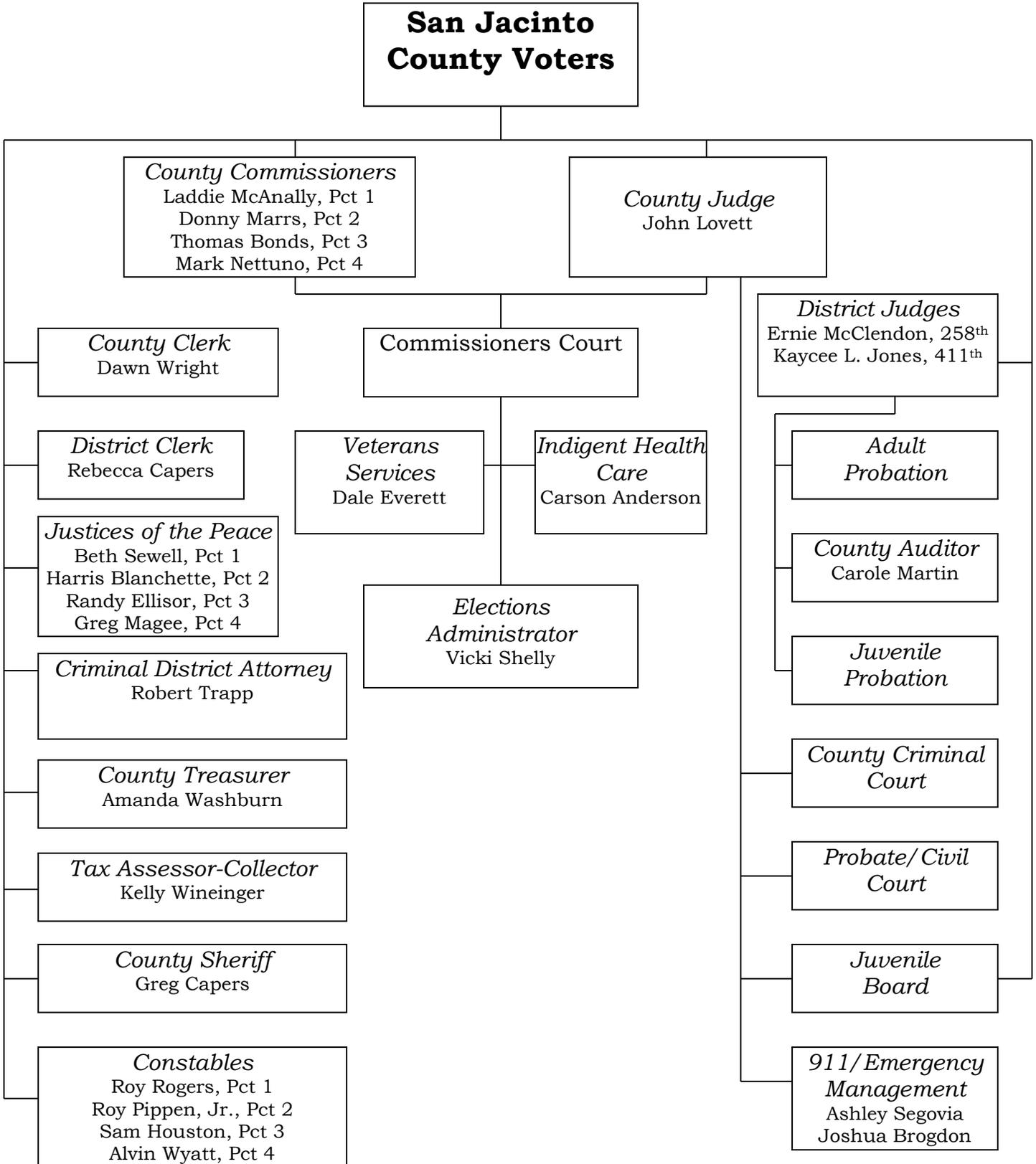
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INTRODUCTORY SECTION

**SAN JACINTO COUNTY, TEXAS
ORGANIZATIONAL CHART
SEPTEMBER 30, 2017**



**SAN JACINTO COUNTY, TEXAS
PRINCIPAL PUBLIC OFFICIALS
AT SEPTEMBER 30, 2017**

COMMISSIONERS' COURT

John Lovett..... County Judge
Laddie McAnally.....Commissioner, Precinct No. 1
Donny MarrsCommissioner, Precinct No. 2
Thomas Bonds.....Commissioner, Precinct No. 3
Mark NettunoCommissioner, Precinct No. 4

COUNTY ELECTED OFFICIALS

Robert Trapp District Attorney
Rebecca CapersDistrict Clerk
Dawn Wright..... County Clerk
Beth Sewell 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 Phippen, Jr.Constable, Precinct No. 2
Sam San JacintoConstable, Precinct No. 3
Alvin Wyatt.....Constable, Precinct No. 4
Amanda Washburn.....County Treasurer
Kelly Wineinger Tax Assessor/Collector

APPOINTED OFFICIALS

Carole Martin County Auditor

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FINANCIAL SECTION

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Todd, Hamaker & Johnson, LLP

CERTIFIED PUBLIC ACCOUNTANTS

420 S 1st Street • PO Box 468 • Lufkin, TX 75902-0468 • (936) 632-8181
301 N 6th 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, 2017, 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, 2017, and the respective changes in

INDEPENDENT AUDITORS' REPORT – CONTINUED

financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of changes in net pension liability, and schedule of pension contributions on pages 9-15 and 63-81, 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 87-109, 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 March 26, 2019, 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

March 26, 2019

**SAN JACINTO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(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, 2017. 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 \$27,260,507 (net position) at September 30, 2017.
- Total assets increased by \$2,222,240 from the prior year; total liabilities increased by \$545,952 over the prior year.
- Overall revenues exceeded expenses (or an increase in net position) by \$1,513,757.

Fund Financial Statements

- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$5,556,651, an increase of \$345,751 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, 2017
(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 26 to 33 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 35 and pages 107 to 109 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 39 to 59 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 \$27,260,507 (net position) as of September 30, 2017.

The largest portion of the County's net position, or \$19,695,484, reflects its investment in capital assets (\$22,980,160) less the related debt used to acquire those assets that remains outstanding (\$3,284,676). 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 \$3,047,559 represents resources that are subject to restriction on how they may be used.

The remaining balance is \$4,517,464 and unrestricted in nature.

Prior Period Adjustments. As explained in the notes to the financial statements, the 2016 balances shown below have been restated to include the effect of various adjustments and corrections resulting in a net decrease to net position of \$206,468.

**SAN JACINTO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(UNAUDITED)**

The County's Net Position

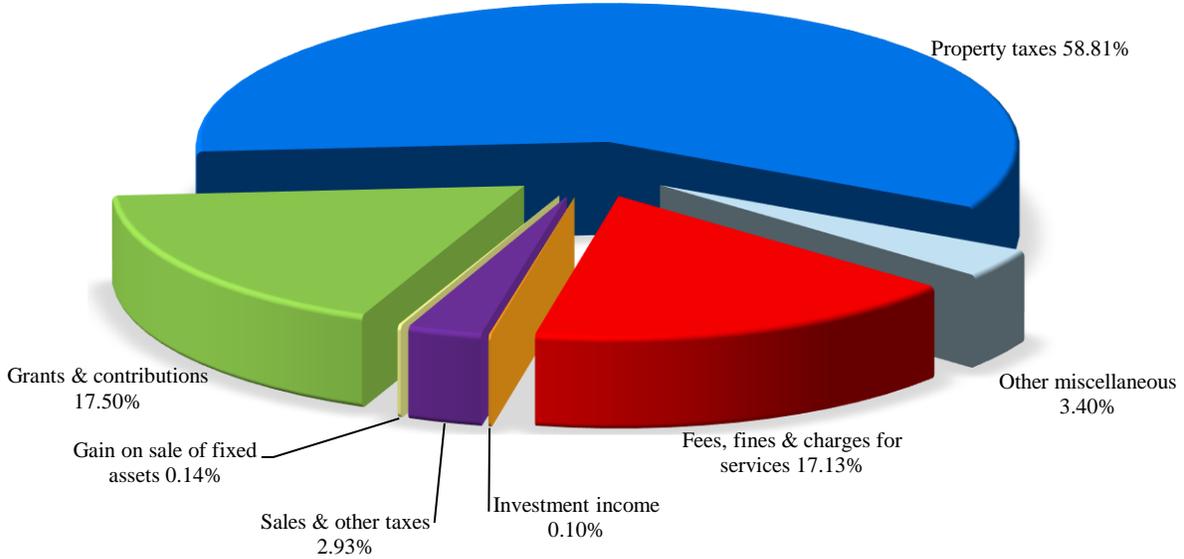
	2017	(Restated) 2016
Current and other assets	\$ 10,517,956	\$ 9,198,822
Capital assets, net	<u>22,980,160</u>	<u>22,077,054</u>
Total assets	<u>33,498,116</u>	<u>31,275,876</u>
Deferred outflows of resources	<u>1,357,183</u>	<u>1,627,279</u>
Long-term liabilities	4,817,393	5,204,771
Other liabilities	<u>2,713,328</u>	<u>1,779,998</u>
Total liabilities	<u>7,530,721</u>	<u>6,984,769</u>
Deferred inflows of resources	<u>64,071</u>	<u>171,635</u>
Net position		
Invested in capital assets, net of related debt	19,695,484	18,426,047
Restricted	3,047,559	1,914,644
Unrestricted	<u>4,517,464</u>	<u>5,406,059</u>
Total net position	<u>\$ 27,260,507</u>	<u>\$ 25,746,750</u>

Change in Net Position

	2017	(Restated) 2016
Revenues		
Program revenues:		
Charges for services	\$ 2,991,288	\$ 3,259,994
Operating grants and contributions	1,606,360	1,053,047
Capital grants and contributions	1,449,516	-
General revenues:		
Taxes	10,783,458	10,646,489
Investment income	16,704	14,299
Other revenues	<u>618,177</u>	<u>344,795</u>
Total revenues	<u>17,465,503</u>	<u>15,318,624</u>
Expenses		
General government	2,987,540	2,845,069
Tax administration	416,557	404,576
Roads and bridges	4,517,980	4,655,934
Health and human services	1,238,280	1,139,848
Administration of justice	6,672,189	6,371,185
Pass-through expenditures	26,102	-
Interest on long-term debt	<u>93,098</u>	<u>185,715</u>
Total expenses	<u>15,951,746</u>	<u>15,602,327</u>
Increase (decrease) in net position	1,513,757	(283,703)
Net position at beginning of year	25,953,218	26,030,453
Prior period adjustment	<u>(206,468)</u>	<u>-</u>
Net position at end of year	<u>\$ 27,260,507</u>	<u>\$ 25,746,750</u>

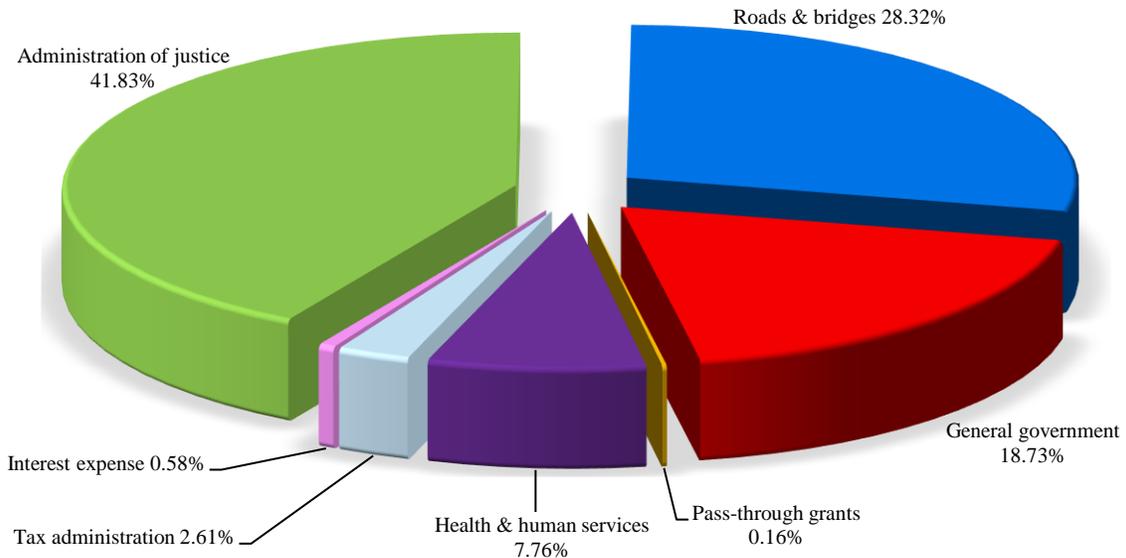
**SAN JACINTO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(UNAUDITED)**

**Revenues by Source
For the Fiscal Year Ended September 30, 2017**



The County's total revenues were \$17,465,503. A significant portion, \$10,271,657 or 58.81%, of the County's revenues come from property taxes.

**Expenses by Function
For the Fiscal Year Ended September 30, 2017**



The total cost of all governmental programs and services was \$15,951,746. The administration of justice and road and bridge functions accounted for \$11,190,169 or 70.15%.

**SAN JACINTO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(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 26 to 33.

As of September 30, 2017, the County's governmental funds reported a total fund balance of \$5,556,651. This fund balance is comprised of \$3,081,214 that is either restricted or assigned for a specific purpose. The remaining balance, \$2,475,437, is unassigned. During the year, the fund balance in the County's governmental funds increased by \$345,751.

Prior Period Adjustments. As explained in the notes to the financial statements, the beginning fund balances have been adjusted to include the effect of various corrections and adjustments resulting in an overall net increase of \$275,446.

Budgetary Comparisons. A comparison of the general fund budget and actual results, as well as a comparison of the road and bridge funds budget and actual results as well as a comparison of the Ike grant fund budget and actual results, are presented as required supplementary information on pages 63 through 73.

General fund. Actual revenues were lower than budgeted amounts by \$400,829. Actual expenditures were higher than budgeted amounts by \$73,576. Actual other financing sources (uses) were favorable to budgeted amounts by \$41,163. An overall decrease in fund balance of \$47,780 had been projected, using prior year budget carryovers to fund the decrease. Actual amounts resulted in a decrease in fund balance of \$481,022 for the fiscal year.

Road and bridge precinct no. 1. Actual revenues were lower than budgeted amounts by \$49,098. Actual expenditures were lower than budgeted amounts by \$212,598. Actual other financing sources (uses) were favorable to budgeted amounts by \$186,972. An overall decrease in fund balance of \$3,459 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 \$347,013 for the fiscal year.

Road and bridge precinct no. 2. Actual revenues were lower than budgeted amounts by \$36,142. Actual expenditures were lower than budgeted amounts by \$153,026. Actual other financing sources (uses) were favorable to budgeted amounts by \$240,934. An overall increase in fund balance of \$241 had been projected. Actual results were better than expected, resulting in an increase in fund balance of \$358,059 for the fiscal year.

Road and bridge precinct no. 3. Actual revenues were lower than budgeted amounts by \$208,356. Actual expenditures were lower than budgeted amounts by \$134,338. Actual other financing sources (uses) were favorable to budgeted amounts by \$252,414. An overall decrease in fund balance of \$7,910 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 \$170,486 for the fiscal year.

**SAN JACINTO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(UNAUDITED)**

Road and bridge precinct no. 4. Actual revenues were lower than budgeted amounts by \$158,334. Actual expenditures were higher than budgeted amounts by \$4,236. Actual other financing sources (uses) were favorable to budgeted amounts by \$88,597. An overall decrease in fund balance of \$48,977 had been projected, using prior year budget carryovers to fund the decrease. Actual amounts resulted in a decrease in fund balance of \$122,950 for the fiscal year.

Ike grant fund. Actual revenues were higher than budgeted amounts by \$54,734. Actual expenditures were higher than budgeted amounts by \$44,240. Actual other financing sources (uses) were favorable to budgeted amounts by \$110,017. An overall decrease in fund balance of \$10,490 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 \$110,021 for the fiscal year.

CAPITAL ASSETS

The County's investment in capital assets as of September 30, 2017, totaled \$22,980,160 (net of accumulated depreciation). This investment includes construction in progress, land, land improvements, buildings, machinery and equipment, and infrastructure assets.

Significant capital purchases included:

- Begin senior center project (grant funded)
- Continued progress on the community center (grant funded)
- Various vehicles, equipment and machinery for law enforcement and road and bridge departments
- Voting machines for the elections department (debt funded)

As explained in the notes to the financial statements, the 2016 balances shown below have been restated to include the effect of the following prior period adjustments:

- Ike grant funded community center construction in progress reduced by \$189,063
- Machinery and equipment disposed in prior years with a net book value of \$119,502

Capital Assets (Net of Depreciation)

	2017	(Restated) 2016
Land	\$ 2,030,081	\$ 2,030,081
Construction in progress	2,725,732	1,182,681
Land improvements	517,430	517,430
Buildings	7,129,639	7,129,639
Machinery and equipment	10,922,041	10,169,638
Infrastructure	203,633,249	203,633,249
Less: accumulated depreciation	<u>(203,978,012)</u>	<u>(202,585,665)</u>
Total	<u>\$ 22,980,160</u>	<u>\$ 22,077,053</u>

**SAN JACINTO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(UNAUDITED)**

DEBT ADMINISTRATION

At the end of the current fiscal year, the County had total bond debt and capital lease obligations of \$3,284,676. During the year, the County fully paid-off Certificates of Obligation, Series 2007.

Debt Outstanding

	Beginning			Ending
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
Certificates of obligation	\$ 2,400,000	\$ -	\$ (375,000)	\$ 2,025,000
Unamortized premiums	183,491	-	(30,582)	152,909
Capital leases	<u>1,103,366</u>	<u>513,409</u>	<u>(510,008)</u>	<u>1,106,767</u>
Total	<u>\$ 3,686,857</u>	<u>\$ 513,409</u>	<u>\$ (915,590)</u>	<u>\$ 3,284,676</u>

ECONOMIC FACTORS AND FUTURE FUNDING

The fiscal year 2018 budget (all funds) totaling \$19,794,268 was approved and adopted by the Commissioners Court in September 2017. Of the 2018 budget total, \$2,067,316 consists of various grant funding. The County has budgeted general expenditures to be 10,389,508, which is an increase from the prior year of approximately \$665,000. The tax rate required to fund the 2018 budget totals \$0.6400 per \$100 valuation. The prior year tax rate was \$0.6480 per \$100 valuation. Overall property tax revenue is expected to increase by approximately \$674,384, which is primarily due to new property added to the tax roll.

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, 2017

	Primary Government	
	Governmental Activities	Total
ASSETS		
Cash and cash equivalents	\$ 6,318,599	\$ 6,318,599
Receivables		
Property taxes, net of allowance for uncollectibles	2,354,950	2,354,950
Sales tax receivable	66,041	66,041
Grants	1,576,380	1,576,380
Other - miscellaneous	166,295	166,295
Prepaid expenses	35,691	35,691
Capital assets, net of accumulated depreciation	22,980,160	22,980,160
TOTAL ASSETS	33,498,116	33,498,116
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on bond refunding	27,387	27,387
Pension plan	1,329,796	1,329,796
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,357,183	1,357,183
LIABILITIES		
Accounts payable	1,781,630	1,781,630
Accrued expenses	404,825	404,825
Accrued interest	20,366	20,366
Due to other units	334,678	334,678
Unearned revenue	171,829	171,829
Accrued compensated absences	413,362	413,362
Long-term debt		
Due within one year	765,651	765,651
Due in more than one year	2,519,025	2,519,025
Net pension liability	1,119,355	1,119,355
TOTAL LIABILITIES	7,530,721	7,530,721
DEFERRED INFLOWS OF RESOURCES		
Pension plan	64,071	64,071
TOTAL DEFERRED INFLOWS OF RESOURCES	64,071	64,071
NET POSITION		
Invested in capital assets, net of related debt	19,695,484	19,695,484
Restricted for		
Debt service	44,861	44,861
Road and bridge	1,803,458	1,803,458
Capital projects	2,400	2,400
Special projects/purposes	1,196,840	1,196,840
Unrestricted	4,517,464	4,517,464
TOTAL NET POSITION	\$ 27,260,507	\$ 27,260,507

See accompanying Notes to the Financial Statements.

**SAN JACINTO COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Functions/Programs	Expenses
Primary government	
Governmental activities	
General government	\$ 2,987,540
Tax administration	416,557
Roads and bridges	4,517,980
Health and human services	1,238,280
Administration of justice	6,672,189
Pass-through expenditures	26,102
Interest on long-term debt	93,098
Total governmental activities	\$ 15,951,746

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
\$ 437,932	\$ -	\$ -	\$ (2,549,608)
-	-	-	(416,557)
655,343	1,332,197	-	(2,530,440)
305,046	111,069	1,398,251	576,086
1,566,865	163,094	51,265	(4,890,965)
26,102	-	-	-
-	-	-	(93,098)
<u>\$ 2,991,288</u>	<u>\$ 1,606,360</u>	<u>\$ 1,449,516</u>	<u>(9,904,582)</u>

General revenues	
Property taxes	10,271,657
Sales taxes	433,724
Other taxes	78,077
Investment income	16,704
Gain (loss) on sale of assets	24,075
Other revenues	594,102
Total general revenues	<u>11,418,339</u>
Change in net position	1,513,757
Net position - beginning	25,953,218
Prior period adjustment	(206,468)
Net position - ending	<u>\$ 27,260,507</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, 2017**

	General Fund	Road and Bridge Fund Pct. No. 1	Road and Bridge Fund Pct. No. 2
ASSETS			
Cash and cash equivalents	\$ 3,338,486	\$ 701,615	\$ 418,195
Receivables			
Property taxes, net of allowance for uncollectibles	1,604,823	124,727	124,727
Sales taxes	66,041	-	-
Grants	47,567	-	-
Other - miscellaneous	132,393	4,921	4,921
TOTAL ASSETS	\$ 5,189,310	\$ 831,263	\$ 547,843
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Deficit in pooled cash	\$ -	\$ -	\$ -
Accounts payable	399,202	15,125	14,434
Accrued expenses	250,693	12,778	17,298
Due to other units	300,794	-	-
Unearned revenue	-	-	-
Total liabilities	950,689	27,903	31,732
Deferred inflows of resources			
Unavailable revenue - property taxes	1,520,962	117,884	117,884
Total deferred inflows of resources	1,520,962	117,884	117,884
Fund balances			
Restricted	-	685,476	398,227
Assigned	-	-	-
Unassigned	2,717,659	-	-
Total fund balances	2,717,659	685,476	398,227
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,189,310	\$ 831,263	\$ 547,843

Road and Bridge Fund Pct. No. 3	Road and Bridge Fund Pct. No. 4	IKE Grant	Nonmajor Governmental Funds	Total Governmental Funds
\$ 579,536	\$ 270,488	\$ 4	\$ 1,488,583	\$ 6,796,907
146,419	146,419	-	207,835	2,354,950
-	-	-	-	66,041
-	-	1,222,632	306,181	1,576,380
<u>5,777</u>	<u>5,777</u>	<u>-</u>	<u>12,506</u>	<u>166,295</u>
<u>\$ 731,732</u>	<u>\$ 422,684</u>	<u>\$ 1,222,636</u>	<u>\$ 2,015,105</u>	<u>\$ 10,960,573</u>
\$ -	\$ -	\$ -	\$ 478,308	\$ 478,308
70,405	56,764	1,147,628	78,072	1,781,630
17,586	13,136	75,004	18,330	404,825
-	-	-	33,884	334,678
-	-	-	171,829	171,829
<u>87,991</u>	<u>69,900</u>	<u>1,222,632</u>	<u>780,423</u>	<u>3,171,270</u>
<u>138,385</u>	<u>138,385</u>	<u>-</u>	<u>199,152</u>	<u>2,232,652</u>
<u>138,385</u>	<u>138,385</u>	<u>-</u>	<u>199,152</u>	<u>2,232,652</u>
505,356	214,399	-	1,244,101	3,047,559
-	-	4	33,651	33,655
-	-	-	(242,222)	2,475,437
<u>505,356</u>	<u>214,399</u>	<u>4</u>	<u>1,035,530</u>	<u>5,556,651</u>
<u>\$ 731,732</u>	<u>\$ 422,684</u>	<u>\$ 1,222,636</u>	<u>\$ 2,015,105</u>	<u>\$ 10,960,573</u>

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, 2017

Total fund balances - governmental funds balance sheet	\$ 5,556,651
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	22,980,160
Prepaid expenditures are not reported as assets in the governmental funds.	35,691
Differences resulting from the refunding of certificates of obligation relate to long-term debt and therefore, are not reported in the governmental funds.	27,387
Deferred pension plan 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.	1,265,725
Certain revenues are not available to pay current period expenditures and therefore, are deferred in the governmental funds.	2,232,652
Payables for accrued interest on long-term liabilities are not due in the current period and therefore, are not reported in the governmental funds.	(20,366)
Payables for accrued compensated absences are not due in the current period and therefore, are not reported in the governmental funds.	(413,362)
Payables for long-term liabilities, including certificates of obligations, capital leases, and net pension liabilities are not due in the current period and therefore, are not reported in the governmental funds.	<u>(4,404,031)</u>
Net position of governmental activities	<u>\$ 27,260,507</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, 2017

	General Fund	Road and Bridge Fund Pct. No. 1	Road and Bridge Fund Pct. No. 2
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Property taxes	\$ 6,991,722	\$ 513,508	\$ 513,508
General sales and use taxes	433,724	-	-
Other taxes	34,131	7,582	7,582
Fines, fees, and forfeitures	1,063,256	-	-
Intergovernmental revenue and grants	201,988	12,381	-
Licenses and permits	86,468	156,765	156,157
Charges for services	374,001	-	-
Investment earnings	11,010	660	347
Rent	13,664	-	-
Other revenue	118,681	14,976	9,717
Total revenues	<u>9,328,645</u>	<u>705,872</u>	<u>687,311</u>
EXPENDITURES			
General government	2,691,860	-	-
Tax administration	410,422	-	-
Roads and bridges	-	516,548	586,990
Health and human services	527,020	-	-
Administration of justice	5,941,487	-	-
Pass-through expenditures	-	-	-
Capital outlay	544,813	27,592	55,722
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>10,115,602</u>	<u>544,140</u>	<u>642,712</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(786,957)</u>	<u>161,732</u>	<u>44,599</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of real and personal property	-	-	-
Proceeds from issuance of debt	381,524	-	-
Transfers in	37,395	185,281	313,460
Transfers out	(112,984)	-	-
Net other financing sources (uses)	<u>305,935</u>	<u>185,281</u>	<u>313,460</u>
NET CHANGE IN FUND BALANCE	(481,022)	347,013	358,059
FUND BALANCE - BEGINNING OF YEAR	2,994,338	316,602	75,895
PRIOR PERIOD ADJUSTMENT	204,343	21,861	(35,727)
FUND BALANCE - END OF YEAR	<u>\$ 2,717,659</u>	<u>\$ 685,476</u>	<u>\$ 398,227</u>

Road and Bridge Fund Pct. No. 3	Road and Bridge Fund Pct. No. 4	IKE Grant	Nonmajor Governmental Funds	Total Governmental Funds
\$ 602,813	\$ 602,813	\$ -	\$ 1,009,933	\$ 10,234,297
-	-	-	-	433,724
8,901	8,901	-	10,980	78,077
-	-	-	405,542	1,468,798
-	5,500	1,485,450	1,415,732	3,121,051
174,454	176,187	-	273,852	1,023,883
-	-	-	27,500	401,501
234	1,009	-	3,444	16,704
-	-	-	-	13,664
592	70,237	4	379,895	594,102
<u>786,994</u>	<u>864,647</u>	<u>1,485,454</u>	<u>3,526,878</u>	<u>17,385,801</u>
-	-	-	117,829	2,809,689
-	-	-	-	410,422
811,346	1,071,738	-	641,957	3,628,579
-	-	100,866	531,115	1,159,001
-	-	-	305,930	6,247,417
-	-	-	26,102	26,102
54,774	105,355	1,384,584	123,818	2,296,658
-	-	-	885,008	885,008
-	-	-	114,658	114,658
<u>866,120</u>	<u>1,177,093</u>	<u>1,485,450</u>	<u>2,746,417</u>	<u>17,577,534</u>
<u>(79,126)</u>	<u>(312,446)</u>	<u>4</u>	<u>780,461</u>	<u>(191,733)</u>
-	24,075	-	-	24,075
-	105,355	-	26,530	513,409
249,612	63,729	-	97,234	946,711
-	(3,663)	-	(830,064)	(946,711)
<u>249,612</u>	<u>189,496</u>	<u>-</u>	<u>(706,300)</u>	<u>537,484</u>
170,486	(122,950)	4	74,161	345,751
304,651	311,891	-	932,077	4,935,454
30,219	25,458	-	29,292	275,446
<u>\$ 505,356</u>	<u>\$ 214,399</u>	<u>\$ 4</u>	<u>\$ 1,035,530</u>	<u>\$ 5,556,651</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, 2017**

Net change in fund balance - governmental funds	\$	345,751
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are not reported as expenses in the statement of activities.		2,457,189
The depreciation of capital assets used in governmental activities is not reported in the governmental funds.		(1,572,347)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.		18,265
Amount represents the change in prepaid expenses from the beginning of the period to the end of the period.		3,252
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		37,362
Repayment of long-term debt is an expenditure in the governmental funds, but is not an expense in the statement of activities.		885,008
Proceeds from debt issuance are reported as other financing sources in the governmental funds, but increase noncurrent liabilities in the statement of activities.		(513,409)
Amount represents the change in accrued compensated absences from the beginning of the period to the end of the period.		(12,507)
Amount represents the change in accrued interest from the beginning of the period to the end of the period.		(559)
This amount represents the change in net pension assets and liabilities from the beginning of the period to the end of the period.		(156,363)
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>22,115</u>
Change in net position of governmental activities	\$	<u>1,513,757</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, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,361,711
TOTAL ASSETS	<u>\$ 1,361,711</u>
LIABILITIES	
Amounts held for others	\$ 586,858
Due to other units	<u>774,853</u>
TOTAL LIABILITIES	<u>\$ 1,361,711</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, 2017

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. 77, *Tax Abatement Disclosures* (“GASB 77”), establishes financial reporting standards and reporting requirements for tax abatement agreements entered into by state and local governments. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2015. Implementation of GASB 77 is reflected in the County’s financial disclosures.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14* (“GASB 80”), addresses financial statement presentation requirements for certain component units. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2016. Implementation of GASB 80 did not have an impact on the County’s financial disclosures.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73* (“GASB 82”), addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee contribution requirements. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2016. Implementation of GASB 82 did not have an impact on the County’s financial disclosures.

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. The effects of implementing GASB 83 on the County’s financial disclosures have not been evaluated by management.

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. 85, *Omnibus 2017* (“GASB 85”), addresses practice issues that have been identified during implementation of certain GASB Statements, including those related to blending component units, goodwill, fair value measurement, and postemployment benefits. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2017. The effects of implementing GASB 85 on the County’s financial disclosures have not been evaluated by management.

GASB Statement No. 86, *Certain Debt Extinguishment Issues* (“GASB 86”), is intended to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2017. The effects of implementing GASB 86 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.

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

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied. Grants and donations are recognized as revenue in the fiscal year in which grantor eligibility requirements have been satisfied.

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

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

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, 2017, the general fund and Ike grant fund are reported as major governmental funds. 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

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when 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, 2017. 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;

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

- repurchase agreements collateralized by U.S. Treasury or U.S. Government Agency securities in accordance with a master repurchase agreement;
- joint pools of political subdivisions in the State of Texas which invest in instruments and follow practices allowed by current law (the pool must be continuously rated no lower than “AAA” or “AAA-m” by at least one nationally recognized rating service).

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 which is 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, 2017, was as follows:

General fund	\$.44300
Lateral road		.09432
Special road and bridge		.04590
Debt service - lateral road		.02418
Debt service - general		<u>.04060</u>
Total	\$	<u>.64800</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, 2017

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 four types of items, which arise only under a full accrual basis of accounting, that qualify for reporting in this category: unamortized differences – pension plan projected and actual investment earnings and unamortized differences – pension plan assumption changes, are recognized as components of pension expense at an actuarially determined rate; pension contributions subsequent to the plan measurement date, is recognized as a component of pension expense in the following fiscal year; and 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.

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

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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resources (revenue) until that time. The County has two items that qualify for reporting in this category: 1) unavailable revenue – property taxes, which arises only under a modified accrual basis of accounting, is reported only on the governmental funds balance sheet and recognized as an inflow of resources in the period that the amounts become available; and 2) unamortized differences – pension plan expected and actual economic experience, which arises only under a full accrual basis of accounting, is reported on the government-wide statement of net position and is recognized as a component of 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 TCERS’s Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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, 2017, 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
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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, 2017, the sanitation fund, county child abuse prevention fund, FEMA DR 4332 fund, as well as certain miscellaneous grant funds, 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:

Shelter/community building	\$	5,562
Other expenditures		20,347
911 administrator		2,655
Professional claims and fees		19,007
Tax assessor-collector		1,196
Autopsies		6,197
Indigent healthcare		40,353
258 th judicial district		3
District court		97,497
Criminal district attorney		4,118
Constable, precinct no. 3		12,200
Sheriff office		104,875
Detention center		11,819

Road and bridge, precinct no. 4: \$ 4,778

Ike grant fund: \$ 99,635

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SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

DETAILED NOTES ON ALL FUNDS

ASSETS

Deposits and Investments

As of September 30, 2017, the County had the following investments:

	<u>Value</u>	<u>Weighted Average Maturity (years)</u>
Investments by type		
Certificates of deposit	\$ 1,645,518	0.19
TexPool	1,260,973	0.00
Texas CLASS	<u>5,068</u>	0.00
Total value	<u>\$ 2,911,559</u>	
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, 2017, 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, 2017, the County’s cash deposits with depository banks totaled \$7,262,738. Included in the balances are certificates of deposit totaling \$1,645,495 and agency funds totaling \$1,453,257. All deposits were fully collateralized by securities pledged by the depository banks with total collateral value of \$13,465,447, 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

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

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

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

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:

	<u>Property Taxes</u>	<u>Sales Taxes</u>	<u>Grants</u>	<u>Other</u>	<u>Totals</u>
Receivables by fund					
General fund	\$ 1,689,286	\$ 66,041	\$ 47,567	\$ 132,393	\$ 1,935,287
Road and bridge 1	131,257	-	-	4,921	136,178
Road and bridge 2	131,257	-	-	4,921	136,178
Road and bridge 3	154,085	-	-	5,777	159,862
Road and bridge 4	154,085	-	-	5,777	159,862
Ike grant fund	-	-	1,222,632	-	1,222,632
Nonmajor funds	<u>218,924</u>	<u>-</u>	<u>306,181</u>	<u>12,506</u>	<u>537,611</u>
Total receivables, gross	<u>2,478,894</u>	<u>66,041</u>	<u>1,576,380</u>	<u>166,295</u>	<u>4,287,610</u>
Allowance for for uncollectibles	<u>(123,944)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(123,944)</u>
Total receivables, net	<u>\$ 2,354,950</u>	<u>\$ 66,041</u>	<u>\$ 1,576,380</u>	<u>\$ 166,295</u>	<u>\$ 4,163,666</u>

Property Taxes. Of the \$2,478,894 in gross property taxes receivable, \$1,788,985 represents the outstanding balances of assessments for tax years 2015 and prior.

SAN JACINTO COUNTY, TEXAS
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Capital Assets

Prior Period Adjustment. During the current fiscal year, assets disposed in prior years totaling \$119,502 (\$501,980 less accumulated depreciation of \$382,478) were identified as not having been removed from the capital asset listing. Additionally, construction in progress has been reduced by \$189,063 to reflect repayment to the State for previous Ike grant draws that were unremitted to contractors. Beginning net position has been adjusted to reflect these adjustments. *See also note that follows, Prior Period Adjustments.* Accordingly, totals in the beginning balance column of the summary that follows have been restated to reflect these corrections and adjustments. Changes in capital assets for the year ended September 30, 2017 are as follows:

	(Restated) Balance <u>09/30/2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>09/30/2017</u>
Capital assets, not being depreciated				
Land	\$ 2,030,081	\$ -	\$ -	\$ 2,030,081
Construction in progress	<u>1,182,681</u>	<u>1,543,051</u>	<u>-</u>	<u>2,725,732</u>
Total not being depreciated	<u>3,212,762</u>	<u>1,543,051</u>	<u>-</u>	<u>4,755,813</u>
Capital assets, being depreciated				
Land improvements	517,430	-	-	517,430
Buildings	7,129,639	-	-	7,129,639
Machinery and equipment	10,169,638	932,403	(180,000)	10,922,041
Infrastructure	<u>203,633,249</u>	<u>-</u>	<u>-</u>	<u>203,633,249</u>
Total being depreciated	<u>221,449,956</u>	<u>932,403</u>	<u>(180,000)</u>	<u>222,202,359</u>
Less accumulated depreciation:				
Land improvements	(326,455)	(17,879)	-	(344,334)
Buildings	(2,415,576)	(184,827)	-	(2,600,403)
Machinery and equipment	(7,568,197)	(653,346)	180,000	(8,041,543)
Infrastructure	<u>(192,275,437)</u>	<u>(716,295)</u>	<u>-</u>	<u>(192,991,732)</u>
Total accumulated depreciation	<u>(202,585,665)</u>	<u>(1,572,347)</u>	<u>180,000</u>	<u>(203,978,012)</u>
Total being depreciated, net	<u>18,864,291</u>	<u>(639,944)</u>	<u>-</u>	<u>18,224,347</u>
Total capital assets, net	<u>\$ 22,077,053</u>	<u>\$ 903,107</u>	<u>\$ -</u>	<u>\$ 22,980,160</u>
				<u>(3,284,676)</u>
				<u>\$ 19,695,484</u>

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

General government	\$ 308,933
Tax administration	6,457
Roads and bridges	857,136
Administration of justice	334,145
Health and human services	<u>65,676</u>
Total	<u>\$ 1,572,347</u>

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

LIABILITIES

Accrued Expenses

At September 30, 2017, 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	\$ 242,414	\$ -	\$ 8,279	\$ 250,693
Road and bridge 1	12,778	-	-	12,778
Road and bridge 2	17,298	-	-	17,298
Road and bridge 3	17,586	-	-	17,586
Road and bridge 4	13,136	-	-	13,136
Ike grant	-	75,004	-	75,004
Nonmajor funds	<u>16,952</u>	<u>-</u>	<u>1,378</u>	<u>18,330</u>
Total accrued expenses	<u>\$ 320,164</u>	<u>\$ 75,004</u>	<u>\$ 9,657</u>	<u>\$ 404,825</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 1.95% to 2.34% 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	\$ 1,133,986	\$ 660,781	\$ 26,530	\$ 1,821,297
Less accumulated depreciation	<u>(293,159)</u>	<u>(214,252)</u>	<u>(2,653)</u>	<u>(510,064)</u>
Total	<u>\$ 840,827</u>	<u>\$ 446,529</u>	<u>\$ 23,877</u>	<u>\$ 1,311,233</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2017, 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>
2018	\$ 227,816	\$ 168,034	\$ 13,664	\$ 409,514
2019	255,025	102,944	13,664	371,633
2020	159,236	-	-	159,236
2021	139,061	-	-	139,061
2022	<u>80,967</u>	<u>-</u>	<u>-</u>	<u>80,967</u>
Total minimum lease payments	\$ 862,105	\$ 270,978	\$ 27,328	\$ 1,160,411
Less amount representing interest	<u>(44,532)</u>	<u>(8,313)</u>	<u>(799)</u>	<u>(53,644)</u>
Present value of minimum lease payments	<u>\$ 817,573</u>	<u>\$ 262,665</u>	<u>\$ 26,529</u>	<u>\$ 1,106,767</u>

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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Long-term Liabilities

Long-term liability activity for the year ended September 30, 2017, was as follows:

	<u>Balance</u> <u>09/30/16</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>09/30/17</u>	<u>Due Within</u> <u>One Year</u>
Long-term debt:					
2016 Bonds	\$ 2,025,000	\$ -	\$ -	\$ 2,025,000	\$ 380,000
2007 Certificates	375,000	-	(375,000)	-	-
Bond premiums:					
2016 Bonds	183,491	-	(30,582)	152,909	-
Capital leases	<u>1,103,366</u>	<u>513,409</u>	<u>(510,008)</u>	<u>1,106,767</u>	<u>385,651</u>
	<u>3,686,857</u>	<u>513,409</u>	<u>(915,590)</u>	<u>3,284,676</u>	<u>765,651</u>
Other:					
Compensated absences	400,854	12,508	-	413,362	-
Net pension liability	<u>1,120,047</u>	<u>-</u>	<u>(692)</u>	<u>1,119,355</u>	<u>-</u>
	<u>1,520,901</u>	<u>12,508</u>	<u>(692)</u>	<u>1,532,717</u>	<u>-</u>
Totals	<u>\$ 5,207,758</u>	<u>\$ 525,917</u>	<u>\$ (916,282)</u>	<u>\$ 4,817,393</u>	<u>\$ 765,651</u>

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

The annual debt service requirements to maturity for long-term debt are as follows:

<u>Year ending September 30,</u>	<u>Bonds</u>		<u>Capital Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 380,000	\$ 72,150	\$ 385,651	\$ 23,863
2019	390,000	60,600	355,762	15,871
2020	400,000	48,750	151,424	7,812
2021	420,000	32,250	134,559	4,502
2022	435,000	10,875	79,371	1,596
2023-2027	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,025,000</u>	<u>\$ 224,625</u>	<u>\$ 1,106,767</u>	<u>\$ 53,644</u>

At year end, the County had cash totaling \$33,178 available in the debt service fund to service long-term debt.

Certificates of obligation and other debt payable at September 30, 2017, 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 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

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

\$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. 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 1.95% to 2.34% 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, 2017.

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, 2017:

Fund	Transfers In	Transfers Out
General	\$ 37,395	\$ (112,983)
Road and Bridge Precinct No. 1	185,281	-
Road and Bridge Precinct No. 2	313,460	-
Road and Bridge Precinct No. 3	249,612	-
Road and Bridge Precinct No. 4	63,729	(3,664)
Nonmajor	97,234	(830,064)
Totals	\$ 946,711	\$ (946,711)

Defined Benefit Pension Plan

Plan Description. San Jacinto County participates as one of 677 plans in the non-traditional defined benefit plan in the statewide Texas County and District Retirement System (“TCDRS”). The Board of Trustees of TCERS is responsible for the administration of the statewide agent multiple-employer public employee retirement system. TCERS in the aggregate issues a comprehensive annual financial report (“CAFR”) on a calendar year basis. The CAFR is available online at www.tcdrs.org.

SAN JACINTO COUNTY, TEXAS
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SEPTEMBER 30, 2017

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, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	128
Inactive employees entitled to but not yet receiving benefits	252
Active employees	189
	569

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 elected the annually determined contribution rate (“ADCR”) plan provisions of the TCDRS Act. The County contributed using the actuarially determined rate of 9.17% for calendar year 2016 and 8.65% for calendar year 2017. The contribution rate payable by the employee members for fiscal year 2017 is the rate of 7.00% as adopted by the County. For fiscal year 2017, the County’s required contributions equaled actual contributions which totaled \$527,869.

The County’s Net Pension Liability/Asset (“NPL”) was measured as of December 31, 2016, 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, 2016, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2016, 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 3.0 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The total pension liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2016, was 11.3 years.

Salary increases were based on a service-related table. Mortality rates for active members were based on the gender-distinct RP2000 Active Employee Mortality Table, with males calculated with a two-year set-forward, and with females calculated with a four-year setback, both projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that. Mortality rates for retirees, beneficiaries, and non-

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

depositing members were based on the gender-distinct RP2000 Combined Mortality Table projected to 2014 with scale AA, and then projected with 110% of the MP-2014 Ultimate scale after that, with males calculated with a one-year set-forward, and with females calculated with no age adjustment. For disabled annuitants, the gender-distinct RP2000 Disabled Mortality Table is used, projected to 2014 with scale AA, and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and with a two-year set-forward for females.

Updated mortality assumptions were adopted in 2015. All other actuarial assumptions that determined the total pension liability as of December 31, 2015 valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2009 through December 31, 2012, 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 2017 information for a 7 to 10-year time horizon.

The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013 for the period January 1, 2009 - December 31, 2012. 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	13.5%	4.70%
Private equity	16.0%	7.70%
Global equities	1.5%	5.00%
International equities - developed	10.0%	4.70%
International equities - emerging	7.0%	5.70%
Investment-grade bonds	3.0%	0.60%
High-yield bonds	3.0%	3.70%
Opportunistic credit	2.0%	3.83%
Direct lending	10.0%	8.15%
Distressed debt	3.0%	6.70%
REIT equities	2.0%	3.85%
Master limited partnerships	3.0%	5.60%
Private real estate partnerships	6.0%	7.20%
Hedge funds	<u>20.0%</u>	3.85%
Total	100.0%	

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.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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

	<u>Increase (Decrease)</u>		
	Total Pension Liability <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net Pension Liability (Asset) <u>(a) - (b)</u>
Balance at 12/31/2015	\$ 15,979,169	\$ 14,859,122	\$ 1,120,047
Changes for the year:			
Service cost	774,730	-	774,730
Interest on total pension liability	1,284,652	-	1,284,652
Effect of economic/demographic (gains) or losses	14,831	-	14,831
Effect of assumption changes or inputs	-	-	-
Refund of contributions	(78,394)	(78,394)	-
Benefit payments	(939,602)	(939,602)	-
Administrative expenses	-	(11,957)	11,957
Employer contributions	-	535,610	(535,610)
Member contributions	-	410,005	(410,005)
Net investment income	-	1,101,128	(1,101,128)
Other	-	40,119	(40,119)
Net changes	<u>1,056,217</u>	<u>1,056,909</u>	<u>(692)</u>
Balance at 12/31/2016	<u>\$ 17,035,386</u>	<u>\$ 15,916,031</u>	<u>\$ 1,119,355</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 <u>(7.1%)</u>	Discount Rate <u>(8.1%)</u>	1% Increase in Discount Rate <u>(9.1%)</u>
Total pension liability	\$ 19,005,329	\$ 17,035,386	\$ 15,388,252
Fiduciary net position	<u>15,916,030</u>	<u>15,916,031</u>	<u>15,916,030</u>
Net pension liability (asset)	<u>\$ 3,089,299</u>	<u>\$ 1,119,355</u>	<u>\$ (527,779)</u>

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions. For the year ended September 30, 2017, the County recognized net pension (benefit) expense of \$684,235. Net pension (benefit) expense was charged to functions/programs as follows:

<u>Function/program</u>	<u>Governmental Activities</u>
General government	\$ 118,958
Tax administration	29,743
Roads and bridges	141,609
Administration of justice	355,577
Health and human services	<u>38,348</u>
Total	<u>\$ 684,235</u>

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

At September 30, 2017, the County reported deferred amounts related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ (64,071)
Difference between projected and actual investment earnings	866,403	-
Changes in actuarial assumptions	63,011	-
Contributions subsequent to the measurement date	<u>400,382</u>	<u>-</u>
Totals, governmental activities	<u>\$ 1,329,796</u>	<u>\$ (64,071)</u>

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$400,382, will be recognized as a reduction of the net pension liability/asset for the plan year ending December 31, 2017. 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>	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2017	\$ 757,967	\$ (69,015)	\$ 688,952
2018	294,576	4,944	299,520
2019	257,112	-	257,112
2020	<u>20,141</u>	<u>-</u>	<u>20,141</u>
Total	<u>\$ 1,329,796</u>	<u>\$ (64,071)</u>	<u>\$ 1,265,725</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.

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.

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.

Funding Policy. 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. San Jacinto County’s contributions to the GTLF for the years ended September 30, 2017, 2016, and 2015, were \$31,996, \$32,370, and \$27,540, respectively, which equaled the contractually required contributions each year.

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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.

Prior Period Adjustments

Prior period adjustments have been made to the financial statements to reflect corrections and adjustments made to fund balances and net position as noted in the table that follows. The net effects of these prior period adjustments are summarized in the following table:

Adjustments	Increase (Decrease)	
	Fund Balances	Net Position
<i>Assets and Deferred Outflows of Resources</i>		
Pooled cash (duplicate outstanding items)	\$ (15,872)	\$ (15,872)
State fee liabilities (deposits in transit)	46,157	46,157
Property tax collections (deposits in transit)	139,960	139,960
CETRZ grant funds (mis-coded receipt)	(2,531)	(2,531)
Title IV-E grant (receivable not accrued)	23,507	23,507
EMPG grant (receivable not accrued)	6,097	6,097
Capital assets (see preceding note, <i>Capital Assets</i>)	-	(308,565)
Prepaid expenses (amounts not recorded)	-	32,439
Pension contributions subsequent to plan date (balance understated)	-	16,372
<i>Liabilities and Deferred Inflows of Resources</i>		
Payroll liabilities (FEMA expense coded to liabilities)	(59,434)	(59,434)
Accounts payable/payroll liabilities (uncleared balances)	17,496	17,496
Health insurance liability (balance overstated)	8,751	8,751
Property taxes (overstated deferred inflows)	184,289	-
State fee liabilities (balances understated)	(78,433)	(78,433)
Attorney collection fee liability (balance overstated)	29,784	29,784
Probate trust liability (mis-coded receipt)	(36,477)	(36,477)
Homeland security grant (mis-coded receipt)	12,152	12,152
Accrued compensated absences (balance understated)	-	(37,877)
Net prior period adjustments	\$ 275,446	\$ (206,468)

SAN JACINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

Subsequent Events

Management has evaluated subsequent events through March 26, 2019, the date when the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

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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, 2017

	Budgeted Amounts		Actual Amounts	Variances
	Original Adopted	Final Appropriated	Fund Basis	Fav (Unfav) Final to Actual
REVENUES				
Property taxes	\$ 7,266,730	\$ 7,266,730	\$ 6,991,722	\$ (275,008)
General sales and use taxes	407,000	407,000	433,724	26,724
Other taxes	44,000	44,000	34,131	(9,869)
Fines, fees, and forfeitures	1,238,025	1,238,025	1,063,256	(174,769)
Intergovernmental revenue and grants	232,117	232,117	201,988	(30,129)
Licenses and permits	52,500	52,500	86,468	33,968
Charges for services	233,000	233,000	374,001	141,001
Investment earnings	1,802	1,802	11,010	9,208
Rent	16,000	16,000	13,664	(2,336)
Other revenue	238,300	238,300	118,681	(119,619)
Total revenues	9,729,474	9,729,474	9,328,645	(400,829)
EXPENDITURES				
General government				
County judge	243,307	243,307	224,489	18,818
County clerk	215,483	215,483	208,255	7,228
Other expenditures	825,204	881,627	863,785	17,842
Shelter/community building	8,400	8,400	13,962	(5,562)
Elections	182,369	188,701	168,077	20,624
County auditor	234,772	234,772	232,254	2,518
County treasurer	161,131	161,131	157,932	3,199
Buildings	420,461	420,678	360,004	60,674
IT/computer department	77,562	77,562	77,478	84
Emergency management	65,769	68,769	66,869	1,900
911 Administrator	61,311	61,311	63,966	(2,655)
Fire marshall	23,164	20,164	8,645	11,519
Inspector - environmental/permit	17,309	17,309	9,322	7,987
Emergency preparedness	52,621	52,621	5,970	46,651
SCAAP correctional fund	500	500	118	382
Solid waste program	46,533	46,533	45,727	806
Professional fees and claims	166,000	166,000	185,007	(19,007)
Total general government	2,801,896	2,864,868	2,691,860	173,008
Tax administration				
Tax assessor-collector	407,476	409,226	410,422	(1,196)
Total tax administration	407,476	409,226	410,422	(1,196)
Health and human services				
Veteran service officer	13,789	13,789	12,413	1,376
Animal control	67,758	67,758	50,720	17,038
Autopsies	61,000	61,000	67,197	(6,197)
Texas parks & wildlife	2,200	2,200	2,134	66
Extension office	119,478	119,478	113,879	5,599
Senior citizens	56,951	56,951	56,860	91
Indigent health care	183,464	183,464	223,817	(40,353)
Total health and human services	504,640	504,640	527,020	(22,380)

(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, 2017
(CONTINUED)

	Budgeted Amounts		Actual Amounts	Variances
	Original Adopted	Final Appropriated	Fund Basis	Fav (Unfav) Final to Actual
<i>EXPENDITURES - continued</i>				
Administration of justice				
District clerk	258,258	258,258	248,198	10,060
258th judicial district	3,505	3,505	3,508	(3)
District court	341,229	341,229	438,726	(97,497)
Criminal district attorney	374,762	374,762	378,880	(4,118)
411th judicial district	3,505	3,505	3,378	127
County court	41,200	41,200	40,178	1,022
Justice of the peace, Pct. No. 1	108,998	108,998	98,202	10,796
Justice of the peace, Pct. No. 2	159,782	159,782	149,353	10,429
Justice of the peace, Pct. No. 3	91,086	91,086	88,769	2,317
Justice of the peace, Pct. No. 4	107,578	107,578	106,573	1,005
Constable, Pct. No. 1	65,916	65,916	65,055	861
Constable, Pct. No. 2	114,397	114,397	101,368	13,029
Constable, Pct. No. 3	65,866	65,866	75,779	(9,913)
Constable, Pct. No. 4	66,263	66,263	64,653	1,610
Sheriff office	2,470,820	2,463,901	2,560,603	(96,702)
Detention center	1,442,885	1,432,862	1,419,625	13,237
Dept of public safety	101,391	101,391	98,639	2,752
Total administration of justice	5,817,441	5,800,499	5,941,487	(140,988)
Capital outlay				
Other expenditures	-	381,524	419,713	(38,189)
Buildings	-	-	8,315	(8,315)
Constable, Pct. No. 3	-	-	2,287	(2,287)
Sheriff office	-	81,269	89,442	(8,173)
Detention center	-	-	25,056	(25,056)
Total capital outlay	-	462,793	544,813	(82,020)
Total expenditures	9,531,453	10,042,026	10,115,602	(73,576)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	198,021	(312,552)	(786,957)	(474,405)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of real and personal property	1,000	1,000	-	(1,000)
Proceeds from issuance of debt	-	381,524	381,524	-
Transfers in	-	-	37,395	37,395
Transfers out	(199,021)	(117,752)	(112,984)	4,768
Net other financing sources (uses)	(198,021)	264,772	305,935	41,163
NET CHANGE IN FUND BALANCE	-	(47,780)	(481,022)	(433,242)
FUND BALANCE - BEGINNING OF YEAR	2,994,338	2,994,338	2,994,338	-
PRIOR PERIOD ADJUSTMENT	204,343	204,343	204,343	-
FUND BALANCE - END OF YEAR	<u>\$ 3,198,681</u>	<u>\$ 3,150,901</u>	<u>\$ 2,717,659</u>	<u>\$ (433,242)</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, 2017

	Budgeted Amounts		Actual Amounts	Variances
	Original Adopted	Final Appropriated	Fund Basis	Fav (Unfav) Final to Actual
REVENUES				
Property taxes	\$ 517,773	\$ 530,472	\$ 513,508	\$ (16,964)
General sales and use taxes	-	-	-	-
Other taxes	8,000	8,000	7,582	(418)
Fines, fees, and forfeitures	-	-	-	-
Intergovernmental revenue and grants	7,500	7,500	12,381	4,881
Licenses and permits	142,500	142,500	156,765	14,265
Charges for services	-	-	-	-
Investment earnings	76	76	660	584
Rent	-	-	-	-
Other revenue	66,422	66,422	14,976	(51,446)
Total revenues	<u>742,271</u>	<u>754,970</u>	<u>705,872</u>	<u>(49,098)</u>
EXPENDITURES				
General government	-	-	-	-
Tax administration	-	-	-	-
Roads and bridges	730,580	737,812	516,548	221,264
Health and human services	-	-	-	-
Administration of justice	-	-	-	-
Pass-through expenditures	-	-	-	-
Capital outlay	10,000	18,926	27,592	(8,666)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>740,580</u>	<u>756,738</u>	<u>544,140</u>	<u>212,598</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>1,691</u>	<u>(1,768)</u>	<u>161,732</u>	<u>163,500</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of real and personal property	200	200	-	(200)
Proceeds from issuance of debt	-	-	-	-
Transfers in	-	-	185,281	185,281
Transfers out	(1,891)	(1,891)	-	1,891
Net other financing sources (uses)	<u>(1,691)</u>	<u>(1,691)</u>	<u>185,281</u>	<u>186,972</u>
NET CHANGE IN FUND BALANCE	-	(3,459)	347,013	350,472
FUND BALANCE - BEGINNING OF YEAR	316,602	316,602	316,602	-
PRIOR PERIOD ADJUSTMENT	<u>21,861</u>	<u>21,861</u>	<u>21,861</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 338,463</u>	<u>\$ 335,004</u>	<u>\$ 685,476</u>	<u>\$ 350,472</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, 2017

	Budgeted Amounts		Actual Amounts	Variances
	Original Adopted	Final Appropriated	Fund Basis	Fav (Unfav) Final to Actual
REVENUES				
Property taxes	\$ 520,494	\$ 533,473	\$ 513,508	\$ (19,965)
General sales and use taxes	-	-	-	-
Other taxes	8,000	8,000	7,582	(418)
Fines, fees, and forfeitures	-	-	-	-
Intergovernmental revenue and grants	3,400	3,400	-	(3,400)
Licenses and permits	160,000	160,000	156,157	(3,843)
Charges for services	-	-	-	-
Investment earnings	80	80	347	267
Rent	-	-	-	-
Other revenue	18,500	18,500	9,717	(8,783)
Total revenues	<u>710,474</u>	<u>723,453</u>	<u>687,311</u>	<u>(36,142)</u>
EXPENDITURES				
General government	-	-	-	-
Tax administration	-	-	-	-
Roads and bridges	723,000	735,738	586,990	148,748
Health and human services	-	-	-	-
Administration of justice	-	-	-	-
Pass-through expenditures	-	-	-	-
Capital outlay	60,000	60,000	55,722	4,278
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>783,000</u>	<u>795,738</u>	<u>642,712</u>	<u>153,026</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(72,526)</u>	<u>(72,285)</u>	<u>44,599</u>	<u>116,884</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of real and personal property	15,000	15,000	-	(15,000)
Proceeds from issuance of debt	60,000	60,000	-	(60,000)
Transfers in	-	-	313,460	313,460
Transfers out	(2,474)	(2,474)	-	2,474
Net other financing sources (uses)	<u>72,526</u>	<u>72,526</u>	<u>313,460</u>	<u>240,934</u>
NET CHANGE IN FUND BALANCE	-	241	358,059	357,818
FUND BALANCE - BEGINNING OF YEAR	75,895	75,895	75,895	-
PRIOR PERIOD ADJUSTMENT	<u>(35,727)</u>	<u>(35,727)</u>	<u>(35,727)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 40,168</u>	<u>\$ 40,409</u>	<u>\$ 398,227</u>	<u>\$ 357,818</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, 2017

	Budgeted Amounts		Actual Amounts	Variances
	Original Adopted	Final Appropriated	Fund Basis	Fav (Unfav) Final to Actual
REVENUES				
Property taxes	\$ 641,711	\$ 629,430	\$ 602,813	\$ (26,617)
General sales and use taxes	-	-	-	-
Other taxes	12,000	12,000	8,901	(3,099)
Fines, fees, and forfeitures	-	-	-	-
Intergovernmental revenue and grants	-	-	-	-
Licenses and permits	188,400	188,400	174,454	(13,946)
Charges for services	-	-	-	-
Investment earnings	20	20	234	214
Rent	-	-	-	-
Other revenue	165,500	165,500	592	(164,908)
Total revenues	<u>1,007,631</u>	<u>995,350</u>	<u>786,994</u>	<u>(208,356)</u>
EXPENDITURES				
General government	-	-	-	-
Tax administration	-	-	-	-
Roads and bridges	1,004,829	944,958	811,346	133,612
Health and human services	-	-	-	-
Administration of justice	-	-	-	-
Pass-through expenditures	-	-	-	-
Capital outlay	-	55,500	54,774	726
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,004,829</u>	<u>1,000,458</u>	<u>866,120</u>	<u>134,338</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,802</u>	<u>(5,108)</u>	<u>(79,126)</u>	<u>(74,018)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of real and personal property	500	500	-	(500)
Proceeds from issuance of debt	-	-	-	-
Transfers in	-	-	249,612	249,612
Transfers out	(3,302)	(3,302)	-	3,302
Net other financing sources (uses)	<u>(2,802)</u>	<u>(2,802)</u>	<u>249,612</u>	<u>252,414</u>
NET CHANGE IN FUND BALANCE	-	(7,910)	170,486	178,396
FUND BALANCE - BEGINNING OF YEAR	304,651	304,651	304,651	-
PRIOR PERIOD ADJUSTMENT	<u>30,219</u>	<u>30,219</u>	<u>30,219</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 334,870</u>	<u>\$ 326,960</u>	<u>\$ 505,356</u>	<u>\$ 178,396</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, 2017

	Budgeted Amounts		Actual Amounts	Variances
	Original Adopted	Final Appropriated	Fund Basis	Fav (Unfav) Final to Actual
REVENUES				
Property taxes	\$ 634,284	\$ 620,887	\$ 602,813	\$ (18,074)
General sales and use taxes	-	-	-	-
Other taxes	9,980	9,980	8,901	(1,079)
Fines, fees, and forfeitures	-	-	-	-
Intergovernmental revenue and grants	6,000	6,000	5,500	(500)
Licenses and permits	185,000	185,000	176,187	(8,813)
Charges for services	-	-	-	-
Investment earnings	114	114	1,009	895
Rent	-	-	-	-
Other revenue	201,000	201,000	70,237	(130,763)
Total revenues	<u>1,036,378</u>	<u>1,022,981</u>	<u>864,647</u>	<u>(158,334)</u>
EXPENDITURES				
General government	-	-	-	-
Tax administration	-	-	-	-
Roads and bridges	1,033,257	1,068,837	1,071,738	(2,901)
Health and human services	-	-	-	-
Administration of justice	-	-	-	-
Pass-through expenditures	-	-	-	-
Capital outlay	104,020	104,020	105,355	(1,335)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,137,277</u>	<u>1,172,857</u>	<u>1,177,093</u>	<u>(4,236)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(100,899)</u>	<u>(149,876)</u>	<u>(312,446)</u>	<u>(162,570)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of real and personal property	-	-	24,075	24,075
Proceeds from issuance of debt	104,020	104,020	105,355	1,335
Transfers in	-	-	63,729	63,729
Transfers out	(3,121)	(3,121)	(3,663)	(542)
Net other financing sources (uses)	<u>100,899</u>	<u>100,899</u>	<u>189,496</u>	<u>88,597</u>
NET CHANGE IN FUND BALANCE	-	(48,977)	(122,950)	(73,973)
FUND BALANCE - BEGINNING OF YEAR	311,891	311,891	311,891	-
PRIOR PERIOD ADJUSTMENT	<u>25,458</u>	<u>25,458</u>	<u>25,458</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 337,349</u>	<u>\$ 288,372</u>	<u>\$ 214,399</u>	<u>\$ (73,973)</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
IKE GRANT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual Amounts	Variances
	Original Adopted	Final Appropriated	Fund Basis	Fav (Unfav) Final to Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
General sales and use taxes	-	-	-	-
Other taxes	-	-	-	-
Fines, fees, and forfeitures	-	-	-	-
Intergovernmental revenue and grants	1,430,720	1,430,720	1,485,450	54,730
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Rent	-	-	-	-
Other revenue	-	-	4	4
Total revenues	<u>1,430,720</u>	<u>1,430,720</u>	<u>1,485,454</u>	<u>54,734</u>
EXPENDITURES				
General government	-	-	-	-
Tax administration	-	-	-	-
Roads and bridges	-	10,490	100,866	(90,376)
Health and human services	-	-	-	-
Administration of justice	-	-	-	-
Pass-through expenditures	-	-	-	-
Capital outlay	1,430,720	1,430,720	1,384,584	46,136
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,430,720</u>	<u>1,441,210</u>	<u>1,485,450</u>	<u>(44,240)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>-</u>	<u>(10,490)</u>	<u>4</u>	<u>10,494</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of real and personal property	-	-	-	-
Proceeds from issuance of debt	-	-	115,412	115,412
Transfers in	-	-	50,000	50,000
Transfers out	-	-	(55,395)	(55,395)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>110,017</u>	<u>110,017</u>
NET CHANGE IN FUND BALANCE	-	(10,490)	110,021	120,511
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (10,490)</u>	<u>\$ 110,021</u>	<u>\$ 120,511</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, 2017

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. 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. 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, 2017

	<u>2016**</u>	<u>2015**</u>	<u>2014**</u>
TOTAL PENSION LIABILITY			
Service cost	\$ 774,730	\$ 678,628	\$ 655,637
Interest on total pension liability	1,284,652	1,223,233	1,152,774
Effect of plan changes	-	(81,506)	120,272
Effect of assumption changes or inputs	-	189,032	-
Effect of economic/demographic (gains) or losses	14,831	(221,877)	(71,149)
Benefit payments/refunds of contributions	<u>(1,017,996)</u>	<u>(1,029,081)</u>	<u>(957,675)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	1,056,217	758,429	899,859
TOTAL PENSION LIABILITY - BEGINNING	<u>15,979,169</u>	<u>15,220,740</u>	<u>14,320,881</u>
TOTAL PENSION LIABILITY - ENDING	(a) \$ <u>17,035,386</u>	\$ <u>15,979,169</u>	\$ <u>15,220,740</u>
PLAN FIDUCIARY NET POSITION			
Employer contributions	\$ 535,610	\$ 510,994	\$ 498,304
Member contributions	410,005	375,337	352,263
Investment income, net of investment expenses	1,101,128	29,358	956,051
Benefit payments/refunds of contributions	(1,017,996)	(1,029,081)	(957,675)
Administrative expenses	(11,957)	(10,704)	(11,134)
Other	<u>40,119</u>	<u>97,604</u>	<u>23,229</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	1,056,909	(26,492)	861,038
PLAN FIDUCIARY NET POSITION - BEGINNING	<u>14,859,122</u>	<u>14,885,614</u>	<u>14,024,576</u>
PLAN FIDUCIARY NET POSITION - ENDING	(b) \$ <u>15,916,031</u>	\$ <u>14,859,122</u>	\$ <u>14,885,614</u>
NET PENSION LIABILITY (ASSET) - ENDING	(a - b) \$ <u>1,119,355</u>	\$ <u>1,120,047</u>	\$ <u>335,126</u>
RELATED RATIOS			
Plan Fiduciary Net Position as a percentage of Total Pension Liability	93.43%	92.99%	97.80%
Pensionable Covered Payroll	\$ 5,662,320	\$ 5,361,948	\$ 5,032,889
Net Pension Liability (Asset) as a percentage of Covered Payroll	19.77%	20.89%	6.66%

* - GASB 68 requires ten years of data to be presented. Data for only three 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.

See Independent Auditors' Report and Notes to the Financial Statements.

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**SAN JACINTO COUNTY, TEXAS
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS*
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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%

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

See Independent Auditors' Report and Notes to the Schedule of Pension Contributions.

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SAN JACINTO COUNTY, TEXAS
NOTES TO THE SCHEDULE OF PENSION CONTRIBUTIONS
SEPTEMBER 30, 2017

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>	13.6 years (based on contribution rate calculate in 12/31/16 valuation)
<i>Asset Valuation Method</i>	5-year smoothed market
<i>Inflation</i>	3.0%
<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>	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously, Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.

Other Information

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

Presentation of Schedule

In accordance with GASB standards, the District 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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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, 2017**

	Debt Service Fund	Capital Improvements Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and cash equivalents	\$ 33,178	\$ 2,400	\$ 1,453,005	\$ 1,488,583
Receivables				
Property taxes, net of allowance for uncollectible	207,835	-	-	207,835
Grants	-	-	306,181	306,181
Other - miscellaneous	3,000	-	9,506	12,506
TOTAL ASSETS	<u>\$ 244,013</u>	<u>\$ 2,400</u>	<u>\$ 1,768,692</u>	<u>\$ 2,015,105</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Deficit in pooled cash	\$ -	\$ -	\$ 478,308	\$ 478,308
Accounts payable	-	-	78,072	78,072
Accrued expenses	-	-	18,330	18,330
Due to other units	-	-	33,884	33,884
Unearned revenue	-	-	171,829	171,829
Total liabilities	<u>-</u>	<u>-</u>	<u>780,423</u>	<u>780,423</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	199,152	-	-	199,152
Total deferred inflows of resources	<u>199,152</u>	<u>-</u>	<u>-</u>	<u>199,152</u>
Fund balances				
Nonspendable	-	-	-	-
Restricted	44,861	2,400	1,196,840	1,244,101
Assigned	-	-	33,651	33,651
Unassigned	-	-	(242,222)	(242,222)
Total fund balances	<u>44,861</u>	<u>2,400</u>	<u>988,269</u>	<u>1,035,530</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 244,013</u>	<u>\$ 2,400</u>	<u>\$ 1,768,692</u>	<u>\$ 2,015,105</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, 2017

	Debt Service Fund	Capital Improvements Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 1,009,933	\$ -	\$ -	\$ 1,009,933
General sales and use taxes	-	-	-	-
Other taxes	-	-	10,980	10,980
Fines, fees, and forfeitures	-	-	405,542	405,542
Intergovernmental revenue and grants	-	-	1,415,732	1,415,732
Licenses and permits	-	-	273,852	273,852
Charges for services	-	-	27,500	27,500
Investment earnings	-	14	3,430	3,444
Rent	-	-	-	-
Other revenue	-	-	379,895	379,895
Total revenues	<u>1,009,933</u>	<u>14</u>	<u>2,516,931</u>	<u>3,526,878</u>
EXPENDITURES				
General government	-	-	117,829	117,829
Tax administration	-	-	-	-
Roads and bridges	-	-	641,957	641,957
Health and human services	-	-	531,115	531,115
Administration of justice	-	-	305,930	305,930
Pass-through expenditures	-	-	26,102	26,102
Capital outlay	-	-	123,818	123,818
Debt service				
Principal	885,008	-	-	885,008
Interest	114,658	-	-	114,658
Total expenditures	<u>999,666</u>	<u>-</u>	<u>1,746,751</u>	<u>2,746,417</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>10,267</u>	<u>14</u>	<u>770,180</u>	<u>780,461</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of real and personal property	-	-	-	-
Proceeds from issuance of debt	-	-	26,530	26,530
Transfers in	12,770	-	84,464	97,234
Transfers out	-	-	(830,064)	(830,064)
Net other financing sources (uses)	<u>12,770</u>	<u>-</u>	<u>(719,070)</u>	<u>(706,300)</u>
NET CHANGE IN FUND BALANCE	23,037	14	51,110	74,161
FUND BALANCE - BEGINNING OF YEAR	5,492	2,386	924,199	932,077
PRIOR PERIOD ADJUSTMENT	<u>16,332</u>	<u>-</u>	<u>12,960</u>	<u>29,292</u>
FUND BALANCE - END OF YEAR	<u>\$ 44,861</u>	<u>\$ 2,400</u>	<u>\$ 988,269</u>	<u>\$ 1,035,530</u>

See Independent Auditors' Report.

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**SAN JACINTO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2017**

	<u>LEOSE</u> <u>Education</u>	<u>JP</u> <u>Technology</u>	<u>Seizures</u>
ASSETS			
Cash and cash equivalents	\$ 24,587	\$ 66,345	\$ 283,992
Receivables			
Grants	-	-	-
Other - miscellaneous	-	121	-
TOTAL ASSETS	<u>\$ 24,587</u>	<u>\$ 66,466</u>	<u>\$ 283,992</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Deficit in pooled cash	\$ -	\$ -	\$ -
Accounts payable	-	114	-
Accrued expenses	-	-	-
Due to other units	-	-	33,884
Unearned revenue	-	-	-
Total liabilities	<u>-</u>	<u>114</u>	<u>33,884</u>
Deferred inflows of resources			
Unavailable revenue - property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances			
Restricted	24,587	66,352	250,108
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>24,587</u>	<u>66,352</u>	<u>250,108</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 24,587</u>	<u>\$ 66,466</u>	<u>\$ 283,992</u>

(continued)

**SAN JACINTO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2017**

	<u>Justice Court Building Fund</u>	<u>County Clerk Records Archive</u>	<u>District Clerk Records Archive</u>
ASSETS			
Cash and cash equivalents	\$ 53,129	\$ 90,789	\$ 21,970
Receivables			
Grants	-	-	-
Other - miscellaneous	30	1,410	1,220
TOTAL ASSETS	<u>\$ 53,159</u>	<u>\$ 92,199</u>	<u>\$ 23,190</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Deficit in pooled cash	\$ -	\$ 7,805	\$ -
Accounts payable	-	1,206	182
Accrued expenses	-	4,382	-
Due to other units	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>-</u>	<u>13,393</u>	<u>182</u>
Deferred inflows of resources			
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances			
Restricted	53,159	78,806	23,008
Assigned	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>53,159</u>	<u>78,806</u>	<u>23,008</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 53,159</u>	<u>\$ 92,199</u>	<u>\$ 23,190</u>

District Clerk (Criminal) Records Archive	Hot Check	Law Library Fund	Records Preservation	County Clerk Records Preservation	District Clerk Records Preservation
\$ 1,776	\$ 36,225	\$ 22,468	\$ 109,422	\$ 42,742	\$ 8,601
-	-	-	-	-	-
20	-	4,100	811	-	621
<u>\$ 1,796</u>	<u>\$ 36,225</u>	<u>\$ 26,568</u>	<u>\$ 110,233</u>	<u>\$ 42,742</u>	<u>\$ 9,222</u>
\$ -	\$ 6,408	\$ -	\$ -	\$ -	\$ -
-	25	1,686	1,321	-	5
-	1,378	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,811	1,686	1,321	-	5
-	-	-	-	-	-
-	-	-	-	-	-
1,796	28,414	24,882	108,912	42,742	9,217
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,796</u>	<u>28,414</u>	<u>24,882</u>	<u>108,912</u>	<u>42,742</u>	<u>9,217</u>
<u>\$ 1,796</u>	<u>\$ 36,225</u>	<u>\$ 26,568</u>	<u>\$ 110,233</u>	<u>\$ 42,742</u>	<u>\$ 9,222</u>

(continued)

**SAN JACINTO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2017**

	<u>Courthouse Security</u>	<u>Economic Development</u>	<u>Sanitation</u>
ASSETS			
Cash and cash equivalents	\$ 17,790	\$ 28,297	\$ 400
Receivables			
Grants	-	-	-
Other - miscellaneous	963	-	-
TOTAL ASSETS	<u>\$ 18,753</u>	<u>\$ 28,297</u>	<u>\$ 400</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Deficit in pooled cash	\$ -	\$ -	\$ 68,129
Accounts payable	813	-	20,643
Accrued expenses	2,970	-	9,532
Due to other units	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>3,783</u>	<u>-</u>	<u>98,304</u>
 Deferred inflows of resources			
Unavailable revenue - property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balances			
Restricted	14,970	28,297	-
Assigned	-	-	-
Unassigned	-	-	(97,904)
Total fund balances	<u>14,970</u>	<u>28,297</u>	<u>(97,904)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 18,753</u>	<u>\$ 28,297</u>	<u>\$ 400</u>

<u>Hotel Occupancy Tax</u>	<u>County Child Abuse Prevention</u>	<u>FEMA DR 4223</u>	<u>Sheriff's Cash Bond</u>	<u>FEMA DR 4269</u>	<u>CDBG Senior Center Grant</u>
\$ 29,052	\$ -	\$ -	\$ 107,165	\$ -	\$ -
-	-	236,697	-	-	18,150
-	210	-	-	-	-
<u>\$ 29,052</u>	<u>\$ 210</u>	<u>\$ 236,697</u>	<u>\$ 107,165</u>	<u>\$ -</u>	<u>\$ 18,150</u>
\$ -	\$ 1,118	\$ 236,697	\$ -	\$ -	\$ -
-	749	-	2,407	-	18,150
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>1,867</u>	<u>236,697</u>	<u>2,407</u>	<u>-</u>	<u>18,150</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
29,052	-	-	104,758	-	-
-	-	-	-	-	-
-	(1,657)	-	-	-	-
<u>29,052</u>	<u>(1,657)</u>	<u>-</u>	<u>104,758</u>	<u>-</u>	<u>-</u>
<u>\$ 29,052</u>	<u>\$ 210</u>	<u>\$ 236,697</u>	<u>\$ 107,165</u>	<u>\$ -</u>	<u>\$ 18,150</u>

(continued)

**SAN JACINTO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2017**

	<u>FEMA DR 4272</u>	<u>District Attorney Discretionary</u>	<u>Historical Society</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 12,861	\$ 33,651
Receivables			
Grants	44,888	-	-
Other - miscellaneous	-	-	-
TOTAL ASSETS	<u>\$ 44,888</u>	<u>\$ 12,861</u>	<u>\$ 33,651</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Deficit in pooled cash	\$ 44,888	\$ 596	\$ -
Accounts payable	-	-	-
Accrued expenses	-	-	-
Due to other units	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>44,888</u>	<u>596</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue - property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances			
Restricted	-	12,265	-
Assigned	-	-	33,651
Unassigned	-	-	-
Total fund balances	<u>-</u>	<u>12,265</u>	<u>33,651</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 44,888</u>	<u>\$ 12,861</u>	<u>\$ 33,651</u>

<u>Polk Estate</u>	<u>FEMA DR 4332</u>	<u>Hurricane Harvey Recovery</u>	<u>Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 295,515	\$ -	\$ 75,000	\$ 91,228	\$ 1,453,005
-	-	-	6,446	306,181
-	-	-	-	9,506
<u>\$ 295,515</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 97,674</u>	<u>\$ 1,768,692</u>
\$ -	\$ 112,667	\$ -	\$ -	\$ 478,308
-	29,806	-	965	78,072
-	68	-	-	18,330
-	-	-	-	33,884
-	-	75,000	96,829	171,829
-	142,541	75,000	97,794	780,423
-	-	-	-	-
-	-	-	-	-
295,515	-	-	-	1,196,840
-	-	-	-	33,651
-	(142,541)	-	(120)	(242,222)
<u>295,515</u>	<u>(142,541)</u>	<u>-</u>	<u>(120)</u>	<u>988,269</u>
<u>\$ 295,515</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 97,674</u>	<u>\$ 1,768,692</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, 2017

	<u>LEOSE</u> <u>Education</u>	<u>JP</u> <u>Technology</u>	<u>Seizures</u>
REVENUES			
General sales and use taxes	\$ -	\$ -	\$ -
Other taxes	-	-	-
Fines, fees, and forfeitures	-	12,677	222,841
Intergovernmental revenue and grants	7,624	-	-
Licenses and permits	-	-	-
Charges for services	-	-	-
Investment earnings	-	417	1,539
Rent	-	-	-
Other revenue	-	-	-
Total revenues	<u>7,624</u>	<u>13,094</u>	<u>224,380</u>
EXPENDITURES			
General government	-	-	-
Tax administration	-	-	-
Roads and bridges	-	-	-
Health and human services	-	-	-
Administration of justice	6,324	19,943	23,941
Pass-through expenditures	-	-	-
Capital outlay	-	-	45,759
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>6,324</u>	<u>19,943</u>	<u>69,700</u>
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	<u>1,300</u>	<u>(6,849)</u>	<u>154,680</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	1,300	(6,849)	154,680
FUND BALANCE - BEGINNING OF YEAR	23,287	73,052	95,158
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>149</u>	<u>270</u>
FUND BALANCE - END OF YEAR	<u>\$ 24,587</u>	<u>\$ 66,352</u>	<u>\$ 250,108</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, 2017

	<u>Justice Court Building Fund</u>	<u>County Clerk Records Archive</u>	<u>District Clerk Records Archive</u>
REVENUES			
General sales and use taxes	\$ -	\$ -	\$ -
Other taxes	-	-	-
Fines, fees, and forfeitures	3,156	76,949	5,667
Intergovernmental revenue and grants	-	-	-
Licenses and permits	-	-	-
Charges for services	-	-	-
Investment earnings	-	627	-
Rent	-	-	-
Other revenue	-	-	-
Total revenues	<u>3,156</u>	<u>77,576</u>	<u>5,667</u>
EXPENDITURES			
General government	-	81,991	-
Tax administration	-	-	-
Roads and bridges	-	-	-
Health and human services	-	-	-
Administration of justice	885	-	5,760
Pass-through expenditures	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>885</u>	<u>81,991</u>	<u>5,760</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>2,271</u>	<u>(4,415)</u>	<u>(93)</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	2,271	(4,415)	(93)
FUND BALANCE - BEGINNING OF YEAR	50,851	79,658	21,989
PRIOR PERIOD ADJUSTMENT	<u>37</u>	<u>3,563</u>	<u>1,112</u>
FUND BALANCE - END OF YEAR	<u>\$ 53,159</u>	<u>\$ 78,806</u>	<u>\$ 23,008</u>

District Clerk (Criminal) Records Archive	Hot Check	Law Library Fund	Records Preservation	County Clerk Records Preservation	District Clerk Records Preservation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
157	235	16,150	41,799	32	2,981
-	-	-	-	-	-
-	-	-	-	-	-
-	-	105	140	-	-
-	-	-	-	-	-
-	14,756	-	-	-	-
<u>157</u>	<u>14,991</u>	<u>16,255</u>	<u>41,939</u>	<u>32</u>	<u>2,981</u>
-	-	-	35,093	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	10,027	13,526	-	-	-
-	-	-	-	-	-
-	4,862	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>14,889</u>	<u>13,526</u>	<u>35,093</u>	<u>-</u>	<u>-</u>
<u>157</u>	<u>102</u>	<u>2,729</u>	<u>6,846</u>	<u>32</u>	<u>2,981</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(122)	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(122)</u>	<u>-</u>	<u>-</u>
157	102	2,729	6,724	32	2,981
1,618	28,896	18,723	101,464	42,710	5,722
<u>21</u>	<u>(584)</u>	<u>3,430</u>	<u>724</u>	<u>-</u>	<u>514</u>
<u>\$ 1,796</u>	<u>\$ 28,414</u>	<u>\$ 24,882</u>	<u>\$ 108,912</u>	<u>\$ 42,742</u>	<u>\$ 9,217</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, 2017

	<u>Courthouse Security</u>	<u>Economic Development</u>	<u>Sanitation</u>
REVENUES			
General sales and use taxes	\$ -	\$ -	\$ -
Other taxes	-	-	-
Fines, fees, and forfeitures	21,443	-	-
Intergovernmental revenue and grants	-	-	-
Licenses and permits	-	-	273,852
Charges for services	-	-	-
Investment earnings	-	-	233
Rent	-	-	-
Other revenue	-	350	18,966
Total revenues	<u>21,443</u>	<u>350</u>	<u>293,051</u>
EXPENDITURES			
General government	-	745	-
Tax administration	-	-	-
Roads and bridges	-	-	-
Health and human services	-	-	506,673
Administration of justice	49,207	-	-
Pass-through expenditures	-	-	-
Capital outlay	-	-	26,530
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>49,207</u>	<u>745</u>	<u>533,203</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(27,764)</u>	<u>(395)</u>	<u>(240,152)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of real and personal property	-	-	-
Proceeds from issuance of debt	-	-	26,530
Transfers in	5,313	-	78,647
Transfers out	-	-	-
Net other financing sources (uses)	<u>5,313</u>	<u>-</u>	<u>105,177</u>
NET CHANGE IN FUND BALANCE	(22,451)	(395)	(134,975)
FUND BALANCE - BEGINNING OF YEAR	31,401	28,692	39,622
PRIOR PERIOD ADJUSTMENT	<u>6,020</u>	<u>-</u>	<u>(2,551)</u>
FUND BALANCE - END OF YEAR	<u>\$ 14,970</u>	<u>\$ 28,297</u>	<u>\$ (97,904)</u>

<u>Hotel Occupancy Tax</u>	<u>County Child Abuse Prevention</u>	<u>FEMA DR 4223</u>	<u>Sheriff's Cash Bond</u>	<u>FEMA DR 4269</u>	<u>CDBG Senior Center Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,980	-	-	-	-	-
-	1,455	-	-	-	-
-	-	305,673	-	773,883	28,650
-	-	-	-	-	-
-	-	-	369	-	-
-	-	-	-	-	-
-	-	-	33,069	-	-
<u>10,980</u>	<u>1,455</u>	<u>305,673</u>	<u>33,438</u>	<u>773,883</u>	<u>28,650</u>
-	-	-	-	-	-
-	-	-	-	-	-
12,000	-	236,697	-	124,290	-
-	13,979	-	126,858	-	-
-	-	-	-	-	-
-	-	-	-	-	28,650
-	-	-	-	-	-
<u>12,000</u>	<u>13,979</u>	<u>236,697</u>	<u>126,858</u>	<u>124,290</u>	<u>28,650</u>
<u>(1,020)</u>	<u>(12,524)</u>	<u>68,976</u>	<u>(93,420)</u>	<u>649,593</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(68,976)	-	(649,593)	-
-	-	(68,976)	-	(649,593)	-
(1,020)	(12,524)	-	(93,420)	-	-
30,072	10,612	-	198,178	-	-
-	255	-	-	-	-
<u>\$ 29,052</u>	<u>\$ (1,657)</u>	<u>\$ -</u>	<u>\$ 104,758</u>	<u>\$ -</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, 2017

	<u>FEMA</u> <u>DR 4272</u>	<u>District</u> <u>Attorney</u> <u>Discretionary</u>	<u>Historical</u> <u>Society</u>
REVENUES			
General sales and use taxes	\$ -	\$ -	\$ -
Other taxes	-	-	-
Fines, fees, and forfeitures	-	-	-
Intergovernmental revenue and grants	129,408	-	11,600
Licenses and permits	-	-	-
Charges for services	-	27,500	-
Investment earnings	-	-	-
Rent	-	-	-
Other revenue	-	-	13,639
Total revenues	<u>129,408</u>	<u>27,500</u>	<u>25,239</u>
EXPENDITURES			
General government	-	-	-
Tax administration	-	-	-
Roads and bridges	39,558	-	-
Health and human services	-	-	7,881
Administration of justice	-	27,780	-
Pass-through expenditures	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>39,558</u>	<u>27,780</u>	<u>7,881</u>
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	<u>89,850</u>	<u>(280)</u>	<u>17,358</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of real and personal property	-	-	-
Proceeds from issuance of debt	-	-	-
Transfers in	-	-	-
Transfers out	(89,850)	-	-
Net other financing sources (uses)	<u>(89,850)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(280)	17,358
FUND BALANCE - BEGINNING OF YEAR	-	12,545	16,293
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 12,265</u>	<u>\$ 33,651</u>

<u>Polk Estate</u>	<u>FEMA DR 4332</u>	<u>Hurricane Harvey Recovery</u>	<u>Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	10,980
-	-	-	-	405,542
-	-	-	158,894	1,415,732
-	-	-	-	273,852
-	-	-	-	27,500
-	-	-	-	3,430
-	-	-	-	-
<u>295,515</u>	<u>-</u>	<u>-</u>	<u>3,600</u>	<u>379,895</u>
<u>295,515</u>	<u>-</u>	<u>-</u>	<u>162,494</u>	<u>2,516,931</u>
-	-	-	-	117,829
-	-	-	-	-
-	143,045	-	98,367	641,957
-	-	-	4,561	531,115
-	-	-	7,700	305,930
-	-	-	26,102	26,102
-	-	-	18,017	123,818
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>143,045</u>	<u>-</u>	<u>154,747</u>	<u>1,746,751</u>
<u>295,515</u>	<u>(143,045)</u>	<u>-</u>	<u>7,747</u>	<u>770,180</u>
-	-	-	-	-
-	-	-	-	26,530
-	504	-	-	84,464
-	-	-	(21,523)	(830,064)
<u>-</u>	<u>504</u>	<u>-</u>	<u>(21,523)</u>	<u>(719,070)</u>
295,515	(142,541)	-	(13,776)	51,110
-	-	-	13,656	924,199
-	-	-	-	12,960
<u>\$ 295,515</u>	<u>\$ (142,541)</u>	<u>\$ -</u>	<u>\$ (120)</u>	<u>\$ 988,269</u>

See Independent Auditors' Report.

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SAN JACINTO COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2017

	<u>Memorial Wall Fund</u>	<u>Inmate Commissary Fund</u>	<u>Sheriff's Commissary Fund</u>	<u>County Clerk's Probate Trust Fund</u>
ASSETS				
Cash and cash equivalents	\$ 661	\$ 22,037	\$ 4,993	\$ 30,262
TOTAL ASSETS	<u>\$ 661</u>	<u>\$ 22,037</u>	<u>\$ 4,993</u>	<u>\$ 30,262</u>
LIABILITIES				
Amounts held for others	\$ -	\$ 22,037	\$ 4,993	\$ 30,262
Due to other units	<u>661</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 661</u>	<u>\$ 22,037</u>	<u>\$ 4,993</u>	<u>\$ 30,262</u>

(continued)

SAN JACINTO COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2017

	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>
ASSETS				
Cash and cash equivalents	\$ 529,566	\$ 298,726	\$ 108,700	\$ 102,767
TOTAL ASSETS	<u>\$ 529,566</u>	<u>\$ 298,726</u>	<u>\$ 108,700</u>	<u>\$ 102,767</u>
LIABILITIES				
Amounts held for others	\$ 529,566	\$ -	\$ -	\$ -
Due to other units	<u>-</u>	<u>298,726</u>	<u>108,700</u>	<u>102,767</u>
TOTAL LIABILITIES	<u>\$ 529,566</u>	<u>\$ 298,726</u>	<u>\$ 108,700</u>	<u>\$ 102,767</u>

<u>Tax Assessor's Motor Vehicle</u>	<u>Tax Assessor's VIT</u>	<u>Tax Assessor's Credit Card</u>	<u>Tax Assessor's MV Credit Card</u>	<u>Tax Assessor's TPWD</u>	<u>Total Agency Funds</u>
\$ 80,283	\$ 218	\$ 111,224	\$ 71,134	\$ 1,140	\$ 1,361,711
<u>\$ 80,283</u>	<u>\$ 218</u>	<u>\$ 111,224</u>	<u>\$ 71,134</u>	<u>\$ 1,140</u>	<u>\$ 1,361,711</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 586,858
<u>80,283</u>	<u>218</u>	<u>111,224</u>	<u>71,134</u>	<u>1,140</u>	<u>774,853</u>
<u>\$ 80,283</u>	<u>\$ 218</u>	<u>\$ 111,224</u>	<u>\$ 71,134</u>	<u>\$ 1,140</u>	<u>\$ 1,361,711</u>

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