

JASPER COUNTY, TEXAS

FINANCIAL STATEMENTS

**YEAR ENDED
DECEMBER 31, 2018**

JASPER COUNTY, TEXAS

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable County Judge and
Commissioners' Court
Jasper County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jasper County, Texas, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jasper County, Texas, as of December 31, 2018, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining nonmajor fund financial statements are the responsibility of management and were 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 nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2019, on our consideration of the Jasper County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jasper County, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
September 30, 2019

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**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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JASPER COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Jasper County, Texas (the "County") Financial Report presents a narrative overview and analysis of the financial activities of the primary government for the fiscal year ended December 31, 2018.

FINANCIAL HIGHLIGHTS

- The County's total net position decreased by \$788,657 (1.6%) over the course of this year's operations.
- The total government-wide assets and deferred outflows of resources of the County exceeded the liabilities and deferred inflows of resources at December 31, 2018, by \$47,553,650 reported as total net position of the primary government. Of this amount, \$2,756,977 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$5,510,400 is restricted for specific purposes (restricted net position), and \$39,286,273 is invested in capital assets, net of related debt.
- As of December 31, 2018, the County governmental funds reported combined fund balances of \$10,353,453, which represents a 4% decrease from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements, which are comprised of the following three components: 1) governmental-wide financial statements; 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all County assets, deferred outflows and inflows of resources and liabilities, with the difference representing 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 that indicates how net position changed during the 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, legal, public facilities, public safety, health and welfare, conservation, roads, cultural and recreation and interest on long-term debt.

Fund Financial Statements are groupings of related accounts that are 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 finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds. The County does not have any proprietary 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 funds 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 evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The County maintains 45 individual government funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the major governmental funds. Data from other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The largest portion of the County's current fiscal year net position (83%) reflects net investment in capital assets (e.g. land, improvements, buildings, equipment, infrastructure) less any related debt used to acquire these assets that is outstanding. The main use of these capital assets is to provide services to citizens; consequently, these assets are not available for future spending. Although the County's net investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another significant portion of the County's current fiscal year net position (6%) represents unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors.

The following table indicates changes in net position for governmental activities.

JASPER COUNTY'S CHANGES NET POSITION

	Governmental Activities	
	2018	2017
REVENUES		
Program revenues:		
Charges for services	\$ 3,358,843	\$ 3,340,870
Operating grants and contributions	761,208	892,393
Capital grants and contributions	470,098	1,172,788
General revenues:		
Taxes - levied for general purposes	13,974,172	12,714,954
Taxes - levied for debt service	7,806	181,071
Other taxes	211,351	177,613
Investment earnings	74,077	56,673
Gain on sale of assets	4,602	-
Miscellaneous	469,117	531,223
Total revenues	19,331,274	19,067,585
EXPENSES		
General government	4,803,093	4,986,320
Judicial	2,326,379	2,301,158
Legal	690,270	663,803
Public facilities	677,961	831,632
Public safety	5,764,815	5,682,615
Health and welfare	581,212	712,482
Conservation	110,563	112,183
Roads	5,162,673	5,043,686
Cultural and recreation	2,965	1,577
Interest on long-term debt	-	7,967
Total expenses	20,119,931	20,343,423
CHANGE IN NET POSITION	(788,657)	(1,275,838)
NET POSITION, BEGINNING	49,814,317	50,094,489
PRIOR PERIOD ADJUSTMENT	(1,472,010)	995,666
NET POSITION, ENDING	\$ 47,553,650	\$ 49,814,317

FINANCIAL ANALYSIS OF MAJOR FUNDS

Governmental Funds. The County's major general government functions are contained in the General Fund. 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 a government's net resources available for spending at the end of the fiscal year.

At December 31, 2018, the County's General Fund reported combined fund balances of \$4,895,813, a decrease of \$308,553 from the prior year. This decrease is primarily due to an increase in expenditures.

The General Fund is the chief operating fund of the County. At December 31, 2018, the General Fund reported revenues of \$12,580,060 and expenditures of \$13,138,321. These amounts represented a \$10,031 decrease in revenues, primarily due to \$44,419 decrease in License & Fees. The County saw an increase of \$983,893 in expenditures in the General Fund. The increase in expenditures was primarily made up of an increase of \$279,921 to general government expenditures, and an increase of \$537,441 to public safety, and an increase of \$89,556 to judicial. The deficit of revenues over expenditures was \$558,261, before other financing sources of \$249,708.

At December 31, 2018, the County's Road and Bridge Fund reported a restricted fund balance of \$3,335,829, an increase of \$289,357 from the prior year. This increase is primarily due to increased collections in taxes and intergovernmental revenues.

Proprietary Funds. As mentioned earlier, the County has no Proprietary Funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual revenues were less than budgeted estimates by \$15,926. Actual expenditures were less than budgeted estimates by \$404,497, and other financing sources/uses resulted in a positive budget variance of \$311,608. The net effect resulted in a positive variance of \$700,179.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The County's investment in capital assets for its governmental activities as of December 31, 2018, amounted to \$39,286,273 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, and other tangible and intangible assets. This amount decreased by \$266,334.

Long-term Liabilities. At December 31, 2018, the County had total long-term liabilities outstanding of \$8,498,008, an increase of \$76,153 over the prior year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Commissioners' Court adopted the County's 2019 budget on August 22, 2018.

For 2019, the property tax rate is .6591 per \$100 valuation. The collection rate for the 2019 budget was based on a 97.55% collection rate compared to a 97.5% collection rate in the prior year.

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 County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the County Auditor's Office, 150 N. Austin Street, Jasper, Texas 75951.

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**BASIC
FINANCIAL STATEMENTS**

JASPER COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary Government
	Governmental Activities
ASSETS	
Cash and investments	\$ 15,134,594
Receivables (net of allowance for uncollectibles)	
Accounts	2,349,525
Taxes	2,823,703
Due from other governments	297,834
Capital assets:	
Land	1,029,207
Construction in progress	10,718
Buildings	18,992,428
Equipment and furniture	8,556,348
Infrastructure	33,935,424
Less: accumulated depreciation	(23,237,852)
Total capital assets	39,286,273
Total assets	59,891,929
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	1,942,240
Deferred outflows related to GTLF OPEB	31,779
Deferred outflows related to retiree health plan OPEB	146,899
Total deferred outflows of resources	2,120,918
LIABILITIES	
Accounts payable	520,695
Accrued liabilities	174,683
Unearned revenue	71,663
Noncurrent liabilities:	
Due within one year	
Compensated Absences	41,649
Total OPEB liability - GTLF OPEB	16,322
Total OPEB liability - retiree health plan OPEB	58,579
Due in more than one year	
Compensated Absences	166,597
Net pension liability	5,950,489
Total OPEB liability - GTLF OPEB	474,399
Total OPEB liability - retiree health plan OPEB	1,906,523
Total liabilities	9,381,599
DEFERRED INFLOWS OF RESOURCES	
Property taxes received in advance of fiscal year levy	4,334,469
Deferred inflows related to pensions	737,271
Deferred inflows related to GTLF OPEB	5,858
Total deferred inflows of resources	5,077,598

JASPER COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2018
(continued)

NET POSITION		39,286,273
Net investment in capital assets		39,286,273
Restricted for:		
Records management and preservation		886,761
Court technology and security		153,851
Tax assessment and collection services		5,618
Jury services		16,553
Court system		35,355
Law library		203,479
Forfeitures		46,869
Check collection and processing		219
Foster care		493,507
Law enforcement		194,160
Historical commission		7,072
Indigent welfare		18,667
Debt service		77,030
Public safety		35,184
Health and welfare		246
Roads		3,335,829
Unrestricted		<u>2,756,977</u>
Total net position		<u>\$ 47,553,650</u>

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JASPER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Primary Government:					
Governmental activities:					
General government	\$ 4,803,093	\$ 1,045,358	\$ 641,023	\$ 470,098	\$(2,646,614)
Judicial	2,326,379	26,696	-	-	(2,299,683)
Legal	690,270	305,722	68,869	-	(315,679)
Public facilities	677,961	-	-	-	(677,961)
Public safety	5,764,815	1,097,138	46,850	-	(4,620,827)
Health and welfare	581,212	52,596	4,466	-	(524,150)
Conservation	110,563	-	-	-	(110,563)
Roads	5,162,673	831,333	-	-	(4,331,340)
Cultural and recreation	2,965	-	-	-	(2,965)
Total governmental activities	\$ 20,119,931	\$ 3,358,843	\$ 761,208	\$ 470,098	(15,529,782)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					13,974,172
Property taxes, levied for debt service					7,806
Other taxes					211,351
Investment earnings					74,077
Miscellaneous					469,117
Gain on sale of capital assets					4,602
Total general revenues					<u>14,741,125</u>
Change in net position					(788,657)
Net position, beginning					<u>49,814,317</u>
Prior period adjustments					(1,472,010)
Net position, beginning as restated					<u>48,342,307</u>
Net position, ending					<u>\$ 47,553,650</u>

The notes to the financial statements are an integral part of this statement.

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JASPER COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General	Road and Bridge	Other Governmental	Total Governmental
ASSETS				
Cash and cash equivalents	\$ 9,369,399	\$ 3,480,981	\$ 2,284,214	\$ 15,134,594
Receivables (net of allowance for uncollectibles)				
Accounts	172,323	2,137,449	39,753	2,349,525
Taxes	1,836,422	836,701	150,580	2,823,703
Due from other funds	82,528	1,191,830	151,272	1,425,630
Due from other governments	132,540	36,594	128,700	297,834
	11,593,212	7,683,555	2,754,519	22,031,286
LIABILITIES				
Liabilities:				
Accounts payable	246,823	131,403	142,469	520,695
Other liabilities	123,757	40,318	10,608	174,683
Due to other funds	1,343,102	10,545	71,983	1,425,630
Unearned revenue	-	-	71,663	71,663
	1,713,682	182,266	296,723	2,192,671
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	1,836,422	836,701	150,580	2,823,703
Property taxes received in advance of fiscal year levy	2,991,367	1,191,830	151,272	4,334,469
Unavailable revenue - court fines and fees	155,928	2,136,929	34,133	2,326,990
	4,983,717	4,165,460	335,985	9,485,162
FUND BALANCES (DEFICITS)				
Fund balances:				
Restricted for:				
Records management and preservation	-	-	886,761	886,761
Court technology and security	-	-	153,851	153,851
Tax assessment and collection services	-	-	5,618	5,618
Jury services	-	-	16,553	16,553
Court system	-	-	35,355	35,355
Law library	-	-	203,479	203,479
Forfeitures	-	-	46,869	46,869
Check collection and processing	-	-	219	219
Foster care	-	-	493,507	493,507
Law enforcement	-	-	194,160	194,160
Historical commission	-	-	7,072	7,072
Indigent welfare	-	-	18,667	18,667
Debt service	-	-	77,030	77,030
Roads	-	3,335,829	-	3,335,829
Public safety	-	-	35,184	35,184
Health and welfare	-	-	246	246
Unassigned	4,895,813	-	(52,760)	4,843,053
	4,895,813	3,335,829	2,121,811	10,353,453
Total liabilities, deferred inflows of resources and fund balances	\$ 11,593,212	\$ 7,683,555	\$ 2,754,519	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	39,286,273
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	5,150,693
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(6,626,541)
Net position of governmental activities	\$ 47,553,650

The notes to the financial statements are an integral part of this statement.

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JASPER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Road and Bridge	Other Governmental	Total Governmental
REVENUES				
Taxes	\$ 9,837,515	\$ 3,832,833	\$ 496,238	\$ 14,166,586
License and fees	931,874	-	204,099	1,135,973
Fines and forfeitures	574,128	138,190	9,858	722,176
Intergovernmental	963,784	584,503	333,187	1,881,474
Auto registration	-	716,430	-	716,430
Interest	27,604	32,789	13,684	74,077
Other	245,155	168,533	47,959	461,647
Total revenues	<u>12,580,060</u>	<u>5,473,278</u>	<u>1,105,025</u>	<u>19,158,363</u>
EXPENDITURES				
General government	3,995,367	475,753	232,415	4,703,535
Judicial	2,256,116	-	33,280	2,289,396
Legal	596,338	-	81,297	677,635
Public facilities	666,458	-	3,000	669,458
Public safety	5,020,574	-	58,746	5,079,320
Health and welfare	-	-	580,287	580,287
Conservation	110,963	-	-	110,963
Roads	-	4,260,722	181,460	4,442,182
Cultural and recreation	-	-	2,976	2,976
Capital outlay	492,505	563,246	7,395	1,063,146
Total expenditures	<u>13,138,321</u>	<u>5,299,721</u>	<u>1,180,856</u>	<u>19,618,898</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(558,261)	173,557	(75,831)	(460,535)
OTHER FINANCING SOURCES (USES)				
Transfers in	411,329	111,887	50,423	573,639
Transfers out	(162,310)	-	(411,329)	(573,639)
Sale of assets	689	3,913	-	4,602
Total other financing sources (uses)	<u>249,708</u>	<u>115,800</u>	<u>(360,906)</u>	<u>4,602</u>
NET CHANGE IN FUND BALANCES				
	(308,553)	289,357	(436,737)	(455,933)
FUND BALANCES, BEGINNING				
	<u>5,204,366</u>	<u>3,046,472</u>	<u>2,558,548</u>	<u>10,809,386</u>
FUND BALANCES, ENDING				
	<u>\$ 4,895,813</u>	<u>\$ 3,335,829</u>	<u>\$ 2,121,811</u>	<u>\$ 10,353,453</u>

The notes to the financial statements are an integral part of this statement.

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JASPER COUNTY, TEXAS

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

FOR THE YEAR ENDED DECEMBER 31, 2018

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

Net change in fund balances - total governmental funds	\$(455,933)
--------------------------------------------------------	--------------

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital outlay	1,511,967
Depreciation	(1,778,301)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.

Property taxes	(12,703)
Court fines	181,012

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 governmental funds.

Pension cost	(140,687)
Other postemployment benefits liabilities cost	(160,837)
Compensated absences	<u>66,825</u>

Change in net position of governmental activities	<u>\$(788,657)</u>
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JASPER COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

DECEMBER 31, 2018

	<u>Private Purpose Trust</u>	
	<u>County Schools</u>	<u>Agency Funds</u>
ASSETS		
Cash	\$ 9,124,487	\$ 8,136,887
Total assets	\$ <u>9,124,487</u>	\$ <u>8,136,887</u>
LIABILITIES		
Due to other agencies and individuals	\$ -	\$ 8,136,887
Total liabilities	\$ -	\$ <u>8,136,887</u>
NET POSITION		
Held in trust for schools	\$ <u>9,124,487</u>	

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JASPER COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Private Purpose Trust
	County Schools
ADDITIONS	
Contributions	\$ 56,702
Investment earnings	<u>113,014</u>
Total additions	169,716
DEDUCTIONS	<u>(119,745)</u>
CHANGE IN NET POSITION	49,971
TOTAL NET POSITION, BEGINNING	<u>9,074,516</u>
TOTAL NET POSITION, ENDING	<u>\$ 9,124,487</u>

The notes to the financial statements are an integral part of this statement.

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JASPER COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Jasper County, Texas (the "County") operates using a commission form of government under the laws and statutes of the Constitution of the State of Texas. The County provides various services to advance the welfare, health, comfort, safety and convenience of the County and its inhabitants.

The accounting and reporting policies of the County relating to the funds included in the accompanying financial statements conform to the generally accepted accounting principles (GAAP) applicable to state and local governments. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. As required by generally accepted accounting principles, these financial statements present Jasper County, Texas (the primary government) and its component units. There are no component units which meet the criteria for inclusion in the County's reporting entity.

Related Organizations – The Commissioners and the County Judge are responsible for appointing a voting majority of the members of several organizations, but the County's accountability for those organizations does not extend beyond making the appointments.

B. Government-wide and Fund 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. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County has no business-type activities, or component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if 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.

Property taxes, franchise taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

The ***Road and Bridge Fund*** is used to account for the proceeds of specific revenue sources, mostly taxes and fees that are legally restricted to expenditures for street and highway improvements.

Additionally, the County reports the following fund types:

Fiduciary Fund Types:

The ***Private-purpose Trust Fund*** is used to account for investments, interest, rents and royalties for the benefit of various school districts in the County. The revenues are distributed to the various school districts.

Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and Enterprise Funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

D. Assets, Liabilities and Net Position or Equity

Deposits and Investments

The government's cash and investments are considered to be cash on hand, demand deposits and certificates of deposit.

State statutes authorize the County to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the government are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable based on historical collection rates receivable allowance for uncollectible. The property tax receivable allowance is equal to 11% of current year tax levy at December 31, 2018.

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, 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. Jasper County has two items that qualify for reporting in this category in the government-wide statement of net position, which are deferred outflows related to pensions and other post-employment benefits.

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 of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three types of items in the government-wide financial statements to report in this category. The County is reporting a balance for advance property tax collections, a deferred inflow related to pensions, and a deferred inflow related to other post-employment benefits in the government-wide statement of net position. Additionally, the County has items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. The advance collections of property taxes are deferred inflows of resources as well as unavailable revenues for property taxes and court fines and fees.

Capital Assets

Capital assets, which include property, plant and equipment are reported in the applicable governmental column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings	39
Equipment	3 - 15
Infrastructure	39

Compensated Absences

County employees earn 12 days of vacation with pay per year during the first 4 years of employment, 15 days of vacation with pay per year with after more than 5 years but less than 9 years of employment, and 18 days of vacation with pay per year for after more than 10 years continuous employment. Employees may carry over one year's earned vacation and an additional three days. Vacation in excess of carryover shall be forfeited. Unused sick leave is paid upon retirement, but not termination.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

Other Post-Employment Benefits

Retiree Health Care Insurance Plan. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the County for benefits due and payable that are not reimbursed by plan assets. Information regarding the County's total OPEB liability is obtained from a report prepared by a consulting actuary.

TCDRS Group Term Life Fund. The County participates in the Texas County & District Group Term Life Fund (GTLF), which is an optional single-employer defined benefit life insurance plan that is administered by TCDRS. It provides death benefits to active and, if elected, retired employees of participating employers. Contribution rates are determined annually for each participating entity as a percentage of that County's covered payroll. The death benefit for retirees is considered an other postemployment benefit (OPEB). The OPEB program is an unfunded trust because the GTLF trust covers both actives and retirees and is not segregated. The Total OPEB Liability of the plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the Total OPEB Liability, deferred inflows and outflows of resources, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by the Commissioners' Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County Auditor.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to December 31, the County Judge and Commissioners prepare operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A budget hearing, advertised in local papers, is conducted at the County Courthouse to obtain taxpayer comments prior to adoption. The budget must be adopted between August 16 and September 30, annually.
3. Amendments are made at the beginning of the budget year (January) to record the carry forward of previous year's ending balances.
4. The budget is approved based on a line item basis. Any revisions altering the budget requires an amendment and must be approved by the Commissioners' Court.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
6. Budgets for the General and Special Revenue Funds are adopted on a cash basis.
7. Budgeted amounts are as originally adopted, or as amended, by the Commissioners' Court on December 31, 2018. Individual amendments were not material in relation to the original appropriations which were amended.

Deficit Fund Equity

At December 31, 2018, the 2015 GLO Flood PCT -1 fund has a deficit fund balance of \$31,700. The deficit will be eliminated as resources are obtained (e.g., transfers in or revenues). Additionally, the 2015 GLO Flood PCT – 2 Fund has a deficit fund balance of \$21,060. This deficit will also be eliminated as resources are obtained.

3. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U. S. Treasury, certain U. S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

Custodial Credit Risk. 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. As of December 31, 2018, all of the County's \$14,950,711 deposit balance was collateralized with securities held by the pledging financial institution.

Receivables

Receivables as of year-end for the government's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Road and Bridge	Nonmajor Governmental	Total
Receivables:				
Taxes	\$ 3,055,296	\$ 1,370,244	\$ 246,253	\$ 4,671,793
Accounts	187,507	2,345,537	43,076	2,576,120
Grants	132,540	36,594	128,700	297,834
Gross receivables	3,375,343	3,752,375	418,029	7,545,747
Less: allowance for uncollectibles	(1,234,058)	(741,631)	(98,996)	(2,074,685)
Net Total Receivables	<u>\$ 2,141,285</u>	<u>\$ 3,010,744</u>	<u>\$ 319,033</u>	<u>\$ 5,471,062</u>

Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 862,849	\$ 260,260	\$ -	\$(93,902)	\$ 1,029,207
CIP	-	10,718	-	-	10,718
Total assets not being depreciated	<u>862,849</u>	<u>270,978</u>	<u>-</u>	<u>(93,902)</u>	<u>1,039,925</u>
Capital assets, being depreciated:					
Buildings	20,667,651	24,873	-	(1,700,096)	18,992,428
Equipment	7,142,343	422,507	(5,800)	997,298	8,556,348
Infrastructure	33,303,708	631,716	-	-	33,935,424
Total capital assets, being depreciate	<u>61,113,702</u>	<u>1,079,096</u>	<u>(5,800)</u>	<u>(702,798)</u>	<u>61,484,200</u>
Less accumulated depreciation:					
Buildings	(4,128,169)	(534,174)	-	319,595	(4,342,748)
Equipment	(5,907,602)	(427,827)	5,800	638,998	(5,690,631)
Infrastructure	(12,388,173)	(816,300)	-	-	(13,204,473)
Total accumulated depreciation	<u>(22,423,944)</u>	<u>(1,778,301)</u>	<u>5,800</u>	<u>958,593</u>	<u>(23,237,852)</u>
Total capital assets being depreciated, net	<u>38,689,758</u>	<u>(699,205)</u>	<u>-</u>	<u>255,795</u>	<u>38,246,348</u>
Governmental activities capital assets, net	<u>\$ 39,552,607</u>	<u>\$(428,227)</u>	<u>\$ -</u>	<u>\$ 161,893</u>	<u>\$ 39,286,273</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 199,989
Public safety	595,239
Road and bridge	975,174
Public facility	<u>7,899</u>
	<u>\$ 1,778,301</u>

Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2018, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Road and Bridge	\$ 10,545
General	Nonmajor Governmental	71,983
Nonmajor Governmental	General	151,272
Road and Bridge	General	<u>1,191,830</u>
Total		<u>\$ 1,425,630</u>

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

	Transfers In:			
	<u>General</u>	<u>Road & Bridge</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Transfer Out:				
General	\$ -	\$ 111,887	\$ 50,423	\$ 162,310
Nonmajor	<u>411,329</u>	<u>-</u>	<u>-</u>	<u>411,329</u>
Total	<u>\$ 411,329</u>	<u>\$ 111,887</u>	<u>\$ 50,423</u>	<u>\$ 573,639</u>

Transfers are used to (1) use unrestricted revenues in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (2) transfer funds out of a nonmajor fund to help finance the General Fund.

Long-term Debt

Changes in Long-term Liabilities

Long-term liability activity (shown in thousands of dollars) for the year ended December 31, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Government activities					
Compensated absences	\$ 275,071	\$ 359,983	\$ 426,808	\$ 208,246	\$ 41,649
Governmental activities long-term liability	<u>\$ 275,071</u>	<u>\$ 359,983</u>	<u>\$ 426,808</u>	<u>\$ 208,246</u>	<u>\$ 41,649</u>

Also, for the governmental activities, compensated absences are generally liquidated by the General Fund.

Defined Benefit Pension Plan

Plan Description. The County participates in a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). The Board of Trustees of TCERS is responsible for the administration of the statewide agent, multiple-employer, public employee retirement system consisting of nontraditional defined benefit pension plans. TCERS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tcdrs.org.

All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

Benefits Provided. TCERS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCERS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCERS 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 TCERS Act. Updated annuity purchase rates will go into effect for post-2018 benefit accruals earned after 2018. Benefits accrued before 2019 will not be impacted by this update. This change was reflected in the 2017 actuarial valuation.

Employees covered by benefit terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	133
Inactive employees entitled to but not yet receiving benefits	70
Active employees	<u>181</u>
	<u>384</u>

Contributions. The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 17.52% and 17.48% in calendar years 2017 and 2018, respectively. The County's contributions to TCDRS for the year ended December 31, 2017, were \$1,361,680 and were equal to the required contributions.

Net Pension Liability. The County's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Overall payroll growth	3.25% per year
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service retirees, beneficiaries and non-depositing members	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.
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Updated mortality assumptions were adopted in the actuarial valuation of December 31, 2017. All other actuarial assumptions that determined the total pension liability as of December 31, 2017, were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016.

The long-term expected rate of return on pension plan investments is 8.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. The application of the investment return assumption was changed for purposes of determining plan liabilities in the 2017 actuarial valuation. All plan liabilities are now valued using an 8% discount rate. Previously, some liabilities were valued using a 7% discount rate and others were valued using a 9% discount rate.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2018 information for a 10-year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. The target allocation and best estimates of geometric real rates 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%	4.55%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	16.00%	7.55%
Global Equities	MSCI World (net) Index	1.50%	4.85%
International Equities - Developed Mkts.	MSCI World Ex USA (net) Index	11.00%	4.55%
International Equities - Emerging Mkts.	MSCI World Ex USA (net) Index	8.00%	5.55%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.75%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	8.00%	4.12%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.06%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	2.00%	6.30%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.05%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	6.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	18.00%	4.10%

⁽¹⁾ Target asset allocation adopted at the April 2018 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return in addition to assumed inflation of 1.95% per Cliffwater's 2018 capital market assumptions.

⁽³⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.1%. 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 period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2016	\$ 36,989,938	\$ 29,493,310	\$ 7,496,628
Changes for the year:			
Service cost	1,145,933	-	1,145,933
Interest on total pension liability ⁽¹⁾	3,008,541	-	3,008,541
Effect of economic/demographic gains or losses	284,353	-	284,353
Effect of assumptions changes or inputs	199,604	-	199,604
Refund of contributions	(53,570)	(53,570)	-
Benefit payments	(1,972,648)	(1,972,648)	-
Administrative expenses	-	(22,379)	22,379
Member contributions	-	544,051	(544,051)
Net investment income	-	4,303,056	(4,303,056)
Employer contributions	-	1,361,668	(1,361,668)
Other ⁽³⁾	-	(1,826)	1,826
Balance at 12/31/2017	\$ 39,602,151	\$ 33,651,662	\$ 5,950,489

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

⁽²⁾ No plan changes valued

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

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1%) or 1-percentage-higher (9.1%) than the current rate:

	1% Decrease	Current	1% Increase
	7.1%	Discount Rate 8.1%	9.1%
Total pension liability	\$ 44,375,609	\$ 39,602,151	\$ 35,543,837
Fiduciary net position	<u>33,651,662</u>	<u>33,651,662</u>	<u>33,651,662</u>
Net pension liability/(asset)	\$ <u>10,723,947</u>	\$ <u>5,950,489</u>	\$ <u>1,892,175</u>

Pension Plan Fiduciary Net Position

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

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

For the year ended December 31, 2018, the County recognized pension expense of \$1,483,079.

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 248,034	\$ 253,319
Changes in actuarial assumptions	-	315,427
Difference between projected and actual investment earnings	489,237	-
Contributions subsequent to the measurement date	-	1,373,494
Total	<u>\$ 737,271</u>	<u>\$ 1,942,240</u>

\$1,373,494 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended December 31,	
2019	\$ 231,663
2020	137,117
2021	(250,127)
2022	(287,178)

Postemployment Retiree Health Care Plan

Plan Description

The County offers its retired employees health insurance benefits through a single-employer defined benefit OPEB plan, under County policy. This plan is administered by the County and it has the authority to establish and amend the benefit terms and financing arrangements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits and Contributions

Permanent fulltime employees of the County who retire are eligible to participate in the Jasper County Retiree Health Care Plan (JCRHCP). Employees are eligible to retire when they are 60 years of age and have 8 years of service, or at any age with 30 years of service, or if their current age plus their years of service equals 75. Retirees may elect to continue medical coverage by paying premiums for the coverage elected until the retiree is eligible for Medicare Part A and Part B coverage, either by age or disability. Employees who qualify under the eligibility requirements for retirement, who are 60 years or older and who have worked the last 12 consecutive years with Jasper County qualify for medical insurance coverage paid by Jasper County until the retiree is eligible for Medicare Part A and Part B coverage, either by age or disability. Employees terminating before normal retirement conditions are not eligible for retiree health benefits. Survivors of employees who die while actively employed are not eligible for retiree health benefits. Surviving dependents of retired members may continue retiree health coverage for up to 36 months through COBRA. Retiree can also elect to continue coverage for eligible spouse but must pay for the coverage cost of the spouse. Surviving spouse of retired members may continue retiree health care coverage for up to 36 months through COBRA. The County provides a \$5,000 term life insurance policy to retired employees. Life insurance coverage for dependents is not offered. This is offered through TCDRS. Retirees who decide to opt out of health care benefits are not eligible to opt back in at another time. There is no additional stipend provided for those who opt out of retiree health care benefits.

The County's contributions to the Retiree Health Plan for the year ended December 31, 2018, were \$58,579, which equal benefit payments for retirees.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	3
Active employees	<u>132</u>
Total	<u><u>135</u></u>

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	December 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Inflation Rate	2.50%
Salary Increases	0.50% to 5.00%, not including inflation of 3.25%
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2016 as conducted for the Texas County and District Retirement System (TCDRS). For the OPEB valuation, the standard TCDRS retirement rates were adjusted to reflect the impact of the County's retiree medical plan design.
Mortality	For healthy retirees, the gender-distinct RP-2014 Healthy Annuitant Mortality Tables are used with male rates multiplied by 130% and female rates multiplied by 110%. Those rates are projected on a fully generational basis based on 110% of the ultimate rates of Scale MP-2014.
Health care cost trend rates	Initial rate of 7.20% declining to an ultimate rate of 5.25% after 10 years; Ultimate trend rate includes a 1.00% adjustment for the excise tax
Participation rates	100%
Discount rate	The discount rate changed from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

A Single Discount Rate of 3.31 was used to measure the total OPEB liability. This Single Discount Rate was based on the municipal bond rates as of the measurement date. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2017.

Changes in the Total OPEB Liability

The County's total OPEB liability of \$1,965,102 was measured as of December 31, 2017 and was determined by an actuarial valuation as of December 31, 2016.

	Total OPEB Liability
Balance at 12/31/2016	\$ 1,731,354
Changes for the year:	
Service cost	138,461
Interest	67,486
Changes of assumptions	86,380
Benefit payments	(58,579)
Net changes	<u>233,748</u>
Balance at 12/31/2017	<u>\$ 1,965,102</u>

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.31%) in measuring the total OPEB liability.

	1% Decrease in <u>Discount Rate (2.31%)</u>	<u>Discount Rate (3.31%)</u>	1% Increase in <u>Discount Rate (4.31%)</u>
Total OPEB Liability	\$ 2,148,751	\$ 1,965,102	\$ 1,795,759

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	\$ 1,737,379	\$ 1,965,102	\$ 2,235,651

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended December 31, 2018, the County recognized OPEB expense of \$214,970. At December 31, 2018, the County reported deferred outflows and of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>
Changes in actuarial assumptions	\$ 77,357
Contributions subsequent to the measurement date	<u>69,542</u>
Totals	<u>\$ 146,899</u>

\$69,542 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the City paid with its own assets and will be recognized as a reduction of the total OPEB liability for the year ending December 31, 2019. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended December 31,</u>	
2019	\$ 9,023
2020	9,023
2021	9,023
2022	9,023
2023	9,023
Thereafter	32,242

TCDRS Group Term Life Fund

Plan Description. The County voluntarily participates in the Texas County & District Group Term Life Fund (TCDRS GTLF). The GTLF is a single-employer defined Other Post-Employment Benefit (OPEB) plan as defined by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. It is established and administered in accordance with the TCDRS Act.

Benefits Provided. The GTLF provides group-term life insurance to County employees who are active members in TCDRS, including or not including retirees. The County's Commissioners opted into this program via a resolution, and may terminate coverage under, and discontinue participation in, the GTLF by adopting an resolution.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's most recent regular annualized salary. The death benefit for retirees is considered an other post-employment benefit and is a fixed amount of \$5,000.

Employees covered by benefit terms. The number of employees currently covered by the benefit terms is as follows:

Inactive employees receiving benefits	108
Inactive employees entitled to but not yet receiving benefits	26
Active employees	181

Contributions. The County contributes to the GTLF at a contractually required rate as determined by an annual actuarial valuation, which was 0.40% for 2018 and 0.40% for 2017, of which 0.20% and 0.21%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the GTLF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The County contributions to the GTLF for the years ended September 30, 2018 and 2017 were \$15,715 and \$14,676, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Total OPEB Liability. The District's Total OPEB Liability (TOL) was measured as of December 31, 2017 as determined by an actuarial valuation as of that date.

Actuarial Assumptions. The Total OPEB Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Measurement year ended	December 31, 2017
Investment rate of return (discount rate)	3.44%, or 20 Year Bond GO Index published by bondbuyer.com as of December 28, 2017.
Actuarial cost method	Entry age normal

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

All actuarial assumptions and methods that determined the Total OPEB Liability as of December 31, 2017 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.

Discount Rate. The TCDRS GTLF program is treated as an unfunded OPEB plan because the GTLF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 3.44% was used to measure the Total OPEB Liability. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was the 20 Year Bond GO Index published by bondbuyer.com as of the measurement date of December 31, 2017.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used in measuring the Total OPEB Liability.

	1% Decrease in Discount Rate (2.44%)	Current Discount Rate (3.44%)	1% Increase in Discount Rate (4.44%)
Total OPEB Liability	\$ 578,891	\$ 490,721	\$ 421,438

OPEB Liability, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEBs. At September 30, 2018, the County reported a liability of \$490,721 for its Total OPEB Liability. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017. For the year ended September 30, 2018, the County recognized OPEB expense of \$31,124. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

Changes in the Total OPEB Liability

	<u>Changes in Total OPEB Liability</u>
Balance at December 31, 2016	\$ 465,713
Changes for the year:	
Service cost	11,355
Interest on total OPEB liability ⁽¹⁾	17,728
Effect of economic/demographic gains or losses	(7,030)
Effect of assumptions changes or inputs ⁽²⁾	19,277
Benefit payments	<u>(16,322)</u>
Balance at December 31, 2017	<u>\$ 490,721</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money.

⁽²⁾ Reflects change in discount rate and the new assumptions adopted based

At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 5,858	\$ -
Change of assumptions	-	16,064
Contributions subsequent to the measurement date	-	15,715
Totals	<u>\$ 5,858</u>	<u>\$ 31,779</u>

\$15,715 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending December 31, 2019. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year
Ended December 31,

2019	\$ 2,041
2020	2,041
2021	2,041
2022	2,041
2023	2,042

Prior Period Adjustments

Changes in Accounting Principles

During fiscal year 2018, the County adopted GASB Statement No. 75, *Accounting and Reporting for Post-Employment Benefits Other Than Pensions*. With GASB 75, the County must assume its Total OPEB Liability in connection with the TCDRS GTLF and Retiree Health Insurance Plan. Adoption of GASB 75 required a prior period adjustment to report the effect of the standard retroactively. As such, beginning net position was restated by \$(1,472,010).

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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JASPER COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 10,263,416	\$ 10,263,416	\$ 9,837,515	\$(425,901)
License and fees	916,300	916,300	931,874	15,574
Fines and forfeitures	585,000	585,000	574,128	(10,872)
Intergovernmental	606,563	688,357	963,784	275,427
Interest	26,215	26,215	27,604	1,389
Other	<u>105,851</u>	<u>116,698</u>	<u>245,155</u>	<u>128,457</u>
Total revenues	<u>12,503,345</u>	<u>12,595,986</u>	<u>12,580,060</u>	<u>(15,926)</u>
EXPENDITURES				
General government	3,857,170	4,231,611	3,995,367	236,244
Judicial	2,170,883	2,299,554	2,256,116	43,438
Legal	722,886	747,127	596,338	150,789
Public facilities	609,419	665,958	666,458	(500)
Public safety	4,823,138	4,994,714	5,020,574	(25,860)
Conservation	109,848	111,349	110,963	386
Capital outlay	<u>172,936</u>	<u>492,505</u>	<u>492,505</u>	<u>-</u>
Total expenditures	<u>12,466,280</u>	<u>13,542,818</u>	<u>13,138,321</u>	<u>404,497</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>37,065</u>	<u>(946,832)</u>	<u>(558,261)</u>	<u>388,571</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	411,329	411,329
Transfers out	(37,750)	(61,900)	(162,310)	(100,410)
Sale of assets	-	-	689	689
Total other financing sources (uses)	<u>(37,750)</u>	<u>(61,900)</u>	<u>249,708</u>	<u>311,608</u>
NET CHANGE IN FUND BALANCE	(685)	(1,008,732)	(308,553)	700,179
FUND BALANCES, BEGINNING	<u>5,204,366</u>	<u>5,204,366</u>	<u>5,204,366</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 5,203,681</u>	<u>\$ 4,195,634</u>	<u>\$ 4,895,813</u>	<u>\$ 700,179</u>

The notes to the financial statements are an integral part of this statement.

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JASPER COUNTY, TEXAS

ROAD AND BRIDGE SPECIAL REVENUE FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 4,029,487	\$ 4,029,487	\$ 3,832,833	\$(196,654)
Fines and forfeitures	232,000	232,000	138,190	(93,810)
Intergovernmental	136,906	154,767	584,503	429,736
Auto registration	806,714	806,714	716,430	(90,284)
Interest	19,997	19,997	32,789	12,792
Other	<u>156,000</u>	<u>156,000</u>	<u>168,533</u>	<u>12,533</u>
Total revenues	<u>5,381,104</u>	<u>5,398,965</u>	<u>5,473,278</u>	<u>74,313</u>
EXPENDITURES				
General government	478,835	478,834	475,753	3,081
Roads	4,810,876	5,415,951	4,260,722	1,155,229
Capital outlay	<u>-</u>	<u>-</u>	<u>563,246</u>	<u>(563,246)</u>
Total expenditures	<u>5,289,711</u>	<u>5,894,785</u>	<u>5,299,721</u>	<u>595,064</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>91,393</u>	<u>(495,820)</u>	<u>173,557</u>	<u>669,377</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	147,338	111,887	(35,451)
Sale of assets	<u>-</u>	<u>-</u>	<u>3,913</u>	<u>3,913</u>
Total other financing sources (uses)	<u>-</u>	<u>147,338</u>	<u>115,800</u>	<u>(31,538)</u>
NET CHANGE IN FUND BALANCE	91,393	(348,482)	289,357	637,839
FUND BALANCE, BEGINNING	<u>3,046,472</u>	<u>3,046,472</u>	<u>3,046,472</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 3,137,865</u>	<u>\$ 2,697,990</u>	<u>\$ 3,335,829</u>	<u>\$ 637,839</u>

The notes to the financial statements are an integral part of this statement.

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JASPER COUNTY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

LAST FISCAL YEAR

Measurement Date December 31	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Pension Liability				
Service Cost	\$ 971,579	\$ 1,010,822	\$ 1,119,518	\$ 1,145,933
Interest total pension liability	2,551,429	2,702,346	2,825,979	3,008,541
Effect of plan changes	-	(193,701)	-	-
Effect of assumption changes or inputs	-	389,362	-	199,604
Effect of economic/demographic (gains) or losses	129,180	(317,572)	(242,011)	284,353
Benefit payments/refunds of contributions	(18,313,388)	(1,979,863)	(2,066,395)	(2,026,218)
Net change in total pension liability	1,820,800	1,611,394	1,637,091	2,612,213
Total pension liability - beginning	<u>31,920,653</u>	<u>33,741,453</u>	<u>35,352,847</u>	<u>36,989,938</u>
Total pension liability - ending (a)	<u>\$ 33,741,453</u>	<u>\$ 35,352,847</u>	<u>\$ 36,989,938</u>	<u>\$ 39,602,151</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 1,138,612	\$ 1,260,531	\$ 1,321,720	\$ 1,361,668
Member contributions	454,148	493,497	517,159	544,051
Investment income net of investment expenses	1,796,794	99,833	2,049,732	4,303,056
Benefit payments refunds of contributions	(1,831,388)	(1,979,863)	(2,066,394)	(2,026,218)
Administrative expenses	(20,838)	(19,981)	(22,293)	(22,379)
Other	<u>10,942</u>	<u>44,606</u>	<u>(42,113)</u>	<u>(1,826)</u>
Net change in plan fiduciary net position	1,548,270	(101,377)	1,757,811	4,158,352
Plan fiduciary net position - beginning	<u>26,288,606</u>	<u>27,836,876</u>	<u>27,735,499</u>	<u>29,493,310</u>
Plan fiduciary net position - ending (b)	<u>27,836,876</u>	<u>27,735,499</u>	<u>29,493,310</u>	<u>33,651,662</u>
Net pension liability - ending (a) - (b)	<u>\$ 5,904,577</u>	<u>\$ 7,617,348</u>	<u>\$ 7,496,628</u>	<u>\$ 5,950,489</u>
Fiduciary net position as a percentage of total pension liability	82.50%	78.45%	79.73%	84.97%
Pensionable covered payroll	\$ 6,487,833	\$ 7,049,963	\$ 7,387,979	\$ 7,772,163
Net pension liability as a percentage of covered payroll	91.01%	108.05%	101.47%	76.56%

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JASPER COUNTY, TEXAS

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

LAST TEN FISCAL YEARS

<u>Fiscal Year Ended December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution ⁽¹⁾</u>	<u>Contribution Deficiency (Excess) ⁽¹⁾</u>	<u>Pensionable Covered Payroll ⁽²⁾</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2009	875,047	875,047	-	5,616,474	15.6%
2010	889,501	889,501	-	5,658,402	15.7%
2011	888,820	888,820	-	5,905,793	15.0%
2012	954,884	954,884	-	6,039,800	15.8%
2013	1,050,450	1,050,450	-	6,374,109	16.5%
2014	1,138,612	1,138,612	-	6,487,833	17.5%
2015	1,260,531	1,260,531	-	7,049,963	17.9%
2016	1,321,720	1,321,720	-	7,387,979	17.9%
2017	1,361,668	1,361,668	-	7,772,163	17.5%
2018	1,373,494	1,373,494	-	7,857,516	17.5%

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JASPER COUNTY, TEXAS

NOTES TO SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

Valuation Timing	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry Age
Remaining Amortization Period	12.7 years (based on contribution rate calculated in 12/31/2017 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.

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

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JASPER COUNTY, TEXAS

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTH CARE INSURANCE PLAN**

FOR THE YEAR ENDED SEPTEMBER 30, 2018

Measurement Date December 31	2017
Total OPEB Liability	
Service Cost	\$ 138,461
Interest on total OPEB liability	67,486
Effect of assumption changes or inputs	86,380
Benefit payments	(58,579)
Net change in Total OPEB Liability	233,748
Total OPEB Liability - beginning	<u>1,731,354</u>
Total OPEB Liability - ending	<u>\$ 1,965,102</u>
Pensionable covered payroll	\$ 7,772,521
Total OPEB Liability (Asset) as a percentage of covered payroll	25.28%

Notes to Schedule:

- No assets are accumulated in a trust for this plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.
- Included in the changes of assumptions was a reduction to the discount rate from 3.81% to 3.31%.

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JASPER COUNTY, TEXAS

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TCDRS GROUP TERM LIFE FUND**

FOR THE YEAR ENDED SEPTEMBER 30, 2018

Measurement date December 31,	<u>2017</u>
A. Total OPEB liability	
Service Cost	\$ 11,355
Interest (on the Total OPEB Liability)	17,728
Effect of economic/demographic experience	(7,030)
Changes of assumptions	19,277
Benefit payments, including refunds of employee contributions	<u>(16,322)</u>
Net change in Total OPEB liability	25,008
Total OPEB liability - beginning	<u>465,713</u>
Total OPEB liability - ending	<u>490,721</u>
B. Covered-employee payroll	\$ 7,772,163
C. Total OPEB liability as a percentage of covered-employee payroll	6.31%

Notes to Schedule:

- No assets are accumulated in a trust for this plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.
- Included in the changes of assumptions was a reduction to the discount rate from 3.81% to 3.31%.

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**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account primarily for revenue from specific taxes and federal grant revenue which by law are designated to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses.

Debt Service Funds are used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account primarily for revenue from specific taxes and federal grant revenue which by law are designated to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses.

CDA County Forfeiture

Sheriff's Forfeiture

Federal Forfeiture

Preservation Fees – County Clerk

Check Collection and Processing

Law Library

Historical Commission

District Court Jury

County Records Management

District Attorney Supplemental

Title IV-E

CDA LEOSE Training

Constable LEOSE Training

Justice Court Technology

County Clerk Archive Fees

District Clerk Preservation Fees

Courthouse Security for JP Offices

Jasper County Development District

DARE

Jasper / Newton / Sabine LEPC Grant

Family Protection Fee

Appellate Judicial System

Alternative Dispute Resolution

Indigent Health

Supplemental Court Initiated Guardianship

Sheriff's Office LEOSE Training

Hurricane Ike Category E PW-2417

2015 GLO Flood PCT – 1

2015 GLO Flood PCT – 2

Evaldale WSC Water Improvements TX CDBG 7215251

Tax Assessment and Collections Services

County and District Court Technology

County Child Abuse Protection

Court Records Preservation Fee

District Court Records Archive Fee

Pre-Trial Intervention Program

Probate Additional Special Fee

Hurricane Ike Disaster Recovery Funds DRS 220078

County Juvenile Delinquency Prevention

County Clerk Vital Statistics Records Fee

Wingate Blvd. Road Improvements Projects

Jasper County Airport

Debt Service Funds are used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Debt Service Fund

JASPER COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

DECEMBER 31, 2018

	Special Revenue			
	CDA County Forfeiture	Sheriff's Forfeiture	Federal Forfeiture	Preservation Fees County Clerk
ASSETS				
Cash and cash equivalents	\$ 6,135	\$ 17,013	\$ 23,723	\$ 21,466
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	362
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>6,135</u>	<u>17,013</u>	<u>23,723</u>	<u>21,828</u>
LIABILITIES				
Liabilities:				
Accounts payable	-	-	-	-
Other liabilities	-	-	-	-
Due to other funds	2	-	-	29
Unearned revenue	-	-	-	-
Total liabilities	<u>2</u>	<u>-</u>	<u>-</u>	<u>29</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Property taxes received in advance of fiscal year levy	-	-	-	-
Unavailable revenue - court fines and fees	-	-	-	362
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>362</u>
FUND BALANCES				
Restricted for:				
Records management and preservation	-	-	-	21,437
Court technology and security	-	-	-	-
Tax assessment and collection services	-	-	-	-
Jury services	-	-	-	-
Court system	-	-	-	-
Law library	-	-	-	-
Forfeitures	6,133	17,013	23,723	-
Check collection and processing	-	-	-	-
Foster care	-	-	-	-
Law enforcement	-	-	-	-
Historical commission	-	-	-	-
Indigent welfare	-	-	-	-
Debt service	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>6,133</u>	<u>17,013</u>	<u>23,723</u>	<u>21,437</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 6,135</u>	<u>\$ 17,013</u>	<u>\$ 23,723</u>	<u>\$ 21,828</u>

Special Revenue

Check Collection and Processing	Law Library	Historical Commission	District Court Jury	County Records Management	District Attorney Supplemental
\$ 219	\$ 206,803	\$ 7,072	\$ 16,553	\$ 194,119	\$ 957
-	-	-	-	-	-
-	-	-	-	23,857	-
-	-	-	-	-	-
<u>219</u>	<u>206,803</u>	<u>7,072</u>	<u>16,553</u>	<u>217,976</u>	<u>957</u>
-	3,306	-	-	105	-
-	-	-	-	-	-
-	18	-	-	-	9
-	-	-	-	-	-
<u>-</u>	<u>3,324</u>	<u>-</u>	<u>-</u>	<u>105</u>	<u>9</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	23,857	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,857</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	194,014	-
-	-	-	-	-	-
-	-	-	16,553	-	-
-	-	-	-	-	948
-	203,479	-	-	-	-
219	-	-	-	-	-
-	-	-	-	-	-
-	-	7,072	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>219</u>	<u>203,479</u>	<u>7,072</u>	<u>16,553</u>	<u>194,014</u>	<u>948</u>
<u>\$ 219</u>	<u>\$ 206,803</u>	<u>\$ 7,072</u>	<u>\$ 16,553</u>	<u>\$ 217,976</u>	<u>\$ 957</u>

JASPER COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
(Continued)
DECEMBER 31, 2018

	Special Revenue			
	Title IV-E	CDA Leose Training	Constable LEOSE Training	Justice Court Technology
ASSETS				
Cash and cash equivalents	\$ 493,592	\$ 7,430	\$ 13,346	\$ 91,612
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	981
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>493,592</u>	<u>7,430</u>	<u>13,346</u>	<u>92,593</u>
LIABILITIES				
Liabilities:				
Accounts payable	-	-	-	345
Other liabilities	-	-	-	-
Due to other funds	85	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>85</u>	<u>-</u>	<u>-</u>	<u>345</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Property taxes received in advance of fiscal year levy	-	-	-	-
Unavailable revenue - court fines and fees	-	-	-	981
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>981</u>
FUND BALANCES				
Restricted for:				
Records management and preservation	-	-	-	-
Court technology and security	-	-	-	91,267
Tax assessment and collection services	-	-	-	-
Jury services	-	-	-	-
Court system	-	-	-	-
Law library	-	-	-	-
Forfeitures	-	-	-	-
Check collection and processing	-	-	-	-
Foster care	493,507	-	-	-
Law enforcement	-	7,430	13,346	-
Historical commission	-	-	-	-
Indigent welfare	-	-	-	-
Debt service	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>493,507</u>	<u>7,430</u>	<u>13,346</u>	<u>91,267</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 493,592</u>	<u>\$ 7,430</u>	<u>\$ 13,346</u>	<u>\$ 92,593</u>

Special Revenue

County Clerk Archive Fees	District Clerk Preservation Fees	Courthouse Security for JP Offices	Jasper County Development District	DARE	Jasper/Newton/Sabine LEPC Grant	Family Protection Fee
\$ 578,063	\$ 19,453	\$ 57,087	\$ 4,584	\$ 36,326	\$ 13,355	\$ 42,448
-	-	-	-	-	-	-
-	2,579	176	-	1,254	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>578,063</u>	<u>22,032</u>	<u>57,263</u>	<u>4,584</u>	<u>37,580</u>	<u>13,355</u>	<u>42,448</u>
-	-	-	-	2,272	13,109	-
-	-	-	4,584	-	-	-
-	-	-	-	124	-	-
-	-	-	-	-	-	-
-	-	-	<u>4,584</u>	<u>2,396</u>	<u>13,109</u>	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,579	176	-	-	-	-
-	<u>2,579</u>	<u>176</u>	-	-	-	-
578,063	19,453	-	-	-	-	-
-	-	57,087	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	42,448
-	-	-	-	-	-	-
-	-	-	-	35,184	-	-
-	-	-	-	-	246	-
-	-	-	-	-	-	-
<u>578,063</u>	<u>19,453</u>	<u>57,087</u>	<u>-</u>	<u>35,184</u>	<u>246</u>	<u>42,448</u>
\$ <u>578,063</u>	\$ <u>22,032</u>	\$ <u>57,263</u>	\$ <u>4,584</u>	\$ <u>37,580</u>	\$ <u>13,355</u>	\$ <u>42,448</u>

JASPER COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
(Continued)
DECEMBER 31, 2018

	Special Revenue			
	Appellate Judicial System	Alternative Dispute Resolution	Indigent Health	Supplemental Court Initiated Guardianship
ASSETS				
Cash and cash equivalents	\$ 652	\$ 5,797	\$ 28,171	\$ 28,553
Taxes receivable	-	-	100,670	-
Accounts receivable	-	-	-	-
Due from other funds	-	-	151,272	-
Due from other governments	-	-	-	-
Total assets	<u>652</u>	<u>5,797</u>	<u>280,113</u>	<u>28,553</u>
LIABILITIES				
Liabilities:				
Accounts payable	-	-	6,332	-
Other liabilities	595	-	3,086	-
Due to other funds	-	-	86	-
Unearned revenue	-	-	-	-
Total liabilities	<u>595</u>	<u>-</u>	<u>9,504</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	100,670	-
Property taxes received in advance of fiscal year levy	-	-	151,272	-
Unavailable revenue - court fines and fees	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>251,942</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Records management and preservation	-	-	-	-
Court technology and security	-	-	-	-
Tax assessment and collection services	-	-	-	-
Jury services	-	-	-	-
Court system	57	5,797	-	28,553
Law library	-	-	-	-
Forfeitures	-	-	-	-
Check collection and processing	-	-	-	-
Foster care	-	-	-	-
Law enforcement	-	-	-	-
Historical commission	-	-	-	-
Indigent welfare	-	-	18,667	-
Debt service	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>57</u>	<u>5,797</u>	<u>18,667</u>	<u>28,553</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 652</u>	<u>\$ 5,797</u>	<u>\$ 280,113</u>	<u>\$ 28,553</u>

Special Revenue

Sheriff's Office LEOSE Training	Hurricane Ike Category E PW-2417	2015 GLO Flood PCT - 1	2015 GLO Flood PCT - 2	Evadale WSC Water Improvements TX CDBG 7215251	Tax Assessment and Collections Services	County and District Court Technology
\$ 10,682	\$ 24,482	\$ -	\$ -	\$ -	\$ 57,945	\$ 1,354
-	-	-	-	-	-	-
-	-	-	-	-	4,366	3,990
-	-	87,300	41,400	-	-	-
<u>10,682</u>	<u>24,482</u>	<u>87,300</u>	<u>41,400</u>	<u>-</u>	<u>62,311</u>	<u>5,344</u>
-	-	75,600	41,400	-	-	-
-	-	-	-	-	2,343	-
-	7,110	43,400	21,060	-	59	-
-	17,372	-	-	-	54,291	-
-	<u>24,482</u>	<u>119,000</u>	<u>62,460</u>	<u>-</u>	<u>56,693</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	3,990
-	-	-	-	-	-	<u>3,990</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	1,354
-	-	-	-	-	5,618	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(31,700)	(21,060)	-	-	-
<u>10,682</u>	<u>-</u>	<u>(31,700)</u>	<u>(21,060)</u>	<u>-</u>	<u>5,618</u>	<u>1,354</u>
\$ <u>10,682</u>	\$ <u>24,482</u>	\$ <u>87,300</u>	\$ <u>41,400</u>	\$ <u>-</u>	\$ <u>62,311</u>	\$ <u>5,344</u>

JASPER COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
(Continued)
DECEMBER 31, 2018

	Special Revenue			
	County Child Abuse Protection	Court Records Preservation Fee	District Court Records Archive Fee	Pre-trial Intervention Program
ASSETS				
Cash and cash equivalents	\$ 2,818	\$ 27,894	\$ 31,570	\$ 117,437
Taxes receivable	-	-	-	-
Accounts receivable	2,188	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>5,006</u>	<u>27,894</u>	<u>31,570</u>	<u>117,437</u>
LIABILITIES				
Liabilities:				
Accounts payable	-	-	-	-
Other liabilities	-	-	-	-
Due to other funds	-	-	-	1
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Property taxes received in advance of fiscal year levy	-	-	-	-
Unavailable revenue - court fines and fees	2,188	-	-	-
Total deferred inflows of resources	<u>2,188</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Records management and preservation	-	27,894	31,570	-
Court technology and security	-	-	-	-
Tax assessment and collection services	-	-	-	-
Jury services	-	-	-	-
Court system	-	-	-	-
Law library	-	-	-	-
Forfeitures	-	-	-	-
Check collection and processing	-	-	-	-
Foster care	-	-	-	-
Law enforcement	2,818	-	-	117,436
Historical commission	-	-	-	-
Indigent welfare	-	-	-	-
Debt service	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,818</u>	<u>27,894</u>	<u>31,570</u>	<u>117,436</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 5,006</u>	<u>\$ 27,894</u>	<u>\$ 31,570</u>	<u>\$ 117,437</u>

Special Revenue						Debt Service	
Probate Additional Special Fee	Hurricane Ike Disaster Recovery Funds DRS 220078	County Juvenile Delinquency Prevention	County Clerk Vital Statistics Records Fee	Wingate Blvd. Road Improvements Project	Jasper County Airport	Debt Service	Totals
\$ 4,143	\$ -	\$ -	\$ 14,330	\$ -	\$ -	\$ 77,030	\$ 2,284,214
-	-	-	-	-	-	49,910	150,580
-	-	-	-	-	-	-	39,753
-	-	-	-	-	-	-	151,272
-	-	-	-	-	-	-	128,700
<u>4,143</u>	<u>-</u>	<u>-</u>	<u>14,330</u>	<u>-</u>	<u>-</u>	<u>126,940</u>	<u>2,754,519</u>
-	-	-	-	-	-	-	142,469
-	-	-	-	-	-	-	10,608
-	-	-	-	-	-	-	71,983
-	-	-	-	-	-	-	71,663
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,723</u>
-	-	-	-	-	-	49,910	150,580
-	-	-	-	-	-	-	151,272
-	-	-	-	-	-	-	34,133
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,910</u>	<u>335,985</u>
-	-	-	14,330	-	-	-	886,761
4,143	-	-	-	-	-	-	153,851
-	-	-	-	-	-	-	5,618
-	-	-	-	-	-	-	16,553
-	-	-	-	-	-	-	35,355
-	-	-	-	-	-	-	203,479
-	-	-	-	-	-	-	46,869
-	-	-	-	-	-	-	219
-	-	-	-	-	-	-	493,507
-	-	-	-	-	-	-	194,160
-	-	-	-	-	-	-	7,072
-	-	-	-	-	-	-	18,667
-	-	-	-	-	-	77,030	77,030
-	-	-	-	-	-	-	35,184
-	-	-	-	-	-	-	246
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,760)</u>
<u>4,143</u>	<u>-</u>	<u>-</u>	<u>14,330</u>	<u>-</u>	<u>-</u>	<u>77,030</u>	<u>2,121,811</u>
\$ <u>4,143</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>14,330</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>126,940</u>	\$ <u>2,754,519</u>

JASPER COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Special Revenue			Preservation Fees County Clerk
	CDA County Forfeiture	Sheriff's Forfeiture	Federal Forfeiture	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	60,711
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Interest	20	28	35	120
Other	-	-	-	-
Total revenues	<u>20</u>	<u>28</u>	<u>35</u>	<u>60,831</u>
EXPENDITURES				
General government	-	-	-	65,177
Judicial	-	-	-	-
Legal	7,384	-	-	-
Public facilities	-	-	-	-
Public safety	-	1,500	-	-
Roads	-	-	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>7,384</u>	<u>1,500</u>	<u>-</u>	<u>65,177</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,364)</u>	<u>(1,472)</u>	<u>35</u>	<u>(4,346)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(7,364)</u>	<u>(1,472)</u>	<u>35</u>	<u>(4,346)</u>
FUND BALANCES, BEGINNING	<u>13,497</u>	<u>18,485</u>	<u>23,688</u>	<u>25,783</u>
FUND BALANCES, ENDING	<u>\$ 6,133</u>	<u>\$ 17,013</u>	<u>\$ 23,723</u>	<u>\$ 21,437</u>

Special Revenue

Check Collection and Processing	Law Library	Historical Commission	District Court Jury	County Records Management	District Attorney Supplemental
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
872	21,723	-	-	9,928	-
-	-	-	-	-	-
-	-	-	8,670	-	27,500
-	1,472	32	114	1,322	24
-	-	5,714	-	-	-
<u>872</u>	<u>23,195</u>	<u>5,746</u>	<u>8,784</u>	<u>11,250</u>	<u>27,524</u>
-	-	-	-	1,365	-
-	-	-	14,270	-	-
-	40,784	-	-	-	26,148
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,976	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>40,784</u>	<u>2,976</u>	<u>14,270</u>	<u>1,365</u>	<u>26,148</u>
<u>872</u>	<u>(17,589)</u>	<u>2,770</u>	<u>(5,486)</u>	<u>9,885</u>	<u>1,376</u>
-	-	750	-	-	-
-	-	-	-	-	-
-	-	750	-	-	-
872	(17,589)	3,520	(5,486)	9,885	1,376
<u>(653)</u>	<u>221,068</u>	<u>3,552</u>	<u>22,039</u>	<u>184,129</u>	<u>(428)</u>
<u>\$ 219</u>	<u>\$ 203,479</u>	<u>\$ 7,072</u>	<u>\$ 16,553</u>	<u>\$ 194,014</u>	<u>\$ 948</u>

JASPER COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2018

	Special Revenue			
	Title IV-E	CDA LEOSE Training	Constable LEOSE Training	Justice Court Technology
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	40,829	678	3,391	-
Interest	1,531	50	-	641
Other	-	-	-	18,114
Total revenues	<u>42,360</u>	<u>728</u>	<u>3,391</u>	<u>18,755</u>
EXPENDITURES				
General government	-	-	-	19,231
Judicial	-	-	-	-
Legal	-	-	-	-
Public facilities	-	-	-	-
Public safety	24,595	-	-	-
Roads	-	-	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>24,595</u>	<u>-</u>	<u>-</u>	<u>19,231</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>17,765</u>	<u>728</u>	<u>3,391</u>	<u>(476)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	17,765	728	3,391	(476)
FUND BALANCES, BEGINNING	<u>475,742</u>	<u>6,702</u>	<u>9,955</u>	<u>91,743</u>
FUND BALANCES, ENDING	<u>\$ 493,507</u>	<u>\$ 7,430</u>	<u>\$ 13,346</u>	<u>\$ 91,267</u>

Special Revenue

County Clerk Archive Fees	District Clerk Preservation Fees	Courthouse Security for JP Offices	Jasper County Development District	DARE	Jasper/ Newton/ Sabine LEPC Grant	Family Protection Fee
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60,200	4,136	4,511	-	-	-	2,145
-	-	-	-	-	-	-
3,990	121	386	-	-	-	289
-	-	-	-	11,486	-	-
<u>64,190</u>	<u>4,257</u>	<u>4,897</u>	<u>-</u>	<u>11,486</u>	<u>-</u>	<u>2,434</u>
26,846	654	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	718	-	31,933	-	-
-	-	-	-	-	-	-
-	-	-	-	-	36,109	-
7,395	-	-	-	-	-	-
<u>34,241</u>	<u>654</u>	<u>718</u>	<u>-</u>	<u>31,933</u>	<u>36,109</u>	<u>-</u>
29,949	3,603	4,179	-	(20,447)	(36,109)	2,434
-	-	-	-	25,000	-	-
-	-	-	-	-	-	-
-	-	-	-	25,000	-	-
29,949	3,603	4,179	-	4,553	(36,109)	2,434
<u>548,114</u>	<u>15,850</u>	<u>52,908</u>	<u>-</u>	<u>30,631</u>	<u>36,355</u>	<u>40,014</u>
<u>\$ 578,063</u>	<u>\$ 19,453</u>	<u>\$ 57,087</u>	<u>\$ -</u>	<u>\$ 35,184</u>	<u>\$ 246</u>	<u>\$ 42,448</u>

JASPER COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2018

	Special Revenue			
	Appellate Judicial System	Alternative Dispute Resolution	Indigent Health	Supplemental Court Initiated Guardianship
REVENUES				
Taxes	\$ -	\$ -	\$ 488,432	\$ -
Licenses and fees	-	3,150	-	-
Fines and forfeitures	-	6,978	-	2,880
Intergovernmental	-	-	4,466	-
Interest	2	68	1,353	189
Other	-	-	65	-
Total revenues	<u>2</u>	<u>10,196</u>	<u>494,316</u>	<u>3,069</u>
EXPENDITURES				
General government	-	-	-	-
Judicial	-	19,010	-	-
Legal	-	-	-	-
Public facilities	-	-	-	-
Public safety	-	-	-	-
Roads	-	-	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	544,178	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>19,010</u>	<u>544,178</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2</u>	<u>(8,814)</u>	<u>(49,862)</u>	<u>3,069</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	298	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>298</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>2</u>	<u>(8,814)</u>	<u>(49,564)</u>	<u>3,069</u>
FUND BALANCES, BEGINNING	<u>55</u>	<u>14,611</u>	<u>68,231</u>	<u>25,484</u>
FUND BALANCES, ENDING	<u>\$ 57</u>	<u>\$ 5,797</u>	<u>\$ 18,667</u>	<u>\$ 28,553</u>

Special Revenue

Sheriff's Office LEOSE Training	Hurricane Ike Category E PW-2417	2015 GLO Flood PCT - 1	2015 GLO Flood PCT - 2	Evadale WSC Water Improvements TX CDBG 7215251	Tax Assessment and Collections Services	County and District Court Technology
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	855
-	-	-	-	-	-	-
3,475	7,110	87,300	41,400	3,000	105,368	-
73	-	-	-	-	301	9
-	-	-	-	-	12,580	-
<u>3,548</u>	<u>7,110</u>	<u>87,300</u>	<u>41,400</u>	<u>3,000</u>	<u>118,249</u>	<u>864</u>
-	-	-	-	-	119,142	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	3,000	-	-
-	-	-	-	-	-	-
-	-	119,000	62,460	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>119,000</u>	<u>62,460</u>	<u>3,000</u>	<u>119,142</u>	<u>-</u>
-	-	-	-	-	-	-
<u>3,548</u>	<u>7,110</u>	<u>(31,700)</u>	<u>(21,060)</u>	<u>-</u>	<u>(893)</u>	<u>864</u>
-	-	-	-	-	12,000	-
<u>-</u>	<u>(7,110)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	<u>(7,110)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>-</u>
3,548	-	(31,700)	(21,060)	-	11,107	864
<u>7,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,489)</u>	<u>490</u>
<u>\$ 10,682</u>	<u>\$ -</u>	<u>\$ (31,700)</u>	<u>\$ (21,060)</u>	<u>\$ -</u>	<u>\$ 5,618</u>	<u>\$ 1,354</u>

JASPER COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2018

	Special Revenue			
	County Child Abuse Protection	Court Records Preservation Fee	District Court Records Archive Fee	Pre-trial Intervention Program
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	323	7,923	7,623	16,500
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Interest	20	168	195	794
Other	-	-	-	-
Total revenues	343	8,091	7,818	17,294
EXPENDITURES				
General government	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	6,981
Public facilities	-	-	-	-
Public safety	-	-	-	-
Roads	-	-	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	6,981
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	343	8,091	7,818	10,313
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	343	8,091	7,818	10,313
FUND BALANCES, BEGINNING	2,475	19,803	23,752	107,123
FUND BALANCES, ENDING	\$ 2,818	\$ 27,894	\$ 31,570	\$ 117,436

Special Revenue						Debt Service	
Probate Additional Special Fee	Hurricane Ike Disaster Recovery Funds DRS 220078	County Juvenile Delinquency Prevention	County Clerk Vital Statistics Records Fee	Wingate Blvd. Road Improvements Project	Jasper County Airport	Debt Service Funds	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,806	\$ 496,238
630	-	-	2,869	-	-	-	204,099
-	-	-	-	-	-	-	9,858
-	-	-	-	-	-	-	333,187
26	-	-	91	-	-	220	13,684
-	-	-	-	-	-	-	47,959
<u>656</u>	<u>-</u>	<u>-</u>	<u>2,960</u>	<u>-</u>	<u>-</u>	<u>8,026</u>	<u>1,105,025</u>
-	-	-	-	-	-	-	232,415
-	-	-	-	-	-	-	33,280
-	-	-	-	-	-	-	81,297
-	-	-	-	-	-	-	3,000
-	-	-	-	-	-	-	58,746
-	-	-	-	-	-	-	181,460
-	-	-	-	-	-	-	2,976
-	-	-	-	-	-	-	580,287
-	-	-	-	-	-	-	7,395
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,180,856</u>
<u>656</u>	<u>-</u>	<u>-</u>	<u>2,960</u>	<u>-</u>	<u>-</u>	<u>8,026</u>	<u>(75,831)</u>
-	-	-	-	-	12,271	104	50,423
-	(404,177)	(10)	-	(32)	-	-	(411,329)
-	(404,177)	(10)	-	(32)	12,271	104	(360,906)
656	(404,177)	(10)	2,960	(32)	12,271	8,130	(436,737)
<u>3,487</u>	<u>404,177</u>	<u>10</u>	<u>11,370</u>	<u>32</u>	<u>(12,271)</u>	<u>68,900</u>	<u>2,558,548</u>
<u>\$ 4,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,030</u>	<u>\$ 2,121,811</u>

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FIDUCIARY FUNDS

Forfeiture Holding

Medical Insurance

State Fee Account

County Clerk

Tax Assessor Collector

District Clerk

1st Judicial District Juvenile Probation

1st Judicial District CSCD Probation

Sheriff

Justice of the Peace 1 Clearing Account

Justice of the Peace 2 Clearing Account

Justice of the Peace 3 Clearing Account

Justice of the Peace 4 Clearing Account

Justice of the Peace 5 Clearing Account

Justice of the Peace 6 Clearing Account

1st Judicial District CSCD Special

Criminal District Attorney

JASPER COUNTY, TEXAS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

DECEMBER 31, 2018

	<u>Forfeiture Holding</u>	<u>Medical Insurance</u>	<u>State Fee Account</u>	<u>County Clerk</u>	<u>Tax Assessor Collector</u>
ASSETS					
Cash	\$ <u>163,246</u>	\$ <u>1,074,945</u>	\$ <u>132,371</u>	\$ <u>274,150</u>	\$ <u>4,920,196</u>
Total assets	\$ <u>163,246</u>	\$ <u>1,074,945</u>	\$ <u>132,371</u>	\$ <u>274,150</u>	\$ <u>4,920,196</u>
LIABILITIES					
Due to other agencies and individuals	\$ <u>163,246</u>	\$ <u>1,074,945</u>	\$ <u>132,371</u>	\$ <u>274,150</u>	\$ <u>4,920,196</u>
Total liabilities	\$ <u>163,246</u>	\$ <u>1,074,945</u>	\$ <u>132,371</u>	\$ <u>274,150</u>	\$ <u>4,920,196</u>

District Clerk	1st Judicial District Juvenile Probation	1st Judicial District CSCD Probation	Sheriff	Justice of the Peace 1 Clearing Account	Justice of the Peace 2 Clearing Account	Justice of the Peace 3 Clearing Account
\$ 326,667	\$ 266,360	\$ 714,229	\$ 99,625	\$ 92	\$ 2,719	\$ 135
<u>\$ 326,667</u>	<u>\$ 266,360</u>	<u>\$ 714,229</u>	<u>\$ 99,625</u>	<u>\$ 92</u>	<u>\$ 2,719</u>	<u>\$ 135</u>
\$ 326,667	\$ 266,360	\$ 714,229	\$ 99,625	\$ 92	\$ 2,719	\$ 135
<u>\$ 326,667</u>	<u>\$ 266,360</u>	<u>\$ 714,229</u>	<u>\$ 99,625</u>	<u>\$ 92</u>	<u>\$ 2,719</u>	<u>\$ 135</u>

JASPER COUNTY, TEXAS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
(Continued)
DECEMBER 31, 2018**

	Justice of the Peace 4 Clearing Account	Justice of the Peace 5 Clearing Account	Justice of the Peace 6 Clearing Account	1st Judicial District CSCD Special	Criminal District Attorney	Totals
ASSETS						
Cash	\$ 173	\$ 580	\$ 20	\$ 159,341	\$ 2,038	\$ 8,136,887
Total assets	<u>\$ 173</u>	<u>\$ 580</u>	<u>\$ 20</u>	<u>\$ 159,341</u>	<u>\$ 2,038</u>	<u>\$ 8,136,887</u>
LIABILITIES						
Due to other agencies and individuals	\$ 173	\$ 580	\$ 20	\$ 159,341	\$ 2,038	\$ 8,136,887
Total liabilities	<u>\$ 173</u>	<u>\$ 580</u>	<u>\$ 20</u>	<u>\$ 159,341</u>	<u>\$ 2,038</u>	<u>\$ 8,136,887</u>

COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S 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

The Honorable County Judge and
Commissioners' Court of
Jasper County, Texas

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of Jasper County, Texas, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Jasper County, Texas' basic financial statements and have issued our report thereon dated September 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jasper County, Texas' 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 Jasper County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Jasper County, Texas' 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jasper County, Texas' 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.

Pattillo, Brew & Hill, L.L.P.

Waco, Texas
September 30, 2019