



# ANNUAL FINANCIAL REPORT 2022

FOR FISCAL YEAR ENDED  
SEPTEMBER 30, 2022

## SAN JACINTO COUNTY

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*ANNUAL FINANCIAL REPORT*

**San Jacinto County, Texas**

Fiscal Year Ended  
September 30, 2022



# San Jacinto County, Texas

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***INDEPENDENT AUDITOR'S REPORT***

To the Honorable County Judge and  
Members of the Commissioner's Court  
of San Jacinto County, Texas:

***Opinions***

We have audited the financial statements of the governmental activities, fiduciary funds, each major fund, and the aggregate remaining fund information of San Jacinto County as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise San Jacinto County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the fiduciary funds, each major fund, and the aggregate remaining fund information of San Jacinto County, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the San Jacinto County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about San Jacinto County's ability to continue as a going concern for a reasonable period of time.

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



### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

The *supplementary information* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023 on our consideration of San Jacinto County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that

testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San Jacinto County's internal control over financial reporting and compliance.

*Brooks Watson & Co.*

Brooks Watson & Co., PLLC  
Certified Public Accountants  
Houston, Texas  
September 29, 2023

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



# San Jacinto County, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### September 30, 2022

As management of San Jacinto County, Texas (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2022.

#### FINANCIAL HIGHLIGHTS

- The general fund reported revenues over expenditures and other financing sources and uses of \$1,470,608 compared to a budgeted reduction of \$245,610, which resulted in a total positive budget variance of \$1,716,218.
- The County's net position increased by \$4,733,218.
- The County's total net position was \$41,260,991 at September 30, 2022.
- The County's net pension asset and OPEB liability were \$2,923,554 and \$791,503, respectively, at September 30, 2022.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

# San Jacinto County, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2022

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

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

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

**San Jacinto County, Texas**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*  
September 30, 2022

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

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

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

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

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

**Government-wide Overall Financial Analysis**

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$41,260,991 at the close of the most recent fiscal year.

**San Jacinto County, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2022**

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
Current and other assets	\$ 21,442,840	\$ 19,556,366
Net pension asset	2,923,554	-
Capital assets, net	23,629,347	21,746,341
<b>Total Assets</b>	<b>47,995,741</b>	<b>41,302,707</b>
<b>Deferred Outflows</b>	<b>622,860</b>	<b>1,208,251</b>
Current liabilities	2,598,048	2,722,163
Long-term liabilities	1,628,712	2,428,647
<b>Total Liabilities</b>	<b>4,226,760</b>	<b>5,150,810</b>
<b>Deferred Inflows</b>	<b>3,130,850</b>	<b>832,375</b>
Net position:		
Net investment		
in capital assets	22,562,019	19,745,184
Restricted	12,598,935	10,091,996
Unrestricted	6,100,037	6,690,593
<b>Total Net Position</b>	<b>\$ 41,260,991</b>	<b>\$ 36,527,773</b>

The County's net position increased to \$41,260,991 from \$36,527,773. The County's unrestricted net position was \$6,100,037. The County's current and other assets increased primarily due to increased cash on hand, which is a direct result of operating surpluses during the year. In addition, the County recognized a net pension asset in the current year. Total liabilities decreased primarily as a result of debt principal payments made during the year; a reduction in the County's compensated absences liability and decrease in the County's pension liability to a pension asset.



**San Jacinto County, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2022**

**Statement of Activities**

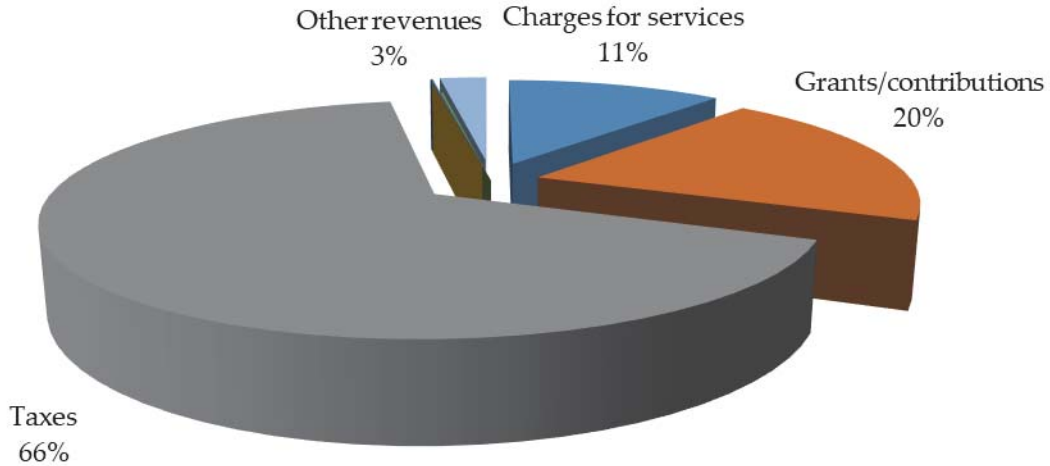
The following table provides a summary of the County's changes in net position for the years ended:

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 2,688,617	\$ 3,347,825
Grants/contributions	4,620,871	4,717,949
General revenues:		
Taxes	15,583,831	14,551,489
Investment income	28,785	27,844
Rents and royalties	28,596	16,396
Other revenues	585,972	458,238
<b>Total Revenues</b>	<u>23,536,672</u>	<u>23,119,741</u>
	1052158	
<b>Expenses</b>		
General government	4,569,765	3,482,810
Tax administration	516,751	511,668
Roads and bridges	4,965,718	4,785,266
Health and human services	1,613,877	1,357,698
Administration of justice	7,135,830	7,558,265
Interest and fiscal agent fees on long-term debt	1,512	26,565
<b>Total Expenses</b>	<u>18,803,454</u>	<u>17,722,272</u>
<b>Change in Net Position</b>	4,733,218	5,397,469
Beginning net position	<u>36,527,773</u>	<u>31,130,304</u>
<b>Ending Net Position</b>	<u>\$ 41,260,991</u>	<u>\$ 36,527,773</u>

**San Jacinto County, Texas**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*  
September 30, 2022

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

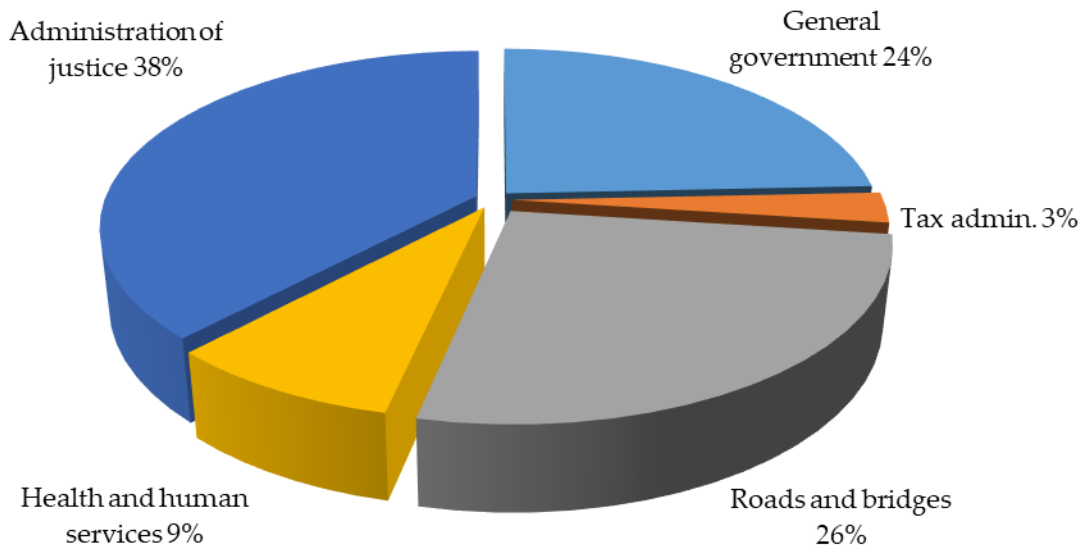
**Governmental Revenues**



Total governmental revenues increased by \$416,931 or 2% from the prior year. Charges for services decreased by \$659,208 or 20% primarily as a result of lower inmate housing income in the current year. Tax revenue increased by \$1,032,342 or 7% primarily due to greater appraised values and greater collections in the current year. Other revenues increased by \$127,734 or 28% primarily due to an increase in hotel income and nonrecurring miscellaneous reimbursements in the current year.

**San Jacinto County, Texas**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*  
September 30, 2022

## Governmental Expenses



Total governmental expenses increased by \$1,081,182 or 6% from the prior year. General government expenses increased by \$1,086,955 or 31% primarily due to nonrecurring miscellaneous expense incurred by the American Rescue Plan fund in the current year. In addition to nonrecurring increase in software maintenance in the current year. Administration of justice expenses decreased by \$422,435 or 6% primarily due to a decrease in medical supplies and first aid costs, and a decrease in pension expenses allocated to this department in the current year. Health and human services expenses increased by \$256,179 or 19% primarily due to allocation of current year pension charges. Interest and fiscal charges decreased by \$25,053 or 94% primarily as a result of long-term obligations maturing in the current year and others approaching maturity. All other expenses remained relatively consistent compared to the prior year.

### Financial Analysis of Governmental Funds

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

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

**San Jacinto County, Texas**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*  
**September 30, 2022**

The County's governmental funds reflect a combined fund balance of \$16,771,148. Of this, \$4,440,787 is unassigned and available for day-to-day operations of the County, \$3,246,728 is restricted for American Rescue Plan grant expenditures, \$3,270,312 is restricted for road and bridges, and \$413,423 is restricted for debt service. The restricted fund balance for special revenue funds is \$5,332,792. The County has nonspendable funds of \$67,106 that consists of prepaid items.

There was an increase in the combined governmental fund balance of \$2,459,506 over the prior year. Included in this change is an increase of \$443,967 in the American Rescue Plan fund, an increase in nonmajor governmental funds of \$544,931, and an increase of \$1,470,608 in the general fund.

The general fund reflected an ending fund balance of \$5,290,797, which represents an increase of \$1,470,608 from the prior year. The increase is primarily a result of greater than anticipated revenues and less than expected expenditures.

The American Rescue Plan reflected an ending fund balance of \$3,246,728 and increased by \$443,967. The increase was due to revenues exceeding expenses and transfers out in the current year.

**General Fund Budgetary Highlights**

Actual general fund revenues were over final budgeted revenues by \$186,466 during the year. This variance is primarily attributable to property taxes, sales taxes, fines and forfeitures, licenses and permits, investment income, rents and royalties, and other revenues exceeding projections. Actual general fund expenditures were under the final budgeted expenditures by \$1,083,940. No expenditures exceeded appropriations at the legal level of control.

**Capital Assets**

At the end of the year, the County's governmental activities funds had invested \$23,629,347 in a variety of capital assets and infrastructure, net of depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34.

# San Jacinto County, Texas

## *MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*

September 30, 2022

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

- Improvements to the animal shelter totaling \$25,500.
- CDBG Harvey Recovery Project round one improvements totaling \$2,043,855.
- Improvements to Precinct one shop building for \$25,383.
- Installed a concrete pad for the maintenance building \$25,383.
- Various road improvements totaling \$983,975.
- Purchased a mini excavator for \$69,481.
- Purchased a dump truck for \$161,720.
- Purchased a John Deere Track loader for \$91,900.
- Purchased a John Deere Utility Tractor for \$71,660.
- Purchased a 2021 Dodge Charger for \$41,506.

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

### **Long-Term Debt**

At the end of the year, the County reported outstanding bond and tax note issuances of \$1,000,000. Principal payments on these issuances of \$671,555 were made during the year. Note payable obligations amounted to \$67,321 at the end of the current year.

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

### **Economic Factors**

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

### **Requests for Information**

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



## ***BASIC FINANCIAL STATEMENTS***

# San Jacinto County, Texas

## STATEMENT OF NET POSITION

September 30, 2022

	<u>Primary Government Governmental Activities</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash and cash equivalents	\$ 16,955,589
Investments	1,665,741
Receivables, net	2,753,655
Due from fiduciary funds	749
Prepaid items	67,106
Total Current Assets	<u>21,442,840</u>
Non-Current Assets:	
Net pension asset	2,923,554
Nondepreciable capital assets	2,171,698
Capital assets (net of accumulated depreciation)	21,457,649
Total Noncurrent Assets	<u>26,552,901</u>
	<b>Total Assets</b>
	<u>47,995,741</u>
<b><u>Deferred Outflows of Resources</u></b>	
Pension contributions	485,729
Pension investment experience	49,438
OPEB changes in assumptions	87,693
	<b>Total Deferred Outflows of Resources</b>
	<u>622,860</u>



**San Jacinto County, Texas**  
**STATEMENT OF NET POSITION (Continued)**  
**September 30, 2022**

	<b>Primary Government</b>
	<b>Governmental Activities</b>
<b><u>Liabilities</u></b>	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 2,044,336
Accrued interest payable	1,509
Compensated absences, current	289,882
Long-term debt due within one year	262,321
Total Current Liabilities	2,598,048
Non-Current Liabilities:	
OPEB liability	791,503
Compensated absences, noncurrent	32,209
Long-term debt due in more than one year	805,000
Total Noncurrent Liabilities	1,628,712
<b>Total Liabilities</b>	<b>4,226,760</b>
<b><u>Deferred Inflows of Resources</u></b>	
Pension investment earnings	3,047,164
Pension assumption changes	75,877
OPEB investment experience	7,809
<b>Total Deferred Inflows of Resources</b>	<b>3,130,850</b>
<b><u>Net Position</u></b>	
Net investment in capital assets	22,562,019
Restricted for net pension asset	335,680
Restricted	12,263,255
Unrestricted	6,100,037
<b>Total Net Position</b>	<b>\$ 41,260,991</b>

See Notes to Financial Statements.



# San Jacinto County, Texas

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
General government	\$ 4,569,765	\$ 22,605	\$ 803,927	\$ 2,802,761	\$ (940,472)
Tax administration	516,751	-	-	-	(516,751)
Roads and bridges	4,965,718	660,012	-	765,952	(3,539,754)
Health and human services	1,613,877	703,880	248,231	-	(661,766)
Administration of justice	7,135,830	1,302,120	-	-	(5,833,710)
Interest and fiscal agent fees on long-term debt	1,512	-	-	-	(1,512)
<b>Total Governmental Activities</b>	<b>18,803,454</b>	<b>2,688,617</b>	<b>1,052,158</b>	<b>3,568,713</b>	<b>(11,493,966)</b>
<b>Total Primary Government</b>	<b>\$ 18,803,454</b>	<b>\$ 2,688,617</b>	<b>\$ 1,052,158</b>	<b>\$ 3,568,713</b>	<b>(11,493,966)</b>
<b>General Revenues:</b>					
Property taxes					14,735,319
Sales taxes					848,512
Investment income					28,785
Rents and royalties					28,596
Other revenues					585,972
				<b>Total General Revenues</b>	<b>16,227,184</b>
				<b>Change in Net Position</b>	<b>4,733,218</b>
				Beginning net position	<b>36,527,773</b>
				<b>Ending Net Position</b>	<b>\$ 41,260,991</b>

See Notes to Financial Statements.



# San Jacinto County, Texas

## BALANCE SHEET

### GOVERNMENTAL FUNDS

September 30, 2022

	General	American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 5,385,629	\$ 3,246,728	\$ 8,323,232	\$ 16,955,589
Investments	1,406,949	-	258,792	1,665,741
Receivables, net	1,738,456	-	1,015,199	2,753,655
Due from other funds	-	-	1,232,568	1,232,568
Due from fiduciary fund	749	-	-	749
Prepaid items	67,106	-	-	67,106
<b>Total Assets</b>	<b>\$ 8,598,889</b>	<b>\$ 3,246,728</b>	<b>\$ 10,829,791</b>	<b>\$ 22,675,408</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 1,232,057	\$ -	\$ 812,279	\$ 2,044,336
Due to other funds	463,878	-	768,690	1,232,568
<b>Total Liabilities</b>	<b>1,695,935</b>	<b>-</b>	<b>1,580,969</b>	<b>3,276,904</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	1,612,157	-	1,009,764	2,621,921
Unavailable revenue - grants	-	-	5,435	5,435
<b>Total Deferred Inflows of Resources</b>	<b>1,612,157</b>	<b>-</b>	<b>1,015,199</b>	<b>2,627,356</b>
<b><u>Fund Balances</u></b>				
Nonspendable:				
Prepaid insurance	67,106	-	-	67,106
Restricted:				
Debt service	-	-	413,423	413,423
Roads and bridges	-	-	3,270,312	3,270,312
American Rescue Plan	-	3,246,728	-	3,246,728
Special revenue funds	-	-	5,332,792	5,332,792
Unassigned	5,223,691	-	(782,904)	4,440,787
<b>Total Fund Balances</b>	<b>5,290,797</b>	<b>3,246,728</b>	<b>8,233,623</b>	<b>16,771,148</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 8,598,889</b>	<b>\$ 3,246,728</b>	<b>\$ 10,829,791</b>	<b>\$ 22,675,408</b>

See Notes to Financial Statements.

**San Jacinto County, Texas**  
**RECONCILIATION OF THE BALANCE SHEET**  
**OF THE GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**September 30, 2022**

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

Total fund balances - governmental funds	\$	16,771,148
Capital assets used in governmental activities are not current financial resources and therefore not reported in the governmental funds.		
Nondepreciable capital assets		2,171,698
Depreciable capital assets		232,194,115
Accumulated depreciation		(210,736,466)
Net pension assets are not reported in the governmental funds.		2,923,554
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as:		
Unavailable revenue - property taxes		2,621,921
Unavailable revenue - grants		5,435
Deferred outflows of resources represent a consumption of net position that applies to a future period and is not recognized as an outflow of resources (expense/expenditures) until then		
Pension contributions		485,729
Pension investment experience		49,438
OPEB changes in assumptions		87,693
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not recognized as an outflow of resources (revenues) until then		
Pension investment earnings		(3,047,164)
Pension assumption changes		(75,877)
OPEB investment experience		(7,809)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest payable		(1,509)
Bonds, capital leases, & other liabilities		(1,067,321)
OPEB liability		(791,503)
Compensated absences		(322,091)
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>41,260,991</b>

See Notes to Financial Statements.

# San Jacinto County, Texas

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

For the Year Ended September 30, 2022

	General	American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 10,411,897	\$ -	\$ 4,028,675	\$ 14,440,572
Sales taxes	815,676	-	32,836	848,512
Licenses and permits	251,007	-	1,080,416	1,331,423
Fines and forfeitures	937,276	-	302,854	1,240,130
Charges for services	57,095	-	59,969	117,064
Intergovernmental revenue	248,231	2,802,761	2,944,519	5,995,511
Investment income	19,404	3,229	6,152	28,785
Rents and royalties	28,596	-	-	28,596
Other revenue	99,500	-	264,252	363,752
<b>Total Revenues</b>	12,868,682	2,805,990	8,719,673	24,394,345
<b>Expenditures</b>				
<b>Current:</b>				
General government	3,213,937	842,792	2,340,516	6,397,245
Tax administration	516,344	-	-	516,344
Health and human services	657,839	-	972,526	1,630,365
Administration of justice	6,944,186	-	462,454	7,406,640
Roads and bridges	-	-	4,773,339	4,773,339
Capital outlay	146,350	-	620,962	767,312
<b>Debt Service:</b>				
Principal	-	-	671,555	671,555
Interest and fiscal charges	-	-	29,285	29,285
<b>Total Expenditures</b>	11,478,656	842,792	9,870,637	22,192,085
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	1,390,026	1,963,198	(1,150,964)	2,202,260
<b>Other Financing Sources (Uses)</b>				
Transfers in	369,231	-	1,768,149	2,137,380
Transfers (out)	(384,730)	(1,519,231)	(233,419)	(2,137,380)
Proceeds from sale of capital assets	96,081	-	161,165	257,246
<b>Total Other Financing Sources</b>	80,582	(1,519,231)	1,695,895	257,246
<b>Net Change in Fund Balances</b>	1,470,608	443,967	544,931	2,459,506
Beginning fund balances	3,820,189	2,802,761	7,688,692	14,311,642
<b>Ending Fund Balances</b>	\$ 5,290,797	\$ 3,246,728	\$ 8,233,623	\$ 16,771,148

See Notes to Financial Statements.





**San Jacinto County, Texas**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**September 30, 2022**

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

Net changes in fund balances - total government funds	\$ 2,459,506
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>	
Capital outlay	3,648,952
Depreciation expense	(1,730,920)
Net effect of capital asset disposals	(35,026)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Unavailable revenue - property taxes	294,747
Unavailable revenue - grant revenue	(1,374,640)
<p>Bonds and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.</p>	
Principal payments	671,555
Deferred charge on refunding	(5,478)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This adjustment reflects the net change in interest payable on the accrual basis of accounting and the net change in compensated absences.</p>	
OPEB expense	(63,211)
Pension expense	591,147
Compensated absences	243,335
Amortization expense - bond premium	30,582
Accrued interest	2,669
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 4,733,218</b>

See Notes to Financial Statements.

**San Jacinto County, Texas**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**September 30, 2022**

	<u>Custodial Funds</u>	<u>District Clerk's Custodial Fund</u>	<u>District Clerk's Escrow</u>	<u>Sheriff's Commissary Fund</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 1,974,377	\$ 2,927,659	\$ 108,700	\$ -
Due from primary government	-	-	1,000	-
<b>Total Assets</b>	<u>\$ 1,974,377</u>	<u>\$ 2,927,659</u>	<u>\$ 109,700</u>	<u>\$ -</u>
<b><u>Liabilities</u></b>				
Due to primary government	\$ -	\$ -	\$ -	\$ 1,088
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,088</u>
<b><u>Net Position</u></b>				
Restricted for:				
Public safety	-	-	-	
Unrestricted	1,974,377	2,927,659	109,700	(1,088)
<b>Total Net Position</b>	<u>\$ 1,974,377</u>	<u>\$ 2,927,659</u>	<u>\$ 109,700</u>	<u>\$ (1,088)</u>

See Notes to Financial Statements.

<u>Memorial Wall Fund</u>	<u>Total Custodial Funds</u>
\$ 661	\$ 5,011,397
-	1,000
<u>\$ 661</u>	<u>\$ 5,012,397</u>
\$ 661	\$ 1,749
<u>\$ 661</u>	<u>\$ 1,749</u>
-	-
-	5,010,648
<u>\$ -</u>	<u>\$ 5,010,648</u>

# San Jacinto County, Texas

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the Year Ended September 30, 2022

	Custodial Funds	District Clerk's Custodial Fund	District Clerk's Escrow	Sheriff's Commissary Fund
<b><u>Additions</u></b>				
Commissary revenue	\$ -	\$ -	\$ -	\$ 17,628
Fees	10,911,231	1,362,830	-	-
<b>Total Additions</b>	10,911,231	1,362,830	-	17,628
 <b><u>Deductions</u></b>				
Commissary expenses	-	-	-	27,785
Fee release	10,009,739	275,987	-	-
<b>Total Deductions</b>	10,009,739	275,987	-	27,785
<b>Change in Net Position</b>	901,492	1,086,843	-	(10,157)
Beginning net position	1,072,885	1,840,816	109,700	9,069
<b>Ending Net Position</b>	\$ 1,974,377	\$ 2,927,659	\$ 109,700	\$ (1,088)

<b>Memorial Wall Fund</b>	<b>Total Custodial Funds</b>
\$ -	\$ 17,628
-	12,274,061
-	12,291,689
-	27,785
-	10,285,726
-	10,313,511
-	1,978,178
-	3,032,470
\$ -	\$ 5,010,648



**San Jacinto County, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of government-wide financial statements**

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

**B. Reporting entity**

San Jacinto County, Texas, (the “County”) is a public corporation and political subdivision of the State of Texas. The County is governed by an elected Commissioners Court, comprised of the County Judge and four Commissioners.

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

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

**San Jacinto County, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

**C. Basis of presentation – government-wide financial statements**

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

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

**D. Basis of presentation – fund financial statements**

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

The government reports the following major governmental funds:

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

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

Additionally, the government reports the following fund types:

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

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

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



# San Jacinto County, Texas

## NOTES TO THE FINANCIAL STATEMENTS

### For the Year Ended September 30, 2022

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

#### E. Measurement focus and basis of accounting

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

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

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

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

**San Jacinto County, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

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

**F. Budgetary information**

**1. Budgetary basis of accounting**

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

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

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

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

**1. Cash and cash equivalents**

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

**2. Investments**

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

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

- (1) obligations of the United States or its agencies and instrumentalities;
- (2) direct obligations of the State of Texas or its agencies and instrumentalities;
- (3) collateral mortgage obligations although significantly limited;

**San Jacinto County, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

(4) other obligations, the principal and interest on which are unconditionally guaranteed or insured or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities;

(5) obligations of state, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than A or its equivalent;

(6) certificates of deposit issued by state and national banks or savings and loan domiciled in Texas which are:

(a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor;  
or

(b) secured by obligations of paragraphs (1) to (5) above and that have a market value of not less than the principal amount of the certificates but excluding certain mortgage-backed securities;

(c) fully collateralized repurchase agreements, bankers' acceptances, commercial paper, mutual funds, guaranteed investment contracts, and investment pools all of which are required to meet certain restrictive criteria.

**3. *Capital Assets***

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

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

**San Jacinto County, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives.

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

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

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

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

**5. *Net position flow assumptions***

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

**San Jacinto County, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

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

**6. *Fund balance flow assumptions***

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

**7. *Fund balance policies***

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

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

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

**San Jacinto County, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

**8. Pensions**

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

**9. Other Postemployment Benefits**

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

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

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

**San Jacinto County, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

**H. Revenues and expenditures/expenses**

1. *Program revenues*

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

2. *Property taxes*

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

3. *Compensated absences*

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

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

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

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

Appropriations lapse at the end of the year. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, special revenue funds, debt service fund, capital projects fund, and grant funds. Several supplemental budget appropriations were made for the year ended September 30, 2022. Current year expenditures did not exceed appropriations at the legal level of control.

**San Jacinto County, Texas**  
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**A. Deficit Fund Equity**

The following funds had a deficit fund balance as of September 30, 2022 due to cumulative expenditures exceeding cumulative revenues. The deficit balances will be eliminated in the future with transfers from other funds and grant reimbursements.

	<b>Deficit Fund Balance</b>
CDBG Hurricane Harvey	\$ 19,530
FEMA DR 4269	304,532
JP Technology	10,990
Courthouse Security	15,026
DETCOG	186
Savin Grant Control	6,708
FEMA DR 4223	352,356
DEA Cannabis Grant	14,627
CTIF Grant	1,445
Community Building	57,504
<b>Total</b>	<b>\$ 782,904</b>

**III.DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of September 30, 2022, the County had the following investments:

<b>Investment Type</b>	<b>Value</b>	<b>Weighted Average Maturity (Days)</b>
External investment pool (TexPool)	\$ 1,331,185	25 days
External investment pool (Texas Class)	5,413	31 days
Certificates of deposits	1,665,741	272 days
	<b>\$ 3,002,339</b>	
Portfolio weighted average maturity		109 days

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

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



# San Jacinto County, Texas

## NOTES TO THE FINANCIAL STATEMENTS

### For the Year Ended September 30, 2022

quality by a nationally recognized investment rating firm not less than A or its equivalent. As of September 30, 2022, the County's investments in TexPool and Texas CLASS was rated AAAM by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States government.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2022, market values of pledged securities and FDIC insurance exceeded bank balances.

#### **TexPool**

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

#### **Texas CLASS**

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

**San Jacinto County, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**B. Receivables**

The following comprise receivable balances at year end:

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Property taxes	\$ 1,695,971	\$ 124,346	\$ 1,820,317
Sales taxes	126,300	-	126,300
Road & bridge taxes	-	619,554	619,554
Intergovernmental	-	304,532	304,532
Other receivables	-	5,435	5,435
Less allowance	(83,815)	(38,668)	(122,483)
	<u>\$ 1,738,456</u>	<u>\$ 1,015,199</u>	<u>\$ 2,753,655</u>

**C. Capital Assets**

A summary of changes in capital assets for the year ended September 30, 2022, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases/ Transfers)</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 2,030,081	\$ -	\$ -	\$ 2,030,081
Construction in progress	2,103,468	2,082,165	(4,044,016)	141,617
Total capital assets not being depreciated	<u>4,133,549</u>	<u>2,082,165</u>	<u>(4,044,016)</u>	<u>2,171,698</u>
Other capital assets:				
Infrastructure	203,681,989	983,976	-	204,665,965
Buildings & improvements	10,622,334	49,983	4,044,016	14,716,333
Machinery & equipment	12,972,291	532,828	(693,302)	12,811,817
Total other capital assets	<u>227,276,614</u>	<u>1,566,787</u>	<u>3,350,714</u>	<u>232,194,115</u>
Less accumulated depreciation for:				
Infrastructure	(195,844,442)	(737,656)	-	(196,582,098)
Buildings & improvements	(3,904,076)	(270,071)	-	(4,174,147)
Machinery & equipment	(9,915,304)	(723,193)	658,276	(9,980,221)
Total accumulated depreciation	<u>(209,663,822)</u>	<u>(1,730,920)</u>	<u>658,276</u>	<u>(210,736,466)</u>
Other capital assets, net	<u>17,612,792</u>	<u>(164,133)</u>	<u>4,008,990</u>	<u>21,457,649</u>
<b>Total</b>	<u>\$ 21,746,341</u>	<u>\$ 1,918,032</u>	<u>\$ (35,026)</u>	<u>\$ 23,629,347</u>

**San Jacinto County, Texas**  
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Depreciation was charged to governmental functions as follows:

General Government	\$ 271,871
Tax administration	407
Health and human services	10,543
Administration of justice	328,509
Roads and bridges	1,010,263
Capital outlay	109,327
<b>Total Governmental Activities Depreciation Expense</b>	<u><u>\$ 1,730,920</u></u>

**D. Deferred Charge on Refunding**

A deferred charge resulting from the issuance of the 2016 general obligation refunding bonds has been recorded as a deferred outflow of resources and is being amortized to interest expense over the term of the refunded debt. Current year amortization expense for governmental activities totaled \$5,478. The deferred charge was fully amortized in the current year.

**E. Long-Term Debt**

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended September 30, 2022. In general, the County uses the debt service fund to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Refunding Bond	\$ 435,000	\$ -	\$ (435,000)	\$ -	\$ -
Premium	30,582	-	(30,582)	-	-
Tax Notes	1,020,000	-	(20,000)	1,000,000	195,000
Note Payable	283,876	-	(216,555)	67,321	67,321
<b>Total Governmental Activities</b>	<u><u>\$ 1,769,458</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (702,137)</u></u>	<u><u>\$ 1,067,321</u></u>	<u><u>\$ 262,321</u></u>

Long-term liabilities due in more than one year \$ 805,000

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

In August 2016, the County issued \$2,025,000 worth of General Obligation Refunding bonds, bearing an annual interest rate ranging from 3.00% to 5.00%. Principal payments are due

**San Jacinto County, Texas**  
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annually on February 15 through February 2022. The bonds were fully paid off during the current year.

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

In March 2017, the County purchased voting machines for \$381,524. Annual payments of \$80,967 (principal and interest) are due through March 2022. The lease bears interest of 2.01%. The note payable was fully paid off in the current year.

In September 2018, the County purchased a Gradall excavator for \$321,125. Annual payments of \$70,004 (principal and interest) are due through September 2023. The lease bears interest of 2.90%.

In September 2017, the County purchased a piece of Gradall machinery equipment for \$337,902. Annual payments of \$72,986 (principal and interest) are due through September 2022. The lease bears interest of 2.59%. The note payable was fully paid off in the current year.

Long-term debt obligations of the County as of September 30, 2022, are as follows:

Tax Notes			
Fiscal Year	Principal	Interest	Total
2023	\$ 195,000	\$ 9,837	\$ 204,837
2024	200,000	7,685	207,685
2025	200,000	5,505	205,505
2026	200,000	3,325	203,325
2027	205,000	1,117	206,117
<b>Total</b>	\$ 1,000,000	\$ 27,469	\$ 1,027,469

Note Payables			
Fiscal Year	Principal	Interest	Total
2023	\$ 67,321	\$ 2,676	\$ 69,997
<b>Total</b>	\$ 67,321	\$ 2,676	\$ 69,997

**San Jacinto County, Texas**  
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**F. Other Long-term Liabilities**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 565,426	\$ 38,258	\$ (281,593)	\$ 322,091	\$ 289,882
<b>Total Governmental Activities</b>	<u>\$ 565,426</u>	<u>\$ 38,258</u>	<u>\$ (281,593)</u>	<u>\$ 322,091</u>	<u>\$ 289,882</u>
<b>Long-term Liabilities Due in More than One Year</b>				<u>\$ 32,209</u>	

**G. Interfund Transactions**

Operating transfers between the primary governmental funds during the 2022 year were as follows:

<u>Transfer Out:</u>	<u>Transfers In:</u>		<u>Total</u>
	<u>General</u>	<u>Nonmajor Govt.</u>	
General	\$ -	\$ 384,730	\$ 384,730
American Rescue Plan	369,231	1,150,000	1,519,231
Nonmajor governmental	-	233,419	233,419
<b>Total</b>	<u>\$ 369,231</u>	<u>\$ 1,768,149</u>	<u>\$ 2,137,380</u>

The composition of interfund balances as of September 30, 2022, is as follows:

<u>Due to (Payable fund):</u>	<u>Due from (Receivable fund):</u>	
	<u>Nonmajor govt.</u>	<u>Total</u>
General Fund	\$ 463,878	\$ 463,878
Nonmajor governmental	768,690	768,690
	<u>\$ 1,232,568</u>	<u>\$ 1,232,568</u>

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

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**H. Restricted Net Position and Fund Balance**

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

Nonspendable for:	
Prepaid insurance	\$ 67,106
Restricted for:	
Debt service	\$ 413,423
Roads and bridges	3,270,312 *
American Rescue Plan	3,246,728
Special revenue funds	5,332,792 *
<b>Total Restricted</b>	<b>\$ 12,263,255</b>

\*Restricted by enabling legislation or grant restrictions

**IV. OTHER INFORMATION**

**A. Risk Management**

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

The County reports liabilities when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, and amount of payout and other economic and social factors. The liability for claims and judgments is reported in the government-wide financial statements because it is not expected to be liquidated with expendable available financial resources. However, none are reported at September 30, 2022.

**San Jacinto County, Texas**  
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**B. Contingent Liabilities**

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

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

**C. Arbitrage**

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

**D. Defined Benefit Pension Plan**

**Plan Description**

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

**Benefits Provided**

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

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their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

**Funding Policy**

The County has elected the annually determined contribution rate (ACDR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 9.44% for the months of the accounting year in 2022 and 8.87% for the months of the accounting year in 2021.

The Commissioners’ Court adopted the rate of 7% as the contribution rate payable by the employee members for calendar year 2022. The Commissioners’ Court may change the employee contribution rate and the employer contribution rate within the options available in the TCDRS Act.

**Contributions (Fiscal Year)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Annual Req. Contribution (ARC)	\$ 659,017	\$ 635,500	\$ 597,384
Contributions Made	(659,017)	(635,500)	(597,384)
Excess / (Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Annual Pension Costs**

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

The required contribution rates for fiscal year 2022 were determined as part of the December 31, 2021 actuarial valuation.



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

Valuation Date	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percent of payroll, closed	Level Percent of payroll, closed	Level Percent of payroll, closed
Amortization Period in years	9.9 years	20.0 years	18.8 years
Asset Valuation Method	5-year Smoothed Fund	5-year Smoothed Fund	5-year Smoothed Fund
Actuarial Assumptions:			
Investment Rate of Return *	8.0%	7.6%	7.6%
Projected Salary Increases *	4.90%	4.60%	4.70%
* Includes Inflation at stated-rate	2.75%	2.50%	2.50%
Cost-of Living Adjustments	0.0%	0.0%	0.0%

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	145
Inactive employees entitled to but not yet receiving benefits	366
Active employees	<u>193</u>
Total	<u><u>704</u></u>

**Net Pension Liability**

The County's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

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**Actuarial assumptions:**

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	4.7% per year depending on experience
Investment Rate of Return	7.6%, net of pension plan investment expense, including inflation

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

Actuarial assumptions used in the December 31, 2021, valuation were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 68.

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

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

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

<b>Asset Class</b>	<b>Benchmark</b>	<b>Target Allocation (1)</b>	<b>Geometric Real Rate of Return (Expected minus inflation) (2)</b>
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	6.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
International Equities – Developed	MSCI World Ex USA (net)	5.00%	3.80%
International Equities – Emerging	MSCI Emerging Markets (net)	6.00%	4.30%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	4.50%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	3.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	5.10%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day US Treasury	2.00%	-1.05%

(1) Target asset allocation adopted at the March 2022 TCDRS Board meeting.

(2) Geometric real rates of return in addition to assumed inflation of 2.6%, per Cliffwater's 2022 capital market assumptions.

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

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

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

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**Discount Rate:**

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

**Changes in the Net Pension (Asset) Liability:**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension (Assets) Liability (a) - (b)</b>
<b>Balance at 12/31/20</b>	\$ 22,749,736	\$ 22,220,776	\$ 528,960
Changes for the year:			
Service cost	868,340	-	868,340
Interest on total pension liability <sup>(1)</sup>	1,744,954	-	1,744,954
Changes of assumptions	(151,753)	-	(151,753)
Effect on economic/demographic gains or losses	98,876	-	98,876
Effect of assumptions changes or inputs	-	-	-
Refund on contributions	(264,474)	(264,474)	-
Benefit payments	(1,076,390)	(1,076,390)	-
Administrative expense	-	(14,549)	14,549
Member contributions	-	513,925	(513,925)
Net investment income	-	4,860,674	(4,860,674)
Employer contributions	-	651,661	(651,661)
Other <sup>(3)</sup>	-	1,220	(1,220)
<b>Balance at 12/31/21</b>	<b>\$ 23,969,289</b>	<b>\$ 26,892,843</b>	<b>\$ (2,923,554)</b>

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

(2) No plan changes valued.

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

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

The following presents the net pension liability (asset) of the County, calculated using the discount rate of 7.6%, as well as what the County's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.6%) or 1-percentage-point higher (8.6%) than the current rate:

1% Decrease 6.6%	Current Single Rate Assumption 7.6%	1% Increase 8.6%
\$ 100,068	\$ (2,923,554)	\$ (5,444,701)

**Pension Plan Fiduciary Net Position:**

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

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

For the year ended September 30, 2022, the County recognized pension expense of \$67,870.

At September 30, 2022, the County reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between projected and investment earnings	\$ -	\$ (3,047,164)
Differences between expected and actual economic experience	49,438	-
Differences in assumptions	-	(75,877)
Contributions subsequent to the measurement date	485,729	-
<b>Total</b>	<b>\$ 535,167</b>	<b>\$ (3,123,041)</b>

The County reported \$485,729 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2023.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

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

<b>Year Ended</b>	
<b>September 30:</b>	
2022	\$ (688,744)
2023	(1,021,798)
2024	(727,275)
2025	(635,786)
Thereafter	-
	\$ (3,073,603)

**Other Postemployment Benefits**

**Plan Description**

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

**Benefits Provided**

The benefits provided by this program are as follows:

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

**San Jacinto County, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

**Employees covered by benefit terms**

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	116
Inactive employees entitled to but not yet receiving benefits	84
Active employees	193
Total	393

**Contributions and Actuarial Information**

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

**Total OPEB Liability**

The District's Postemployment Benefits Other Than Pensions Liability for the benefit plan was measured as of December 31, 2021, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

**Actuarial assumptions:**

The Total OPEB Liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Discount Rate	2.06%
Amortization Method	Straight-line over expected working life

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

All actuarial assumptions that determined the total OPEB liability as of December 31, 2021 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75. The assumptions are

**San Jacinto County, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

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

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

The following presents the OPEB liability of the County, calculated using the discount rate of 2.06%, as well as what the County's OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.06%) or 1-percentage-point higher (3.06%) than the current rate:

<b>Discount Rate</b>		
<b>1% Increase</b>	<b>Current Discount Rate</b>	<b>1% Decrease</b>
<b>1.06%</b>	<b>2.06%</b>	<b>3.06</b>
\$ 957,345	\$ 791,503	\$ 665,798

**Changes in the Total OPEB Liability:**

	<b>Total OPEB Liability</b>
<b>Balance at 12/31/2020</b>	\$ 745,313
Changes for the year:	
Service Cost	30,384
Interest	16,243
Difference between expected and actual experience	6,515
Changes of assumptions	12,137
Benefit payments	(19,089)
Net changes	46,190
<b>Balance at 12/31/2021</b>	<b>\$ 791,503</b>

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

For the year ended September 30, 2022, the County recognized OPEB expense of \$82,300.



**San Jacinto County, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

At September 30, 2022, the County reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred (Inflows) of Resources</b>
Difference between expected and actual experience	\$ -	\$ (7,809)
Changes in assumptions	87,693	-
<b>Total</b>	<b>\$ 87,693</b>	<b>\$ (7,809)</b>

The County reported \$0 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2023.

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

<b>Year Ended December 31:</b>	
2021	\$ 33,294
2022	46,590
2023	-
2024	-
2022	-
	<b>\$ 79,884</b>

**E. Restatement**

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

	<b>Governmental Activities</b>	<b>Nonmajor Govt Funds</b>
Prior year ending net position/ fund balance, as reported	\$ 35,545,061	\$ 6,755,578
To correct for accounts payable accrual	(49,598)	(49,598)
To correct capital assets	49,598	-
To correct liability groupings	(3,400)	(3,400)
To correct old accounts payable	45,472	45,472
To correct deferred revenue	940,640	940,640
Restated beginning net position/fund balance	<b>\$ 36,527,773</b>	<b>\$ 7,688,692</b>

**San Jacinto County, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
**For the Year Ended September 30, 2022**

**F. Subsequent Events**

There were no material subsequent events through September 29, 2023, the date the financial statements were issued.

***REQUIRED SUPPLEMENTARY INFORMATION***



**San Jacinto County, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Property taxes	\$ 10,066,517	\$ 10,066,517	\$ 10,411,897	\$ 345,380
Sales taxes	549,900	549,900	815,676	265,776
Licenses and permits	176,250	176,250	251,007	74,757
Fines and forfeitures	859,350	859,350	937,276	77,926
Charges for services	293,030	293,030	57,095	(235,935)
Intergovernmental revenue	437,529	637,529	248,231	(389,298)
Investment income	13,940	13,940	19,404	5,464
Rents and royalties	16,000	16,000	28,596	12,596
Other revenue	69,700	69,700	99,500	29,800
<b>Total Revenues</b>	<u>12,482,216</u>	<u>12,682,216</u>	<u>12,868,682</u>	<u>186,466</u>
<b><u>Expenditures</u></b>				
General government	3,521,420	3,530,510	3,213,937	316,573
Tax administration	547,406	547,406	516,344	31,062
Health and human services	679,965	679,965	657,839	22,126
Administration of justice	7,383,222	7,383,222	6,944,186	439,036
Capital outlay	221,493	421,493	146,350	275,143
<b>Total Expenditures</b>	<u>12,353,506</u>	<u>12,562,596</u>	<u>11,478,656</u>	<u>1,083,940</u>
<b>Excess (Deficiency) of Revenues</b> <b>Over (Under) Expenditures</b>	<u>128,710</u>	<u>119,620</u>	<u>1,390,026</u>	<u>1,270,406</u>
<b><u>Other Financing Sources</u></b>				
<b><u>(Uses)</u></b>				
Transfers in	-	-	369,231	369,231
Transfers (out)	(384,730)	(384,730)	(384,730)	-
Proceeds from sale of capital assets	19,500	19,500	96,081	76,581
<b>Total Other Financing</b> <b>Sources (Uses)</b>	<u>(365,230)</u>	<u>(365,230)</u>	<u>80,582</u>	<u>445,812</u>
<b>Net Change in Fund Balance</b>	<u>\$ (236,520)</u>	<u>\$ (245,610)</u>	1,470,608	<u>\$ 1,716,218</u>
Beginning fund balance			<u>3,820,189</u>	
<b>Ending Fund Balance</b>			<u>\$ 5,290,797</u>	

**Notes to Required Supplementary Information**

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

# San Jacinto County, Texas

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

For the Year Ended December 31,

	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 868,340	\$ 803,784	\$ 749,935	\$ 730,507
Interest	1,744,954	1,671,802	1,570,712	1,477,959
Effect of plan changes	-	-	-	-
Differences between expected and actual experience	98,876	(145,779)	101,195	84,719
Changes of assumptions	(151,753)	1,212,180	-	-
Benefit payments, including refunds of participant contributions	(1,340,864)	(1,232,010)	(1,223,478)	(1,113,699)
<b>Net change in total pension liability</b>	<b>1,219,553</b>	<b>2,309,977</b>	<b>1,198,364</b>	<b>1,179,486</b>
<b>Total pension liability - beginning</b>	<b>\$ 22,749,736</b>	<b>\$ 20,439,759</b>	<b>\$ 19,241,395</b>	<b>\$ 18,061,909</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 23,969,289</b>	<b>\$ 22,749,736</b>	<b>\$ 20,439,759</b>	<b>\$ 19,241,395</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 651,661	\$ 624,958	\$ 565,024	\$ 539,317
Contributions - members	513,925	484,411	464,765	432,443
Net investment income	4,860,674	2,093,544	2,889,089	(338,576)
Benefit payments, including refunds of participant contributions	(1,340,864)	(1,232,010)	(1,223,478)	(1,113,699)
Administrative expenses	(14,549)	(16,259)	(15,445)	(14,130)
Other	1,220	(1,621)	(3,808)	(2,497)
<b>Net change in plan fiduciary net position</b>	<b>4,672,067</b>	<b>1,953,023</b>	<b>2,676,147</b>	<b>(497,142)</b>
<b>Plan fiduciary net position - beginning</b>	<b>22,220,776</b>	<b>20,267,753</b>	<b>17,591,606</b>	<b>18,088,748</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 26,892,843</b>	<b>\$ 22,220,776</b>	<b>\$ 20,267,753</b>	<b>\$ 17,591,606</b>
<b>Fund's net pension liability - ending (a) - (b)</b>	<b>(\$ (2,923,554))</b>	<b>\$ 528,960</b>	<b>\$ 172,006</b>	<b>\$ 1,649,789</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	112.20%	97.67%	99.16%	91.43%
<b>Covered payroll</b>	\$ 7,341,792	\$ 6,290,153	\$ 6,639,497	\$ 6,177,753
<b>Fund's net position as a percentage of covered payroll</b>	-39.82%	8.41%	2.59%	26.71%

### Notes to schedule:

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined employer contributions	\$ 659,017	\$ 635,500	\$ 597,384	\$ 557,347
Contributions in relation to the actuarially determined contribution	<u>\$ 659,017</u>	<u>\$ 635,500</u>	<u>\$ 597,384</u>	<u>\$ 557,347</u>
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 7,099,073	\$ 7,131,289	\$ 6,700,998	\$ 6,511,681
Employer contributions as a percentage of covered payroll	9.28%	8.91%	8.91%	8.56%

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

**NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN**

**Valuation Date:**

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

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	18.8years
Asset Valuation Method	5 Year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average, including inflation
Investment Rate of Return	7.50%
Retirement Age	Members who are eligible for service retirement age are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.

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



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

# San Jacinto County, Texas

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

Year Ended:

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Total OPEB liability				
Service cost	\$ 30,384	\$ 29,718	\$ 19,269	\$ 20,045
Interest	16,243	18,397	21,271	19,378
Differences between expected and actual experience	6,515	(13,272)	(8,564)	(10,455)
Changes of assumptions	12,137	78,506	128,892	(56,039)
Benefit payments, including refunds of participant contributions	(19,089)	(19,376)	(17,927)	(15,444)
<b>Net change in total OPEB liability</b>	<u>46,190</u>	<u>93,973</u>	<u>142,941</u>	<u>(42,515)</u>
<b>Total OPEB liability - beginning</b>	<u>\$ 745,313</u>	<u>\$ 651,340</u>	<u>\$ 508,399</u>	<u>\$ 550,914</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 791,503</u></u>	<u><u>\$ 745,313</u></u>	<u><u>\$ 651,340</u></u>	<u><u>\$ 508,399</u></u>
<b>Covered payroll</b>	\$ 7,341,792	\$ 6,920,153	\$ 6,639,497	\$ 6,177,753
<b>County's total OPEB liability as a percentage of covered payroll</b>	10.78%	10.77%	9.81%	8.23%

**Notes to schedule:**

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

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

12/31/2017 <sup>1</sup>

\$ 23,409  
19,911

(10,650)  
22,550

(15,148)

40,072

\$ 510,842

\$ 550,914 <sup>2</sup>

\$ 6,059,030

9.09%



***COMBINING STATEMENTS  
AND SCHEDULES***

**San Jacinto County, Texas**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 1)**  
**September 30, 2022**

	Special Revenue Funds			
	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 1,117,478	\$ 459,983	\$ 1,003,829	\$ 778,642
Investments	79,442	128,009	4	51,337
Receivables, net	135,372	135,372	158,916	158,916
Due from other funds	4,521	14,457	17,987	5,438
<b>Total Assets</b>	<b>\$ 1,336,813</b>	<b>\$ 737,821</b>	<b>\$ 1,180,736</b>	<b>\$ 994,333</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued expenses	\$ 128,052	\$ 28,316	\$ 104,352	\$ 130,095
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>128,052</b>	<b>28,316</b>	<b>104,352</b>	<b>130,095</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	135,372	135,372	158,916	158,916
<b>Total Deferred Inflows</b>	<b>135,372</b>	<b>135,372</b>	<b>158,916</b>	<b>158,916</b>
<b><u>Fund Balances</u></b>				
Restricted	1,073,389	574,133	917,468	705,322
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>1,073,389</b>	<b>574,133</b>	<b>917,468</b>	<b>705,322</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,336,813</b>	<b>\$ 737,821</b>	<b>\$ 1,180,736</b>	<b>\$ 994,333</b>

See Notes to Financial Statements.

**Special Revenue Funds**

<b>Hurricane Harvey DR 4332</b>	<b>National Forest Funds</b>	<b>CDBG Hurricane Harvey</b>	<b>Seizure Holdings</b>	<b>LEOSE</b>	<b>JP Technology Fund</b>	<b>Seizure Fund</b>
\$ 92,488	\$ 298,709	\$ -	\$ 274,512	\$ 47,720	\$ -	\$ 7,955
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,021	-	-	-	-	-	-
<u>\$ 93,509</u>	<u>\$ 298,709</u>	<u>\$ -</u>	<u>\$ 274,512</u>	<u>\$ 47,720</u>	<u>\$ -</u>	<u>\$ 7,955</u>
\$ 475	\$ -	\$ -	\$ 130,371	\$ -	\$ 177	\$ -
-	-	19,530	-	-	10,813	-
<u>475</u>	<u>-</u>	<u>19,530</u>	<u>130,371</u>	<u>-</u>	<u>10,990</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
93,034	298,709	-	144,141	47,720	-	7,955
-	-	(19,530)	-	-	(10,990)	-
<u>93,034</u>	<u>298,709</u>	<u>(19,530)</u>	<u>144,141</u>	<u>47,720</u>	<u>(10,990)</u>	<u>7,955</u>
<u>\$ 93,509</u>	<u>\$ 298,709</u>	<u>\$ -</u>	<u>\$ 274,512</u>	<u>\$ 47,720</u>	<u>\$ -</u>	<u>\$ 7,955</u>

**San Jacinto County, Texas**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 2)**  
**September 30, 2022**

	Special Revenue Funds			
	Credit			
	CHS Fund	Card Account	RAF Co. Clerk	RAF Dist. Clerk
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 55,019	\$ 10,069	\$ 27,071	\$ 16,939
Investments	-	-	-	-
Receivables, net	-	-	-	-
Due from other funds	-	-	9,234	1,434
<b>Total Assets</b>	<b>\$ 55,019</b>	<b>\$ 10,069</b>	<b>\$ 36,305</b>	<b>\$ 18,373</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued expenses	\$ 66	\$ 10,069	\$ 20,597	\$ 2,441
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>66</b>	<b>10,069</b>	<b>20,597</b>	<b>2,441</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
<b>Total Deferred Inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted	54,953	-	15,708	15,932
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>54,953</b>	<b>-</b>	<b>15,708</b>	<b>15,932</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 55,019</b>	<b>\$ 10,069</b>	<b>\$ 36,305</b>	<b>\$ 18,373</b>

See Notes to Financial Statements.



**Special Revenue Funds**

<b>Dist. Clerk Criminal Fund</b>	<b>Hot Check Account</b>	<b>Law Library</b>	<b>Records Preservation</b>	<b>County Clerk RP</b>	<b>District Clerk RP</b>	<b>Courthouse Security</b>
\$ 2,307	\$ 22,101	\$ 46,570	\$ 189,762	\$ 42,742	\$ 22,613	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,895	-	-	-
<u>\$ 2,307</u>	<u>\$ 22,101</u>	<u>\$ 46,570</u>	<u>\$ 191,657</u>	<u>\$ 42,742</u>	<u>\$ 22,613</u>	<u>\$ -</u>
\$ -	\$ 3,686	\$ 1,346	\$ 3,277	\$ -	\$ 4	\$ 5,497
-	-	-	-	-	-	9,529
<u>-</u>	<u>3,686</u>	<u>1,346</u>	<u>3,277</u>	<u>-</u>	<u>4</u>	<u>15,026</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,307	18,415	45,224	188,380	42,742	22,609	-
-	-	-	-	-	-	(15,026)
<u>2,307</u>	<u>18,415</u>	<u>45,224</u>	<u>188,380</u>	<u>42,742</u>	<u>22,609</u>	<u>(15,026)</u>
\$ 2,307	\$ 22,101	\$ 46,570	\$ 191,657	\$ 42,742	\$ 22,613	\$ -

**San Jacinto County, Texas**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 3)**  
**September 30, 2022**

	Special Revenue Funds			
	EDC	Hotel Tax	Child	
			Abuse Prevention	Grant Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 12,775	\$ 123,222	\$ 46,423	\$ 4
Investments	-	-	-	-
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
<b>Total Assets</b>	<u>\$ 12,775</u>	<u>\$ 123,222</u>	<u>\$ 46,423</u>	<u>\$ 4</u>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ -	\$ 1,745	\$ -	\$ -
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>1,745</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
<b>Total Deferred Inflows</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted	12,775	121,477	46,423	4
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<u>12,775</u>	<u>121,477</u>	<u>46,423</u>	<u>4</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 12,775</u>	<u>\$ 123,222</u>	<u>\$ 46,423</u>	<u>\$ 4</u>

See Notes to Financial Statements.

**Special Revenue Funds**

<b>DETCOG</b>	<b>Title IV Foster</b>	<b>Savin Grant Control</b>	<b>Pre-trial Programs</b>	<b>Sheriff Cash Bond Account</b>	<b>Solid Waste Grant</b>	<b>DEA Cannabis Grant</b>
\$ -	\$ 32,891	\$ -	\$ 43,004	\$ 216,538	\$ 1,539	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	885
<u>\$ -</u>	<u>\$ 32,891</u>	<u>\$ -</u>	<u>\$ 43,004</u>	<u>\$ 216,538</u>	<u>\$ 1,539</u>	<u>\$ 885</u>
\$ -	\$ -	\$ -	\$ 600	\$ 99,522	\$ -	\$ 2,983
186	-	6,708	-	-	-	12,529
<u>186</u>	<u>-</u>	<u>6,708</u>	<u>600</u>	<u>99,522</u>	<u>-</u>	<u>15,512</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	32,891	-	42,404	117,016	1,539	-
(186)	-	(6,708)	-	-	-	(14,627)
<u>(186)</u>	<u>32,891</u>	<u>(6,708)</u>	<u>42,404</u>	<u>117,016</u>	<u>1,539</u>	<u>(14,627)</u>
\$ -	\$ 32,891	\$ -	\$ 43,004	\$ 216,538	\$ 1,539	\$ 885

**San Jacinto County, Texas**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 4)**  
**September 30, 2022**

	Special Revenue Funds			
	DA			
	Discretionary Fund	Historical Commission	2016 GLO Flood Grant	Polk Estate Settlement
<b>Assets</b>				
Cash and cash equivalents	\$ 13,673	\$ 56,082	\$ 102,403	\$ 298,511
Investments	-	-	-	-
Receivables, net	-	-	5,435	-
Due from other funds	-	-	-	-
<b>Total Assets</b>	<b>\$ 13,673</b>	<b>\$ 56,082</b>	<b>\$ 107,838</b>	<b>\$ 298,511</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - grants	-	-	5,435	-
Unavailable revenue - property taxes	-	-	-	-
<b>Total Deferred Inflows</b>	<b>-</b>	<b>-</b>	<b>5,435</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted	13,673	56,082	102,403	298,511
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>13,673</b>	<b>56,082</b>	<b>102,403</b>	<b>298,511</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 13,673</b>	<b>\$ 56,082</b>	<b>\$ 107,838</b>	<b>\$ 298,511</b>

See Notes to Financial Statements.

**Special Revenue Funds**

<b>Community Building</b>	<b>Elections</b>	<b>DA Seizures</b>	<b>SO Seizures</b>	<b>County Clerk E-File Checking</b>	<b>District Clerk E-File Checking</b>	<b>EDA Grant</b>
\$ -	\$ 59,025	\$ 197,115	\$ 16,704	\$ 20,832	\$ 59,573	\$ 1,240,750
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 59,025</u>	<u>\$ 197,115</u>	<u>\$ 16,704</u>	<u>\$ 20,832</u>	<u>\$ 59,573</u>	<u>\$ 1,240,750</u>
\$ 6,442	\$ -	\$ -	\$ -	\$ 20,832	\$ 59,573	\$ 1,462
51,062	-	-	-	-	-	-
<u>57,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,832</u>	<u>59,573</u>	<u>1,462</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	59,025	197,115	16,704	-	-	1,239,288
(57,504)	-	-	-	-	-	-
<u>(57,504)</u>	<u>59,025</u>	<u>197,115</u>	<u>16,704</u>	<u>-</u>	<u>-</u>	<u>1,239,288</u>
\$ -	\$ 59,025	\$ 197,115	\$ 16,704	\$ 20,832	\$ 59,573	\$ 1,240,750

**San Jacinto County, Texas**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 5)**  
**September 30, 2022**

	<u>Sanitation</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>COVID Relief</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 104,201	\$ 269,689	\$ 129	\$ 891,640
Investments	-	-	-	-
Receivables, net	-	116,656	-	-
Due from other funds	30,256	143,734	1,001,706	-
<b>Total Assets</b>	<b>\$ 134,457</b>	<b>\$ 530,079</b>	<b>\$ 1,001,835</b>	<b>\$ 891,640</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued expenses	\$ 50,299	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>50,299</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	-	116,656	-	-
<b>Total Deferred Inflows</b>	<b>-</b>	<b>116,656</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted	84,158	413,423	1,001,835	891,640
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>84,158</b>	<b>413,423</b>	<b>1,001,835</b>	<b>891,640</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 134,457</b>	<b>\$ 530,079</b>	<b>\$ 1,001,835</b>	<b>\$ 891,640</b>

See Notes to Financial Statements.

<b>FEMA Flood DR4223</b>	<b>CTIF Grant</b>	<b>FEMA Flood DR4269</b>	<b>Total Nonmajor Governmental</b>
\$ -	\$ -	\$ -	\$ 8,323,232
-	-	-	258,792
-	-	304,532	1,015,199
-	-	-	1,232,568
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304,532</u>	<u>\$ 10,829,791</u>
\$ -	\$ -	\$ -	\$ 812,279
352,356	1,445	304,532	768,690
<u>352,356</u>	<u>1,445</u>	<u>304,532</u>	<u>1,580,969</u>
-	-	-	5,435
-	-	304,532	1,009,764
<u>-</u>	<u>-</u>	<u>304,532</u>	<u>1,015,199</u>
-	-	-	9,016,527
(352,356)	(1,445)	(304,532)	(782,904)
<u>(352,356)</u>	<u>(1,445)</u>	<u>(304,532)</u>	<u>8,233,623</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304,532</u>	<u>\$ 10,829,791</u>

# San Jacinto County, Texas

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

### NONMAJOR GOVERNMENTAL FUNDS (page 1)

For the Year Ended September 30, 2022

	Special Revenue Funds			
	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
	No. 1	No. 2	No. 3	No. 4
<b>Revenues</b>				
Property taxes	\$ 849,931	\$ 782,956	\$ 927,917	\$ 997,746
Sales taxes	7,552	7,552	8,866	8,866
Licenses and permits	156,751	152,881	174,345	176,035
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	60,067	440,147	-	6,000
Investment income	1,494	904	526	1,036
Other revenue	11,255	-	-	53,616
<b>Total Revenues</b>	<b>1,087,050</b>	<b>1,384,440</b>	<b>1,111,654</b>	<b>1,243,299</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Health and human services	-	-	-	-
Administration of justice	-	-	-	-
Roads and bridges	1,082,744	1,104,020	1,225,805	1,149,629
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	63,611	71,660	110,840	70,319
<b>Total Expenditures</b>	<b>1,146,355</b>	<b>1,175,680</b>	<b>1,336,645</b>	<b>1,219,948</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(59,305)</b>	<b>208,760</b>	<b>(224,991)</b>	<b>23,351</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	27,975	472	118,651	14,067
Transfers in	-	-	-	-
Transfers (out)	(94,500)	(2,800)	(97,419)	(38,700)
<b>Total Other Financing Sources (Uses)</b>	<b>(66,525)</b>	<b>(2,328)</b>	<b>21,232</b>	<b>(24,633)</b>
<b>Net Change in Fund Balances</b>	<b>(125,830)</b>	<b>206,432</b>	<b>(203,759)</b>	<b>(1,282)</b>
Beginning fund balances	1,199,219	367,701	1,121,227	706,604
<b>Ending Fund Balances</b>	<b>\$ 1,073,389</b>	<b>\$ 574,133</b>	<b>\$ 917,468</b>	<b>\$ 705,322</b>

See Notes to Financial Statements.



**Special Revenue Funds**

<b>Hurricane Harvey DR 4332</b>	<b>National Forest Funds</b>	<b>CDBG Hurricane Harvey</b>	<b>Seizure Holdings</b>	<b>LEOSE</b>	<b>JP Technology Fund</b>	<b>Seizure Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	28,914	-	1,132	1,198
2,250	259,738	1,886,817	-	6,281	-	-
-	-	-	-	-	447	287
-	-	-	-	-	-	-
<u>2,250</u>	<u>259,738</u>	<u>1,886,817</u>	<u>28,914</u>	<u>6,281</u>	<u>1,579</u>	<u>1,485</u>
-	-	2,134,047	-	-	-	-
-	115,027	-	-	-	-	-
-	-	-	241,253	2,452	22,981	-
2,292	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,292</u>	<u>115,027</u>	<u>2,134,047</u>	<u>241,253</u>	<u>2,452</u>	<u>22,981</u>	<u>-</u>
<u>(42)</u>	<u>144,711</u>	<u>(247,230)</u>	<u>(212,339)</u>	<u>3,829</u>	<u>(21,402)</u>	<u>1,485</u>
-	-	-	-	-	-	-
-	-	227,700	-	-	-	-
-	-	-	-	-	-	-
-	-	227,700	-	-	-	-
<u>(42)</u>	<u>144,711</u>	<u>(19,530)</u>	<u>(212,339)</u>	<u>3,829</u>	<u>(21,402)</u>	<u>1,485</u>
<u>93,076</u>	<u>153,998</u>	<u>-</u>	<u>356,480</u>	<u>43,891</u>	<u>10,412</u>	<u>6,470</u>
<u>\$ 93,034</u>	<u>\$ 298,709</u>	<u>\$ (19,530)</u>	<u>\$ 144,141</u>	<u>\$ 47,720</u>	<u>\$ (10,990)</u>	<u>\$ 7,955</u>

**San Jacinto County, Texas**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS (page 2)**  
**For the Year Ended September 30, 2022**

	Special Revenue Funds			
	CHS Fund	Credit Card Account	RAF Co. Clerk	RAF Dist. Clerk
<b><u>Revenues</u></b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	280	-	90,525	8,629
Intergovernmental	-	-	-	-
Investment income	-	-	670	-
Other revenue	-	-	-	-
<b>Total Revenues</b>	<b>280</b>	<b>-</b>	<b>91,195</b>	<b>8,629</b>
<b><u>Expenditures</u></b>				
Current:				
General government	-	-	104,838	19,455
Health and human services	-	-	-	-
Administration of justice	750	-	-	1,178
Roads and bridges	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>750</b>	<b>-</b>	<b>104,838</b>	<b>20,633</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(470)</b>	<b>-</b>	<b>(13,643)</b>	<b>(12,004)</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(470)</b>	<b>-</b>	<b>(13,643)</b>	<b>(12,004)</b>
Beginning fund balances	55,423	-	29,351	27,936
<b>Ending Fund Balances</b>	<b>\$ 54,953</b>	<b>\$ -</b>	<b>\$ 15,708</b>	<b>\$ 15,932</b>

**Special Revenue Funds**

<u>Dist. Clerk Criminal Fund</u>	<u>Hot Check Account</u>	<u>Law Library</u>	<u>Records Preservation</u>	<u>County Clerk RP</u>	<u>District Clerk RP</u>	<u>Courthouse Security</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,250	90	15,282	48,760	-	-	18,240
-	-	-	-	-	-	-
-	-	112	149	-	-	-
-	-	-	-	-	-	-
<u>5,250</u>	<u>90</u>	<u>15,394</u>	<u>48,909</u>	<u>-</u>	<u>-</u>	<u>18,240</u>
-	2,642	-	29,227	-	-	108
-	-	-	-	-	-	-
7,082	-	18,198	-	-	-	67,805
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,082</u>	<u>2,642</u>	<u>18,198</u>	<u>29,227</u>	<u>-</u>	<u>-</u>	<u>67,913</u>
<u>(1,832)</u>	<u>(2,552)</u>	<u>(2,804)</u>	<u>19,682</u>	<u>-</u>	<u>-</u>	<u>(49,673)</u>
-	-	-	-	-	-	-
-	-	-	-	-	9,749	55,337
-	-	-	-	-	-	-
-	-	-	-	-	9,749	55,337
(1,832)	(2,552)	(2,804)	19,682	-	9,749	5,664
<u>4,139</u>	<u>20,967</u>	<u>48,028</u>	<u>168,698</u>	<u>42,742</u>	<u>12,860</u>	<u>(20,690)</u>
<u>\$ 2,307</u>	<u>\$ 18,415</u>	<u>\$ 45,224</u>	<u>\$ 188,380</u>	<u>\$ 42,742</u>	<u>\$ 22,609</u>	<u>\$ (15,026)</u>

# San Jacinto County, Texas

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

### NONMAJOR GOVERNMENTAL FUNDS (page 3)

For the Year Ended September 30, 2022

	Special Revenue Funds			
	EDC	Hotel Tax	Child Abuse Prevention	Grant Fund
<b><u>Revenues</u></b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	525	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Other revenue	-	83,156	-	-
<b>Total Revenues</b>	-	83,156	525	-
<b><u>Expenditures</u></b>				
Current:				
General government	1,199	-	-	-
Health and human services	-	20,080	-	-
Administration of justice	-	-	-	-
Roads and bridges	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	1,199	20,080	-	-
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,199)	63,076	525	-
<b><u>Other Financing Sources (Uses)</u></b>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	13,000	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	13,000	-
<b>Net Change in Fund Balances</b>	(1,199)	63,076	13,525	-
Beginning fund balances	13,974	58,401	32,898	4
<b>Ending Fund Balances</b>	\$ 12,775	\$ 121,477	\$ 46,423	\$ 4

**Special Revenue Funds**

<u>DETCOG</u>	<u>Title IV Foster</u>	<u>Savin Grant Control</u>	<u>Pre-trial Programs</u>	<u>Sheriff Cash Bond Account</u>	<u>Solid Waste Grant</u>	<u>DEA Cannabis Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	3,250	-	-	-
-	13,300	4,467	-	-	-	21,737
-	-	-	-	395	-	-
-	-	-	-	2,500	-	-
<u>-</u>	<u>13,300</u>	<u>4,467</u>	<u>3,250</u>	<u>2,895</u>	<u>-</u>	<u>21,737</u>
-	-	-	-	-	-	-
-	-	-	3,000	-	-	-
-	-	8,944	-	19,460	-	24,221
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>8,944</u>	<u>3,000</u>	<u>19,460</u>	<u>-</u>	<u>24,221</u>
-	13,300	(4,477)	250	(16,565)	-	(2,484)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	13,300	(4,477)	250	(16,565)	-	(2,484)
<u>(186)</u>	<u>19,591</u>	<u>(2,231)</u>	<u>42,154</u>	<u>133,581</u>	<u>1,539</u>	<u>(12,143)</u>
<u>\$ (186)</u>	<u>\$ 32,891</u>	<u>\$ (6,708)</u>	<u>\$ 42,404</u>	<u>\$ 117,016</u>	<u>\$ 1,539</u>	<u>\$ (14,627)</u>

# San Jacinto County, Texas

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

### NONMAJOR GOVERNMENTAL FUNDS (page 4)

For the Year Ended September 30, 2022

	Special Revenue Funds			
	DA	Historical Commission	2016 GLO Flood Grant	Polk Estate Settlement
	Discretionary Fund			
<b><u>Revenues</u></b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	27,500	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	49,598	-
Investment income	-	-	-	-
Other revenue	-	22,125	46,628	-
<b>Total Revenues</b>	27,500	22,125	96,226	-
<b><u>Expenditures</u></b>				
Current:				
General government	-	-	-	-
Health and human services	-	17,702	-	-
Administration of justice	27,295	-	-	-
Roads and bridges	-	-	24,873	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	27,295	17,702	24,873	-
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	205	4,423	71,353	-
<b><u>Other Financing Sources (Uses)</u></b>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-
<b>Net Change in Fund Balances</b>	205	4,423	71,353	-
Beginning fund balances	13,468	51,659	31,050	298,511
<b>Ending Fund Balances</b>	\$ 13,673	\$ 56,082	\$ 102,403	\$ 298,511

**Special Revenue Funds**

<b>Community Building</b>	<b>Elections</b>	<b>DA Seizures</b>	<b>SO Seizures</b>	<b>County Clerk E-File Checking</b>	<b>District Clerk E-File Checking</b>	<b>EDA Grant</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	78,870	1,909	-	-	-
-	-	-	-	-	-	11,586
-	-	-	-	-	-	-
-	44,957	-	-	-	-	-
<u>-</u>	<u>44,957</u>	<u>78,870</u>	<u>1,909</u>	<u>-</u>	<u>-</u>	<u>11,586</u>
-	-	-	-	-	-	-
34,494	-	-	-	-	-	5,495
-	-	16,035	4,800	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>34,494</u>	<u>-</u>	<u>16,035</u>	<u>4,800</u>	<u>-</u>	<u>-</u>	<u>5,495</u>
<u>(34,494)</u>	<u>44,957</u>	<u>62,835</u>	<u>(2,891)</u>	<u>-</u>	<u>-</u>	<u>6,091</u>
-	-	-	-	-	-	-
28,500	-	-	-	-	-	900,000
-	-	-	-	-	-	-
<u>28,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900,000</u>
(5,994)	44,957	62,835	(2,891)	-	-	906,091
<u>(51,510)</u>	<u>14,068</u>	<u>134,280</u>	<u>19,595</u>	<u>-</u>	<u>-</u>	<u>333,197</u>
<u>\$ (57,504)</u>	<u>\$ 59,025</u>	<u>\$ 197,115</u>	<u>\$ 16,704</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,239,288</u>

**San Jacinto County, Texas**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS (page 5)**  
**For the Year Ended September 30, 2022**

	<u>Sanitation</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>COVID Relief</u>
<b><u>Revenues</u></b>				
Property taxes	\$ -	\$ 470,125	\$ -	\$ -
Sales taxes	-	-	-	-
Licenses and permits	420,404	-	-	-
Charges for services	32,469	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	132	-	-	-
Other revenue	-	-	15	-
<b>Total Revenues</b>	<b>453,005</b>	<b>470,125</b>	<b>15</b>	<b>-</b>
<b><u>Expenditures</u></b>				
Current:				
General government	-	-	-	49,000
Health and human services	776,728	-	-	-
Administration of justice	-	-	-	-
Roads and bridges	-	-	-	-
Debt service:				
Principal	-	671,555	-	-
Interest	-	29,285	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>776,728</b>	<b>700,840</b>	<b>-</b>	<b>49,000</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(323,723)</b>	<b>(230,715)</b>	<b>15</b>	<b>(49,000)</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Proceeds from sale of assets	-	-	-	-
Transfers in	505,822	28,041	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>505,822</b>	<b>28,041</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>182,099</b>	<b>(202,674)</b>	<b>15</b>	<b>(49,000)</b>
Beginning fund balances	(97,941)	616,097	1,001,820	940,640
<b>Ending Fund Balances</b>	<b>\$ 84,158</b>	<b>\$ 413,423</b>	<b>\$ 1,001,835</b>	<b>\$ 891,640</b>



<u>FEMA Flood DR4223</u>	<u>CTIF Grant</u>	<u>FEMA Flood DR4269</u>	<u>Total Nonmajor Governmental</u>
.		.	
\$ -	\$ -	\$ -	\$ 4,028,675
-	-	-	32,836
-	-	-	1,080,416
-	-	-	59,969
-	-	-	302,854
-	182,531	-	2,944,519
-	-	-	6,152
-	-	-	264,252
<u>-</u>	<u>182,531</u>	<u>-</u>	<u>8,719,673</u>
-	-	-	2,340,516
-	-	-	972,526
-	-	-	462,454
-	183,976	-	4,773,339
-	-	-	671,555
-	-	-	29,285
-	-	304,532	620,962
<u>-</u>	<u>183,976</u>	<u>304,532</u>	<u>9,870,637</u>
<u>-</u>	<u>(1,445)</u>	<u>(304,532)</u>	<u>(1,150,964)</u>
-	-	-	161,165
-	-	-	1,768,149
-	-	-	(233,419)
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,695,895</u>
-	(1,445)	(304,532)	544,931
<u>(352,356)</u>	<u>-</u>	<u>-</u>	<u>7,688,692</u>
<u>\$ (352,356)</u>	<u>\$ (1,445)</u>	<u>\$ (304,532)</u>	<u>\$ 8,233,623</u>





**BROOKSWATSON & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS

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

*Independent Auditor's Report*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, discretely presented component units, each major fund, and the aggregate remaining fund information of the San Jacinto County as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise San Jacinto County's basic financial statements, and have issued our report thereon dated September 29, 2023.

***Report on Internal Control over Financial Reporting***

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

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

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

### ***Report on Compliance and Other Matters***

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

### ***Purpose of this Report***

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

Respectfully,

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

Brooks Watson & Co., PLLC  
14950 Heathrow Forest Pkwy | Ste 530  
Houston, TX 77032  
September 29, 2023

**San Jacinto County**  
*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS*  
For the Year Ended September 30, 2022

**I. SUMMARY OF PRIOR YEAR AUDIT FINDINGS:**

**None.**

**San Jacinto County**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2022**

**I. SUMMARY OF AUDITOR'S RESULTS:**

*Financial Statements*

Type of auditor's report issued:

The auditor's report on the basic financial statements of the County expresses an unmodified opinion.

Internal control over financial reporting:

Are any material weaknesses identified?	___ Yes	_X_ No
Are any significant deficiencies identified not considered to be material weaknesses?	___ Yes	_X_ None Reported
Is any noncompliance material to financial statements noted?	___ Yes	_X_ No

**II. FINANCIAL STATEMENT FINDINGS:**

*Material Weaknesses*

**Finding 2022-001:**

**Criteria:** U.S. Generally Accepted Accounting Principles ("GAAP") requires that financial statements be recorded on the accrual basis.

**Condition and Context:** Some accounts required adjustments to be consistent with Generally Accepted Accounting Principles "GAAP".

**Cause:** The County has limited personnel over finance resulting in the lack of some of the year end accruals.

**Effect or Potential Effect:** Without adjustment, the County's financial statements are not in accordance with GAAP.

**Recommendation:** The County should review the existing policies, procedures, and controls over these areas to ensure that all information is recorded and reported properly.

**Responsible Official's Response:** Management is in the process of evaluating year-end processes to ensure financial statements are properly closed out.