



SAN JACINTO COUNTY, TEXAS

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2023

ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2023





ANNUAL FINANCIAL REPORT

San Jacinto County, Texas

Fiscal Year Ended
September 30, 2023



San Jacinto County, Texas

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COUNTY JUDGE/INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the financial statements of the governmental activities, fiduciary funds, each major fund, and the aggregate remaining fund information of San Jacinto County as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise San Jacinto County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the fiduciary funds, each major fund, and the aggregate remaining fund information of San Jacinto County, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of San Jacinto County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

San Jacinto County's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about San Jacinto County's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 San Jacinto County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about San Jacinto County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in postemployment benefits other than pensions and related ratios, and budgetary comparison information as listed in the table on contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise San Jacinto County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *supplementary information* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements 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 August 20, 2024 on our consideration of San Jacinto 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing,

and not to provide an opinion on the effectiveness of 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 San Jacinto County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
August 20, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS



San Jacinto County, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2023

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, 2023.

FINANCIAL HIGHLIGHTS

- The general fund reported revenues over expenditures and other financing sources and uses of \$1,594,331 compared to a budgeted reduction of \$1,192,414, which resulted in a total positive budget variance of \$2,786,745.
- The County's net position increased by \$6,077,221.
- The County's total net position was \$47,275,709 at September 30, 2023.
- The County's net pension liability and OPEB liability were \$9,367 and \$606,550, respectively, at September 30, 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

San Jacinto County, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2023

Both of the government-wide financial statements present functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the County include general government, tax administration, roads and bridges, health and human services, and administration of justice.

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. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

The County maintains fifty-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the American Rescue Plan fund, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The County adopts an annual appropriated budget for its general and various other special revenue funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the County's most significant funds. The fund financial statements provide more information about the County's most significant funds, not the County as a whole.

San Jacinto County, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2023

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County maintains one type of fiduciary fund. The *Custodial, District Clerk's Regular, Districts Clerk's Escrow, and Sheriff's Commissary* reports resources held by the County in a custodial capacity for individuals, private organizations and other governments.

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

Other Information. In addition to basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension and Other Postemployment Benefits ("OPEB") benefits to its employees.

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

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$47,275,709 at the close of the most recent fiscal year.

San Jacinto County, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	Governmental Activities	
	2023	2022
Current and other assets	\$ 23,106,644	\$ 21,450,638
Net pension asset	-	2,923,554
Capital assets, net	29,093,268	23,594,760
Total Assets	52,199,912	47,968,952
Deferred Outflows	980,187	622,860
Current liabilities	3,936,739	2,633,762
Long-term liabilities	1,755,032	1,628,712
Total Liabilities	5,691,771	4,262,474
Deferred Inflows	212,619	3,130,850
Net position:		
Net investment		
in capital assets	26,521,245	22,562,019
Restricted	11,246,812	12,598,935
Unrestricted	9,507,652	6,037,534
Total Net Position	\$ 47,275,709	\$ 41,198,488

The County's net position increased to \$47,275,709 from \$41,198,488. The County's unrestricted net position was \$9,507,652. The County's current and other assets increased primarily due to nonrecurring capital purchases in the current year. Total liabilities increased by \$1,429,297 primarily as a result of nonrecurring debt issuances in the current year. In addition, the increase is due to greater accounts payable related to CDBG and EDA grant expenses. Total deferred outflows increased by \$357,327 and total deferred inflows decreased by \$2,918,231. Both variances are directly related to the County recognizing a net pension liability in the current year. In addition, the variances are due to actuarial changes in the County's pension inputs over the course of the year.

San Jacinto County, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2023

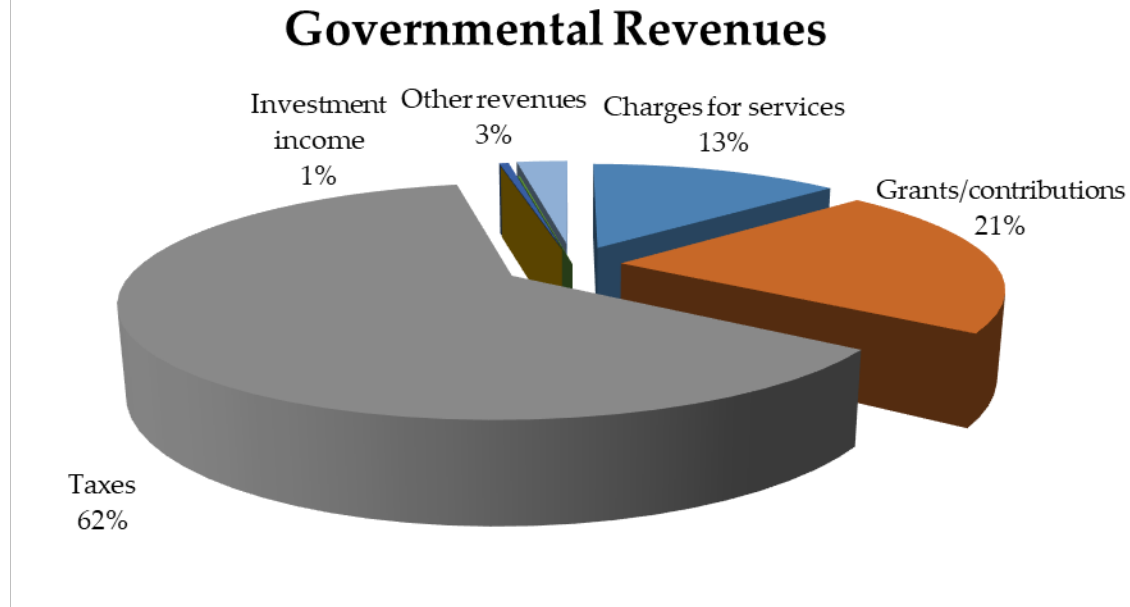
Statement of Activities

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

	Governmental Activities	
	2023	2022
Revenues		
Program revenues:		
Charges for services	\$ 3,424,749	\$ 2,688,617
Grants/contributions	5,525,899	4,620,871
General revenues:		
Taxes	15,965,236	15,583,831
Investment income	130,170	28,785
Rents and royalties	29,396	28,596
Other revenues	971,332	585,972
Total Revenues	26,046,782	23,536,672
Expenses		
General government	4,010,129	4,569,765
Tax administration	582,188	516,751
Roads and bridges	6,070,099	4,965,718
Health and human services	1,569,441	1,613,877
Administration of justice	7,722,674	7,135,830
Interest and fiscal agent fees on long-term debt	15,029	1,512
Total Expenses	19,969,561	18,803,453
Change in Net Position	6,077,221	4,733,219
Beginning net position	41,198,488	36,465,269
Ending Net Position	\$ 47,275,709	\$ 41,198,488

San Jacinto County, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

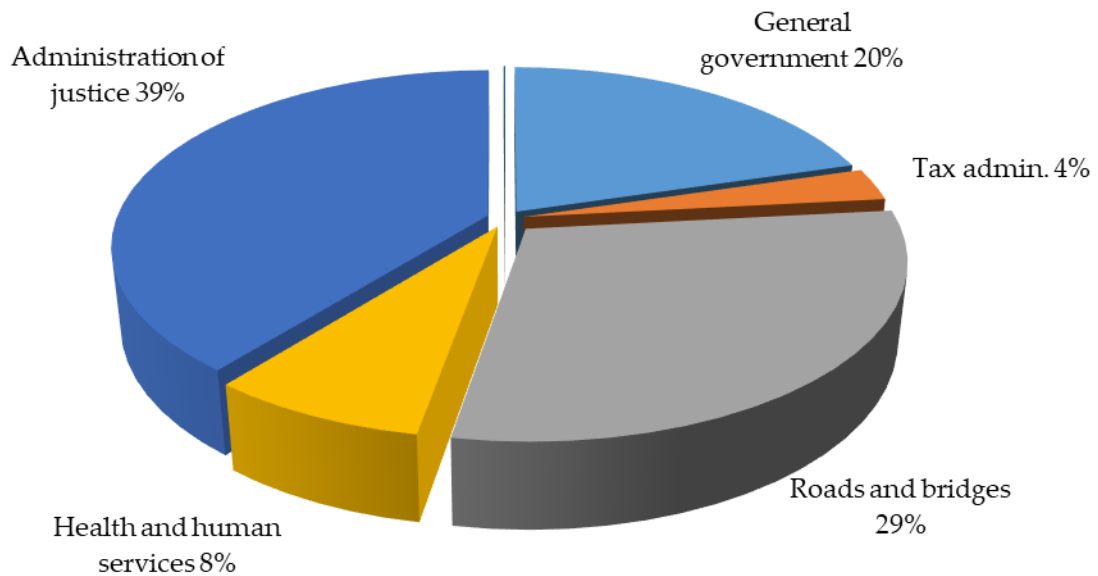
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the County's activities.



Total governmental revenues increased by \$2,510,110 or 11% from the prior year. Charges for services increased by \$736,132 or 27% primarily as a result of greater inmate housing income in the current year. Grants and contributions increased by \$905,028 or 20% which is directly related to nonrecurring buyout grants related to post-Hurricane Harvey restoration received in the current year. Investment income increased by \$101,385 or over 100% primarily due to greater interest-bearing accounts held and greater interest rates in the current year. Other revenues increased by \$385,360 or 66% primarily due to nonrecurring miscellaneous reimbursements in the current year.

San Jacinto County, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

Governmental Expenses



Total governmental expenses increased by \$1,166,108 or 6% from the prior year. General government expenses decreased by \$559,636 or 12% primarily due to nonrecurring CDBG Hurricane Harvey expenditures in the prior year. In addition, there were nonrecurring American Rescue Plan expenses and software maintenance costs in the prior year. Tax administration expenses increased by \$65,437 or 13% primarily due to greater personnel costs related to an increase in salaries in the current year. Roads and bridges expenses increased by \$1,104,381 or 22% primarily due to nonrecurring road maintenance costs in the current year. Administration of justice expenses increased by \$586,844 or 8% primarily due to greater personnel costs related to salary increases and an increase in medical supplies and first aid costs in the current year. Interest and fiscal charges increased by \$13,517 or over 100% primarily as a result nonrecurring debt issuances in the current year. All other expenses remained relatively consistent compared to the prior year.

San Jacinto County, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2023

Financial Analysis of Governmental Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County's governing body.

The County's governmental funds reflect a combined fund balance of \$17,277,870. Of this, \$5,947,176 is unassigned and available for day-to-day operations of the County, \$3,436,723 is restricted for American Rescue Plan grant expenditures, \$3,440,648 is restricted for road and bridges, and \$485,658 is restricted for debt service. The restricted fund balance for special revenue funds is \$3,704,297. The County has nonspendable funds of \$83,882 that consists of prepaid items.

There was an increase in the combined governmental fund balance of \$534,638 over the prior year. Included in this change is an increase of \$189,995 in the American Rescue Plan fund, a decrease of \$20,019 in the CDBG Hurricane Harvey fund, a decrease of \$1,059,802 in the EDA Grant fund, a decrease in nonmajor governmental funds of \$169,867, and an increase of \$1,594,331 in the general fund.

The general fund reflected an ending fund balance of \$6,849,418, which represents an increase of \$1,594,331 from the prior year. The increase is primarily a result of greater than anticipated revenues and less than expected expenditures.

The American Rescue Plan reflected an ending fund balance of \$3,436,723 and increased by \$189,995. The increase was due to revenues exceeding expenses and transfers out in the current year.

The CDBG Hurricane Harvey fund reflected an ending fund deficit of \$39,549 and decreased by \$20,019. The decrease was due to capital outlay expenditures exceeding grant revenue received in the current year.

The EDA Grant fund reflected an ending fund balance of \$179,486 and decreased by \$1,059,802. The decrease was due to capital outlay expenditures exceeding grant revenue received in the current year.

San Jacinto County, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2023

General Fund Budgetary Highlights

Actual general fund revenues were over final budgeted revenues by \$455,687 during the year. This variance is primarily attributable to property taxes, sales taxes, charges for services, licenses and permits, investment income, and other revenues exceeding projections. Actual general fund expenditures were under the final budgeted expenditures by \$1,215,637. Capital outlay expenditures exceeded appropriations at the legal level of control.

Capital Assets

At the end of the year, the County's governmental activities funds had invested \$29,093,268 in a variety of capital assets and infrastructure, net of depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34.

The significant capital asset transactions occurring during the current year were as follows:

- Began rehabilitation projects pertaining to the Buyout Grant received for \$2,902,095.
- Began construction projects related to the Economic Development grant received for \$2,505,277.
- Purchased 5.5 acres of land for \$324,837.
- Purchased nine new vehicles totaling \$405,553.
- Purchased upgrades and equipment for these aforementioned vehicles totaling \$59,391.
- Purchased a new tractor for \$155,247.
- Purchased a new asphalt grinder for \$76,800.
- Purchased an excavator for \$343,071.
- Purchased motor grader for \$290,015.

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

Long-Term Debt

At the end of the year, the County reported outstanding bond and tax note issuances of \$805,000. Principal payments on these issuances of \$195,000 were made during the year. Note payable obligations amounted to \$632,403 at the end of the current year. During the year, the County entered into two note payable agreements for equipment.

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

San Jacinto County, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

Economic Factors

The County continues to grow as seen in the increase in assessed property valuations for both residential and commercial entities. The County has continued to solidify the infrastructure of the County by investing in roads and bridges within the County.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the San Jacinto County Auditor, One State Hwy 150, Coldspring, Texas 77331.

BASIC FINANCIAL STATEMENTS

San Jacinto County, Texas

STATEMENT OF NET POSITION

September 30, 2023

	Primary Government Governmental Activities
<u>Assets</u>	
Current Assets:	
Cash and cash equivalents	\$ 18,137,191
Investments	1,676,929
Receivables, net	3,208,642
Prepaid items	83,882
Total Current Assets	23,106,644
Non-Current Assets:	
Nondepreciable capital assets	7,903,907
Capital assets (net of accumulated depreciation)	21,189,361
Total Noncurrent Assets	29,093,268
Total Assets	52,199,912
<u>Deferred Outflows of Resources</u>	
Pension contributions	486,827
Pension investment earnings	493,360
Total Deferred Outflows of Resources	980,187

San Jacinto County, Texas
STATEMENT OF NET POSITION (Continued)
September 30, 2023

	Primary Government Governmental Activities
<u>Liabilities</u>	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 3,238,165
Accrued interest payable	4,701
Due to fiduciary funds	1,000
Unearned revenue	25,019
Compensated absences, current	332,609
Long-term debt due within one year	335,245
Total Current Liabilities	<u>3,936,739</u>
Non-Current Liabilities:	
Net pension liability	9,367
OPEB liability	606,550
Compensated absences, noncurrent	36,957
Long-term debt due in more than one year	1,102,158
Total Noncurrent Liabilities	<u>1,755,032</u>
Total Liabilities	<u>5,691,771</u>
<u>Deferred Inflows of Resources</u>	
Pension investment experience	99,334
OPEB changes in assumptions	96,267
OPEB investment experience	17,018
Total Deferred Inflows of Resources	<u>212,619</u>
<u>Net Position</u>	
Net investment in capital assets	26,521,245
Restricted	11,246,812
Unrestricted	9,507,652
Total Net Position	<u><u>\$ 47,275,709</u></u>

See Notes to Financial Statements.



San Jacinto County, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Operating	Capital		
		Grants and Contributions	Grants and Contributions		
Primary Government:	Expenses			Governmental Activities	
Governmental Activities:					
General government	\$ 4,010,129	\$ 14,133	\$ 4,375,649	\$ 389,882	\$ 769,535
Tax administration	582,188	-	-	-	(582,188)
Roads and bridges	6,070,099	681,168	-	456,233	(4,932,698)
Health and human services	1,569,441	642,575	304,135	-	(622,731)
Administration of justice	7,722,674	2,086,873	-	-	(5,635,801)
Interest and fiscal agent fees on long-term debt	15,029	-	-	-	(15,029)
Total Governmental Activities	19,969,561	3,424,749	4,679,784	846,115	(11,018,913)
Total Primary Government	\$ 19,969,561	\$ 3,424,749	\$ 4,679,784	\$ 846,115	(11,018,913)
General Revenues:					
Property taxes					15,057,911
Sales taxes					907,325
Investment income					130,170
Rents and royalties					29,396
Other revenues					971,332
			Total General Revenues		17,096,134
			Change in Net Position		6,077,221
		Beginning net position			41,198,488
			Ending Net Position		\$ 47,275,709

See Notes to Financial Statements.

San Jacinto County, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2023

	General	American Rescue Plan	CDBG Hurricane Harvey	EDA Grant
<u>Assets</u>				
Cash and cash equivalents	\$ 7,083,801	\$ 3,436,723	\$ -	\$ 703,014
Investments	1,416,837	-	-	-
Receivables, net	1,867,071	-	365,560	-
Due from other funds	-	-	-	-
Prepaid items	83,882	-	-	-
Total Assets	\$ 10,451,591	\$ 3,436,723	\$ 365,560	\$ 703,014
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 1,527,681	\$ -	\$ 335,541	\$ 523,528
Unearned revenue	-	-	25,019	-
Due to fiduciary funds	1,000	-	-	-
Due to other funds	484,696	-	44,549	-
Total Liabilities	2,013,377	-	405,109	523,528
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	1,588,796	-	-	-
Unavailable revenue - grants	-	-	-	-
Total Deferred Inflows of Resources	1,588,796	-	-	-
<u>Fund Balances</u>				
Nonspendable:				
Prepaid insurance	83,882	-	-	-
Restricted:				
Debt service	-	-	-	-
Roads and bridges	-	-	-	-
American Rescue Plan	-	3,436,723	-	-
Special revenue funds	-	-	-	179,486
Unassigned	6,765,536	-	(39,549)	-
Total Fund Balances	6,849,418	3,436,723	(39,549)	179,486
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,451,591	\$ 3,436,723	\$ 365,560	\$ 703,014

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 6,913,653	\$ 18,137,191
260,092	1,676,929
976,011	3,208,642
1,290,990	1,290,990
-	83,882
<u>\$ 9,440,746</u>	<u>\$ 24,397,634</u>

\$ 851,415	\$ 3,238,165
-	25,019
-	1,000
761,745	1,290,990
<u>1,613,160</u>	<u>4,555,174</u>

970,359	2,559,155
5,435	5,435
<u>975,794</u>	<u>2,564,590</u>

-	83,882
485,658	485,658
3,440,648	3,440,648
-	3,436,723
3,704,297	3,883,783
(778,811)	5,947,176
<u>6,851,792</u>	<u>17,277,870</u>

<u>\$ 9,440,746</u>	<u>\$ 24,397,634</u>
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San Jacinto County, Texas
RECONCILIATION OF THE BALANCE SHEET
OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$ 17,277,870
--	---------------

Capital assets used in governmental activities are not current financial resources and therefore not reported in the governmental funds.

Nondepreciable capital assets	7,903,907
Depreciable capital assets	233,092,258
Accumulated depreciation	(211,902,897)

Other long-term assets are not available to pay for current-period expenditures and therefore are reported as:

Unavailable revenue - property taxes	2,559,155
Unavailable revenue - grants	5,435

Deferred outflows of resources represent a consumption of net position that applies to a future period and is not recognized as an outflow of resources (expense/expenditures) until then

Pension contributions	486,827
Pension investment earnings	493,360

Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not recognized as an outflow of resources (revenues) until then

Pension investment experience	(99,334)
OPEB changes in assumptions	(96,267)
OPEB investment experience	(17,018)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Accrued interest payable	(4,701)
Bonds, capital leases, & other liabilities	(1,437,403)
Net pension liability	(9,367)
OPEB liability	(606,550)
Compensated absences	(369,566)

Net Position of Governmental Activities	\$ 47,275,709
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See Notes to Financial Statements.

San Jacinto County, Texas

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

For the Year Ended September 30, 2023

			CDBG	
	General	American Rescue Plan	Hurricane Harvey	EDA Grant
<u>Revenues</u>				
Property taxes	\$ 11,040,640	\$ -	\$ -	\$ -
Sales taxes	874,511	-	-	-
Licenses and permits	208,193	-	-	-
Fines and forfeitures	884,824	-	-	-
Charges for services	896,369	-	-	-
Intergovernmental revenue	304,135	389,882	2,870,391	1,371,670
Investment income	82,609	14,517	-	-
Rents and royalties	29,396	-	-	-
Other revenue	159,917	-	-	-
Total Revenues	14,480,594	404,399	2,870,391	1,371,670
<u>Expenditures</u>				
Current:				
General government	3,562,643	83,332	-	-
Tax administration	582,188	-	-	-
Health and human services	695,109	-	-	12,267
Administration of justice	7,408,423	-	-	-
Roads and bridges	-	-	-	-
Capital outlay	1,453,658	-	2,902,095	2,505,277
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	13,702,021	83,332	2,902,095	2,517,544
Excess of Revenues Over (Under)				
Expenditures	778,573	321,067	(31,704)	(1,145,874)
<u>Other Financing Sources (Uses)</u>				
Transfers in	693,011	-	11,685	86,072
Transfers (out)	(558,093)	(131,072)	-	-
Debt issuance	633,086	-	-	-
Proceeds from sale of capital assets	47,754	-	-	-
Total Other Financing Sources				
(Uses)	815,758	(131,072)	11,685	86,072
Net Change in Fund Balances	1,594,331	189,995	(20,019)	(1,059,802)
Beginning fund balances	5,255,087	3,246,728	(19,530)	1,239,288
Ending Fund Balances	\$ 6,849,418	\$ 3,436,723	\$ (39,549)	\$ 179,486

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,080,037	\$ 15,120,677
32,814	907,325
1,091,708	1,299,901
301,480	1,186,304
42,175	938,544
589,821	5,525,899
33,044	130,170
-	29,396
652,075	811,992
<u>6,823,154</u>	<u>25,950,208</u>
148,468	3,794,443
-	582,188
870,043	1,577,419
468,170	7,876,593
4,872,711	4,872,711
403,359	7,264,389
263,004	263,004
11,837	11,837
<u>7,037,592</u>	<u>26,242,584</u>
(214,438)	(292,376)
635,893	1,426,661
(737,496)	(1,426,661)
-	633,086
146,174	193,928
<u>44,571</u>	<u>827,014</u>
(169,867)	534,638
7,021,659	16,743,232
<u>\$ 6,851,792</u>	<u>\$ 17,277,870</u>



San Jacinto County, Texas
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
September 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total government funds	\$	534,638
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlay		7,122,609
Depreciation expense		(1,589,513)
Net effect of capital asset disposals		(34,588)

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

Unavailable revenue - property taxes		(62,766)
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Bonds and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Principal payments		263,004
Note issuance		(633,086)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This adjustment reflects the net change in interest payable on the accrual basis of accounting and the net change in compensated absences.

OPEB expense		(8,216)
Pension expense		535,806
Compensated absences		(47,475)
Accrued interest		(3,192)

Change in Net Position of Governmental Activities	\$	<u>6,077,221</u>
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See Notes to Financial Statements.

San Jacinto County, Texas
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
September 30, 2023

	Fiduciary Funds
<hr/>	
<u>Assets</u>	
Cash and cash equivalents	\$ 5,288,980
Due from primary government	1,000
	<hr/>
Total Assets	\$ 5,289,980
	<hr/> <hr/>
<u>Net Position</u>	
Restricted for:	
Unrestricted	5,289,980
	<hr/>
Total Net Position	\$ 5,289,980
	<hr/> <hr/>

See Notes to Financial Statements.

San Jacinto County, Texas
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Year Ended September 30, 2023

	Fiduciary Funds
<u>Additions</u>	
Commissary revenue	\$ 53,638
Fees	12,169,632
Total Additions	<u>12,223,270</u>
<u>Deductions</u>	
Commissary expenses	8,138
Fee release	11,935,800
Total Deductions	<u>11,943,938</u>
Change in Net Position	279,332
Beginning net position	5,010,648
Ending Net Position	<u><u>\$ 5,289,980</u></u>



San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. 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’s financial statements include the accounts of all County operations. The County provides a vast array of services including general government (i.e. tax collection), administration of justice (courts, juries, district attorney, sheriff, jail, etc.), highway and streets, and health and human services (i.e. juvenile services and assistance to indigents).

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

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

C. Basis of presentation – government-wide financial statements

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

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

D. Basis of presentation – fund financial statements

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

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *American Rescue Plan fund* is used to account for grant revenues and expenditures related to funds received through the federal government's COVID-19 response grant program.

The *CDBG Hurricane Harvey fund* is used to account for grant revenues and expenditures related to funds received through the federal government's federal relief plan post Hurricane Harvey.

The *EDA Grant fund* is used to account for grant revenues and expenditures related to funds received through the federal government's economic development program.

Additionally, the government reports the following fund types:

The *fiduciary funds* report resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The *special revenue funds* account for resources restricted to, or designated for, specific purposes in a special revenue fund.

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

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

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

E. Measurement focus and basis of accounting

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met,

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The fiduciary fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

F. Budgetary information

1. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, road & bridge fund, and debt service fund. The capital improvements fund is appropriated on a project-length basis.

The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Commissioner's Court. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year. While all appropriations lapse at year end, surpluses may be re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

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

2. Investments

Investments for the government are reported at fair value (generally based on quoted market prices.) Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

The Local Government Code of Texas authorizes the County to invest in:

- (1) obligations of the United States or its agencies and instrumentalities;
- (2) direct obligations of the State of Texas or its agencies and instrumentalities;
- (3) collateral mortgage obligations although significantly limited;
- (4) other obligations, the principal and interest on which are unconditionally guaranteed or insured or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities;
- (5) obligations of state, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than A or its equivalent;
- (6) certificates of deposit issued by state and national banks or savings and loan domiciled in Texas which are:
 - (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor;
or
 - (b) secured by obligations of paragraphs (1) to (5) above and that have a market value of not less than the principal amount of the certificates but excluding certain mortgage-backed securities;
 - (c) fully collateralized repurchase agreements, bankers' acceptances, commercial paper, mutual funds, guaranteed investment contracts, and investment pools all of which are required to meet certain restrictive criteria.

3. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation. Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives.

<u>Asset Description</u>	<u>Estimated Useful Lives</u>
Infrastructure	10 – 40 years
Land improvements	5 – 20 years
Buildings	5 – 45 years
Machinery & equipment	3 – 15 years

4. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

5. *Net position flow assumptions*

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

6. *Fund balance flow assumptions*

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

7. *Fund balance policies*

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

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body has by resolution authorized the county auditor to assign fund balance. The court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

8. *Pensions*

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

9. *Other Postemployment Benefits*

The District has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The County provides medical and dental benefits to eligible retirees. For the Texas County & District Retirement System (TCDRS), the retiree death benefit paid from the Group Term Life (GTL) program is an OPEB benefit. The OPEB program is treated as an unfunded trust, because the GTL trust covers both actives and retirees and is not segregated.

GASB 75 governs the specifics of accounting for public OPEB plan obligations for participating employers and is required to be implemented for employer fiscal years beginning after June 15, 2017. GASB 75 requires a liability for OPEB obligations, known as the Net OPEB Liability (Total OPEB Liability for unfunded plans), to be recognized on the balance sheets of participating employers. Changes in the Net OPEB Liability (Total OPEB Liability for unfunded plans) will be immediately recognized as OPEB Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

The TCDRS Group Term Life program has been determined to be an unfunded OPEB plan as the GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, because the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan. For GASB 75 purposes, the OPEB plan is not a cost sharing plan, so the annual benefit payments are treated as being equal to the employer's actual retiree GTL contributions for the year.

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

H. Revenues and expenditures/expenses

1. *Program revenues*

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

2. *Property taxes*

Property taxes attach as an enforceable lien on real property and are levied as of October 1st. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Uncollected amounts at year end are reported as deferred revenue. Delinquent property taxes collected within 60 days subsequent to year end were not considered material.

3. *Compensated absences*

It is the government'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 financial resources are accrued in the government-wide statements.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The original budget is adopted by the Commissioners' Court prior to the beginning of the year. The legal level of control is the department level. The budget cannot be amended without the approval of Commissioners' Court. Transfers of appropriations between departments require approval of the Commissioners.

Appropriations lapse at the end of the year. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, special revenue funds, debt service fund, capital projects fund, and grant funds. Several supplemental budget appropriations were made for the year ended September 30, 2023.

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

A. Deficit Fund Equity

The following funds had a deficit fund balance as of September 30, 2023 due to cumulative expenditures exceeding cumulative revenues. The deficit balances will be eliminated in the future with transfers from other funds and grant reimbursements.

	Deficit Fund Balance
CDBG Hurricane Harvey	\$ 39,549
JP Technology	27,407
Courthouse Security	5,913
DETCOG	186
Savin Grant Control	1,892
DEA Cannabis Grant	23,338
Community Building	61,742
FEMA DR 4223	352,356
CTIF Grant	1,445
FEMA DR 4269	304,532
Total	\$ 818,360

III.DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2023, the County had the following investments:

Investment Type	Value	Weighted Average Maturity (Days)
External investment pool (TexPool)	\$ 1,394,076	28 days
External investment pool (Texas Class)	5,669	49 days
Certificates of deposits	1,676,929	264 days
	<u>\$ 3,076,674</u>	
Portfolio weighted average maturity		113 days

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of any single investment to twelve months or less.

Credit risk. State law and the County's investment policy limits investments to obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

quality by a nationally recognized investment rating firm not less than A or its equivalent. As of September 30, 2023, the County's investments in TexPool and Texas CLASS was rated AAAM by Standard & 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 to it. The County's investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2023, market values of pledged securities and FDIC insurance exceeded bank balances.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. There are no limitations or restrictions on withdrawals. Finally, Standard & Poors rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poors, as well as to the office of the Comptroller of Public Accounts for review.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS") was created as a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian. Finally, Standard & Poor's rate Texas CLASS AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

B. Receivables

The following comprise receivable balances at year end:

	General	CDBG Hurricane Harvey	Nonmajor Governmental	Total
Property taxes	\$ 1,672,611	\$ -	\$ 98,941	\$ 1,771,552
Sales taxes	126,300	-	-	126,300
Road & bridge taxes	-	-	605,554	605,554
Intergovernmental	-	-	304,532	304,532
Accounts	151,976	365,560	-	517,536
Other receivables	-	-	5,651	5,651
Less allowance	(83,816)	-	(38,667)	(122,483)
	<u>\$ 1,867,071</u>	<u>\$ 365,560</u>	<u>\$ 976,011</u>	<u>\$ 3,208,642</u>

C. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2023, follows:

	Beginning Balance	Increases	(Decreases/ Transfers)	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,030,081	\$ 324,837	\$ -	\$ 2,354,918
Construction in progress	141,617	5,407,372	-	5,548,989
Total capital assets not being depreciated	<u>2,171,698</u>	<u>5,732,209</u>	<u>-</u>	<u>7,903,907</u>
Other capital assets:				
Infrastructure	204,665,965	-	-	204,665,965
Buildings & improvements	14,716,333	-	-	14,716,333
Machinery & equipment	12,770,312	1,390,400	(450,752)	13,709,960
Total other capital assets	<u>232,152,610</u>	<u>1,390,400</u>	<u>(450,752)</u>	<u>233,092,258</u>
Less accumulated depreciation for:				
Infrastructure	(196,582,098)	(733,567)	-	(197,315,665)
Buildings & improvements	(4,174,147)	(265,591)	-	(4,439,738)
Machinery & equipment	(9,973,303)	(590,355)	416,164	(10,147,494)
Total accumulated depreciation	<u>(210,729,548)</u>	<u>(1,589,513)</u>	<u>416,164</u>	<u>(211,902,897)</u>
Other capital assets, net	<u>21,423,062</u>	<u>(199,113)</u>	<u>(34,588)</u>	<u>21,189,361</u>
Total	<u>\$ 23,594,760</u>	<u>\$ 5,533,096</u>	<u>\$ (34,588)</u>	<u>\$ 29,093,268</u>

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

Depreciation was charged to governmental functions as follows:

General Government	\$ 220,953
Health and human services	7,871
Administration of justice	204,020
Roads and bridges	986,933
Capital outlay	169,736
Total Governmental Activities Depreciation Expense	<u>\$ 1,589,513</u>

D. Long-Term Debt

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended September 30, 2023. In general, the County uses the debt service fund to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Tax Notes	\$ 1,000,000	\$ -	\$ (195,000)	\$ 805,000	\$ 200,000
Note Payable	67,321	633,086	(68,004)	632,403	135,245
Total Governmental Activities	<u>\$ 1,067,321</u>	<u>\$ 633,086</u>	<u>\$ (263,004)</u>	<u>\$ 1,437,403</u>	<u>\$ 335,245</u>
Long-term liabilities due in more than one year				<u>\$ 1,102,158</u>	

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

In August 2020, the County issued \$1,040,000 worth of Tax Notes, bearing an annual interest rate of 1.09%. Principal payments are due annually on February 15 through August 2027.

In September 2018, the County purchased a Gradall excavator for \$321,125. Annual payments of \$70,004 (principal and interest) are due through September 2023. The lease bears interest of 2.90%. The note payable was fully paid off in the current year.

In August 2023, the County purchased a Gradall excavator for \$343,071. Annual payments of \$127,516 (principal and interest) are due through August 25, 2026. The lease bears interest of 5.65%.

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

In August 2023, the County purchased a Komatsu Motor Grader for \$290,015. Annual payments of \$44,369 (principal and interest) are due through September 2028. The lease bears an interest rate of 5.95%.

Long-term debt obligations of the County as of September 30, 2023, are as follows:

Fiscal Year	Tax Notes		
	Principal	Interest	Total
2024	\$ 200,000	\$ 7,685	\$ 207,685
2025	200,000	5,505	205,505
2026	200,000	3,325	203,325
2027	205,000	1,117	206,117
Total	\$ 805,000	\$ 17,632	\$ 822,632

Fiscal Year	Note Payables		
	Principal	Interest	Total
2024	\$ 135,245	\$ 36,639	\$ 171,884
2025	142,968	28,917	171,885
2026	151,132	20,753	171,885
2027	32,246	12,123	44,369
2028	34,165	10,204	44,369
2029	136,647	672	137,319
Total	\$ 632,403	\$ 109,308	\$ 741,711

E. Other Long-term Liabilities

The following summarizes the changes in the compensated absences balances of the primary government during the year. In general, the County uses the general fund to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 322,091	\$ 337,357	\$ (289,882)	\$ 369,566	\$ 332,609
Total Governmental Activities	\$ 322,091	\$ 337,357	\$ (289,882)	\$ 369,566	\$ 332,609
Long-term Liabilities Due in More than One Year				\$ 36,957	

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

F. Interfund Transactions

Operating transfers between the primary governmental funds during the 2023 year were as follows:

Transfer Out:	Transfers In:				Total
	General	CDBG Hurricane Harvey	EDA Grant	Nonmajor Govt.	
General	\$ -	\$ -	\$ -	\$ 558,093	\$ 558,093
American Rescue Plan	45,000	-	86,072	-	131,072
Nonmajor governmental	648,011	11,685	-	77,800	737,496
Total	\$ 693,011	\$ 11,685	\$ 86,072	\$ 635,893	\$ 1,426,661

The composition of interfund balances as of September 30, 2023, is as follows:

Due to (Payable fund):	Due from (Receivable fund):	
	Nonmajor govt.	Total
General Fund	\$ 484,696	\$ 484,696
CDBG Hurricane Harvey	44,549	44,549
Nonmajor governmental	761,745	761,745
	\$ 1,290,990	\$ 1,290,990

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

G. Restricted Net Position and Fund Balance

The County records restricted and committed fund balances for the following items:

Nonspendable for:	
Prepaid insurance	\$ 83,882
Restricted for:	
Debt service	\$ 485,658
Roads and bridges	3,440,648 *
American Rescue Plan	3,436,723
Special revenue funds	3,883,783 *
Total Restricted	\$ 11,246,812

*Restricted by enabling legislation or grant restrictions

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 338 other entities in the Texas Association of Counties Workers' Compensation Self-Insurance Fund. The Texas Association of Counties created this pool in 1974 to insure the County for worker compensation related claims. The County also provides its employees benefits, including medical and life insurance, which the County obtains through the Texas Association of Counties Insurance Trust Fund. This pool purchases commercial insurance at group rates for participants in the pool. The County has no additional risk or responsibility to either of the pools in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

The County reports liabilities when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, and amount of payout and other economic and social factors. The liability for claims and judgments is reported in the government-wide financial statements because it is not expected to be liquidated with expendable available financial resources. However, none are reported at September 30, 2023.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

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

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the County could result. Although the County does not anticipate that it will have any arbitrage liability, it periodically engages an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations.

D. Defined Benefit Pension Plan

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and County Retirement System ("TCDRS"). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of nearly 800 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at: P. O. Box 2034, Austin, Texas 78768-2034.

Benefits Provided

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

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

Funding Policy

The County has elected the annually determined contribution rate (ACDR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

contributed using the actuarially determined rate of 8.32% for the months of the accounting year in 2023 and 9.44% for the months of the accounting year in 2022.

The Commissioners' Court adopted the rate of 7% as the contribution rate payable by the employee members for calendar year 2023. The Commissioners' Court may change the employee contribution rate and the employer contribution rate within the options available in the TCDRS Act.

Contributions (Fiscal Year)

	2023	2022	2021
Annual Req. Contribution (ARC)	\$ 689,990	\$ 659,017	\$ 635,500
Contributions Made	(689,990)	(659,017)	(635,500)
Excess / (Deficiency)	\$ -	\$ -	\$ -

Annual Pension Costs

The County's schedule of funding information can be found in the Required Supplemental Information section of this report.

The required contribution rates for fiscal year 2023 were determined as part of the December 31, 2022 actuarial valuation.

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Additional information as of the three latest actuarial valuations also follows:

Valuation Date	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percent of	Level Percent of	Level Percent of
	payroll, closed	payroll, closed	payroll, closed
Amortization Period	20.0 years	18.8 years	17.7 years
in years			
Asset Valuation Method	5-year Smoothed	5-year Smoothed	5-year Smoothed
	Fund	Fund	Fund
Actuarial Assumptions:			
Investment Rate of	7.6%	7.6%	7.5%
Return *			
Projected Salary	4.60%	4.70%	4.70%
Increases *			
* Includes Inflation at	2.50%	2.50%	2.50%
stated-rate			
Cost-of Living			
Adjustments	0.0%	0.0%	0.0%

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	145
Inactive employees entitled to but not yet receiving benefits	395
Active employees	188
Total	<u>728</u>

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

Actuarial assumptions:

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	4.7% per year depending on experience
Investment Rate of Return	7.5%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table.

Actuarial assumptions used in the December 31, 2022, valuation were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments is 8.1% gross of administrative expenses. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCERS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCERS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected minus inflation) (2)
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	7.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
International Equities – Developed	MSCI World Ex USA (net)	5.00%	3.95%
International Equities – Emerging	MSCI Emerging Markets (net)	6.00%	4.95%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	7.60%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	5.70%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day US Treasury	2.00%	0.20%

(1) Target asset allocation adopted at the March 2023 TCDRS Board meeting.

(2) Geometric real rates of return in addition to assumed inflation of 2.3%, per Cliffwater's 2023 capital market assumptions.

(3) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

Discount Rate:

The discount rate used to measure the Total Pension Liability was 7.6%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension (Asset)Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Assets) Liability (a) - (b)
Balance at 12/31/21	\$ 23,969,289	\$ 26,892,843	\$ (2,923,554)
Changes for the year:			
Service cost	912,997	-	912,997
Interest on total pension liability ⁽¹⁾	1,839,625	-	1,839,625
Changes of assumptions	(198,668)	-	(198,668)
Effect on economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Refund on contributions	(202,827)	(202,827)	-
Benefit payments	(1,175,807)	(1,175,807)	-
Administrative expense	-	(14,730)	14,730
Member contributions	-	510,828	(510,828)
Net investment income	-	(1,561,242)	1,561,242
Employer contributions	-	688,893	(688,893)
Other ⁽³⁾	-	(2,716)	2,716
Balance at 12/31/22	\$ 25,144,609	\$ 25,135,242	\$ 9,367

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) No plan changes valued.

(3) Relates to allocation of system-wide items.

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability (asset) of the County, calculated using the discount rate of 7.6%, 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 (6.6%) or 1-percentage-point higher (8.6%) than the current rate:

1% Decrease 6.6%	Current Single Rate Assumption 7.6%	1% Increase 8.6%
\$ 3,148,510	\$ 9,367	\$ (2,607,744)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the internet at www.tcdrs.com.

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

For the year ended September 30, 2023, the County recognized pension expense of \$154,185.

At September 30, 2023, the County reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference between projected and investment earnings	\$ 493,360	\$ -
Differences between expected and actual economic experience	-	(99,334)
Contributions subsequent to the measurement date	486,827	-
Total	<u>\$ 980,187</u>	<u>\$ (99,334)</u>

The County reported \$486,827 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2024.

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

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

Year Ended September 30:	
2023	\$ (401,577)
2024	(7,720)
2025	83,769
2026	719,554
Thereafter	-
	\$ 394,026

Other Postemployment Benefits

Plan Description

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

Benefits Provided

The benefits provided by this program are as follows:

- All full and part-time non-temporary employees participate in the plan, regardless of the number of hours the work in a year and are eligible for the TCDRS pension plan. Only employers that have elected participate in the retiree GTL program are included in the OPEB plan.
- The provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the GTL program.
- The OPEB benefit is a fixed \$5,000 lump-sum benefit amount.
- No future increases are assumed in the \$5,000 benefit amount.

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	115
Inactive employees entitled to but not yet receiving benefits	88
Active employees	188
Total	391

Contributions and Actuarial Information

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

Total OPEB Liability

The District's Postemployment Benefits Other Than Pensions Liability for the benefit plan was measured as of December 31, 2022, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Discount Rate	3.72%
Amortization Method	Straight-line over expected working life

Mortality rates for active members, retirees, and beneficiaries were based on the general employees amount-weighted mortality table, with projections of 100% of the MP-2021 Ultimate scale after 2010.

All actuarial assumptions that determined the total OPEB liability as of December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75. The assumptions are

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

reviewed annually for continued compliance with the relevant actuarial standards of practice.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the County, calculated using the discount rate of 3.72%, as well as what the County's OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.72%) or 1-percentage-point higher (4.72%) than the current rate:

Discount Rate		
1% Increase	Current Discount Rate	1% Decrease
2.72%	3.72%	4.72%
\$ 713,199	\$ 606,550	\$ 523,430

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2021	\$ 791,503
Changes for the year:	
Service Cost	31,174
Interest	16,745
Difference between expected and actual experience	(18,879)
Changes of assumptions	(194,290)
Benefit payments	(19,703)
Net changes	(184,953)
Balance at 12/31/2022	\$ 606,550

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the County recognized OPEB expense of \$27,920.

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

At September 30, 2023, the County reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference between expected and actual experience	\$ -	\$ (17,018)
Changes in assumptions	-	(96,267)
Total	<u>\$ -</u>	<u>\$ (113,285)</u>

The County reported \$0 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2024.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	
2023	\$ (6,702)
2024	(53,293)
2025	(53,290)
2026	-
2022	-
	<u>\$ (113,285)</u>

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

E. Restatement

The County restated beginning fund balance and beginning net position due to various accounting errors occurring in the general fund, nonmajor governmental funds, and governmental activities in the prior year. The County restated beginning fund balance/net position as follows:

	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Nonmajor Govt Funds</u>
Prior year ending net position/ fund balance, as reported	\$ 41,260,991	\$ 5,290,797	\$ 7,013,865
To correct capital assets	(34,587)	-	-
To correct revenue	7,798	-	7,798
To correct accrued liabilities	(35,714)	(35,714)	-
Reclass of fund balances	-	4	(4)
Restated beginning net position/fund balance	<u>\$ 41,198,488</u>	<u>\$ 5,255,087</u>	<u>\$ 7,021,659</u>

F. Subsequent Events

There were no material subsequent events through August 20, 2024, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION



San Jacinto County, Texas

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

For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Property taxes	\$ 11,008,353	\$ 11,008,353	\$ 11,040,640	\$ 32,287
Sales taxes	659,900	659,900	874,511	214,611
Licenses and permits	196,250	196,250	208,193	11,943
Fines and forfeitures	895,850	895,850	884,824	(11,026)
Charges for services	393,030	393,030	896,369	503,339
Intergovernmental revenue	688,743	733,743	304,135	(429,608)
Investment income	7,940	7,940	82,609	74,669
Rents and royalties	29,316	29,316	29,396	80
Other revenue	99,525	100,525	159,917	59,392
Total Revenues	13,978,907	14,024,907	14,480,594	455,687
Expenditures				
General government	3,720,336	3,683,632	3,562,643	120,989
Tax administration	619,527	619,527	582,188	37,339
Health and human services	744,092	745,092	695,109	49,983
Administration of justice	8,142,059	8,140,572	7,408,423	732,149
Capital outlay	1,012,559	1,728,835	1,453,658	275,177
Total Expenditures	14,238,573	14,917,658	13,702,021	1,215,637
Excess (Deficiency) of Revenues Over (Under) Expenditures	(259,666)	(892,751)	778,573	1,671,324
Other Financing Sources (Uses)				
Transfers in	235,691	235,691	693,011	457,320
Transfers (out)	(554,854)	(554,854)	(558,093)	(3,239)
Lease issuance	-	-	633,086	633,086
Proceeds from sale of capital assets	19,500	19,500	47,754	28,254
Total Other Financing Sources (Uses)	(299,663)	(299,663)	815,758	1,115,421
Net Change in Fund Balance	\$ (559,329)	\$ (1,192,414)	1,594,331	\$ 2,786,745
Beginning fund balance			5,255,087	
Ending Fund Balance			\$ 6,849,418	

Notes to Required Supplementary Information

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

San Jacinto County, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM

For the Year Ended December 31,

	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 912,997	\$ 868,340	\$ 803,784	\$ 749,935
Interest	1,839,625	1,744,954	1,671,802	1,570,712
Effect of plan changes	-	-	-	-
Differences between expected and actual experience	(198,668)	98,876	(145,779)	101,195
Changes of assumptions	-	(151,753)	1,212,180	-
Benefit payments, including refunds of participant contributions	(1,378,634)	(1,340,864)	(1,232,010)	(1,223,478)
Net change in total pension liability	1,175,320	1,219,553	2,309,977	1,198,364
Total pension liability - beginning	\$ 23,969,289	\$ 22,749,736	\$ 20,439,759	\$ 19,241,395
Total pension liability - ending (a)	\$ 25,144,609	\$ 23,969,289	\$ 22,749,736	\$ 20,439,759
Plan fiduciary net position				
Contributions - employer	\$ 688,893	\$ 651,661	\$ 624,958	\$ 565,024
Contributions - members	510,828	513,925	484,411	464,765
Net investment income	(1,561,242)	4,860,674	2,093,544	2,889,089
Benefit payments, including refunds of participant contributions	(1,378,634)	(1,340,864)	(1,232,010)	(1,223,478)
Administrative expenses	(14,730)	(14,549)	(16,259)	(15,445)
Other	(2,716)	1,220	(1,621)	(3,808)
Net change in plan fiduciary net position	(1,757,601)	4,672,067	1,953,023	2,676,147
Plan fiduciary net position - beginning	26,892,843	22,220,776	20,267,753	17,591,606
Plan fiduciary net position - ending (b)	\$ 25,135,242	\$ 26,892,843	\$ 22,220,776	\$ 20,267,753
Fund's net pension liability - ending (a) - (b)	\$ 9,367	\$ (2,923,554)	\$ 528,960	\$ 172,006
percentage of the total pension liability	99.96%	112.20%	97.67%	99.16%
Covered payroll	\$ 7,297,548	\$ 7,341,792	\$ 6,290,153	\$ 6,639,497
Fund's net position as a percentage of covered payroll	0.13%	-39.82%	8.41%	2.59%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

2018	2017	2016	2015	2014	¹
\$ 730,507	\$ 760,379	\$ 774,730	\$ 678,628	\$ 655,637	
1,477,959	1,398,465	1,284,652	1,223,233	1,152,774	
-	-	-	(81,506)	120,272	
84,719	(170,842)	14,831	(221,877)	(71,149)	
-	121,120	-	189,032	-	
(1,113,699)	(1,082,599)	(1,017,996)	(1,029,081)	(957,675)	
1,179,486	1,026,523	1,056,217	758,429	899,859	
\$ 18,061,909	\$ 17,035,386	\$ 15,979,169	\$ 15,220,740	\$ 14,320,881	
\$ 19,241,395	\$ 18,061,909	\$ 17,035,386	\$ 15,979,169	\$ 15,220,740	
\$ 539,317	\$ 524,105	\$ 535,610	\$ 510,994	\$ 498,304	
432,443	424,132	410,005	375,337	352,263	
(338,576)	2,321,024	1,101,128	29,358	956,051	
(1,113,699)	(1,082,599)	(1,017,996)	(1,029,081)	(957,675)	
(14,130)	(12,030)	(11,957)	(10,704)	(11,134)	
(2,497)	(1,914)	40,118	97,604	23,229	
(497,142)	2,172,718	1,056,908	(26,492)	861,038	
18,088,748	15,916,030	14,859,122	14,885,614	14,024,576	
\$ 17,591,606	\$ 18,088,748	\$ 15,916,030	\$ 14,859,122	\$ 14,885,614	
\$ 1,649,789	\$ (26,839)	\$ 1,119,356	\$ 1,120,047	\$ 335,126	
91.43%	100.15%	93.43%	92.99%	97.80%	
\$ 6,177,753	\$ 6,059,030	\$ 5,662,320	\$ 5,361,948	\$ 5,032,889	
26.71%	-0.44%	19.77%	20.89%	6.66%	

San Jacinto County, Texas
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30,

	2023	2022	2021	2020
Actuarially determined employer contributions	\$ 689,990	\$ 659,017	\$ 635,500	\$ 597,384
Contributions in relation to the actuarially determined contribution	\$ 689,990	\$ 659,017	\$ 635,500	\$ 597,384
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 8,003,440	\$ 7,099,073	\$ 7,131,289	\$ 6,700,998
Employer contributions as a percentage of covered payroll	8.62%	9.28%	8.91%	8.91%

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	17.7years
Asset Valuation Method	5 Year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average, including inflation
Investment Rate of Return	7.50%
Retirement Age	

Members who are eligible for service retirement age are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.

Mortality

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	¹
\$ 557,347	\$ 537,029	\$ 527,869	\$ 535,933	\$ 510,994	
<u>\$ 557,347</u>	<u>\$ 537,029</u>	<u>\$ 527,869</u>	<u>\$ 535,933</u>	<u>\$ 510,994</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 6,511,681	\$ 6,164,758	\$ 6,018,962	\$ 5,785,021	\$ 5,275,216	
8.56%	8.71%	8.77%	9.26%	9.69%	

San Jacinto County, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM

Year Ended:

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Total OPEB liability				
Service cost	\$ 31,174	\$ 30,384	\$ 29,718	\$ 19,269
Interest	16,745	16,243	18,397	21,271
Differences between expected and actual experience	(18,879)	6,515	(13,272)	(8,564)
Changes of assumptions	(194,290)	12,137	78,506	128,892
Benefit payments, including refunds of participant contributions	(19,703)	(19,089)	(19,376)	(17,927)
Net change in total OPEB liability	<u>(184,953)</u>	<u>46,190</u>	<u>93,973</u>	<u>142,941</u>
Total OPEB liability - beginning	<u>\$ 791,503</u>	<u>\$ 745,313</u>	<u>\$ 651,340</u>	<u>\$ 508,399</u>
Total OPEB liability - ending	<u><u>\$ 606,550</u></u>	<u><u>\$ 791,503</u></u>	<u><u>\$ 745,313</u></u>	<u><u>\$ 651,340</u></u>
 Covered payroll	 \$ 7,297,548	 \$ 7,341,792	 \$ 6,920,153	 \$ 6,639,497
County's total OPEB liability as a percentage of covered payroll	 8.31%	 10.78%	 10.77%	 9.81%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

<u>12/31/2018</u>	<u>12/31/2017</u> ¹
\$ 20,045	\$ 23,409
19,378	19,911
(10,455)	(10,650)
(56,039)	22,550
(15,444)	(15,148)
<u>(42,515)</u>	<u>40,072</u>
\$ 550,914	\$ 510,842
<u>\$ 508,399</u>	<u>\$ 550,914</u> ²
\$ 6,177,753	\$ 6,059,030
8.23%	9.09%



***COMBINING STATEMENTS
AND SCHEDULES***

San Jacinto County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1)
September 30, 2023

	Special Revenue Funds			
	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
<u>Assets</u>				
Cash and cash equivalents	\$ 1,069,852	\$ 287,052	\$ 1,342,041	\$ 714,516
Investments	79,882	128,632	4	51,574
Receivables, net	132,152	132,152	155,136	155,136
Due from other funds	4,900	14,457	17,987	5,438
Total Assets	\$ 1,286,786	\$ 562,293	\$ 1,515,168	\$ 926,664
<u>Liabilities</u>				
Accounts payable and accrued expenses	\$ 87,931	\$ 67,722	\$ 71,530	\$ 48,504
Due to other funds	-	-	-	-
Total Liabilities	87,931	67,722	71,530	48,504
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	132,152	132,152	155,136	155,136
Total Deferred Inflows	132,152	132,152	155,136	155,136
<u>Fund Balances</u>				
Restricted	1,066,703	362,419	1,288,502	723,024
Unassigned	-	-	-	-
Total Fund Balances	1,066,703	362,419	1,288,502	723,024
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,286,786	\$ 562,293	\$ 1,515,168	\$ 926,664

See Notes to Financial Statements.

Special Revenue Funds

Hurricane Harvey DR 4332	National Forest Funds	COVID Relief	Seizure Holdings	LEOSE	JP Technology Fund	Seizure Fund
\$ 91,057	\$ 370,676	\$ 243,629	\$ 139,367	\$ 51,564	\$ -	\$ 9,565
-	-	-	-	-	-	-
-	-	-	-	-	-	217
1,021	-	-	-	-	-	-
<u>\$ 92,078</u>	<u>\$ 370,676</u>	<u>\$ 243,629</u>	<u>\$ 139,367</u>	<u>\$ 51,564</u>	<u>\$ -</u>	<u>\$ 9,782</u>
\$ 5	\$ 82,352	\$ -	\$ 130,371	\$ -	\$ 2,434	\$ -
-	-	-	-	-	24,973	-
<u>5</u>	<u>82,352</u>	<u>-</u>	<u>130,371</u>	<u>-</u>	<u>27,407</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
92,073	288,324	243,629	8,996	51,564	-	9,782
-	-	-	-	-	(27,407)	-
<u>92,073</u>	<u>288,324</u>	<u>243,629</u>	<u>8,996</u>	<u>51,564</u>	<u>(27,407)</u>	<u>9,782</u>
<u>\$ 92,078</u>	<u>\$ 370,676</u>	<u>\$ 243,629</u>	<u>\$ 139,367</u>	<u>\$ 51,564</u>	<u>\$ -</u>	<u>\$ 9,782</u>

San Jacinto County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2)
September 30, 2023

	Special Revenue Funds			
	CHS Fund	Credit Card Account	RAF Co. Clerk	RAF Dist. Clerk
<u>Assets</u>				
Cash and cash equivalents	\$ 54,266	\$ 9,522	\$ 52,041	\$ 36,505
Investments	-	-	-	-
Receivables, net	-	-	-	-
Due from other funds	-	-	9,234	1,434
Total Assets	\$ 54,266	\$ 9,522	\$ 61,275	\$ 37,939
<u>Liabilities</u>				
Accounts payable and accrued expenses	\$ 74	\$ 9,522	\$ 35,705	\$ 2,441
Due to other funds	-	-	-	-
Total Liabilities	74	9,522	35,705	2,441
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows	-	-	-	-
Fund Balances:				
Restricted	54,192	-	25,570	35,498
Unassigned	-	-	-	-
Total Fund Balances	54,192	-	25,570	35,498
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 54,266	\$ 9,522	\$ 61,275	\$ 37,939

See Notes to Financial Statements.

Special Revenue Funds

Dist. Clerk Criminal Fund	Hot Check Account	Law Library	Records Preservation	County Clerk RP	District Clerk RP	Courthouse Security
\$ 12,140	\$ 21,201	\$ 57,129	\$ 192,158	\$ 42,742	\$ 32,362	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,895	-	-	-
<u>\$ 12,140</u>	<u>\$ 21,201</u>	<u>\$ 57,129</u>	<u>\$ 194,053</u>	<u>\$ 42,742</u>	<u>\$ 32,362</u>	<u>\$ -</u>
\$ 4,784	\$ 3,611	\$ 1,387	\$ 2,606	\$ -	\$ 4	\$ 5,367
-	-	-	-	-	-	546
<u>4,784</u>	<u>3,611</u>	<u>1,387</u>	<u>2,606</u>	<u>-</u>	<u>4</u>	<u>5,913</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7,356	17,590	55,742	191,447	42,742	32,358	-
-	-	-	-	-	-	(5,913)
<u>7,356</u>	<u>17,590</u>	<u>55,742</u>	<u>191,447</u>	<u>42,742</u>	<u>32,358</u>	<u>(5,913)</u>
<u>\$ 12,140</u>	<u>\$ 21,201</u>	<u>\$ 57,129</u>	<u>\$ 194,053</u>	<u>\$ 42,742</u>	<u>\$ 32,362</u>	<u>\$ -</u>

San Jacinto County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3)
September 30, 2023

	Special Revenue Funds			
	EDC	Hotel Tax	Child Abuse Prevention	DETCOG
<u>Assets</u>				
Cash and cash equivalents	\$ 12,575	\$ 137,287	\$ 59,423	\$ -
Investments	-	-	-	-
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 12,575	\$ 137,287	\$ 59,423	\$ -
<u>Liabilities</u>				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	186
Total Liabilities	-	-	-	186
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows	-	-	-	-
Fund Balances:				
Restricted	12,575	137,287	59,423	-
Unassigned	-	-	-	(186)
Total Fund Balances	12,575	137,287	59,423	(186)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,575	\$ 137,287	\$ 59,423	\$ -

See Notes to Financial Statements.

Special Revenue Funds

Title IV Foster	Savin Grant Control	Pre-trial Programs	Sheriff Cash Bond Account	Solid Waste Grant	DEA Cannabis Grant
\$ 46,552	\$ -	\$ 43,654	\$ 222,452	\$ 1,539	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 46,552</u>	<u>\$ -</u>	<u>\$ 43,654</u>	<u>\$ 222,452</u>	<u>\$ 1,539</u>	<u>\$ -</u>
\$ -	\$ 1,892	\$ -	\$ 134,645	\$ -	\$ 867
-	-	-	-	-	22,471
<u>-</u>	<u>1,892</u>	<u>-</u>	<u>134,645</u>	<u>-</u>	<u>23,338</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
46,552	-	43,654	87,807	1,539	-
-	(1,892)	-	-	-	(23,338)
<u>46,552</u>	<u>(1,892)</u>	<u>43,654</u>	<u>87,807</u>	<u>1,539</u>	<u>(23,338)</u>
<u>\$ 46,552</u>	<u>\$ -</u>	<u>\$ 43,654</u>	<u>\$ 222,452</u>	<u>\$ 1,539</u>	<u>\$ -</u>

San Jacinto County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 4)
September 30, 2023

	Special Revenue Funds			
	DA Discretionary Fund	Historical Commission	2016 GLO Flood Grant	Polk Estate Settlement
<u>Assets</u>				
Cash and cash equivalents	\$ 6,660	\$ 43,688	\$ 114,088	\$ 298,511
Investments	-	-	-	-
Receivables, net	-	-	5,435	-
Due from other funds	-	-	-	-
Total Assets	\$ 6,660	\$ 43,688	\$ 119,523	\$ 298,511
<u>Liabilities</u>				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grants	-	-	5,435	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows	-	-	5,435	-
<u>Fund Balances:</u>				
Restricted	6,660	43,688	114,088	298,511
Unassigned	-	-	-	-
Total Fund Balances	6,660	43,688	114,088	298,511
Total Liabilities, Deferred Inflows and Fund Balances	\$ 6,660	\$ 43,688	\$ 119,523	\$ 298,511

See Notes to Financial Statements.

Special Revenue Funds

Community Building	Elections	DA Seizures	SO Seizures	County Clerk E-File Checking	District Clerk E-File Checking	EDA Grant
\$ -	\$ 118,596	\$ 186,662	\$ 36,424	\$ 19,917	\$ 41,077	\$ 61,968
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 118,596</u>	<u>\$ 186,662</u>	<u>\$ 36,424</u>	<u>\$ 19,917</u>	<u>\$ 41,077</u>	<u>\$ 61,968</u>
\$ 6,506	\$ -	\$ -	\$ -	\$ 19,917	\$ 41,077	\$ -
55,236	-	-	-	-	-	-
<u>61,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,917</u>	<u>41,077</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	118,596	186,662	36,424	-	-	61,968
(61,742)	-	-	-	-	-	-
<u>(61,742)</u>	<u>118,596</u>	<u>186,662</u>	<u>36,424</u>	<u>-</u>	<u>-</u>	<u>61,968</u>
<u>\$ -</u>	<u>\$ 118,596</u>	<u>\$ 186,662</u>	<u>\$ 36,424</u>	<u>\$ 19,917</u>	<u>\$ 41,077</u>	<u>\$ 61,968</u>

San Jacinto County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 5)
September 30, 2023

	Special Revenue Funds			
	RAF - JP	Sanitation	Debt Service	Capital Improvements
<u>Assets</u>				
Cash and cash equivalents	\$ 20,904	\$ 329,075	\$ 282,996	\$ 220
Investments	-	-	-	-
Receivables, net	-	-	91,251	-
Due from other funds	-	30,256	202,662	1,001,706
Total Assets	\$ 20,904	\$ 359,331	\$ 576,909	\$ 1,001,926
<u>Liabilities</u>				
Accounts payable and accrued expenses	\$ -	\$ 90,161	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	-	90,161	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	-	-	91,251	-
Total Deferred Inflows	-	-	91,251	-
<u>Fund Balances:</u>				
Restricted	20,904	269,170	485,658	1,001,926
Unassigned	-	-	-	-
Total Fund Balances	20,904	269,170	485,658	1,001,926
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 20,904	\$ 359,331	\$ 576,909	\$ 1,001,926

See Notes to Financial Statements.

FEMA Flood DR4223	CTIF Grant	FEMA Flood DR4269	Total Nonmajor Governmental
\$ -	\$ -	\$ -	\$ 6,913,653
-	-	-	260,092
-	-	304,532	976,011
-	-	-	1,290,990
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304,532</u>	<u>\$ 9,440,746</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 304,532</u></u>	<u><u>\$ 9,440,746</u></u>
\$ -	\$ -	\$ -	\$ 851,415
352,356	1,445	304,532	761,745
<u>352,356</u>	<u>1,445</u>	<u>304,532</u>	<u>1,613,160</u>
<u><u>352,356</u></u>	<u><u>1,445</u></u>	<u><u>304,532</u></u>	<u><u>1,613,160</u></u>
-	-	-	5,435
-	-	304,532	970,359
<u>-</u>	<u>-</u>	<u>304,532</u>	<u>975,794</u>
<u><u>-</u></u>	<u><u>-</u></u>	<u><u>304,532</u></u>	<u><u>975,794</u></u>
-	-	-	7,630,603
(352,356)	(1,445)	(304,532)	(778,811)
<u>(352,356)</u>	<u>(1,445)</u>	<u>(304,532)</u>	<u>6,851,792</u>
<u><u>(352,356)</u></u>	<u><u>(1,445)</u></u>	<u><u>(304,532)</u></u>	<u><u>6,851,792</u></u>
\$ -	\$ -	\$ 304,532	\$ 9,440,746
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304,532</u>	<u>\$ 9,440,746</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 304,532</u></u>	<u><u>\$ 9,440,746</u></u>

San Jacinto County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 1)
For the Year Ended September 30, 2023

	Special Revenue Funds			
	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
<u>Revenues</u>				
Property taxes	\$ 876,446	\$ 809,658	\$ 1,028,925	\$ 1,028,925
Sales taxes	7,547	7,547	8,860	8,860
Licenses and permits	158,075	162,105	179,194	181,794
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	157,327	118,364	-	6,000
Investment income	5,149	2,722	1,606	3,559
Other revenue	38,388	-	262,671	130,285
Total Revenues	1,242,932	1,100,396	1,481,256	1,359,423
<u>Expenditures</u>				
Current:				
General government	-	-	-	-
Health and human services	-	-	-	-
Administration of justice	-	-	-	-
Roads and bridges	1,119,691	1,262,285	1,035,052	1,345,395
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	166,012	78,509	156,512	2,326
Total Expenditures	1,285,703	1,340,794	1,191,564	1,347,721
Excess (Deficiency) of Revenues Over Expenditures	(42,771)	(240,398)	289,692	11,702
<u>Other Financing Sources (Uses)</u>				
Proceeds from sale of assets	105,085	25,484	342	-
Transfers in	6,000	6,000	81,000	6,000
Transfers (out)	(75,000)	(2,800)	-	-
Total Other Financing Sources (Uses)	36,085	28,684	81,342	6,000
Net Change in Fund Balances	(6,686)	(211,714)	371,034	17,702
Beginning fund balances	1,073,389	574,133	917,468	705,322
Ending Fund Balances	\$ 1,066,703	\$ 362,419	\$ 1,288,502	\$ 723,024

See Notes to Financial Statements.

Special Revenue Funds

Hurricane Harvey DR 4332	National Forest Funds	COVID Relief	Seizure Holdings	LEOSE	JP Technology Fund	Seizure Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	31,875	-	841	-
-	174,542	-	-	6,297	-	-
-	-	-	-	-	2,741	1,827
-	-	-	-	-	-	-
-	174,542	-	31,875	6,297	3,582	1,827
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	75,600	-	-	-	-	-
-	-	-	167,020	2,453	19,999	-
961	109,327	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
961	184,927	-	167,020	2,453	19,999	-
(961)	(10,385)	-	(135,145)	3,844	(16,417)	1,827
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(648,011)	-	-	-	-
-	-	(648,011)	-	-	-	-
(961)	(10,385)	(648,011)	(135,145)	3,844	(16,417)	1,827
93,034	298,709	891,640	144,141	47,720	(10,990)	7,955
\$ 92,073	\$ 288,324	\$ 243,629	\$ 8,996	\$ 51,564	\$ (27,407)	\$ 9,782

San Jacinto County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 2)
For the Year Ended September 30, 2023

	Special Revenue Funds			
	CHS	Credit	RAF	RAF
	Fund	Card	Co. Clerk	Dist. Clerk
		Account		
<u>Revenues</u>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	195	-	76,014	10,670
Intergovernmental	-	-	-	-
Investment income	-	-	4,111	-
Other revenue	-	-	-	-
Total Revenues	195	-	80,125	10,670
<u>Expenditures</u>				
Current:				
General government	-	-	107,471	112
Health and human services	-	-	-	-
Administration of justice	956	-	-	-
Roads and bridges	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	956	-	107,471	112
Excess (Deficiency) of				
Revenues Over Expenditures	(761)	-	(27,346)	10,558
<u>Other Financing Sources (Uses)</u>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	37,208	9,008
Transfers (out)	-	-	-	-
Total Other Financing				
Sources (Uses)	-	-	37,208	9,008
Net Change in Fund Balances	(761)	-	9,862	19,566
Beginning fund balances	54,953	-	15,708	15,932
Ending Fund Balances	\$ 54,192	\$ -	\$ 25,570	\$ 35,498

Special Revenue Funds

Dist. Clerk Criminal Fund	Hot Check Account	Law Library	Records Preservation	County Clerk RP	District Clerk RP	Courthouse Security
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
15,142	-	19,384	39,396	-	-	21,246
-	-	-	-	-	-	-
-	-	7,796	913	-	-	-
-	-	-	-	-	-	-
<u>15,142</u>	<u>-</u>	<u>27,180</u>	<u>40,309</u>	<u>-</u>	<u>-</u>	<u>21,246</u>
-	825	-	37,242	-	-	-
-	-	-	-	-	-	-
10,093	-	16,662	-	-	-	77,962
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>10,093</u>	<u>825</u>	<u>16,662</u>	<u>37,242</u>	<u>-</u>	<u>-</u>	<u>77,962</u>
<u>5,049</u>	<u>(825)</u>	<u>10,518</u>	<u>3,067</u>	<u>-</u>	<u>-</u>	<u>(56,716)</u>
-	-	-	-	-	-	-
-	-	-	-	-	9,749	65,829
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,749</u>	<u>65,829</u>
5,049	(825)	10,518	3,067	-	9,749	9,113
<u>2,307</u>	<u>18,415</u>	<u>45,224</u>	<u>188,380</u>	<u>42,742</u>	<u>22,609</u>	<u>(15,026)</u>
<u>\$ 7,356</u>	<u>\$ 17,590</u>	<u>\$ 55,742</u>	<u>\$ 191,447</u>	<u>\$ 42,742</u>	<u>\$ 32,358</u>	<u>\$ (5,913)</u>

San Jacinto County, Texas

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

NONMAJOR GOVERNMENTAL FUNDS (page 3)

For the Year Ended September 30, 2023

	Special Revenue Funds			
	EDC	Hotel Tax	Child Abuse Prevention	DETCOG
<u>Revenues</u>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Other revenue	-	94,608	-	-
Total Revenues	<u>-</u>	<u>94,608</u>	<u>-</u>	<u>-</u>
<u>Expenditures</u>				
Current:				
General government	200	-	-	-
Health and human services	-	78,798	-	-
Administration of justice	-	-	-	-
Roads and bridges	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>200</u>	<u>78,798</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(200)</u>	<u>15,810</u>	<u>-</u>	<u>-</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	13,000	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(200)</u>	<u>15,810</u>	<u>13,000</u>	<u>-</u>
Beginning fund balances	<u>12,775</u>	<u>121,477</u>	<u>46,423</u>	<u>(186)</u>
Ending Fund Balances	<u>\$ 12,575</u>	<u>\$ 137,287</u>	<u>\$ 59,423</u>	<u>\$ (186)</u>

Special Revenue Funds					
Title IV Foster	Savin Grant Control	Pre-trial Programs	Sheriff Cash Bond Account	Solid Waste Grant	DEA Cannabis Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,650	-	-	-
13,661	12,384	-	-	-	39,278
-	-	-	2,219	-	-
-	-	-	-	-	-
<u>13,661</u>	<u>12,384</u>	<u>3,650</u>	<u>2,219</u>	<u>-</u>	<u>39,278</u>
-	-	-	-	-	-
-	-	2,400	-	-	-
-	7,568	-	31,428	-	47,989
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>7,568</u>	<u>2,400</u>	<u>31,428</u>	<u>-</u>	<u>47,989</u>
<u>13,661</u>	<u>4,816</u>	<u>1,250</u>	<u>(29,209)</u>	<u>-</u>	<u>(8,711)</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>
13,661	4,816	1,250	(29,209)	-	(8,711)
32,891	(6,708)	42,404	117,016	1,539	(14,627)
<u>\$ 46,552</u>	<u>\$ (1,892)</u>	<u>\$ 43,654</u>	<u>\$ 87,807</u>	<u>\$ 1,539</u>	<u>\$ (23,338)</u>

San Jacinto County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 4)
For the Year Ended September 30, 2023

	Special Revenue Funds			
	DA			
	Discretionary	Historical	2016 GLO	Polk Estate
	Fund	Commission	Flood Grant	Settlement
<u>Revenues</u>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	18,333	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Other revenue	-	32,083	23,370	-
Total Revenues	18,333	32,083	23,370	-
<u>Expenditures</u>				
Current:				
General government	-	-	-	-
Health and human services	-	44,477	-	-
Administration of justice	25,346	-	-	-
Roads and bridges	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	25,346	44,477	-	-
Excess (Deficiency) of				
Revenues Over Expenditures	(7,013)	(12,394)	23,370	-
<u>Other Financing Sources (Uses)</u>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	(11,685)	-
Total Other Financing				
Sources (Uses)	-	-	(11,685)	-
Net Change in Fund Balances	(7,013)	(12,394)	11,685	-
Beginning fund balances	13,673	56,082	102,403	298,511
Ending Fund Balances	\$ 6,660	\$ 43,688	\$ 114,088	\$ 298,511

Special Revenue Funds

Community Building	Elections	DA Seizures	SO Seizures	County Clerk E-File Checking	District Clerk E-File Checking	Opioid Abatement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	50,241	19,720	-	-	-
-	-	-	-	-	-	61,968
-	-	-	-	-	-	-
8,390	62,189	-	-	-	-	-
<u>8,390</u>	<u>62,189</u>	<u>50,241</u>	<u>19,720</u>	<u>-</u>	<u>-</u>	<u>61,968</u>
-	-	-	-	-	-	-
41,128	2,618	-	-	-	-	-
-	-	-	-	-	-	-
-	-	60,694	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>41,128</u>	<u>2,618</u>	<u>60,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(32,738)	59,571	(10,453)	19,720	-	-	61,968
-	-	-	-	-	-	-
28,500	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
28,500	-	-	-	-	-	-
(4,238)	59,571	(10,453)	19,720	-	-	61,968
(57,504)	59,025	197,115	16,704	-	-	-
<u>\$ (61,742)</u>	<u>\$ 118,596</u>	<u>\$ 186,662</u>	<u>\$ 36,424</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,968</u>

San Jacinto County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 5)
For the Year Ended September 30, 2023

	<u>Special Revenue Funds</u>			
	<u>RAF - JP</u>	<u>Sanitation</u>	<u>Debt Service</u>	<u>Capital Improvements</u>
<u>Revenues</u>				
Property taxes	\$ -	\$ -	\$ 336,083	\$ -
Sales taxes	-	-	-	-
Licenses and permits	-	410,540	-	-
Charges for services	-	23,842	-	-
Fines and forfeitures	13,106	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	401	-	-
Other revenue	-	-	-	91
Total Revenues	<u>13,106</u>	<u>434,783</u>	<u>336,083</u>	<u>91</u>
<u>Expenditures</u>				
Current:				
General government	-	-	-	-
Health and human services	-	627,640	-	-
Administration of justice	-	-	-	-
Roads and bridges	-	-	-	-
Debt service:				
Principal	-	-	263,004	-
Interest	-	-	11,837	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>627,640</u>	<u>274,841</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>13,106</u>	<u>(192,857)</u>	<u>61,242</u>	<u>91</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from sale of assets	-	15,263	-	-
Transfers in	-	362,606	10,993	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>377,869</u>	<u>10,993</u>	<u>-</u>
Net Change in Fund Balances	<u>13,106</u>	<u>185,012</u>	<u>72,235</u>	<u>91</u>
Beginning fund balances	<u>7,798</u>	<u>84,158</u>	<u>413,423</u>	<u>1,001,835</u>
Ending Fund Balances	<u>\$ 20,904</u>	<u>\$ 269,170</u>	<u>\$ 485,658</u>	<u>\$ 1,001,926</u>

FEMA Flood DR4223	CTIF Grant	FEMA Flood DR4269	Total Nonmajor Governmental
.		.	
\$ -	\$ -	\$ -	\$ 4,080,037
-	-	-	32,814
-	-	-	1,091,708
-	-	-	42,175
-	-	-	301,480
-	-	-	589,821
-	-	-	33,044
-	-	-	652,075
-	-	-	6,823,154
-	-	-	148,468
-	-	-	870,043
-	-	-	468,170
-	-	-	4,872,711
-	-	-	263,004
-	-	-	11,837
-	-	-	403,359
-	-	-	7,037,592
-	-	-	(214,438)
-	-	-	146,174
-	-	-	635,893
-	-	-	(737,496)
-	-	-	44,571
-	-	-	(169,867)
(352,356)	(1,445)	(304,532)	7,021,659
\$ (352,356)	\$ (1,445)	\$ (304,532)	\$ 6,851,792

San Jacinto County, Texas
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2023

		District		District		Sheriff's		Total
	Custodial	Clerk's		Clerk's		Commissary		Custodial
	Funds	Fund		Escrow		Fund		Funds
	\$ 1,530,262	\$	3,605,606	\$	108,700	\$	44,412	\$ 5,288,980
	-	-	-	1,000	-	-	-	1,000
	<u>\$ 1,530,262</u>	<u>\$</u>	<u>3,605,606</u>	<u>\$</u>	<u>109,700</u>	<u>\$</u>	<u>44,412</u>	<u>\$ 5,289,980</u>
	1,530,262	3,605,606	109,700	44,412	5,289,980			
	<u>\$ 1,530,262</u>	<u>\$ 3,605,606</u>	<u>\$ 109,700</u>	<u>\$ 44,412</u>	<u>\$ 5,289,980</u>			

Assets

Cash and cash equivalents
Due from primary government
Total Assets

Net Position

Restricted for:
Unrestricted
Total Net Position

See Notes to Financial Statements.

San Jacinto County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2023

	Custodial Funds	District Clerk's Custodial Fund	District Clerk's Escrow	Sheriff's Commissary Fund	Total Custodial Funds
<u>Additions</u>					
Commissary revenue	\$ -	\$ -	\$ -	\$ 53,638	\$ 53,638
Fees	10,911,231	1,258,401	-	-	12,169,632
Total Additions	10,911,231	1,258,401	-	53,638	12,223,270
<u>Deductions</u>					
Commissary expenses	-	-	-	8,138	8,138
Fee release	11,355,346	580,454	-	-	11,935,800
Total Deductions	11,355,346	580,454	-	8,138	11,943,938
Change in Net Position	(444,115)	677,947	-	45,500	279,332
Beginning net position	1,974,377	2,927,659	109,700	(1,088)	5,010,648
Ending Net Position	\$ 1,530,262	\$ 3,605,606	\$ 109,700	\$ 44,412	\$ 5,289,980





**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, discretely presented component units, each major fund, and the aggregate remaining fund information of the San Jacinto County as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise San Jacinto County's basic financial statements, and have issued our report thereon dated August 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the San Jacinto County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the San Jacinto County's internal control. Accordingly, we do not express an opinion on the effectiveness of the San Jacinto County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the San Jacinto County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co., PLLC
14950 Heathrow Forest Pkwy | Ste 530
Houston, TX 77032
August 20, 2024