

**JASPER COUNTY, TEXAS**

**FINANCIAL STATEMENTS**

**YEAR ENDED  
DECEMBER 31, 2012**



**JASPER COUNTY, TEXAS**

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# **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' 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, 2012 and the related notes to the financial statements, which collectively comprise the Jasper County, Texas' 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.

### ***Auditors' 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.

### ***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, 2012, 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 and the respective budgetary comparison for the General Fund and the Road and Bridge Special Revenue Fund.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jasper County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2013, on our consideration of the Jasper County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jasper County, Texas' internal control over financial reporting and compliance.

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

Waco, Texas  
September 30, 2013

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**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

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## JASPER COUNTY, TEXAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Jasper County, Texas (the "County") Financial Report presents a narrative overview and analysis of the financial activities of the primary government for the fiscal year ended December 31, 2012.

#### FINANCIAL HIGHLIGHTS

- The County's total net assets increased by \$1,231,080 , (3.4)% over the course of this year's operations.
- The total government-wide assets of the County exceeded the liabilities at December 31, 2012, by \$37,896,693 reported as total net assets of the primary government. Of this amount, \$6,943,526 (unrestricted net assets) may be used to meet ongoing obligations to citizens and creditors, \$5,544,351 is restricted for specific purposes (restricted net assets), and \$25,408,816 is invested in capital assets, net of related debt.
- As of December 31, 2012, the County governmental funds reported combined fund balances of \$9,705,396, which represents a 11.9 % 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 and liabilities, with the difference between the two 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 41 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 (67.0 percent) 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 (18.3 percent) 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	
	2012	2011
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 2,628,859	\$ 2,959,598
Operating grants and contributions	1,213,304	1,337,225
Capital grants and contributions	1,307,173	1,465,485
General revenues:		
Taxes - levied for general purposes	11,724,158	11,452,460
Taxes - levied for debt service	257,968	232,197
Other taxes	110,811	102,214
Investment earnings	57,535	115,548
Gain on sale of assets	-	22,306
Miscellaneous	319,112	413,326
Total revenues	<u>17,618,920</u>	<u>18,100,359</u>
<b>EXPENSES</b>		
General government	3,267,778	3,726,435
Judicial	1,392,131	1,626,215
Legal	520,501	517,437
Public facilities	2,028,851	1,694,989
Public safety	3,763,752	4,888,460
Health and welfare	494,639	517,778
Conservation	78,646	85,339
Roads	4,762,995	5,014,651
Cultural and recreation	4,442	4,355
Interest on long-term debt	74,105	90,458
Total expenses	<u>16,387,840</u>	<u>18,166,117</u>
<b>CHANGE IN NET POSITION</b>	1,231,080	( 65,758)
<b>NET POSITION, BEGINNING</b>	36,587,923	37,398,543
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>77,690</u>	<u>( 744,862)</u>
<b>NET POSITION, ENDING</b>	<u>\$ 37,896,693</u>	<u>\$ 36,587,923</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, 2012, the County's General Fund reported combined fund balances of \$5,100,607, a decrease of \$174,949 from the prior year. This decrease is primarily due to increased collections in taxes and licenses and fees, intergovernmental reimbursements, and other revenues.

The General Fund is the chief operating fund of the County. At December 31, 2012, the General Fund reported revenues of \$10,464,845 and expenditures of \$10,552,736. These amounts represented a \$689,724 increase in revenues, primarily due to \$237,786 additional dollars added through property taxes as well as an increase in intergovernmental revenue of \$481,148. The County saw an increase of \$580,864 in expenditures. The increase in expenditures was primarily made up of increases of \$155,047 to general government expenditures, and increases of \$279,434, to public safety expenditures, offset by a reduction of \$78,100 to judicial. The deficiency of revenues over expenditures was \$87,891, before other financing sources (uses) of \$(87,058).

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

## GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final budget were primarily on the expenditure side. In the final budget, expenditures increased in the General Fund by \$477,790. General government increased by \$21,363. Budgeted expenditures increased in judicial by \$21,743, legal by \$82,170, public facilities by \$14,950, public safety by \$312,681, and health and welfare by \$24,883.

During the year, actual revenues were more than budgeted estimates by \$898,912. Actual expenditures were less than budgeted estimates by \$132,228, and other financing sources/uses resulted in a negative budget variance of \$85,750. The net effect resulted in a positive variance of \$945,390.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** The County's investment in Capital Assets for its governmental activities as of December 31, 2012, amounted to \$26,313,816 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, and other tangible and intangible assets. This amount increased by \$1,858,604 the bulk of which relates to \$1,553,948 worth of restatement of infrastructure.

**Long-term Debt.** At December 31, 2012, the County had total long-term debt outstanding of \$1,436,300. This amount represents a decrease of \$779,853 during the fiscal year. For more information on long-term debt, see the note disclosure on pages 30 – 31.

## **ECONOMIC FACTORS**

The Commissioners' Court adopted the County's 2012 budget on September 23, 2011.

For 2012, the property tax rate increased to .6800 per \$100 valuation. The collection rate for the 2013 budget was based on a 96% collection rate compared to a 96% collection rate in the prior year.

## **REQUESTS FOR INFORMATION**

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

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**BASIC  
FINANCIAL STATEMENTS**

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**JASPER COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**

	Primary Government
	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 14,524,673
Receivables (net of allowance for uncollectibles)	
Accounts	827,790
Taxes	2,502,423
Due from other governments	1,148,059
Capital assets:	
Land	660,831
Construction in progress	2,169,309
Buildings	9,596,369
Equipment and furniture	5,228,138
Infrastructure	23,985,330
Less: accumulated depreciation	( 15,326,161)
Total capital assets	26,313,816
Total assets	45,316,761
<b>LIABILITIES</b>	
Accounts payable	785,125
Accrued liabilities	587,282
Accrued interest payable	16,151
Unearned revenue	4,595,210
Noncurrent liabilities:	
Due within one year	207,024
Due in more than one year	1,229,276
Total liabilities	7,420,068
<b>NET POSITION</b>	
Net investment in capital assets	25,408,816
Restricted for:	
Records management and preservation	553,164
Court technology and security	154,503
Tax assessment and collection services	69,347
Economic development	417
Jury services	64,027
Court system	31,196
Law library	195,459
Forfeitures	126,169
District attorney services	5,240
Check collection and processing	12,586
Foster care	500,960
Law enforcement	37,668
Historical commission	3,627
Indigent welfare	129,677
Debt service	98,885
Roads	3,561,426
Unrestricted	6,943,526
Total net position	\$ 37,896,693

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

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**JASPER COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
<b>Primary Government:</b>					
Governmental activities:					
General government	\$ 3,267,778	\$ 701,862	\$ 276,047	\$ 96,740	\$( 2,193,129)
Judicial	1,392,131	237,746	-	-	( 1,154,385)
Legal	520,501	16,281	135,313	-	( 368,907)
Public facilities	2,028,851	-	-	1,184,636	( 844,215)
Public safety	3,763,752	822,300	667,460	-	( 2,273,992)
Health and welfare	494,639	-	134,484	-	( 360,155)
Conservation	78,646	-	-	-	( 78,646)
Roads	4,762,995	850,670	-	25,797	( 3,886,528)
Cultural and recreation	4,442	-	-	-	( 4,442)
Interest on long-term debt	74,105	-	-	-	( 74,105)
Total governmental activities	<u>16,387,840</u>	<u>2,628,859</u>	<u>1,213,304</u>	<u>1,307,173</u>	<u>( 11,238,504)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					11,724,158
Property taxes, levied for debt service					257,968
Other taxes					110,811
Investment earnings					57,535
Miscellaneous					319,112
Total general revenues					<u>12,469,584</u>
Change in net position					<u>1,231,080</u>
Net position, beginning					<u>36,587,923</u>
Prior period adjustments					<u>77,690</u>
Net position, beginning as restated					<u>36,665,613</u>
Net position, ending					<u>\$ 37,896,693</u>

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

**JASPER COUNTY, TEXAS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**DECEMBER 31, 2012**

	<u>General</u>	<u>Road and Bridge</u>	<u>Hurricane Ike PA Pilot Program Disaster Recovery</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,778,116	\$ 2,964,985	\$ 849,734
Receivables (net of allowance for uncollectibles)			
Accounts	139,441	677,805	-
Taxes	1,562,860	770,552	-
Due from other funds	16,738	1,013,519	-
Due from other governments	<u>679,076</u>	<u>28,788</u>	<u>-</u>
Total assets	\$ <u>11,176,231</u>	\$ <u>5,455,649</u>	\$ <u>849,734</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 217,541	\$ 86,183	\$ 22,460
Other liabilities	466,971	100,568	-
Due to other funds	1,201,350	16,148	-
Deferred revenue	<u>4,189,762</u>	<u>2,461,876</u>	<u>827,274</u>
Total liabilities	<u>6,075,624</u>	<u>2,664,775</u>	<u>849,734</u>
Fund balances:			
Restricted for:			
Records management and preservation	-	-	-
Court technology and security	-	-	-
Tax assessment and collection services	-	-	-
Economic development	-	-	-
Jury services	-	-	-
Court system	-	-	-
Law library	-	-	-
Forfeitures	-	-	-
District attorney services	-	-	-
Check collection and processing	-	-	-
Foster care	-	-	-
Law enforcement	-	-	-
Historical commission	-	-	-
Indigent welfare	-	-	-
Debt service	-	-	-
Roads	-	2,790,874	-
Unassigned	<u>5,100,607</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>5,100,607</u>	<u>2,790,874</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>11,176,231</u>	\$ <u>5,455,649</u>	\$ <u>849,734</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.

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

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

Net position of governmental activities

**The accompanying notes are an integral part of these financial statements.**

<u>Other Governmental</u>	<u>Total Governmental</u>
\$ 1,931,838	\$ 14,524,673
10,544	827,790
169,011	2,502,423
187,831	1,218,088
<u>440,195</u>	<u>1,148,059</u>
\$ <u>2,739,419</u>	\$ <u>20,221,033</u>
\$ 458,941	\$ 785,125
19,743	587,282
590	1,218,088
<u>446,230</u>	<u>7,925,142</u>
<u>925,504</u>	<u>10,515,637</u>
553,164	553,164
154,503	154,503
69,347	69,347
417	417
64,027	64,027
31,196	31,196
195,459	195,459
126,169	126,169
5,240	5,240
12,586	12,586
500,960	500,960
37,668	37,668
3,627	3,627
51,355	51,355
8,197	8,197
-	2,790,874
-	<u>5,100,607</u>
<u>1,813,915</u>	<u>9,705,396</u>
\$ <u>2,739,419</u>	
	26,313,816
	3,329,932
	<u>( 1,452,451)</u>
	\$ <u>37,896,693</u>

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

**FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Road and Bridge	Hurricane Ike PA Pilot Program Disaster Recovery
<b>REVENUES</b>			
Taxes	\$ 7,854,762	\$ 3,456,021	\$ -
License and fees	783,017	966	-
Fines and forfeitures	549,057	176,120	-
Intergovernmental	1,058,507	152,189	333,453
Auto registration	-	744,239	-
Interest	30,467	16,888	-
Other	189,035	95,553	-
Total revenues	10,464,845	4,641,976	333,453
<b>EXPENDITURES</b>			
General government	3,266,930	399,485	-
Judicial	1,662,695	-	-
Legal	538,198	-	-
Public facilities	678,153	-	333,453
Public safety	4,284,081	-	-
Health and welfare	27,500	-	-
Conservation	95,179	-	-
Roads	-	4,713,911	-
Cultural and recreation	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	10,552,736	5,113,396	333,453
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	( 87,891)	( 471,420)	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	( 87,058)	-	-
Total other financing sources (uses)	( 87,058)	-	-
<b>NET CHANGE IN FUND BALANCES</b>	( 174,949)	( 471,420)	-
<b>FUND BALANCES, BEGINNING</b>	5,275,556	3,262,294	( 77,690)
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	77,690
<b>FUND BALANCES, BEGINNING AS RESTATED</b>	5,275,556	3,262,294	-
<b>FUND BALANCES, ENDING</b>	\$ 5,100,607	\$ 2,790,874	\$ -

**The accompanying notes are an integral part of these financial statements.**

<u>Other</u> <u>Governmental</u>	<u>Total</u> <u>Governmental</u>
\$ 657,509	\$ 11,968,292
121,487	905,470
11,970	737,147
1,374,801	2,918,950
-	744,239
10,632	57,987
38,550	323,138
<u>2,214,949</u>	<u>17,655,223</u>
206,950	3,873,365
22,090	1,684,785
89,510	627,708
1,137,513	2,149,119
25,046	4,309,127
571,121	598,621
-	95,179
-	4,713,911
5,377	5,377
895,000	895,000
90,560	90,560
<u>3,043,167</u>	<u>19,042,752</u>
( 828,218)	( 1,387,529)
87,058	87,058
-	( 87,058)
<u>87,058</u>	<u>-</u>
( 741,160)	( 1,387,529)
<u>2,555,075</u>	<u>11,015,235</u>
-	77,690
<u>2,555,075</u>	<u>11,092,925</u>
\$ <u>1,813,915</u>	\$ <u>9,705,396</u>

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## JASPER COUNTY, TEXAS

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

FOR THE YEAR ENDED DECEMBER 31, 2012

Amounts reported for governmental activities in the Statement of Activities (page 9) are different because:

Net change in fund balances - total governmental funds (pages 12 - 13)	\$( 1,387,529)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,858,604
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	( 36,303)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	831,936
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.	<u>35,628</u>
Change in net position of governmental activities (page 9)	<u>\$ 1,231,080</u>

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

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**JASPER COUNTY, TEXAS**

**GENERAL FUND**

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

**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 7,760,630	\$ 7,760,630	\$ 7,854,762	\$ 94,132
License and fees	715,000	715,000	783,017	68,017
Fines and forfeitures	652,000	652,000	549,057	( 102,943)
Intergovernmental	225,306	387,086	1,058,507	671,421
Interest	-	-	30,467	30,467
Other	6,000	51,217	189,035	137,818
Total revenues	<u>9,358,936</u>	<u>9,565,933</u>	<u>10,464,845</u>	<u>898,912</u>
<b>EXPENDITURES</b>				
General government	6,670,836	6,692,199	3,266,930	3,425,269
Judicial	472,226	493,969	1,662,695	( 1,168,726)
Legal	219,455	301,625	538,198	( 236,573)
Public facilities	417,696	432,646	678,153	( 245,507)
Public safety	2,347,465	2,660,146	4,284,081	( 1,623,935)
Health and welfare	-	24,883	27,500	( 2,617)
Conservation	79,496	79,496	95,179	( 15,683)
Total expenditures	<u>10,207,174</u>	<u>10,684,964</u>	<u>10,552,736</u>	<u>132,228</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 848,238)</u>	<u>( 1,119,031)</u>	<u>( 87,891)</u>	<u>1,031,140</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	( 1,308)	( 87,058)	( 85,750)
Total other financing sources (uses)	<u>-</u>	<u>( 1,308)</u>	<u>( 87,058)</u>	<u>( 85,750)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 848,238)</u>	<u>( 1,120,339)</u>	<u>( 174,949)</u>	<u>945,390</u>
<b>FUND BALANCES, BEGINNING AS PREVIOUSLY STATED</b>	<u>5,275,556</u>	<u>5,275,556</u>	<u>5,275,556</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 4,427,318</u>	<u>\$ 4,155,217</u>	<u>\$ 5,100,607</u>	<u>\$ 945,390</u>

**The accompanying notes are an integral part of these financial statements.**

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**JASPER COUNTY, TEXAS**

**ROAD AND BRIDGE SPECIAL REVENUE FUND**

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

**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 3,447,051	\$ 3,447,051	\$ 3,456,021	\$ 8,970
License and fees	-	-	966	966
Fines and forfeitures	137,000	137,000	176,120	39,120
Intergovernmental	85,600	85,600	152,189	66,589
Auto registration	411,000	411,000	744,239	333,239
Interest	48,440	48,440	16,888	( 31,552)
Other	107,742	107,742	95,553	( 12,189)
Total revenues	4,236,833	4,236,833	4,641,976	405,143
<b>EXPENDITURES</b>				
General government	410,233	410,233	399,485	10,748
Roads	4,174,600	6,736,127	4,713,911	2,022,216
Total expenditures	4,584,833	7,146,360	5,113,396	2,032,964
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	( 348,000)	( 2,909,527)	( 471,420)	2,438,107
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	348,000	348,000	-	( 348,000)
Total other financing sources (uses)	348,000	348,000	-	( 348,000)
<b>NET CHANGE IN FUND BALANCE</b>				
	-	( 2,561,527)	( 471,420)	2,090,107
<b>FUND BALANCE, BEGINNING</b>				
	3,262,294	3,262,294	3,262,294	-
<b>FUND BALANCE, ENDING</b>				
	\$ 3,262,294	\$ 700,767	\$ 2,790,874	\$ 2,090,107

**The accompanying notes are an integral part of these financial statements.**

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**JASPER COUNTY, TEXAS**

**STATEMENT OF FIDUCIARY NET POSITION**

**FIDUCIARY FUNDS**

**DECEMBER 31, 2012**

	<u>Private Purpose Trust</u>	<u>Agency Funds</u>
	<u>County Schools</u>	
<b>ASSETS</b>		
Cash	\$ <u>1,434,259</u>	\$ <u>6,023,373</u>
Total assets	\$ <u>1,434,259</u>	\$ <u>6,023,373</u>
<b>LIABILITIES</b>		
Due to other agencies and individuals	\$ <u>415</u>	\$ <u>6,023,373</u>
Total liabilities	\$ <u>415</u>	\$ <u>6,023,373</u>
<b>NET POSITION</b>		
Held in trust for schools	\$ <u>1,433,844</u>	

**The accompanying notes are an integral part of these financial statements.**

**JASPER COUNTY, TEXAS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

		<u>Private Purpose Trust</u>
		<u>County Schools</u>
<b>ADDITIONS</b>		
Contributions	\$ 31,357	
Investment earnings	<u>25,030</u>	
Total additions	56,387	
<b>DEDUCTIONS</b>		<u>( 4,720)</u>
<b>CHANGE IN NET POSITION</b>		51,667
<b>TOTAL NET POSITION, BEGINNING</b>		<u>1,382,177</u>
<b>TOTAL NET POSITION, ENDING</b>		<u>\$ 1,433,844</u>

The accompanying notes are an integral part of these financial statements.

# JASPER COUNTY, TEXAS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

### 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.

The ***Hurricane Ike P.A. Pilot Program Disaster Recovery Fund*** is used to account for all proceeds and expenditures associated with the Hurricane Ike P.A. Pilot Program Disaster Recovery Grant Program.

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 uncollectibles. Trade accounts receivable based on 2003 historical collection rates receivable allowance for uncollectibles. The property tax receivable allowance is equal to 4% of current year tax levy at December 31, 2012.

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.

**Capital Assets**

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

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

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

Assets	Years
Buildings	15 - 39
Equipment	5 - 7
Infrastructure	15

**Compensated Absences**

County employees earn 12 days of vacation with pay per year during the first 10 years of employment and 17 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, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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.

## **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 represent 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 it's 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. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,858,604 difference are as follows:

Capital outlay	\$ 3,214,003
Depreciation expense	( 1,355,399)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>1,858,604</u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$831,936 difference are as follows:

Principal repayments:	
General obligation debt	\$ 895,000
OPEB liability	( 63,064)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>831,936</u>

Another element of that reconciliation states, “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.” The details of this \$(35,628) difference are as follows:

Compensated absences	\$( 52,083)
Interest payable	<u>16,455</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$( 35,628)</u>

### 3. 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, usually in October or November, to obtain taxpayer comments, and officially adopt the budget.
3. Amendments are made at the beginning of the budget year (January) to record the carry forward of previous year’s ending balances.
4. The budget is approved based on a line item basis. Any revisions altering the budget requires an amendment and must be approved by the Commissioners’ Court.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
6. Budgets for the General and Special Revenue Funds are adopted on a cash basis.
7. Budgeted amounts are as originally adopted, or as amended, by the Commissioners’ Court on December 31, 2012. Individual amendments were not material in relation to the original appropriations which were amended.

#### 4. 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, 2012, \$21,227,157 of the County's \$21,477,157 deposit balance was collateralized with securities held by the pledging financial institution. The remaining deposit balance was covered by FDIC coverage.

##### 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 and Other Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 1,627,979	\$ 802,658	\$ 176,052	\$ 2,606,689
Accounts	261,784	1,263,392	19,655	1,544,831
Grants	<u>679,076</u>	<u>28,788</u>	<u>440,195</u>	<u>1,148,059</u>
Gross receivables	2,568,839	2,094,838	635,902	5,299,579
Less: allowance for uncollectibles	<u>( 187,462)</u>	<u>( 617,693)</u>	<u>( 16,152)</u>	<u>( 821,307)</u>
Net Total Receivables	<u>\$ 2,381,377</u>	<u>\$ 1,477,145</u>	<u>\$ 619,750</u>	<u>\$ 4,478,272</u>

Governmental funds report *deferred revenue* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
General fund:		
Delinquent property taxes receivable	\$ 1,562,860	\$ 2,296,322
Court fines receivable	136,744	-
Grant receivable	-	193,835
Road and bridge:		
Delinquent property taxes receivable	770,552	1,013,689
Court fines receivable	677,635	-
Hurricane Ike PA Pilot Program Disaster Recovery:		
Grant receivable	-	827,274
Nonmajor funds:		
Delinquent property taxes receivable	169,010	187,831
Grant receivable	-	89,390
Governmental funds	<u>\$ 3,316,801</u>	<u>\$ 4,608,341</u>

## **Capital Assets**

Capital asset activity for the year ended December 31, 2012, was as follows:

### **Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 660,831	\$ -	\$ -	\$ -	\$ 660,831
CIP	895,477	1,385,974	-	( 112,142)	2,169,309
Total assets not being depreciated	<u>1,556,308</u>	<u>1,385,974</u>	<u>-</u>	<u>( 112,142)</u>	<u>2,830,140</u>
Capital assets, being depreciated:					
Buildings	9,596,369	-	-	-	9,596,369
Equipment	4,895,236	311,822	91,062	112,142	5,228,138
Infrastructure	22,431,382	1,553,948	-	-	23,985,330
Total capital assets being depreciated	<u>36,922,987</u>	<u>1,865,770</u>	<u>91,062</u>	<u>112,142</u>	<u>38,809,837</u>
Less accumulated depreciation:					
Buildings	2,502,753	244,626	-	-	2,747,379
Equipment	3,447,606	498,164	53,321	-	3,892,449
Infrastructure	8,073,724	612,609	-	-	8,686,333
Total accumulated depreciation	<u>14,024,083</u>	<u>1,355,399</u>	<u>53,321</u>	<u>-</u>	<u>15,326,161</u>
Total capital assets being depreciated, net	<u>22,898,904</u>	<u>510,371</u>	<u>37,741</u>	<u>112,142</u>	<u>23,483,676</u>
Governmental activities capital assets, net	<u>\$ 24,455,212</u>	<u>\$ 1,896,345</u>	<u>\$ 37,741</u>	<u>\$ -</u>	<u>\$ 26,313,816</u>

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

Governmental activities:	
General government	\$ 29,489
Public safety	203,137
Road and bridge	867,907
Legal	1,828
Public facility	<u>253,038</u>
	<u>\$ 1,355,399</u>

**Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of December 31, 2012, is as follows:

**Due to/from other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 590
General	Road and bridge	16,148
Nonmajor governmental funds	General	187,831
Road and bridge	General	<u>1,013,519</u>
Total		<u>\$ 1,218,088</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:**

	<u>Transfers In</u>
	Nonmajor <u>Governmental</u>
Transfer Out:	
General	\$ 87,058
Total	\$ 87,058

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

### **Certificates of Obligation and Refunding Bonds**

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued in prior years was \$3,500,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Governmental activities	4.25% - 5.00%	\$ <u>905,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 150,000	\$ 43,070
2014	150,000	36,170
2015	175,000	29,120
2016	175,000	20,807
2017	175,000	12,408
2018-2022	<u>80,000</u>	<u>3,920</u>
Total	\$ <u>905,000</u>	\$ <u>145,495</u>

The bond obligation contains certain financial limitations and restrictions. The ordinances authorizing the issuance of general obligation bonds created an interest and sinking fund (general debt service fund). The ordinances require the County to ascertain a rate and amount of tax which will be sufficient to pay interest as it comes due and provide a reserve fund which is adequate to meet principal as it matures. The County is in compliance with all such significant financial restrictions.

## Changes in Long-term Liabilities

Long-term liability activity (shown in thousands of dollars) for the year ended December 31, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Government activities</b>					
Certificates of obligation	\$ 1,800,000	\$ -	\$ 895,000	\$ 905,000	\$ 150,000
Compensated absences	233,037	52,083	-	285,120	57,024
OPEB liability	<u>183,116</u>	<u>63,064</u>	<u>-</u>	<u>246,180</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 2,216,153</u>	<u>\$ 115,147</u>	<u>\$ 895,000</u>	<u>\$ 1,436,300</u>	<u>\$ 207,024</u>

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

## Retirement Benefits

### Funding Policy

The employer has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 15.81% for the months of the accounting year in 2012. The deposit rate payable by the employee members for calendar year 2012 is the rate of 7% as adopted by the governing body of the employer. The employee deposit rate and the employer deposit rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

### Annual Pension Cost

For the employer's accounting year ended December 31, 2012, the annual pension cost for the TCDRS plan for its employees was \$954,892 and the actual contributions were \$954,892. The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2011 and December 31, 2010, the basis for determining the contribution rates for calendar years 2012 and 2011. The December 31, 2011, actuarial valuation is the most recent valuation.

### Actuarial Valuation Information

Actuarial Valuation Date	12/31/09	12/31/10	12/31/11
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	20	20	20
Asset valuation method	SAF: 10-yr. smoothed value ESF: fund value	SAF: 10-yr. smoothed value ESF: fund value	SAF: 10-yr. smoothed value ESF: fund value
Assumptions:			
Investment return <sup>1</sup>	8.00%	8.00%	8.00%
Projected salary increases <sup>1</sup>	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

### Trend Information for the Retirement Plan for the Employees of Jasper County

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	1,218,000	100%	-
12/31/11	1,238,225	100%	-
12/31/12	1,377,678	100%	-

### Schedule of Funding Progress for the Retirement Plan For the Employees of Jasper County

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (1) (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	12,034,368	17,213,163	5,178,795	69.91%	5,616,474	92.21%
12/31/10	12,862,658	18,485,523	5,622,865	69.58%	5,658,402	99.37%
12/31/10	13,832,697	20,037,002	6,204,305	69.04%	5,905,793	105.05%

(1) The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

(2) Revised economic and demographic assumptions due to an experience review were reflected in this valuation.

### **Risk Management**

The County is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; and natural disasters. The County provides for the management of risks through a combination of self-insurance and traditional insurance. Property and casualty coverage has continued to be obtainable at reasonable premium rates on buildings and improvements. The amount of settlements has not exceeded insurance coverage for each of the past three fiscal years. Comprehensive general liability and public officials' liability coverage have not been obtainable at reasonable rates, and these risks are self-insured by the County.

## **Commitments and Contingencies**

### **Litigation**

The County is party to various legal proceedings which normally occur in governmental operations. In the opinion of management, these legal proceedings are not likely to have a material adverse impact on the affected funds of the County. No accrual has been made for any contingency in these financial statements.

### **Federal Grants**

In the normal course of operations, the County receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as the result of these audits is not believed to be material.

## **Postemployment Health Care Plan**

### **Plan Description and Funding Policy**

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.

Jasper County is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The current ARC rate is 4.5 percent of annual covered payroll.

## Postemployment Benefits Other than Pension Benefits

### Annual OPEB Cost

The County's annual other postemployment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The County had its first OPEB actuarial valuation performed for the fiscal year beginning January 1, 2008, as required by GASB. The annual OPEB cost for the fiscal year ended December 31, 2012, is as follows:

Annual required contribution	\$ 149,355
Interest on net OPEB obligation	8,240
Adjustment to annual required contribution	<u>( 7,634)</u>
Annual OPEB cost (expense)	149,961
Contributions made	<u>( 86,897)</u>
Increase in net OPEB obligation	63,064
Net OPEB obligation, beginning of year	<u>183,116</u>
 Net OPEB obligation, end of year	 <u>\$ 246,180</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending December 31, 2012, and the two preceding fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Amount Contributed</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2010	\$ 140,845	\$ 55,367	39.3%	\$ 104,575
December 31, 2011	145,351	66,810	46.0%	183,116
December 31, 2012	149,961	86,897	57.9%	246,180

### Funding Status and Funding Progress

The funded status of the County's retiree health care plan, under GASB Statement No. 45 as of December 31, 2012, is as follows:

<u>Actuarial Valuation Date as of December 31</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>
2010	\$ -	\$ 1,035,316	\$ 1,035,316	0%

Under the reporting parameters, the County's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$1,035,316 at December 31, 2012.

## Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

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. Significant methods and assumptions were as follows:

### Actuarial Methods and Assumptions

Inflation rate	3.00% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Salary growth	3.00% per annum
Health care cost trend rate	Initial rate of 9.0% declining to an ultimate rate of 4.50% after 9 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are estimates made about the future. The required Schedule of Funding Progress presented as required supplementary information provides multiyear trend information that shows the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### Prior Period Adjustment

During the year, the County recognized that \$77,690 of revenues should have been undeferred from deferred revenue in 2011 in the Hurricane Ike PA Pilot Program Disaster Recovery Special Revenue Fund. Accordingly, the beginning fund balance has been increased \$77,690 and the beginning net position has been increased \$77,690 in the government-wide financial statements.

# **SUPPLEMENTARY INFORMATION**

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**JASPER COUNTY, TEXAS**

**SCHEDULE OF FUNDING PROGRESS**

**DECEMBER 31, 2012**

Fiscal Year Ended	Employer Annual Required Contribution	Employer Amount Contributed	Interest on NOO (9) x 4.5%	ARC Adjustment (9)/(6)	Amortization Factor	OPEB Cost (2)+(4)-(5)	Change in NOO (7)-(3)	NOO Balance NOO+(8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
December 31, 2010	140,782	55,367	859	4,360	23.98540	137,281	85,478	104,575
December 31, 2011	145,351	66,810	4,706	4,360	23.98540	145,351	78,541	183,116
December 31, 2012	149,355	86,897	8,240	7,634	23.98540	149,961	63,064	246,180

The ARC for fiscal year ending December 31, 2012, is 2.75% greater than the ARC for the prior fiscal year.

This increase is consistent with the assumption that the ARC remains level as a percentage of aggregate payroll.

The ARC for fiscal year ended December 31, 2012, is from the Retiree Health Care Plan Actuarial Valuation Report as of December 31, 2012.

Note: Employer contribution amounts shown in Column (3) include the implicit subsidy.

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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.

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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.

*CDA County Forfeiture*

*Sheriff's 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*

*VIT Interest*

*CDA LEOSE Training*

*Justice Court Technology*

*County Clerk Archive Fees*

*District Clerk Preservation Fees*

*Courthouse Security for JP Offices*

*Jasper County Development District*

*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*

*Rita Disaster Recovery #2 TX CDBG DRS 07/08*

*Tax Assessment and Collections Services*

*County and District Court Technology*

*County Child Abuse Protection*

*Court Records Preservation Fee*

*District Court Records Archive Fee*

*Hurricane Ike TXCDBG*

*TXCDBG On-Site Sewer Project Grant*

*VCLG Grant*

*Pre-Trial Intervention Program*

*Probate Additional Special Fee*

*County Juvenile Delinquency Prevention*

*County Clerk vital Statistics Records Fee*



*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, 2012**

	Special Revenue			
	CDA County Forfeiture	Sheriff's Forfeiture	Preservation Fees County Clerk	Check Collection and Processing
<b>ASSETS</b>				
Cash and cash equivalents	\$ 65,886	\$ 60,283	\$ 88,976	\$ 12,761
Taxes receivable	-	-	-	-
Accounts receivable	-	-	303	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
	-	-	-	-
Total assets	\$ 65,886	\$ 60,283	\$ 89,279	\$ 12,761
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	2,070	172
Due to other funds	-	-	69	3
Deferred revenue	-	-	303	-
	-	-	2,442	175
Total liabilities	-	-	2,442	175
Fund balances:				
Restricted for:				
Records management and preservation	-	-	86,837	-
Court technology and security	-	-	-	-
Tax assessment and collection services	-	-	-	-
Economic development	-	-	-	-
Jury services	-	-	-	-
Court system	-	-	-	-
Law library	-	-	-	-
Forfeitures	65,886	60,283	-	-
District attorney services	-	-	-	-
Check collection and processing	-	-	-	12,586
Foster care	-	-	-	-
Law enforcement	-	-	-	-
Historical commission	-	-	-	-
Indigent welfare	-	-	-	-
Debt service	-	-	-	-
	-	-	-	-
Total fund balances	65,886	60,283	86,837	12,586
Total liabilities and fund balances	\$ 65,886	\$ 60,283	\$ 89,279	\$ 12,761

Special Revenue

<u>Law Library</u>	<u>Historical Commission</u>	<u>District Court Jury</u>	<u>County Records Management</u>	<u>District Attorney Supplemental</u>	<u>Title IV-E</u>	<u>VIT Interest</u>
\$ 195,505	\$ 3,627	\$ 60,337	\$ 158,509	\$ 7,322	\$ 494,539	\$ 1
-	-	-	-	-	-	-
-	-	-	7,670	-	-	-
-	-	-	-	-	-	-
-	-	3,690	-	-	7,293	-
<u>\$ 195,505</u>	<u>\$ 3,627</u>	<u>\$ 64,027</u>	<u>\$ 166,179</u>	<u>\$ 7,322</u>	<u>\$ 501,832</u>	<u>\$ 1</u>
\$ 46	\$ -	\$ -	\$ 243	\$ -	\$ -	\$ -
-	-	-	-	2,040	872	-
-	-	-	-	42	-	-
-	-	-	7,670	-	-	-
<u>46</u>	<u>-</u>	<u>-</u>	<u>7,913</u>	<u>2,082</u>	<u>872</u>	<u>-</u>
-	-	-	158,266	-	-	1
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	64,027	-	-	-	-
-	-	-	-	-	-	-
195,459	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	5,240	-	-
-	-	-	-	-	-	-
-	-	-	-	-	500,960	-
-	-	-	-	-	-	-
-	3,627	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>195,459</u>	<u>3,627</u>	<u>64,027</u>	<u>158,266</u>	<u>5,240</u>	<u>500,960</u>	<u>1</u>
<u>\$ 195,505</u>	<u>\$ 3,627</u>	<u>\$ 64,027</u>	<u>\$ 166,179</u>	<u>\$ 7,322</u>	<u>\$ 501,832</u>	<u>\$ 1</u>

**JASPER COUNTY, TEXAS**

**NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING BALANCE SHEET**

**(Continued)**

**DECEMBER 31, 2012**

	Special Revenue			
	CDA Lease Training	Justice Court Technology	County Clerk Archive Fees	District Clerk Preservation Fees
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,131	\$ 115,969	\$ 291,622	\$ 1,968
Taxes receivable	-	-	-	-
Accounts receivable	-	796	-	731
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
	-	-	-	-
Total assets	\$ 4,131	\$ 116,765	\$ 291,622	\$ 2,699
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 1,382	\$ 2,173	\$ -
Other liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	796	-	731
	-	796	-	731
Total liabilities	-	2,178	2,173	731
Fund balances:				
Restricted for:				
Records management and preservation	-	-	289,449	1,968
Court technology and security	-	114,587	-	-
Tax assessment and collection services	-	-	-	-
Economic development	-	-	-	-
Jury services	-	-	-	-
Court system	-	-	-	-
Law library	-	-	-	-
Forfeitures	-	-	-	-
District attorney services	-	-	-	-
Check collection and processing	-	-	-	-
Foster care	-	-	-	-
Law enforcement	4,131	-	-	-
Historical commission	-	-	-	-
Indigent welfare	-	-	-	-
Debt service	-	-	-	-
	-	-	-	-
Total fund balances	4,131	114,587	289,449	1,968
Total liabilities and fund balances	\$ 4,131	\$ 116,765	\$ 291,622	\$ 2,699

Special Revenue

Courthouse Security for JP Offices	Jasper County Development District	Family Protection Fee	Appellate Judicial System	Alternative Dispute Resolution	Indigent Health	Supplemental Court Initiated Guardianship
\$ 38,122	\$ -	\$ 27,175	\$ 589	\$ 17,807	\$ 85,624	\$ 13,345
-	-	-	-	-	78,323	-
136	-	-	-	-	-	-
-	-	-	-	-	119,929	-
-	-	-	-	-	-	-
<u>\$ 38,258</u>	<u>\$ -</u>	<u>\$ 27,175</u>	<u>\$ 589</u>	<u>\$ 17,807</u>	<u>\$ 283,876</u>	<u>\$ 13,345</u>
\$ -	\$ -	\$ -	\$ 317	\$ -	\$ 25,778	\$ -
-	-	-	228	-	8,350	-
-	-	-	-	-	141	-
136	-	-	-	-	198,252	-
<u>136</u>	<u>-</u>	<u>-</u>	<u>545</u>	<u>-</u>	<u>232,521</u>	<u>-</u>
-	-	-	-	-	-	-
38,122	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	44	17,807	-	13,345
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	27,175	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	51,355	-
-	-	-	-	-	-	-
<u>38,122</u>	<u>-</u>	<u>27,175</u>	<u>44</u>	<u>17,807</u>	<u>51,355</u>	<u>13,345</u>
<u>\$ 38,258</u>	<u>\$ -</u>	<u>\$ 27,175</u>	<u>\$ 589</u>	<u>\$ 17,807</u>	<u>\$ 283,876</u>	<u>\$ 13,345</u>

**JASPER COUNTY, TEXAS**

**NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING BALANCE SHEET**

**(Continued)**

**DECEMBER 31, 2012**

	Special Revenue			
	Sheriff's Office LEOSE Training	Hurricane Ike Category E PW-2417	Rita Disaster Recovery #2 TX CDBG DRS 07/08	Tax Assessment and Collections Services
<b>ASSETS</b>				
Cash and cash equivalents	\$ 955	\$ 24,482	\$ 417	\$ 129,114
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 955</u>	<u>\$ 24,482</u>	<u>\$ 417</u>	<u>\$ 129,114</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	-	5,323
Due to other funds	-	-	-	83
Deferred revenue	-	24,482	-	54,361
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>24,482</u>	<u>-</u>	<u>59,767</u>
Fund balances:				
Restricted for:				
Records management and preservation	-	-	-	-
Court technology and security	-	-	-	-
Tax assessment and collection services	-	-	-	69,347
Economic development	-	-	417	-
Jury services	-	-	-	-
Court system	-	-	-	-
Law library	-	-	-	-
Forfeitures	-	-	-	-
District attorney services	-	-	-	-
Check collection and processing	-	-	-	-
Foster care	-	-	-	-
Law enforcement	955	-	-	-
Historical commission	-	-	-	-
Indigent welfare	-	-	-	-
Debt service	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>955</u>	<u>-</u>	<u>417</u>	<u>69,347</u>
Total liabilities and fund balances	<u>\$ 955</u>	<u>\$ 24,482</u>	<u>\$ 417</u>	<u>\$ 129,114</u>

<u>County and District Court Technology</u>	<u>County Child Abuse Protection</u>	<u>Court Records Preservation Fee</u>	<u>District Court Records Archive Fee</u>	<u>Hurricane Ike TXCDBG</u>
\$ 1,595	\$ 666	\$ 9,191	\$ 6,590	\$ 8
-	-	-	-	-
559	349	-	-	-
-	-	-	-	-
-	-	-	-	429,212
<u>\$ 2,154</u>	<u>\$ 1,015</u>	<u>\$ 9,191</u>	<u>\$ 6,590</u>	<u>\$ 429,220</u>
\$ -	\$ -	\$ -	\$ -	\$ 429,002
-	-	688	-	-
-	-	15	-	237
560	349	-	-	-
<u>560</u>	<u>349</u>	<u>703</u>	<u>-</u>	<u>429,239</u>
-	-	8,488	6,590	-
1,594	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	666	-	-	( 19)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,594</u>	<u>666</u>	<u>8,488</u>	<u>6,590</u>	<u>( 19)</u>
<u>\$ 2,154</u>	<u>\$ 1,015</u>	<u>\$ 9,191</u>	<u>\$ 6,590</u>	<u>\$ 429,220</u>

**JASPER COUNTY, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**(Continued)**  
**DECEMBER 31, 2012**

	Special Revenue			
	TXCDBG On-Site Sewer Project Grant	VCLG Grant	Pre-trial Intervention Program	Probate Additional Special Fee
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 4,755	\$ 200
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,755</u>	<u>\$ 200</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted for:				
Records management and preservation	-	-	-	-
Court technology and security	-	-	-	200
Tax assessment and collection services	-	-	-	-
Economic development	-	-	-	-
Jury services	-	-	-	-
Court system	-	-	-	-
Law library	-	-	-	-
Forfeitures	-	-	-	-
District attorney services	-	-	-	-
Check collection and processing	-	-	-	-
Foster care	-	-	-	-
Law enforcement	-	-	4,755	-
Historical commission	-	-	-	-
Indigent welfare	-	-	-	-
Debt service	-	-	-	-
	<u>-</u>	<u>-</u>	<u>4,755</u>	<u>200</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>4,755</u>	<u>200</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,755</u>	<u>\$ 200</u>



<u>Special Revenue</u>		<u>Debt Service</u>	
<u>County Juvenile Delinquency Prevention</u>	<u>County Clerk Vital Statistics Records Fee</u>	<u>Debt Service</u>	<u>Totals</u>
\$ 5	\$ 1,565	\$ 8,197	\$ 1,931,838
-	-	90,688	169,011
-	-	-	10,544
-	-	67,902	187,831
-	-	-	440,195
<u>\$ 5</u>	<u>\$ 1,565</u>	<u>\$ 166,787</u>	<u>\$ 2,739,419</u>
\$ -	\$ -	\$ -	\$ 458,941
-	-	-	19,743
-	-	-	590
-	-	158,590	446,230
-	-	158,590	925,504
-	1,565	-	553,164
-	-	-	154,503
-	-	-	69,347
-	-	-	417
-	-	-	64,027
-	-	-	31,196
-	-	-	195,459
-	-	-	126,169
-	-	-	5,240
-	-	-	12,586
-	-	-	500,960
5	-	-	37,668
-	-	-	3,627
-	-	-	51,355
-	-	8,197	8,197
<u>5</u>	<u>1,565</u>	<u>8,197</u>	<u>1,813,915</u>
<u>\$ 5</u>	<u>\$ 1,565</u>	<u>\$ 166,787</u>	<u>\$ 2,739,419</u>

# JASPER COUNTY, TEXAS

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

### NONMAJOR GOVERNMENTAL FUNDS

**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Special Revenue			
	CDA County Forfeiture	Sheriff's Forfeiture	Preservation Fees County Clerk	Check Collection and Processing
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	28,206	4,424
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Interest	266	240	364	40
Other	-	-	-	-
Total revenues	266	240	28,570	4,464
<b>EXPENDITURES</b>				
General government	-	-	65,104	-
Judicial	-	-	-	-
Legal	7,541	-	-	3,526
Public facilities	-	-	-	-
Public safety	-	4,020	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	7,541	4,020	65,104	3,526
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 7,275)	( 3,780)	( 36,534)	938
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	( 7,275)	( 3,780)	( 36,534)	938
<b>FUND BALANCES, BEGINNING</b>	73,161	64,063	123,371	11,648
<b>FUND BALANCES, ENDING</b>	\$ 65,886	\$ 60,283	\$ 86,837	\$ 12,586

Special Revenue

Law Library	Historical Commission	District Court Jury	County Records Management	District Attorney Supplemental	Title IV-E	VIT Interest
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20,051	-	-	10,033	-	-	-
-	-	-	-	-	-	-
-	-	10,522	-	27,500	25,583	-
678	8	257	558	30	1,887	801
-	668	-	-	-	-	-
<u>20,729</u>	<u>676</u>	<u>10,779</u>	<u>10,591</u>	<u>27,530</u>	<u>27,470</u>	<u>801</u>
-	-	-	3,722	-	-	800
-	-	21,740	-	-	-	-
7,299	-	-	-	44,800	-	-
-	-	-	-	-	-	-
-	-	-	-	-	20,083	-
-	2,816	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,299</u>	<u>2,816</u>	<u>21,740</u>	<u>3,722</u>	<u>44,800</u>	<u>20,083</u>	<u>800</u>
<u>13,430</u>	<u>( 2,140)</u>	<u>( 10,961)</u>	<u>6,869</u>	<u>( 17,270)</u>	<u>7,387</u>	<u>1</u>
-	750	-	-	-	-	-
-	750	-	-	-	-	-
13,430	( 1,390)	( 10,961)	6,869	( 17,270)	7,387	1
<u>182,029</u>	<u>5,017</u>	<u>74,988</u>	<u>151,397</u>	<u>22,510</u>	<u>493,573</u>	<u>-</u>
<u>\$ 195,459</u>	<u>\$ 3,627</u>	<u>\$ 64,027</u>	<u>\$ 158,266</u>	<u>\$ 5,240</u>	<u>\$ 500,960</u>	<u>\$ 1</u>

## JASPER COUNTY, TEXAS

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

#### NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue			
	CDA Lease Training	Justice Court Technology	County Clerk Archive Fees	District Clerk Preservation Fees
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	34,147	180
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Interest	15	404	1,011	4
Other	-	22,411	-	3,420
Total revenues	15	22,815	35,158	3,604
<b>EXPENDITURES</b>				
General government	-	15,838	19,954	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public facilities	-	-	-	-
Public safety	-	-	-	-
Cultural and recreation	-	-	-	2,561
Health and welfare	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	15,838	19,954	2,561
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	15	6,977	15,204	1,043
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	15	6,977	15,204	1,043
<b>FUND BALANCES, BEGINNING</b>	4,116	107,610	274,245	925
<b>FUND BALANCES, ENDING</b>	\$ 4,131	\$ 114,587	\$ 289,449	\$ 1,968

Special Revenue

Courthouse Security for JP Offices	Jasper County Development District	Family Protection Fee	Appellate Judicial System	Alternative Dispute Resolution	Indigent Health	Supplemental Court Initiated Guardianship
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 404,058	\$ -
5,454	-	2,715	-	-	-	-
-	-	-	-	9,507	-	2,463
-	-	-	-	-	57,854	-
127	-	123	3	43	986	-
-	-	-	-	-	5,206	-
<u>5,581</u>	<u>-</u>	<u>2,838</u>	<u>3</u>	<u>9,550</u>	<u>468,104</u>	<u>2,463</u>
-	2,650	-	-	-	-	-
-	-	-	-	-	-	350
-	-	-	-	-	-	-
-	-	-	-	-	-	-
354	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	571,121	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>354</u>	<u>2,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>571,121</u>	<u>350</u>
<u>5,227</u>	<u>( 2,650)</u>	<u>2,838</u>	<u>3</u>	<u>9,550</u>	<u>( 103,017)</u>	<u>2,113</u>
-	-	-	-	-	75,000	-
-	-	-	-	-	75,000	-
5,227	( 2,650)	2,838	3	9,550	( 28,017)	2,113
<u>32,895</u>	<u>2,650</u>	<u>24,337</u>	<u>41</u>	<u>8,257</u>	<u>79,372</u>	<u>11,232</u>
<u>\$ 38,122</u>	<u>\$ -</u>	<u>\$ 27,175</u>	<u>\$ 44</u>	<u>\$ 17,807</u>	<u>\$ 51,355</u>	<u>\$ 13,345</u>

**JASPER COUNTY, TEXAS**

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

**NONMAJOR GOVERNMENTAL FUNDS**

**(Continued)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Special Revenue			
	Sheriff's Office LEOSE Training	Hurricane Ike Category E PW-2417	Rita Disaster Recovery #2 TX CDBG DRS 07/08	Tax Assessment and Collections Services
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	89,504
Interest	3	-	-	369
Other	-	-	-	6,845
Total revenues	3	-	-	96,718
<b>EXPENDITURES</b>				
General government	-	-	-	91,255
Judicial	-	-	-	-
Legal	-	-	-	-
Public facilities	-	-	-	-
Public safety	-	-	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	91,255
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	3	-	-	5,463
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	10,000
Total other financing sources (uses)	-	-	-	10,000
<b>NET CHANGE IN FUND BALANCES</b>	3	-	-	15,463
<b>FUND BALANCES, BEGINNING</b>	952	-	417	53,884
<b>FUND BALANCES, ENDING</b>	\$ 955	\$ -	\$ 417	\$ 69,347

<u>County and District Court Technology</u>	<u>County Child Abuse Protection</u>	<u>Court Records Preservation Fee</u>	<u>District Court Records Archive Fee</u>	<u>Hurricane Ike TXCDBG</u>
\$ -	\$ -	\$ -	\$ -	\$ -
864	113	6,017	2,762	-
-	-	-	-	-
-	-	-	-	933,242
2	1	35	24	-
-	-	-	-	-
<u>866</u>	<u>114</u>	<u>6,052</u>	<u>2,786</u>	<u>933,242</u>
-	-	5,807	1,820	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	933,261
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>5,807</u>	<u>1,820</u>	<u>933,261</u>
<u>866</u>	<u>114</u>	<u>245</u>	<u>966</u>	<u>( 19)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
866	114	245	966	( 19)
<u>728</u>	<u>552</u>	<u>8,243</u>	<u>5,624</u>	<u>-</u>
<u>\$ 1,594</u>	<u>\$ 666</u>	<u>\$ 8,488</u>	<u>\$ 6,590</u>	<u>\$( 19)</u>

**JASPER COUNTY, TEXAS**

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

**NONMAJOR GOVERNMENTAL FUNDS**

(Continued)

**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Special Revenue			
	TXCDBG On-Site Sewer Project Grant	VCLG Grant	Pre-trial Intervention Program	Probate Additional Special Fee
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	4,752	200
Fines and forfeitures	-	-	-	-
Intergovernmental	204,252	26,344	-	-
Interest	-	-	3	-
Other	-	-	-	-
Total revenues	<u>204,252</u>	<u>26,344</u>	<u>4,755</u>	<u>200</u>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Judicial	-	-	-	-
Legal	-	26,344	-	-
Public facilities	204,252	-	-	-
Public safety	-	-	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>204,252</u>	<u>26,344</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>4,755</u>	<u>200</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>	-	-	4,755	200
<b>FUND BALANCES, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,755</u>	<u>\$ 200</u>



Special Revenue		Debt Service	
County Juvenile Delinquency Prevention	County Clerk Vital Statistics Records Fee	Debt Service Funds	Totals
\$ -	\$ -	\$ 253,451	\$ 657,509
5	1,564	-	121,487
-	-	-	11,970
-	-	-	1,374,801
-	1	2,349	10,632
-	-	-	38,550
<u>5</u>	<u>1,565</u>	<u>255,800</u>	<u>2,214,949</u>
-	-	-	206,950
-	-	-	22,090
-	-	-	89,510
-	-	-	1,137,513
-	-	589	25,046
-	-	-	5,377
-	-	-	571,121
-	-	895,000	895,000
-	-	<u>90,560</u>	<u>90,560</u>
-	-	<u>986,149</u>	<u>3,043,167</u>
<u>5</u>	<u>1,565</u>	<u>( 730,349)</u>	<u>( 828,218)</u>
-	-	<u>1,308</u>	<u>87,058</u>
-	-	<u>1,308</u>	<u>87,058</u>
5	1,565	( 729,041)	( 741,160)
-	-	<u>737,238</u>	<u>2,555,075</u>
<u>\$ 5</u>	<u>\$ 1,565</u>	<u>\$ 8,197</u>	<u>\$ 1,813,915</u>

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## **FIDUCIARY FUNDS**

*Forfeiture Holding*

*Medical Insurance*

*State Fee Account*

*County Clerk*

*Tax Assessor Collector*

*District Clerk*

*District Court Royalty*

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

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

*Sheriff*

*Justice of the Peace 1 Clearing Account*

*Justice of the Peace 2 Clearing Account*

*Justice of the Peace 3 Clearing Account*

*Justice of the Peace 4 Clearing Account*

*Justice of the Peace 5 Clearing Account*

*Justice of the Peace 6 Clearing Account*

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

**JASPER COUNTY, TEXAS**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

**DECEMBER 31, 2012**

	<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>142,896</u>	\$ <u>258,901</u>	\$ <u>147,016</u>	\$ <u>335,085</u>	\$ <u>3,945,034</u>
Total assets	\$ <u>142,896</u>	\$ <u>258,901</u>	\$ <u>147,016</u>	\$ <u>335,085</u>	\$ <u>3,945,034</u>
<b>LIABILITIES</b>					
Due to other agencies and individuals	\$ <u>142,896</u>	\$ <u>258,901</u>	\$ <u>147,016</u>	\$ <u>335,085</u>	\$ <u>3,945,034</u>
Total liabilities	\$ <u>142,896</u>	\$ <u>258,901</u>	\$ <u>147,016</u>	\$ <u>335,085</u>	\$ <u>3,945,034</u>

<u>District Clerk</u>	<u>District Court Royalty</u>	<u>1st Judicial District Juvenile Probation</u>	<u>1st Judicial District CSCD Probation</u>	<u>Sheriff</u>	<u>Justice of the Peace 1 Clearing Account</u>	<u>Justice of the Peace 2 Clearing Account</u>
\$ <u>153,727</u>	\$ <u>165,843</u>	\$ <u>293,018</u>	\$ <u>447,781</u>	\$ <u>39,129</u>	\$ <u>14,731</u>	\$ <u>9,351</u>
\$ <u>153,727</u>	\$ <u>165,843</u>	\$ <u>293,018</u>	\$ <u>447,781</u>	\$ <u>39,129</u>	\$ <u>14,731</u>	\$ <u>9,351</u>
\$ <u>153,727</u>	\$ <u>165,843</u>	\$ <u>293,018</u>	\$ <u>447,781</u>	\$ <u>39,129</u>	\$ <u>14,731</u>	\$ <u>9,351</u>
\$ <u>153,727</u>	\$ <u>165,843</u>	\$ <u>293,018</u>	\$ <u>447,781</u>	\$ <u>39,129</u>	\$ <u>14,731</u>	\$ <u>9,351</u>

**JASPER COUNTY, TEXAS**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
(Continued)  
DECEMBER 31, 2012**

	<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>	<u>Justice of the Peace 6 Clearing Account</u>	<u>1st Judicial District CSCD Special</u>	<u>Totals</u>
<b>ASSETS</b>						
Cash	\$ <u>12,346</u>	\$ <u>9,865</u>	\$ <u>8,045</u>	\$ <u>5,272</u>	\$ <u>35,333</u>	\$ <u>6,023,373</u>
Total assets	\$ <u>12,346</u>	\$ <u>9,865</u>	\$ <u>8,045</u>	\$ <u>5,272</u>	\$ <u>35,333</u>	\$ <u>6,023,373</u>
<b>LIABILITIES</b>						
Due to other agencies and individuals	\$ <u>12,346</u>	\$ <u>9,865</u>	\$ <u>8,045</u>	\$ <u>5,272</u>	\$ <u>35,333</u>	\$ <u>6,023,373</u>
Total liabilities	\$ <u>12,346</u>	\$ <u>9,865</u>	\$ <u>8,045</u>	\$ <u>5,272</u>	\$ <u>35,333</u>	\$ <u>6,023,373</u>

# **SINGLE AUDIT SECTION**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jasper County, Texas, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Jasper County, Texas' basic financial statements and have issued our report thereon dated September 30, 2013.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

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

September 30, 2013



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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 *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each Jasper County, Texas' major federal programs for the year ended December 31, 2012. 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.

***Auditors' 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Jasper County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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, 2012.

## **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 to determine the 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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

September 30, 2013

**JASPER COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED DECEMBER 31, 2012**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
<b><u>U. S. Department of Housing and Urban Development</u></b>			
Passed through the Texas Department of Rural Affairs:			
On-Site Sewer Project	14.228	CD729359	\$ 204,252
TxCDBG Disaster Recovery Program	14.255	DRS010078	<u>910,188</u>
Total Passed through the Texas Department of Rural Affairs			<u>1,114,440</u>
Total U. S. Department of Housing and Urban Development			<u>1,114,440</u>
<b><u>U. S. Department of Justice</u></b>			
Direct Award			
Edward Byrne Memorial Justice Assistance Grant	16.607	2009SBB91308	<u>813</u>
Total Direct Award			<u>813</u>
Total U. S. Department of Justice			<u>813</u>
<b><u>U. S. Election Assistance Commission</u></b>			
Help America Vote Act (HAVA) - General Compliance	90.401	78596	<u>44,749</u>
Total U. S. Election Assistance Commission			<u>44,749</u>
<b><u>Federal Emergency Management Agency</u></b>			
Passed through the Texas Department of Public Safety			
Division of Emergency Management:			
FM 2926 Powerline Fire	14.255	FEMA-2926-DR TX	43,206
Hurricane Ike- Cat A	97.036		333,453
2011 Wildfires	97.036	DR-1999-TX	29,985
Hazard Mitigation Grant	97.039	DR-1791-177	14,750
Emergency Management Performance Grant	97.042	12TX-EMPG-0429	46,181
2009 Homeland Security Grant Program	97.073	2009-SS-T9-0064	23,285
2010 Homeland Security Grant Program	97.073	2010-SS-T0-0008	<u>264,838</u>
Total Passed through the Texas Department of Public Safety			
Division of Emergency Management			<u>755,698</u>
Total Federal Emergency Management Agency			<u>755,698</u>
Total Federal Awards			<u>\$ 1,915,700</u>

# **JASPER COUNTY, TEXAS**

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

**DECEMBER 31, 2012**

### **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 modified accrual basis of accounting is described in Note 1 of the financial statements.

**JASPER COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Summary of Auditors' Results**

Financial Statements:

Type of auditors' report issued Unqualified

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 auditors' report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? None

Identification of major programs:

CFDA Number(s) #14.255 #97.036	Name of Federal Program or Cluster: TxCDBG Disaster Recovery Program Hurricane Ike - Category A
--------------------------------------	---

Dollar threshold used to distinguish between type A and type B programs \$300,000

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 Standard**

None

(continued)

## JASPER COUNTY, TEXAS

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2011

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

##### Item 2011-1:

<u>Condition:</u>	Construction in progress was materially misstated.
<u>Cause:</u>	The fiscal year 2009 balance was added as an addition to the financial statements during fiscal year 2010.
<u>Effect:</u>	The County's net assets were overstated by \$909,776.
<u>Recommendation:</u>	We recommend the County review the financial report thoroughly prior to approval. All balances should be agreed to existing general ledger balances and variances investigated.
<u>Management's Response:</u>	The County acknowledges the net assets were overstated. New procedures are being implemented to ensure accurate reporting in the future.
<u>Contact Person Responsible for Corrective Action:</u>	County Auditor
<u>Anticipated Completion Date:</u>	Immediate

##### Item 2011-2:

<u>Condition:</u>	A material entry was required to properly record accounts payable at year end.
<u>Cause:</u>	Two large invoices were not properly recorded in fiscal year 2011 prior to the audit.
<u>Effect:</u>	The County's accounts payable and expenditure accounts were materially misstated.
<u>Recommendation:</u>	We recommend the County review the financial report thoroughly prior to approval. Safeguards should be put into place to ensure that all transactions are recorded in the proper period.
<u>Management's Response:</u>	The County acknowledges that a clerical error occurred while processing accounts payable. This situation has been addressed and new procedures are in place to prevent this from becoming an issue in the future.
<u>Contact Person Responsible for Corrective Action:</u>	County Auditor
<u>Anticipated Completion Date:</u>	Immediate