



ANNUAL FINANCIAL REPORT 2021

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2021

SAN JACINTO COUNTY, TEXAS

1 STATE HIGHWAY 150 | COLDSRING, TX 77331

WWW.CO.SAN-JACINTO.TX.US | 936.653.4461



(This page intentionally left blank.)

ANNUAL FINANCIAL REPORT

San Jacinto County, Texas

Fiscal Year Ended
September 30, 2021



(This page intentionally left blank.)

San Jacinto County, Texas

TABLE OF CONTENTS

September 30, 2021

<u>FINANCIAL SECTION</u>	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	5
<u>BASIC FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements	
Statement of Net Position	18
Statement of Activities	20
Governmental Funds Financial Statements	
Balance Sheet	22
Reconciliation of the Balance Sheet of the Governmental Funds to the Statment of Net Position	25
Statement of Revenues, Expenditures, and Changes in Fund Balances	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Fiduciary Funds Financial Statements	
Statement of Fiduciary Net Position	30
Statement of Changes in Fiduciary Net Position	32
Notes to Financial Statements	35
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual – General Fund	65
Schedule of Changes in Net Pension Liability and Related Ratios – Texas County & District Retirement System	66
Schedule of Employer Contributions to Pension Plan – Texas County & District Retirement System	68
Schedule of Changes in OPEB Liability and Related Ratios - Texas County & District Retirement System	71
<u>COMBINING STATEMENTS AND SCHEDULES</u>	
Combining Balance Sheet – Nonmajor Governmental Funds	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	84



(This page intentionally left blank.)



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Jacinto County, Texas (the "County"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note V.E. to the financial statements, the County restated beginning fund balance/net position within the general fund, nonmajor governmental funds, and governmental activities due to various accounting errors occurring in the prior year. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

This accompanying 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, slightly stylized font.

Brooks Watson & Co.
Certified Public Accountants
Houston, Texas
November 14, 2022



(This page intentionally left blank.)

MANAGEMENT'S DISCUSSION AND ANALYSIS



(This page intentionally left blank.)

San Jacinto County, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

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, 2021.

FINANCIAL HIGHLIGHTS

- The general fund reported revenues over expenditures and other financing sources and uses of \$326,481 compared to a budgeted reduction of \$1,024,703, which resulted in a total positive budget variance of \$1,351,184.
- The County's net position increased by \$5,355,397.
- The County's total net position was \$35,545,061 at September 30, 2021.
- The County's net pension liability and OPEB liability were \$528,960 and \$745,313, respectively, at September 30, 2021.

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, 2021

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-two 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, 2021

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 \$35,545,061 at the close of the most recent fiscal year.

San Jacinto County, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	Governmental Activities	
	2021	2020
Current and other assets	\$ 19,556,366	\$ 14,882,946
Capital assets, net	21,696,743	22,271,616
Total Assets	41,253,109	37,154,562
Deferred Outflows	1,208,251	650,741
Current liabilities	3,655,277	4,205,594
Long-term liabilities	2,428,647	2,864,473
Total Liabilities	6,083,924	7,070,067
Deferred Inflows	832,375	545,572
Net position:		
Net investment		
in capital assets	19,745,184	20,775,911
Restricted	10,091,996	5,019,315
Unrestricted	5,707,881	4,394,438
Total Net Position	\$ 35,545,061	\$ 30,189,664

The County's net position increased to \$35,545,061 from \$30,189,664. The County's unrestricted net position was \$5,707,881. 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. Total liabilities decreased primarily as a result of debt principal payments made during the year; offset with increases to the County's net pension liability and OPEB liability.

San Jacinto County, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

Statement of Activities

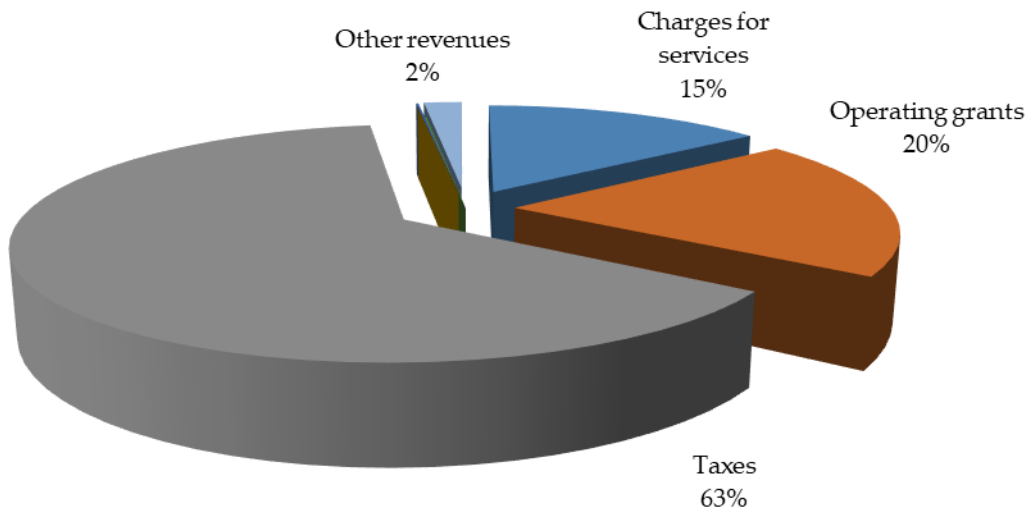
The following table provides a summary of the County's changes in net position for the years ended:

	Governmental Activities	
	2021	2020
Revenues		
Program revenues:		
Charges for services	\$ 3,347,825	\$ 3,064,760
Grants/contributions	4,717,949	3,826,824
General revenues:		
Taxes	14,551,489	13,889,439
Investment income	27,844	34,072
Rents and royalties	16,396	21,946
Other revenues	458,238	421,129
Total Revenues	23,119,741	21,258,170
Expenses		
General government	3,479,410	4,049,563
Tax administration	511,668	499,994
Roads and bridges	4,785,266	4,680,011
Health and human services	1,357,698	1,453,774
Administration of justice	7,603,737	7,175,285
Pass-through expenditures	-	91,202
Interest and fiscal agent fees on long-term debt	26,565	82,203
Total Expenses	17,764,344	18,032,032
Change in Net Position	5,355,397	3,226,138
Beginning net position	30,189,664	26,963,526
Ending Net Position	\$ 35,545,061	\$ 30,189,664

San Jacinto County, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

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

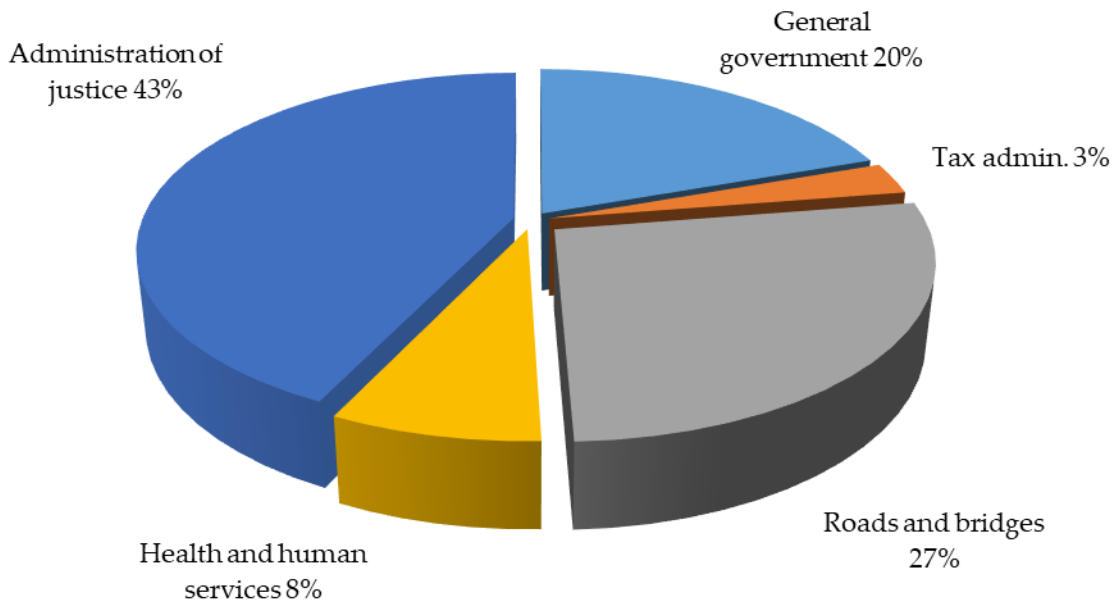
Governmental Revenues



Total governmental revenues increased by \$1,861,571 or 9% from the prior year. Charges for services increased by \$283,065 or 9% primarily as a result of greater inmate housing income and development permit fees in the current year. Grants/contribution revenue increased by \$891,125 or 23% due to nonrecurring federal grants received in the current year for the County's COVID-19 relief response. Other revenues increased by \$37,109 or 9% primarily due to nonrecurring election system rental fee income received in the current year.

San Jacinto County, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

Governmental Expenses



Total governmental expenses decreased by \$267,688 or 1% from the prior year, which is considered minimal. General government expenses decreased by \$570,153 or 14% primarily due to nonrecurring Hurricane Harvey relief expenses, software maintenance, and contingency expenses in the prior year. Administration of justice expenses increased by \$428,452 or 6% primarily due to greater salaries, inmate medical supplies, and utility related expenses compared to the prior year. Interest and fiscal charges decreased by \$55,638 or 68% primarily as a result of long-term obligations 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, 2021

The County's governmental funds reflect a combined fund balance of \$13,378,528. Of this, \$3,237,961 is unassigned and available for day-to-day operations of the County, \$2,802,761 is restricted for American Rescue Plan grant expenditures, \$3,394,751 is restricted for road and bridges, and \$616,097 is restricted for debt service. The restricted fund balance for special revenue funds is \$3,278,387. The County has nonspendable funds of \$48,571 that consists of prepaid items.

There was an increase in the combined governmental fund balance of \$4,455,999 over the prior year. Included in this change is an increase of \$2,802,761 in the American Rescue Plan fund, an increase in nonmajor governmental funds of \$1,326,757, and an increase of \$326,481 in the general fund.

The general fund reflected an ending fund balance of \$3,820,189, which represents an increase of \$326,481 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 \$2,802,761 and increased by the same amount. Fiscal year 2021 is the initial year for this fund. The increase was due to the recognition of intergovernmental grant revenues and no offsetting expenditures.

The FEMA Flood DR4223 fund balance remained unchanged compared to the prior year. In addition, there was no revenue recognized or expenses incurred in the COVID Relief fund over the course of the year.

General Fund Budgetary Highlights

Actual general fund revenues were over final budgeted revenues by \$587,350 during the year. This variance is primarily attributable to sales taxes, fines and forfeitures, licenses and permits, charges for services, and other revenues exceeding projections. Actual general fund expenditures were under the final budgeted expenditures by \$715,223. 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 \$21,696,743 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, 2021

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

- Improvements to animal shelter totaling \$92,857.
- Purchased seven air conditioner condensers for \$34,708.
- Investment in election system upgrade for \$155,725.
- Purchased seven F-150 Crew Cabs for \$283,445.
- Purchased a 2021 Dodge Charger for police K-9 unit totaling \$41,506.
- Purchased a 2020 Chevrolet Silverado pick up for \$24,500.
- Purchased two John Deere tractors for \$163,007.
- Elevator upgrade totaling \$49,792.

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 \$1,455,000. Principal payments on these issuances of \$440,000 were made during the year. Capital lease obligations amounted to \$283,876 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.



(This page intentionally left blank.)

BASIC FINANCIAL STATEMENTS

San Jacinto County, Texas

STATEMENT OF NET POSITION

September 30, 2021

	<u>Primary Government Governmental Activities</u>
<u>Assets</u>	
Current Assets:	
Cash and cash equivalents	\$ 14,952,173
Investments	1,662,714
Receivables, net	2,892,908
Prepaid items	48,571
Total Current Assets	<u>19,556,366</u>
Non-Current Assets:	
Nondepreciable capital assets	4,083,951
Capital assets (net of accumulated depreciation)	17,612,792
Total Noncurrent Assets	<u>21,696,743</u>
	Total Assets
	<u>41,253,109</u>
<u>Deferred Outflows of Resources</u>	
Pension contributions	478,374
Pension assumption changes	606,090
OPEB changes in assumptions	118,309
Deferred charge on refunding	5,478
	Total Deferred Outflows of Resources
	<u>1,208,251</u>

San Jacinto County, Texas
STATEMENT OF NET POSITION (Continued)
September 30, 2021

	Primary Government
	Governmental Activities
<u>Liabilities</u>	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 2,470,589
Accrued interest payable	4,178
Compensated absences, current	508,883
Long-term debt due within one year	671,627
Total Current Liabilities	3,655,277
Non-Current Liabilities:	
Net pension liability	528,960
OPEB liability	745,313
Compensated absences, noncurrent	56,543
Long-term debt due in more than one year	1,097,831
Total Noncurrent Liabilities	2,428,647
Total Liabilities	6,083,924
<u>Deferred Inflows of Resources</u>	
Pension investment earnings	738,081
Pension investment experience	72,890
OPEB investment experience	21,404
Total Deferred Inflows of Resources	832,375
<u>Net Position</u>	
Net investment in capital assets	19,745,184
Restricted	10,091,996
Unrestricted	5,707,881
Total Net Position	\$ 35,545,061

See Notes to Financial Statements.

San Jacinto County, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 3,479,410	\$ 24,441	\$ 4,263,544
Tax administration	511,668	-	-
Roads and bridges	4,785,266	673,633	232,628
Health and human services	1,357,698	612,386	221,777
Administration of justice	7,603,737	2,037,365	-
Interest and fiscal agent fees on long-term debt	26,565	-	-
Total Governmental Activities	17,764,344	3,347,825	4,717,949
Total Primary Government	\$ 17,764,344	\$ 3,347,825	\$ 4,717,949

General Revenues:

- Property taxes
- Sales taxes
- Investment income
- Rents and royalties
- Other revenues

Total General Revenues

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

**Net (Expense)
Revenue and
Changes in Net
Position**

**Governmental
Activities**

\$ 808,575
(511,668)
(3,879,005)
(523,535)
(5,566,372)

(26,565)

(9,698,570)

(9,698,570)

13,806,036
745,453
27,844
16,396
458,238

15,053,967

5,355,397

30,189,664

\$ 35,545,061

San Jacinto County, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2021

	General	American Rescue Plan	COVID Relief	FEMA Flood DR4223
<u>Assets</u>				
Cash and cash equivalents	\$ 4,602,367	\$ 2,802,761	\$ 940,640	\$ -
Investments	1,404,374	-	-	-
Receivables, net	1,718,790	-	-	434,000
Due from other funds	-	-	-	-
Prepaid items	48,571	-	-	-
Total Assets	\$ 7,774,102	\$ 2,802,761	\$ 940,640	\$ 434,000
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 1,625,483	\$ -	\$ -	\$ -
Due to other funds	735,939	-	-	352,356
Total Liabilities	2,361,422	-	-	352,356
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	1,592,491	-	-	-
Unavailable revenue - grants	-	-	940,640	434,000
Total Deferred Inflows of Resources	1,592,491	-	940,640	434,000
<u>Fund Balances</u>				
Nonspendable:				
Prepaid insurance	48,571	-	-	-
Restricted:				
Debt service	-	-	-	-
Roads and bridges	-	-	-	-
American Rescue Plan	-	2,802,761	-	-
Special revenue funds	-	-	-	-
Unassigned	3,771,618	-	-	(352,356)
Total Fund Balances	3,820,189	2,802,761	-	(352,356)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,774,102	\$ 2,802,761	\$ 940,640	\$ 434,000

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 6,606,405	\$ 14,952,173
258,340	1,662,714
740,118	2,892,908
1,201,427	1,201,427
-	48,571
<u>\$ 8,806,290</u>	<u>\$ 20,757,793</u>

\$ 845,106	\$ 2,470,589
113,132	1,201,427
<u>958,238</u>	<u>3,672,016</u>

734,683	2,327,174
5,435	1,380,075
<u>740,118</u>	<u>3,707,249</u>

- 48,571

616,097	616,097
3,394,751	3,394,751
-	2,802,761
3,278,387	3,278,387
(181,301)	3,237,961
<u>7,107,934</u>	<u>13,378,528</u>

<u>\$ 8,806,290</u>	<u>\$ 20,757,793</u>
---------------------	----------------------



(This page intentionally left blank.)

San Jacinto County, Texas
RECONCILIATION OF THE BALANCE SHEET
OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2021

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

Total fund balances - governmental funds	\$	13,378,528
Capital assets used in governmental activities are not current financial resources and therefore not reported in the governmental funds.		
Nondepreciable capital assets		4,083,951
Depreciable capital assets		227,276,614
Accumulated depreciation		(209,663,822)
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as:		
Unavailable revenue - property taxes		2,327,174
Unavailable revenue - grants		1,380,075
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		478,374
Pension assumption changes		606,090
OPEB changes in assumptions		118,309
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		(738,081)
Pension (gains) losses		(72,890)
OPEB investment experience		(21,404)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest payable		(4,178)
Bonds, capital leases, & other liabilities		(1,738,876)
Bond premium		(30,582)
Deferred loss on advance refunding		5,478
Net pension liability		(528,960)
OPEB liability		(745,313)
Compensated absences		(565,426)
Net Position of Governmental Activities	\$	35,545,061

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, 2021

	<u>General</u>	<u>American Rescue Plan</u>	<u>COVID Relief</u>	<u>FEMA Flood DR4223</u>
<u>Revenues</u>				
Property taxes	\$ 9,618,435	\$ -	\$ -	\$ -
Sales taxes	712,583	-	-	-
Licenses and permits	261,165	-	-	-
Fines and forfeitures	965,006	-	-	-
Charges for services	515,816	-	-	-
Intergovernmental revenue	221,777	2,802,761	-	-
Investment income	21,246	-	-	-
Rents and royalties	16,396	-	-	-
Other revenue	131,732	-	-	-
Total Revenues	12,464,156	2,802,761	-	-
<u>Expenditures</u>				
Current:				
General government	3,087,367	-	-	-
Tax administration	506,787	-	-	-
Health and human services	611,554	-	-	-
Administration of justice	6,718,000	-	-	-
Roads and bridges	-	-	-	-
Capital outlay	440,946	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	11,364,654	-	-	-
Excess of Revenues Over (Under) Expenditures	1,099,502	2,802,761	-	-
<u>Other Financing Sources (Uses)</u>				
Transfers in	22,500	-	-	-
Transfers (out)	(863,631)	-	-	-
Proceeds from sale of capital assets	68,110	-	-	-
Total Other Financing Sources (Uses)	(773,021)	-	-	-
Net Change in Fund Balances	326,481	2,802,761	-	-
Beginning fund balances	3,493,708	-	-	(352,356)
Ending Fund Balances	\$ 3,820,189	\$ 2,802,761	\$ -	\$ (352,356)

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,198,369	\$ 13,816,804
32,870	745,453
991,187	1,252,352
553,484	1,518,490
61,167	576,983
640,892	3,665,430
6,598	27,844
-	16,396
212,248	343,980
6,696,815	21,963,732
430,233	3,517,600
-	506,787
722,625	1,334,179
380,977	7,098,977
3,765,126	3,765,126
194,277	635,223
708,439	708,439
57,110	57,110
6,258,787	17,623,441
438,028	4,340,291
885,350	907,850
(44,219)	(907,850)
47,598	115,708
888,729	115,708
1,326,757	4,455,999
5,781,177	8,922,529
\$ 7,107,934	\$ 13,378,528



(This page intentionally left blank.)

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, 2021

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

Net changes in fund balances - total government funds	\$	4,455,999
---	----	-----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlay		966,667
Depreciation expense		(1,540,090)
Net effect of capital asset disposals		(1,450)

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

Unavailable revenue - property taxes		(10,768)
Unavailable revenue - grant revenue		1,052,519

Bonds and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Principal payments		708,439
Deferred charge on refunding		(5,477)

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

OPEB expense		(72,527)
Pension expense		(102,216)
Compensated absences		(131,721)
Amortization expense - bond premium		30,582
Accrued interest		5,440

Change in Net Position of Governmental Activities	\$	5,355,397
--	-----------	------------------

See Notes to Financial Statements.

San Jacinto County, Texas
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2021

	<u>Custodial Funds</u>	<u>District Clerk's Custodial Fund</u>	<u>District Clerk's Escrow</u>	<u>Sheriff's Commissary Fund</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 1,072,885	\$ 1,840,816	\$ 108,700	\$ 9,069
Receivables	-	-	1,000	-
Total Assets	<u>\$ 1,072,885</u>	<u>\$ 1,840,816</u>	<u>\$ 109,700</u>	<u>\$ 9,069</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ 5,820
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,820</u>
<u>Net Position</u>				
Restricted for:				
Public safety	-	-	-	3,249
Unrestricted	1,072,885	1,840,816	109,700	-
Total Net Position	<u>\$ 1,072,885</u>	<u>\$ 1,840,816</u>	<u>\$ 109,700</u>	<u>\$ 3,249</u>

See Notes to Financial Statements.

<u>Memorial Wall Fund</u>	<u>Total Custodial Funds</u>
\$ 661	\$ 3,032,131
-	1,000
<u>\$ 661</u>	<u>\$ 3,033,131</u>
\$ 661	\$ 6,481
<u>\$ 661</u>	<u>\$ 6,481</u>
-	3,249
-	3,023,401
<u>\$ -</u>	<u>\$ 3,026,650</u>

San Jacinto County, Texas

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the Year Ended September 30, 2021

	Custodial Funds	District Clerk's Custodial Fund	District Clerk's Escrow	Sheriff's Commissary Fund
<u>Additions</u>				
Commissary revenue	\$ -	\$ -	\$ -	\$ 32,302
Fees	9,332,336	2,432,414	-	-
Total Additions	9,332,336	2,432,414	-	32,302
 <u>Deductions</u>				
Commissary expenses	-	-	-	29,053
Fee release	9,384,456	1,271,972	-	-
Total Deductions	9,384,456	1,271,972	-	29,053
Change in Net Position	(52,120)	1,160,442	-	3,249
Beginning net position	1,125,005	680,374	109,700	-
Ending Net Position	\$ 1,072,885	\$ 1,840,816	\$ 109,700	\$ 3,249

Memorial Wall Fund	Total Custodial Funds
\$ -	\$ 32,302
-	11,764,750
-	11,797,052
-	29,053
-	10,656,428
-	10,685,481
-	1,111,571
-	1,915,079
\$ -	\$ 3,026,650



(This page intentionally left blank.)

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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, 2021

C. Basis of presentation – government-wide financial statements

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

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

D. Basis of presentation – fund financial statements

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

The government reports the following major governmental funds:

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

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

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

The *FEMA Flood DR4223 fund* is used to account for grant revenues and expenditures related to funds received from FEMA for flood damage relief.

Additionally, the government reports the following fund types:

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

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

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2021

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

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

E. Measurement focus and basis of accounting

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

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

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

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

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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

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

F. Budgetary information

1. Budgetary basis of accounting

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

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

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

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

1. Cash and cash equivalents

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

2. Investments

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

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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

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

3. *Capital Assets*

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

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

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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.

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.

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

4. *Deferred Outflows/Inflows of Resources*

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

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

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

5. *Net position flow assumptions*

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

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

6. *Fund balance flow assumptions*

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

7. *Fund balance policies*

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

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

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

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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

8. Pensions

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

9. Other Postemployment Benefits

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

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

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

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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, 2021. Current year expenditures did not exceed appropriations at the legal level of control.

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

A. Deficit Fund Equity

The following funds had a deficit fund balance as of September 30, 2021 due to cumulative expenditures exceeding cumulative revenues. The deficit balances will be eliminated in the future with transfers from other funds and grant reimbursements.

	Deficit Fund Balance
FEMA DR 4223	\$ 352,356
Courthouse Security	20,690
DETCOG	186
Savin Grant Control	2,231
DEA Cannabis Grant	12,143
Community Building	48,110
Sanitation	97,941
Total	\$ 533,657

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2021, the County had the following investments:

Investment Type	Value	Weighted Average Maturity (Days)
External investment pool (TexPool)	\$ 1,323,020	37 days
External investment pool (Texas Class)	5,360	53 days
Certificates of deposits	1,662,714	51 days
	\$ 2,991,094	
Portfolio weighted average maturity		47 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 quality by a nationally recognized investment rating firm not less than A or its equivalent. As of September 30, 2021, the County's investments in TexPool and Texas CLASS

San Jacinto County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2021

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, 2021, market values of pledged securities and FDIC insurance exceeded bank balances.

TexPool

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

Texas CLASS

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

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

B. Receivables

The following comprise receivable balances at year end:

	General	FEMA Flood DR4223	Nonmajor Governmental	Total
Property taxes	\$ 1,676,305	\$ -	\$ 153,797	\$ 1,830,102
Sales taxes	126,300	-	-	126,300
Road & bridge taxes	-	-	620,554	620,554
Intergovernmental	-	434,000	-	434,000
Other receivables	-	-	5,435	5,435
Less allowance	(83,815)	-	(39,668)	(123,483)
	<u>\$ 1,718,790</u>	<u>\$ 434,000</u>	<u>\$ 740,118</u>	<u>\$ 2,892,908</u>

C. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2021, follows:

	Beginning Balance	Increases	(Decreases/ Transfers)	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,030,081	\$ -	\$ -	\$ 2,030,081
Construction in progress	1,917,787	136,083	-	2,053,870
Total capital assets not being depreciated	<u>3,947,868</u>	<u>136,083</u>	<u>-</u>	<u>4,083,951</u>
Other capital assets:				
Infrastructure	203,633,249	48,740	-	203,681,989
Buildings & improvements	10,622,334	-	-	10,622,334
Machinery & equipment	12,386,529	781,844	(196,082)	12,972,291
Total other capital assets	<u>226,642,112</u>	<u>830,584</u>	<u>(196,082)</u>	<u>227,276,614</u>
Less accumulated depreciation for:				
Infrastructure	(195,137,425)	(707,017)	-	(195,844,442)
Buildings & improvements	(3,627,048)	(277,028)	-	(3,904,076)
Machinery & equipment	(9,553,891)	(556,045)	194,632	(9,915,304)
Total accumulated depreciation	<u>(208,318,364)</u>	<u>(1,540,090)</u>	<u>194,632</u>	<u>(209,663,822)</u>
Other capital assets, net	<u>18,323,748</u>	<u>(709,506)</u>	<u>(1,450)</u>	<u>17,612,792</u>
Total	<u>\$ 22,271,616</u>	<u>\$ (573,423)</u>	<u>\$ (1,450)</u>	<u>\$ 21,696,743</u>

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Depreciation was charged to governmental functions as follows:

General Government	\$	294,844
Tax administration		4,881
Health and human services		12,886
Administration of justice		268,283
Roads and bridges		959,196
Total Governmental Activities Depreciation Expense	\$	<u>1,540,090</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 balances for governmental activities totaled \$5,478. Current year amortization expense for governmental activities totaled \$5,477.

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, 2021. In general, the County uses the debt service fund to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Refunding Bond	\$ 855,000	\$ -	\$ (420,000)	\$ 435,000	\$ 435,000
Premium	61,164	-	(30,582)	30,582	-
Tax Notes	1,040,000	-	(20,000)	1,020,000	20,000
Capital leases	552,315	-	(268,439)	283,876	216,627
Total Governmental Activities	<u>\$ 2,508,479</u>	<u>\$ -</u>	<u>\$ (739,021)</u>	<u>\$ 1,769,458</u>	<u>\$ 671,627</u>
Long-term liabilities due in more than one year				<u>\$ 1,097,831</u>	

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

In August 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 annually on February 15 through February 2022.

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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 through capital lease financing for \$381,524. Annual payments of \$80,967 (principal and interest) are due through March 2022. The lease bears interest of 2.01%.

In September 2018, the County purchased a Gradall excavator through capital lease financing 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 through capital lease financing for \$337,902. Annual payments of \$72,986 (principal and interest) are due through September 2022. The lease bears interest of 2.59%.

Long-term debt obligations of the County as of September 30, 2021, are as follows:

GO Refunding Bonds			
Fiscal Year	Principal	Interest	Total
2022	\$ 435,000	\$ 10,875	\$ 445,875
Total	\$ 435,000	\$ 10,875	\$ 445,875

Tax Notes			
Fiscal Year	Principal	Interest	Total
2022	\$ 20,000	\$ 11,009	\$ 31,009
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
Total	\$ 1,020,000	\$ 38,478	\$ 1,058,478

Capital Leases			
Fiscal Year	Principal	Interest	Total
2022	\$ 216,627	\$ 7,330	\$ 223,957
2023	67,249	2,676	69,925
Total	\$ 283,876	\$ 10,006	\$ 293,882

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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>
Governmental Activities:					
Compensated Absences	\$ 433,705	\$ 131,721	\$ -	\$ 565,426	\$ 508,883
Total Governmental Activities	<u>\$ 433,705</u>	<u>\$ 131,721</u>	<u>\$ -</u>	<u>\$ 565,426</u>	<u>\$ 508,883</u>
Long-term Liabilities Due in More than One Year				<u>\$ 56,543</u>	

G. Interfund Transactions

Operating transfers between the primary governmental funds during the 2021 year were as follows:

<u>Transfer Out:</u>	<u>Transfers In:</u>		<u>Total</u>
	<u>General</u>	<u>Nonmajor Govt.</u>	
General	\$ -	\$ 863,631	\$ 863,631
Nonmajor governmental	22,500	21,719	44,219
Total	<u>\$ 22,500</u>	<u>\$ 885,350</u>	<u>\$ 907,850</u>

The composition of interfund balances as of September 30, 2021, is as follows:

<u>Due to (Payable fund):</u>	<u>Due from (Receivable fund):</u>	
	<u>Nonmajor govt.</u>	<u>Total</u>
General Fund	\$ 735,939	\$ 735,939
FEMA Flood DR4223	352,356	352,356
Nonmajor governmental	113,132	113,132
	<u>\$ 1,201,427</u>	<u>\$ 1,201,427</u>

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

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

H. Restricted Net Position and Fund Balance

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

Nonspendable for:	
Prepaid insurance	\$ 48,571
Restricted for:	
Debt service	\$ 616,097
Roads and bridges	3,394,751 *
American Rescue Plan	2,802,761
Special revenue funds	3,278,387 *
Total Restricted	\$ 10,091,996

*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, 2021.

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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 comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR 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

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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 8.87% for the months of the accounting year in 2021 and 9.04% for the months of the accounting year in 2020.

The Commissioners’ Court adopted the rate of 7% as the contribution rate payable by the employee members for calendar year 2021. 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)

	2021	2020	2019
Annual Req. Contribution (ARC)	\$ 635,500	\$ 597,384	\$ 557,347
Contributions Made	(635,500)	(597,384)	(557,347)
Excess / (Deficiency)	\$ -	\$ -	\$ -

Annual Pension Costs

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

The required contribution rates for fiscal year 2021 were determined as part of the December 31, 2020 actuarial valuation.

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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

Valuation Date	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</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	12.7 years	9.9 years	20.0 years
Asset Valuation Method	5-year Smoothed Fund	5-year Smoothed Fund	5-year Smoothed Fund
Actuarial Assumptions:			
Investment Rate of Return *	8.1%	8.1%	7.5%
Projected Salary Increases *	4.90%	4.90%	4.60%
* Includes Inflation at stated-rate	3.0%	2.75%	2.50%
Cost-of-Living Adjustments	0.0%	0.0%	0.0%

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	139
Inactive employees entitled to but not yet receiving benefits	347
Active employees	<u>190</u>
Total	<u><u>676</u></u>

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Actuarial assumptions:

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	4.6% per year depending on experience
Investment Rate of Return	7.5%, net of pension plan investment expense, including inflation

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

Actuarial assumptions used in the December 31, 2019, 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.

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected minus inflation) (2)
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	25.00%	7.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities – Developed	MSCI World Ex USA (net)	5.00%	4.25%
International Equities – Emerging	MSCI Emerging Markets (net)	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index (4)	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (5)	6.00%	4.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day US Treasury	2.00%	-.70%

- (1) Target asset allocation adopted at the March 2021 TCDRS Board meeting.
(2) Geometric real rates of return in addition to assumed inflation of 1.80%, per Cliffwater’s 2021 capital market assumptions.
(3) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.
(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.
(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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 Liability:

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balance at 12/31/19	\$ 20,439,759	\$ 20,267,753	\$ 172,006
Changes for the year:			
Service cost	803,784	-	803,784
Interest on total pension liability ⁽¹⁾	1,671,802	-	1,671,802
Changes of assumptions	1,212,180	-	1,212,180
Effect on economic/demographic gains or losses	(145,779)	-	(145,779)
Effect of assumptions changes or inputs	-	-	-
Refund on contributions	(172,886)	(172,886)	-
Benefit payments	(1,059,124)	(1,059,124)	-
Administrative expense	-	(16,259)	16,259
Member contributions	-	484,411	(484,411)
Net investment income	-	2,093,544	(2,093,544)
Employer contributions	-	624,958	(624,958)
Other ⁽³⁾	-	(1,621)	1,621
Balance at 12/31/20	<u>\$ 22,749,736</u>	<u>\$ 22,220,776</u>	<u>\$ 528,960</u>

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

(2) No plan changes valued.

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

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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

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

1% Decrease 6.6%	Current Single Rate Assumption 7.6%	1% Increase 8.6%
\$ 3,326,343	\$ 528,960	\$ (1,811,781)

Pension Plan Fiduciary Net Position:

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

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

For the year ended September 30, 2021, the County recognized pension expense of \$742,825.

At September 30, 2021, 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	\$ -	\$ (738,081)
Differences between expected and actual economic experience	-	(72,890)
Differences in assumptions	606,090	-
Contributions subsequent to the measurement date	478,374	-
Total	\$ 1,084,464	\$ (810,971)

The County reported \$478,374 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, 2022.

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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

<u>Year Ended</u> <u>December 31:</u>		
2021	\$	299,140
2022		(26,520)
2023		(386,012)
2024		(91,489)
2022		-
	<u>\$</u>	<u>(204,881)</u>

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, 2021

Employees covered by benefit terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	110
Inactive employees entitled to but not yet receiving benefits	82
Active employees	190
Total	382

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, 2020, 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, 2020, actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Discount Rate	2.12%
Amortization Method	Straight-line over expected working life

Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP-2014, with projections of 110% of the MP-2014 Ultimate scale after 2014.

All actuarial assumptions that determined the total OPEB liability as of December 31, 2020 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 reviewed annually for continued compliance with the relevant actuarial standards of practice.

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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 2.12%, 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 (1.12%) or 1-percentage-point higher (3.12%) than the current rate:

Discount Rate		
1% Increase (3.12%)	Current Discount Rate 2.12%	1% Decrease (1.12%)
\$ 624,858	\$ 745,313	\$ 905,408

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2019	\$ 651,340
Changes for the year:	
Service Cost	29,718
Interest	18,397
Difference between expected and actual experience	(13,272)
Changes of assumptions	78,506
Benefit payments	(19,376)
Net changes	93,973
Balance at 12/31/2020	\$ 745,313

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

For the year ended September 30, 2021, the County recognized OPEB expense of \$77,570.

At September 30, 2021, the County reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ (21,404)
Changes in assumptions	118,309	-
Total	\$ 118,309	\$ (21,404)

San Jacinto County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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, 2022.

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

Year Ended	
December 31:	
2021	\$ 29,455
2022	27,076
2023	40,374
2024	-
2022	-
	<u>\$ 96,905</u>

E. Restatement

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

	Governmental Activities	General Fund	Nonmajor Govt Funds
Prior year ending net position/ fund balance, as reported	\$ 29,856,867	\$ 3,697,940	\$ 5,244,148
To correct cash	31,647	31,647	-
To correct accounts receivable	(52,528)	(33,475)	(19,053)
To correct interfund balances	-	(202,404)	202,404
To correct deferred revenue	311,587		311,587
To correct revenue	42,091	-	42,091
Restated beginning net position/fund balance	<u>\$ 30,189,664</u>	<u>\$ 3,493,708</u>	<u>\$ 5,781,177</u>

F. Subsequent Events

There were no material subsequent events through November 14, 2022, the date the financial statements were issued.



(This page intentionally left blank.)

REQUIRED SUPPLEMENTARY INFORMATION



(This page intentionally left blank.)

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

For the Year Ended September 30, 2021

	<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>		
<u>Revenues</u>				
Property taxes	\$ 9,699,864	\$ 9,699,864	\$ 9,618,435	\$ (81,429)
Sales taxes	549,900	549,900	712,583	162,683
Licenses and permits	176,250	176,250	261,165	84,915
Fines and forfeitures	869,300	869,300	965,006	95,706
Charges for services	210,853	210,853	515,816	304,963
Intergovernmental revenue	257,999	257,999	221,777	(36,222)
Investment income	15,940	15,940	21,246	5,306
Rents and royalties	21,000	21,000	16,396	(4,604)
Other revenue	75,700	75,700	131,732	56,032
Total Revenues	11,876,806	11,876,806	12,464,156	587,350
<u>Expenditures</u>				
General government	3,431,661	3,398,464	3,087,367	311,097
Tax administration	533,483	533,483	506,787	26,696
Health and human services	642,946	642,946	611,554	31,392
Administration of justice	6,816,289	6,850,847	6,718,000	132,847
Capital outlay	632,500	654,137	440,946	213,191
Total Expenditures	12,056,879	12,079,877	11,364,654	715,223
Excess (Deficiency) of Revenues Over (Under) Expenditures	(180,073)	(203,071)	1,099,502	1,302,573
<u>Other Financing Sources</u>				
<u>(Uses)</u>				
Transfers in	22,500	22,500	22,500	-
Transfers (out)	(863,632)	(863,632)	(863,631)	1
Proceeds from sale of capital assets	19,500	19,500	68,110	48,610
Total Other Financing Sources (Uses)	(821,632)	(821,632)	(773,021)	48,611
Net Change in Fund Balance	\$ (1,001,705)	\$ (1,024,703)	326,481	\$ 1,351,184
Beginning fund balance			3,493,708	
Ending Fund Balance			\$ 3,820,189	

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,

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

Notes to schedule:

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

	<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>
	1,026,523	1,056,217	758,429	899,859
	<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)
	<u>(1,914)</u>	<u>40,118</u>	<u>97,604</u>	<u>23,229</u>
	2,172,718	1,056,908	(26,492)	861,038
	15,916,030	14,859,122	14,885,614	14,024,576
	<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>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined employer contributions	\$ 635,500	\$ 597,384	\$ 557,347
Contributions in relation to the actuarially determined contribution	<u>\$ 635,500</u>	<u>\$ 597,384</u>	<u>\$ 557,347</u>
Contribution (deficiency) excess	\$ -	\$ -	\$ -
Annual covered payroll	\$ 7,131,289	\$ 6,700,998	\$ 6,511,681
Employer contributions as a percentage of covered payroll	8.91%	8.91%	8.56%

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

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	20.0 years
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>	¹
\$ 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%	



(This page intentionally left blank.)

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>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u> ¹
Total OPEB liability				
Service cost	\$ 29,718	\$ 19,269	\$ 20,045	\$ 23,409
Interest	18,397	21,271	19,378	19,911
Differences between expected and actual experience	(13,272)	(8,564)	(10,455)	(10,650)
Changes of assumptions	78,506	128,892	(56,039)	22,550
Benefit payments, including refunds of participant contributions	(19,376)	(17,927)	(15,444)	(15,148)
Net change in total OPEB liability	<u>93,973</u>	<u>142,941</u>	<u>(42,515)</u>	<u>40,072</u>
Total OPEB liability - beginning	<u>\$ 651,340</u>	<u>\$ 508,399</u>	<u>\$ 550,914</u>	<u>\$ 510,842</u>
Total OPEB liability - ending	<u><u>\$ 745,313</u></u>	<u><u>\$ 651,340</u></u>	<u><u>\$ 508,399</u></u>	<u><u>\$ 550,914</u></u> ²
Covered payroll	\$ 6,920,153	\$ 6,639,497	\$ 6,177,753	\$ 6,059,030
County's total OPEB liability as a percentage of covered payroll	10.77%	9.81%	8.23%	9.09%

Notes to schedule:

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

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



(This page intentionally left blank.)

***COMBINING STATEMENTS
AND SCHEDULES***

San Jacinto County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1)
September 30, 2021

	Special Revenue Funds			
	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
<u>Assets</u>				
Cash and cash equivalents	\$ 1,220,415	\$ 320,767	\$ 1,193,369	\$ 812,567
Investments	79,320	127,777	4	51,239
Receivables, net	135,372	135,372	158,916	158,916
Due from other funds	4,521	14,457	17,987	5,438
Total Assets	\$ 1,439,628	\$ 598,373	\$ 1,370,276	\$ 1,028,160
<u>Liabilities</u>				
Accounts payable and accrued expenses	\$ 105,037	\$ 95,300	\$ 90,133	\$ 162,640
Due to other funds	-	-	-	-
Total Liabilities	105,037	95,300	90,133	162,640
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	135,372	135,372	158,916	158,916
Total Deferred Inflows	135,372	135,372	158,916	158,916
<u>Fund Balances</u>				
Restricted	1,199,219	367,701	1,121,227	706,604
Unassigned	-	-	-	-
Total Fund Balances	1,199,219	367,701	1,121,227	706,604
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,439,628	\$ 598,373	\$ 1,370,276	\$ 1,028,160

See Notes to Financial Statements.

Special Revenue Funds

Hurricane Harvey DR 4332	National Forest Funds	CDBG Hurricane Harvey	Seizure Holdings	LEOSE	JP Technology Fund	Seizure Fund
\$ 92,059	\$ 159,392	\$ -	\$ 487,049	\$ 43,891	\$ 10,626	\$ 6,470
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,021	-	-	-	-	-	-
<u>\$ 93,080</u>	<u>\$ 159,392</u>	<u>\$ -</u>	<u>\$ 487,049</u>	<u>\$ 43,891</u>	<u>\$ 10,626</u>	<u>\$ 6,470</u>
\$ 4	\$ 5,394	\$ -	\$ 176,042	\$ -	\$ 214	\$ -
-	-	-	-	-	-	-
<u>4</u>	<u>5,394</u>	<u>-</u>	<u>176,042</u>	<u>-</u>	<u>214</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
93,076	153,998	-	311,007	43,891	10,412	6,470
-	-	-	-	-	-	-
<u>93,076</u>	<u>153,998</u>	<u>-</u>	<u>311,007</u>	<u>43,891</u>	<u>10,412</u>	<u>6,470</u>
\$ 93,080	\$ 159,392	\$ -	\$ 487,049	\$ 43,891	\$ 10,626	\$ 6,470

San Jacinto County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2)
September 30, 2021

	Special Revenue Funds			
	Credit			
	CHS Fund	Card Account	RAF Co. Clerk	RAF Dist. Clerk
Assets				
Cash and cash equivalents	\$ 55,477	\$ 6,450	\$ 32,121	\$ 26,522
Investments	-	-	-	-
Receivables, net	-	-	-	-
Due from other funds	-	-	9,234	1,434
Total Assets	\$ 55,477	\$ 6,450	\$ 41,355	\$ 27,956
Liabilities				
Accounts payable and accrued expenses	\$ 54	\$ 6,450	\$ 12,004	\$ 20
Due to other funds	-	-	-	-
Total Liabilities	54	6,450	12,004	20
Deferred Inflows of Resources				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows	-	-	-	-
Fund Balances:				
Restricted	55,423	-	29,351	27,936
Unassigned	-	-	-	-
Total Fund Balances	55,423	-	29,351	27,936
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 55,477	\$ 6,450	\$ 41,355	\$ 27,956

See Notes to Financial Statements.

Special Revenue Funds

Dist. Clerk Criminal Fund	Hot Check Account	Law Library	Records Preservation	County Clerk RP	District Clerk RP	Courthouse Security
\$ 4,139	\$ 28,286	\$ 48,028	\$ 166,940	\$ 42,742	\$ 12,864	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,895	-	-	-
<u>\$ 4,139</u>	<u>\$ 28,286</u>	<u>\$ 48,028</u>	<u>\$ 168,835</u>	<u>\$ 42,742</u>	<u>\$ 12,864</u>	<u>\$ -</u>
\$ -	\$ 7,319	\$ -	\$ 137	\$ -	\$ 4	\$ 5,653
-	-	-	-	-	-	15,037
<u>-</u>	<u>7,319</u>	<u>-</u>	<u>137</u>	<u>-</u>	<u>4</u>	<u>20,690</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4,139	20,967	48,028	168,698	42,742	12,860	-
-	-	-	-	-	-	(20,690)
<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>
\$ 4,139	\$ 28,286	\$ 48,028	\$ 168,835	\$ 42,742	\$ 12,864	\$ -

San Jacinto County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3)
September 30, 2021

	Special Revenue Funds			
	Child			
	EDC	Hotel Tax	Abuse Prevention	Grant Fund
<u>Assets</u>				
Cash and cash equivalents	\$ 13,974	\$ 65,051	\$ 32,898	\$ 4
Investments	-	-	-	-
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 13,974	\$ 65,051	\$ 32,898	\$ 4
<u>Liabilities</u>				
Accounts payable and accrued expenses	\$ -	\$ 6,650	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	-	6,650	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows	-	-	-	-
Fund Balances:				
Restricted	13,974	58,401	32,898	4
Unassigned	-	-	-	-
Total Fund Balances	13,974	58,401	32,898	4
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,974	\$ 65,051	\$ 32,898	\$ 4

See Notes to Financial Statements.

Special Revenue Funds

DETCOG	Title IV Foster	Savin Grant Control	Pre-trial Programs	Sheriff Cash Bond Account	Solid Waste Grant	DEA Cannabis Grant
\$ -	\$ 19,591	\$ -	\$ 42,154	\$ 184,461	\$ 1,539	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 19,591</u>	<u>\$ -</u>	<u>\$ 42,154</u>	<u>\$ 184,461</u>	<u>\$ 1,539</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 50,880	\$ -	\$ -
186	-	2,231	-	-	-	12,143
<u>186</u>	<u>-</u>	<u>2,231</u>	<u>-</u>	<u>50,880</u>	<u>-</u>	<u>12,143</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	19,591	-	42,154	133,581	1,539	-
(186)	-	(2,231)	-	-	-	(12,143)
<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>
\$ -	\$ 19,591	\$ -	\$ 42,154	\$ 184,461	\$ 1,539	\$ -

San Jacinto County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 4)
September 30, 2021

	Special Revenue Funds			
	DA			
	Discretionary Fund	Historical Commission	2016 GLO Flood Grant	Polk Estate Settlement
Assets				
Cash and cash equivalents	\$ 14,064	\$ 51,659	\$ 80,649	\$ 298,511
Investments	-	-	-	-
Receivables, net	-	-	5,435	-
Due from other funds	-	-	-	-
Total Assets	\$ 14,064	\$ 51,659	\$ 86,084	\$ 298,511
Liabilities				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -
Due to other funds	596	-	-	-
Total Liabilities	596	-	-	-
Deferred Inflows of Resources				
Unavailable revenue - grants	-	-	5,435	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows	-	-	5,435	-
Fund Balances:				
Restricted	13,468	51,659	80,649	298,511
Unassigned	-	-	-	-
Total Fund Balances	13,468	51,659	80,649	298,511
Total Liabilities, Deferred Inflows and Fund Balances	\$ 14,064	\$ 51,659	\$ 86,084	\$ 298,511

See Notes to Financial Statements.

Special Revenue Funds

Community Building	Elections	DA Seizures	SO Seizures	County Clerk E-File Checking	District Clerk E-File Checking	EDA Grant
\$ -	\$ 26,069	\$ 134,280	\$ 19,595	\$ 20,083	\$ 25,575	\$ 333,197
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 26,069</u>	<u>\$ 134,280</u>	<u>\$ 19,595</u>	<u>\$ 20,083</u>	<u>\$ 25,575</u>	<u>\$ 333,197</u>
\$ 510	\$ 12,001	\$ -	\$ -	\$ 20,083	\$ 25,575	\$ -
47,600	-	-	-	-	-	-
<u>48,110</u>	<u>12,001</u>	<u>-</u>	<u>-</u>	<u>20,083</u>	<u>25,575</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	14,068	134,280	19,595	-	-	333,197
(48,110)	-	-	-	-	-	-
<u>(48,110)</u>	<u>14,068</u>	<u>134,280</u>	<u>19,595</u>	<u>-</u>	<u>-</u>	<u>333,197</u>
\$ -	\$ 26,069	\$ 134,280	\$ 19,595	\$ 20,083	\$ 25,575	\$ 333,197

San Jacinto County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 5)
September 30, 2021

	2020		Debt	Capital
	CARES Act	Sanitation	Service	Improvements
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 400	\$ 472,363	\$ 114
Investments	-	-	-	-
Receivables, net	-	-	146,107	-
Due from other funds	-	-	143,734	1,001,706
Total Assets	\$ -	\$ 400	\$ 762,204	\$ 1,001,820
<u>Liabilities</u>				
Accounts payable and accrued expenses	\$ -	\$ 63,002	\$ -	\$ -
Due to other funds	-	35,339	-	-
Total Liabilities	-	98,341	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	-	-	146,107	-
Total Deferred Inflows	-	-	146,107	-
Fund Balances:				
Restricted	-	-	616,097	1,001,820
Unassigned	-	(97,941)	-	-
Total Fund Balances	-	(97,941)	616,097	1,001,820
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 400	\$ 762,204	\$ 1,001,820

See Notes to Financial Statements.

**Total
Nonmajor
Governmental**

\$	6,606,405
	258,340
	740,118
	1,201,427
\$	<u>8,806,290</u>

\$	845,106
	113,132
	<u>958,238</u>

	5,435
	734,683
	<u>740,118</u>

	7,289,235
	(181,301)
	<u>7,107,934</u>

\$	<u>8,806,290</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, 2021

	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
Revenues				
Property taxes	\$ 803,355	\$ 731,067	\$ 867,701	\$ 943,068
Sales taxes	7,560	7,560	8,875	8,875
Licenses and permits	155,368	158,807	177,279	182,179
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	55,885	-	-	5,500
Investment income	2,289	1,442	947	1,545
Other revenue	4,765	4,148	-	45,290
Total Revenues	1,029,222	903,024	1,054,802	1,186,457
Expenditures				
Current:				
General government	-	-	-	-
Health and human services	-	-	-	-
Administration of justice	-	-	-	-
Roads and bridges	619,292	910,381	851,522	1,164,093
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	102,198	5,118	4,066	76,807
Total Expenditures	721,490	915,499	855,588	1,240,900
Excess (Deficiency) of Revenues Over Expenditures	307,732	(12,475)	199,214	(54,443)
Other Financing Sources (Uses)				
Proceeds from sale of assets	30,016	9,956	2,955	4,671
Transfers in	25,000	25,000	25,000	25,000
Transfers (out)	-	(2,800)	(2,919)	-
Total Other Financing Sources (Uses)	55,016	32,156	25,036	29,671
Net Change in Fund Balances	362,748	19,681	224,250	(24,772)
Beginning fund balances	836,471	348,020	896,977	731,376
Ending Fund Balances	\$ 1,199,219	\$ 367,701	\$ 1,121,227	\$ 706,604

See Notes to Financial Statements.

Special Revenue Funds

FEMA DR 4332	National Forest Funds	CDBG Hurricane Harvey	Seizure Holdings	LEOSE	JP Technology Fund	Seizure Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	265,572	-	1,855	1,738
143,943	171,243	97,263	-	7,307	-	-
-	-	-	-	-	32	21
-	-	-	-	-	-	-
<u>143,943</u>	<u>171,243</u>	<u>97,263</u>	<u>265,572</u>	<u>7,307</u>	<u>1,887</u>	<u>1,759</u>
-	-	97,263	-	-	-	-
-	73,271	-	-	-	-	-
-	-	-	146,122	3,959	18,364	-
642	218,442	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>642</u>	<u>291,713</u>	<u>97,263</u>	<u>146,122</u>	<u>3,959</u>	<u>18,364</u>	<u>-</u>
<u>143,301</u>	<u>(120,470)</u>	<u>-</u>	<u>119,450</u>	<u>3,348</u>	<u>(16,477)</u>	<u>1,759</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
143,301	(120,470)	-	119,450	3,348	(16,477)	1,759
(50,225)	274,468	-	191,557	40,543	26,889	4,711
<u>\$ 93,076</u>	<u>\$ 153,998</u>	<u>\$ -</u>	<u>\$ 311,007</u>	<u>\$ 43,891</u>	<u>\$ 10,412</u>	<u>\$ 6,470</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, 2021

	Special Revenue Funds			
	CHS Fund	Credit Card Account	RAF Co. Clerk	RAF Dist. Clerk
<u>Revenues</u>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	570	-	92,440	5,624
Intergovernmental	-	-	-	-
Investment income	-	-	38	-
Other revenue	-	-	-	-
Total Revenues	570	-	92,478	5,624
<u>Expenditures</u>				
Current:				
General government	-	-	116,108	10
Health and human services	-	-	-	-
Administration of justice	1,859	-	-	187
Roads and bridges	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	1,859	-	116,108	197
Excess (Deficiency) of Revenues Over Expenditures	(1,289)	-	(23,630)	5,427
<u>Other Financing Sources (Uses)</u>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(1,289)	-	(23,630)	5,427
Beginning fund balances	56,712	-	52,981	22,509
Ending Fund Balances	\$ 55,423	\$ -	\$ 29,351	\$ 27,936

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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,045	30	17,808	48,303	-	100	14,916
-	-	-	-	-	-	-
-	-	8	11	-	-	-
-	300	-	-	-	-	-
<u>3,045</u>	<u>330</u>	<u>17,816</u>	<u>48,314</u>	<u>-</u>	<u>100</u>	<u>14,916</u>
-	825	-	27,014	-	-	-
-	-	-	-	-	-	-
3,332	-	15,225	-	-	-	65,074
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,332</u>	<u>825</u>	<u>15,225</u>	<u>27,014</u>	<u>-</u>	<u>-</u>	<u>65,074</u>
<u>(287)</u>	<u>(495)</u>	<u>2,591</u>	<u>21,300</u>	<u>-</u>	<u>100</u>	<u>(50,158)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	42,607
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,607</u>
(287)	(495)	2,591	21,300	-	100	(7,551)
<u>4,426</u>	<u>21,462</u>	<u>45,437</u>	<u>147,398</u>	<u>42,742</u>	<u>12,760</u>	<u>(13,139)</u>
<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>

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, 2021

	Special Revenue Funds			
	EDC	Hotel Tax	Child Abuse Prevention	Grant Fund
<u>Revenues</u>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	1,260	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Other revenue	-	39,826	-	-
Total Revenues	-	39,826	1,260	-
<u>Expenditures</u>				
Current:				
General government	-	-	-	-
Health and human services	-	18,650	-	-
Administration of justice	-	-	-	-
Roads and bridges	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	18,650	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	21,176	1,260	-
<u>Other Financing Sources (Uses)</u>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	13,000	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	13,000	-
Net Change in Fund Balances	-	21,176	14,260	-
Beginning fund balances	13,974	37,225	18,638	4
Ending Fund Balances	\$ 13,974	\$ 58,401	\$ 32,898	\$ 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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,900	-	-	-
-	9,677	8,935	-	-	-	15,697
-	-	-	-	28	-	-
-	-	-	-	23,372	-	-
<u>-</u>	<u>9,677</u>	<u>8,935</u>	<u>2,900</u>	<u>23,400</u>	<u>-</u>	<u>15,697</u>
-	-	-	-	-	-	-
-	-	-	1,800	-	-	-
-	-	8,923	-	16,009	-	16,992
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>8,923</u>	<u>1,800</u>	<u>16,009</u>	<u>-</u>	<u>16,992</u>
<u>-</u>	<u>9,677</u>	<u>12</u>	<u>1,100</u>	<u>7,391</u>	<u>-</u>	<u>(1,295)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	9,677	12	1,100	7,391	-	(1,295)
<u>(186)</u>	<u>9,914</u>	<u>(2,243)</u>	<u>41,054</u>	<u>126,190</u>	<u>1,539</u>	<u>(10,848)</u>
<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>

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, 2021

	Special Revenue Funds			
	DA	Historical Commission	2016 GLO Flood Grant	Polk Estate Settlement
	Discretionary Fund			
<u>Revenues</u>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	27,500	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Other revenue	-	22,074	-	-
Total Revenues	27,500	22,074	-	-
<u>Expenditures</u>				
Current:				
General government	-	-	-	-
Health and human services	-	17,068	-	-
Administration of justice	28,000	-	-	-
Roads and bridges	-	-	754	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	28,000	17,068	754	-
Excess (Deficiency) of Revenues Over Expenditures	(500)	5,006	(754)	-
<u>Other Financing Sources (Uses)</u>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(500)	5,006	(754)	-
Beginning fund balances	13,968	46,653	81,403	298,511
Ending Fund Balances	\$ 13,468	\$ 51,659	\$ 80,649	\$ 298,511

Special Revenue Funds

Community Building	Elections	DA Seizures	SO Seizures	County Clerk E-File Checking	District Clerk E-File Checking	EDA Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	76,699	20,624	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	72,472	-	-	-	-	-
-	<u>72,472</u>	<u>76,699</u>	<u>20,624</u>	-	-	-
-	47,571	-	-	-	-	-
25,090	-	-	-	-	-	12,268
-	-	52,820	4,111	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	6,088	-	-	-	-
<u>25,090</u>	<u>47,571</u>	<u>58,908</u>	<u>4,111</u>	-	-	<u>12,268</u>
<u>(25,090)</u>	<u>24,901</u>	<u>17,791</u>	<u>16,513</u>	-	-	<u>(12,268)</u>
-	-	-	-	-	-	-
33,600	-	-	-	-	-	350,000
-	(38,500)	-	-	-	-	-
<u>33,600</u>	<u>(38,500)</u>	-	-	-	-	<u>350,000</u>
8,510	(13,599)	17,791	16,513	-	-	337,732
<u>(56,620)</u>	<u>27,667</u>	<u>116,489</u>	<u>3,082</u>	-	-	<u>(4,535)</u>
<u>\$ (48,110)</u>	<u>\$ 14,068</u>	<u>\$ 134,280</u>	<u>\$ 19,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 333,197</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, 2021

	2020		Debt	Capital
	CARES Act	Sanitation	Service	Improvements
<u>Revenues</u>				
Property taxes	\$ -	\$ -	\$ 853,178	\$ -
Sales taxes	-	-	-	-
Licenses and permits	-	317,554	-	-
Charges for services	-	33,667	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	125,442	-	-	-
Investment income	-	237	-	-
Other revenue	-	-	-	1
Total Revenues	125,442	351,458	853,178	1
<u>Expenditures</u>				
Current:				
General government	141,442	-	-	-
Health and human services	-	574,478	-	-
Administration of justice	-	-	-	-
Roads and bridges	-	-	-	-
Debt service:				
Principal	-	-	708,439	-
Interest	-	-	57,110	-
Capital outlay	-	-	-	-
Total Expenditures	141,442	574,478	765,549	-
Excess (Deficiency) of				
Revenues Over Expenditures	(16,000)	(223,020)	87,629	1
<u>Other Financing Sources (Uses)</u>				
Proceeds from sale of assets	-	-	-	-
Transfers in	16,000	299,538	30,605	-
Transfers (out)	-	-	-	-
Total Other Financing				
Sources (Uses)	16,000	299,538	30,605	-
Net Change in Fund Balances	-	76,518	118,234	1
Beginning fund balances	-	(174,459)	497,863	1,001,819
Ending Fund Balances	\$ -	\$ (97,941)	\$ 616,097	\$ 1,001,820

**Total
Nonmajor
Governmental**

\$ 4,198,369
32,870
991,187
61,167
553,484
640,892
6,598
212,248

6,696,815

430,233
722,625
380,977
3,765,126

708,439
57,110
194,277

6,258,787

438,028

47,598
885,350

(44,219)

888,729

1,326,757

5,781,177

\$ 7,107,934



(This page intentionally left blank.)