

JASPER COUNTY, TEXAS

FINANCIAL STATEMENTS

**YEAR ENDED
DECEMBER 31, 2013**

JASPER COUNTY, TEXAS

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FINANCIAL SECTION

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PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

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, 2013 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, and the respective budgetary comparison for the General Fund and the Road and Bridge Special Revenue Fund of Jasper County, Texas, as of December 31, 2013, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2013 the County adopted new accounting guidance, GASB Statement No.65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

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 4-8 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 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 29, 2014, 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 29, 2014

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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, 2013.

FINANCIAL HIGHLIGHTS

- The County's total net position increased by \$5,828,500 , (15.4)% over the course of this year's operations.
- The total government-wide assets of the County exceeded the liabilities and deferred inflows of resources at December 31, 2013, by \$45,507,921 reported as total net position of the primary government. Of this amount, \$10,419,017 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$4,488,898 is restricted for specific purposes (restricted net assets), and \$30,600,006 is net investment in capital assets.
- As of December 31, 2013, the County governmental funds reported combined fund balances of \$10,200,265, which represents a (5.1)% increase from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The Statement of Net Position presents information on all County assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four 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 40 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 (67.2 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 (22.9 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	
	2013	2012
REVENUES		
Program revenues:		
Charges for services	\$ 3,020,922	\$ 2,628,859
Operating grants and contributions	1,287,943	1,213,304
Capital grants and contributions	1,567,572	1,307,173
General revenues:		
Taxes - levied for general purposes	12,913,013	11,724,158
Taxes - levied for debt service	241,695	257,968
Other taxes	130,912	110,811
Investment earnings	52,531	57,535
Gain on sale of assets	1,140	-
Miscellaneous	397,816	319,112
Total revenues	<u>19,613,544</u>	<u>17,618,920</u>
EXPENSES		
General government	1,524,255	3,267,778
Judicial	1,791,196	1,392,131
Legal	614,468	520,501
Public facilities	2,633,631	2,028,851
Public safety	4,408,163	3,763,752
Health and welfare	486,145	494,639
Conservation	94,163	78,646
Roads	2,190,193	4,762,995
Cultural and recreation	2,347	4,442
Interest on long-term debt	40,483	74,105
Total expenses	<u>13,785,044</u>	<u>16,387,840</u>
CHANGE IN NET POSITION	5,828,500	1,231,080
NET POSITION, BEGINNING	37,896,693	36,587,923
PRIOR PERIOD ADJUSTMENT	<u>1,782,728</u>	<u>77,690</u>
NET POSITION, ENDING	<u>\$ 45,507,921</u>	<u>\$ 37,896,693</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, 2013, the County's General Fund reported combined fund balances of \$5,711,367, an increase of \$610,760 from the prior year. This increase 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, 2013, the General Fund reported revenues of \$11,222,894 and expenditures of \$10,581,438. These amounts represented a \$758,049 increase in revenues, primarily due to \$914,576 additional dollars added through property taxes as well as an increase in fines and forfeiture revenue of \$101,127. The County saw an increase of \$28,702 in expenditures. The increase in expenditures was primarily made up of decreases of \$244,461 to general government expenditures and \$135,565 to public facilities expenditures, offset by an increase of \$433,359 to capital outlay expenditures. The excess of revenues over expenditures was \$641,456 , before other financing sources (uses) of (\$30,696).

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

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual revenues were more than budgeted estimates by \$1,103,359. Actual expenditures were more than budgeted estimates by \$260,478, and other financing sources/uses resulted in a negative budget variance of \$224,946. The net effect resulted in a positive variance of \$617,935.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The County's investment in Capital Assets for its governmental activities as of December 31, 2013, amounted to \$31,355,006 (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 \$5,041,190 the bulk of which relates to \$4,001,587 worth of additions to infrastructure.

Long-term Debt. At December 31, 2013, the County had total long-term debt outstanding of \$1,363,025. This amount represents a decrease of \$73,275 during the fiscal year. For more information on long-term debt, see the note disclosure on pages 28 – 29.

ECONOMIC FACTORS

The Commissioners' Court adopted the County's 2013 budget on \$0.6800.

For 2013, the property tax rate remained at .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, 2013

	Primary Government
	Governmental Activities
ASSETS	
Cash and investments	\$ 15,157,394
Receivables (net of allowance for uncollectibles)	
Accounts	1,221,402
Taxes	4,324,896
Due from other governments	546,346
Capital assets:	
Land	769,343
Construction in progress	4,294,010
Buildings	9,596,369
Equipment and furniture	5,330,407
Infrastructure	27,986,917
Less: accumulated depreciation	(16,622,040)
Total capital assets	31,355,006
Total assets	52,605,044
LIABILITIES	
Accounts payable	748,924
Accrued liabilities	698,919
Accrued interest payable	13,564
Unearned revenue	418,712
Noncurrent liabilities:	
Due within one year	212,514
Due in more than one year	1,150,511
Total liabilities	3,243,144
DEFERRED INFLOWS OF RESOURCES	
Property taxes received in advance of fiscal year levy	3,853,979
Total deferred inflows of resources	3,853,979
NET POSITION	
Net investment in capital assets	30,600,006
Restricted for:	
Records management and preservation	538,567
Court technology and security	149,364
Tax assessment and collection services	58,344
Economic development	708
Jury services	57,193
Court system	25,626
Law library	207,161
Forfeitures	92,474
District attorney services	5,598
Check collection and processing	12,458
Foster care	486,765
Law enforcement	61,251
Historical commission	2,781
Indigent welfare	82,451
Debt service	56,722
Roads	2,651,435
Unrestricted	10,419,017
Total net position	\$ 45,507,921

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, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Primary Government:					
Governmental activities:					
General government	\$ 1,524,255	\$ 989,866	\$ 359,896	\$ 103,859	\$(70,634)
Judicial	1,791,196	16,444	-	-	(1,774,752)
Legal	614,468	230,773	103,246	-	(280,449)
Public facilities	2,633,631	-	-	1,357,446	(1,276,185)
Public safety	4,408,163	956,385	735,659	-	(2,716,119)
Health and welfare	486,145	-	89,142	-	(397,003)
Conservation	94,163	-	-	-	(94,163)
Roads	2,190,193	827,454	-	106,267	(1,256,472)
Cultural and recreation	2,347	-	-	-	(2,347)
Interest on long-term debt	40,483	-	-	-	(40,483)
Total governmental activities	\$ <u>13,785,044</u>	\$ <u>3,020,922</u>	\$ <u>1,287,943</u>	\$ <u>1,567,572</u>	(<u>7,908,607</u>)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					12,913,013
Property taxes, levied for debt service					241,695
Other taxes					130,912
Investment earnings					52,531
Miscellaneous					397,816
Gain on sale of capital assets					1,140
Total general revenues					<u>13,737,107</u>
Change in net position					5,828,500
Net position, beginning					<u>37,896,693</u>
Prior period adjustments					<u>1,782,728</u>
Net position, beginning as restated					<u>39,679,421</u>
Net position, ending					\$ <u>45,507,921</u>

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

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JASPER COUNTY, TEXAS

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	<u>General</u>	<u>Road and Bridge</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
ASSETS				
Cash and cash equivalents	\$ 10,145,440	\$ 2,858,928	\$ 2,153,026	\$ 15,157,394
Receivables (net of allowance for uncollectibles)				
Accounts	134,624	1,072,946	13,832	1,221,402
Taxes	2,721,625	1,319,291	283,980	4,324,896
Due from other funds	137,056	1,067,426	230,660	1,435,142
Due from other governments	<u>264,282</u>	<u>956</u>	<u>281,108</u>	<u>546,346</u>
Total assets	<u>\$ 13,403,027</u>	<u>\$ 6,319,547</u>	<u>\$ 2,962,606</u>	<u>\$ 22,685,180</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 121,366	\$ 267,749	\$ 359,809	\$ 748,924
Other liabilities	679,469	16,760	2,690	698,919
Due to other funds	1,298,086	112,337	24,719	1,435,142
Unearned revenue	<u>194,467</u>	<u>-</u>	<u>224,245</u>	<u>418,712</u>
Total liabilities	<u>2,293,388</u>	<u>396,846</u>	<u>611,463</u>	<u>3,301,697</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	2,721,625	1,319,292	283,980	4,324,897
Property taxes received in advance of fiscal year levy	2,544,850	1,079,429	229,700	3,853,979
Unavailable revenue - court fines and fees	<u>131,797</u>	<u>872,545</u>	<u>-</u>	<u>1,004,342</u>
Total deferred inflows of resources	<u>5,398,272</u>	<u>3,271,266</u>	<u>513,680</u>	<u>9,183,218</u>
FUND BALANCES (DEFICITS)				
Fund balances:				
Restricted for:				
Records management and preservation	-	-	538,567	538,567
Court technology and security	-	-	149,364	149,364
Tax assessment and collection services	-	-	58,344	58,344
Jury services	-	-	57,193	57,193
Court system	-	-	25,626	25,626
Law library	-	-	207,161	207,161
Forfeitures	-	-	92,474	92,474
District attorney services	-	-	5,598	5,598
Check collection and processing	-	-	12,458	12,458
Foster care	-	-	486,765	486,765
Law enforcement	-	-	61,251	61,251
Historical commission	-	-	2,781	2,781
Indigent welfare	-	-	82,451	82,451
Debt service	-	-	56,722	56,722
Roads	-	2,651,435	-	2,651,435
Unassigned	<u>5,711,367</u>	<u>-</u>	<u>-</u>	<u>5,711,367</u>
Total fund balances	<u>5,711,367</u>	<u>2,651,435</u>	<u>1,837,463</u>	<u>10,200,265</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,403,027</u>	<u>\$ 6,319,547</u>	<u>\$ 2,962,606</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.	31,355,006
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	5,329,239
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(1,376,589)
Net position of governmental activities	<u>\$ 45,507,921</u>

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

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	General	Road and Bridge	Other Governmental	Total Governmental
REVENUES				
Taxes	\$ 8,769,338	\$ 3,755,865	\$ 720,671	\$ 13,245,874
License and fees	808,419	-	148,623	957,042
Fines and forfeitures	650,184	167,138	13,041	830,363
Intergovernmental	749,799	105,244	2,227,071	3,082,114
Auto registration	-	738,477	-	738,477
Interest	29,753	15,354	7,424	52,531
Other	<u>215,401</u>	<u>148,195</u>	<u>125,828</u>	<u>489,424</u>
Total revenues	<u>11,222,894</u>	<u>4,930,273</u>	<u>3,242,658</u>	<u>19,395,825</u>
EXPENDITURES				
General government	3,022,469	420,833	223,311	3,666,613
Judicial	1,751,219	-	32,374	1,783,593
Legal	561,217	-	50,643	611,860
Public facilities	542,588	-	2,142,222	2,684,810
Public safety	4,176,823	-	41,995	4,218,818
Health and welfare	-	-	484,082	484,082
Conservation	93,763	-	-	93,763
Roads	-	4,453,584	-	4,453,584
Cultural and recreation	-	-	2,337	2,337
Debt service				
Principal	-	-	150,000	150,000
Interest	-	-	43,070	43,070
Capital outlay	<u>433,359</u>	<u>196,045</u>	<u>80,162</u>	<u>709,566</u>
Total expenditures	<u>10,581,438</u>	<u>5,070,462</u>	<u>3,250,196</u>	<u>18,902,096</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>641,456</u>	<u>(140,189)</u>	<u>(7,538)</u>	<u>493,729</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	31,086	31,086
Transfers out	(31,086)	-	-	(31,086)
Sale of assets	<u>390</u>	<u>750</u>	<u>-</u>	<u>1,140</u>
Total other financing sources (uses)	<u>(30,696)</u>	<u>750</u>	<u>31,086</u>	<u>1,140</u>
NET CHANGE IN FUND BALANCES	610,760	(139,439)	23,548	494,869
FUND BALANCES, BEGINNING	<u>5,100,607</u>	<u>2,790,874</u>	<u>1,813,915</u>	<u>9,705,396</u>
FUND BALANCES, ENDING	<u>\$ 5,711,367</u>	<u>\$ 2,651,435</u>	<u>\$ 1,837,463</u>	<u>\$ 10,200,265</u>

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

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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, 2013

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)	\$ 494,869
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.	5,041,190
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	216,579
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.	100,723
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>(24,861)</u>
Change in net position of governmental activities (page 9)	<u>\$ 5,828,500</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 8,374,467	\$ 8,374,467	\$ 8,769,338	\$ 394,871
License and fees	644,396	644,396	808,419	164,023
Fines and forfeitures	628,000	628,000	650,184	22,184
Intergovernmental	349,548	349,548	749,799	400,251
Interest	40,044	40,044	29,753	(10,291)
Other	83,080	83,080	215,401	132,321
Total revenues	<u>10,119,535</u>	<u>10,119,535</u>	<u>11,222,894</u>	<u>1,103,359</u>
EXPENDITURES				
General government	3,085,006	3,085,006	3,022,469	62,537
Judicial	1,815,986	1,815,986	1,751,219	64,767
Legal	590,115	590,115	561,217	28,898
Public facilities	528,476	528,476	542,588	(14,112)
Public safety	3,994,033	3,994,033	4,176,823	(182,790)
Health and welfare	16,750	16,750	-	16,750
Conservation	98,965	98,965	93,763	5,202
Capital outlay	191,629	191,629	433,359	(241,730)
Total expenditures	<u>10,320,960</u>	<u>10,320,960</u>	<u>10,581,438</u>	<u>(260,478)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(201,425)</u>	<u>(201,425)</u>	<u>641,456</u>	<u>842,881</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	194,250	194,250	(31,086)	(225,336)
Sale of assets	-	-	390	390
Total other financing sources (uses)	<u>194,250</u>	<u>194,250</u>	<u>(30,696)</u>	<u>(224,946)</u>
NET CHANGE IN FUND BALANCE	<u>(7,175)</u>	<u>(7,175)</u>	<u>610,760</u>	<u>617,935</u>
FUND BALANCES, BEGINNING	<u>5,100,607</u>	<u>5,100,607</u>	<u>5,100,607</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 5,093,432</u>	<u>\$ 5,093,432</u>	<u>\$ 5,711,367</u>	<u>\$ 617,935</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,967,031	\$ 2,967,031	\$ 3,755,865	\$ 788,834
Fines and forfeitures	130,000	130,000	167,138	37,138
Intergovernmental	79,600	79,600	105,244	25,644
Auto registration	910,000	910,000	738,477	(171,523)
Interest	24,716	24,716	15,354	(9,362)
Other	126,083	126,083	148,195	22,112
Total revenues	4,237,430	4,237,430	4,930,273	692,843
EXPENDITURES				
General government	426,422	426,422	420,833	5,589
Roads	4,246,137	4,246,137	4,453,584	(207,447)
Capital outlay	58,824	58,824	196,045	(137,221)
Total expenditures	4,731,383	4,731,383	5,070,462	(339,079)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(493,953)	(493,953)	(140,189)	353,764
OTHER FINANCING SOURCES (USES)				
Transfers in	50,101	50,101	-	(50,101)
Total other financing sources (uses)	50,101	50,101	750	(49,351)
NET CHANGE IN FUND BALANCE				
	(443,852)	(443,852)	(139,439)	304,413
FUND BALANCE, BEGINNING				
	2,790,874	2,790,874	2,790,874	-
FUND BALANCE, ENDING				
	\$ 2,347,022	\$ 2,347,022	\$ 2,651,435	\$ 304,413

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, 2013

	<u>Private Purpose Trust</u>		<u>County Schools</u>	<u>Agency Funds</u>
ASSETS				
Cash	\$	<u>1,492,815</u>	\$	<u>2,571,589</u>
Total assets	\$	<u><u>1,492,815</u></u>	\$	<u><u>2,571,589</u></u>
LIABILITIES				
Due to other agencies and individuals	\$	<u>432</u>	\$	<u>2,571,589</u>
Total liabilities	\$	<u><u>432</u></u>	\$	<u><u>2,571,589</u></u>
NET POSITION				
Held in trust for schools	\$	<u><u>1,492,383</u></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, 2013

		<u>Private Purpose Trust</u>
		<u>County Schools</u>
ADDITIONS		
Contributions	\$ 47,978	
Investment earnings	<u>14,718</u>	
Total additions	62,696	
DEDUCTIONS		(<u>4,157</u>)
CHANGE IN NET POSITION		58,539
TOTAL NET POSITION, BEGINNING		<u>1,433,844</u>
TOTAL NET POSITION, ENDING		<u>\$ 1,492,383</u>

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

JASPER COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

Additionally, the County reports the following fund types:

Fiduciary Fund Types:

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

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

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources 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, 2013.

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 are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Deferred Outflows / Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County currently has no items classified as deferred outflows of resources.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. The County currently has three items which are classified as deferred inflows of resources under the modified accrual basis of accounting. The County has two items that are considered unavailable and are only recorded as deferred inflows on the fund financial statements. The sources for these items are property taxes and court fines. One item, which is considered unearned, pertains to property taxes received prior to the levied tax year. As such, this item is recorded as a deferred inflow of resources in both the fund financials and the government-wide financial statements.

Fund Balance Classification

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by the Commissioners' Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- Assigned: This classification includes amounts that are constrained by the County’s intent to be used for a specific purpose but are neither restricted nor committed. This classification includes amounts that are constrained by the County’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County Auditor.
- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

Net Position

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

2. 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 \$5,041,190 difference are as follows:

Capital outlay	\$ 6,447,524
Depreciation expense	<u>(1,406,334)</u>
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>\$ 5,041,190</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 \$100,723 difference are as follows:

Principal repayments:	
General obligation debt	\$ 150,000
OPEB liability	(49,277)
 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>100,723</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 \$(24,861) difference are as follows:

Compensated absences	\$(27,448)
Interest payable	<u>2,587</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>24,861</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, 2013. 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, 2013, \$21,693,634 of the County's \$22,193,634 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	\$ 2,986,871	\$ 1,479,662	\$ 320,929	\$ 4,787,462
Accounts	257,066	1,866,532	26,414	2,150,012
Grants	<u>264,282</u>	<u>956</u>	<u>281,108</u>	<u>546,346</u>
Gross receivables	3,508,219	3,347,150	628,451	7,483,820
Less: allowance for uncollectibles	<u>(387,688)</u>	<u>(953,957)</u>	<u>(49,531)</u>	<u>(1,391,176)</u>
Net Total				
Receivables	<u>\$ 3,120,531</u>	<u>\$ 2,393,193</u>	<u>\$ 578,920</u>	<u>\$ 6,092,644</u>

Governmental funds report *unearned 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 *unearned revenue* and *deferred inflows of resources* reported in the governmental funds were as follows:

	<u>Amount</u>
General fund:	
Grant receivable	\$ 194,467
Nonmajor funds:	
Grant receivable	<u>224,245</u>
Governmental funds	<u>\$ 418,712</u>

Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 660,831	\$ 108,512	\$ -	\$ -	\$ 769,343
CIP	<u>2,169,309</u>	<u>3,324,665</u>	<u>1,182,308</u>	<u>(17,656)</u>	<u>4,294,010</u>
Total assets not being depreciated	<u>2,830,140</u>	<u>3,433,177</u>	<u>1,182,308</u>	<u>(17,656)</u>	<u>5,063,353</u>
Capital assets, being depreciated:					
Buildings	9,596,369	-	-	-	9,596,369
Equipment	5,228,138	280,074	177,805	-	5,330,407
Infrastructure	<u>23,985,330</u>	<u>4,001,587</u>	<u>-</u>	<u>-</u>	<u>27,986,917</u>
Total capital assets being depreciated	<u>38,809,837</u>	<u>4,281,661</u>	<u>177,805</u>	<u>-</u>	<u>42,913,693</u>
Less accumulated depreciation:					
Buildings	2,747,379	247,242	-	-	2,994,621
Equipment	3,892,449	444,019	110,455	-	4,226,013
Infrastructure	<u>8,686,333</u>	<u>715,073</u>	<u>-</u>	<u>-</u>	<u>9,401,406</u>
Total accumulated depreciation	<u>15,326,161</u>	<u>1,406,334</u>	<u>110,455</u>	<u>-</u>	<u>16,622,040</u>
Total capital assets being depreciated, net	<u>23,483,676</u>	<u>2,875,327</u>	<u>67,350</u>	<u>-</u>	<u>26,291,653</u>
Governmental activities capital assets, net	<u>\$ 26,313,816</u>	<u>\$ 6,308,504</u>	<u>\$ 1,249,658</u>	<u>\$(17,656)</u>	<u>\$ 31,355,006</u>

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

Governmental activities:	
General government	\$ 32,108
Public safety	436,108
Road and bridge	930,242
Public facility	<u>7,876</u>
	<u>\$ 1,406,334</u>

Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2013, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental funds	\$ 24,719
General	Road and bridge	112,337
Nonmajor governmental funds	General	230,660
Road and bridge	General	<u>1,067,426</u>
Total		<u>\$ 1,435,142</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>Nonmajor Governmental</u>
Transfer Out:	
General	\$ 31,086
Total	<u>\$ 31,086</u>

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

Long-term Debt

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>755,000</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>
2014	\$ 150,000	\$ 36,170
2015	175,000	29,120
2016	175,000	20,807
2017	175,000	12,408
2018	<u>80,000</u>	<u>3,920</u>
Total	<u>\$ 755,000</u>	<u>\$ 102,425</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, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Government activities					
Certificates of obligation	\$ 905,000	\$ -	\$ 150,000	\$ 755,000	\$ 150,000
Compensated absences	285,120	27,448	-	312,568	62,514
OPEB liability	<u>246,180</u>	<u>49,277</u>	<u>-</u>	<u>295,457</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 1,436,300</u>	<u>\$ 76,725</u>	<u>\$ 150,000</u>	<u>\$ 1,363,025</u>	<u>\$ 212,514</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 16.48% for the months of the accounting year in 2013. The deposit rate payable by the employee members for calendar year 2013 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, 2013, the annual pension cost for the TCDRS plan for its employees was \$1,050,453 and the actual contributions were \$1,050,453. 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, 2012 and December 31, 2011, the basis for determining the contribution rates for calendar years 2013 and 2012. The December 31, 2012, actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial Valuation Date	12/31/10	12/31/11	12/31/12
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 ¹	8.00%	8.00%	8.00%
Projected salary increases ¹	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
12/31/11	\$ 1,238,225	100%	\$ -
12/31/12	1,377,678	100%	-
12/31/13	1,050,453	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)
12/31/10	\$ 12,862,658	\$ 18,485,523	\$ 5,622,865	69.58%	\$ 5,658,402	99.37%
12/31/11	13,832,697	20,037,002	6,204,305	69.04%	5,905,793	105.05%
12/31/12	14,648,071	21,519,374	6,871,303	68.07%	6,039,800	113.77%

- (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, 2013, is as follows:

Annual required contribution	\$ 135,483
Interest on net OPEB obligation	11,078
Adjustment to annual required contribution	<u>(10,264)</u>
Annual OPEB cost (expense)	136,297
Contributions made	<u>(87,020)</u>
Increase in net OPEB obligation	49,277
Net OPEB obligation, beginning of year	<u>246,180</u>
 Net OPEB obligation, end of year	 <u>\$ 295,457</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, 2013, 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, 2011	\$ 145,351	\$ 66,810	46.0%	\$ 183,116
December 31, 2012	149,355	86,897	57.9%	246,180
December 31, 2013	136,297	87,020	63.8%	295,457

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, 2013, 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>
2012	\$ -	\$ 1,003,294	\$ 1,003,294	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 \$1,003,294 at December 31, 2013.

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 7.25% declining to an ultimate rate of 5.0% 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

In prior years, the County has not recorded revenue and receivable balances pertaining to penalties and interest on unpaid property taxes in the government wide financial statements. As a result, the beginning net position has been increased \$1,782,728 in the government-wide financial statements to reflect this change.

SUPPLEMENTARY INFORMATION

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JASPER COUNTY, TEXAS

SCHEDULE OF FUNDING PROGRESS

DECEMBER 31, 2013

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, 2011	\$ 145,351	\$ 66,810	4,706	\$ 4,360	\$ 24	\$ 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
December 31, 2013	135,483	87,020	11,078	10,264	23.98540	136,297	49,277	295,457

The ARC for fiscal year ending December 31, 2013, is 9.29% less 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, 2013, is from the Retiree Health Care Plan Actuarial Valuation Report as of December 31, 2013.

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, 2013

	Special Revenue			
	CDA County Forfeiture	Sheriff's Forfeiture	Preservation Fees County Clerk	Check Collection and Processing
ASSETS				
Cash and cash equivalents	\$ 55,229	\$ 38,211	\$ 35,636	\$ 12,568
Taxes receivable	-	-	-	-
Accounts receivable	-	-	349	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
	<u>\$ 55,229</u>	<u>\$ 38,211</u>	<u>\$ 35,985</u>	<u>\$ 12,568</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-
Due to other funds	966	-	4,216	110
Deferred revenue	-	-	349	-
	<u>966</u>	<u>-</u>	<u>4,565</u>	<u>110</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Property taxes received in advance of fiscal year levy	-	-	-	-
Unavailable revenue - court fines and fees	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u># -</u>
FUND BALANCES				
Restricted for:				
Records management and preservation	-	-	31,420	-
Court technology and security	-	-	-	-
Tax assessment and collection services	-	-	-	-
Jury services	-	-	-	-
Court system	-	-	-	-
Law library	-	-	-	-
Forfeitures	54,263	38,211	-	-
District attorney services	-	-	-	-
Check collection and processing	-	-	-	12,458
Foster care	-	-	-	-
Law enforcement	-	-	-	-
Historical commission	-	-	-	-
Indigent welfare	-	-	-	-
Debt service	-	-	-	-
	<u>54,263</u>	<u>38,211</u>	<u>31,420</u>	<u>12,458</u>
Total fund balances	<u>54,263</u>	<u>38,211</u>	<u>31,420</u>	<u>12,458</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 55,229</u>	<u>\$ 38,211</u>	<u>\$ 35,985</u>	<u>\$ 12,568</u>

Special Revenue

Law Library	Historical Commission	District Court Jury	County Records Management	District Attorney Supplemental	Title IV-E	VIT Interest
\$ 208,430	\$ 2,931	\$ 56,071	\$ 164,369	\$ 6,679	\$ 487,590	\$ 2
-	-	-	-	-	-	-
-	-	-	10,291	-	-	-
-	-	-	-	-	-	-
-	-	1,122	-	-	-	-
<u>\$ 208,430</u>	<u>\$ 2,931</u>	<u>\$ 57,193</u>	<u>\$ 174,660</u>	<u>\$ 6,679</u>	<u>\$ 487,590</u>	<u>\$ 2</u>
\$ 1,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	150	-	-	1,081	825	-
-	-	-	10,291	-	-	-
<u>1,269</u>	<u>150</u>	<u>-</u>	<u>10,291</u>	<u>1,081</u>	<u>825</u>	<u>-</u>
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JASPER COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
(Continued)
DECEMBER 31, 2013

	Special Revenue			
	CDA Leose Training	Justice Court Technology	County Clerk Archive Fees	District Clerk Preservation Fees
ASSETS				
Cash and cash equivalents	\$ 3,970	\$ 105,839	\$ 317,818	\$ 4,394
Taxes receivable	-	-	-	-
Accounts receivable	-	639	-	943
Due from other funds	-	16	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 3,970</u>	<u>\$ 106,494</u>	<u>\$ 317,818</u>	<u>\$ 5,337</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ -	\$ 2,304	\$ -	\$ -
Other liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	640	-	944
Total liabilities	<u>-</u>	<u>2,944</u>	<u>-</u>	<u>944</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Property taxes received in advance of fiscal year levy	-	-	-	-
Unavailable revenue - court fines and fees	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Records management and preservation	-	-	317,818	4,393
Court technology and security	-	103,550	-	-
Tax assessment and collection services	-	-	-	-
Jury services	-	-	-	-
Court system	-	-	-	-
Law library	-	-	-	-
Forfeitures	-	-	-	-
District attorney services	-	-	-	-
Check collection and processing	-	-	-	-
Foster care	-	-	-	-
Law enforcement	3,970	-	-	-
Historical commission	-	-	-	-
Indigent welfare	-	-	-	-
Debt service	-	-	-	-
Total fund balances	<u>3,970</u>	<u>103,550</u>	<u>317,818</u>	<u>4,393</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 3,970</u>	<u>\$ 106,494</u>	<u>\$ 317,818</u>	<u>\$ 5,337</u>

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
\$ 42,373	\$ 144	\$ 30,136	\$ 426	\$ 10,068	\$ 154,020	\$ 15,512
-	-	-	-	-	146,438	-
103	-	-	-	-	-	-
-	-	-	-	-	167,281	-
-	-	-	-	-	-	-
<u>\$ 42,476</u>	<u>\$ 144</u>	<u>\$ 30,136</u>	<u>\$ 426</u>	<u>\$ 10,068</u>	<u>\$ 467,739</u>	<u>\$ 15,512</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,250	\$ -
-	144	-	380	-	1,253	-
-	-	-	-	-	6,144	-
103	-	-	-	-	-	-
<u>103</u>	<u>144</u>	<u>-</u>	<u>380</u>	<u>-</u>	<u>83,647</u>	<u>-</u>
-	-	-	-	-	146,438	-
-	-	-	-	-	155,203	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>301,641</u>	<u>-</u>
-	-	-	-	-	-	-
42,373	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	46	10,068	-	15,512
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	30,136	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	82,451	-
-	-	-	-	-	-	-
<u>42,373</u>	<u>-</u>	<u>30,136</u>	<u>46</u>	<u>10,068</u>	<u>82,451</u>	<u>15,512</u>
<u>\$ 42,476</u>	<u>\$ 144</u>	<u>\$ 30,136</u>	<u>\$ 426</u>	<u>\$ 10,068</u>	<u>\$ 467,739</u>	<u>\$ 15,512</u>

JASPER COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
(Continued)
DECEMBER 31, 2013

	Special Revenue			
	Sheriff's Office LEOSE Training	Hurricane Ike Category E PW-2417	Hurricane Ike PA Pilot Program Disaster Recovery Funds	Rita Disaster Recovery #2 TX CDBG DRS 07/08
ASSETS				
Cash and cash equivalents	\$ 920	\$ 24,482	\$ 126,769	\$ 708
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Due from other funds	-	-	4,799	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 920</u>	<u>\$ 24,482</u>	<u>\$ 131,568</u>	<u>\$ 708</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	24,482	131,568	-
Total liabilities	<u>-</u>	<u>24,482</u>	<u>131,568</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Property taxes received in advance of fiscal year l	-	-	-	-
Unavailable revenue - court fines and fees	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Records management and preservation	-	-	-	-
Court technology and security	-	-	-	-
Tax assessment and collection services	-	-	-	-
Jury services	-	-	-	-
Court system	-	-	-	-
Law library	-	-	-	-
Forfeitures	-	-	-	-
District attorney services	-	-	-	-
Check collection and processing	-	-	-	-
Foster care	-	-	-	-
Law enforcement	920	-	-	-
Historical commission	-	-	-	-
Indigent welfare	-	-	-	-
Debt service	-	-	-	-
Total fund balances	<u>920</u>	<u>-</u>	<u>-</u>	<u>708</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 920</u>	<u>\$ 24,482</u>	<u>\$ 131,568</u>	<u>\$ 708</u>

Special Revenue

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
\$ 119,762	\$ 2,522	\$ 919	\$ 12,232	\$ 9,584	\$ -
-	-	-	-	-	-
-	1,095	412	-	-	-
-	-	-	-	-	-
-	-	-	-	-	279,986
<u>\$ 119,762</u>	<u>\$ 3,617</u>	<u>\$ 1,331</u>	<u>\$ 12,232</u>	<u>\$ 9,584</u>	<u>\$ 279,986</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 279,986
913	-	-	-	-	-
6,144	-	-	-	5,083	-
<u>54,361</u>	<u>1,095</u>	<u>412</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>61,418</u>	<u>1,095</u>	<u>412</u>	<u>-</u>	<u>5,083</u>	<u>279,986</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	12,232	4,501	-
-	2,522	-	-	-	-
58,344	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	919	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>58,344</u>	<u>2,522</u>	<u>919</u>	<u>12,232</u>	<u>4,501</u>	<u>-</u>
<u>\$ 119,762</u>	<u>\$ 3,617</u>	<u>\$ 1,331</u>	<u>\$ 12,232</u>	<u>\$ 9,584</u>	<u>\$ 279,986</u>

JASPER COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
(Continued)
DECEMBER 31, 2013

	<u>Pre-trial Intervention Program</u>	<u>Probate Additional Special Fee</u>	<u>County Juvenile Delinquency Prevention</u>
ASSETS			
Cash and cash equivalents	\$ 25,301	\$ 887	\$ 5
Taxes receivable	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 25,301</u>	<u>\$ 887</u>	<u>\$ 5</u>
LIABILITIES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Other liabilities	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	-	-
Property taxes received in advance of fiscal year levy	-	-	-
Unavailable revenue - court fines and fees	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted for:			
Records management and preservation	-	-	-
Court technology and security	-	887	-
Tax assessment and collection services	-	-	-
Jury services	-	-	-
Court system	-	-	-
Law library	-	-	-
Forfeitures	-	-	-
District attorney services	-	-	-
Check collection and processing	-	-	-
Foster care	-	-	-
Law enforcement	25,301	-	5
Historical commission	-	-	-
Indigent welfare	-	-	-
Debt service	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>25,301</u>	<u>887</u>	<u>5</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 25,301</u>	<u>\$ 887</u>	<u>\$ 5</u>

<u>Special Revenue</u>		<u>Debt Service</u>	
<u>County Clerk Vital Statistics Records Fee</u>	<u>Wingate Blvd. Road Improvements Project</u>	<u>Debt Service</u>	<u>Totals</u>
\$ 3,832	\$ 32	\$ 72,655	\$ 2,153,026
-	-	137,542	283,980
-	-	-	13,832
-	-	58,564	230,660
-	-	-	281,108
<u>\$ 3,832</u>	<u>\$ 32</u>	<u>\$ 268,761</u>	<u>\$ 2,962,606</u>
\$ -	\$ -	\$ -	\$ 359,809
-	-	-	2,690
-	-	-	24,719
-	-	-	224,245
<u>-</u>	<u>-</u>	<u>-</u>	<u>611,463</u>
-	-	137,542	283,980
-	-	74,497	229,700
-	-	-	-
<u>-</u>	<u>-</u>	<u>212,039</u>	<u>513,680</u>
3,832	-	-	538,567
-	32	-	149,364
-	-	-	58,344
-	-	-	57,193
-	-	-	25,626
-	-	-	207,161
-	-	-	92,474
-	-	-	5,598
-	-	-	12,458
-	-	-	486,765
-	-	-	61,251
-	-	-	2,781
-	-	-	82,451
-	-	56,722	56,722
<u>3,832</u>	<u>32</u>	<u>56,722</u>	<u>1,837,463</u>
<u>\$ 3,832</u>	<u>\$ 32</u>	<u>\$ 268,761</u>	<u>\$ 2,962,606</u>

JASPER COUNTY, TEXAS

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue			
	CDA County Forfeiture	Sheriff's Forfeiture	Preservation Fees County Clerk	Check Collection and Processing
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	31,737	2,619
Fines and forfeitures	-	-	-	-
Intergovernmental	-	20,186	-	-
Interest	218	91	204	41
Other	173	-	-	-
Total revenues	<u>391</u>	<u>20,277</u>	<u>31,941</u>	<u>2,660</u>
EXPENDITURES				
General government	-	-	81,578	-
Judicial	-	-	-	-
Legal	9,944	-	-	2,788
Public facilities	-	-	-	-
Public safety	-	10,571	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	2,070	31,778	5,780	-
Total expenditures	<u>12,014</u>	<u>42,349</u>	<u>87,358</u>	<u>2,788</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,623)</u>	<u>(22,072)</u>	<u>(55,417)</u>	<u>(128)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(11,623)</u>	<u>(22,072)</u>	<u>(55,417)</u>	<u>(128)</u>
FUND BALANCES, BEGINNING	<u>65,886</u>	<u>60,283</u>	<u>86,837</u>	<u>12,586</u>
FUND BALANCES, ENDING	<u>\$ 54,263</u>	<u>\$ 38,211</u>	<u>\$ 31,420</u>	<u>\$ 12,458</u>

Special Revenue

Law Library	Historical Commission	District Court Jury	County Records Management	District Attorney Supplemental	Title IV-E	VIT Interest
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21,790	-	-	10,113	-	-	-
-	-	-	-	-	-	-
-	-	6,646	-	27,495	14,216	-
672	7	194	549	14	1,724	1
-	734	-	-	-	-	-
<u>22,462</u>	<u>741</u>	<u>6,840</u>	<u>10,662</u>	<u>27,509</u>	<u>15,940</u>	<u>1</u>
-	-	-	3,288	-	-	-
-	-	13,674	-	-	-	-
10,760	-	-	-	27,151	-	-
-	-	-	-	-	-	-
-	-	-	-	-	30,135	-
-	2,337	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,271	-	-	-
<u>10,760</u>	<u>2,337</u>	<u>13,674</u>	<u>4,559</u>	<u>27,151</u>	<u>30,135</u>	<u>-</u>
<u>11,702</u>	<u>(1,596)</u>	<u>(6,834)</u>	<u>6,103</u>	<u>358</u>	<u>(14,195)</u>	<u>1</u>
-	750	-	-	-	-	-
-	750	-	-	-	-	-
11,702	(846)	(6,834)	6,103	358	(14,195)	1
<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>\$ 207,161</u>	<u>\$ 2,781</u>	<u>\$ 57,193</u>	<u>\$ 164,369</u>	<u>\$ 5,598</u>	<u>\$ 486,765</u>	<u>\$ 2</u>

JASPER COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue			
	CDA Leose Training	Justice Court Technology	County Clerk Archive Fees	District Clerk Preservation Fees
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	38,968	2,413
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Interest	14	375	994	12
Other	-	27,124	-	-
Total revenues	<u>14</u>	<u>27,499</u>	<u>39,962</u>	<u>2,425</u>
EXPENDITURES				
General government	-	17,628	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public facilities	-	-	-	-
Public safety	175	-	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	20,908	11,593	-
Total expenditures	<u>175</u>	<u>38,536</u>	<u>11,593</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(161)</u>	<u>(11,037)</u>	<u>28,369</u>	<u>2,425</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(161)</u>	<u>(11,037)</u>	<u>28,369</u>	<u>2,425</u>
FUND BALANCES, BEGINNING	<u>4,131</u>	<u>114,587</u>	<u>289,449</u>	<u>1,968</u>
FUND BALANCES, ENDING	<u>\$ 3,970</u>	<u>\$ 103,550</u>	<u>\$ 317,818</u>	<u>\$ 4,393</u>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 478,976	\$ -
6,500	-	2,865	-	-	-	-
-	-	-	-	10,221	-	2,820
-	-	-	-	-	20,063	-
130	-	96	2	40	1,009	47
-	-	-	-	-	-	-
<u>6,630</u>	<u>-</u>	<u>2,961</u>	<u>2</u>	<u>10,261</u>	<u>500,048</u>	<u>2,867</u>
-	-	-	-	-	-	-
-	-	-	-	18,000	-	700
-	-	-	-	-	-	-
-	-	-	-	-	-	-
487	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	484,082	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,892	-	-	-	-	4,870	-
<u>2,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,000</u>	<u>488,952</u>	<u>700</u>
4,251	-	2,961	2	(7,739)	11,096	2,167
-	-	-	-	-	20,000	-
-	-	-	-	-	20,000	-
4,251	-	2,961	2	(7,739)	31,096	2,167
<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>\$ 42,373</u>	<u>\$ -</u>	<u>\$ 30,136</u>	<u>\$ 46</u>	<u>\$ 10,068</u>	<u>\$ 82,451</u>	<u>\$ 15,512</u>

JASPER COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue			
	Sheriff's Office LEOSE Training	Hurricane Ike Category E PW-2417	Hurricane Ike PA Pilot Program Disaster Recovery Funds	Rita Disaster Recovery #2 TX CDBG DRS 07/08
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	695,706	-
Interest	3	-	-	-
Other	-	-	-	-
Total revenues	3	-	695,706	-
EXPENDITURES				
General government	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public facilities	-	-	695,706	-
Public safety	38	-	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	38	-	695,706	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(35)	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	291
Total other financing sources (uses)	-	-	-	291
NET CHANGE IN FUND BALANCES	(35)	-	-	291
FUND BALANCES, BEGINNING	955	-	-	417
FUND BALANCES, ENDING	\$ 920	\$ -	\$ -	\$ 708

Special Revenue

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	922	251	6,998	-	-
-	-	-	-	-	-
86,263	-	-	-	-	1,356,496
353	6	2	32	26	-
<u>7,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>94,413</u>	<u>928</u>	<u>253</u>	<u>7,030</u>	<u>26</u>	<u>1,356,496</u>
115,416	-	-	3,286	2,115	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,356,477
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>115,416</u>	<u>-</u>	<u>-</u>	<u>3,286</u>	<u>2,115</u>	<u>1,356,477</u>
(21,003)	928	253	3,744	(2,089)	19
<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(11,003)	928	253	3,744	(2,089)	19
<u>69,347</u>	<u>1,594</u>	<u>666</u>	<u>8,488</u>	<u>6,590</u>	<u>(19)</u>
<u>\$ 58,344</u>	<u>\$ 2,522</u>	<u>\$ 919</u>	<u>\$ 12,232</u>	<u>\$ 4,501</u>	<u>\$ -</u>

JASPER COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2013

	Pre-trial Intervention Program	Probate Additional Special Fee	County Juvenile Delinquency Prevention
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and fees	20,500	687	-
Fines and forfeitures	-	-	-
Intergovernmental	-	-	-
Interest	46	-	-
Other	-	-	-
Total revenues	<u>20,546</u>	<u>687</u>	<u>-</u>
EXPENDITURES			
General government	-	-	-
Judicial	-	-	-
Legal	-	-	-
Public facilities	-	-	-
Public safety	-	-	-
Cultural and recreation	-	-	-
Health and welfare	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>20,546</u>	<u>687</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	20,546	687	-
FUND BALANCES, BEGINNING	<u>4,755</u>	<u>200</u>	<u>5</u>
FUND BALANCES, ENDING	<u>\$ 25,301</u>	<u>\$ 887</u>	<u>\$ 5</u>

<u>Special Revenue</u>		<u>Debt Service</u>	
<u>County</u>	<u>Wingate Blvd.</u>		
<u>Clerk Vital</u>	<u>Road</u>	<u>Debt</u>	
<u>Statistics</u>	<u>Improvements</u>	<u>Service</u>	<u>Totals</u>
<u>Records Fee</u>	<u>Project</u>	<u>Funds</u>	
\$ -	\$ -	\$ 241,695	\$ 720,671
2,260	-	-	148,623
-	-	-	13,041
-	-	-	2,227,071
7	71	444	7,424
-	90,000	-	125,828
<u>2,267</u>	<u>90,071</u>	<u>242,139</u>	<u>3,242,658</u>
-	-	-	223,311
-	-	-	32,374
-	-	-	50,643
-	90,039	-	2,142,222
-	-	589	41,995
-	-	-	2,337
-	-	-	484,082
-	-	150,000	150,000
-	-	43,070	43,070
-	-	-	80,162
<u>-</u>	<u>90,039</u>	<u>193,659</u>	<u>3,250,196</u>
<u>2,267</u>	<u>32</u>	<u>48,480</u>	<u>(7,538)</u>
<u>-</u>	<u>-</u>	<u>45</u>	<u>31,086</u>
<u>-</u>	<u>-</u>	<u>45</u>	<u>31,086</u>
2,267	32	48,525	23,548
<u>1,565</u>	<u>-</u>	<u>8,197</u>	<u>1,813,915</u>
<u>\$ 3,832</u>	<u>\$ 32</u>	<u>\$ 56,722</u>	<u>\$ 1,837,463</u>

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FIDUCIARY FUNDS

Forfeiture Holding

Medical Insurance

State Fee Account

County Clerk

Tax Assessor Collector

District Clerk

District Court Royalty

1st Judicial District Juvenile Probation

1st Judicial District CSCD Probation

Sheriff

Justice of the Peace 1 Clearing Account

Justice of the Peace 2 Clearing Account

Justice of the Peace 3 Clearing Account

Justice of the Peace 4 Clearing Account

Justice of the Peace 5 Clearing Account

Justice of the Peace 6 Clearing Account

1st Judicial District CSCD Special

JASPER COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2013

	<u>Forfeiture Holding</u>	<u>Medical Insurance</u>	<u>State Fee Account</u>	<u>County Clerk</u>	<u>Tax Assessor Collector</u>
ASSETS					
Cash	\$ <u>145,875</u>	\$ <u>432,931</u>	\$ <u>174,231</u>	\$ <u>294,766</u>	\$ <u>241,522</u>
Total assets	\$ <u>145,875</u>	\$ <u>432,931</u>	\$ <u>174,231</u>	\$ <u>294,766</u>	\$ <u>241,522</u>
LIABILITIES					
Due to other agencies and individuals	\$ <u>145,875</u>	\$ <u>432,931</u>	\$ <u>174,231</u>	\$ <u>294,766</u>	\$ <u>241,522</u>
Total liabilities	\$ <u>145,875</u>	\$ <u>432,931</u>	\$ <u>174,231</u>	\$ <u>294,766</u>	\$ <u>241,522</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>146,017</u>	\$ <u>157,930</u>	\$ <u>370,324</u>	\$ <u>456,416</u>	\$ <u>51,046</u>	\$ <u>10,380</u>	\$ <u>12,116</u>
\$ <u>146,017</u>	\$ <u>157,930</u>	\$ <u>370,324</u>	\$ <u>456,416</u>	\$ <u>51,046</u>	\$ <u>10,380</u>	\$ <u>12,116</u>
\$ <u>146,017</u>	\$ <u>157,930</u>	\$ <u>370,324</u>	\$ <u>456,416</u>	\$ <u>51,046</u>	\$ <u>10,380</u>	\$ <u>12,116</u>
\$ <u>146,017</u>	\$ <u>157,930</u>	\$ <u>370,324</u>	\$ <u>456,416</u>	\$ <u>51,046</u>	\$ <u>10,380</u>	\$ <u>12,116</u>

JASPER COUNTY, TEXAS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
(Continued)
DECEMBER 31, 2013**

	<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>
ASSETS						
Cash	\$ <u>13,076</u>	\$ <u>12,943</u>	\$ <u>10,225</u>	\$ <u>6,458</u>	\$ <u>35,333</u>	\$ <u>2,571,589</u>
Total assets	\$ <u>13,076</u>	\$ <u>12,943</u>	\$ <u>10,225</u>	\$ <u>6,458</u>	\$ <u>35,333</u>	\$ <u>2,571,589</u>
LIABILITIES						
Due to other agencies and individuals	\$ <u>13,076</u>	\$ <u>12,943</u>	\$ <u>10,225</u>	\$ <u>6,458</u>	\$ <u>35,333</u>	\$ <u>2,571,589</u>
Total liabilities	\$ <u>13,076</u>	\$ <u>12,943</u>	\$ <u>10,225</u>	\$ <u>6,458</u>	\$ <u>35,333</u>	\$ <u>2,571,589</u>

SINGLE AUDIT SECTION

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P A T T I L L O , B R O W N & H I L L , L . L . P .
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

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 29, 2014.

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 29, 2014



P A T T I L L O , B R O W N & H I L L , L . L . P .
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**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, 2013. 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, 2013.

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.

Waco, Texas
September 29, 2014

JASPER COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
<u>U. S. Department of Housing and Urban Development</u>			
Passed through the Texas General Land Office:			
TxCDBG Disaster Recovery Program	14.228	DRS010078	\$ <u>1,356,496</u>
Total Passed through the Texas General Land Office			<u>1,356,496</u>
Total U. S. Department of Housing and Urban Development			<u>1,356,496</u>
<u>U. S. Election Assistance Commission</u>			
Help America Vote Act (HAVA) - General Compliance	90.401	78596	<u>950</u>
Total U. S. Election Assistance Commission			<u>950</u>
<u>Federal Emergency Management Agency</u>			
Passed through the Texas Department of Public Safety			
Division of Emergency Management:			
Hurricane Ike- Cat A	97.036	PILOT	695,706
Emergency Management Performance Grant	97.042	12TX-EMPG-0429	<u>37,642</u>
Total Passed through the Texas Department of Public Safety			<u>733,348</u>
Division of Emergency Management			<u>733,348</u>
Total Federal Emergency Management Agency			<u>733,348</u>
Total Federal Awards			<u>\$ 2,090,794</u>

JASPER COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DECEMBER 31, 2013

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, 2013

Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

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 Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? No

Identification of major programs:

CFDA Number(s) #14.228	Name of Federal Program or Cluster: TxCDBG Disaster Recovery Program
---------------------------	---

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 Standards

None

JASPER COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

None