

JACKSON COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

JACKSON COUNTY, TEXAS

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable County Judge
and Commissioners' Court
Jackson County, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas (the "County") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement due date, including any currently know information that may raise substantial doubt shortly thereafter.

OFFICE LOCATIONS

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of State Awards, as required by the Texas Grant Management Standards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and individual nonmajor fund financial statements and schedules and Schedule of Expenditures of State 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 June 28, 2024, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s 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 the County’s internal control over financial reporting and compliance.

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

Waco, Texas
June 28, 2024

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JACKSON COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2023

As management of Jackson County, Texas, we offer readers of Jackson County, Texas' financial statements this narrative overview and analysis of the financial activities of Jackson County, Texas for the fiscal year ended September 30, 2023.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of Jackson County, Texas exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$21,525,884 (net position). Of this amount, \$6,863,532 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$2,525,410. This increase is attributable to an increase in property taxes and investment income during the current year.
- As of the close of the current fiscal year, Jackson County, Texas' governmental funds reported combined ending fund balances of \$12,459,816, an increase of \$1,466,546 in comparison with the prior year. Approximately 59% of this total amount, \$7,380,812 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$7,380,812, or 63% percent of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Jackson County, Texas' basic financial statements. Jackson County, Texas' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of Jackson County, Texas' finances, in a manner like a private-sector business.

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

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

The government-wide financial statements distinguish functions of Jackson County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Jackson County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation. The business-type activities of Jackson County, Texas include an airport fund, and a commissary fund.

The government-wide financial statements include only Jackson County, Texas itself (known as the primary government).

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Jackson County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

The County maintained 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Road and Bridge Fund, the Coastal Impact Assistance Fund, and the American Rescue Plan Fund, all of which are major funds. Data from the other twenty-seven (27) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Jackson County, Texas adopts an annual appropriated budget for its general and road and bridge funds, and this report includes a budgetary comparison schedule for each.

Jackson County, Texas also has custodial funds presented in this report.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Jackson County, Texas' progress in funding its obligation to provide pension and post-retirement benefits to its employees.

The combining statements referred to earlier in connection with the general fund, the major road and bridge funds, the non-major governmental funds, and the non-major proprietary funds are presented immediately following the required supplementary information on pensions.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Jackson County, Texas, assets and deferred outflows exceeded liabilities and deferred inflows by \$21,525,884 at the close of the most recent fiscal year.

A large portion of Jackson County, Texas' net position (47%) reflects its net investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that are still outstanding. Jackson County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Jackson County, Texas' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**TABLE 1
JACKSON COUNTY, TEXAS
NET POSITION**

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 17,515,478	\$ 19,487,197	\$ 169,524	\$ 171,639	\$ 17,685,002	\$ 19,658,836
Capital assets, net	<u>8,766,950</u>	<u>7,666,989</u>	<u>1,317,892</u>	<u>1,445,109</u>	<u>10,084,842</u>	<u>9,112,098</u>
Total assets	<u>26,282,428</u>	<u>27,154,186</u>	<u>1,487,416</u>	<u>1,616,748</u>	<u>27,769,844</u>	<u>28,770,934</u>
Deferred outflows - pensions	896,487	965,853	-	-	896,487	965,853
Deferred outflows - OPEB	<u>24,830</u>	<u>30,565</u>	<u>-</u>	<u>-</u>	<u>24,830</u>	<u>30,565</u>
Total deferred outflows of resources	<u>921,317</u>	<u>996,418</u>	<u>-</u>	<u>-</u>	<u>921,317</u>	<u>996,418</u>
Current liabilities	3,614,659	4,020,191	3,559	4,743	3,618,218	4,024,934
Long-term liabilities	<u>2,373,572</u>	<u>1,824,504</u>	<u>-</u>	<u>-</u>	<u>2,373,572</u>	<u>1,824,504</u>
Total liabilities	<u>5,988,231</u>	<u>5,844,695</u>	<u>3,559</u>	<u>4,743</u>	<u>5,991,790</u>	<u>5,849,438</u>
Deferred inflows - pensions	504,050	4,130,682	-	-	504,050	4,130,682
Deferred inflows - OPEB	<u>669,437</u>	<u>786,758</u>	<u>-</u>	<u>-</u>	<u>669,437</u>	<u>786,758</u>
Total deferred inflows of resources	<u>1,173,487</u>	<u>4,917,440</u>	<u>-</u>	<u>-</u>	<u>1,173,487</u>	<u>4,917,440</u>
Net position:						
Net investment in capital assets	8,695,051	7,666,989	1,317,892	1,445,109	10,012,943	9,112,098
Restricted	4,649,409	4,701,838	-	-	4,649,409	4,701,838
Unrestricted	<u>6,697,567</u>	<u>5,019,642</u>	<u>165,965</u>	<u>166,896</u>	<u>6,863,532</u>	<u>5,186,538</u>
Total net position	<u>\$ 20,042,027</u>	<u>\$ 17,388,469</u>	<u>\$ 1,483,857</u>	<u>\$ 1,612,005</u>	<u>\$ 21,525,884</u>	<u>\$ 19,000,474</u>

An additional portion of Jackson County, Texas' net position (22%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, Jackson County, Texas reported a positive balance in the governmental and business activities. For the prior fiscal year, Jackson County, Texas reported positive balances in net position, for the government, as well as for its separate governmental and business activities.

**TABLE 2
JACKSON COUNTY, TEXAS
CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 1,609,237	\$ 1,586,169	\$ 63,399	\$ 25,037	\$ 1,672,636	\$ 1,611,206
Operating grants and contributions	2,957,054	1,994,767	-	-	2,957,054	1,994,767
Capital grants and contributions	26,668	773,765	-	-	26,668	773,765
General revenues:						
Property taxes	11,916,872	10,799,244	-	-	11,916,872	10,799,244
Sales taxes	1,493,672	1,582,284	-	-	1,493,672	1,582,284
Other taxes	13,180	12,197	-	-	13,180	12,197
Investment income	771,483	100,524	6,331	1,216	777,814	101,740
Other	113,256	96,880	-	-	113,256	96,880
Total revenues	<u>18,901,422</u>	<u>16,945,830</u>	<u>69,730</u>	<u>26,253</u>	<u>18,971,152</u>	<u>16,972,083</u>
Expenses:						
General administration	1,779,727	1,574,118	-	-	1,779,727	1,574,118
Judicial	1,947,632	1,681,201	-	-	1,947,632	1,681,201
Legal	10,788	11,393	-	-	10,788	11,393
Financial administration	1,107,285	980,890	-	-	1,107,285	980,890
Public facilities	859,524	959,775	-	-	859,524	959,775
Public safety	4,960,880	4,915,755	-	-	4,960,880	4,915,755
Public transportation	2,981,590	3,029,918	-	-	2,981,590	3,029,918
Environmental protection	1,931,779	1,835,982	-	-	1,931,779	1,835,982
Culture and recreation	473,122	280,159	-	-	473,122	280,159
Health and welfare	82,795	72,194	-	-	82,795	72,194
Conservation - agriculture	111,833	99,488	-	-	111,833	99,488
Interest and fiscal charges	909	-	-	-	909	-
Airport	-	-	184,908	142,336	184,908	142,336
Jail commissary	-	-	12,970	10,831	12,970	10,831
Total expenses	<u>16,247,864</u>	<u>15,440,873</u>	<u>197,878</u>	<u>153,167</u>	<u>16,445,742</u>	<u>15,594,040</u>
Change in net position	2,653,558	1,504,957	(128,148)	(126,914)	2,525,410	1,378,043
Net position, beginning	<u>17,388,469</u>	<u>15,883,512</u>	<u>1,612,005</u>	<u>1,738,919</u>	<u>19,000,474</u>	<u>17,622,431</u>
Net position, ending	<u>\$ 20,042,027</u>	<u>\$ 17,388,469</u>	<u>\$ 1,483,857</u>	<u>\$ 1,612,005</u>	<u>\$ 21,525,884</u>	<u>\$ 19,000,474</u>

The government's total net position increased by \$2,525,410. This increase is attributable an increase in ad valorem taxes, increased investment income due to rising interest rates, and careful budget management.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds:

The focus of Jackson County, Texas' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Jackson County, Texas' financing requirements. 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.

As of the end of the current fiscal year, Jackson County, Texas' governmental funds reported combined ending fund balances of \$12,459,816, an increase of \$1,466,546 in comparison with the prior year. Approximately 59% of this total amount \$7,380,812 constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of Jackson County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,380,812, while total fund balance reached \$8,750,274. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 63% of total general fund expenditures, while total fund balance represents 75% of that same amount. The fund balance of Jackson County, Texas' general fund increased by \$1,260,834 during the current fiscal year. Key factors in this increase included an increase in ad valorem taxes and careful budget management.

The road and bridge fund had a total fund balance of \$1,498,713, an increase of \$80,091 from the prior year. A key factor in this increase was a reduction in expenditures during the current year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund were an increase in revenue of \$469,794, primarily from intergovernmental revenue related to grants. The major increase in expenditures is in the Sheriff department which increased by \$392,888. This included such items as overtime, fuel, repairs, and capital expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Jackson County, Texas’ investment in capital assets for its governmental activities and business-type activities as of September 30, 2023, amounts to \$10,084,842 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, and infrastructure items such as roads and bridges.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2022	2022	2023	2022
Land	\$ 412,509	\$ 409,943	\$ 70,254	\$ 70,254	\$ 482,763	\$ 480,197
Construction in progress	930,975	645,512	-	-	930,975	645,512
Infrastructure	3,844,415	3,187,591	1,161,665	1,279,557	5,006,080	4,467,148
Buildings and improvements	1,305,859	1,470,019	50,989	55,950	1,356,848	1,525,969
Right-to-use equipment	67,456	-	-	-	67,456	-
Machinery and equipment	<u>2,205,736</u>	<u>1,953,924</u>	<u>34,984</u>	<u>39,348</u>	<u>2,240,720</u>	<u>1,993,272</u>
Total	\$ <u>8,766,950</u>	\$ <u>7,666,989</u>	\$ <u>1,317,892</u>	\$ <u>1,445,109</u>	\$ <u>10,084,842</u>	\$ <u>9,112,098</u>

Additional information regarding the County’s capital assets can be found in the notes to the financial statements.

Long-term Debt

At the end of the current fiscal year, Jackson County, Texas had no bonded debt.

ECONOMIC FACTORS

As a result of the spread of the COVID-19 coronavirus and the impact on the oil & gas industry, ranching, and farming, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the County. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's business office, at Jackson County, Texas, 411 N. Wells, Room 201, Edna, Texas 77957.

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BASIC FINANCIAL STATEMENTS

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JACKSON COUNTY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 15,076,377	\$ 125,524	\$ 15,201,901
Receivables, net	1,869,157	38,946	1,908,103
Due from other governments	129,332	-	129,332
Prepaid items	440,612	5,054	445,666
Capital assets:			
Nondepreciable	1,343,484	70,254	1,413,738
Net depreciable	<u>7,423,466</u>	<u>1,247,638</u>	<u>8,671,104</u>
Total assets	<u>26,282,428</u>	<u>1,487,416</u>	<u>27,769,844</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pensions	896,487	-	896,487
Deferred outflows - OPEB	<u>24,830</u>	<u>-</u>	<u>24,830</u>
Total deferred outflows of resources	<u>921,317</u>	<u>-</u>	<u>921,317</u>
LIABILITIES			
Accounts payable	217,099	16	217,115
Accrued salaries payable	239,445	-	239,445
Due to others	210,739	-	210,739
Unearned revenues	2,947,376	3,543	2,950,919
Noncurrent liabilities:			
Due within one year:			
Leases	14,971	-	14,971
Compensated absences	38,973	-	38,973
Due in more than one year:			
Leases	56,928	-	56,928
Compensated absences	155,891	-	155,891
Net pension liability	391,811	-	391,811
Total OPEB liability	<u>1,714,998</u>	<u>-</u>	<u>1,714,998</u>
Total liabilities	<u>5,988,231</u>	<u>3,559</u>	<u>5,991,790</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pensions	504,050	-	504,050
Deferred inflows - OPEB	<u>669,437</u>	<u>-</u>	<u>669,437</u>
Total deferred inflows of resources	<u>1,173,487</u>	<u>-</u>	<u>1,173,487</u>
NET POSITION			
Net investment in capital assets	8,695,051	1,317,892	10,012,943
Restricted for:			
Grants	587,563	-	587,563
Special projects	1,569,508	-	1,569,508
Permanent improvement	993,625	-	993,625
Public transportation	1,498,713	-	1,498,713
Unrestricted	<u>6,697,567</u>	<u>165,965</u>	<u>6,863,532</u>
Total net position	<u>\$ 20,042,027</u>	<u>\$ 1,483,857</u>	<u>\$ 21,525,884</u>

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

JACKSON COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General administration	\$ 1,779,727	\$ 535,591	\$ 103,940	\$ -
Judicial	1,947,632	447,301	256,364	-
Legal	10,788	9,552	-	-
Financial administration	1,107,285	20,309	-	-
Public facilities	859,524	131,016	-	26,668
Public safety	4,960,880	56,582	1,600,923	-
Public transportation	2,981,590	401,256	598,636	-
Environmental protection	1,931,779	-	-	-
Culture and recreation	473,122	7,580	5,301	-
Health and welfare	82,795	50	391,890	-
Conservation - agriculture	111,833	-	-	-
Interest on long-term debt	909	-	-	-
Total governmental activities	<u>16,247,864</u>	<u>1,609,237</u>	<u>2,957,054</u>	<u>26,668</u>
Business-type activities:				
Airport	184,908	49,649	-	-
Jail commissary	12,970	13,750	-	-
Total business-type activities	<u>197,878</u>	<u>63,399</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 16,445,742</u>	<u>\$ 1,672,636</u>	<u>\$ 2,957,054</u>	<u>\$ 26,668</u>
General revenues:				
Property taxes				
Sales taxes				
Other taxes				
Investment income				
Other				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and Changes in Position

Governmental Activities	Business-type Activities	Total
\$ (1,140,196)	\$ -	\$ (1,140,196)
(1,243,967)	-	(1,243,967)
(1,236)	-	(1,236)
(1,086,976)	-	(1,086,976)
(701,840)	-	(701,840)
(3,303,375)	-	(3,303,375)
(1,981,698)	-	(1,981,698)
(1,931,779)	-	(1,931,779)
(460,241)	-	(460,241)
309,145	-	309,145
(111,833)	-	(111,833)
(909)	-	(909)
<u>(11,654,905)</u>	<u>-</u>	<u>(11,654,905)</u>
-	(135,259)	(135,259)
-	780	780
<u>-</u>	<u>(134,479)</u>	<u>(134,479)</u>
(11,654,905)	(134,479)	(11,789,384)
11,916,872	-	11,916,872
1,493,672	-	1,493,672
13,180	-	13,180
771,483	6,331	777,814
113,256	-	113,256
<u>14,308,463</u>	<u>6,331</u>	<u>14,314,794</u>
2,653,558	(128,148)	2,525,410
<u>17,388,469</u>	<u>1,612,005</u>	<u>19,000,474</u>
<u>\$ 20,042,027</u>	<u>\$ 1,483,857</u>	<u>\$ 21,525,884</u>

JACKSON COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Coastal Impact Assistance</u>
ASSETS			
Cash and cash equivalents	\$ 8,582,902	\$ 1,603,019	\$ 1,154,199
Receivables, net	866,837	171,903	-
Prepays	375,837	46,017	-
Due from other funds	163,736	-	-
Due from others	<u>126,312</u>	<u>-</u>	<u>-</u>
Total assets	<u>10,115,624</u>	<u>1,820,939</u>	<u>1,154,199</u>
LIABILITIES			
Accounts payable	165,860	15,606	10,000
Accrued wages payable	202,219	36,972	-
Due to other funds	-	154,648	-
Due to others	11,192	-	-
Unearned revenue	<u>341,822</u>	<u>115,000</u>	<u>-</u>
Total liabilities	<u>721,093</u>	<u>322,226</u>	<u>10,000</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	<u>644,257</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>644,257</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
Prepays	375,837	-	-
Restricted:			
Grants	-	-	-
Special projects	-	-	1,144,199
Permanent improvement	993,625	-	-
Public transportation	-	1,498,713	-
Unassigned	<u>7,380,812</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>8,750,274</u>	<u>1,498,713</u>	<u>1,144,199</u>
Total liabilities, fund balances, and deferred inflows of resources	<u>\$ 10,115,624</u>	<u>\$ 1,820,939</u>	<u>\$ 1,154,199</u>

American Rescue Plan (ARP)	Nonmajor Governmental	Total Governmental
\$ 2,638,737	\$ 1,097,520	\$ 15,076,377
-	141,564	1,180,304
15,000	3,758	440,612
-	-	163,736
3,020	-	129,332
<u>2,656,757</u>	<u>1,242,842</u>	<u>16,990,361</u>
7,256	18,377	217,099
-	254	239,445
-	9,088	163,736
-	199,547	210,739
2,490,554	-	2,947,376
<u>2,497,810</u>	<u>227,266</u>	<u>3,778,395</u>
-	107,893	752,150
<u>-</u>	<u>107,893</u>	<u>752,150</u>
-	53,758	429,595
158,947	428,616	587,563
-	425,309	1,569,508
-	-	993,625
-	-	1,498,713
-	-	7,380,812
<u>158,947</u>	<u>907,683</u>	<u>12,459,816</u>
<u>\$ 2,656,757</u>	<u>\$ 1,242,842</u>	<u>\$ 16,990,361</u>

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JACKSON COUNTY, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

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

Total fund balances - governmental funds balance sheet	\$ 12,459,816
Certain accounts receivable, net of related allowance, are not current financial resources and, therefore, are not reported in the governmental funds.	
Court fines receivable, net	688,853
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	
Nondepreciable capital assets	1,343,484
Depreciable capital assets	24,014,818
Accumulated depreciation	(16,591,352)
Other long term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	
Delinquent property taxes	752,150
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.	
Deferred outflows - pension related	896,487
Deferred outflows - OPEB related	24,830
Deferred inflows - pension related	(504,050)
Deferred inflows - OPEB related	(669,437)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Leases payable	(71,899)
Compensated absences payable	(194,864)
Net pension liability	(391,811)
Total OPEB liability	<u>(1,714,998)</u>
Net position of governmental activities	<u>\$ 20,042,027</u>

JACKSON COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Road and Bridge	Coastal Impact Assistance
REVENUES			
Taxes:			
Property	\$ 10,468,384	\$ -	\$ -
Sales	1,493,672	-	-
Other	13,180	-	-
Intergovernmental	1,220,711	242,168	496,896
Charges for services	771,825	142,561	-
Licenses and permits	21,930	427,743	-
Fines and forfeitures	396,000	-	-
Investment income	432,430	121,441	51,229
Miscellaneous	83,662	16,825	-
Total revenues	14,901,794	950,738	548,125
EXPENDITURES			
Current:			
General administration	1,642,296	-	-
Judicial	1,867,533	-	-
Legal	-	-	-
Financial administration	1,098,328	-	-
Public facilities	1,316,991	-	-
Public safety	4,836,051	-	-
Public transportation	-	2,884,303	-
Environmental protection	456,061	-	374,707
Culture and recreation	207,055	-	180,000
Health and welfare	81,795	-	-
Conservation - agriculture	112,213	-	-
Capital outlay	80,611	-	-
Debt service:			
Principal	8,712	-	-
Interest	909	-	-
Total expenditures	11,708,555	2,884,303	554,707
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,193,239	(1,933,565)	(6,582)
OTHER FINANCING SOURCES (USES)			
Issuance of leases	80,611	-	-
Transfers in	66,978	2,528,358	-
Transfers out	(2,079,994)	(514,702)	-
Total other financing sources and uses	(1,932,405)	2,013,656	-
NET CHANGE IN FUND BALANCES	1,260,834	80,091	(6,582)
FUND BALANCES, BEGINNING	7,489,440	1,418,622	1,150,781
FUND BALANCES, ENDING	\$ 8,750,274	\$ 1,498,713	\$ 1,144,199

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

American Rescue Plan (ARP)	Nonmajor Governmental	Total Governmental
\$ -	\$ 1,367,835	\$ 11,836,219
-	-	1,493,672
-	-	13,180
376,308	43,447	2,379,530
-	149,429	1,063,815
-	-	449,673
-	314,124	710,124
135,376	31,007	771,483
-	12,769	113,256
<u>511,684</u>	<u>1,918,611</u>	<u>18,830,952</u>
-	157,587	1,799,883
-	78,730	1,946,263
-	10,788	10,788
35,060	-	1,133,388
115,000	29,308	1,461,299
137,628	266,796	5,240,475
84,775	191	2,969,269
-	1,370,718	2,201,486
-	9,871	396,926
-	1,000	82,795
-	-	112,213
-	-	80,611
-	-	8,712
-	-	909
<u>372,463</u>	<u>1,924,989</u>	<u>17,445,017</u>
<u>139,221</u>	<u>(6,378)</u>	<u>1,385,935</u>
-	-	80,611
-	1,700	2,597,036
-	(2,340)	(2,597,036)
-	(640)	80,611
139,221	(7,018)	1,466,546
<u>19,726</u>	<u>914,701</u>	<u>10,993,270</u>
<u>\$ 158,947</u>	<u>\$ 907,683</u>	<u>\$ 12,459,816</u>

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JACKSON COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

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

Net change in fund balances - total governmental funds	\$ 1,466,546
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.	
Capital outlay	2,099,987
Depreciation expense	(1,082,922)
Net effect of capital disposals	2,285
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.	
Unavailable revenue - delinquent property taxes	80,653
Unavailable revenue - court fines	12,472
Unavailable revenue - grants	(22,655)
Net pension and other postemployment benefit (OPEB) liability and deferred outflows and deferred inflows related to pensions and OPEB liability are not reported in the governmental funds.	
Net pension liability	(3,495,014)
Total OPEB liability	(84,946)
Deferred outflows - pensions	(69,366)
Deferred outflows - OPEB	(5,735)
Deferred inflows - pensions	3,626,632
Deferred inflows - OPEB	117,321
Bonds and leases provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.	
Principal payments	8,712
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences, net change	<u>(412)</u>
Change in net position of governmental activities	<u>\$ 2,653,558</u>

JACKSON COUNTY, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2023

	Enterprise Funds		Total Enterprise Funds
	Airport	Jail Commissary	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 101,046	\$ 24,478	\$ 125,524
Receivables, net	38,946	-	38,946
Prepaid expenses	5,054	-	5,054
Total current assets	<u>145,046</u>	<u>24,478</u>	<u>169,524</u>
Noncurrent assets:			
Capital assets:			
Land	70,254	-	70,254
Buildings and improvements, net	50,989	-	50,989
Machinery and equipment, net	34,984	-	34,984
Infrastructure, net	1,161,665	-	1,161,665
Total noncurrent assets	<u>1,317,892</u>	<u>-</u>	<u>1,317,892</u>
Total assets	<u>1,462,938</u>	<u>24,478</u>	<u>1,487,416</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	16	16
Unearned revenue	3,543	-	3,543
Total current liabilities	<u>3,543</u>	<u>16</u>	<u>3,559</u>
Total liabilities	<u>3,543</u>	<u>16</u>	<u>3,559</u>
NET POSITION			
Net investment in capital assets	1,317,892	-	1,317,892
Unrestricted	141,503	24,462	165,965
Total net position	<u>\$ 1,459,395</u>	<u>\$ 24,462</u>	<u>\$ 1,483,857</u>

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

JACKSON COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Enterprise Funds		Total Enterprise Funds
	Airport	Jail Commissary	
OPERATING REVENUES			
Charges for services	\$ 5,765	\$ 13,750	\$ 19,515
Intergovernmental	43,884	-	43,884
Total operating revenues	<u>49,649</u>	<u>13,750</u>	<u>63,399</u>
OPERATING EXPENSES			
Supplies	49,236	12,970	62,206
Other services and charges	8,455	-	8,455
Depreciation	127,217	-	127,217
Total operating expenses	<u>184,908</u>	<u>12,970</u>	<u>197,878</u>
OPERATING INCOME (LOSS)	<u>(135,259)</u>	<u>780</u>	<u>(134,479)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	6,631	(300)	6,331
Total nonoperating revenues (expenses)	<u>6,631</u>	<u>(300)</u>	<u>6,331</u>
CHANGE IN NET POSITION	(128,628)	480	(128,148)
TOTAL NET POSITION, BEGINNING	<u>1,588,023</u>	<u>23,982</u>	<u>1,612,005</u>
TOTAL NET POSITION, ENDING	<u>\$ 1,459,395</u>	<u>\$ 24,462</u>	<u>\$ 1,483,857</u>

JACKSON COUNTY, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Enterprise Funds		Total Enterprise Funds
	Airport	Jail Commissary	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 11,231	\$ 13,750	\$ 24,981
Payments to suppliers	<u>(58,795)</u>	<u>(13,064)</u>	<u>(71,859)</u>
Net cash used by operating activities	<u>(47,564)</u>	<u>686</u>	<u>(46,878)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	<u>6,631</u>	<u>(300)</u>	<u>6,331</u>
Net cash provided by investing activities	<u>6,631</u>	<u>(300)</u>	<u>6,331</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(40,933)	386	(40,547)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>141,979</u>	<u>24,092</u>	<u>166,071</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 101,046</u>	<u>\$ 24,478</u>	<u>\$ 125,524</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (135,259)	\$ 780	\$ (134,479)
Adjustments to reconcile operating income to net cash used by operating activities:			
Depreciation	127,217	-	127,217
Assets and liabilities:			
Decrease (increase) in prepaids	(1,104)	-	(1,104)
Decrease (increase) in receivables, net	(37,328)	-	(37,328)
Increase (decrease) in accounts payable	-	(94)	(94)
Increase (decrease) in unearned revenue	<u>(1,090)</u>	<u>-</u>	<u>(1,090)</u>
Net cash provided by operating activities	<u>\$ (47,564)</u>	<u>\$ 686</u>	<u>\$ (46,878)</u>

JACKSON COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

SEPTEMBER 30, 2023

	Custodial Funds			Total Custodial Funds
	Trust Investment	State Fees	County Officer Accounts	
ASSETS				
Cash and cash equivalents	\$ 64,594	\$ 69,345	\$ 1,526,268	\$ 1,660,207
Total assets	<u>64,594</u>	<u>69,345</u>	<u>1,526,268</u>	<u>1,660,207</u>
LIABILITIES				
Due to others	<u>-</u>	<u>-</u>	<u>712,520</u>	<u>712,520</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>712,520</u>	<u>712,520</u>
NET POSITION				
Restricted for:				
Individuals and organizations	<u>64,594</u>	<u>69,345</u>	<u>813,748</u>	<u>947,687</u>
Total net position	<u>\$ 64,594</u>	<u>\$ 69,345</u>	<u>\$ 813,748</u>	<u>\$ 947,687</u>

JACKSON COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Custodial Funds			Total Custodial Funds
	Trust Investment	State Fees	County Officer Accounts	
ADDITIONS				
Contributions from judgements		\$ -	\$ 222,584	\$ 222,584
Bonds received	-	-	43,583	43,583
Fees collected	-	3,016	32,114	35,130
Taxes collected on behalf of taxing entities	-	-	54,011,343	54,011,343
Total increases	<u>-</u>	<u>3,016</u>	<u>54,309,624</u>	<u>54,312,640</u>
DEDUCTIONS				
Bonds refunded	-	-	88,510	88,510
Collections distributed	-	-	23,614	23,614
Cases disposed	228,423	-	240,513	468,936
Taxes disbursed to taxing entities	-	-	54,019,013	54,019,013
Total decreases	<u>228,423</u>	<u>-</u>	<u>54,371,650</u>	<u>54,600,073</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(228,423)	3,016	(62,026)	(287,433)
NET POSITION - BEGINNING	<u>293,017</u>	<u>66,329</u>	<u>875,774</u>	<u>1,235,120</u>
NET POSITION - ENDING	<u>\$ 64,594</u>	<u>\$ 69,345</u>	<u>\$ 813,748</u>	<u>\$ 947,687</u>

JACKSON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Jackson County operates under a County Judge – Commissioners’ Court type of government and provides the following services throughout the County: public safety (fire, ambulance, and law enforcement), environmental protections (sanitation), public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services. The accounting policies of Jackson County, Texas, (the County) conform to generally accepted accounting principles.

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-wide Financial Statements

The **government-wide financial statements** include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the County accompanied by a total column.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the County’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities, which are presented as internal balances and eliminated in the total primary government column. When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The County has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax, sales tax, intergovernmental revenues and charges for services. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The government reports the following major governmental funds:

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

The road and bridge fund accounts for the activities of the government's road and bridge operations. The flood control fund accounts for the activities of the government's environmental protection operations. The Coastal Impact Assistance fund accounts for monies held for coastal preservation. The American Rescue Plan fund accounts for monies held to help the County offset any losses it incurred as a result of the Covid virus.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Airport Fund are charges to customers for sales, rentals, and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

The government reports the following major proprietary funds: The airport fund accounts for airport activities.

B. Fiduciary Fund Types

Fiduciary Funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. As such, fiduciary funds are not reported in the government-wide statements. The County’s fiduciary funds include the following: The County Officer Accounts, the Trust Investment fund, and the State Fees fund are all used to account for the fines and fees collected and remitted by the County Officers in the course of their operations.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value. For purposes of the statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

2. 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 2 percent of the current outstanding property taxes at September 30, 2023 and 10 percent of the delinquent outstanding property taxes at September 30, 2023. Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

3. Inventories and Prepaid Items

Inventories of materials and supplies held by the General Fund are considered immaterial and thus are not accounted for on the Balance Sheet. In the General Fund, disbursements for supplies and materials are considered to be expenditures at the time of purchase. There were no inventory items at September 30, 2023. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost as follows 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. Property and Equipment with a dollar value greater or equal to \$500 but less than \$3,000 are considered inventoried assets. These assets are inventoried for security purposes in the Fixed Asset System but not capitalized for depreciation purposes.

Buildings/building improvements	\$	15,000
Improvements other than buildings		15,000
Infrastructure		250,000
Machinery, equipment and other assets		3,000
Leasehold improvements		15,000

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30-40
Improvements	20-40
System infrastructure	15-45
Vehicles	5-10
Office equipment	5-10
Right-to-use equipment	5-10
Computer equipment	5

5. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in government-wide financial statements.

6. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

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

7. Leases

The County has entered into various lease agreements as a lessee. Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate, if available. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.
- The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability or lease asset.

Lessee. The County is a lessee for noncancellable leases of equipment. The County recognizes a lease liability in the government-wide financial statements. At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

8. Fund Balances – Governmental Funds

As of September 30, 2023, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of Commissioners’ Court. Commissioners’ Court is the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Commissioners’ Court.

Unassigned – all other spendable 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, as needed, unless Commissioners’ Court or the finance committee has provided otherwise in its commitment or assignment actions.

In fiscal year 2011, the Commissioners’ Court adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year-end to be at least equal to 18 to 25 percent of the subsequent year’s budgeted General Fund expenditures.

9. Comparative data/reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

10. 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/inflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has two items that qualify for reporting in this category. They are deferred under GASB 68 and GASB 75.

The County reports unearned revenue on its fund financial statements. Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period (fund financial statements). Unearned revenues also arise when resources are unearned by the County and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized. Pursuant to GASB 65 we have included deferred ad valorem taxes as deferred inflows in the fund financial statements.

11. Net Position Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit fund equity

The County had no deficit fund balances at September 30, 2023.

III. 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, (9) and 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, (10) and 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.

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. That policy does address the following risks:

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit policy for custodial credit risk. As of September 30, 2023, the government's bank balance was not exposed to custodial credit risk because it was fully insured by the U.S. Government and/or the State of Texas and/or is collateralized with securities held by the pledging financial institution's trust department or agent.

The Interlocal Cooperation Act, chapter 791 of the Texas Government Code, and the Public Funds Investment Act, chapter 2256 of the Texas Government Code, provide for the creation of public funds investment pools, such as TexPool and Texas Class, through which political subdivisions and other entities may invest public funds.

TexPool and Texas Class use amortized cost to value portfolio assets and follows the criteria for GASB Statement No. 79 for use of amortized cost. TexPool and Texas Class does not place any limitations or restrictions such as notice periods or maximum transaction amounts, on withdrawals.

All funds participate in a pooling of cash and investment income in order to maximize investment opportunities. Each fund may liquidate its equity in the pool on demand.

The County's investments are authorized by County resolutions, bond ordinances, and State statutes. The County is authorized to invest in obligations of the U.S. Government and its agencies or instrumentalities; direct obligations of Texas and its agencies and instrumentalities; obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent rating; insured or collateralized certificates of deposit; fully collateralized repurchase agreements; and government pools.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The County's investments by fair value level are classified in Level 2 of the fair value hierarchy and are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The County has no Level 1 investments (investments valued using prices quoted in active markets for identical securities) or Level 3 investments (investments valued using significant unobservable inputs). As of September 30, 2023, the County had the following investments:

<u>Investment Type</u>	<u>Net Asset Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ 366,464	26
Texas CLASS	<u>13,685,039</u>	68
Total value	<u>\$ 14,051,503</u>	

Interest Rate Risk. In accordance with its investment policy, the County manages its exposure to declines in fair market values by limiting the average dollar-weighted maturity of its portfolio to a maximum of 365 days.

Concentration of credit risk: The County places no limit on the amount the County may invest in any one issuer. Texpool (3% of portfolio) and Texas Class (97% of portfolio).

Credit Risk. The County's investment policy is to apply the "prudent investor" standard: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." As of September 30, 2023, the local investment pool - Texpool (3% of portfolio) was rated AAAM by Standard and Poor's and Texas Class (97% of portfolio) was rated AAAM by Standard and Poor's.

Receivables

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

	<u>General</u>	<u>Road & Bridge</u>	<u>Airport</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:					
Ad valorem taxes	\$ 700,278	\$ -	\$ -	\$ 135,516	\$ 835,794
Sales tax	134,548	-	-	-	134,548
Intergovernmental	<u>88,033</u>	<u>171,903</u>	<u>38,946</u>	<u>16,078</u>	<u>314,960</u>
Gross receivables	<u>922,859</u>	<u>171,903</u>	<u>38,946</u>	<u>151,594</u>	<u>1,285,302</u>
Less: allowance for uncollectibles	<u>(56,022)</u>	<u>-</u>	<u>-</u>	<u>(10,030)</u>	<u>(66,052)</u>
Net total receivables	<u>\$ 866,837</u>	<u>\$ 171,903</u>	<u>\$ 38,946</u>	<u>\$ 141,564</u>	<u>\$ 1,219,250</u>

Capital Assets

Capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 409,943	\$ 2,566	\$ -	\$ 412,509
Construction in progress	645,512	1,256,961	971,498	930,975
Total capital assets, not being depreciated	<u>1,055,455</u>	<u>1,259,527</u>	<u>971,498</u>	<u>1,343,484</u>
Capital assets, being depreciated:				
Buildings and improvements	6,426,242	12,000	-	6,438,242
Machinery and equipment	9,657,319	828,460	(159,907)	10,325,872
Right-to-use equipment	-	80,611	-	80,611
Infrastructure	6,202,679	971,498	4,084	7,170,093
Total capital assets being depreciated	<u>22,286,240</u>	<u>1,892,569</u>	<u>(155,823)</u>	<u>24,014,818</u>
Less accumulated depreciation:				
Buildings and improvements	(4,956,223)	(176,159)	-	(5,132,382)
Machinery and equipment	(7,703,395)	(583,018)	166,276	(8,120,137)
Right-to-use equipment	-	(9,071)	-	(9,071)
Infrastructure	(3,015,088)	(314,674)	-	(3,329,762)
Total accumulated depreciation	<u>(15,674,706)</u>	<u>(1,082,922)</u>	<u>166,276</u>	<u>(16,591,352)</u>
Total capital assets, being depreciated, net	<u>6,611,534</u>	<u>809,647</u>	<u>10,453</u>	<u>7,423,466</u>
Governmental activities capital assets, net	<u>\$ 7,666,989</u>	<u>\$ 2,069,174</u>	<u>\$ 981,951</u>	<u>\$ 8,766,950</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 70,254	\$ -	\$ -	\$ 70,254
Total capital assets, not being depreciated	<u>70,254</u>	<u>-</u>	<u>-</u>	<u>70,254</u>
Capital assets, being depreciated:				
Buildings and improvements	362,446	-	-	362,446
Machinery and equipment	85,432	-	-	85,432
Infrastructure	2,365,351	-	-	2,365,351
Total capital assets being depreciated	<u>2,813,229</u>	<u>-</u>	<u>-</u>	<u>2,813,229</u>
Less accumulated depreciation:				
Buildings and improvements	(306,496)	(4,961)	-	(311,457)
Machinery and equipment	(46,084)	(4,364)	-	(50,448)
Infrastructure	(1,085,794)	(117,892)	-	(1,203,686)
Total accumulated depreciation	<u>(1,438,374)</u>	<u>(127,217)</u>	<u>-</u>	<u>(1,565,591)</u>
Total capital assets, being depreciated, net	<u>1,374,855</u>	<u>(127,217)</u>	<u>-</u>	<u>1,247,638</u>
Business-type activities capital assets, net	<u>\$ 1,445,109</u>	<u>\$ (127,217)</u>	<u>\$ -</u>	<u>\$ 1,317,892</u>

Capital asset depreciation by function for the governmental activities for the year ended September 30, 2023, was as follows:

Governmental activities:	
General administration	\$ 36,421
Judicial	19,625
Financial administration	10,412
Public facilities	166,440
Public safety	330,089
Public transportation	401,220
Environmental protection	39,187
Culture and recreation	79,302
Conservation agriculture	226
Total depreciation expense - governmental activities	<u>\$ 1,082,922</u>

Interfund Receivables, Payables and Transfers

The composition of interfund balances of as September 30, 2023, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Funds	\$ 9,088
General Fund	Road and Bridge Funds	<u>154,648</u>
		<u>\$ 163,736</u>

The interfund payables and receivables were related to short-term cash loans.

Transfers In/out:

	<u>Transfer In</u>			<u>Total</u>
	<u>General</u>	<u>Road and Bridge Funds</u>	<u>Nonmajor Governmental</u>	
Transfer out:				
General	\$ -	\$ 2,078,294	\$ 1,700	\$ 2,079,994
Road & Bridge funds	64,638	450,064	-	514,702
Nonmajor Governmental	<u>2,340</u>	<u>-</u>	<u>-</u>	<u>2,340</u>
Total transfers	<u>\$ 66,978</u>	<u>\$ 2,528,358</u>	<u>\$ 1,700</u>	<u>\$ 2,597,036</u>

The transfer from the general to the road and bridge fund is for road and bridge operations. The transfer from the road and bridge funds (general road and bridge) to the road and bridge funds is for road and bridge operations.

The transfers to and from the road and bridge fund are recurring transfers.

The remaining transfers are non-recurring transfers.

Long-Term Liabilities

The activity for the year ended September 30, 2023, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Leases	\$ -	\$ 80,611	\$ 8,712	\$ 71,899	\$ 14,971
Compensated absences	<u>194,452</u>	<u>224,023</u>	<u>223,611</u>	<u>194,864</u>	<u>38,973</u>
Total	<u>\$ 194,452</u>	<u>\$ 304,634</u>	<u>\$ 232,323</u>	<u>\$ 266,763</u>	<u>\$ 53,944</u>

The general fund and the road and bridge fund are used to liquidate the compensated absences; the leases are liquidated by the general fund.

The County entered into multiple leases as lessee for the right to use Xerox copier equipment. The County is required to make fixed monthly payments between \$101 and \$157. The leases bear interest of 2.8%.

Debt service requirements to maturity for the leases are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 14,971	\$ 1,550	\$ 16,521
2025	15,340	1,181	16,521
2026	15,719	802	16,521
2027	16,108	413	16,521
2028	7,583	71	7,654
2029-2030	<u>2,178</u>	<u>20</u>	<u>2,198</u>
Total	<u>\$ 71,899</u>	<u>\$ 4,037</u>	<u>\$ 75,936</u>

IV. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claim liabilities are estimated considering the effects of inflation, recent claim settlement trends (including frequency and amounts of payouts) and other economic and social factors (including the effects of specific, incremental claim adjustment expense, salvage and subrogation).

A. General Liability Insurance

The County is insured for general, police officers and automobile liability. The County has joined with other governments in the Texas Association of Counties Risk Management Pool.

The County pays an annual premium to Risk Management for auto vehicle insurance coverage. The agreement with Risk Management provides that Risk Management will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 to \$300,000 for each insurance event. The County anticipates no contingent losses. Texas Association of Counties Risk Management Pool has published its own financial report that can be obtained from the Texas Association of Counties Risk Management Pool. The County continues to carry commercial fidelity bonds for elected officials and for management.

2. Property and Casualty Insurance

Property, casualty, mobile equipment insurance is provided by Texas Association of Counties Risk Management Pool.

3. Workers' Compensation Insurance

The County insures against workers' compensation claims through Texas Association of Counties Risk Management Pool.

4. Group Health and Life Insurance

The County maintains a group health insurance plan for active employees and their eligible dependents. Costs are recorded in the fund from which the employees' compensation is paid.

5. Unemployment Compensation Insurance

The County insures for unemployment compensation claims through an agreement with the Texas Workforce Commission (TWC).

V. RELATED PARTY TRANSACTION

There were no related party transactions for the year ended September 30, 2023.

VI. CONTINGENT LIABILITIES

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

VII. DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

Benefits Provided

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

Members can retire at ages 60 and above with eight or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contribution to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. By law, employee accounts earn 7% interest. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Plan Membership

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	103
Inactive employees entitled to but not yet receiving benefits	103
Active employees	<u>119</u>
	<u>325</u>

Contributions

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

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 10.45% and 9.17% in calendar years 2022 and 2023, respectively. The County's contributions to TCDRS for the year ended September 30, 2023, were \$545,770 and were equal to the required contributions.

Net Pension Liability of the County

The County’s Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2022 actuarial evaluation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	7.50%, net of administrative and investment expense, including inflation

The County has no automatic cost-of-living adjustments (COLA), nor one that is considered to be substantively automatic. Therefore, no assumption for future cost-of-living adjustments is included in the actuarial valuation. Each year, the County may elect an ad-hoc COLA for retirees.

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

Depositing members	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

All actuarial assumptions that determined the total pension liability as of December 31, 2022, were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2020, except where required to be different by GASB 68. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

The long-term expected rate of return on pension plan investments is 7.6%. The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2023 information for a 10-year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a long-term time horizon; the most recent analysis was performed in 2022. The target allocation and best estimates of geometric real rates return for each major asset class are summarized in the following table:

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
International Equities - Developed	MSCI World Ex USA (net) Index	5.00%	4.95%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	7.60%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

⁽¹⁾ Target asset allocation adopted at the March 2023 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.3%, per Cliffwater's 2023 capital market assumptions.

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

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

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

Discount Rate

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

Changes in the Net Pension Liability/(Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 12/31/2021	\$ 30,885,685	\$ 33,988,888	\$ (3,103,203)
Changes for the year:			
Service cost	632,533	-	632,533
Interest on total pension liability ⁽¹⁾	2,329,567	-	2,329,567
Effect of economic/demographic gains or losses	(517,674)	-	(517,674)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(149,174)	(149,174)	-
Benefit payments	(1,615,176)	(1,615,176)	-
Administrative expenses	-	(18,269)	18,269
Member contributions	-	391,337	(391,337)
Net investment income	-	(1,925,212)	1,925,212
Employer contributions	-	584,210	(584,210)
Other ⁽²⁾	-	(82,654)	82,654
Balance at 12/31/2022	<u>\$ 31,565,761</u>	<u>\$ 31,173,950</u>	<u>\$ 391,811</u>

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

⁽²⁾ No plan changes valued.

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

The required schedule of changes in the County's net pension liability/(asset) and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity Analysis

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

	1% Decrease 6.6%	Current Discount Rate 7.6%	1% Increase 8.6%
	Total pension liability	\$ 35,326,182	\$ 31,565,761
Fiduciary net position	<u>31,173,950</u>	<u>31,173,950</u>	<u>31,173,950</u>
Net pension liability/(asset)	<u>\$ 4,152,232</u>	<u>\$ 391,811</u>	<u>\$ (2,793,667)</u>

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2023, the County recognized pension expense of \$483,519.

At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 436,515
Changes in actuarial assumptions	-	67,534
Net difference between projected and actual investment earnings	521,109	-
Contributions made subsequent to the measurement date	<u>375,379</u>	<u>-</u>
Total	<u>\$ 896,488</u>	<u>\$ 504,049</u>

County contributions subsequent to the measurement date of \$375,379 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	
2024	\$ (670,323)
2025	(164,427)
2026	(43,225)
2027	895,035

VIII. Other Post-Employment Benefit Plan – Retiree Health Care Plan

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

Eligible plan participants are retirees retiring within 8 years of service with Jackson at the date of retirement and receiving benefits from the TCDRS are eligible for medical, dental, and life insurance benefits until they reach the Medicare age. TCDRS retirement is available to employees meeting one of three criteria: (a) age 60 with 8 year of service (b) age plus year of service equal to 75 or (c) 30 years of service.

At the September 30, 2023 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Active members	<u>105</u>
Total	<u>109</u>

The County's contributions to the Retiree Health plan for the year ended September 30, 2023 were \$97,577.

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial cost method	Individual Entry Age
Inflation rate	2.50%
Salary increases	3.50%
Demographic assumptions	Based on the experience study covering the four year period ending December 31, 2021 as conducted for the Texas County and District Retirement System (TCDRS).
Mortality	RPH-2014 Total Table with Projection MP-2021
Health care cost trend rates	Level 4.5% for medical and level 3% for dental
Participation rates	It was assumed that 100% of retirees who are eligible for the County subsidy and 50% of those who are not eligible for the County subsidy would choose to receive health care benefits through the County.
Discount rate	4.77% as of September 30, 2023.

The discount rate was selected by reviewing the recent published Bond Buyer GO-20 bond index. This is one of the indices acceptable under GASB 75. This index is published weekly and is trending down in recent months. We selected 4.77% as the discount rate for this valuation.

Changes in Total OPEB Liability

The County's total OPEB liability of \$1,714,998 was measured as of September 30, 2023 and was determined by an actuarial valuation as of September 30, 2022.

	Total OPEB Liability
Balance at 10/1/2022	\$ 1,630,052
Changes for the year:	
Service Cost	102,221
Interest on the total liability	80,302
Difference between expected & actual experience	-
Change in assumptions	-
Benefit payments	<u>(97,577)</u>
Net changes	<u>84,946</u>
Balance at 9/30/2023	<u>\$ 1,714,998</u>

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.77%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate (3.77%)	Discount Rate (4.77%)	1% Increase in Discount Rate (5.77%)
Total OPEB liability	\$ <u>1,872,954</u>	\$ <u>1,714,998</u>	\$ <u>1,573,874</u>

Healthcare Cost Trend Rate Sensitivity Analysis

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

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB liability	\$ <u>1,538,389</u>	\$ <u>1,714,998</u>	\$ <u>1,923,414</u>

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2023, the County recognized OPEB expense of \$70,937. At September 30, 2023, the County reported deferred outflows of resources to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 361,062
Changes in actuarial assumptions	24,830	308,375
Difference between projected and actual investment earnings	<u>-</u>	<u>-</u>
Total	<u>\$ 24,830</u>	<u>\$ 669,437</u>

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

Year Ended <u>September 30,</u>	
2024	\$ (111,586)
2025	(111,588)
2026	(111,588)
2027	(111,588)
2028	(98,279)
Thereafter	(99,978)

Net Pension Liability and Total Other Post Employment Benefit (OPEB) Liability

When these liabilities are liquidated for governmental activities, the General Fund will be primarily responsible.

IX. NEW ACCOUNTING GUIDANCE

Significant new accounting guidance issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the County include the following:

GASB Statement No. 99, Omnibus 2022 – The objective of this Statement is to correct practice issues identified during implementation and application of certain GASB Statements and financial reporting for financial guarantees. There are various effective dates 1.) upon issuance 2.) fiscal years beginning after June 15, 2022 and 3.) fiscal years beginning after June 15, 2023.

GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62 - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

GASB Statement No. 101, Compensated Absences - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

The Government Accounting Standards Board (GASB) has amended the existing standards regarding capitalization thresholds for assets. The amended guidance for the capitalization threshold comes from GASB Implementation Guide 2021-1, Question 5.1. Capitalization policies adopted by governments include many considerations such as finding an appropriate balance between ensuring that all significant capital assets, collectively, are capitalized and minimizing the cost of recordkeeping for capital assets. A government should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. Computers, classroom furniture and library books are examples of asset types that may not meet a capitalization policy on an individual basis yet could be significant collectively. In this example, if the \$150,000 aggregate amount (100 computers costing \$1,500 each) is significant, the government should capitalize the computers. The amended guidance is effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

JACKSON COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	
REVENUES				
Taxes:				
Property	\$ 10,264,839	\$ 10,264,839	\$ 10,468,384	\$ 203,545
Sales	1,240,000	1,240,000	1,493,672	253,672
Other	11,500	11,500	13,180	1,680
Intergovernmental	465,554	1,136,198	1,220,711	84,513
Charges for services	791,577	815,065	771,825	(43,240)
Licenses and permits	23,000	23,000	21,930	(1,070)
Fines and forfeitures	383,500	383,500	396,000	12,500
Investment income	40,600	40,600	432,430	391,830
Miscellaneous	18,500	19,457	83,662	64,205
Total revenues	<u>13,239,070</u>	<u>13,934,159</u>	<u>14,901,794</u>	<u>967,635</u>
EXPENDITURES				
General administration:				
Commissioners' court	420,205	412,233	406,212	6,021
County clerk	474,148	473,841	459,189	14,652
County judge	220,398	219,403	218,550	853
Veteran's service officer	5,445	5,445	3,863	1,582
Non-departmental	657,124	556,129	554,482	1,647
Total general administration	<u>1,777,320</u>	<u>1,667,051</u>	<u>1,642,296</u>	<u>24,755</u>
Judicial:				
Court expense	249,700	505,180	511,651	(6,471)
Criminal district attorney	500,794	545,327	504,485	40,842
District clerk	320,852	320,852	315,125	5,727
District court	84,988	107,584	107,303	281
Jury	32,884	21,164	20,868	296
Justice of the peace, no. 1	230,802	231,270	210,964	20,306
Justice of the peace, no. 2	208,548	208,548	197,137	11,411
Total judicial	<u>1,628,568</u>	<u>1,939,925</u>	<u>1,867,533</u>	<u>72,392</u>
Financial administration:				
County auditor	389,663	390,163	389,081	1,082
County treasurer	196,537	196,537	189,764	6,773
Tax assessor-collector	524,556	524,258	519,483	4,775
Total financial administration	<u>1,110,756</u>	<u>1,110,958</u>	<u>1,098,328</u>	<u>12,630</u>

JACKSON COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	
Public facilities:				
County facilities	992,200	992,200	893,315	98,885
Public facilities	<u>488,250</u>	<u>453,250</u>	<u>423,676</u>	<u>29,574</u>
Total public facilities	<u>1,480,450</u>	<u>1,445,450</u>	<u>1,316,991</u>	<u>128,459</u>
Public safety:				
Adult probation	2,015	3,212	3,211	1
Emergency management	70,126	62,715	46,084	16,631
Constable, no. 1	99,788	99,788	95,397	4,391
Constable, no. 2	99,568	99,568	96,184	3,384
Corrections	1,954,103	1,994,722	1,842,531	152,191
D.P.S./license and weight	4,215	4,215	2,544	1,671
D.P.S./troopers	28,460	24,704	16,286	8,418
Fire	14,250	8,418	7,700	718
Permitting and inspections	78,079	78,079	73,818	4,261
Law enforcement agreement	164,544	164,544	159,951	4,593
Sheriff	1,928,949	2,513,488	2,361,725	151,763
T.J.P.C	116,337	116,867	128,114	(11,247)
Other	<u>2,507</u>	<u>2,507</u>	<u>2,506</u>	<u>1</u>
Total public safety	<u>4,562,941</u>	<u>5,172,827</u>	<u>4,836,051</u>	<u>336,776</u>
Environmental protection:				
Sanitation	<u>542,032</u>	<u>544,112</u>	<u>456,061</u>	<u>88,051</u>
Total environmental protection	<u>542,032</u>	<u>544,112</u>	<u>456,061</u>	<u>88,051</u>
Culture and recreation:				
County library	204,537	207,037	202,473	4,564
Parks	<u>6,006</u>	<u>6,006</u>	<u>4,582</u>	<u>1,424</u>
Total culture and recreation	<u>210,543</u>	<u>213,043</u>	<u>207,055</u>	<u>5,988</u>
Health and welfare:				
Environmental and advocacy	54,020	53,947	53,795	152
Senior citizens center	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Total health and welfare	<u>82,020</u>	<u>81,947</u>	<u>81,795</u>	<u>152</u>
Conservation - agriculture:				
Agriculture extension service	111,364	111,309	109,213	2,096
U.S. soil conservation	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total conservation - agriculture	<u>114,364</u>	<u>114,309</u>	<u>112,213</u>	<u>2,096</u>
Capital outlay:				
Right-to-use equipment	-	-	80,611	(80,611)
Total capital outlay	<u>-</u>	<u>-</u>	<u>80,611</u>	<u>(80,611)</u>
Debt service:				
Principal	8,712	8,712	8,712	-
Interest	<u>909</u>	<u>909</u>	<u>909</u>	<u>-</u>
Total debt service	<u>9,621</u>	<u>9,621</u>	<u>9,621</u>	<u>-</u>
Total expenditures	<u>11,518,615</u>	<u>12,299,243</u>	<u>11,708,555</u>	<u>590,688</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>1,720,455</u>	<u>1,634,916</u>	<u>3,193,239</u>	<u>1,558,323</u>
OTHER FINANCING SOURCES (USES)				
Issuance of leases	-	-	80,611	80,611
Transfers in	-	-	66,978	66,978
Transfers out	<u>(2,079,723)</u>	<u>(2,079,723)</u>	<u>(2,079,994)</u>	<u>(271)</u>
Total other financing sources (uses)	<u>(2,079,723)</u>	<u>(2,079,723)</u>	<u>(1,932,405)</u>	<u>147,318</u>
NET CHANGE IN FUND BALANCES	<u>(359,268)</u>	<u>(444,807)</u>	<u>1,260,834</u>	<u>1,705,641</u>
FUND BALANCES, BEGINNING	<u>7,489,440</u>	<u>7,489,440</u>	<u>7,489,440</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 7,130,172</u>	<u>\$ 7,044,633</u>	<u>\$ 8,750,274</u>	<u>\$ 1,705,641</u>

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JACKSON COUNTY, TEXAS

ROAD AND BRIDGE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 20,832	\$ 20,756	\$ 242,168	\$ 221,412
Charges for services	142,000	142,000	142,561	561
Licenses and permits	425,450	425,450	427,743	2,293
Investment earnings	7,637	7,637	121,441	113,804
Miscellaneous	400	400	16,825	16,425
Total revenues	<u>596,319</u>	<u>596,243</u>	<u>950,738</u>	<u>354,495</u>
EXPENDITURES				
Current:				
Public transportation	4,020,684	4,017,167	2,884,303	1,132,864
Total expenditures	<u>4,020,684</u>	<u>4,017,167</u>	<u>2,884,303</u>	<u>1,132,864</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,424,365)</u>	<u>(3,420,924)</u>	<u>(1,933,565)</u>	<u>1,487,359</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,526,654	2,526,654	2,528,358	1,704
Transfers out	(448,360)	(448,360)	(514,702)	(66,342)
Total other financing sources (uses)	<u>2,078,294</u>	<u>2,078,294</u>	<u>2,013,656</u>	<u>(64,638)</u>
NET CHANGE IN FUND BALANCE	(1,346,071)	(1,342,630)	80,091	1,422,721
FUND BALANCE, BEGINNING	<u>25,724</u>	<u>124,752</u>	<u>1,418,622</u>	<u>1,293,870</u>
FUND BALANCE, ENDING	<u>\$ (1,320,347)</u>	<u>\$ (1,217,878)</u>	<u>\$ 1,498,713</u>	<u>\$ 2,716,591</u>

JACKSON COUNTY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Measurement Date December 31,	2014	2015	2016
Total Pension Liability			
Service Cost	\$ 498,637	\$ 497,656	\$ 544,446
Interest total pension liability	1,613,900	1,674,524	1,767,233
Changes in benefit terms	-	(65,301)	-
Difference between expected and actual experience	-	-	-
Effect of economic/demographic gains or losses	(429,134)	(3,334)	65,947
Effect of assumption changes or inputs	-	244,526	-
Benefit payments/refunds of contributions	<u>(928,820)</u>	<u>(1,119,594)</u>	<u>(1,158,335)</u>
Net change in total pension liability	754,583	1,228,477	1,219,291
Total pension liability - beginning	<u>20,135,600</u>	<u>20,890,183</u>	<u>22,118,660</u>
Total pension liability - ending (a)	<u>\$ 20,890,183</u>	<u>\$ 22,118,660</u>	<u>\$ 23,337,951</u>
Plan Fiduciary Net Position			
Employer contributions	\$ 418,687	\$ 428,368	\$ 454,473
Member contributions	291,045	301,975	320,056
Investment income net of investment expenses	1,408,935	196,576	1,518,446
Benefit payments, including refunds of contributions	(928,820)	(1,119,594)	(1,158,335)
Administrative expenses	(15,556)	(14,775)	(16,477)
Other	<u>(380,061)</u>	<u>122,276</u>	<u>88,704</u>
Net change in plan fiduciary net position	794,230	(85,174)	1,206,867
Plan fiduciary net position - beginning	<u>19,819,740</u>	<u>20,613,970</u>	<u>20,528,796</u>
Plan fiduciary net position - ending (b)	<u>\$ 20,613,970</u>	<u>\$ 20,528,796</u>	<u>\$ 21,735,663</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 276,213</u>	<u>\$ 1,589,864</u>	<u>\$ 1,602,288</u>
Fiduciary net position as a percentage of total pension liability	98.68%	92.81%	93.13%
Pensionable covered payroll	\$ 4,157,786	\$ 4,313,925	\$ 4,572,224
Net pension liability as a percentage of covered payroll	6.64%	36.85%	35.04%

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

2017	2018	2019	2020	2021	2022
\$ 528,957	\$ 552,734	\$ 554,527	\$ 592,832	\$ 641,941	\$ 632,534
1,879,839	1,984,125	2,065,670	2,167,767	2,261,614	2,329,567
-	-	-	-	-	-
-	-	-	-	-	-
124,003	(83,605)	7,317	89,131	(144,778)	(517,674)
137,609	-	-	1,561,490	(202,605)	-
<u>(1,344,204)</u>	<u>(1,471,688)</u>	<u>(1,424,015)</u>	<u>(1,385,980)</u>	<u>(1,544,946)</u>	<u>(1,764,351)</u>
1,326,204	981,566	1,203,499	3,025,240	1,011,226	680,076
<u>23,337,951</u>	<u>24,664,155</u>	<u>25,645,721</u>	<u>26,849,220</u>	<u>29,874,460</u>	<u>30,885,686</u>
<u>\$ 24,664,155</u>	<u>\$ 25,645,721</u>	<u>\$ 26,849,220</u>	<u>\$ 29,874,460</u>	<u>\$ 30,885,686</u>	<u>\$ 31,565,762</u>
\$ 439,558	\$ 459,393	\$ 477,238	\$ 531,220	\$ 498,725	\$ 584,210
330,139	339,931	356,564	377,898	368,645	391,337
3,163,407	(460,224)	3,799,301	2,716,435	6,184,699	(1,925,212)
(1,344,204)	(1,471,688)	(1,424,015)	(1,385,980)	(1,544,946)	(1,764,351)
(16,161)	(18,580)	(20,045)	(20,862)	(18,388)	(18,269)
<u>(7,852)</u>	<u>(17,591)</u>	<u>(16,543)</u>	<u>(11,465)</u>	<u>(11,383)</u>	<u>(82,653)</u>
2,564,887	(1,168,759)	3,172,500	2,207,246	5,477,352	(2,814,938)
<u>21,735,663</u>	<u>24,300,550</u>	<u>23,131,791</u>	<u>26,304,291</u>	<u>28,511,537</u>	<u>33,988,889</u>
<u>\$ 24,300,550</u>	<u>\$ 23,131,791</u>	<u>\$ 26,304,291</u>	<u>\$ 28,511,537</u>	<u>\$ 33,988,889</u>	<u>\$ 31,173,951</u>
<u>\$ 363,605</u>	<u>\$ 2,513,930</u>	<u>\$ 544,929</u>	<u>\$ 1,362,923</u>	<u>\$ (3,103,203)</u>	<u>\$ 391,811</u>
98.53%	90.20%	97.97%	95.44%	110.05%	98.76%
\$ 4,716,270	\$ 4,856,160	\$ 5,082,399	\$ 5,398,534	\$ 5,266,363	\$ 5,590,527
7.71%	51.77%	10.72%	25.25%	-58.92%	7.01%

JACKSON COUNTY, TEXAS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a % of Covered Payroll
2014	\$ 418,687	\$ 418,687	\$ -	\$ 4,157,786	10.07%
2015	428,369	428,369	-	4,313,925	9.93%
2016	454,474	454,474	-	4,572,224	9.94%
2017	439,556	439,556	-	4,715,270	9.32%
2018	459,392	459,392	-	4,716,270	9.74%
2019	477,238	477,238	-	5,082,399	9.39%
2020	531,220	531,220	-	5,398,543	9.84%
2021	498,725	498,725	-	5,266,363	9.47%
2022	559,072	559,072	-	5,493,813	10.18%
2023	545,770	545,770	-	5,724,089	9.53%

(1) Payroll is calculated based on contributions as reported to TCDRS.

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

JACKSON COUNTY, TEXAS

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Valuation Timing Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contributions rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	17.3 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected. 2016: No changes in plan provisions were reflected. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the schedule 2019: No changes in plan provisions were reflected in the schedule. 2020: No changes in plan provisions were reflected in the schedule. 2021: No changes in plan provisions were reflected in the schedule. 2022: No changes in plan provisions were reflected in the Schedule.

JACKSON COUNTY, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Measurement Date September 30,	2018	2019	2020
Total OPEB Liability			
Service cost	\$ 114,644	\$ 119,299	\$ 119,299
Interest on total OPEB liability	90,215	84,932	91,855
Difference between expected and actual experience	-	-	(214,238)
Changes of assumptions	-	-	47,769
Benefit payments	(220,330)	(220,330)	(85,705)
Net change in total OPEB liability	(15,471)	(16,099)	(41,020)
Total OPEB liability - beginning	2,217,562	2,202,091	2,185,992
Total OPEB liability - ending	\$ 2,202,091	\$ 2,185,992	\$ 2,144,972
Covered-employee payroll	\$ 4,510,172	\$ 4,150,172	\$ 4,830,933
Total OPEB liability (asset) as a percentage of covered-employee payroll	48.82%	52.67%	44.40%

Note: This schedule is required to have 10 years of information, but the information prior to 2018 is not available.

Notes to Required Supplementary Information:

Changes in Benefits

There were no changes in benefit terms that affected measurement of the total OPEB liability during the measurement period.

<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 153,193	\$ 153,193	\$ 102,221
50,745	53,271	80,302
-	(332,394)	-
-	(409,646)	-
<u>(85,705)</u>	<u>(97,577)</u>	<u>(97,577)</u>
118,233	(633,153)	84,946
<u>2,144,972</u>	<u>2,263,205</u>	<u>1,630,052</u>
<u>\$ 2,263,205</u>	<u>\$ 1,630,052</u>	<u>\$ 1,714,998</u>
\$ 4,830,933	\$ 5,170,075	\$ 5,170,075
46.85%	31.53%	33.17%

JACKSON COUNTY, TEXAS

NOTES TO OTHER POST EMPLOYMENT BENEFITS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Valuation date	September 30, 2022
Measurement date	September 30, 2023
Methods and assumptions:	
Actuarial Method	Individual Entry Age Normal Cost Method - Level Percentage of Projected Salary.
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.
Total OPEB Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Discount Rate	4.77% (2.27% real rate of return plus 2.5% inflation)
Health Care Cost Trend	Level 4.5% for medical and level 3% for dental.
Mortality	RPH-2014 Total Table with Projection MP-2021
Turnover	Rates varying based on gender, age and select and ultimate at 15 years. Rates based on the TCDRS actuarial assumptions form the 2017 retirement plan valuation report.
Disability	None assumed
Retiree Contributions	Retirees pays the remaining contribution rate above the monthly stipend of \$300 paid by the County to the retiree. The retiree also pays the full cost of dental coverage.
Salary Scale	3.50%
Data Assumptions	100% of all retirees who currently have healthcare coverage will continue with the same coverage.
Coverage	35% of all actives who currently have healthcare coverage will continue with coverage upon retirement. For those with family coverage 25% will elect to continue with family coverage and the remainder will elect individual coverage.

JACKSON COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2023

Budgetary Information

The Commissioners' Court adopted an "appropriated budget" for the General Fund and Road and Bridge Fund, which is included in the Special Revenue Funds. The County is required to present the adopted and final amended budgeted revenue and expenditures for each of these funds. The County compares the final amended budget to actual revenue and expenditures. An appropriated budget is not adopted for the American Rescue Plan or Coastal Impact Assistance Funds.

The following procedures are followed in establishing the budget:

1. Prior to September 1, the County prepares a budget for the next succeeding fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them. The budget is prepared on the GAAP basis of accounting.
2. Public meetings are conducted to obtain taxpayer comments.
3. The budget is then legally enacted through adoption by the Commissioners' Court. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Court. Amendments are presented to the Court at its regular meetings. Each amendment must have Court approval. As required by law, such amendments made before the fact, are reflected in the official minutes of the Court, and are not made after fiscal year-end. Because the County has a policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant.
4. Each budget is controlled at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Court. All budget appropriations lapse at year-end.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at September 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. The County had no outstanding end-of-year encumbrances.

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND
SCHEDULES**

JACKSON COUNTY, TEXAS

COMBINING BALANCE SHEET

ROAD AND BRIDGE FUNDS

SEPTEMBER 30, 2023

	Special Revenue				
	Bridge Replacement	Highway	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3
ASSETS					
Cash and cash equivalents	\$ 358,612	\$ -	\$ 180,918	\$ 83,347	\$ 274,504
Receivables, net	-	171,903	-	-	-
Prepaid items	-	21,972	7,226	5,646	4,891
Total assets	<u>358,612</u>	<u>193,875</u>	<u>188,144</u>	<u>88,993</u>	<u>279,395</u>
LIABILITIES					
Accounts payable	-	1,323	846	664	173
Accrued wages payable	-	-	10,727	8,644	8,540
Due to other funds	-	154,648	-	-	-
Unearned revenue	-	-	115,000	-	-
Total liabilities	<u>-</u>	<u>155,971</u>	<u>126,573</u>	<u>9,308</u>	<u>8,713</u>
FUND BALANCE					
Restricted for:					
Public transportation	<u>358,612</u>	<u>37,904</u>	<u>61,571</u>	<u>79,685</u>	<u>270,682</u>
Total fund balances	<u>358,612</u>	<u>37,904</u>	<u>61,571</u>	<u>79,685</u>	<u>270,682</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 358,612</u>	<u>\$ 193,875</u>	<u>\$ 188,144</u>	<u>\$ 88,993</u>	<u>\$ 279,395</u>

Special Revenue

Road and Bridge No. 4	Lateral Road	Equipment Replacement No. 1	Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
\$ 430,789	\$ -	\$ 685	\$ 152,086	\$ 47,917	\$ 74,161	\$ 1,603,019
-	-	-	-	-	-	171,903
<u>6,282</u>	-	-	-	-	-	46,017
<u>437,071</u>	-	<u>685</u>	<u>152,086</u>	<u>47,917</u>	<u>74,161</u>	<u>1,820,939</u>
12,600	-	-	-	-	-	15,606
9,061	-	-	-	-	-	36,972
-	-	-	-	-	-	154,648
-	-	-	-	-	-	115,000
<u>21,661</u>	-	-	-	-	-	<u>322,226</u>
415,410	-	685	152,086	47,917	74,161	1,498,713
<u>415,410</u>	-	<u>685</u>	<u>152,086</u>	<u>47,917</u>	<u>74,161</u>	<u>1,498,713</u>
<u>\$ 437,071</u>	<u>\$ -</u>	<u>\$ 685</u>	<u>\$ 152,086</u>	<u>\$ 47,917</u>	<u>\$ 74,161</u>	<u>\$ 1,820,939</u>

JACKSON COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

ROAD AND BRIDGE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Bridge Replacement	Highway	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3
REVENUES					
Intergovernmental	\$ -	\$ 221,412	\$ -	\$ -	\$ -
Charges for services	-	142,561	-	-	-
Licenses and permits	-	427,743	-	-	-
Investment earnings	16,637	-	14,452	18,032	20,396
Miscellaneous	-	-	5,358	2,064	1,762
Total revenues	<u>16,637</u>	<u>791,716</u>	<u>19,810</u>	<u>20,096</u>	<u>22,158</u>
EXPENDITURES					
Current:					
Public transportation	-	374,710	560,836	611,387	395,838
Total expenditures	<u>-</u>	<u>374,710</u>	<u>560,836</u>	<u>611,387</u>	<u>395,838</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>16,637</u>	<u>417,006</u>	<u>(541,026)</u>	<u>(591,291)</u>	<u>(373,680)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	50,000	-	568,250	588,090	469,074
Transfers out	-	(512,998)	(1,704)	-	-
Total other financing sources (uses)	<u>50,000</u>	<u>(512,998)</u>	<u>566,546</u>	<u>588,090</u>	<u>469,074</u>
NET CHANGE IN FUND BALANCE	66,637	(95,992)	25,520	(3,201)	95,394
FUND BALANCE, BEGINNING	<u>291,975</u>	<u>133,896</u>	<u>36,051</u>	<u>82,886</u>	<u>175,288</u>
FUND BALANCE, ENDING	<u>\$ 358,612</u>	<u>\$ 37,904</u>	<u>\$ 61,571</u>	<u>\$ 79,685</u>	<u>\$ 270,682</u>

Road and Bridge No. 4	Lateral Road	Equipment Replacement No. 1	Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
\$ -	\$ 20,756	\$ -	\$ -	\$ -	\$ -	\$ 242,168
-	-	-	-	-	-	142,561
-	-	-	-	-	-	427,743
35,787	-	840	7,664	2,193	5,440	121,441
1,181	-	-	6,460	-	-	16,825
<u>36,968</u>	<u>20,756</u>	<u>840</u>	<u>14,124</u>	<u>2,193</u>	<u>5,440</u>	<u>950,738</u>
<u>728,581</u>	<u>20,756</u>	<u>74,785</u>	<u>41,379</u>	<u>-</u>	<u>76,031</u>	<u>2,884,303</u>
<u>728,581</u>	<u>20,756</u>	<u>74,785</u>	<u>41,379</u>	<u>-</u>	<u>76,031</u>	<u>2,884,303</u>
<u>(691,613)</u>	<u>-</u>	<u>(73,945)</u>	<u>(27,255)</u>	<u>2,193</u>	<u>(70,591)</u>	<u>(1,933,565)</u>
771,240	-	21,704	20,000	20,000	20,000	2,528,358
-	-	-	-	-	-	(514,702)
<u>771,240</u>	<u>-</u>	<u>21,704</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>2,013,656</u>
79,627	-	(52,241)	(7,255)	22,193	(50,591)	80,091
<u>335,783</u>	<u>-</u>	<u>52,926</u>	<u>159,341</u>	<u>25,724</u>	<u>124,752</u>	<u>1,418,622</u>
<u>\$ 415,410</u>	<u>\$ -</u>	<u>\$ 685</u>	<u>\$ 152,086</u>	<u>\$ 47,917</u>	<u>\$ 74,161</u>	<u>\$ 1,498,713</u>

JACKSON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Special Revenue			
	Abandoned Motor Vehicles	Child Abuse Prevention	Child Welfare	Commissary Telephone
ASSETS				
Cash and cash equivalents	\$ 22,653	\$ 429	\$ 6,976	\$ 40,351
Receivables, net	-	-	-	6,910
Prepaid items	-	-	-	-
Total assets	<u>22,653</u>	<u>429</u>	<u>6,976</u>	<u>47,261</u>
LIABILITIES				
Accounts payable	714	-	-	-
Accrued wages payable	-	-	-	-
Due to other funds	-	-	-	-
Due to others	-	-	-	-
Total liabilities	<u>714</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted for:				
Grants	-	-	-	-
Special projects	<u>21,939</u>	<u>429</u>	<u>6,976</u>	<u>47,261</u>
Total fund balances	<u>21,939</u>	<u>429</u>	<u>6,976</u>	<u>47,261</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,653</u>	<u>\$ 429</u>	<u>\$ 6,976</u>	<u>\$ 47,261</u>

Special Revenue

Construction Grants	County Clerk Records Management	County Records Management	County Specialty Court	Courthouse Security	Courthouse Security JP's
\$ -	\$ 231,121	\$ 309	\$ 11,810	\$ 41,027	\$ 3,206
9,168	-	-	-	-	-
-	-	-	-	-	166
<u>9,168</u>	<u>231,121</u>	<u>309</u>	<u>11,810</u>	<u>41,027</u>	<u>3,372</u>
-	-	-	-	14	20
-	-	-	-	-	-
9,088	-	-	-	-	-
-	-	-	-	-	-
<u>9,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>20</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	166
80	231,121	-	-	41,013	-
-	-	309	11,810	-	3,186
<u>80</u>	<u>231,121</u>	<u>309</u>	<u>11,810</u>	<u>41,013</u>	<u>3,352</u>
<u>\$ 9,168</u>	<u>\$ 231,121</u>	<u>\$ 309</u>	<u>\$ 11,810</u>	<u>\$ 41,027</u>	<u>\$ 3,372</u>

JACKSON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Special Revenue			
	District Attorney Forfeiture	District Attorney Hot Check	District Clerk Records Management	District Clerk Reserve
ASSETS				
Cash and cash equivalents	\$ 276,081	\$ 6,187	\$ 11,253	\$ 195,764
Receivables, net	-	-	-	-
Prepaid items	65	-	-	-
Total assets	<u>276,146</u>	<u>6,187</u>	<u>11,253</u>	<u>195,764</u>
LIABILITIES				
Accounts payable	-	-	-	-
Accrued wages payable	254	-	-	-
Due to other funds	-	-	-	-
Due to others	-	3,783	-	195,764
Total liabilities	<u>254</u>	<u>3,783</u>	<u>-</u>	<u>195,764</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable	65	-	-	-
Restricted for:				
Grants	-	-	-	-
Special projects	275,827	2,404	11,253	-
Total fund balances	<u>275,892</u>	<u>2,404</u>	<u>11,253</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 276,146</u>	<u>\$ 6,187</u>	<u>\$ 11,253</u>	<u>\$ 195,764</u>

Special Revenue

Elections Administration	Federal & State Relief	Flood Control	Historical Commission	Justice Court Tech	Juvenile Probation Discretion
\$ 6,266	\$ 1,843	\$ -	\$ 30,798	\$ 5,008	\$ 3,496
-	-	125,486	-	-	-
-	-	-	3,527	-	-
<u>6,266</u>	<u>1,843</u>	<u>125,486</u>	<u>34,325</u>	<u>5,008</u>	<u>3,496</u>
-	-	17,593	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>17,593</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	107,893	-	-	-
<u>-</u>	<u>-</u>	<u>107,893</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	3,527	-	-
-	-	-	-	-	3,496
<u>6,266</u>	<u>1,843</u>	<u>-</u>	<u>30,798</u>	<u>5,008</u>	<u>-</u>
<u>6,266</u>	<u>1,843</u>	<u>-</u>	<u>34,325</u>	<u>5,008</u>	<u>3,496</u>
<u>\$ 6,266</u>	<u>\$ 1,843</u>	<u>\$ 125,486</u>	<u>\$ 34,325</u>	<u>\$ 5,008</u>	<u>\$ 3,496</u>

JACKSON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Special Revenue			
	Juvenile Probation Grant	Law Enforcement Officers	Law Library	Mediation Fund
ASSETS				
Cash and cash equivalents	\$ 10,034	\$ 3,665	\$ 5,700	\$ 4,126
Receivables, net	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>10,034</u>	<u>3,665</u>	<u>5,700</u>	<u>4,126</u>
LIABILITIES				
Accounts payable	36	-	-	-
Accrued wages payable	-	-	-	-
Due to other funds	-	-	-	-
Due to others	-	-	-	-
Total liabilities	<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted for:				
Grants	9,998	3,665	5,700	4,126
Special projects	-	-	-	-
Total fund balances	<u>9,998</u>	<u>3,665</u>	<u>5,700</u>	<u>4,126</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,034</u>	<u>\$ 3,665</u>	<u>\$ 5,700</u>	<u>\$ 4,126</u>

<u>Special Revenue</u>		<u>Permanent</u>		
<u>Sheriff Forfeiture</u>	<u>Truancy Prev & Diversion</u>	<u>Memorial Library</u>	<u>Total Nonmajor Governmental Funds</u>	
\$ 101,315	\$ 20,263	\$ 57,839	\$	1,097,520
-	-	-		141,564
-	-	-		3,758
<u>101,315</u>	<u>20,263</u>	<u>57,839</u>		<u>1,242,842</u>
-	-	-		18,377
-	-	-		254
-	-	-		9,088
-	-	-		199,547
-	-	-		227,266
-	-	-		107,893
-	-	-		107,893
-	-	50,000		53,758
101,315	20,263	7,839		428,616
-	-	-		425,309
<u>101,315</u>	<u>20,263</u>	<u>57,839</u>		<u>907,683</u>
<u>\$ 101,315</u>	<u>\$ 20,263</u>	<u>\$ 57,839</u>	<u>\$</u>	<u>1,242,842</u>

JACKSON COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue			
	Abandoned Motor Vehicles	Child Abuse Prevention	Child Welfare	Commissary Telephone
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	45,466
Fines and forfeitures	10,776	390	-	-
Investment earnings	-	-	337	-
Miscellaneous	12,769	-	-	-
Total revenues	<u>23,545</u>	<u>390</u>	<u>337</u>	<u>45,466</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public facilities	-	-	-	-
Public safety	19,023	-	-	77,218
Public transportation	-	-	-	-
Environmental protection	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	1,000	-
Total expenditures	<u>19,023</u>	<u>-</u>	<u>1,000</u>	<u>77,218</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,522</u>	<u>390</u>	<u>(663)</u>	<u>(31,752)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(2,340)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,340)</u>
NET CHANGE IN FUND BALANCE	4,522	390	(663)	(34,092)
FUND BALANCE, BEGINNING	<u>17,417</u>	<u>39</u>	<u>7,639</u>	<u>81,353</u>
FUND BALANCE, ENDING	<u>\$ 21,939</u>	<u>\$ 429</u>	<u>\$ 6,976</u>	<u>\$ 47,261</u>

Special Revenue

Construction Grants	County Clerk Records Management	County Records Management	County Specialty Court	Courthouse Security	Courthouse Security JP's
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26,668	-	-	-	-	-
-	-	-	-	-	-
-	72,158	415	3,752	16,720	1,450
-	10,981	338	-	-	-
-	-	-	-	-	-
<u>26,668</u>	<u>83,139</u>	<u>753</u>	<u>3,752</u>	<u>16,720</u>	<u>1,450</u>
-	78,409	8,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,668	-	-	-	-	-
-	-	-	-	1,664	708
191	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>26,859</u>	<u>78,409</u>	<u>8,000</u>	<u>-</u>	<u>1,664</u>	<u>708</u>
<u>(191)</u>	<u>4,730</u>	<u>(7,247)</u>	<u>3,752</u>	<u>15,056</u>	<u>742</u>
271	-	-	-	-	-
-	-	-	-	-	-
<u>271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
80	4,730	(7,247)	3,752	15,056	742
-	<u>226,391</u>	<u>7,556</u>	<u>8,058</u>	<u>25,957</u>	<u>2,610</u>
<u>\$ 80</u>	<u>\$ 231,121</u>	<u>\$ 309</u>	<u>\$ 11,810</u>	<u>\$ 41,013</u>	<u>\$ 3,352</u>

JACKSON COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue			
	District Attorney Forfeiture	District Attorney Hot Check	District Clerk Records Management	District Clerk Reserve
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	860	-
Fines and forfeitures	122,681	300	8,679	-
Investment earnings	9,672	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>132,353</u>	<u>300</u>	<u>9,539</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Judicial	63,336	-	9,394	-
Legal	-	-	-	-
Public facilities	-	-	-	-
Public safety	-	-	-	-
Public transportation	-	-	-	-
Environmental protection	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Total expenditures	<u>63,336</u>	<u>-</u>	<u>9,394</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>69,017</u>	<u>300</u>	<u>145</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	69,017	300	145	-
FUND BALANCE, BEGINNING	<u>206,875</u>	<u>2,104</u>	<u>11,108</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 275,892</u>	<u>\$ 2,404</u>	<u>\$ 11,253</u>	<u>\$ -</u>

Special Revenue

Elections Administration	Federal & State Relief	Flood Control	Historical Commission	Justice Court Tech	Juvenile Probation Discretion
\$ -	\$ -	\$ 1,367,835	\$ -	\$ -	\$ -
-	12,426	-	-	-	-
5,441	93,132	-	-	-	-
-	-	-	-	7,147	382
445	1,691	-	1,578	-	-
-	-	-	-	-	-
<u>5,886</u>	<u>107,249</u>	<u>1,367,835</u>	<u>1,578</u>	<u>7,147</u>	<u>382</u>
71,178	-	-	-	-	-
-	-	-	-	6,000	-
-	-	-	-	-	-
-	2,640	-	-	-	-
-	154,754	-	-	-	-
-	-	-	-	-	-
-	2,883	1,367,835	-	-	-
-	-	-	2,175	-	-
-	-	-	-	-	-
<u>71,178</u>	<u>160,277</u>	<u>1,367,835</u>	<u>2,175</u>	<u>6,000</u>	<u>-</u>
<u>(65,292)</u>	<u>(53,028)</u>	<u>-</u>	<u>(597)</u>	<u>1,147</u>	<u>382</u>
-	-	-	1,429	-	-
-	-	-	-	-	-
-	-	-	<u>1,429</u>	-	-
(65,292)	(53,028)	-	832	1,147	382
<u>71,558</u>	<u>54,871</u>	<u>-</u>	<u>33,493</u>	<u>3,861</u>	<u>3,114</u>
<u>\$ 6,266</u>	<u>\$ 1,843</u>	<u>\$ -</u>	<u>\$ 34,325</u>	<u>\$ 5,008</u>	<u>\$ 3,496</u>

JACKSON COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue			
	Juvenile Probation Grant	Law Enforcement Officers	Law Library	Mediation Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	14	3,170	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	9,552	-
Investment earnings	452	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>466</u>	<u>3,170</u>	<u>9,552</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	10,788	-
Public facilities	-	-	-	-
Public safety	806	2,483	-	-
Public transportation	-	-	-	-
Environmental protection	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Total expenditures	<u>806</u>	<u>2,483</u>	<u>10,788</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(340)</u>	<u>687</u>	<u>(1,236)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(340)</u>	<u>687</u>	<u>(1,236)</u>	<u>-</u>
FUND BALANCE, BEGINNING	<u>10,338</u>	<u>2,978</u>	<u>6,936</u>	<u>4,126</u>
FUND BALANCE, ENDING	<u>\$ 9,998</u>	<u>\$ 3,665</u>	<u>\$ 5,700</u>	<u>\$ 4,126</u>

<u>Special Revenue</u>		<u>Permanent</u>	Total
<u>Sheriff Forfeiture</u>	<u>Truancy Prev & Diversion</u>	<u>Memorial Library</u>	<u>Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 1,367,835
-	-	1,169	43,447
-	-	4,530	149,429
53,776	5,946	-	314,124
2,851	-	2,662	31,007
-	-	-	12,769
<u>56,627</u>	<u>5,946</u>	<u>8,361</u>	<u>1,918,611</u>
-	-	-	157,587
-	-	-	78,730
-	-	-	10,788
-	-	-	29,308
10,140	-	-	266,796
-	-	-	191
-	-	-	1,370,718
-	-	7,696	9,871
-	-	-	1,000
<u>10,140</u>	<u>-</u>	<u>7,696</u>	<u>1,924,989</u>
<u>46,487</u>	<u>5,946</u>	<u>665</u>	<u>(6,378)</u>
-	-	-	1,700
-	-	-	(2,340)
-	-	-	(640)
46,487	5,946	665	(7,018)
<u>54,828</u>	<u>14,317</u>	<u>57,174</u>	<u>914,701</u>
<u>\$ 101,315</u>	<u>\$ 20,263</u>	<u>\$ 57,839</u>	<u>\$ 907,683</u>

JACKSON COUNTY, TEXAS

ABANDONED MOTOR VEHICLE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines and forfeitures	\$ 500	\$ 500	\$ 10,776	\$ 10,276
Miscellaneous	5,000	5,450	12,769	7,319
Total revenues	<u>5,500</u>	<u>5,950</u>	<u>23,545</u>	<u>17,595</u>
EXPENDITURES				
Current:				
Public safety	<u>17,800</u>	<u>16,296</u>	<u>19,023</u>	<u>(2,727)</u>
Total expenditures	<u>17,800</u>	<u>16,296</u>	<u>19,023</u>	<u>(2,727)</u>
NET CHANGE IN FUND BALANCE	<u>(12,300)</u>	<u>(10,346)</u>	<u>4,522</u>	<u>14,868</u>
FUND BALANCE, BEGINNING	<u>7,854</u>	<u>7,854</u>	<u>17,417</u>	<u>(9,563)</u>
FUND BALANCE, ENDING	<u>\$ (4,446)</u>	<u>\$ (2,492)</u>	<u>\$ 21,939</u>	<u>\$ 24,431</u>

JACKSON COUNTY, TEXAS

CHILD WELFARE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ 50	\$ 50	\$ 337	\$ 287
Total revenues	<u>50</u>	<u>50</u>	<u>337</u>	<u>287</u>
EXPENDITURES				
Current:				
Health and welfare	<u>2,800</u>	<u>2,800</u>	<u>1,000</u>	<u>1,800</u>
Total expenditures	<u>2,800</u>	<u>2,800</u>	<u>1,000</u>	<u>1,800</u>
NET CHANGE IN FUND BALANCE	<u>(2,750)</u>	<u>(2,750)</u>	<u>(663)</u>	<u>2,087</u>
FUND BALANCE, BEGINNING	<u>7,639</u>	<u>7,639</u>	<u>7,639</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 4,889</u>	<u>\$ 4,889</u>	<u>\$ 6,976</u>	<u>\$ 2,087</u>

JACKSON COUNTY, TEXAS

CHILD ABUSE PREVENTION FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines and forfeitures	\$ 600	\$ 600	\$ 390	\$ (210)
Total revenues	<u>600</u>	<u>600</u>	<u>390</u>	<u>(210)</u>
EXPENDITURES				
Current:				
Health and welfare	500	500	-	500
Total expenditures	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
NET CHANGE IN FUND BALANCE	<u>100</u>	<u>100</u>	<u>390</u>	<u>290</u>
FUND BALANCE, BEGINNING	<u>39</u>	<u>39</u>	<u>39</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 139</u>	<u>\$ 139</u>	<u>\$ 429</u>	<u>\$ 290</u>

JACKSON COUNTY, TEXAS

COMMISSARY TELEPHONE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ 50,000	\$ 50,000	\$ 45,466	\$ (4,534)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>45,466</u>	<u>(4,534)</u>
EXPENDITURES				
Current:				
Public safety	<u>80,938</u>	<u>80,312</u>	<u>77,218</u>	<u>3,094</u>
Total expenditures	<u>80,938</u>	<u>80,312</u>	<u>77,218</u>	<u>3,094</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(30,938)</u>	<u>(30,312)</u>	<u>(31,752)</u>	<u>(1,440)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>(2,340)</u>	<u>2,340</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,340)</u>	<u>2,340</u>
NET CHANGE IN FUND BALANCE	<u>(30,938)</u>	<u>(30,312)</u>	<u>(34,092)</u>	<u>(3,780)</u>
FUND BALANCE, BEGINNING	<u>81,353</u>	<u>81,353</u>	<u>81,353</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 50,415</u>	<u>\$ 51,041</u>	<u>\$ 47,261</u>	<u>\$ (3,780)</u>

JACKSON COUNTY, TEXAS

CONSTRUCTION GRANTS FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 26,668	\$ 26,668
Total revenues	<u>-</u>	<u>-</u>	<u>26,668</u>	<u>26,668</u>
EXPENDITURES				
Current:				
Public facilities	-	-	26,668	(26,668)
Public transportation	<u>-</u>	<u>-</u>	<u>191</u>	<u>(191)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>26,859</u>	<u>(26,859)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(191)</u>	<u>191</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>-</u>	<u>271</u>	<u>(271)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>271</u>	<u>(271)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>80</u>	<u>80</u>
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80</u>	<u>\$ 80</u>

JACKSON COUNTY, TEXAS

COUNTY CLERK RECORDS MANAGEMENT FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	\$ 81,100	\$ 81,100	\$ 72,158	\$ (8,942)
Investment earnings	1,000	1,000	10,981	9,981
Total revenues	82,100	82,100	83,139	1,039
EXPENDITURES				
Current:				
General government	114,570	114,570	78,409	36,161
Total expenditures	114,570	114,570	78,409	36,161
NET CHANGE IN FUND BALANCE	(32,470)	(32,470)	4,730	37,200
FUND BALANCE, BEGINNING	226,391	226,391	226,391	-
FUND BALANCE, ENDING	\$ 193,921	\$ 193,921	\$ 231,121	\$ 37,200

JACKSON COUNTY, TEXAS

COUNTY RECORDS MANAGEMENT FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines and forfeitures	\$ 600	\$ 600	\$ 415	\$ (185)
Investment earnings	-	-	338	338
Total revenues	<u>600</u>	<u>600</u>	<u>753</u>	<u>153</u>
EXPENDITURES				
Current:				
General government	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	-
Total expenditures	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	-
NET CHANGE IN FUND BALANCE	<u>(7,400)</u>	<u>(7,400)</u>	<u>(7,247)</u>	<u>153</u>
FUND BALANCE, BEGINNING	<u>7,556</u>	<u>7,556</u>	<u>7,556</u>	-
FUND BALANCE, ENDING	<u>\$ 156</u>	<u>\$ 156</u>	<u>\$ 309</u>	<u>\$ 153</u>

JACKSON COUNTY, TEXAS

COUNTY SPECIALTY COURT FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines and forfeitures	<u>\$ 3,200</u>	<u>\$ 3,200</u>	<u>\$ 3,752</u>	<u>\$ 552</u>
Total revenues	<u>3,200</u>	<u>3,200</u>	<u>3,752</u>	<u>552</u>
EXPENDITURES				
Current:				
Judicial	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>
Total expenditures	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>
NET CHANGE IN FUND BALANCE	<u>(7,800)</u>	<u>(7,800)</u>	<u>3,752</u>	<u>11,552</u>
FUND BALANCE, BEGINNING	<u>8,058</u>	<u>8,058</u>	<u>8,058</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 258</u>	<u>\$ 258</u>	<u>\$ 11,810</u>	<u>\$ 11,552</u>

JACKSON COUNTY, TEXAS

COURTHOUSE SECURITY FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	\$ 13,650	\$ 13,650	\$ 16,720	\$ 3,070
Total revenues	<u>13,650</u>	<u>13,650</u>	<u>16,720</u>	<u>3,070</u>
EXPENDITURES				
Current:				
Public safety	<u>31,369</u>	<u>31,369</u>	<u>1,664</u>	<u>29,705</u>
Total expenditures	<u>31,369</u>	<u>31,369</u>	<u>1,664</u>	<u>29,705</u>
NET CHANGE IN FUND BALANCE	<u>(17,719)</u>	<u>(17,719)</u>	<u>15,056</u>	<u>32,775</u>
FUND BALANCE, BEGINNING	<u>25,957</u>	<u>25,957</u>	<u>25,957</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 8,238</u>	<u>\$ 8,238</u>	<u>\$ 41,013</u>	<u>\$ 32,775</u>

JACKSON COUNTY, TEXAS

COURTHOUSE SECURITY - JP'S FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines and forfeitures	\$ 1,100	\$ 1,100	\$ 1,450	\$ 350
Total revenues	<u>1,100</u>	<u>1,100</u>	<u>1,450</u>	<u>350</u>
EXPENDITURES				
Current:				
Public safety	<u>2,800</u>	<u>2,800</u>	<u>708</u>	<u>2,092</u>
Total expenditures	<u>2,800</u>	<u>2,800</u>	<u>708</u>	<u>2,092</u>
NET CHANGE IN FUND BALANCE	<u>(1,700)</u>	<u>(1,700)</u>	<u>742</u>	<u>2,442</u>
FUND BALANCE, BEGINNING	<u>2,610</u>	<u>2,610</u>	<u>2,610</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 910</u>	<u>\$ 910</u>	<u>\$ 3,352</u>	<u>\$ 2,442</u>

JACKSON COUNTY, TEXAS

DISTRICT ATTORNEY HOT CHECK FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines and forfeitures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 300</u>
Total revenues	<u>-</u>	<u>-</u>	<u>300</u>	<u>300</u>
EXPENDITURES				
Current:				
Judicial	<u>1,963</u>	<u>1,963</u>	<u>-</u>	<u>1,963</u>
Total expenditures	<u>1,963</u>	<u>1,963</u>	<u>-</u>	<u>1,963</u>
NET CHANGE IN FUND BALANCE	<u>(1,963)</u>	<u>(1,963)</u>	<u>300</u>	<u>2,263</u>
FUND BALANCE, BEGINNING	<u>2,104</u>	<u>2,104</u>	<u>2,104</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 141</u>	<u>\$ 141</u>	<u>\$ 2,404</u>	<u>\$ 2,263</u>

JACKSON COUNTY, TEXAS

DISTRICT CLERK RECORDS MANAGEMENT FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines and forfeitures	\$ 5,100	\$ 5,100	\$ 8,679	\$ 3,579
Charges for services	800	800	860	60
Total revenues	<u>5,900</u>	<u>5,900</u>	<u>9,539</u>	<u>3,639</u>
EXPENDITURES				
Current:				
Judicial	<u>9,394</u>	<u>9,394</u>	<u>9,394</u>	-
Total expenditures	<u>9,394</u>	<u>9,394</u>	<u>9,394</u>	-
NET CHANGE IN FUND BALANCE	<u>(3,494)</u>	<u>(3,494)</u>	<u>145</u>	<u>3,639</u>
FUND BALANCE, BEGINNING	<u>11,108</u>	<u>11,108</u>	<u>11,108</u>	-
FUND BALANCE, ENDING	<u>\$ 7,614</u>	<u>\$ 7,614</u>	<u>\$ 11,253</u>	<u>\$ 3,639</u>

JACKSON COUNTY, TEXAS

ELECTIONS ADMINISTRATION FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for services	\$ 1,000	\$ 6,456	\$ 5,441	\$ (1,015)
Investment earnings	15	15	445	430
Total revenues	1,015	6,471	5,886	(585)
EXPENDITURES				
Current:				
General government	74,998	43,199	71,178	(27,979)
Total expenditures	74,998	43,199	71,178	(27,979)
NET CHANGE IN FUND BALANCE	(73,983)	(36,728)	(65,292)	(28,564)
FUND BALANCE, BEGINNING	71,558	71,558	71,558	-
FUND BALANCE, ENDING	\$ (2,425)	\$ 34,830	\$ 6,266	\$ (28,564)

JACKSON COUNTY, TEXAS

FEDERAL & STATE RELIEF FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 12,426	\$ 12,426
Charges for services	-	-	93,132	93,132
Investment earnings	150	150	1,691	1,541
Total revenues	150	150	107,249	107,099
EXPENDITURES				
Current:				
Public facilities	-	-	2,640	(2,640)
Public safety	67,144	4,352	154,754	(150,402)
Environmental protection	-	-	2,883	(2,883)
Total expenditures	67,144	4,352	160,277	(155,925)
NET CHANGE IN FUND BALANCE	(66,994)	(4,202)	(53,028)	(48,826)
FUND BALANCE, BEGINNING	54,871	54,871	54,871	-
FUND BALANCE, ENDING	\$ (12,123)	\$ 50,669	\$ 1,843	\$ (48,826)

JACKSON COUNTY, TEXAS

FLOOD CONTROL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes	<u>\$ 1,341,570</u>	<u>\$ 1,341,570</u>	<u>\$ 1,367,835</u>	<u>\$ 26,265</u>
Total revenues	<u>1,341,570</u>	<u>1,341,570</u>	<u>1,367,835</u>	<u>26,265</u>
EXPENDITURES				
Current:				
Environmental protection	<u>1,341,570</u>	<u>1,341,570</u>	<u>1,367,835</u>	<u>(26,265)</u>
Total expenditures	<u>1,341,570</u>	<u>1,341,570</u>	<u>1,367,835</u>	<u>(26,265)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JACKSON COUNTY, TEXAS

HISTORICAL COMMISSION FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment earnings	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 1,578</u>	<u>\$ 1,378</u>
Total revenues	<u>200</u>	<u>200</u>	<u>1,578</u>	<u>1,378</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>34,199</u>	<u>34,199</u>	<u>2,175</u>	<u>32,024</u>
Total expenditures	<u>34,199</u>	<u>34,199</u>	<u>2,175</u>	<u>32,024</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(33,999)</u>	<u>(33,999)</u>	<u>(597)</u>	<u>33,402</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,429</u>	<u>1,429</u>	<u>1,429</u>	<u>-</u>
Total other financing sources (uses)	<u>1,429</u>	<u>1,429</u>	<u>1,429</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(33,999)</u>	<u>(33,999)</u>	<u>832</u>	<u>34,831</u>
FUND BALANCE, BEGINNING	<u>33,493</u>	<u>33,493</u>	<u>33,493</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ (506)</u>	<u>\$ (506)</u>	<u>\$ 34,325</u>	<u>\$ 34,831</u>

JACKSON COUNTY, TEXAS

DISTRICT ATTORNEY FORFEITURE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 122,681	\$ 121,681
Investment earnings	1,000	1,000	9,672	8,672
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>132,353</u>	<u>130,353</u>
EXPENDITURES				
Current:				
Judicial	<u>71,445</u>	<u>71,445</u>	<u>63,336</u>	<u>8,109</u>
Total expenditures	<u>71,445</u>	<u>71,445</u>	<u>63,336</u>	<u>8,109</u>
NET CHANGE IN FUND BALANCE	<u>(69,445)</u>	<u>(69,445)</u>	<u>69,017</u>	<u>138,462</u>
FUND BALANCE, BEGINNING	<u>206,875</u>	<u>206,875</u>	<u>206,875</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 137,430</u>	<u>\$ 137,430</u>	<u>\$ 275,892</u>	<u>\$ 138,462</u>

JACKSON COUNTY, TEXAS

JUSTICE COURT TECHNOLOGY FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines and forfeitures	\$ 4,600	\$ 4,600	\$ 7,147	\$ 2,547
Total revenues	<u>4,600</u>	<u>4,600</u>	<u>7,147</u>	<u>2,547</u>
EXPENDITURES				
Current:				
Judicial	<u>8,200</u>	<u>8,200</u>	<u>6,000</u>	<u>2,200</u>
Total expenditures	<u>8,200</u>	<u>8,200</u>	<u>6,000</u>	<u>2,200</u>
NET CHANGE IN FUND BALANCE	<u>(3,600)</u>	<u>(3,600)</u>	<u>1,147</u>	<u>4,747</u>
FUND BALANCE, BEGINNING	<u>3,861</u>	<u>3,861</u>	<u>3,861</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 261</u>	<u>\$ 261</u>	<u>\$ 5,008</u>	<u>\$ 4,747</u>

JACKSON COUNTY, TEXAS

JUVENILE PROBATION DISCRETION FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 382	\$ 382
Total revenues	<u>-</u>	<u>-</u>	<u>382</u>	<u>382</u>
EXPENDITURES				
Current:				
Public safety	<u>1,483</u>	<u>1,483</u>	<u>-</u>	<u>1,483</u>
Total expenditures	<u>1,483</u>	<u>1,483</u>	<u>-</u>	<u>1,483</u>
NET CHANGE IN FUND BALANCE	<u>(1,483)</u>	<u>(1,483)</u>	<u>382</u>	<u>1,865</u>
FUND BALANCE, BEGINNING	<u>3,114</u>	<u>3,114</u>	<u>3,114</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 1,631</u>	<u>\$ 1,631</u>	<u>\$ 3,496</u>	<u>\$ 1,865</u>

JACKSON COUNTY, TEXAS

JUVENILE PROBATION GRANT FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 14	\$ 14
Investment earnings	-	-	452	452
Total revenues	<u>-</u>	<u>-</u>	<u>466</u>	<u>466</u>
EXPENDITURES				
Current:				
Public safety	<u>1,000</u>	<u>635</u>	<u>806</u>	<u>(171)</u>
Total expenditures	<u>1,000</u>	<u>635</u>	<u>806</u>	<u>(171)</u>
NET CHANGE IN FUND BALANCE	<u>(1,000)</u>	<u>(635)</u>	<u>(340)</u>	<u>295</u>
FUND BALANCE, BEGINNING	<u>10,338</u>	<u>10,338</u>	<u>10,338</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 9,338</u>	<u>\$ 9,703</u>	<u>\$ 9,998</u>	<u>\$ 295</u>

JACKSON COUNTY, TEXAS

LAW ENFORCEMENT OFFICERS EDUCATION FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 3,249	\$ 3,170	\$ 3,170	\$ -
Total revenues	<u>3,249</u>	<u>3,170</u>	<u>3,170</u>	<u>-</u>
EXPENDITURES				
Current:				
Public safety	<u>6,225</u>	<u>6,057</u>	<u>2,483</u>	<u>3,574</u>
Total expenditures	<u>6,225</u>	<u>6,057</u>	<u>2,483</u>	<u>3,574</u>
NET CHANGE IN FUND BALANCE	<u>(2,976)</u>	<u>(2,887)</u>	<u>687</u>	<u>3,574</u>
FUND BALANCE, BEGINNING	<u>2,978</u>	<u>2,978</u>	<u>2,978</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 2</u>	<u>\$ 91</u>	<u>\$ 3,665</u>	<u>\$ 3,574</u>

JACKSON COUNTY, TEXAS

LAW LIBRARY FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines and forfeitures	\$ 7,445	\$ 7,445	\$ 9,552	\$ 2,107
Total revenues	<u>7,445</u>	<u>7,445</u>	<u>9,552</u>	<u>2,107</u>
EXPENDITURES				
Current:				
Legal	<u>12,703</u>	<u>12,703</u>	<u>10,788</u>	<u>1,915</u>
Total expenditures	<u>12,703</u>	<u>12,703</u>	<u>10,788</u>	<u>1,915</u>
NET CHANGE IN FUND BALANCE	<u>(5,258)</u>	<u>(5,258)</u>	<u>(1,236)</u>	<u>4,022</u>
FUND BALANCE, BEGINNING	<u>6,936</u>	<u>6,936</u>	<u>6,936</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 1,678</u>	<u>\$ 1,678</u>	<u>\$ 5,700</u>	<u>\$ 4,022</u>

JACKSON COUNTY, TEXAS

MEMORIAL LIBRARY FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 1,000	\$ 1,000	\$ 1,169	\$ 169
Charges for services	4,500	4,500	4,530	30
Investment earnings	520	520	2,662	2,142
Total revenues	<u>6,020</u>	<u>6,020</u>	<u>8,361</u>	<u>2,341</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>9,100</u>	<u>9,100</u>	<u>7,696</u>	<u>1,404</u>
Total expenditures	<u>9,100</u>	<u>9,100</u>	<u>7,696</u>	<u>1,404</u>
NET CHANGE IN FUND BALANCE	<u>(3,080)</u>	<u>(3,080)</u>	<u>665</u>	<u>3,745</u>
FUND BALANCE, BEGINNING	<u>57,174</u>	<u>57,174</u>	<u>57,174</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 54,094</u>	<u>\$ 54,094</u>	<u>\$ 57,839</u>	<u>\$ 3,745</u>

JACKSON COUNTY, TEXAS

SHERIFF FORFEITURE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 53,776	\$ 53,776
Investment earnings	200	200	2,851	2,651
Total revenues	<u>200</u>	<u>200</u>	<u>56,627</u>	<u>56,427</u>
EXPENDITURES				
Current:				
Public safety	<u>13,000</u>	<u>3,911</u>	<u>10,140</u>	<u>(6,229)</u>
Total expenditures	<u>13,000</u>	<u>3,911</u>	<u>10,140</u>	<u>(6,229)</u>
NET CHANGE IN FUND BALANCE	<u>(12,800)</u>	<u>(3,711)</u>	<u>46,487</u>	<u>50,198</u>
FUND BALANCE, BEGINNING	<u>54,828</u>	<u>54,828</u>	<u>54,828</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 42,028</u>	<u>\$ 51,117</u>	<u>\$ 101,315</u>	<u>\$ 50,198</u>

JACKSON COUNTY, TEXAS

TRUANCY PREVENTION & DIVERSION FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 5,946	\$ 946
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>5,946</u>	<u>946</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>19,000</u>	<u>19,000</u>	<u>-</u>	<u>19,000</u>
Total expenditures	<u>19,000</u>	<u>19,000</u>	<u>-</u>	<u>19,000</u>
NET CHANGE IN FUND BALANCE	<u>(14,000)</u>	<u>(14,000)</u>	<u>5,946</u>	<u>19,946</u>
FUND BALANCE, BEGINNING	<u>14,317</u>	<u>14,317</u>	<u>14,317</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 317</u>	<u>\$ 317</u>	<u>\$ 20,263</u>	<u>\$ 19,946</u>

COMPLIANCE SECTION

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

Honorable County Judge
and Commissioners' Court
Jackson County, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas (the "County") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 28, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 or significant deficiencies may exist that were not identified.

OFFICE LOCATIONS

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Waco, Texas
June 28, 2024

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
THE TEXAS GRANT MANAGEMENT STANDARDS**

Honorable County Judge
and Commissioners’ Court
Jackson County, Texas

Report on Compliance for Each Major State Program

Opinion on Each Major State program

We have audited Jackson County, Texas’ (the “County”) compliance with the types of compliance requirements described in the Texas Grant Management Standards that could have a direct and material effect on each of the County’s major state programs for the year ended September 30, 2023. The County’s major state programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County 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 state programs for the year ended September 30, 2023.

Basis for Opinion on Each Major State program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the Texas Grant Management Standards. Our responsibilities under those standards and the Texas Grant Management Standards are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the County’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County’s state programs.

OFFICE LOCATIONS

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Texas Grant Management Standards will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Texas Grant Management Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Texas Grant Management Standards, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 state programs 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 state programs 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 state programs 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 Auditor's Responsibilities for the Audit of Compliance section above 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Waco, Texas
June 28, 2024

JACKSON COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

<u>State Grantor/Program Title</u>	<u>State Grantors Number</u>	<u>Total State Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>Office of the Attorney General</u>			
Direct program:			
Statewide Automated Vicitms Notification Service	C-01126	\$ 480	\$ -
Statewide Automated Vicitms Notification Service	C-00313	5,128	-
Victim Coordinator and Liason Grant	C-00053	<u>26,828</u>	<u>-</u>
Total Office of the Attorney General		<u>32,436</u>	<u>-</u>
<u>Texas Department of Motor Vehicles</u>			
Passed through Travis County:			
Texas Automobile Theft Prevention Authority	N/A	<u>35,496</u>	<u>-</u>
Total Texas Department of Motor Vehicles		<u>35,496</u>	<u>-</u>
<u>Office of the Governor - Criminal Justice Division</u>			
Direct programs:			
Operation Lone Star	4388302	603,291	-
Body Worn Camera Enhancement Project	4380701	<u>14,806</u>	<u>-</u>
Total Office of the Governor - Criminal Justice Division		<u>618,097</u>	<u>-</u>
<u>Texas Department of Transportation</u>			
Direct programs:			
County Transportation Infrastructure Fund	02 121	205,173	-
Routine Airport Maintenance Program	M2313EDDN	<u>25,404</u>	<u>-</u>
Total Texas Department of Transportation		<u>230,577</u>	<u>-</u>
Total Expenditures of State Awards		<u>\$ 916,606</u>	<u>\$ -</u>

JACKSON COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Basis of Presentation

The accompanying Schedule of Expenditures of State Awards (the "Schedule") includes the state grant activity of the County under programs of the State of Texas for the year ended September 30, 2023. The information in this schedule is presented in accordance with the requirements of the Texas Grant Management Standards. Because the schedule presents only a selected portion of the operations of the County, it is not intended and does not present the financial position, changes in net position/fund balance or cash flows of the County.

Summary of Significant Accounting Policies

Jackson County, Texas, accounts for state funding using the modified accrual method of accounting. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences, claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Equipment purchases for grant purposes are treated as expenditures in the Schedule of Expenditures of State Awards. State grant funds are considered to be earned to the extent of qualifying expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenue until earned. Generally, unused balances are returned to the grantor at the close of specified project periods.

JACKSON COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Summary of Auditor's 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

State 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 the Texas Grant Management Standards	No

Identification of major programs:

<u>State Grant Number</u>	<u>Name of State Program</u>
4388302	Operation Lone Star
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

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

None

Findings and Questioned Costs for State Awards

None

JACKSON COUNTY, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

None

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