

**JASPER COUNTY, TEXAS**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED**  
**DECEMBER 31, 2019**



**JASPER COUNTY, TEXAS**

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jasper County, Texas, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### OFFICE LOCATIONS

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jasper County, Texas, as of December 31, 2019, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2020, on our consideration of the Jasper County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jasper County, Texas' internal control over financial reporting and compliance.

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

Waco, Texas  
September 10, 2020



**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

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**JASPER COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Jasper County, Texas (the "County") Financial Report presents a narrative overview and analysis of the financial activities of the primary government for the fiscal year ended December 31, 2019.

**FINANCIAL HIGHLIGHTS**

- The County's total net position decreased by \$2,781,312 (5.8%) over the course of this year's operations.
- The total government-wide assets and deferred outflows of resources of the County exceeded the liabilities and deferred inflows of resources at December 31, 2019, by \$44,772,338 reported as total net position of the primary government. Of this amount, \$1,339,867 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$5,042,505 is restricted for specific purposes (restricted net position), and \$38,389,966 is invested in capital assets, net of related debt.
- As of December 31, 2019, the County governmental funds reported combined fund balances of \$9,134,948, which represents a 12% decrease from the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

The Statement of Net Position presents information on all County assets, deferred outflows and inflows of resources and liabilities, with the difference representing net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information that indicates how net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

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

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds. The County does not have any proprietary funds.

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

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

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

The County maintains 42 individual government funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the major governmental funds. Data from other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The largest portion of the County's current fiscal year net position (86%) reflects net investment in capital assets (e.g. land, improvements, buildings, equipment, infrastructure) less any related debt used to acquire these assets that is outstanding. The main use of these capital assets is to provide services to citizens; consequently, these assets are not available for future spending. Although the County's net investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another significant portion of the County's current fiscal year net position (3%) represents unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors.

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

### JASPER COUNTY'S CHANGES NET POSITION

	Governmental Activities	
	2019	2018
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 3,131,070	\$ 3,358,843
Operating grants and contributions	1,471,965	761,208
Capital grants and contributions	354,416	470,098
General revenues:		
Taxes - levied for general purposes	14,173,256	13,974,172
Taxes - levied for debt service	5,756	7,806
Other taxes	205,715	211,351
Investment earnings	95,329	74,077
Gain on sale of assets	20	4,602
Miscellaneous	<u>463,381</u>	<u>469,117</u>
Total revenues	<u>19,900,908</u>	<u>19,331,274</u>
<b>EXPENSES</b>		
General government	5,719,924	4,803,093
Judicial	2,453,238	2,326,379
Legal	777,793	690,270
Public facilities	671,434	677,961
Public safety	6,329,553	5,764,815
Health and welfare	701,148	581,212
Conservation	112,347	110,563
Roads	5,912,935	5,162,673
Cultural and recreation	<u>3,848</u>	<u>2,965</u>
Total expenses	<u>22,682,220</u>	<u>20,119,931</u>
<b>CHANGE IN NET POSITION</b>	( 2,781,312)	( 788,657)
<b>NET POSITION, BEGINNING</b>	47,553,650	49,814,317
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	( 1,472,010)
<b>NET POSITION, ENDING</b>	<u>\$ 44,772,338</u>	<u>\$ 47,553,650</u>

### FINANCIAL ANALYSIS OF MAJOR FUNDS

**Governmental Funds.** The County's major general government functions are contained in the General Fund. The focus of the County's Governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2019, the County's General Fund reported combined fund balances of \$4,261,357, a decrease of \$634,413 from the prior year. This decrease is primarily due to an increase in general government expenditures.

The General Fund is the chief operating fund of the County. At December 31, 2019, the General Fund reported revenues of \$12,682,948 and expenditures of \$13,284,717. These amounts represented a \$102,888 increase in revenues, primarily due to \$112,966 increase in taxes. The County saw an increase of \$146,396 in expenditures in the General Fund. The increase in expenditures was primarily made up of an increase of \$261,222 to general government expenditures. The deficit of revenues over expenditures was \$601,769, before other financing uses of \$32,644.

At December 31, 2019, the County's Road and Bridge Fund reported a restricted fund balance of \$2,866,910, a decrease of \$468,919 from the prior year. This decrease is primarily due to increased collections in road construction.

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

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year, actual revenues were more than budgeted estimates by \$176,480. Actual expenditures were less than budgeted estimates by \$178,185, and other financing sources/uses resulted in a negative budget variance of \$199,980. The net effect resulted in a positive variance of \$154,685.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The County's investment in capital assets for its governmental activities as of December 31, 2019, amounted to \$38,389,966 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, and other tangible and intangible assets. This amount decreased by \$896,307.

**Long-term Liabilities.** At December 31, 2019, the County had total long-term liabilities outstanding of \$11,689,881, an increase of \$3,075,323 over the prior year.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Commissioners' Court adopted the County's 2020 budget on September 9, 2019.

For 2020, the property tax rate is .6591 per \$100 valuation. The collection rate for the 2020 budget was based on a 97.55% collection rate compared to a 97.55% collection rate in the prior year.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the County Auditor's Office, 150 N. Austin Street, Jasper, Texas 75951.

**BASIC  
FINANCIAL STATEMENTS**

**JASPER COUNTY, TEXAS**

STATEMENT OF NET POSITION

DECEMBER 31, 2019

	Primary Government Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 14,624,353
Receivables (net of allowance for uncollectibles)	
Accounts	2,505,850
Taxes	2,887,602
Prepaid expenses	30,164
Due from other governments	133,348
Capital assets:	
Land	1,043,120
Construction in progress	941,818
Buildings	19,043,240
Equipment and furniture	9,017,834
Infrastructure	33,935,424
Less: accumulated depreciation	( 25,591,470)
Total capital assets	38,389,966
Total assets	58,571,283
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	3,849,755
Deferred outflows related to GTLF OPEB	39,562
Deferred outflows related to retiree health plan OPEB	126,754
Total deferred outflows of resources	4,016,071
<b>LIABILITIES</b>	
Accounts payable	397,626
Accrued liabilities	199,308
Unearned revenue	73,032
Noncurrent liabilities:	
Due within one year	
Compensated Absences	60,044
Total OPEB liability - GTLF OPEB	15,715
Total OPEB liability - retiree health plan OPEB	69,542
Due in more than one year	
Compensated Absences	240,177
Net pension liability	8,846,554
Total OPEB liability - GTLF OPEB	451,860
Total OPEB liability - retiree health plan OPEB	2,005,989
Total liabilities	12,359,847
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property taxes received in advance of fiscal year levy	5,059,518
Deferred inflows related to pensions	284,762
Deferred inflows related to GTLF OPEB	44,827
Deferred inflows related to - retiree health plan OPEB	66,062
Total deferred inflows of resources	5,455,169



**JASPER COUNTY, TEXAS**

**STATEMENT OF NET POSITION**

DECEMBER 31, 2019  
(continued)

	<u>Primary Government Governmental Activities</u>
<b>NET POSITION</b>	
Net investment in capital assets	38,389,966
Restricted for:	
Records management and preservation	964,624
Court technology and security	123,819
Tax assessment and collection services	2,953
Jury services	7,893
Court system	41,121
Law library	178,314
Forfeitures	46,153
Check collection and processing	682
Foster care	496,832
Law enforcement	203,237
Historical commission	4,530
Debt service	83,070
Public safety	22,121
Health and welfare	246
Roads	2,866,910
Unrestricted	<u>1,339,867</u>
Total net position	<u>\$ 44,772,338</u>

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**JASPER COUNTY, TEXAS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

DECEMBER 31, 2019

	General	Road and Bridge	Other Governmental	Total Governmental
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,357,700	\$ 3,009,765	\$ 2,256,888	\$ 14,624,353
Receivables (net of allowance for uncollectibles)				
Accounts	179,021	2,285,854	40,975	2,505,850
Taxes	1,890,767	845,311	151,524	2,887,602
Due from other funds	101,098	1,391,165	176,577	1,668,840
Due from other governments	133,348	-	-	133,348
Prepaid expenditures	30,164	-	-	30,164
	<u>11,692,098</u>	<u>7,532,095</u>	<u>2,625,964</u>	<u>21,850,157</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	202,032	108,943	86,651	397,626
Other liabilities	151,065	42,223	6,020	199,308
Due to other funds	1,567,742	9,374	91,724	1,668,840
Unearned revenue	-	-	73,032	73,032
Total liabilities	<u>1,920,839</u>	<u>160,540</u>	<u>257,427</u>	<u>2,338,806</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	1,846,450	827,626	148,542	2,822,618
Property taxes received in advance of fiscal year levy	3,491,776	1,391,165	176,577	5,059,518
Unavailable revenue - court fines and fees	171,676	2,285,854	36,737	2,494,267
Total deferred inflows of resources	<u>5,509,902</u>	<u>4,504,645</u>	<u>361,856</u>	<u>10,376,403</u>
<b>FUND BALANCES (DEFICITS)</b>				
Fund balances:				
Nonspendable:				
Prepaid Items	30,164	-	-	30,164
Restricted for:				
Records management and preservation	-	-	964,624	964,624
Court technology and security	-	-	123,819	123,819
Tax assessment and collection services	-	-	2,953	2,953
Jury services	-	-	7,893	7,893
Court system	-	-	41,121	41,121
Law library	-	-	178,314	178,314
Forfeitures	-	-	46,153	46,153
Check collection and processing	-	-	682	682
Foster care	-	-	496,832	496,832
Law enforcement	-	-	203,237	203,237
Historical commission	-	-	4,530	4,530
Debt service	-	-	83,070	83,070
Roads	-	2,866,910	-	2,866,910
Public safety	-	-	22,121	22,121
Health and welfare	-	-	246	246
Unassigned	4,231,193	-	( 168,914)	4,062,279
Total fund balances	<u>4,261,357</u>	<u>2,866,910</u>	<u>2,006,681</u>	<u>9,134,948</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>11,692,098</u>	\$ <u>7,532,095</u>	\$ <u>2,625,964</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	38,389,966
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	5,316,885
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	( 7,399,985)
Net position of governmental activities	\$ <u>44,772,338</u>

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

**JASPER COUNTY, TEXAS**

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

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>General</u>	<u>Road and Bridge</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
<b>REVENUES</b>				
Taxes	\$ 9,950,481	\$ 3,895,676	\$ 500,295	\$ 14,346,452
License and fees	915,915	-	198,016	1,113,931
Fines and forfeitures	516,060	128,747	9,585	654,392
Intergovernmental	974,607	295,689	1,091,847	2,362,143
Auto registration	-	705,119	-	705,119
Interest	50,306	31,416	13,607	95,329
Other	<u>275,579</u>	<u>158,632</u>	<u>23,119</u>	<u>457,330</u>
Total revenues	<u>12,682,948</u>	<u>5,215,279</u>	<u>1,836,469</u>	<u>19,734,696</u>
<b>EXPENDITURES</b>				
General government	4,256,589	490,406	237,073	4,984,068
Judicial	2,304,302	-	27,204	2,331,506
Legal	650,353	-	87,044	737,397
Public facilities	653,153	-	-	653,153
Public safety	5,082,378	-	27,135	5,109,513
Health and welfare	-	-	690,595	690,595
Conservation	111,837	-	-	111,837
Roads	-	4,683,949	877,359	5,561,308
Cultural and recreation	-	-	3,832	3,832
Capital outlay	<u>226,105</u>	<u>529,757</u>	<u>14,150</u>	<u>770,012</u>
Total expenditures	<u>13,284,717</u>	<u>5,704,112</u>	<u>1,964,392</u>	<u>20,953,221</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>( 601,769)</u>	<u>( 488,833)</u>	<u>( 127,923)</u>	<u>( 1,218,525)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	19,914	12,750	32,664
Transfers out	<u>( 32,664)</u>	-	-	<u>( 32,664)</u>
Sale of assets	20	-	-	20
Total other financing sources (uses)	<u>( 32,644)</u>	<u>19,914</u>	<u>12,750</u>	<u>20</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 634,413)</u>	<u>( 468,919)</u>	<u>( 115,173)</u>	<u>( 1,218,505)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>4,895,770</u>	<u>3,335,829</u>	<u>2,121,854</u>	<u>10,353,453</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 4,261,357</u>	<u>\$ 2,866,910</u>	<u>\$ 2,006,681</u>	<u>\$ 9,134,948</u>

**JASPER COUNTY, TEXAS**

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

FOR THE YEAR ENDED DECEMBER 31, 2019

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

Net change in fund balances - total governmental funds	\$( 1,218,505)
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	
Capital outlay	1,576,200
Depreciation	( 2,472,507)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	
Property taxes	( 1,085)
Court fines	167,277
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension cost	( 536,041)
Other postemployment benefits liabilities cost	( 204,676)
Compensated absences	( 91,975)
Change in net position of governmental activities	<u>\$( 2,781,312)</u>

**JASPER COUNTY, TEXAS**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

**DECEMBER 31, 2019**

	<u>Private Purpose Trust</u>	
	<u>County Schools</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash	\$ 9,124,216	\$ 3,360,555
Accounts Receivable	<u>2,276</u>	<u>-</u>
Total assets	<u>\$ 9,126,492</u>	<u>\$ 3,360,555</u>
<b>LIABILITIES</b>		
Due to other agencies and individuals	\$ <u>-</u>	\$ <u>3,360,555</u>
Total liabilities	<u>\$ -</u>	<u>\$ 3,360,555</u>
<b>NET POSITION</b>		
Held in trust for schools	<u>\$ 9,126,492</u>	

**JASPER COUNTY, TEXAS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Private Purpose Trust</u>	<u>County Schools</u>
<b>ADDITIONS</b>		
Contributions	\$ 34,603	
Investment earnings	<u>76,399</u>	
Total additions	111,002	
<b>DEDUCTIONS</b>	<u>( 108,997)</u>	
<b>CHANGE IN NET POSITION</b>		2,005
<b>TOTAL NET POSITION, BEGINNING</b>		<u>9,124,487</u>
<b>TOTAL NET POSITION, ENDING</b>		<u>\$ 9,126,492</u>

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# JASPER COUNTY, TEXAS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

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

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

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

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County has no business-type activities, or component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

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

Additionally, the County reports the following fund types:

***Fiduciary Fund Types:***

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

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

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

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

**D. Assets, Liabilities and Net Position or Equity**

**Deposits and Investments**

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

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

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

## Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable based on historical collection rates receivable allowance for uncollectible. The property tax receivable allowance is equal to 12% of current year tax levy at December 31, 2019.

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

## Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Jasper County has two items that qualify for reporting in this category in the government-wide statement of net position, which are deferred outflows related to pensions and other post-employment benefits.

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

## Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	39
Equipment	3 - 15
Infrastructure	39

## **Compensated Absences**

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

## **Long-term Obligations**

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

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

## **Other Post-Employment Benefits**

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

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

## **Fund Balance Classification**

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by the Commissioners' Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County Auditor.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

### **Net Position**

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

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Budgetary Information**

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

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

7. Budgeted amounts are as originally adopted, or as amended, by the Commissioners' Court on August 22, 2018. Individual amendments were not material in relation to the original appropriations which were amended.

**Deficit Fund Equity**

At December 31, 2019, the Indigent Health fund has a deficit fund balance of \$168,914. The deficit will be eliminated as resources are obtained (e.g., transfers in or revenues).

**3. DETAILED NOTES ON ALL FUNDS**

**Deposits and Investments**

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

***Custodial Credit Risk.*** In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of December 31, 2019, all of the County's \$14,624,353 deposit balance was collateralized with securities held by the pledging financial institution.

**Receivables**

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Receivables:				
Taxes	\$ 3,161,455	\$ 1,392,993	\$ 246,808	\$ 4,801,256
Accounts	195,008	2,498,709	44,397	2,738,114
Grants	<u>133,348</u>	<u>-</u>	<u>-</u>	<u>133,348</u>
Gross receivables	3,489,811	3,891,702	291,205	7,672,718
Less: allowance for uncollectibles	<u>( 1,286,675)</u>	<u>( 760,537)</u>	<u>( 98,706)</u>	<u>( 2,145,918)</u>
Net Total				
Receivables	<u>\$ 2,203,136</u>	<u>\$ 3,131,165</u>	<u>\$ 192,499</u>	<u>\$ 5,526,800</u>

## Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

### Primary Government

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 1,029,207	\$ -	\$ -	\$ 13,913	\$ 1,043,120
CIP	10,718	979,605	-	( 48,505)	941,818
Total assets not being depreciated	<u>1,039,925</u>	<u>979,605</u>	<u>-</u>	<u>( 34,592)</u>	<u>1,984,938</u>
Capital assets, being depreciated:					
Buildings	18,992,428	16,220	-	34,592	19,043,240
Equipment	8,556,348	580,375	( 118,889)	-	9,017,834
Infrastructure	33,935,424	-	-	-	33,935,424
Total capital assets, being depreciated	<u>61,484,200</u>	<u>596,595</u>	<u>( 118,889)</u>	<u>34,592</u>	<u>61,996,498</u>
Less accumulated depreciation:					
Buildings	( 4,342,748)	( 1,208,821)	-	-	( 5,551,569)
Equipment	( 5,690,631)	( 447,386)	118,889	-	( 6,019,128)
Infrastructure	( 13,204,473)	( 816,300)	-	-	( 14,020,773)
Total accumulated depreciation	<u>( 23,237,852)</u>	<u>( 2,472,507)</u>	<u>118,889</u>	<u>-</u>	<u>( 25,591,470)</u>
Total capital assets being depreciated, net	<u>38,246,348</u>	<u>( 1,875,912)</u>	<u>-</u>	<u>34,592</u>	<u>36,405,028</u>
Governmental activities capital assets, net	<u>\$ 39,286,273</u>	<u>\$ ( 896,307)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,389,966</u>

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

Governmental activities:	
General government	\$ 520,555
Public safety	930,097
Road and bridge	1,013,956
Public facility	<u>7,899</u>
	<u>\$ 2,472,507</u>

## Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2019, is as follows:

### Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Road and Bridge	\$ 9,374
General	Nonmajor Governmental	91,724
Nonmajor Governmental	General	176,577
Road and Bridge	General	<u>1,391,165</u>
Total		<u>\$ 1,668,840</u>

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

**Interfund transfers:**

	Transfers In:		
	Road & Bridge	Nonmajor Governmental	Total
Transfer Out:			
General	\$ 19,914	\$ 12,750	\$ 32,664
Total	\$ 19,914	\$ 12,750	\$ 32,664

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

**Long-term Debt**

**Changes in Long-term Liabilities**

Long-term liability activity (shown in thousands of dollars) for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Government activities</b>					
Compensated absences	\$ 208,246	\$ 445,380	\$ 353,405	\$ 300,221	\$ 60,044
Governmental activities long-term liability	\$ 208,246	\$ 445,380	\$ 353,405	\$ 300,221	\$ 60,044

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

**Defined Benefit Pension Plan**

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

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

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

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



Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. By law, employee accounts can earn 7% interest. 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.

**Employees covered by benefit terms**

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	136
Inactive employees entitled to but not yet receiving benefits	89
Active employees	<u>168</u>
	<u><u>393</u></u>

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

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 17.48% and 17.68% in calendar years 2018 and 2019, respectively. The County's contributions to TCDRS for the year ended December 31, 2019, were \$1,448,981 and were equal to the required contributions.

**Net Pension Liability.** The County's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The Total Pension Liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions:

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

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

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

Updated mortality assumptions were adopted in the actuarial valuation of December 31, 2018. All other actuarial assumptions that determined the total pension liability as of December 31, 2018, were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016.

The long-term expected rate of return on pension plan investments is 8.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2019 information for a 10-year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. The target allocation and best estimates of geometric real rates return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Benchmark</b>	<b>Target Allocation <sup>(1)</sup></b>	<b>Geometric Real Rate of Return (Expected minus Inflation) <sup>(2)</sup></b>
US Equities	Dow Jones U.S. Total Stock Market Index	10.50%	5.40%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	18.00%	8.40%
Global Equities	MSCI World (net) Index	2.50%	5.70%
International Equities - Developed	MSCI World Ex USA (net) Index	10.00%	5.40%
International Equities - Emerging M	MSCI Emerging Markets (net) Index	7.00%	5.90%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	1.60%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	4.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.95%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(4)</sup>	2.00%	7.20%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.35%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(5)</sup>	6.00%	6.30%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	13.00%	3.90%

<sup>(1)</sup> Target asset allocation adopted at the April 2019 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return in addition to assumed inflation of 1.70% per Cliffwater's 2019 capital market ass

<sup>(3)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

## Discount Rate

The discount rate used to measure the Total Pension Liability was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

## Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2017	\$ 39,602,151	\$ 33,651,662	\$ 5,950,489
Changes for the year:			
Service cost	1,158,547	-	1,158,547
Interest on total pension liability <sup>(1)</sup>	3,217,730	-	3,217,730
Effect of economic/demographic gains or losses	( 214,326)	-	( 214,326)
Refund of contributions	( 97,723)	( 97,723)	-
Benefit payments	( 2,014,690)	( 2,014,690)	-
Administrative expenses	-	( 26,349)	26,349
Member contributions	-	550,026	( 550,026)
Net investment income	-	( 629,034)	629,034
Employer contributions	-	1,373,491	( 1,373,491)
Other <sup>(3)</sup>	-	( 2,248)	2,248
Balance at 12/31/2018	<u>\$ 41,651,689</u>	<u>\$ 32,805,135</u>	<u>\$ 8,846,554</u>

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

<sup>(2)</sup> No plan changes valued

<sup>(3)</sup> Relates to allocation of system-wide items.

## Sensitivity Analysis

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

	1% Decrease	Current	1% Increase
	7.1%	Discount Rate 8.1%	9.1%
Total pension liability	\$ 46,641,734	\$ 41,651,689	\$ 37,408,271
Fiduciary net position	<u>32,805,135</u>	<u>32,805,135</u>	<u>32,805,135</u>
Net pension liability/(asset)	<u>\$ 13,836,599</u>	<u>\$ 8,846,554</u>	<u>\$ 4,603,136</u>

## Pension Plan Fiduciary Net Position

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

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

For the year ended December 31, 2019, the County recognized pension expense of \$1,985,018.

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 284,762	\$ 170,612
Changes in actuarial assumptions	-	197,635
Difference between projected and actual investment earnings	-	2,032,527
Contributions subsequent to the measurement date	-	1,448,981
Total	<u>\$ 284,762</u>	<u>\$ 3,849,755</u>

\$1,448,981 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended December 31,	
2019	\$ 752,772
2020	365,527
2021	328,477
2022	669,236

## Postemployment Retiree Health Care Plan

### Plan Description

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

## Benefits and Contributions

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

The County's contributions to the Retiree Health Plan for the year ended December 31, 2019, were \$69,542, which equal benefit payments for retirees.

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

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

## Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Cost Method	Individual Entry Age Normal
Discount rate	3.71% as of December 31, 2018
Inflation Rate	2.50%
Salary Increases	0.50% to 5.00%, not including inflation of 3.25%
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2016 as conducted for the Texas County and District Retirement System (TCDRS). For the OPEB valuation, the standard TCDRS retirement rates were adjusted to reflect the impact of the County's retiree medical plan design.
Mortality	For healthy retirees, the gender-distinct RP-2014 Healthy Annuitant Mortality Tables are used with male rates multiplied by 130% and female rates multiplied by 110%. Those rates are projected on a fully generational basis based on 110% of the ultimate rates of Scale MP-2014.
Health care cost trend rates	Initial rate of 7.20% declining to an ultimate rate of 5.25% after 10 years; Ultimate trend rate includes a 1.00% adjustment for the excise tax
Participation rates	100%
Notes	The discount rate changed from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

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

A Single Discount Rate of 3.71 was used to measure the total OPEB liability. This Single Discount Rate was based on the municipal bond rates as of the measurement date. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2018.

**Changes in the Total OPEB Liability**

The County's total OPEB liability of \$2,075,531 was measured as of December 31, 2018 and was determined by an actuarial valuation as of December 31, 2017.

	<u>Total OPEB Liability</u>
Balance at 12/31/2017	\$ 1,965,102
Changes for the year:	
Service cost	154,665
Interest	66,454
Difference between expected and actual experience	32,620
Changes of assumptions	( 73,768)
Benefit payments	<u>( 69,542)</u>
Net changes	<u>110,429</u>
Balance at 12/31/2018	<u>\$ 2,075,531</u>

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.71%) in measuring the total OPEB liability.

	<u>1% Decrease in Discount Rate (2.71%)</u>	<u>Discount Rate (3.71%)</u>	<u>1% Increase in Discount Rate (4.71%)</u>
Total OPEB Liability	\$ 2,264,534	\$ 2,075,531	\$ 1,901,350

**Healthcare Cost Trend Rate Sensitivity Analysis**

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

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,829,307	\$ 2,075,531	\$ 2,368,381

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

For the year ended December 31, 2019, the County recognized OPEB expense of \$225,843. At December 31, 2019, the County reported deferred outflows and of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 29,213	\$ -
Changes in actuarial assumptions	68,334	66,062
Contributions subsequent to the measurement date	<u>29,207</u>	<u>-</u>
Totals	<u>\$ 126,754</u>	<u>\$ 66,062</u>



\$29,207 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the City paid with its own assets and will be recognized as a reduction of the total OPEB liability for the year ending December 31, 2020. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year	
<u>Ended December 31,</u>	
2020	\$ 4,724
2021	4,724
2022	4,724
2023	4,724
2024	4,724
Thereafter	7,865

**TCDRS Group Term Life Fund**

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

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

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

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

Inactive employees receiving benefits	113
Inactive employees entitled to but not yet receiving benefits	<u>33</u>
Active employees	<u><u>168</u></u>

**Contributions.** The County contributes to the GTLF at a contractually required rate as determined by an annual actuarial valuation, which was 0.40% for 2018 and 0.40% for 2017, of which 0.20% and 0.20%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the GTLF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees’ entire careers. The County contributions to the GTLF for the years ended December 30, 2019 and 2018 were \$16,391 and \$15,715, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

**Total OPEB Liability.** The District’s Total OPEB Liability (TOL) was measured as of December 31, 2018 as determined by an actuarial valuation as of that date.

**Actuarial Assumptions.** The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Measurement year ended	December 31, 2018
Investment rate of return (discount rate)	4.10%, or 20 Year Bond GO Index published by bondbuyer.com as of December 27, 2018.
Actuarial cost method	Entry age normal

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

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

All actuarial assumptions and methods that determined the Total OPEB Liability as of December 31, 2018 were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 75.

**Discount Rate.** The TCDRS GTLF program is treated as an unfunded OPEB plan because the GTLF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 4.10% was used to measure the Total OPEB Liability. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was the 20 Year Bond GO Index published by bondbuyer.com as of the measurement date of December 31, 2018.

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

	1% Decrease in Discount Rate (3.10%)	Current Discount Rate (4.10%)	1% Increase in Discount Rate (5.10%)
Total OPEB Liability	\$ 546,905	\$ 467,575	\$ 404,860

**OPEB Liability, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEBs.** At December 30, 2019, the County reported a liability of \$467,575 for its Total OPEB Liability. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018. For the year ended December 30, 2019, the County recognized OPEB expense of \$24,431. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

**Changes in the Total OPEB Liability**

	<u>Changes in Total OPEB Liability</u>
Balance at December 31, 2017	\$ 490,721
Changes for the year:	
Service cost	12,792
Interest on total OPEB liability <sup>(1)</sup>	17,053
Effect of economic/demographic gains or losses	12,899
Effect of assumptions changes or inputs <sup>(2)</sup>	( 50,175)
Benefit payments	<u>( 15,715)</u>
Balance at December 31, 2018	<u>\$ 467,575</u>

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

<sup>(2)</sup> Reflects change in discount rate and the new assumptions adopted based on the January 1, 2013 - December 31, 2016 Investigation of Experience.

At December 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 4,686	\$ 10,319
Change of assumptions	40,141	12,852
Contributions subsequent to the measurement date	<u>-</u>	<u>16,391</u>
Totals	<u>\$ 44,827</u>	<u>\$ 39,562</u>

\$16,391 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending December 31, 2020. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended December 31,</u>	
2019	\$( 5,414)
2020	( 5,414)
2021	( 5,414)
2022	( 5,414)

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

**JASPER COUNTY, TEXAS**

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

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 10,220,962	\$ 10,220,962	\$ 9,950,481	\$ ( 270,481)
License and fees	855,871	855,871	915,915	60,044
Fines and forfeitures	605,000	605,000	516,060	( 88,940)
Intergovernmental	639,201	711,708	974,607	262,899
Interest	39,084	39,084	50,306	11,222
Other	<u>113,117</u>	<u>73,843</u>	<u>275,579</u>	<u>201,736</u>
Total revenues	<u>12,473,235</u>	<u>12,506,468</u>	<u>12,682,948</u>	<u>176,480</u>
<b>EXPENDITURES</b>				
General government	3,958,476	4,376,227	4,256,589	119,638
Judicial	2,232,960	2,343,682	2,304,302	39,380
Legal	647,189	659,400	650,353	9,047
Public facilities	511,283	647,916	653,153	( 5,237)
Public safety	5,018,788	5,096,790	5,082,378	14,412
Conservation	110,919	111,837	111,837	-
Capital outlay	<u>177,511</u>	<u>227,050</u>	<u>226,105</u>	<u>945</u>
Total expenditures	<u>12,657,126</u>	<u>13,462,902</u>	<u>13,284,717</u>	<u>178,185</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>( 183,891)</u>	<u>( 956,434)</u>	<u>( 601,769)</u>	<u>354,665</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	200,000	200,000	-	( 200,000)
Transfers out	( 12,750)	( 32,664)	( 32,664)	-
Sale of assets	-	-	20	20
Total other financing sources (uses)	<u>187,250</u>	<u>167,336</u>	<u>( 32,644)</u>	<u>( 199,980)</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	3,359	( 789,098)	( 634,413)	154,685
<b>FUND BALANCES, BEGINNING</b>				
	<u>4,895,770</u>	<u>4,895,770</u>	<u>4,895,770</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>				
	<u>\$ 4,899,129</u>	<u>\$ 4,106,672</u>	<u>\$ 4,261,357</u>	<u>\$ 154,685</u>

**JASPER COUNTY, TEXAS**

**ROAD AND BRIDGE SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 4,120,393	\$ 4,120,393	\$ 3,895,676	\$( 224,717)
Fines and forfeitures	220,000	220,000	128,747	( 91,253)
Intergovernmental	113,643	113,643	295,689	182,046
Auto registration	802,422	802,422	705,119	( 97,303)
Interest	20,128	20,128	31,416	11,288
Other	<u>191,653</u>	<u>191,653</u>	<u>158,632</u>	<u>( 33,021)</u>
Total revenues	<u>5,468,239</u>	<u>5,468,239</u>	<u>5,215,279</u>	<u>( 252,960)</u>
<b>EXPENDITURES</b>				
General government	493,112	493,112	490,406	2,706
Roads	4,877,900	5,339,372	4,683,949	655,423
Capital outlay	-	-	529,757	( 529,757)
Total expenditures	<u>5,371,012</u>	<u>5,832,484</u>	<u>5,704,112</u>	<u>128,372</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>97,227</u>	<u>( 364,245)</u>	<u>( 488,833)</u>	<u>( 124,588)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	19,914	19,914	-
Sale of assets	<u>4,015</u>	<u>4,015</u>	<u>-</u>	<u>( 4,015)</u>
Total other financing sources (uses)	<u>4,015</u>	<u>23,929</u>	<u>19,914</u>	<u>( 4,015)</u>
<b>NET CHANGE IN FUND BALANCE</b>	101,242	( 340,316)	( 468,919)	( 128,603)
<b>FUND BALANCE, BEGINNING</b>	<u>3,335,829</u>	<u>3,335,829</u>	<u>3,335,829</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 3,437,071</u>	<u>\$ 2,995,513</u>	<u>\$ 2,866,910</u>	<u>\$( 128,603)</u>

**JASPER COUNTY, TEXAS**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS

LAST FISCAL YEAR

<b>Measurement Date December 31</b>	<u><b>2014</b></u>	<u><b>2015</b></u>
<b>Total Pension Liability</b>		
Service Cost	\$ 971,579	\$ 1,010,822
Interest total pension liability	2,551,429	2,702,346
Effect of plan changes	-	( 193,701)
Effect of assumption changes or inputs	-	389,362
Effect of economic/demographic (gains) or losses	129,180	( 317,572)
Benefit payments/refunds of contributions	( 1,831,338)	( 1,979,863)
Net change in total pension liability	1,820,850	1,611,394
Total pension liability - beginning	<u>31,920,653</u>	<u>33,741,453</u>
Total pension liability - ending (a)	<u>\$ 33,741,503</u>	<u>\$ 35,352,847</u>
<b>Plan Fiduciary Net Position</b>		
Employer contributions	\$ 1,138,612	\$ 1,260,531
Member contributions	454,148	493,497
Investment income net of investment expenses	1,796,794	99,833
Benefit payments refunds of contributions	( 1,831,388)	( 1,979,863)
Administrative expenses	( 20,838)	( 19,981)
Other	<u>10,942</u>	<u>44,606</u>
Net change in plan fiduciary net position	1,548,270	( 101,377)
Plan fiduciary net position - beginning	<u>26,288,606</u>	<u>27,836,876</u>
Plan fiduciary net position - ending (b)	<u>27,836,876</u>	<u>27,735,499</u>
Net pension liability - ending (a) - (b)	<u>\$ 5,904,627</u>	<u>\$ 7,617,348</u>
Fiduciary net position as a percentage of total pension liability	82.50%	78.45%
Pensionable covered payroll	\$ 6,487,833	\$ 7,049,963
Net pension liability as a percentage of covered payroll	91.01%	108.05%



	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	1,119,518	\$ 1,145,933	\$ 1,158,547
	2,825,979	3,008,541	3,217,730
	-	-	-
	-	199,604	-
(	242,011)	284,353	( 214,326)
(	<u>2,066,395)</u>	<u>( 2,026,218)</u>	<u>( 2,112,413)</u>
	1,637,091	2,612,213	2,049,538
	<u>35,352,847</u>	<u>36,989,938</u>	<u>39,602,151</u>
\$	<u>36,989,938</u>	\$ <u>39,602,151</u>	\$ <u>41,651,689</u>
\$	1,321,720	\$ 1,361,668	\$ 1,373,491
	517,159	544,051	550,026
	2,049,732	4,303,056	( 629,034)
(	2,066,394)	( 2,026,218)	( 2,112,413)
(	22,293)	( 22,379)	( 26,349)
(	<u>42,113)</u>	<u>( 1,826)</u>	<u>( 2,248)</u>
	1,757,811	4,158,352	( 846,527)
	<u>27,735,499</u>	<u>29,493,310</u>	<u>33,651,662</u>
	<u>29,493,310</u>	<u>33,651,662</u>	<u>32,805,135</u>
\$	<u>7,496,628</u>	\$ <u>5,950,489</u>	\$ <u>8,846,554</u>
	79.73%	84.97%	78.76%
\$	7,387,979	\$ 7,772,163	\$ 7,857,516
	101.47%	76.56%	112.59%

**JASPER COUNTY, TEXAS**

**SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS**

**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended December 31</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution <sup>(1)</sup></b>	<b>Contribution Deficiency (Excess) <sup>(1)</sup></b>	<b>Pensionable Covered Payroll <sup>(2)</sup></b>	<b>Actual Contribution as a % of Covered Payroll</b>
2010	889,501	889,501	-	5,658,402	15.7%
2011	888,820	888,820	-	5,905,793	15.0%
2012	954,884	954,884	-	6,039,800	15.8%
2013	1,050,450	1,050,450	-	6,374,109	16.5%
2014	1,138,612	1,138,612	-	6,487,833	17.5%
2015	1,260,531	1,260,531	-	7,049,963	17.9%
2016	1,321,720	1,321,720	-	7,387,979	17.9%
2017	1,361,668	1,361,668	-	7,772,163	17.5%
2018	1,373,494	1,373,494	-	7,857,516	17.5%
2019	1,448,981	1,448,981	-	8,195,595	17.7%

**JASPER COUNTY, TEXAS**

**NOTES TO SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>Valuation Date</b>	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.
<b>Actuarial Cost Method</b>	Entry Age
<b>Remaining Amortization Period</b>	12.0 years (based on contribution rate calculated in 12/31/2018 valuation)
<b>Asset Valuation Method</b>	5-year smoothed market
<b>Inflation</b>	2.75%
<b>Salary Increases</b>	Varies by age and service. 4.9% average over career including inflation.
<b>Investment Rate of Return</b>	8.00%, net of investment expenses, including inflation
<b>Retirement Age</b>	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
<b>Mortality</b>	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.
<b>Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*</b>	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
<b>Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*</b>	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule.

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

**JASPER COUNTY, TEXAS**

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

FOR THE YEAR ENDED DECEMBER 31, 2019

<b>Measurement Date December 31</b>	<u><b>2017</b></u>	<u><b>2018</b></u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 138,461	\$ 154,665
Interest on total OPEB liability	67,486	66,454
Difference between expected and actual experience of the total OPEB liability	-	32,620
Effect of assumption changes or inputs	86,380	( 73,768)
Benefit payments	( 58,579)	( 69,542)
Net change in Total OPEB Liability	233,748	110,429
Total OPEB Liability - beginning	<u>1,731,354</u>	<u>1,965,102</u>
Total OPEB Liability - ending	<u>\$ 1,965,102</u>	<u>\$ 2,075,531</u>
Pensionable covered payroll	\$ 7,772,521	\$ 7,554,064
Total OPEB Liability (Asset) as a percentage of covered payroll	25.28%	27.48%

**Notes to Schedule:**

- No assets are accumulated in a trust for this plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.
- Changes of assumptions reflect a change in the discount rate from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

**JASPER COUNTY, TEXAS**

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

FOR THE YEAR ENDED DECEMBER 31, 2019

Measurement date December 31,	<b>2017</b>	<b>2018</b>
<b>A. Total OPEB liability</b>		
Service Cost	\$ 11,355	\$ 12,792
Interest (on the Total OPEB Liability)	17,728	17,053
Effect of economic/demographic experience	( 7,030)	12,899
Changes of assumptions	19,277	( 50,175)
Benefit payments, including refunds of employee contributions	( 16,322)	( 15,715)
 Net change in Total OPEB liability	 25,008	 ( 23,146)
Total OPEB liability - beginning	465,713	490,721
Total OPEB liability - ending	490,721	467,575
 <b>B. Covered-employee payroll</b>	 \$ 7,772,163	 \$ 7,857,516
 <b>C. Total OPEB liability as a percentage of covered-employee payroll</b>	 6.31%	 5.95%

**Notes to Schedule:**

- No assets are accumulated in a trust for this plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.
- Changes of assumptions reflect a change in the discount rate from 3.44% as of December 31, 2017 to 4.10% as of December 31, 2018.

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**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

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## NONMAJOR GOVERNMENTAL FUNDS

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

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

## **NONMAJOR GOVERNMENTAL FUNDS**

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

***CDA County Forfeiture***

***Sheriff's Forfeiture***

***Federal Forfeiture***

***Preservation Fees – County Clerk***

***Check Collection and Processing***

***Law Library***

***Historical Commission***

***District Court Jury***

***County Records Management***

***District Attorney Supplemental***

***Title IV-E***

***CDA LEOSE Training***

***Constable LEOSE Training***

***Justice Court Technology***

***County Clerk Archive Fees***

***District Clerk Preservation Fees***

***Courthouse Security for JP Offices***

***Jasper County Development District***

***DARE***

***Jasper / Newton / Sabine LEPC Grant***

***Family Protection Fee***

***Appellate Judicial System***

***Alternative Dispute Resolution***

***Indigent Health***

***Supplemental Court Initiated Guardianship***

***Sheriff's Office LEOSE Training***

***Hurricane Ike Category E PW-2417***

***2015 GLO Flood PCT – 1***

***2015 GLO Flood PCT – 2***

***Tax Assessment and Collections Services***

***County and District Court Technology***

***County Child Abuse Protection***

***Court Records Preservation Fee***

***District Court Records Archive Fee***

***Pre-Trial Intervention Program***

***Probate Additional Special Fee***

***County Juvenile Delinquency Prevention***

***County Clerk Vital Statistics Records Fee***

***Wingate Blvd. Road Improvements Projects***

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

***Debt Service Fund***

**JASPER COUNTY, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**

DECEMBER 31, 2019

	Special Revenue			
	CDA County Forfeiture	Sheriff's Forfeiture	Federal Forfeiture	Preservation Fees County Clerk
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,592	\$ 17,048	\$ 23,773	\$ 12,383
Taxes receivable	-	-	-	400
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>5,592</u>	<u>17,048</u>	<u>23,773</u>	<u>12,783</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	260	-	-	-
Other liabilities	-	-	-	-
Due to other funds	-	-	-	23
Unearned revenue	-	-	-	-
Total liabilities	<u>260</u>	<u>-</u>	<u>-</u>	<u>23</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
Property taxes received in advance of fiscal	-	-	-	-
Unavailable revenue - court fines and fees	-	-	-	400
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>
<b>FUND BALANCES</b>				
Restricted for:				
Records management and preservation	-	-	-	12,360
Court technology and security	-	-	-	-
Tax assessment and collection services	-	-	-	-
Jury services	-	-	-	-
Court system	-	-	-	-
Law library	-	-	-	-
Forfeitures	5,332	17,048	23,773	-
Check collection and processing	-	-	-	-
Foster care	-	-	-	-
Law enforcement	-	-	-	-
Historical commission	-	-	-	-
Debt service	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>5,332</u>	<u>17,048</u>	<u>23,773</u>	<u>12,360</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 5,592</u>	<u>\$ 17,048</u>	<u>\$ 23,773</u>	<u>\$ 12,783</u>

Special Revenue

Check Collection and Processing	Law Library	Historical Commission	District Court Jury	County Records Management	District Attorney Supplemental
\$ 682	\$ 179,954	\$ 4,530	\$ 7,969	\$ 202,449	\$ 3,354
-	-	-	-	25,715	-
-	-	-	-	-	-
<u>682</u>	<u>179,954</u>	<u>4,530</u>	<u>7,969</u>	<u>228,164</u>	<u>3,354</u>
-	1,626	-	40	140	-
-	14	-	36	-	13
-	-	-	-	-	-
-	<u>1,640</u>	<u>-</u>	<u>76</u>	<u>140</u>	<u>13</u>
-	-	-	-	-	-
-	-	-	-	25,715	-
-	-	-	-	<u>25,715</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	202,309	-
-	-	-	-	-	-
-	-	-	7,893	-	-
-	178,314	-	-	-	3,341
-	-	-	-	-	-
682	-	-	-	-	-
-	-	4,530	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>682</u>	<u>178,314</u>	<u>4,530</u>	<u>7,893</u>	<u>202,309</u>	<u>3,341</u>
\$ <u>682</u>	\$ <u>179,954</u>	\$ <u>4,530</u>	\$ <u>7,969</u>	\$ <u>228,164</u>	\$ <u>3,354</u>

**JASPER COUNTY, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
(Continued)  
**DECEMBER 31, 2019**

	Special Revenue			
	Title IV-E	CDA Lease Training	Constable LEOSE Training	Justice Court Technology
<b>ASSETS</b>				
Cash and cash equivalents	\$ 496,835	\$ 7,398	\$ 14,895	\$ 61,353
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	1,246
Due from other funds	-	-	-	-
Total assets	<u>496,835</u>	<u>7,398</u>	<u>14,895</u>	<u>62,599</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	-	-	525	4,940
Other liabilities	-	-	-	-
Due to other funds	3	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>3</u>	<u>-</u>	<u>525</u>	<u>4,940</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
Property taxes received in advance of fiscal ye	-	-	-	-
Unavailable revenue - court fines and fees	-	-	-	1,246
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,246</u>
<b>FUND BALANCES</b>				
Restricted for:				
Records management and preservation	-	-	-	-
Court technology and security	-	-	-	56,413
Tax assessment and collection services	-	-	-	-
Jury services	-	-	-	-
Court system	-	-	-	-
Law library	-	-	-	-
Forfeitures	-	-	-	-
Check collection and processing	-	-	-	-
Foster care	496,832	-	-	-
Law enforcement	-	7,398	14,370	-
Historical commission	-	-	-	-
Debt service	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>496,832</u>	<u>7,398</u>	<u>14,370</u>	<u>56,413</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 496,835</u>	<u>\$ 7,398</u>	<u>\$ 14,895</u>	<u>\$ 62,599</u>

Special Revenue

County Clerk Archive Fees	District Clerk Preservation Fees	Courthouse Security for JP Offices	Jasper County Development District	DARE	Jasper/Newton/Sabine LEPC Grant	Family Protection Fee
\$ 641,107	\$ 23,549	\$ 60,573	\$ 1,438	\$ 22,121	\$ 246	\$ 45,224
-	-	-	-	-	-	-
-	2,750	225	-	-	-	-
<u>641,107</u>	<u>26,299</u>	<u>60,798</u>	<u>1,438</u>	<u>22,121</u>	<u>246</u>	<u>45,224</u>
-	-	-	1,438	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,438</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	2,750	225	-	-	-	-
<u>-</u>	<u>2,750</u>	<u>225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
641,107	23,549	-	-	-	-	-
-	-	60,573	-	-	-	-
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**JASPER COUNTY, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
(Continued)  
**DECEMBER 31, 2019**

	Special Revenue			
	Appellate Judicial System	Alternative Dispute Resolution	Indigent Health	Supplemental Court Initiated Guardianship
<b>ASSETS</b>				
Cash and cash equivalents	\$ 539	\$ 6,164	\$ -	\$ 31,559
Taxes receivable	-	-	107,547	-
Accounts receivable	-	-	-	-
Due from other funds	-	-	176,577	-
Total assets	<u>539</u>	<u>6,164</u>	<u>284,124</u>	<u>31,559</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	-	-	76,986	-
Other liabilities	482	-	2,856	-
Due to other funds	-	-	91,569	-
Unearned revenue	-	-	-	-
Total liabilities	<u>482</u>	<u>-</u>	<u>171,411</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	105,050	-
Property taxes received in advance of fiscal	-	-	176,577	-
Unavailable revenue - court fines and fees	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>281,627</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted for:				
Records management and preservation	-	-	-	-
Court technology and security	-	-	-	-
Tax assessment and collection services	-	-	-	-
Jury services	-	-	-	-
Court system	57	6,164	-	31,559
Law library	-	-	-	-
Forfeitures	-	-	-	-
Check collection and processing	-	-	-	-
Foster care	-	-	-	-
Law enforcement	-	-	-	-
Historical commission	-	-	-	-
Debt service	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Unassigned	-	-	( 168,914)	-
Total fund balances	<u>57</u>	<u>6,164</u>	<u>( 168,914)</u>	<u>31,559</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 539</u>	<u>\$ 6,164</u>	<u>\$ 284,124</u>	<u>\$ 31,559</u>





**JASPER COUNTY, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
(Continued)  
DECEMBER 31, 2019

	Special Revenue			
	County Child Abuse Protection	Court Records Preservation Fee	District Court Records Archive Fee	Pre-trial Intervention Program
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,974	\$ 36,138	\$ 32,924	\$ 120,539
Taxes receivable	-	-	-	-
Accounts receivable	2,071	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>5,045</u>	<u>36,138</u>	<u>32,924</u>	<u>120,539</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	-	-	-	-
Other liabilities	-	-	-	-
Due to other funds	-	-	8	11
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>8</u>	<u>11</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
Property taxes received in advance of fiscal y	-	-	-	-
Unavailable revenue - court fines and fees	2,071	-	-	-
Total deferred inflows of resources	<u>2,071</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted for:				
Records management and preservation	-	36,138	32,916	-
Court technology and security	-	-	-	-
Tax assessment and collection services	-	-	-	-
Jury services	-	-	-	-
Court system	-	-	-	-
Law library	-	-	-	-
Forfeitures	-	-	-	-
Check collection and processing	-	-	-	-
Foster care	-	-	-	-
Law enforcement	2,974	-	-	120,528
Historical commission	-	-	-	-
Debt service	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,974</u>	<u>36,138</u>	<u>32,916</u>	<u>120,528</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 5,045</u>	<u>\$ 36,138</u>	<u>\$ 32,924</u>	<u>\$ 120,539</u>

Probate Additional Special Fee	Special Revenue			Debt Service		Totals
	County Juvenile Delinquency Prevention	County Clerk Vital Statistics Records Fee	Wingate Blvd. Road Improvements Project	Debt Service		
\$ 4,739	\$ 10	\$ 16,245	\$ 33	\$ 82,585	\$ 2,256,888	
-	-	-	-	43,977	151,524	
-	-	-	-	-	40,975	
-	-	-	-	-	176,577	
<u>4,739</u>	<u>10</u>	<u>16,245</u>	<u>33</u>	<u>126,562</u>	<u>2,625,964</u>	
-	-	-	-	-	86,651	
-	-	-	-	-	6,020	
-	-	-	-	-	91,724	
-	-	-	-	-	73,032	
-	-	-	-	-	<u>257,427</u>	
-	-	-	-	43,492	148,542	
-	-	-	-	-	176,577	
-	-	-	-	-	36,737	
-	-	-	-	<u>43,492</u>	<u>361,856</u>	
-	-	16,245	-	-	964,624	
4,739	-	-	33	-	123,819	
-	-	-	-	-	2,953	
-	-	-	-	-	7,893	
-	-	-	-	-	41,121	
-	-	-	-	-	178,314	
-	-	-	-	-	46,153	
-	-	-	-	-	682	
-	-	-	-	-	496,832	
-	10	-	-	-	203,237	
-	-	-	-	-	4,530	
-	-	-	-	83,070	83,070	
-	-	-	-	-	22,121	
-	-	-	-	-	246	
-	-	-	-	-	( 168,914)	
<u>4,739</u>	<u>10</u>	<u>16,245</u>	<u>33</u>	<u>83,070</u>	<u>2,006,681</u>	
\$ <u>4,739</u>	\$ <u>10</u>	\$ <u>16,245</u>	\$ <u>33</u>	\$ <u>126,562</u>	\$ <u>2,625,964</u>	

**JASPER COUNTY, TEXAS**

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

FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue			
	CDA County Forfeiture	Sheriff's Forfeiture	Federal Forfeiture	Preservation Fees County Clerk
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	59,462
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Interest	15	35	50	78
Other	-	-	-	-
Total revenues	<u>15</u>	<u>35</u>	<u>50</u>	<u>59,540</u>
<b>EXPENDITURES</b>				
General government	-	-	-	68,617
Judicial	-	-	-	-
Legal	816	-	-	-
Public safety	-	-	-	-
Roads	-	-	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>816</u>	<u>-</u>	<u>-</u>	<u>68,617</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 801)</u>	<u>35</u>	<u>50</u>	<u>( 9,077)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 801)</u>	<u>35</u>	<u>50</u>	<u>( 9,077)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>6,133</u>	<u>17,013</u>	<u>23,723</u>	<u>21,437</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 5,332</u>	<u>\$ 17,048</u>	<u>\$ 23,773</u>	<u>\$ 12,360</u>

Special Revenue

Check Collection and Processing	Law Library	Historical Commission	District Court Jury	County Records Management	District Attorney Supplemental
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
463	20,584	-	-	8,757	-
-	-	-	-	-	-
-	1,291	38	6,426	-	27,500
-	-	502	69	1,358	7
<u>463</u>	<u>21,875</u>	<u>540</u>	<u>6,495</u>	<u>10,115</u>	<u>27,507</u>
-	-	-	-	1,820	-
-	-	-	15,155	-	-
-	47,040	-	-	-	25,114
-	-	-	-	-	-
-	-	3,832	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>47,040</u>	<u>3,832</u>	<u>15,155</u>	<u>1,820</u>	<u>25,114</u>
463	( 25,165)	( 3,292)	( 8,660)	8,295	2,393
-	-	750	-	-	-
-	-	750	-	-	-
463	( 25,165)	( 2,542)	( 8,660)	8,295	2,393
219	203,479	7,072	16,553	194,014	948
<u>\$ 682</u>	<u>\$ 178,314</u>	<u>\$ 4,530</u>	<u>\$ 7,893</u>	<u>\$ 202,309</u>	<u>\$ 3,341</u>

**JASPER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue			
	Title IV-E	CDA LEOSE Training	Constable LEOSE Training	Justice Court Technology
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	10,551	682	3,408	-
Interest	1,800	53	-	488
Other	-	-	-	15,321
Total revenues	<u>12,351</u>	<u>735</u>	<u>3,408</u>	<u>15,809</u>
<b>EXPENDITURES</b>				
General government	-	-	-	36,513
Judicial	-	-	-	-
Legal	-	-	-	-
Public safety	9,026	767	2,384	-
Roads	-	-	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	14,150
Total expenditures	<u>9,026</u>	<u>767</u>	<u>2,384</u>	<u>50,663</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,325</u>	<u>( 32)</u>	<u>1,024</u>	<u>( 34,854)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,325	( 32)	1,024	( 34,854)
<b>FUND BALANCES, BEGINNING</b>	<u>493,507</u>	<u>7,430</u>	<u>13,346</u>	<u>91,267</u>
<b>FUND BALANCES, ENDING</b>	\$ <u>496,832</u>	\$ <u>7,398</u>	\$ <u>14,370</u>	\$ <u>56,413</u>

Special Revenue

County Clerk Archive Fees	District Clerk Preservation Fees	Courthouse Security for JP Offices	Jasper County Development District	DARE	Jasper/Newton/Sabine LEPC Grant	Family Protection Fee
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58,860	3,948	3,798	-	-	-	2,475
-	-	-	-	-	-	-
4,184	148	404	-	-	5,000	301
<u>63,044</u>	<u>4,096</u>	<u>4,202</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>2,776</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	716	-	13,063	-	-
-	-	-	-	-	-	-
-	-	-	-	-	5,000	-
<u>-</u>	<u>-</u>	<u>716</u>	<u>-</u>	<u>13,063</u>	<u>5,000</u>	<u>-</u>
63,044	4,096	3,486	-	( 13,063)	-	2,776
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
63,044	4,096	3,486	-	( 13,063)	-	2,776
<u>578,063</u>	<u>19,453</u>	<u>57,087</u>	<u>-</u>	<u>35,184</u>	<u>246</u>	<u>42,448</u>
<u>\$ 641,107</u>	<u>\$ 23,549</u>	<u>\$ 60,573</u>	<u>\$ -</u>	<u>\$ 22,121</u>	<u>\$ 246</u>	<u>\$ 45,224</u>

**JASPER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue			
	Appellate Judicial System	Alternative Dispute Resolution	Indigent Health	Supplemental Court Initiated Guardianship
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 494,539	\$ -
Licenses and fees	-	2,810	-	-
Fines and forfeitures	-	6,785	-	2,800
Intergovernmental	-	-	2,583	-
Interest	-	31	892	206
Other	-	-	-	-
Total revenues	<u>-</u>	<u>9,626</u>	<u>498,014</u>	<u>3,006</u>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Judicial	-	9,259	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Roads	-	-	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	685,595	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>9,259</u>	<u>685,595</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>367</u>	<u>( 187,581)</u>	<u>3,006</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	367	( 187,581)	3,006
<b>FUND BALANCES, BEGINNING</b>	<u>57</u>	<u>5,797</u>	<u>18,667</u>	<u>28,553</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 57</u>	<u>\$ 6,164</u>	<u>\$ ( 168,914)</u>	<u>\$ 31,559</u>



Special Revenue

Sheriff's Office LEOSE Training	Hurricane Ike Category E PW-2417	2015 GLO Flood PCT - 1	2015 GLO Flood PCT - 2	Tax Assessment and Collections Services	County and District Court Technology
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	697
-	-	-	-	-	-
3,138	-	665,468	264,651	102,440	-
92	-	-	-	345	10
-	-	-	-	7,296	-
<u>3,230</u>	<u>-</u>	<u>665,468</u>	<u>264,651</u>	<u>110,081</u>	<u>707</u>
-	-	-	-	124,746	-
-	-	-	-	-	-
1,179	-	-	-	-	-
-	-	633,768	243,591	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,179</u>	<u>-</u>	<u>633,768</u>	<u>243,591</u>	<u>124,746</u>	<u>-</u>
<u>2,051</u>	<u>-</u>	<u>31,700</u>	<u>21,060</u>	<u>( 14,665)</u>	<u>707</u>
-	-	-	-	12,000	-
-	-	-	-	12,000	-
2,051	-	31,700	21,060	( 2,665)	707
<u>10,682</u>	<u>-</u>	<u>( 31,700)</u>	<u>( 21,060)</u>	<u>5,618</u>	<u>1,354</u>
<u>\$ 12,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,953</u>	<u>\$ 2,061</u>

**JASPER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue			
	County Child Abuse Protection	Court Records Preservation Fee	District Court Records Archive Fee	Pre-trial Intervention Program
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	137	8,023	7,429	16,350
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Interest	19	221	236	816
Other	-	-	-	-
Total revenues	<u>156</u>	<u>8,244</u>	<u>7,665</u>	<u>17,166</u>
<b>EXPENDITURES</b>				
General government	-	-	3,529	-
Judicial	-	-	2,790	-
Legal	-	-	-	14,074
Public safety	-	-	-	-
Roads	-	-	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>6,319</u>	<u>14,074</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>156</u>	<u>8,244</u>	<u>1,346</u>	<u>3,092</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	156	8,244	1,346	3,092
<b>FUND BALANCES, BEGINNING</b>	<u>2,818</u>	<u>27,894</u>	<u>31,570</u>	<u>117,436</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 2,974</u>	<u>\$ 36,138</u>	<u>\$ 32,916</u>	<u>\$ 120,528</u>

Special Revenue				Debt Service	
Probate Additional Special Fee	County Juvenile Delinquency Prevention	County Clerk Vital Statistics Records Fee	Wingate Blvd. Road Improvements Project	Debt Service Funds	Totals
\$ -	\$ -	\$ -	\$ -	\$ 5,756	\$ 500,295
565	-	3,658	-	-	198,016
-	-	-	-	-	9,585
-	-	-	-	-	1,091,847
31	-	105	-	284	13,607
-	-	-	-	-	23,119
<u>596</u>	<u>-</u>	<u>3,763</u>	<u>-</u>	<u>6,040</u>	<u>1,836,469</u>
-	-	1,848	-	-	237,073
-	-	-	-	-	27,204
-	-	-	-	-	87,044
-	-	-	-	-	27,135
-	-	-	-	-	877,359
-	-	-	-	-	3,832
-	-	-	-	-	690,595
-	-	-	-	-	14,150
<u>-</u>	<u>-</u>	<u>1,848</u>	<u>-</u>	<u>-</u>	<u>1,964,392</u>
<u>596</u>	<u>-</u>	<u>1,915</u>	<u>-</u>	<u>6,040</u>	<u>( 127,923)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,750</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,750</u>
<u>596</u>	<u>-</u>	<u>1,915</u>	<u>-</u>	<u>6,040</u>	<u>( 115,173)</u>
<u>4,143</u>	<u>10</u>	<u>14,330</u>	<u>33</u>	<u>77,030</u>	<u>2,121,854</u>
<u>\$ 4,739</u>	<u>\$ 10</u>	<u>\$ 16,245</u>	<u>\$ 33</u>	<u>\$ 83,070</u>	<u>\$ 2,006,681</u>

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**FIDUCIARY FUNDS**

***Forfeiture Holding***

***Medical Insurance***

***State Fee Account***

***County Clerk***

***Tax Assessor Collector***

***District Clerk***

***1<sup>st</sup> Judicial District Juvenile Probation***

***1<sup>st</sup> Judicial District CSCD Probation***

***Sheriff***

***Justice of the Peace Registry Account***

***Justice of the Peace 1 Clearing Account***

***Justice of the Peace 2 Clearing Account***

***Justice of the Peace 3 Clearing Account***

***Justice of the Peace 4 Clearing Account***

***Justice of the Peace 5 Clearing Account***

***Justice of the Peace 6 Clearing Account***

***National Forest***

**JASPER COUNTY, TEXAS**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

DECEMBER 31, 2019

	<u>Forfeiture Holding</u>	<u>Medical Insurance</u>	<u>State Fee Account</u>	<u>County Clerk</u>	<u>Tax Assessor Collector</u>
<b>ASSETS</b>					
Cash	\$ <u>1,105,064</u>	\$ <u>214,704</u>	\$ <u>111,039</u>	\$ <u>71,325</u>	\$ <u>164,427</u>
Total assets	\$ <u>1,105,064</u>	\$ <u>214,704</u>	\$ <u>111,039</u>	\$ <u>71,325</u>	\$ <u>164,427</u>
<b>LIABILITIES</b>					
Due to other agencies and individuals	\$ <u>1,105,064</u>	\$ <u>214,704</u>	\$ <u>111,039</u>	\$ <u>71,325</u>	\$ <u>164,427</u>
Total liabilities	\$ <u>1,105,064</u>	\$ <u>214,704</u>	\$ <u>111,039</u>	\$ <u>71,325</u>	\$ <u>164,427</u>

<u>District Clerk</u>	<u>1st Judicial District Juvenile Probation</u>	<u>1st Judicial District CSCD Probation</u>	<u>Sheriff</u>	<u>Justice of the Peace Registry Account</u>
\$ <u>656,109</u>	\$ <u>272,107</u>	\$ <u>649,584</u>	\$ <u>113,796</u>	\$ <u>221</u>
\$ <u>656,109</u>	\$ <u>272,107</u>	\$ <u>649,584</u>	\$ <u>113,796</u>	\$ <u>221</u>
\$ <u>656,109</u>	\$ <u>272,107</u>	\$ <u>649,584</u>	\$ <u>113,796</u>	\$ <u>221</u>
\$ <u>656,109</u>	\$ <u>272,107</u>	\$ <u>649,584</u>	\$ <u>113,796</u>	\$ <u>221</u>

**JASPER COUNTY, TEXAS**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
(Continued)  
DECEMBER 31, 2019**

	<u>Justice of the Peace 1 Clearing Account</u>	<u>Justice of the Peace 2 Clearing Account</u>	<u>Justice of the Peace 3 Clearing Account</u>	<u>Justice of the Peace 4 Clearing Account</u>	<u>Justice of the Peace 5 Clearing Account</u>
<b>ASSETS</b>					
Cash	\$ <u>246</u>	\$ <u>33</u>	\$ <u>88</u>	\$ <u>38</u>	\$ <u>773</u>
Total assets	\$ <u>246</u>	\$ <u>33</u>	\$ <u>88</u>	\$ <u>38</u>	\$ <u>773</u>
<b>LIABILITIES</b>					
Due to other agencies and individuals	\$ <u>246</u>	\$ <u>33</u>	\$ <u>88</u>	\$ <u>38</u>	\$ <u>773</u>
Total liabilities	\$ <u>246</u>	\$ <u>33</u>	\$ <u>88</u>	\$ <u>38</u>	\$ <u>773</u>



<u>Justice of the Peace 6 Clearing Account</u>	<u>National Forest</u>	<u>Totals</u>
\$ <u>87</u>	\$ <u>914</u>	\$ <u>3,360,555</u>
\$ <u>87</u>	\$ <u>914</u>	\$ <u>3,360,555</u>
\$ <u>87</u>	\$ <u>914</u>	\$ <u>3,360,555</u>
\$ <u>87</u>	\$ <u>914</u>	\$ <u>3,360,555</u>

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## **COMPLIANCE SECTION**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jasper County, Texas, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Jasper County, Texas' basic financial statements and have issued our report thereon dated September 10, 2020.

**Internal Control Over Financial Reporting**

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

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

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

**OFFICE LOCATIONS**

**TEXAS** | Waco | Temple | Hillsboro | Houston  
**NEW MEXICO** | Albuquerque

**Compliance and Other Matters**

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

**Purpose of this Report**

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

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

Waco, Texas  
September 10, 2020



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

We have audited Jasper County, Texas' compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Jasper County, Texas' major federal programs for the year ended December 31, 2019. Jasper County, Texas' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Jasper County, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jasper County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

**OFFICE LOCATIONS**

**TEXAS** | Waco | Temple | Hillsboro | Houston  
**NEW MEXICO** | Albuquerque



We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jasper County, Texas' compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Jasper County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

### **Report on Internal Control over Compliance**

Management of Jasper County, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jasper County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for determining auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jasper County, Texas' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Waco, Texas  
September 10, 2020



**JASPER COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED DECEMBER 31, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Pass-thru Expenditures
<b><u>U. S. Department of Housing and Urban Development</u></b>				
Passed through the Texas General Land Office				
Community Development Block Grant	14.228	18-326-000-B008	\$ 665,468	\$ -
Community Development Block Grant	14.228	18-328-000-B010	<u>264,651</u>	<u>-</u>
Total U. S. Department of Housing and Urban Development			<u>930,119</u>	<u>-</u>
<b><u>U. S. Department of Interior</u></b>				
Direct Award				
Secure Rural Schools and Community Self-Determination	15.234	N/A	<u>2,022</u>	<u>2,022</u>
Total U. S. Department of Interior			<u>2,022</u>	<u>2,022</u>
<b><u>U. S. Department of Justice</u></b>				
Direct Award				
Crime Victim Assistance	16.575	N/A	55,718	-
Passed through the Criminal Justice Division				
Violence Against Women Formula Grant	16.588	2018-WF-AX-0022	40,327	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2016-DJ-BX-0161	<u>3,474</u>	<u>-</u>
Total U. S. Department of Justice			<u>99,519</u>	<u>-</u>
<b><u>Department of Health and Human Services</u></b>				
Passed through the Texas Juvenile Justice Department				
Foster Care Title IV-E	93.658	N/A	<u>10,551</u>	<u>-</u>
Total Department of Health and Human Services			<u>10,551</u>	<u>-</u>
<b><u>U.S Department of Homeland Security</u></b>				
Federal Emergency Management Agency:				
Passed through the Texas Department of Public Safety				
Public Assistance Grant, DR 4266	97.036	FEMA-4272-DR-TX	184,122	-
Public Assistance Grant, DR 4272	97.036	FEMA-1791-DR-TX	<u>80,454</u>	<u>-</u>
Total Passed through the Texas Department of Public Safety			<u>264,576</u>	<u>-</u>
Passed through the Texas Division of Emergency Management				
Emergency Management Performance Grant	97.042	EMT-2019-EP-00005	<u>16,586</u>	<u>-</u>
Passed through the Homeland Security Grants Division				
Homeland Security Grant Program	97.067	EMW-2018-SS-00022-S01	<u>42,271</u>	<u>-</u>
Total U. S. Department of Homeland Security			<u>323,433</u>	<u>-</u>
Total Federal Awards			\$ <u>1,365,644</u>	\$ <u>-</u>

**JASPER COUNTY, TEXAS**

**NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

**DECEMBER 31, 2019**

**1. GENERAL**

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal award programs of Jasper County, Texas. The County's reporting entity is defined in Note 1 of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

**2. BASIS OF ACCOUNTING**

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The County's significant account policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**3. INDIRECT COSTS**

The County did not elect to apply the 10% de minimis indirect cost rate.

**JASPER COUNTY, TEXAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Summary of Auditor's Results**

**Financial Statements:**

Type of auditor's report issued Unmodified

**Internal control over financial reporting:**

Material weakness(es) identified? None

Significant deficiency(ies) identified? None

Noncompliance material to financial statements noted? None

**Federal Awards:**

**Internal control over major programs:**

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) None

**Identification of major programs:**

CFDA Number(s) Name of Federal Program or Cluster:  
#14.228 Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee? No

**Findings and Questioned Costs for Federal Awards**

None

**Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance With Generally Accepted Auditing Standards**

None

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Miranda Acker  
Monica Fox  
Cindi Roberts  
Assistants

Mellissa Smith  
COUNTY AUDITOR  
Jasper County, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2019

None