

SMITH COUNTY, TEXAS



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023

COUNTY JUDGE – NEAL FRANKLIN

Members of the Commissioners Court:

Pam Frederick – Commissioner, Pct. #1
John Moore – Commissioner, Pct. #2
Terry Phillips – Commissioner, Pct. #3
Ralph Caraway, Sr. – Commissioner, Pct. #4

Prepared by the
SMITH COUNTY AUDITOR'S OFFICE
County Auditor – Ann Wilson, CPA, CIO

SMITH COUNTY, TEXAS
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023

TABLE OF CONTENTS

	<u>Exhibit or Schedule</u>	<u>Page(s)</u>
INTRODUCTORY SECTION		
Letter of Transmittal		i-v
GFOA Certificate of Achievement for Excellence in Financial Reporting		vi
Organizational Chart		vii
List of Principal Officials		viii
FINANCIAL SECTION		
Independent Auditors' Report		1-3
Management's Discussion and Analysis (Unaudited)		4-17
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	Exhibit 1	19
Statement of Activities	Exhibit 2	20
Fund Financial Statements:		
Balance Sheet – Governmental Funds	Exhibit 3	21
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Exhibit 1)	Exhibit 4	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	Exhibit 5	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Exhibit 2)	Exhibit 6	24
Statement of Net Position – Proprietary Funds	Exhibit 7	25
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	Exhibit 8	26
Statement of Cash Flows – Proprietary Funds	Exhibit 9	27
Statement of Fiduciary Net Position – Fiduciary Funds	Exhibit 10	28
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	Exhibit 11	29
Notes to the Basic Financial Statements		30-68
Required Supplementary Information:		
General Fund – Detailed Schedule of Revenues, Expenditures And Changes in Fund Balance – Budget and Actual	Schedule 1	71-73
Special Revenue Fund – Road and Bridge – Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	Schedule 2	74
Schedule of Changes in the County's Net Pension Liability and Related Ratios	Schedule 3	75
Schedule of Employer Contributions	Schedule 4	76
Schedule of Changes in the County's Net OPEB Liability and Related Ratios – Health Plan	Schedule 5	77
Schedule of Employer Contributions – Health Plan	Schedule 6	78
Schedule of Changes in the County's Net OPEB Liability and Related Ratios – Supplemental Death Benefits Plan	Schedule 7	79
Notes to Required Supplementary Information		80

SMITH COUNTY, TEXAS
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023

TABLE OF CONTENTS

		<u>Page(s)</u>
Additional Supplementary Information:		
Nonmajor Governmental Funds:		
Combining and Individual Funds Statements and Schedules:		
Combining Balance Sheet – Nonmajor Governmental Funds	Schedule 8	83-89
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances – Nonmajor Governmental Funds	Schedule 9	90-96
Detailed Schedules of Revenues, Expenditures and Changes in		
Fund Balances – Budget and Actual:		
County Law Library Fund	Schedule 10	98
District Clerk Records Preservation Fund	Schedule 11	99
County Clerk Records Preservation Fund	Schedule 12	100
Juvenile Delinquency Prevention Fund	Schedule 13	101
Courthouse Security Fund	Schedule 14	102
Justice Court Technology Fund	Schedule 15	103
County & District Court Technology Fund	Schedule 16	104
Juvenile General Fund	Schedule 17	105
Forfeiture Interest 10% Fund	Schedule 18	106
Workforce Investment Fund	Schedule 19	107
JAC Maintenance Fund	Schedule 20	108
Facility Improvement Fund	Schedule 21	109
Infrastructure Improvement Fund Series 2019	Schedule 22	110
Infrastructure Improvement Fund Series 2020	Schedule 23	111
Infrastructure Improvement Fund Series 2021	Schedule 24	112
Infrastructure Improvement Fund Series 2022	Schedule 25	113
Parking Garage Construction Fund Series 2023	Schedule 26	114
Courthouse Construction Fund Series 2023	Schedule 27	115
Debt Service Fund	Schedule 28	116
Internal Service Funds:		
Combining Statement of Net Position – Internal Service Funds	Schedule 29	118
Combining Statement of Revenues, Expenses and Changes in		
Net position – Internal Service Funds	Schedule 30	119
Combining Statement of Cash Flows – Internal Service Funds	Schedule 31	120
Fiduciary Funds:		
Combining Statement of Fiduciary Net Position – Fiduciary Funds	Schedule 32	122-124
Combining Statement of Changes in Net Position – Fiduciary Funds	Schedule 33	125-127
 STATISTICAL SECTION (UNAUDITED)		
Description of Statistical Section		129
Net Position by Component	Table 1	130
Changes in Net Position	Table 2	131
Fund Balances of Governmental Funds	Table 3	132
Changes in Fund Balances of Governmental Funds	Table 4	133
Governmental Activities Tax Revenues by Source	Table 5	134
Taxable Assessed Valuations by Category	Table 6	135-136
Property Tax Rates	Table 7	137
Principal Property Taxpayers	Table 8	138

SMITH COUNTY, TEXAS
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023

TABLE OF CONTENTS

		<u>Page(s)</u>
STATISTICAL SECTION (UNAUDITED) - Continued		
Property Tax Levies and Collections	Table 9	139
Ratios of Outstanding Debt by Type	Table 10	140
Ratios of Net General Bonded Debt Outstanding	Table 11	141
Computation of Direct and Overlapping Debt	Table 12	142
Legal Debt Margin Information	Table 13	143
Demographic and Economic Statistics	Table 14	144
Principle Employers	Table 15	145
Full-Time Equivalent County Government Employees by Function	Table 16	146
Operations Indicators by Function	Table 17	147
Capital Asset Statistics by Function	Table 18	148
 GOVERNMENTAL COMPLIANCE SECTION		
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		150-151
Independent Auditors' Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance		152-154
Schedule of Expenditures of Federal Awards		155
Notes to Schedule of Expenditures of Federal Awards		156
Schedule of Expenditures of State Awards		157
Notes to Schedule of Expenditures of State Awards		158
Schedule of Findings and Questioned Costs		159-160
Summary Schedule of Prior Audit Findings		161



INTRODUCTORY SECTION





COUNTY OF SMITH

THE COUNTY AUDITOR
200 E. FERGUSON, SUITE 407
TYLER, TEXAS 75702

Ann W. Wilson, CPA, CIO
County Auditor

(903) 590-4700
Fax (903) 590-4716

March 14, 2024

The Honorable Board of District Judges
Smith County Commissioners Court
Citizens of Smith County, Texas

The Annual Comprehensive Financial Report of Smith County, Texas for the fiscal year ending September 30, 2023 is submitted in accordance to the requirements of Chapters 114.025 of the Local Government Code.

This report consists of management's representations concerning the finances of Smith County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, Smith County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Smith County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, Smith County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe that to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Gollob Morgan Peddy PC, a firm of licensed certified public accountants has issued an unmodified (clean) opinion on Smith County's financial statements for the year ended September 30, 2023. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Smith County is part of the broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal

controls and legal requirements involving the administration of federal awards. These reports are included in a separate Single Audit report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Smith County's MD&A can be found immediately following the report of the independent auditors.

The financial section of this report also includes annually appropriated government-wide financial statements, fund financial statements, notes to the financial statement, required supplementary information and the combining and individual fund financial statements and schedules. The statistical section of the report includes selected financial and demographic information on a multi-year basis.

PROFILE OF SMITH COUNTY

The County of Smith was established in 1846 and is located in the north east section of the state. Smith County covers 932 square miles and serves a population of approximately 241,922. The City of Tyler is the county seat and Smith County's largest incorporated area with an estimated population of approximately 100,806 residents. Smith County also includes the Cities of Lindale, Whitehouse, Arp, Troup, Bullard, Winona, New Chapel Hill, Noonday, Overton, and Hide-a-way Lake.

Smith County is a political subdivision of the State of Texas. The governing body of the County is the Commissioners Court. The County Judge is the chairman of the court and the Commissioner from each of the four precincts are also members. Commissioners serve four year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four year term. The Court has only such powers as are conferred upon it by the Constitution and the statutes or by necessary implication there from.

The Commissioners Court sets the tax rates, establishes policies for county operations, approves contracts for the county and adopts the county budget within the resources as estimated by the County Auditor. The Commissioners Court is also responsible for approving financial commitments and appointments of various department officials. The management and leadership provided by members of the Commissioners Court and the elected and appointed officials of other key county offices is crucial to the success of Smith County in financial management and growth.

The County Auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County and "examining, auditing, and approving" all disbursements from County funds prior to their submission to the Commissioners Court for approval.

The County provides a full range of services as authorized by the Constitution and Statutes of the State of Texas. The primary functions include general government, justice system, law enforcement, juvenile service, public transportation, public health, human services, and debt service.

The annual budget process serves as the foundation of the County's planning and control. All departments are required to submit requests to the budget officer during a defined period each year. The budget officer uses these requests as the starting point for developing a proposed budget. The proposed budget is then presented to the Commissioners Court for review. The Commissioners Court is required to hold public hearings on the proposed budget. The County is required to adopt a final budget by the first day of the new fiscal year. The appropriated budget is prepared by fund, function, and department. All transfers of appropriations other than inter-departmental operating category transfers require Commissioners Court approval. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy – Smith County continues to be the home to many major industries, including manufacturing, health care and higher education. As of December 2023, Smith County reports an unemployment rate of 3.7% as compared to the national unemployment rate of 3.5% in December 2023 according to the US Bureau of Labor Statistics.

Smith County has ten public independent school districts and is home to Tyler Junior College, the University of Texas at Tyler, Texas College, and UT Health Northeast.

Smith County continues to experience strong growth in population and in its economic base. The population has grown by 13% since the 2010 census and 30% since the 2000 census.

LONG TERM FINANCIAL PLANNING

Smith County has adopted several financial management policies to provide guidelines to insure its long-term financial health. The general fund balance policy sets a minimum level of reserve funds in the general fund at 25% of current budgeted expenditures and discourages any dependence on reserves to balance the general fund budget. The debt management policy establishes guidelines for debt issuance, debt levels, appropriate types of debt to issue, and debt repayment schedules. The County remains in compliance with these policies. Smith County maintained a formal Capital Improvement Plan for 2023.

RELEVANT FINANCIAL POLICIES

Smith County's purchasing and gasoline policies set forth the procedures relating to the authorized use of county credit cards by county employees. The county is currently expanding operations and policies to include the use of P-cards to increase efficiency by eliminating the need for small dollar purchase orders, reducing the number of county checks written and eliminating unnecessary credit card accounts.

MAJOR INITIATIVES

Continued implementation of the facilities and transportation improvements as identified in the Capital Improvement Plan including a major priority on road reconstruction in the next several years beginning in FY19.

The major portion of the funding for the road reconstruction will come from the 2017 \$39.5M voter approved bond sale. The bonds were planned to be issued in three parts in 2018, 2019, and 2020 in increments of \$12M, \$12M and \$15.5M; however, with the current economic conditions, the 2020 series was issued at \$7.125M with the remaining authorized issuance of \$7.425M in 2021. Another voter approved bond sale occurred in 2021 for \$45M. The first series of this bonds was issued in 2022 for \$17.270M.

In November 2022, the voters approved a \$179M general obligation bond package for the purpose of constructing a new courthouse and parking garage. The bonds were issued in two series in the 2023 fiscal year.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Distinguished Budget Presentation Award to Smith County for its annual budget document dated October 1, 2022. This was the 19th consecutive year. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communications device.

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Smith County for the Comprehensive Annual Financial Report dated September 30, 2022. This was the 13th consecutive year Smith County has applied and received this award.

This report would not have been possible without the efficient and dedicated services of the entire staff of the Auditor's office and the audit team of Gollob Morgan Peddy PC. I would like to express my appreciation to all members of the department who contributed to the preparation of this report. In addition, I would like to thank the Commissioners Court and the District Judges for their interest and continued support and for the responsive and progressive manner in which they support the financial position and operations of the County. Also, my gratitude goes to all elected officials and employees concerning all matters related to the operation of this office during the past year and for their efforts toward improving County business.

Respectfully submitted,



Ann W. Wilson, CPA
Smith County Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Smith County
Texas**

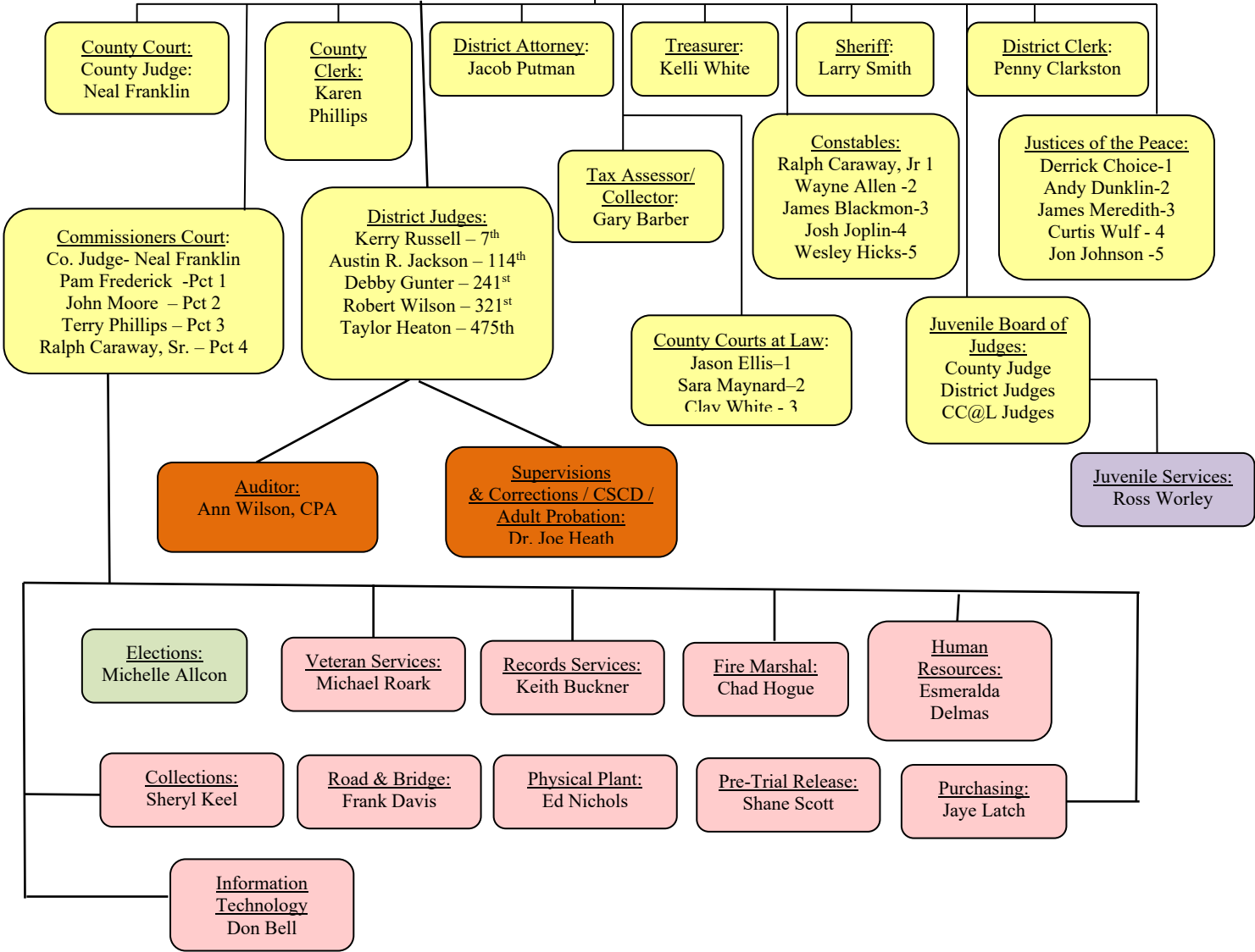
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

**Smith County
Citizens**



Appointed by State District Judges

Appointed by Commissioners Court

Elected Officials

Appointed by Juvenile Board

Appointed by Elections Board

SMITH COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2023

Commissioners Court

County Judge	Neal Franklin
Commissioner - Precinct #1	Pam Frederick
Commissioner - Precinct #2	John Moore
Commissioner - Precinct #3	Terry Phillips
Commissioner - Precinct #4	Ralph Caraway, Sr.

Judicial

County Court	Judge Neal Franklin
County Court at Law	Judge Jason Ellis
County Court at Law #2	Judge Sara Maynard
County Court at Law #3	Judge Clay White
7 th District Court	Judge Kerry Russell
114 th District Court	Judge Austin R. Jackson
241 st District Court	Judge Debby Gunter
321 st District Court	Judge Robert Wilson
475 th District Court	Judge Taylor Heaton

County & Precinct Officials

Constable - Precinct #1	Ralph Caraway, Jr.
Constable - Precinct #2	Wayne Allen
Constable - Precinct #3	Jimmie Blackmon
Constable - Precinct #4	Josh Joplin
Constable - Precinct #5	Wesley Hicks
County Clerk	Karen Phillips
District Attorney	Jacob Putman
District Clerk	Penny Clarkston
Elections/Voter Registration	Michelle Allcon
Justice of the Peace - Pct. #1	Judge Derrick Choice
Justice of the Peace - Pct. #2	Judge Andy Dunklin
Justice of the Peace - Pct. #3	Judge James Meredith
Justice of the Peace - Pct. #4	Judge Curtis Wulf
Justice of the Peace - Pct. #5	Judge Jon Johnson
Sheriff	Larry Smith
Tax Assessor-Collector	Gary Barber
County Treasurer	Kelli White
Adult Probation	Janet Fugler
County Auditor	Ann W. Wilson, CPA
Juvenile Services	Ross Worley
Purchasing	Jaye Latch



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Commissioners' Court of Smith County
Tyler, Texas

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Smith County, Texas, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Smith 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 Smith County, Texas 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

Smith County, Texas' 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 Smith County, Texas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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, 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 Smith County, Texas' 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 Smith County, Texas' 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 (MD&A) on pages 4–17; the budgetary comparison information contained in Schedules 1, and 2 on pages 71–74; the Schedule of Changes in the County's Net Pension Liability and Related Ratios on page 75; the Schedule of Employer Contributions on page 76; the Schedule of Changes in the County's OPEB Liability and Related Ratios – Health Plan on page 77, the Schedule of Employer Contributions – Health Plan on page 78, the Schedule of Changes in the County's Net OPEB Liability – Supplemental Death Benefits Plan on page 79 and the Notes to Required Supplementary Information on page 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Smith County, Texas' basic financial statements. The introductory section, additional supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of Texas *Uniform Grant Management Standards* are also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2024, on our consideration of Smith County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Smith County, Texas' internal control over financial reporting and compliance.

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
March 14, 2024

SMITH COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the County of Smith's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2023. The MD&A should be read in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements. The discussion and analysis includes comparative data for prior years of government-wide data.

FINANCIAL HIGHLIGHTS

Smith County's total government-wide assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$144,036,689 at the close of the fiscal year ending September 30, 2023. This is an increase of \$32,008,715 from the previous year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$112,027,974.

Total net position of the primary government is comprised of the following:

- Net investment in capital assets of \$99,038,835 includes land, improvements, buildings, infrastructure, intangible assets, construction in progress, and other capital assets, net of accumulated depreciation, and is reduced by outstanding debt, net of unspent proceeds, related to the purchase or construction of capital assets.
- Of the total net position, \$16,407,896 is restricted by constraints imposed from outside the County such as debt obligations, laws, and regulations.
- Unrestricted net position is \$28,859,958.
- As of September 30, 2023, Smith County governmental funds reported combined fund balances of \$275,483,047. This reflects an increase of \$172,238,819 from the previous fiscal year that is primarily due to the issuance of the voter approved tax and revenue bonds for the construction of a parking structure and new courthouse. The current year total consists of a combined nonspendable fund balance of \$673,209, restricted fund balance of \$199,149,998, committed fund balance of \$25,718,629, and unassigned fund balance of \$49,941,211 for fiscal year 2023.
- The general fund is used to account for the general operations of the county. At the end of the fiscal year, the nonspendable fund balance was \$629,098 and the unassigned fund balance was \$50,288,014.
- The Road & Bridge Fund is used to account for construction, maintenance, repair or operation of roads, streets, highways, or other related facilities. The committed fund balance for the Road & Bridge Fund at fiscal year end was \$18,826,574 and the nonspendable fund balance was \$35,187.

- The nonmajor governmental funds had a combined total fund balance at September 30, 2023 of \$48,144,741. Of that amount, \$8,924 is nonspendable, \$6,892,055 is committed, a negative \$346,803 is unassigned and \$41,590,565 is restricted.
- In fiscal year 2023, the County issued tax and revenue bonds in the amount of \$170,505,000.
- Smith County's general obligation debt increased by \$164,385,000. Total general obligation debt at the end of fiscal year 2023 is \$215,660,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to introduce the reader to the County's basic financial statements. These statements are comprised of three components 1) Government-wide financial statements; 2) Fund financial statements, and 3) Notes to the basic financial statements. Required supplementary information is included in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of Smith County's finances, in a manner similar to a private-sector business. They include a *Statement of Net Position* and a *Statement of Activities*. Both of these statements are presented using the accrual method of accounting; therefore, revenues and expenses are taken into account regardless of when cash is received or when liabilities are paid.

The *Statement of Net Position* presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources for Smith County. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Smith County is improving or deteriorating. There are other non-financial factors, such as changes in the County's property tax base and the condition of the County's roads and facilities that should be considered to assess the overall health of the County.

The *Statement of Activities* presents information showing how Smith County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Due to a full accrual presentation, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of Smith County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Smith County include general government, judicial, public safety/law enforcement, health and welfare, public transportation, and community and economic development. The County has no business-type activities and no component units.

Fund Financial Statements are groupings of related accounts that are used to maintain control

over resources that have been segregated for specific activities or objectives. Smith County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of Smith County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Road & Bridge Fund, and Other Governmental Funds. Data from other governmental funds is combined into a single, aggregated presentation.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund (a component of proprietary funds) is used to report activities that provide supplies and services for other programs and activities, such as the County's self-insurance program. Because these services predominantly benefit governmental rather than business-type functions, the Internal Service Fund is reported with governmental activities in the government-wide financial statements.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Smith County's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

Required Supplementary Information is in addition to the basic financial statements and accompanying notes and presents a budgetary comparison schedule, which includes the original and final amended budget and actual figures.

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 the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$144,036,689 for fiscal year 2023 and \$112,027,974 for fiscal year 2022. Revenues exceeded expenses during the current year, increasing net position by \$32,008,715.

Smith County Net Position

The County's net position for the fiscal years ended September 30, 2022 and 2023 are summarized as follows:

	Governmental Activities FY22	Governmental Activities FY23
Current & Other Assets	\$ 166,038,809	\$ 322,641,933
Capital Assets (net of depreciation)	114,460,308	140,664,353
<i>Total Assets</i>	\$ 280,499,117	\$ 463,306,286
Deferred Outflows of Resources		
Deferred Charge on TCDRS Pension & OPEB	\$ 10,045,154	\$ 32,300,911
	\$ 10,045,154	\$ 32,300,911
Current & Other Liabilities	\$ 43,443,900	\$ 47,795,939
Long-term Liabilities	98,934,964	272,465,793
<i>Total Liabilities</i>	\$ 142,378,864	\$ 320,261,732
Deferred Inflows of Resources		
Deferred Charge on TCDRS Pension & OPEB	\$ 36,137,433	\$ 31,308,776
	\$ 36,137,433	\$ 31,308,776
Net Position:		
Net Investment in Capital Assets	\$ 84,735,514	\$ 99,038,835
Restricted	13,912,699	16,407,896
Unrestricted	13,379,761	28,589,958
<i>Total Net Position</i>	\$ 112,027,974	\$ 144,036,689

The largest portion of the County's current fiscal year net position, \$99,038,835 is invested in capital assets (e.g. land, improvements, buildings, equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The primary use of these capital assets is to provide services to citizens; therefore, these assets are not available for future spending. Although the County's 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. Another balance of net position represents resources that are subject to external restriction on how they may be used. Restrictions include \$5,936,800 for records management, \$1,254,763 for courthouse security and \$9,216,333 for other purposes. The remaining portion of the net position is unrestricted net position, which is \$28,589,958.

The County's net position increased by \$32,008,715 during the current fiscal year. Key components of the increase include the following:

- Unrestricted net position increased as a result of strong revenue collections and trends, and moderating levels of expenses for several key areas.
- Capital assets increased by \$26,204,045 as the County continued implementing its adopted capital improvement plan. The County made significant improvements to county buildings and infrastructure in 2023 and the Parking Structure project is under way.
- Governmental Accounting Standards Board Statement 68 required that the County recognize its net pension liability as a long-term liability.

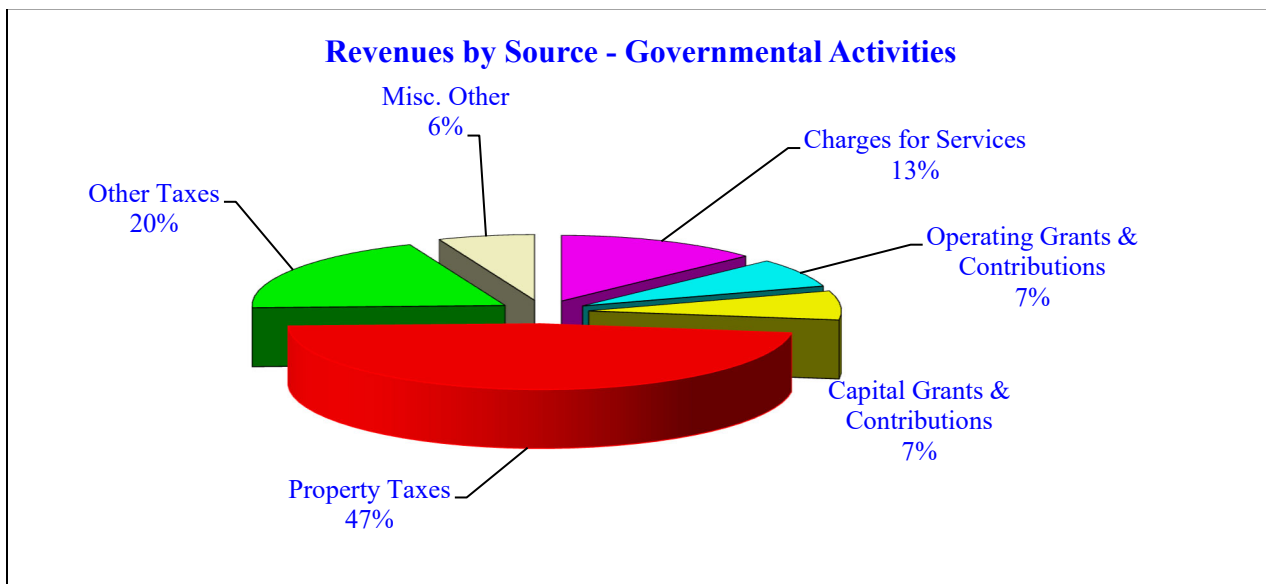
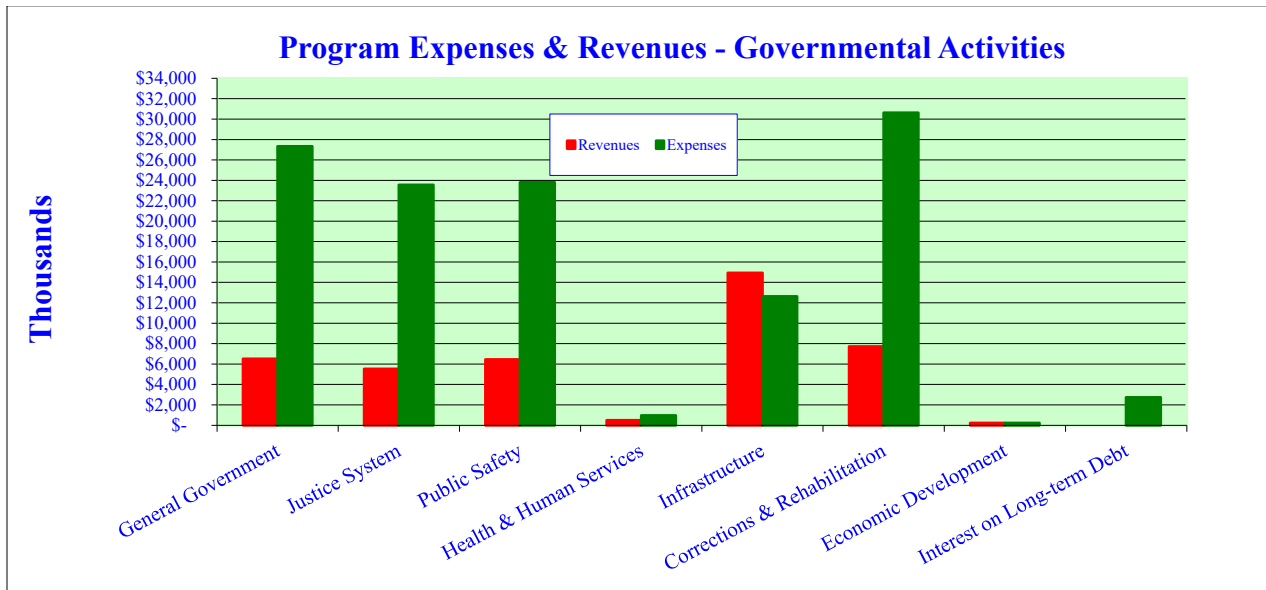
Governmental Activities

Governmental activities increased Smith County's net position by \$32,008,715.

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

Smith County's Changes in Net Position

	<u>Governmental Activities 2022</u>	<u>Governmental Activities 2023</u>
Net Program Revenues:		
Charges for Services	\$ 19,086,010	\$ 20,006,499
Operating Grants & Contributions	8,072,052	10,909,444
Capital Grants & Contributions	10,350,803	10,939,520
General Revenues:		
Property Taxes	65,085,868	72,698,640
Sales & Other Taxes	28,366,684	29,835,293
Rentals & Commissions		
Reimbursements		
Miscellaneous	176,821	180,880
Gain (Loss) in Sale of Assets	(10,284)	101,095
Proceeds from leases	351,879	185,386
Proceeds from SBITAs		1,384,154
Interest	1,363,603	7,620,466
Total Revenues	<u>\$ 132,843,436</u>	<u>\$ 153,861,377</u>
<i>Expenses:</i>		
General Government	\$ 24,748,638	\$ 27,336,696
Justice System	20,559,327	23,550,551
Public Safety	20,147,187	23,801,747
Health & Human Services	3,503,083	961,835
Conservation		
Infrastructure	11,555,874	12,623,330
Corrections & Rehabilitation	29,613,043	30,623,047
Community & Economic Development	300,382	226,618
Interest on Long-term Debt	913,115	2,728,838
Total Expenses	<u>\$ 111,340,649</u>	<u>\$ 121,852,662</u>
Change in Net Position	\$ 21,502,787	\$ 32,008,715
Net Position - Beginning	90,525,187	112,027,974
Prior Period Adjustment	-	-
Net Position - Ending	<u>\$ 112,027,974</u>	<u>\$ 144,036,689</u>



Key elements of the analysis of government-wide revenues and expenses reflect the following:

- ❖ Program revenues of \$41,855,463 equaled 34% of governmental expenses of \$121,852,662. As expected, general revenues of \$112,005,914 and fund balance provided the additional support and coverage for expenses.
- ❖ Approximately 25% of the expenses are for Corrections & Rehabilitation (\$30,623,047) while this category provided about 5% of the total revenues of \$153,865,624.
- ❖ The next largest category of expenses is General Government (\$27,336,696) at 22%. General Government expense increases are primarily due to increases in salaries and benefits.

- ❖ Judicial activities accounted for 20% of governmental expenses while the category provided 4% of total revenues.
- ❖ Public Safety activities accounted for 20% of governmental expenses while this category provided 4% of total revenues.
- ❖ Infrastructure (Road & Bridge) accounted for 10% of governmental expenses while this category provided 10% of total revenues.
- ❖ Grant revenues and contributions comprised about 14% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Fund accounting and budget controls provide the framework for the County's strong fiscal management and accountability. The County has an AA2/AA+ bond rating.

Governmental Funds - The general government functions are reported in the General, Special Revenue, Debt Service, and Capital Project Funds. The focus of Smith County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Smith County's annual financing and budgeting requirements. In particular, unreserved 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, the County's governmental funds reported combined ending fund balances of \$275,483,047. Approximately \$199,149,998 or 72% are restricted; \$25,718,629 or 9% are committed; \$49,941,211 or 18% are unassigned and \$673,209 are non-spendable.

Smith County's General Fund is the primary operating fund of the County. At the end of the current fiscal year, the fund balance in the County's General Fund was \$50,917,112. As a measure of the general fund's liquidity, we compare the fund balance to the total fund expenditures and other financing uses. The fund balance in the County's general fund represents approximately 58% of the County's general fund expenditures and other financing uses. The minimum general fund budgetary target for reserves is 25% of expenditures. The fund balance of the County's general fund decreased by \$1,647,227 during the current fiscal year. The decrease was attributable to a planned draw down by transferring unrestricted funds from the general fund to the Road & Bridge Fund to supplement infrastructure construction costs in excess of bond proceeds.

The road & bridge fund accounts for monies designated for the acquisition, construction and maintenance of county roads & bridges. The fund has a total fund balance of \$18,861,761 all of which is committed by the Commissioners Court. The fund balance increased by \$13,826,952 from the previous year which included \$11M as the planned draw down of the General Fund unrestricted fund balance as referenced above.

Fiscal year 2023 also included the issuance of voter approved bonds for the construction of a new parking facility in the amount of \$18,170,000 and a new courthouse issuance in the amount of \$152,335,000.

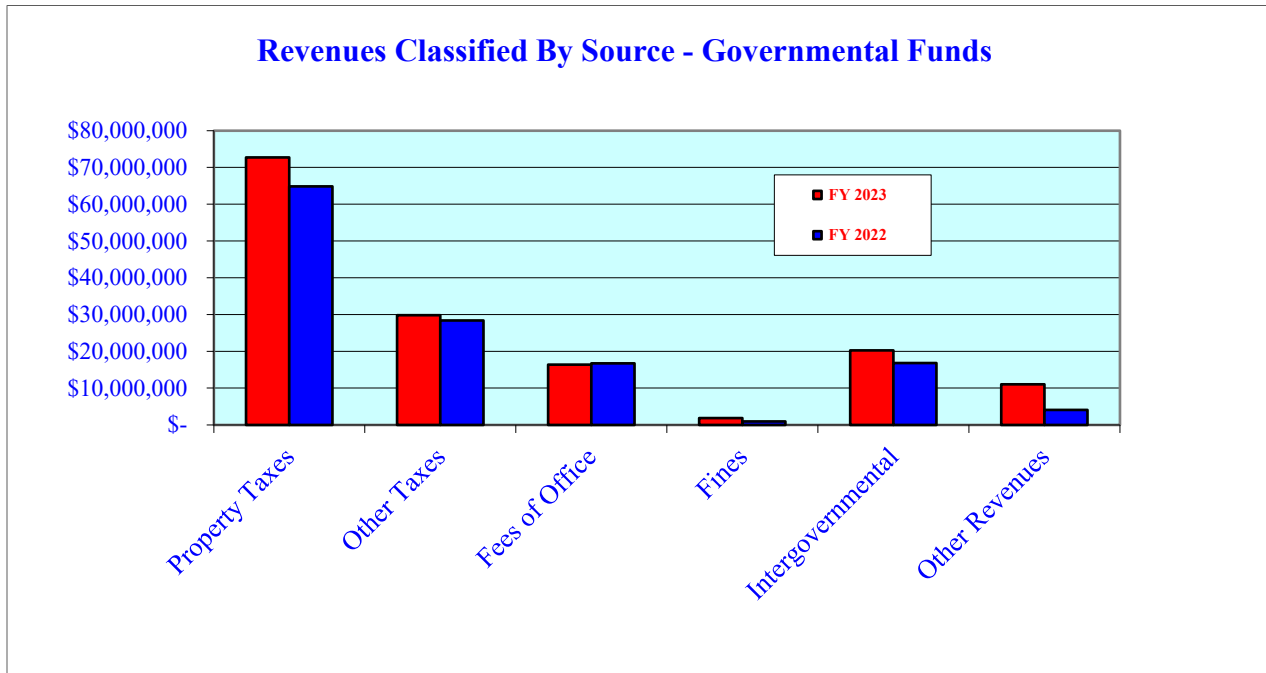
The Infrastructure Improvement Funds are used to account for the construction costs associated with the general obligation bonds issued in FY19, FY20, FY21 and FY22 for road & bridge improvements. Complete details about the status of road and bridge projects and resource documents can be found at <https://www.smith-county.com/i-want-to/view/county-road-projects>.

The debt service fund has a total fund balance of \$598,638, an increase of \$284,313 as compared with the prior year.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

Governmental Funds - Revenues Classified by Source

Revenues by Source	FY 2023	FY 2022	Increase (Decrease)	Percent of Change
Property Taxes	\$ 72,695,757	\$ 64,854,155	\$ 7,841,602	12.09%
Other Taxes	29,835,293	28,366,684	1,468,609	5.18%
Fees of Office	16,357,990	16,713,340	(355,350)	-2.13%
Fines	1,856,332	901,161	955,171	105.99%
Intergovernmental	20,222,636	16,795,611	3,427,025	20.40%
Other Revenues	11,010,929	4,065,884	6,945,045	170.81%
Total Revenues	\$ 151,978,937	\$ 131,696,835	\$ 20,282,102	15.40%



- Property Taxes - the increase of \$7,841,602 was primarily due to issuance of new debt and an increase in taxable values and new construction. Smith County had a 15.6% increase in the Net Taxable Value over the previous year.

- Other Taxes – the increase of \$1,468,609 is primarily due to sales tax revenue increases from the previous year and increased mixed beverage tax collections.
- Fees of Office & Fines - are impacted by the volume and flow of cases, as well as collection efforts. The county is stabilizing from the decrease in revenue attributed to effects of COVID-19 on the judicial proceedings and the addition of new district court.
- The change in Intergovernmental Revenue is attributed mostly to the State and Federal funding received for COVID-19 Relief.

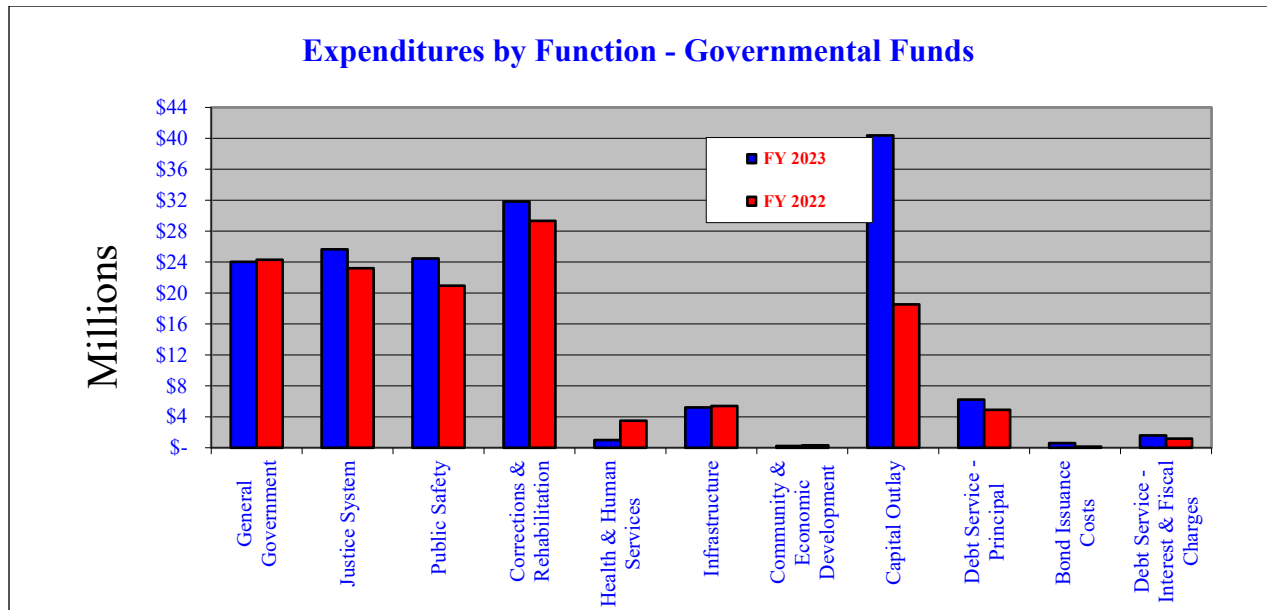
The following table presents expenditure by function compared to prior year amounts.

Expenditures by Function - Governmental Funds

Expenditures by Function	FY 2023	FY 2022	Increase (Decrease)	Percent of Change
General Government	\$ 24,038,120	\$ 24,306,109	\$ (267,989)	-1.10%
Justice System	25,651,067	23,201,277	2,449,790	10.56%
Public Safety	24,464,786	20,947,527	3,517,259	16.79%
Corrections & Rehabilitation	31,822,335	29,319,416	2,502,919	8.54%
Health & Human Services	988,570	3,495,664	(2,507,094)	-71.72%
Infrastructure	5,208,334	5,393,425	(185,091)	-3.43%
Community & Economic Development	226,618	300,382	(73,764)	-24.56%
Capital Outlay	40,365,158	18,519,149	21,846,009	117.96%
Debt Service - Principal	6,220,547	4,890,290	1,330,257	27.20%
Bond Issuance Costs	591,288	136,250	455,038	333.97%
Debt Service - Interest & Fiscal Charges	1,582,052	1,175,506	406,546	34.58%
	<u>\$ 161,158,875</u>	<u>\$ 131,684,995</u>	<u>\$ 29,473,880</u>	<u>22.38%</u>

Overall, total expenditures increased by approximately 22.38%. The increase in expenditures in General Government, Public Safety & the Justice System are primarily due to the wage increases necessary for employee retention during this inflationary period and the start-up costs for an additional district court. The additions in capital outlay are attributed to the increase of the voter approved capital projects. The decreases in expenditures from the previous fiscal year for Health & Human Services are indicative of the slowing down of expenditures due to COVID related activities.

OPERATING FUNDS - BUDGETARY HIGHLIGHTS



The budget is prepared in accordance with accounting principles generally accepted in the United States of America by the County Budget Officer and approved by the Commissioners Court following a public hearing. Appropriated budgets are approved and employed as a management control device during the year. The County maintains strict budgetary controls and sets its appropriations at the category level (i.e. salaries, benefits, operating expenses, and capital) for each department. Appropriation transfers may be made between select categories or departments only with the approval of the Commissioners Court.

The following are significant variations between the final budget and actual amounts in the general fund.

Actual general fund revenues were higher than budgeted by \$5,898,119 primarily due to the continued growth from sales tax revenue in Smith County.

Actual expenditures were 94% of the amended budget. Operational savings from budgeted amounts were primarily from salary lag and unused contingency funds.

DEBT ADMINISTRATION AND CAPITAL ASSETS

Long-term Debt - At September 30, 2023, Smith County had voter approved general obligation and tax & revenue bonds outstanding in the amount of \$215,660,000. The County's bond rating is AA2 from Moody's and AA+ from Standard and Poor's. In compliance with Governmental Accounting Standards Board (GASB) Statement 45, Smith County began reporting the Other Post Employment Benefit (OPEB) obligation in FY09.

The following represents the activity of the long-term debt of the County for FY2023.

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
General Obligation Bonds	\$ 51,275,000	\$ -	\$ 6,120,000	\$ 45,155,000
Tax & Revenue Bonds	-	170,505,000	-	170,505,000
Bond Premium, Net	2,460,338	9,089,505	431,687	11,118,156
Total Bonds Payable	53,735,338	179,594,505	6,551,687	226,778,156
Compensated Absences	4,763,478	5,045,073	5,293,662	4,514,889
Net OPEB Liability	40,121,260	-	9,274,478	30,846,782
Net Pension Liability	-	17,330,915	-	17,330,915
Financed Purchases	100,547	-	100,547	-
Lease Liability	214,341	181,422	128,952	266,811
SBITA Liability	658,267	918,951	254,564	1,322,654
Total	\$ 99,593,231	\$ 203,070,866	\$21,603,890	\$ 281,060,207

Additional information on the County's long-term debt can be found in note VIII of this report.

Capital Assets - The capital assets of Smith County are those assets (land, buildings, improvements, roads & bridges, and machinery & equipment), which are used in the performance of the County's functions including infrastructure assets. At September 30, 2023, net capital assets of the governmental activities totaled \$140,664,353. Depreciation on capital assets is recognized in the Government-wide financial statements.

Smith County's Capital Assets

	Cost	Accumulated Depreciation	Net Capital Assets
Governmental Activities:			
Capital Assets not depreciated:			
Land	\$ 3,927,000	\$ -	\$ 3,927,000
Construction in Progress	7,180,807	-	7,180,807
Infrastructure in Progress	1,239,688	-	1,239,688
<i>Total Not Being Depreciated</i>	<u>\$ 12,347,495</u>	<u>\$ -</u>	<u>\$ 12,347,495</u>
Capital Assets being depreciated:			
Buildings & Improvements	\$ 99,477,258	\$ 54,207,102	\$ 45,270,156
Machinery & Equipment	42,780,670	35,392,108	7,388,562
Infrastructure	165,501,394	91,519,042	73,982,352
Right of Use Assets - Leases	413,945	146,954	266,991
Right of Use Assets - SBITAs	2,041,622	632,825	1,408,797
<i>Total Capital Assets being Depreciated</i>	<u>\$ 310,214,889</u>	<u>\$ 181,898,031</u>	<u>\$ 128,316,858</u>
Total Capital Assets, Net			<u><u>\$ 140,664,353</u></u>

Additional information on the County's capital assets can be found in note VI of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The annual budget is developed to provide efficient and economic uses of Smith County's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities.

In considering the Smith County budget for FY2024, the County Commissioners and management considered the following factors:

- Property tax revenues are budgeted to slightly increase in FY24 due to continued growth in both value and new construction and the increase in the debt service rate due to the new debt issuances.
- Revenues were estimated with the usual conservative approach but adjusted to recognize continued growth in sales tax.
- Interest rates have increased and adjusted to reflect current economic conditions.

PENSION AND OTHER POST EMPLOYMENT BENEFIT PLANS

The County is committed to fund pensions and retiree healthcare that is fair to both employees and taxpayers and can be sustained over the long term.

Effective for the fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* created specific reporting requirements for pensions that are different than those used for funding purposes. Both valuations are important as the reporting valuation provides a standard measure that can be used to compare pension liabilities to other governments and the funding valuation includes strategies for repaying any unfunded actuarial accrued liabilities. During the year ended September 30, 2023, due primarily to favorable market conditions in the 2022 calendar year, the pension plan's net position was a net asset. In prior years, the net position had been a liability. For more information, see Note XII-Defined Benefit Pension Plan.

The County provides retirement benefits through the statewide Texas County and District Retirement System (TCDRS). TCDRS is governed by a Texas state statute which requires the County to contribute the annually determined contribution rate or modify plan benefits.

The Required Supplemental Information (RSI) section contains a schedule regarding the changes in net pension liability and related ratios, which is based on reporting valuation and a schedule of contributions which is based on the funding valuation. Effective for the fiscal year 2018, GASB Statement No. 75 *Accounting for Postemployment Benefits Other than Pensions* implemented similar requirements to GASB 68 for Post-Employment Plans (OPEB) other than pensions. As a result, the County has included schedules for its Health and Supplemental Death Benefit Plans that include similar information to its pension schedules.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and investors 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 any additional financial information, contact the appropriate financial office (County Auditor, County Treasurer or County Judge) at 200 E. Ferguson St., Tyler, Texas 75702 or visit the County's website at www.smith-county.com.



BASIC FINANCIAL STATEMENTS

**SMITH COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

EXHIBIT 1

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 266,567,782
Investments	41,173,785
Receivables (net of allowance for doubtful accounts)	11,821,773
Investment in joint venture	2,405,384
Prepays and other assets	673,209
Capital assets (net of accumulated depreciation):	
Land	3,927,000
Buildings	15,402,957
Improvements	29,867,200
Machinery and equipment	7,388,562
Construction and infrastructure in progress	8,420,495
Infrastructure	73,982,352
Lease right of use assets	266,991
SBITA assets	1,408,796
Total Assets	463,306,286
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on TCDRS pension	31,987,227
Deferred charge on OPEB	313,684
Total Deferred Outflows of Resources	32,300,911
LIABILITIES	
Vouchers payable	8,777,403
Salaries payable	2,533,829
Unearned revenues	26,662,608
Accrued interest payable	1,227,685
Long-term debt:	
Portion due or payable within one year:	
Compensated absences	3,206,511
Lease liability	83,795
SBITA liability	709,108
Bonds payable	4,595,000
Portion due or payable after one year:	
Compensated absences	1,308,378
Lease liability	183,016
SBITA liability	613,546
Bonds payable	222,183,156
Net pension liability	17,330,915
Other post employment benefit liability	30,846,782
Total Liabilities	320,261,732
DEFERRED INFLOWS OF RESOURCES	
Deferred charge on TCDRS pension	20,679,421
Deferred charge on OPEB	10,482,706
Deferred inflows from leases	146,649
Total Deferred Inflows of Resources	31,308,776
NET POSITION	
Net investment in capital assets	99,038,835
Restricted for:	
Records preservation	5,936,800
Law enforcement purposes	1,478,559
Adult probation	2,476,166
Juvenile services	959,241
Inmates	698,122
Courthouse security	1,254,763
Technology	438,319
Public services	13,236
Judicial support	436,220
COVID Relief	2,117,832
Debt service	598,638
Unrestricted	28,589,958
Total Net Position	\$ 144,036,689

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

EXHIBIT 2

SMITH COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Primary Government:					PRIMARY GOVERNMENT
Governmental activities:					
General government	\$ 27,336,696	\$ 5,710,902	\$ 805,887	\$ -	\$ (20,819,907)
Justice system	23,550,551	5,065,081	455,198	-	(18,030,272)
Public safety	23,801,747	1,175,865	5,240,960	27,619	(17,357,303)
Corrections and rehabilitation	30,623,047	4,033,766	3,691,649	-	(22,897,632)
Health and human services	961,835	-	489,132	-	(472,703)
Infrastructure	12,623,330	4,020,885	-	10,911,901	2,309,456
Community and economic development	226,618	-	226,618	-	-
Interest on long-term debt	2,728,838	-	-	-	(2,728,838)
Total primary government	\$ 121,852,662	\$ 20,006,499	\$ 10,909,444	\$ 10,939,520	\$ (79,997,199)
General revenues:					
Property taxes					\$ 72,698,640
Sales taxes					28,942,684
Other taxes					892,609
Miscellaneous					180,880
Gain on sale of assets					101,095
Proceeds from leases					185,386
Proceeds from SBITAs					1,384,154
Interest earned					7,620,466
Total general revenues					112,005,914
Change in net position					32,008,715
Net position - beginning of year					112,027,974
Net position - end of year					\$ 144,036,689

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

SMITH COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	COVID 19 RELIEF GRANTS	COURTHOUSE CONSTRUCTION SERIES 2023	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and cash equivalents	\$ 18,729,050	\$ 15,525,873	\$ 29,673,579	\$ 161,092,129	\$ 40,730,594	\$ 265,751,225
Investments	25,425,340	3,452,097	-	-	9,043,262	37,920,699
Receivables:						
Property taxes	2,625,325	461,658	-	-	497,656	3,584,639
Other	5,710,771	267,311	-	-	1,645,805	7,623,887
Prepaid and other assets	629,098	35,187	-	-	8,924	673,209
Due from other funds	5,282,230	-	-	-	-	5,282,230
Total assets	\$ 58,401,814	\$ 19,742,126	\$ 29,673,579	\$ 161,092,129	\$ 51,926,241	\$ 320,835,889
LIABILITIES						
Vouchers payable	\$ 2,786,502	\$ 329,200	\$ 893,139	\$ 1,650,528	\$ 1,862,945	\$ 7,522,314
Salaries payable	2,234,144	123,920	-	-	175,765	2,533,829
Unearned revenue	-	-	26,662,608	-	-	26,662,608
Due to other funds	-	-	-	4,000,000	1,282,230	5,282,230
Total liabilities	5,020,646	453,120	27,555,747	5,650,528	3,320,940	42,000,981
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	2,429,627	427,245	-	-	460,560	3,317,432
Unavailable revenue-leases	34,429	-	-	-	-	34,429
Total Deferred Inflows of Resources	2,464,056	427,245	-	-	460,560	3,351,861
FUND BALANCES						
Nonspendable:						
Prepays	629,098	35,187	-	-	8,924	673,209
Restricted for:						
Judicial support	-	-	-	-	436,220	436,220
Records preservation	-	-	-	-	5,936,800	5,936,800
Courthouse security	-	-	-	-	1,254,763	1,254,763
Law enforcement purposes	-	-	-	-	1,478,559	1,478,559
Adult probation	-	-	-	-	2,476,166	2,476,166
Juvenile services	-	-	-	-	959,241	959,241
Covid relief	-	-	2,117,832	-	-	2,117,832
Technology	-	-	-	-	438,319	438,319
Public services	-	-	-	-	13,236	13,236
Inmates	-	-	-	-	698,122	698,122
Capital projects	-	-	-	155,441,601	27,300,501	182,742,102
Debt service	-	-	-	-	598,638	598,638
Committed to:						
Juvenile services	-	-	-	-	1,100,409	1,100,409
Workforce development	-	-	-	-	112,980	112,980
Major building repairs	-	-	-	-	1,214,971	1,214,971
Elections department	-	-	-	-	110,200	110,200
Capital projects	-	-	-	-	4,353,495	4,353,495
Road maintenance	-	18,826,574	-	-	-	18,826,574
Unassigned	50,288,014	-	-	-	(346,803)	49,941,211
Total fund balances	50,917,112	18,861,761	2,117,832	155,441,601	48,144,741	275,483,047
Total liabilities, deferred inflows of resources, and fund balances	\$ 58,401,814	\$ 19,742,126	\$ 29,673,579	\$ 161,092,129	\$ 51,926,241	\$ 320,835,889

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

EXHIBIT 4

SMITH COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION (EXHIBIT 1)
SEPTEMBER 30, 2023

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances governmental funds (Exhibit 3)	\$ 275,483,047
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds balance sheet.	140,664,353
Equity in an affiliated joint venture is included in governmental activities in the statement of net position.	2,405,384
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds balance sheet.	2,395,171
Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in governmental funds balance sheet.	(1,227,685)
Internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	4,237,842
Net other post employment benefit liability in governmental activities does not require current financial resources and therefore are not reported in the governmental funds balance sheet.	(48,177,696)
Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	(232,882,511)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position as well as the differences between expected and actual experience and the net difference between projected and actual earnings.	31,987,227
Differences between expected and actual pension experience are deferred inflows on the Statement of Net Position	(20,679,421)
Contributions to the OPEB plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position as well as the differences between expected and actual experience and the net difference between projected and actual earnings.	313,684
Differences between expected and actual OPEB experience are deferred inflows on the Statement of Net Position	(10,482,706)
Net position of governmental activities	<u>\$ 144,036,689</u>

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

SMITH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	COVID 19 RELIEF GRANTS	COURTHOUSE CONSTRUCTION SERIES 2023	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Property taxes	\$ 53,358,521	\$ 9,302,359	\$ -	\$ -	\$ 10,034,877	\$ 72,695,757
Licenses and other taxes	29,835,293	-	-	-	-	29,835,293
Fees of office	8,688,708	2,961,091	-	-	4,708,191	16,357,990
Fines	1,353,212	503,120	-	-	-	1,856,332
Intergovernmental revenues	1,355,899	77,972	10,802,596	-	7,986,169	20,222,636
Other revenues and fees	5,146,092	556,674	1,648,316	263,633	3,396,214	11,010,929
Total revenues	99,737,725	13,401,216	12,450,912	263,633	26,125,451	151,978,937
EXPENDITURES						
Current:						
General government	19,090,682	-	3,934,209	-	1,013,229	24,038,120
Justice system	19,544,151	-	-	-	6,106,916	25,651,067
Public safety	20,167,438	-	-	-	4,297,348	24,464,786
Corrections and rehabilitation	25,497,675	-	-	-	6,324,660	31,822,335
Health and human services	961,797	-	-	-	26,773	988,570
Infrastructure and environmental	-	5,208,334	-	-	-	5,208,334
Community and economic development	-	-	-	-	226,618	226,618
Capital outlay	2,532,800	5,418,603	6,877,195	4,822,032	20,714,528	40,365,158
Debt service:						
Principal retirement	100,547	-	-	-	6,120,000	6,220,547
Bond issuance costs	-	-	-	442,000	149,288	591,288
Interest and fiscal charges	3,449	-	-	-	1,578,603	1,582,052
Total expenditures	87,898,539	10,626,937	10,811,404	5,264,032	46,557,963	161,158,875
Excess (deficiency) of revenues over (under) expenditures	11,839,186	2,774,279	1,639,508	(5,000,399)	(20,432,512)	(9,179,938)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	152,335,000	18,170,000	170,505,000
Bond premium	-	-	-	8,107,000	979,288	9,086,288
Proceeds from leases	185,386	-	-	-	-	185,386
Proceeds from SBITAs	1,384,154	-	-	-	-	1,384,154
Sale of equipment	84,344	51,690	-	-	-	136,034
Insurance proceeds	116,665	983	-	-	4,247	121,895
Transfers in	843,038	11,000,000	-	-	5,205,672	17,048,710
Transfers (out)	(16,100,000)	-	(843,038)	-	(105,672)	(17,048,710)
Total other financing sources (uses)	(13,486,413)	11,052,673	(843,038)	160,442,000	24,253,535	181,418,757
Net change in fund balances	(1,647,227)	13,826,952	796,470	155,441,601	3,821,023	172,238,819
Fund balances - beginning of year, restated	52,564,339	5,034,809	1,321,362	-	44,323,718	103,244,228
Fund balances - end of year	50,917,112	18,861,761	2,117,832	155,441,601	48,144,741	275,483,047

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

EXHIBIT 6

SMITH COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (EXHIBIT 2)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds	\$ 172,238,819
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation in the current period was less than capital outlay for County owned assets.	24,777,968
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(34,939)
The net increase of the equity in investment in an affiliated joint venture is reflected on the statement of activities.	90,244
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	2,883
Governmental funds report all payments to other post employment benefits as expenditures. However, in the government-wide statement of activities the actuarial annually required contribution is considered an expense. Any deficit amount is considered a liability. Change in net other post employment benefits liability.	9,867,146
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(172,942,271)
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds. This amount reflects the change in the accrued liability for compensated absences and change in pension expense as a result of GASB 68.	976,555
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as an expenditure in governmental funds.	(1,073,077)
Internal service fund is used by management to charge the costs of health insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities.	<u>(1,894,612)</u>
Change in net position of governmental activities	<u>\$ 32,008,716</u>

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

**SMITH COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023**

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash	\$ 816,557
Investments	3,253,086
Accounts receivable	1,423,288
Total Current Assets	5,492,931
 LIABILITIES	
Current Liabilities:	
Vouchers payable	1,255,089
Total Current Liabilities	1,255,089
 NET POSITION	
Unrestricted	4,237,842
Total Net Position	\$ 4,237,842

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

SMITH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premiums and reimbursements	<u>\$ 11,124,273</u>
Total Operating Revenues	<u>11,124,273</u>
OPERATING EXPENSES	
Insurance claims and administrative fees	<u>13,295,114</u>
Total Operating Expenses	<u>13,295,114</u>
Operating income (loss)	<u>(2,170,841)</u>
NON-OPERATING REVENUES	
Interest income and other	<u>276,229</u>
Change in net position	(1,894,612)
NET POSITION - SEPTEMBER 30, 2022	<u>6,132,454</u>
NET POSITION - SEPTEMBER 30, 2023	<u><u>\$ 4,237,842</u></u>

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

**SMITH COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received for premiums and payroll	\$ 82,291,236
Cash paid to customers	(12,737,378)
Cash paid to employees	(72,589,870)
	(3,036,012)
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of investments	805,761
Interest on investments	276,229
	1,081,990
Net cash provided by investing activities	1,081,990
Net decrease in cash	(1,954,022)
Cash at beginning of year	2,770,579
CASH AT END OF YEAR	\$ 816,557
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ (2,170,841)
Adjustment to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	(1,423,288)
Increase in vouchers payable	558,117
	(1,388,419)
Net cash provided by operating activities	\$ (3,036,012)

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

**SMITH COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023**

	Custodial Funds
ASSETS	
Cash	\$ 14,427,770
Investments	2,625,154
Accounts receivable	3,404,694
Total Assets	\$ 20,457,618
 LIABILITIES	
Vouchers payable	\$ 461,627
Due to other governments	4,033,364
Due to others	10,181,462
Total Liabilities	14,676,453
 NET POSITION	
Individuals, organizations, and other governments	5,781,165
Total net position	\$ 5,781,165

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

SMITH COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Custodial Funds
ADDITIONS	
Tax collected for other governments	\$ 572,022,494
Held for others	115,183,283
Interest on investments	527,516
Total additions	687,733,293
DEDUCTIONS	
Payments to other governments	573,973,627
Payments to others	110,860,909
Administrative expenses	20,000
Total deductions	684,854,536
Net decrease in fiduciary net position	2,878,757
Net position	2,902,408
Total net position	\$ 5,781,165

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Smith County (the County) is a public corporation and political subdivision of the State of Texas. The Commissioners' Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: general government (e.g., tax collection), justice system (courts, juries, district attorney, etc.), public safety (sheriff, constables, etc.), corrections and rehabilitation (jail and community supervision), health and human services (assistance to indigents, veteran services, etc.), conservation, and infrastructure and environmental (streets and highways).

The accounting and reporting policies of the County relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments – Audit and Accounting Guide* and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the County are described below.

The basic financial statements are prepared in conformity with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Significantly, the County's statement of net position includes both noncurrent assets and noncurrent liabilities of the County. In addition, the government-wide statement of activities reflects depreciation expenses on the County's capital assets, including infrastructure.

For financial reporting purposes, based on standards established by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, this financial statement presents the County (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria; the primary government appoints the voting majority of its board and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. Under these standards, the County has no component units which are required to be reported, discretely or blended, in combination with the primary government.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The **government-wide financial statements** include the Statement of Net Position and the Statement of Activities. Government-wide statements report, except for County fiduciary activity, information on all the activities of the County. The effect of interfund transfers has been removed from the government-wide statements, with the exception of interfund services provided and used, but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues are reported separate from certain legally separate component units for which the government is financially accountable.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary funds included in the fund financial statements. Under this measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Fines and forfeitures are recognized when they have been assessed and adjudicated and earned. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

The Statement of Activities reflects the degree to which the direct expenses of the County's programs are offset by those programs' revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or function. Program revenues for governmental activities include those generated from general government, judicial, public safety, health and human service, corrections and rehabilitation, and community and economic development. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund, the Road and Bridge Fund, COVID 19 Relief Grants Fund and the Courthouse Construction Series 2023 Fund are classified as **major governmental funds**. Each major fund is reported in separate columns in the fund financial statements. Non-major funds include Special Revenue, Capital Projects, and Debt Service funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for all non-major funds are presented within Combining Schedules.

FUND-LEVEL FINANCIAL STATEMENTS

Fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers revenues as available if they are collected within 60 days after the fiscal year ends. Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property tax revenues, the County's primary revenue source, is susceptible to accrual and is considered available to the extent of delinquent taxes collected within 60 days after the end of the fiscal period. Grant and entitlement revenues are also subject to accrual. Encumbrances are used during the year and lapse at the end of the year. Valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

Governmental funds are accounted for using the current financial resources measurement focus. This means that only current assets, current liabilities, and current deferred outflows/inflows of resources are generally included on their balance sheet. Their reported fund balance (net current assets and current deferred outflows of resources) is considered a measure of "available spending resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and current deferred outflows of resources. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Claims incurred, but not reported are included in payables and expenses. All assets, liabilities, and deferred outflows/inflows of resources (current and noncurrent) associated with their activities are included in the fund's statement of net position.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

The County's accounts are organized and operated 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, liabilities, deferred outflows/inflows of resources, fund balance, revenues and expenses or expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, although the latter are excluded from the government-wide statements.

The government reports the following major governmental funds:

The **General Fund** is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general government, justice system, public safety, corrections and rehabilitation, health and human services, and infrastructure and environmental.

The **Road and Bridge Special Revenue Fund** accounts for the activities associated with the building, maintaining or improving roads, highways, and bridges within the County, including maintenance of road and bridge facilities. Major revenue sources include property taxes and charges for services.

The **COVID 19 Relief Grants Fund** accounts for the receipt and expenditure of grants received from State of Texas and Federal sources to provide economic relief for the County and its citizens due to the COVID 19 pandemic.

The **Courthouse Construction Series 2023 Fund** accounts for the bond proceeds from the 2023 issuance of bond debt for construction of the new courthouse by the County.

Other Fund types include proprietary and fiduciary funds which are considered as nonmajor funds. Non-major funds include special revenue funds, capital projects funds, and debt service funds.

Proprietary fund level financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. Internal Service funds are used to account for the financing of goods or services provided by one department or agency of the County to other County departments or agencies on a cost reimbursement basis.

The County has two proprietary funds which are classified as internal service funds: 1) The Insurance Fund used to account for the County's group medical self-insurance program. Revenues are derived from County contributions, employee and retiree/COBRA premiums, investment of idle funds and stop loss collections. Expenses are for claims and administrative expenses. 2) The Payroll fund acts as an agent for the payroll processing of the County's departments. The fund operates as a custodial fund, where liabilities are recorded when monies are received. However, this fund is the recipient of interest and incurs certain related expenses. The residual interest and related expenditures result in fund net positions.

The **Proprietary funds** are accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
2. Current year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations (e.g. insurance payments).

Fiduciary fund level financial statements include fiduciary funds which are classified into pension (and other employee benefit) trust funds, external investment, private purpose trust and custodial funds. The County has only custodial funds which are used to account for assets held by the County as an agent for individuals, private organizations, and other governments. Custodial funds do not involve a formal trust agreement. The County reports fourteen custodial funds as fiduciary funds.

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. State statutes and the County's official Investment Policy authorize the County to invest in repurchase agreements, certificates of deposit, direct obligations of the U.S. Government and agency securities, money market mutual funds, and managed public funds investment pools.

The County records investments at fair value, except for certificates of deposit and investments in government pools, which are recorded at amortized cost. Amortized cost approximates fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. All investment income is recognized as revenue in the appropriate fund's statement of activity and or statement of revenues, expenditures, and changes in fund balance.

2. Receivables and Payables

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1 and past due after January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible amounts.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time eligibility requirements established by the grantor have been met.

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Lending or borrowing between funds is reflected as "due to or due from" (current portion) or "advances to/from other funds" (non-current). Interfund activity reflected in "due to or due from" is eliminated on the government-wide statements.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The fund financial statements are offset by a reservation of fund balance which indicates they do not represent “available spendable resources.” Prepaids are accounted for using the consumption method. Under the consumption method, prepaids are recorded as expenditures when they are used.

4. Capital Assets

Capital assets, which include land, buildings, improvements, machinery and equipment, and infrastructure assets (e.g., roads and bridges) are reported in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more and estimated useful lives in excess of one year. Infrastructure assets, which include County-owned roads and bridges, are capitalized with a cost of \$50,000 or more. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets, donated works of art, and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of acquisition. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

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. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Building improvements	15 to 25
Infrastructure	20 to 45
Machinery and equipment	3 to 15

5. Construction-in-Progress

Expenditures on incomplete capital projects have been capitalized as construction-in-progress. The assets resulting from these projects will be transferred from the construction-in-progress accounts to the appropriate asset account as the projects are completed.

6. Compensated Absences

A liability for unused vacation and sick time for all full time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

- leave or compensation is attributable to services already rendered
- leave or compensation is not contingent on a specific event (such as illness)

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e., are due for payment). Compensated absences are accrued in the government-wide statements.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

6. Compensated Absences - Continued

Permanent full-time employees earn vacation leave at an established rate according to their years of service and may accumulate up to 18 days if years of service are less than 10 years, 24 days if years of service are 10-20 years, and 30 days if years of service are greater than 20 years. Employees lose, without pay, unused vacation leave which exceeds this limit.

Each permanent full-time employee earns sick leave at the rate of one working day per month and may accumulate maximum sick leave of eighty working days. After an employee accumulates the maximum number of sick days, any excess may be converted to vacation days at an exchange rate of four sick days for one day of vacation. Outstanding sick leave balances are canceled, without recompensation, upon termination, resignation, retirement or death. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulated rights to receive sick pay benefits.

The regular workweek is based on 40 hours actually worked. With the exception of Jail employees, overtime, unless required to be paid by Federal statutes, is accumulated as compensatory (comp) time and earned at time and a half for non-exempt employees and at straight time for exempt employees. Comp time is accumulated and either taken off or paid at the employees' current rate of pay on termination, resignation, retirement or death. For those employed in the Jail, overtime is paid as incurred.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities. On new bonds issued, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, government 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 uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows 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 County did not have any items that qualified for reporting in this category other than the items related to the changes in the net pension liability, and other post-employment benefits (OPEB) liability, which are discussed below.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows consist of differences in expected and actual pension and OPEB experience and unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. The differences in expected and actual pension experience are amortized over a four-year period. OPEB differences are amortized over a four-year period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

8. Deferred Outflows/Inflows of Resources - Continued

The County also has deferred outflows related to the recording of changes in its net pension and OPEB liabilities. Certain changes in the net pension OPEB liabilities are recognized as pension or OPEB expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension or OPEB liabilities for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension or OPEB liabilities are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension or OPEB expense over the expected remaining service lives of plan members. The difference between projected investment return on pension and OPEB investments and actual return on those investments is also deferred and amortized against pension and OPEB expense over a five-year period. Additionally, any contributions made by the County to the pension or OPEB plan before year end but subsequent to the measurement date of the County's net pension or OPEB liability are reported as deferred outflows of resources.

9. Fund balance

In the fund financial statements, governmental funds report fund balance categorized as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted fund balance – represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation.

Committed fund balance – represents amounts that can only be used for specific purposes imposed by an ordinance, which is the formal action of the County's highest level of decision-making authority, the Commissioners' Court. Committed resources cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by the same type of action previously used to commit those amounts.

Assigned fund balance – represents amounts the County intends to use for specific purposes as expressed by the Commissioners' Court. This is the residual classification for all governmental funds other than the general fund.

Unassigned fund balance – represents the residual classification for the general fund or deficit balances in other funds.

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

9. Fund Balance - Continued

The County's minimum fund balance policy requires that unassigned fund balances are maintained at a level adequate to provide for unanticipated expenditures of a nonrecurring nature and to meet unexpected increases in service delivery costs. The minimum level for General Fund unassigned fund balances is 25% of budgeted General Fund expenditures.

During the current year, the County determined that two funds that had been included in the General Fund in prior years were more appropriately reported as special revenue funds. These funds were separated from the General Fund with fund balance transfers shown on the statement of revenues, expenditures and changes in fund balances.

10. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows/inflows of resources and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

11. Pensions and Other Post-Employment Benefits

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, and pension and OPEB expense, information about the fiduciary net position of the County's retirement and OPEB plan and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Leases

Leases are recognized in accordance with GASB Statement No. 87, Leases. A lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease receivable is recognized at the net present value of the leased asset at a borrowing rate either explicitly described in the agreement or implicitly determined by the County and is reduced by principal payments received. The deferred inflow of resources is recognized in an amount equal to the sum of the lease receivable and any payments relating to a future period which were received prior to the lease commencement. These deferred inflows of resources are amortized equal to the amount of the annual payments.

A lessee is required to recognize a lease payable and an intangible right-to-use lease asset. A lease payable is recognized at the net present value of future lease payments and is adjusted over time by interest and payments. Future lease payments include fixed payments, variable payments based on index or rate, reasonably certain residual guarantees. The right-to-use asset is initially recorded at the amount of the lease liability plus prepayments less any lease incentives received prior to lease commencement and is subsequently amortized over the life of the lease.

In the government-wide, proprietary, and fiduciary fund financial statements, deferred inflows related to leases and any respective right-to-use assets are reported in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources. Under modified accrual accounting, lease payments are considered capital outlay and proceeds of lease contracts, and thereafter are recorded as principal and interest payments.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

The County has chosen not to implement GASB 87 for the budgetary basis of accounting. For both the budgetary basis of accounting and for leases that do not meet the criteria for valuation under GASB 87, the County will report inflows of cash for lessor leases and outflows of cash for lessee leases.

13. Subscription-Based Information Technology Arrangements

Subscription-based information technology arrangements (SBITAs) are defined as a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in exchange or exchange-like transactions. The County recognizes an intangible subscription asset and subscription liability. The subscription liability is measured as the present value of the total subscription payments expected to be made to the vendor during the subscription term. The total future payments are discounted using the interest rate the vendor charges, or if the implicit interest rate is not readily determinable the County uses an estimated incremental borrowing rate. The subscription asset is measured as the initial value of the subscription liability plus any initial capitalized costs and less any vendor incentives received at the commencement of the subscription term.

D. Implementation of New Standards

In the current year, the County implemented the following new standards:

GASB Statement No. 96, *Subscription Based Information Technology Arrangements* ("GASB 96"), provides guidance for subscription-based information technology arrangements ("SBITAs"). SBITAs are contracts that convey control of the right to use a SBITA vendor's IT software as specified in the contract for a period of time in exchange transactions. The statement requires the reporting of liabilities related to information technology arrangements that were previously not reported, and for subscribers to report liabilities under a single model. In addition, the statement requires enhanced disclosures related to the timing, significance, and purpose of a government's information technology arrangements. The County adopted this guidance as of October 1, 2022.

There were no material cumulative effect adjustments recorded to net position upon adoption. For information technology subscriptions, right-of-use assets and liabilities were recognized on the commencement date of the subscription based on the present value of subscription payments over the subscription term. At inception of the year of adoption, the County recognized right-of-use assets of \$657,467 with a corresponding SBITA liability of \$657,467. As of September 30, 2023, the following lease amounts are reported: SBITA liabilities in the amount of \$709,108 and \$613,546 included in current and long-term lease liabilities, respectively.

In May 2019 GASB issued Statement No. 91 *Conduit debt Obligations* which has the objectives of providing a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this statement are effective for reporting periods beginning after December 15, 2021. The County adopted this guidance as of October 1, 2022. There was no material effect on the financial statements.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Implementation of New Standards - Continued

In April 2022 GASB issued Statement No. 99 *Omnibus 2022* which includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements. The issues covered by the statement include clarification of various issues in GASB 87, clarification of certain provisions of GASB 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, among other provisions, which are effective for years beginning after June 15, 2022, and provisions related to the classification and reporting derivative instruments that do not meet the definition of whether an investment derivative instrument or a hedging derivative instrument are effective for years beginning after June 15, 2023. The County adopted the relevant guidance as of October 1, 2022. There was no material effect on the financial statements.

E. Future Implementation of New Standards

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. This statement was issued June 2022 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 defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. GASB Statement No. 100 will be effective for the County for the fiscal year ending September 30, 2024.

GASB Statement No. 101, *Compensated Absences*. This statement was issued June 2022 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 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. Other requirements include that a liability for certain types of compensated absences not be recognized until the leave commences, and that a liability for specific types of compensated absences not be recognized until the leave is used. GASB Statement No. 101 will be effective for the City for the fiscal year ending September 30, 2024.

The County is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the County's financial statements.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

II. RECONCILIATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance for total governmental funds and net position as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable and pension liability, are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.” The details of this \$(232,882,511) difference are as follows:

Bonds payable	\$ (215,660,000)
Bond premiums, net	(11,118,156)
Lease liabilities	(266,811)
SBITA liabilities	(1,322,654)
Compensated absences	<u>(4,514,890)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (232,882,511)</u>

Another element of that reconciliation states that “capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds balance sheet.” The details of this \$140,664,353 difference are as follows:

Capital assets	\$ 322,562,384
Accumulated depreciation of capital assets	<u>(181,898,031)</u>
	<u>\$ 140,664,353</u>

B. Explanation of certain differences between the government fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The government fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation indicates that “governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$24,777,966 difference are as follows:

Capital outlay	\$ 37,157,008
Depreciation expense	<u>(12,379,042)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 24,777,966</u>

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

II. RECONCILIATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS -
Continued

Another element of that reconciliation states that “The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas the amounts are deferred and amortized in the statement of activities.” The details of this \$(172,942,271) difference are as follows:

Principal payments on long-term debt	\$ 6,220,547
Amortization of bond premium	431,687
Proceeds from bonds issued and financed purchases	<u>(179,594,505)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (172,942,271)</u></u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

- (1) Prior to September 1, the County Judge submits to the Commissioners’ Court a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. After adoption by Commissioners’ Court, the control for the detailed fee office/department budgets is at the department head or elected official level and by the County Auditor.
- (2) Public hearings are conducted to obtain taxpayer comment.
- (3) The budget is legally enacted through adoption by the Commissioners’ Court.
- (4) Budgets for the General, certain Special Revenue Funds (County Law Library, County Clerk Records Preservation, District Clerk Records Preservation, Juvenile Delinquency Prevention, Courthouse Security, Justice Court Technology, County & District Court Technology, Juvenile General, Forfeiture Interest 10%, Workforce Investment, JAC Maintenance and Road & Bridge), Capital Projects and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) in the United States of America.
- (5) Encumbrances expire at fiscal year-end, which is consistent with generally accepted accounting principles in the United States of America.
- (6) Comparison of budgeted and actual amounts as shown in Schedules 1 through 2 in the accompanying financial report include the General Fund and the Road and Bridge Special Revenue Fund which are the County’s major funds in the current fiscal year.
- (7) Budgetary data for certain Special Revenue funds encompassing various Federal and State programs are cumulative as opposed to annual budgets or the annual budgets have a fiscal year end consistent with the state program or agency from which they receive state funding rather than the County’s fiscal year end. Therefore, budget and actual comparisons are not reported in the accompanying financial report for these funds.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

- (8) In addition, certain Special Revenue funds are not required under the Texas Local Government Code to submit budgets under the County budgeting process. During the current year, these Smith County offices submitted a budget to Commissioners' Court for reporting purposes only.

The budgets as presented in the financial statements reflect all amendments approved by the Commissioners' Court for the year ended September 30, 2023, if designated as final budget.

B. Expenditures Over Appropriations

The Courthouse construction fund had expenditures in excess of appropriations of \$4,558,399 for the year ended September 30, 2023.

C. Deficit Fund Balance

As of September 30, 2023, four funds, East Texas Auto Crushers, Transportation Grants, East Texas Anti-Gang and Financial Crimes had deficit fund balances of \$8,351, \$8,870, \$16,601, and \$189,133, respectively. These are expected to be covered by the General Fund.

IV. DEPOSITS AND INVESTMENTS

A. Cash Deposits

The carrying amount of the County's cash was \$266,567,782, and total bank balances equaled \$267,962,613. The carrying amount of the County's Custodial cash was \$14,427,712 and total bank balances equaled \$15,317,743. Certificates of deposit shown as investments on the statement of fiduciary net position had a carrying amount and bank balance of \$2,254,351. The bank deposits are required to be covered by federal depository insurance or by collateral held by the depository bank in the County's name and were covered entirely by federal depository insurance or by collateral held by the depository bank in the County's name.

All deposits are held in the County's main depository or subdepository banks except funds held in trust by the Justice of the Peace offices number 2, 3 and 4, and Auto Registration, which are not under a subdepository contract.

B. Investments

The County's investment policies are governed by state statutes and county ordinance. Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, and repurchase agreements. The County holds investments in Local Government Investment Cooperative (LOGIC) and Texstar. Investments at LOGIC normally consist of U.S. T-bills, commercial paper, T-notes, collateralized certificates of deposit and repurchase agreements. Investments at Texstar consist of U.S. T-bills, T-notes, collateralized certificates of deposit and repurchase agreements. Both LOGIC and Texstar were created under the Interlocal Cooperation Act, Texas Government Code Chapter 791, and the Public Funds Investment Act, Texas Government Code Chapter 2256. These two acts provide for the creation of Local Government Investment Pools (LGIPs) and authorize eligible governmental entities to invest their public funds and funds under their control through the investment pool. The LGIP's follow all requirements of the Public Funds Investment Act, including being rated by a nationally recognized rating agency, using amortized cost valuation, and to the extent reasonably possible, stabilize at \$1 net asset value. Both investment pools carry investments at amortized cost. Investments are priced daily and compared to carrying value. If the ratio of the fair value of the portfolio of investments to the carrying value of investments is less than .995 or greater than 1.005, the investment pools will sell investment securities, as required, to maintain the ratio at a point between .995 and 1.005.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

IV. DEPOSITS AND INVESTMENTS - Continued

B. Investments - Continued

J.P. Morgan Investment Management, Inc., and First Southwest Company (a division of Hilltop Securities) serve as co-administrators for the Texstar and LOGIC programs under agreements with each pool's respective board of directors. The Texstar is a five-member Board consisting of three representatives of employees, officers or elected officials of participating government entities, and one member designated by each of the co-administrators. In addition, Texstar has an Advisory Board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool. A maximum of two advisor board members represent the co-administrators of LOGIC.

The County records all interest revenue earned from investment activities in the respective funds.

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the government or its agent in the government's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the government's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the government's name.

Investments are stated at fair value or amortized cost, which approximates fair value, and are held by the County's agent in the County's name. The County's investments at year end are shown below.

	<u>Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Risk</u>
Primary Government			
Local Government Investment Cooperative	\$ 35,748,461	39	AAA
TexStar	5,414,179	29	AAA _m
Southside - Certificate of Deposit	11,145	248	N/A
Total fair value	<u>\$ 41,173,785</u>		
Fiduciary Funds			
Local Government Investment Cooperative	\$ 359,658	39	AAA
Portfolio weighted average maturity		38	

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County has limited credit risk, in conformance to state statutes and County ordinance, by investing in only the safest types of securities as permitted by the Public Funds Investment Act, using approved brokers and with different investment pools.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. The County has no formal policy on interest rate risk.

Custodial credit risk – Custodial credit risk is the risk for deposits that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County requires all bank deposits to be collateralized at a level not less than 100% of the total uninsured deposits.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

IV. DEPOSITS AND INVESTMENTS - Continued

B. Investments - Continued

Foreign currency risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The County’s investment policy does not permit securities listed in foreign denominations. Consequently, the County is not exposed to foreign currency risk.

V. PROPERTY TAXES AND OTHER RECEIVABLES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied prior to September 30, become due on October 1 and are delinquent after January 31. The County bills and collects its own property taxes and those for the County of Bullard, City of Tyler, City of Troup, City of Whitehouse, City of Winona, the Bullard Independent School District (ISD), Tyler ISD, Whitehouse ISD, Winona ISD, Tyler Junior College and the Smith County Water Control District. The County is the only entity controlled by the Commissioners’ Court; the County acts only as an intermediary in the collection and distribution of property taxes to the other entities.

Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the Tax Assessor/Collector’s Custodial Fund. Tax collections are recorded net of the entities’ related collection commission paid to the County in this custodial fund according to the levy year for which the taxes are collected. Tax collections deposited for the County are distributed on a monthly basis to the General and Debt Service Funds of the County.

This distribution is based upon the tax rate established for each fund by order of the Commissioners’ Court for the tax year for which the collections are made.

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

Unavailable revenue:	
General fund	\$ 2,429,627
Road & Bridge fund	427,245
Facility improvement fund	100,528
Debt service fund	360,032
Total unavailable revenue	<u>\$ 3,317,432</u>

The County is authorized by the tax laws of the State of Texas to levy taxes up to \$.80 per \$100 of assessed valuation for general governmental services and the payment of principal and interest on certain permanent improvement long-term debt. The tax rate as of September 30, 2023 was \$.33000.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

V. PROPERTY TAXES AND OTHER RECEIVABLES - Continued

Receivables as of year-end for the governmental activities, individual major governmental funds and nonmajor governmental funds, including the applicable allowances for uncollectible accounts, as required by GASB 34 are as follows:

	Internal Service and General Funds	Road and Bridge and Courthouse Special Revenue Funds	Other Nonmajor Funds	Total Governmental Activities
Receivables:				
Property Taxes	\$ 2,625,325	\$ 461,658	\$ 497,656	\$ 3,584,639
Other	<u>7,246,278</u>	<u>267,311</u>	<u>1,645,805</u>	<u>9,159,394</u>
Gross receivables	9,871,603	728,969	2,143,461	12,744,033
Less: Allowance for uncollectibles	<u>675,447</u>	<u>118,776</u>	<u>128,037</u>	<u>922,260</u>
Net total receivables	<u><u>\$ 9,196,156</u></u>	<u><u>\$ 610,193</u></u>	<u><u>\$ 2,015,424</u></u>	<u><u>\$ 11,821,773</u></u>

Abatement

The County enters into property tax abatement agreements with local businesses under the State Property Redevelopment and Tax Abatement Act, Chapter 312, as well as its own guidelines and criteria, which is required under the Act. Under the Act, including its guidelines and criteria, the County may grant property tax abatements for economic projects under the program that provide an increase of at least \$1,000,000 in property values, or an annual payroll increase of \$400,000 or the creation of 25 new permanent full time jobs. Abatements are granted for up to 100% over a period of time specified on an individual basis. The County's priority for tax abatement is to extend tax abatement to primary employers. In providing local jobs, the retention of existing jobs is recognized as more important than recruitment of new companies is given to provide significant, long term, positive economic impact to the community using local contractors and the resident workforce to the maximum extent feasible and by developing, redeveloping and improving real estate within the County.

Uses available for tax abatement include manufacturing, distribution centers, corporate or regional office parks, research facilities and small entrepreneurs.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

V. PROPERTY TAXES AND OTHER RECEIVABLES - Continued

Disclosure relevant for the fiscal year ended September 30, 2023 is:

Government Entering Into Tax Abatement	Terms of Abatement	Name	Type	Smith County Applied Value	Amount of Taxes Abated for FY 2023
Smith County	80% 5 years	GG Distributing	Distribution	\$ 508,449	\$ 1,766
Smith County		GG Realty, LLC	Real Estate Management	11,491,551	39,906
Smith County	80% 4 years	Industrial Wood Technology		1,793,082	6,227
Smith County	100% 5 years	JSF-2	Food Processing Facility	21,000,000	72,925
	100% 2 years				
	80% 2 years				
Smith County	50% 1 year	Dragline Service Specialties	Manufacturing	1,518,958	5,275
	100% 2 yrs				
	80% 2 years				
Smith County	50% 1 year	Wyoming Machinery	Distribution	2,995,823	10,403
	80% 7 years				
Smith County	50% 3 years	Sanderson Farms Plant	Food Processing Facility	118,400,000	411,161
Smith County	80% 4 years	Wastequip Manufacturing Co. LLC	Manufacturing	906,978	3,150
Smith County	80% 3 yrs.	McWane (Tyler Pipe)	Manufacturing	2,723,807	9,459
Smith County	Tiered 5 years	Jasper Ventures (EPC)	Engineering/Construction	2,834,664	9,844
Smith County		Mountain Park Holdings	Real Estate Management	3,550,000	12,328
		Total County Initiated		<u>\$ 167,723,312</u>	<u>\$ 582,444</u>
City of Tyler	100% 3 years	Hood Packaging	Manufacturing	-	-
City of Tyler	100% 7 years	Renal Care Group Texas, Inc.	Medical Support	-	-
City of Tyler	100% 3 years	Highland Dairy	Distribution	1,432,972	4,976
	50% 1 year				
City of Tyler	Tiered 10 years	Trane	Manufacturing	31,551,854	109,568
City of Tyler		213 Investments LLC	Real Estate Management	483,272	1,678
City of Tyler	100% 7 years	Vereit OFC Tyler TX LLC	Real Estate Management	-	-
City of Tyler	100% 4 years	American Standard	Manufacturing	17,474,151	60,681
	50% 1 year				
		Total Initiated by Others		<u>\$ 50,942,249</u>	<u>\$ 176,903</u>

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

VI. CAPITAL ASSETS

Capital assets are recorded at cost or, if donated, at fair value at the date of receipt. In accordance with GASB 34, depreciation policies were adopted to include useful lives and classification by function. Infrastructure assets are recorded at estimated acquisition costs by using indexes to discount estimated current replacement costs.

A summary of changes in capital assets follows:

	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,146,771	\$ 1,780,229	\$ -	\$ 3,927,000
Construction in progress	670,917	7,180,808	(670,918)	7,180,807
Infrastructure in progress	6,615,020	1,239,688	(6,615,020)	1,239,688
Total capital assets, not being depreciated	<u>9,432,708</u>	<u>10,200,725</u>	<u>(7,285,938)</u>	<u>12,347,495</u>
Capital assets, being depreciated:				
Infrastructure	140,256,574	25,244,820	-	165,501,394
Buildings	38,195,001	3,720,512	(48,564)	41,866,949
Improvements	56,508,911	1,101,398	-	57,610,309
Machinery and equipment	39,529,749	4,175,492	(924,571)	42,780,670
Right of use assets - leases	351,879	185,386	(123,320)	413,945
Right of use assets - SBITAs	658,267	1,383,355	-	2,041,622
Total capital assets, being depreciated	<u>275,500,381</u>	<u>35,810,963</u>	<u>(1,096,455)</u>	<u>310,214,889</u>
Less accumulated depreciation for:				
Infrastructure	(85,316,595)	(6,202,447)	-	(91,519,042)
Buildings	(25,583,264)	(894,353)	13,625	(26,463,992)
Improvements	(25,403,445)	(2,339,665)	-	(27,743,110)
Machinery and equipment	(33,374,103)	(2,942,576)	924,571	(35,392,108)
Right of use assets - leases	(137,107)	(133,167)	123,320	(146,954)
Right of use assets - SBITAs	-	(632,825)	-	(632,825)
Total accumulated depreciation	<u>(169,814,514)</u>	<u>(13,145,033)</u>	<u>1,061,516</u>	<u>(181,898,031)</u>
Total capital assets, being depreciated, net	<u>105,685,867</u>	<u>22,665,930</u>	<u>(34,939)</u>	<u>128,316,858</u>
Governmental activities capital assets, net	<u>\$ 115,118,575</u>	<u>\$ 32,866,655</u>	<u>\$ (7,320,877)</u>	<u>\$ 140,664,353</u>

Right-of-Use assets

A lease is defined as a contract that conveys control of the right of use of another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The City is party to a variety of lease and SBITA contracts as lessee for which this right-of-use (ROU) has been recognized as an asset on the balance sheet. This recognition for SBTAs is new for the current fiscal year due to the implementation of GASB 96.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

VI. CAPITAL ASSETS - Continued

Lease right-of-use activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Copy machines	\$ 187,729	\$ -	\$ (68,031)	\$ 119,698
Office space	4,347	160,558	(4,347)	160,558
Machinery and equipment	<u>159,803</u>	<u>24,828</u>	<u>(50,942)</u>	<u>133,689</u>
Total Leased Assets	351,879	185,386	(123,320)	413,945
Less accumulated amortization for:				
Copy machines	(84,805)	(63,848)	68,031	(80,622)
Office space	(3,260)	(25,170)	4,347	(24,083)
Machinery and equipment	<u>(49,042)</u>	<u>(44,149)</u>	<u>50,942</u>	<u>(42,249)</u>
Total accumulated amortization	<u>(137,107)</u>	<u>(133,167)</u>	<u>123,320</u>	<u>(146,954)</u>
Net Total Leased Assets	<u>\$ 214,772</u>	<u>\$ 52,219</u>	<u>\$ -</u>	<u>\$ 266,991</u>

Depreciation expense for 2023 was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 2,125,767
Public safety	1,324,590
Correction and rehabilitation	2,090,098
Infrastructure and environmental	7,504,802
Justice system	<u>99,776</u>
Total depreciation expense - governmental activities	<u>\$ 13,145,033</u>

VII. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction Commitments. As of September 30, 2023, the County has active construction projects. At year end the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Estimated Remaining Commitments</u>
Parking Structure	\$ 112,310	\$ 16,887,690
Courthouse Construction	3,344,734	148,486,591
R&B Facility	3,695,491	617,909
Juvenile Attention Center EIFS	28,272	360,869
Special Road Projects	<u>1,239,688</u>	<u>7,867,090</u>
	<u>\$ 8,420,495</u>	<u>\$ 174,220,149</u>

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

VII. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS - Continued

Encumbrances. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	\$ 1,492,581
Road and Bridge fund	1,439,622
Courthouse Construction - 2023 Series	6,649,675
Nonmajor funds	<u>17,989,995</u>
Total	<u>\$ 27,571,873</u>

VIII. LONG-TERM DEBT

During the year ended September 30, 2011, the County issued \$39,955,000 *General Obligation Bonds - 2011 Series*. The proceeds from the sale of the bonds were used to fund the Jail Expansion project, to refund \$5,710,000 of the County’s outstanding certificates of obligation to achieve debt service savings, and to pay the cost related to the issuance of the bonds.

During the year ended September 30, 2018, the County issued \$11,320,000 *General Obligation Bonds – Series 2018*. The proceeds from the sale of the bonds are being used to fund road and infrastructure improvement projects.

During the year ended September 30, 2019, the County issued \$11,320,000 *General Obligation Bonds – Series 2019*. The proceeds from the sale of the bonds are being used to fund road and infrastructure improvement projects.

During the year ended September 30, 2020, the County issued \$7,125,000 *General Obligation Bonds – Series 2020*. The proceeds from the sale of the bonds are being used to fund road and infrastructure improvement projects.

During the year ended September 30, 2021, the County issued \$7,425,000 *General Obligation Bonds – Series 2021*. The proceeds from the sale of the bonds are being used to fund road and infrastructure improvement projects.

During the year ended September 30, 2022, the County issued \$17,270,000 *General Obligation Bonds – Series 2022*. The proceeds from the sale of the bonds are being used to fund road and infrastructure improvement projects.

During the year ended September 30, 2023, the County issued \$18,170,000 *Courthouse Parking Tax and Revenue Bonds – Series 2023*. The proceeds from the sale of the bonds are being used to fund the construction of a parking structure.

During the year ended September 30, 2023, the County issued \$152,335,000 *Limited Tax Courthouse Bonds – Series 2023*. The proceeds from the sale of the bonds are being used to fund construction of a new courthouse.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

VIII. LONG-TERM DEBT - Continued

General obligation bonds currently outstanding are as follows:

Description	Original Bond Amt	Interest Rates (%)	Date of Issue	Date of Maturity	Bonds Outstanding
General Obligation Bonds - 2011 Series	\$ 39,955,000	1.0 - 4.0	6/28/2011	8/15/2023	\$ -
General Obligation Bonds - 2018 Series	11,320,000	2.0 - 4.0	6/12/2018	2/15/2028	8,530,000
General Obligation Bonds - 2019 Series	11,320,000	3.0 - 4.0	6/11/2019	2/15/2029	9,445,000
General Obligation Bonds - 2020 Series	7,125,000	2.0 - 5.0	7/23/2020	2/15/2030	5,215,000
General Obligation Bonds - 2021 Series	7,425,000	2.0 - 5.0	7/22/2021	2/15/2031	6,970,000
General Obligation Bonds - 2022 Series	17,270,000	3.0 - 5.0	9/8/2022	2/15/2042	14,995,000
Tax and Revenue Bonds - 2023 Series	18,170,000	4.0 - 5.0	7/13/2023	8/15/2047	18,170,000
Limited Tax Bonds - 2023 Series	152,335,000	4.0 - 5.0	9/21/2023	8/15/2048	152,335,000
	<u>\$ 264,920,000</u>				<u>\$ 215,660,000</u>

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

Years Ending September 30	Principal	Interest
2024	4,595,000	9,076,198
2025	8,185,000	9,453,731
2026	6,325,000	9,293,756
2027	9,545,000	9,061,731
2028	10,265,000	8,612,781
2029-2033	38,155,000	35,926,531
2034-2038	39,165,000	29,532,991
2039-2043	47,945,000	19,639,653
2044-2048	51,480,000	7,599,633
	<u>\$ 215,660,000</u>	<u>\$ 138,197,005</u>

General Obligation Bonds are subject to the provisions of the Internal Revenue Code of 1986 related to arbitrage and interest tax regulations under these provisions.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

VIII. LONG-TERM DEBT - Continued

Changes in Long-Term Debt

Long-term liability for the year ended September 30, 2023 was as follows:

Governmental Activities:	Beginning		Ending Balance 9/30/2023	Due Within One Year	Due in More Than One Year	
	Balance 10/1/2022 as Restated	Additions				Reductions
General obligation bonds	\$ 51,275,000	\$ -	\$ 6,120,000	\$ 45,155,000	\$ 4,595,000	\$ 40,560,000
Tax and revenue bonds	-	170,505,000	-	170,505,000	-	170,505,000
Bond premium, net	2,460,338	9,089,505	431,687	11,118,156	-	11,118,156
Total bonds payable	53,735,338	179,594,505	6,551,687	226,778,156	4,595,000	222,183,156
Compensated absences	4,763,478	5,045,073	5,293,662	4,514,889	3,206,511	1,308,378
Net OPEB liability	40,121,260	-	9,274,478	30,846,782	-	30,846,782
Net Pension liability	-	17,330,915	-	17,330,915	-	17,330,915
Financed purchases	100,547	-	100,547	-	-	-
Lease liability	214,341	181,422	128,952	266,811	83,795	183,016
SBITA liability	658,267	918,951	254,564	1,322,654	709,108	613,546
Total	\$ 99,593,231	\$ 203,070,866	\$ 21,603,890	\$ 281,060,207	\$ 8,594,414	\$ 272,465,793

The liabilities listed above for compensated absences, net other post-employment benefits and net pension liability will be liquidated by the County's General Funds, Road and Bridge Fund, Adult Probation Funds, and Juvenile Probation Funds. The liability for capital leases will be liquidated by the General Funds and Road and Bridge Fund.

Authorized but Unissued Debt

In November 2021 Smith County voters approved a \$45 million bond package for Phase II road construction. The 2022 series was issued for \$17,270,000 and the remaining series are to be issued over the next couple of years. The bonds are expected to be amortized over a term of ten to twenty years.

IX. LEASES

The County is involved in various leasing arrangements for land, buildings, equipment and land use rights which are leased mainly to commercial customers. With the implementation of GASB Statement No. 87 Leases, effective the fiscal year ended September 30, 2022, all leases were analyzed and classified as either qualified or non-qualified leases, for both lessor and lessee positions. With this implementation, a respective receivable or payable is recognized.

Lessor Leases Receivables

The County has entered into four lease agreements to lease buildings and land to third parties. Lease receivables at the beginning of the year were \$73,467 and were reduced by \$38,893 during the year. Lease revenues recognized were \$38,898, and interest income was \$252. No leases were entered into during the year. Annual payments range from \$10 to \$2,788. Interest rate is .49%. Future annual lease receivables as of September 30, 2023, are as follows:

Year	Principal	Interest	Total Receipts
2024	33,585	88	33,673
2025	999	1	1,000
Total Future Receipts	34,584	89	34,673

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

IX. LEASES – Continued,

Lessee Leases Payable

The County has entered into multiple leases for office equipment, and one lease for office space. Lease payables at the beginning of the year were \$214,343 and new leases of \$185,386 were entered into. Payments reduced lease liabilities by \$132,916 during the year. No leases were entered into during the year. Annual payments range from \$118 to \$2,708. Interest rates were .49%. Future annual lease payables as of September 30, 2023, are as follows:

Year	Principal	Interest	Total Payments
2024	83,795	1,108	84,903
2025	69,841	743	70,584
2026	55,905	429	56,334
2027	45,390	179	45,569
2028	11,880	16	11,896
Total Future Payments	<u>266,811</u>	<u>2,475</u>	<u>269,286</u>

X. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The County has entered into multiple SBITAs for voting systems, tax assessment and collection, communications, probation activities, and cloud computing technology. SBITA payables at the beginning of the year were \$657,467 and new arrangements of \$1,384,154 were entered into. Payments reduced SBITA liabilities by \$718,967 during the year. Annual payments range from \$100 to \$406,115. Interest rates were .49%. Future annual SBITA payables as of September 30, 2023, are as follows:

Year	Principal	Interest	Total Payments
2024	709,108	6,270	715,378
2025	613,546	2,853	616,399
Total Future Payments	<u>1,322,654</u>	<u>9,123</u>	<u>1,331,777</u>

XI. INTERFUND RECEIVABLES, PAYABLE BALANCES, AND TRANSFERS

In the fund financial statements, interfund balances are the result of normal transactions between funds and will be liquidated in the subsequent fiscal year. Balances between individual governmental funds are eliminated in the government-wide financial statements.

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

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Non-major Governmental Funds	\$ 5,264,821	Supplement fund sources
	Total	<u>\$ 5,264,821</u>	

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XI. INTERFUND RECEIVABLES, PAYABLE BALANCES, AND TRANSFERS, Continued

The following summarized the County's transfers for the year ended September 30, 2023:

	Transfers In			Total	Explanation
	General Fund	Road and Bridge Fund	Nonmajor Governmental Funds		
Transfers out:					
General Fund	\$ -	\$ 11,000,000	\$ 5,100,000	\$ 16,100,000	Supplemental fund sources
Road and Bridge Fund	-	-	-	-	
Nonmajor Governmental Funds	843,038	-	105,672	948,710	Supplemental fund sources
Totals	<u>\$ 843,038</u>	<u>\$ 11,000,000</u>	<u>\$ 5,205,672</u>	<u>\$ 17,048,710</u>	

XII. DEFINED BENEFIT PENSION PLAN

(a) PLAN DESCRIPTION

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees is responsible for the administration of the statewide agent multi-employer public employee retirement system. TCDRS in the aggregate issues a comprehensive annual financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034 or the website at www.TCDRS.org.

The plan provisions are adopted by the governing body of the employers, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the employer.

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

(b) PLAN MEMBERSHIP

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

	<u>12/31/2022</u>
Inactive employees or beneficiaries currently receiving benefits	581
Inactive employees entitled to but not yet receiving benefits	979
Active employees	<u>928</u>
	<u><u>2,488</u></u>

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XII. DEFINED BENEFIT PENSION PLAN - Continued

(c) CONTRIBUTIONS

The employer has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 11.18% for the months of the accounting year 2023, and 12.43% for the months of the accounting year 2022. County contributions to the plan were \$6,251,909 for the year ended September 30, 2023.

The deposit rate payable by the employee members for 2022 and 2023 is 7% as adopted by the governing body of the employer. The employee deposit rate and the employer deposit rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

(d) NET PENSION LIABILITY OF THE COUNTY

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

(e) ACTUARIAL ASSUMPTIONS

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

Inflation	2.50%
Overall payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment expenses, including inflation

The County has no automatic cost-of-living adjustments ("COLA") and one is not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculation or in the funding valuation.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.70% per year for a career employee.

Mortality rates for active members were based on 135% of the Pub-2010 General Employees Amount-Weighted Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Table for females, both projected with 100% of the MP2021 Ultimate scale after 2010. Mortality rates for service retirees, beneficiaries, and non-depositing members were based on the 135% of the Pub 2010 General Healthy Retirees Amount-Weighted Table for males and 120% of the Pub-2010 General Healthy Retirees Amount-Weighted Table for females, both projected with 100% of the MP2021 Ultimate scale after 2010. Mortality rates for disabled retirees were based on the 135% of the Pub-2010 General Disabled Retirees Amount-Weighted Table for males and 120% of the Pub-2010 General Disabled Retirees Amount-Weighted Table for females, both projected with 100% of the MP2021 Ultimate scale after 2010.

The actuarial cost method was Entry Age Normal, as required by GASB 68. Straight-line amortization over Expected Working Life with a 5 year smoothing period, and a non-asymptotic recognition method with no corridor were utilized in the actuarial calculations.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2021, except where required to be different by GASB 68.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XII. DEFINED BENEFIT PENSION PLAN – Continued

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown 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 30-year time horizon; the most recent analysis was performed in 2022. The following target asset allocation was adopted by the TCDRS board in March 2021. The geometric real rate of return is net of inflation, assumed at 2.3%.

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)	5.00%	4.95%
International Equities - Emerging	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 Leverage Loan Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	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 ⁽⁵⁾	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	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%
		100.00%	

⁽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 2.0% per Cliffwater's 2023 capital market assumptions

⁽³⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XII. DEFINED BENEFIT PENSION PLAN – Continued

(f) DISCOUNT RATE

The discount rates used to measure the Total Pension Liability was 7.60%. Using the alternative method, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments based on the funding requirements under the County’s funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the unfunded actuarial accrued liability (“UAAL”) shall be amortized as a level percent of pay over 20-year layered periods.
2. Under the TCDRS Act, the County is legally required to make the contribution specified in the funding policy.
3. The County’s assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments.

(g) CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2021	\$ 217,036,987	\$ 225,629,068	\$ (8,592,081)
Changes for the year:			
Service cost	6,232,122	-	6,232,122
Interest on total pension liability ⁽¹⁾	16,561,277	-	16,561,277
Effect of plan changes ⁽²⁾	-	-	-
Effect of economic/demographic gains or losses	(533,343)	-	(533,343)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(1,139,116)	(1,139,116)	-
Benefit payments	(9,775,889)	(9,775,889)	-
Administrative expenses	-	(123,680)	123,680
Member contributions	-	3,484,609	(3,484,609)
Net investment income	-	(13,112,308)	13,112,308
Employer contributions	-	6,088,672	(6,088,672)
Other ⁽³⁾	-	(233)	233
Balances as of December 31, 2022	<u>\$ 228,382,038</u>	<u>\$ 211,051,123</u>	<u>\$ 17,330,915</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 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.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XII. DEFINED BENEFIT PENSION PLAN – Continued

(h) SENSITIVITY ANALYSIS

The following presents the net pension liability of the County, calculated using the discount rate of 7.60%, as well as what the Smith County net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.60%) or one percentage point higher (8.60%) than the current rate.

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
Total pension liability	\$ 260,083,250	\$ 228,382,038	\$ 202,108,256
Fiduciary net position	211,051,123	211,051,123	211,051,123
Net pension liability/(asset)	\$ 49,032,127	\$ 17,330,915	\$ (8,942,867)

(i) PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan’s fiduciary net position is available in the separately issued TCDRS financial report.

(j) 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 \$5,609,026. On 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	\$ -	\$ 665,123
Changes in actuarial assumptions	3,065,120	-
Difference between projected and actual investment earnings	24,164,354	20,014,298
Contributions made subsequent to measurement date	4,757,753	-
Total	\$ 31,987,227	\$ 20,679,421

County contributions subsequent to the measurement date, but before the end of the County’s reporting period, of \$4,757,753 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending September 30, 2024, rather than in the current fiscal year. 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 December 31
2023	\$ 46,242
2024	(244,679)
2025	707,400
2026	6,041,090
2027	-
Thereafter	-
	\$ 6,550,053

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XIII. OTHER INFORMATION

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 employee; and natural disasters. The County maintains commercial insurance coverage for each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims did not exceed this commercial insurance coverage during the past three years.

CONTINGENCIES

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. A contingent liability was not established because potential reimbursements are considered immaterial.

Litigation

The County is involved in lawsuits and other claims in the ordinary course of operations. Such litigation included lawsuits alleging unlawful termination, and violations of civil rights. The County is aggressively defending these suits and believes that the loss, if any, resulting from the suits listed above will not have a material impact on the County's financial position, results of operations and cash flows in the future years.

JOINT VENTURE

The North Texas Public Health District was established, effective October 1, 1993, by a cooperative agreement between the City of Tyler and Smith County, Texas pursuant to authority by the Texas Health and Safety Code for the purpose of providing public health services previously provided by the participating entities. The District is considered a joint venture between the City and County with each retaining an equity interest based upon the percentage each contributed to the budget.

For the year ended September 30, 2023, the County budgeted funding of \$200,000 for the Health District. The County's equity interest in the Health District was \$2,405,384 at September 30, 2023. The Health District's total Fund Balance at September 30, 2023 was approximately \$6.5 million. Financial statements for the Health District may be obtained at the entity's Administrative Offices.

DEFERRED COMPENSATION

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan assets are not a part of the County's financial statements because a third-party administrator holds these plan assets in trust.

The fair value and carrying value of deferred compensation plan assets is \$2,666,593 as of September 30, 2023.

HEALTH, DENTAL AND LIFE PLANS

The County implemented a self-insured health plan for employees, including dental and prescription benefits. The County pays the full amount of insurance premiums for their retirees except dependent coverage. The employees pay the cost of coverage for any dependents they enroll under the plan. The County maintains an Insurance Fund to track premiums and claim payments. The County has retained an insurance policy for specific and aggregate stop-loss coverage. There is an individual stop-loss of \$225,000 and aggregate protection once the County's deductible of approximately \$13.4 million is met. The maximum reimbursement is set at \$1,000,000.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XIII. OTHER INFORMATION - Continued

Changes in the estimated liability for medical claims for fiscal years 2022 and 2023 are presented below:

Insurance Fund	Insurance Claims Payable At Beginning of Year	Current Year Claims and Changes In Estimates	Actual Claim Payments	Insurance Claims Payable At End of Year
September 30, 2022	520,382	10,216,350	10,069,281	\$ 667,451
September 30, 2023	667,451	10,710,230	10,152,493	1,225,188

XIV. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Other Post-Employment Benefit Plans

Smith County contributes to two other post-employment benefit plans, (1) the Retiree Health Benefit Trust (RHBT) which is a single employer defined benefit healthcare plan, and (2) a group term life insurance for all of its full-time employees and retirees through a statewide, multiple-employer, public-employee retirement system through the Texas County District Retirement System (the "TCDRS"). As of and for the year ended September 30, 2023, the two plans had the following balances reported in the government-wide financial statements:

	Total OPEB Liability	Net OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
Retiree Health Plan	N/A	\$ 28,718,153	\$ -	\$ 9,837,656	\$ (8,726,005)
Supplemental Death Benefit	2,128,623	N/A	313,684	645,050	145,737
	<u>\$ 2,128,623</u>	<u>\$ 28,718,153</u>	<u>\$ 313,684</u>	<u>\$ 10,482,706</u>	<u>\$ (8,580,268)</u>

Detailed disclosures for each plan follow.

(1) HEALTH PLAN

(a) PLAN DESCRIPTION

In addition to the pension benefits described in Note XII, as required by state law and defined by County Policy, the County makes available health care benefits, including medical/RX, dental, and life insurance, to all employees, and their spouses and children, who retire from the County and who are receiving benefits from a County sponsored retirement program (Texas County and District Retirement System (TCDRS) through a single-employer defined benefit healthcare plan.

Current retirees in the health plan and at retirement, active employees that meet the conditions for retirement from TCERS (age 60 and above with 8 years or more of service, 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more) and the retirees that have worked for Smith County for 20 years, are eligible to remain in the health plan at the total blended contribution rate for active and retiree participants (Retiree Health Existing (Closed) Program).

Active employees hired after June 1, 2005 are not eligible to continue coverage in the County-sponsored medical/RX or dental plan, nor are they provided life insurance by the County. Under the provisions of GASB Statement 75, these employees who will not be eligible to continue coverage in the County's Health Plan do not receive an Other Post Employment Benefit. Accordingly, only those employees who are eligible to participate in the Retiree Health Existing (Closed) Program are included in the valuation results described below.

(Continued)

**SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

XIII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – Continued

(1) HEALTH PLAN - continued

(b) PLAN MEMBERSHIP

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

	September 30 2023
Inactive employees currently receiving benefits	214
Active employees	93
	307

(c) BENEFITS PROVIDED

The healthcare plan provides insurance to eligible retirees, their spouses, and children through the County’s group health insurance plan, which covers both active and retired members, until age 65 when retirees become eligible and are required to enroll in Medicare Part B, at which time coverage supplements Medicare. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (“COLA”).

(d) CONTRIBUTIONS

County contribution consists of monthly premium contributions to the Smith County Insurance Fund to pay claims for retirees that are not Medicare eligible. The contributions are at the same premium rate as for active employees. Medicare eligible retirees are provided a Medicare insurance supplement program. The County contributions to the Smith County Insurance Fund for retirees in fiscal year 2023 were \$1,233,938.

The table below provides the required monthly inactive participant contribution, County contribution, and total contribution for medical/Rx coverage effective for the 2022-2023 plan year.

<u>Date of Hire</u>	<u>Inactive Contributions</u>	<u>County Contributions</u>	<u>Total Contributions</u>
Before June 1, 2005*			
<u>Plan 1</u>			
Single	\$ 322.43	\$ 727.72	\$ 1,050.15
Single + Spouse	998.79	727.72	1,726.51
Surviving Spouse	1,050.15	-	1,050.15
<u>Plan 2</u>			
Single	\$ 378.62	\$ 727.72	\$ 1,106.34
Single + Spouse	1,066.45	727.72	1,794.17
Surviving Spouse	1,106.34	-	1,106.34
<u>Plan 3</u>			
Single	\$ 378.62	\$ 727.72	\$ 1,106.34
Single + Spouse	1,066.45	727.72	1,794.17
Surviving Spouse	1,106.34	-	1,106.34

* Employees hired on or after June 1, 2005 may continue coverage under COBRA paying the above monthly total contribution while they are eligible for COBRA.

**SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

XIV. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

(1) HEALTH PLAN - continued

The table below provides the required inactive participant contributions, County contributions, and full group COBRA premiums for the County-sponsored dental plan effective for the 2022 - 2023 plan year.

<u>Date of Hire</u>	<u>Inactive Contributions</u>	<u>County Contributions</u>	<u>Total Contributions</u>
Before June 1, 2005*			
Single	\$ -	\$ 35.00	\$ 35.00
Single + Spouse	30.00	35.00	65.00
Surviving Spouse	30.00	-	30.00

* Employees hired on or after June 1, 2005 may continue coverage under COBRA paying the above monthly total contribution while they are eligible for COBRA.

(e) NET OPEB LIABILITY

The County's net OPEB liability was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2023.

(f) ACTUARIAL ASSUMPTIONS

The Total OPEB liability in the September 30, 2023, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.60%
Overall payroll growth	Not applicable.
Discount rate	4.63% (Fidelity Municipal GO AA Index as of September 30, 2023)
Healthcare cost trend rates	Medical/Rx/Dental Post-65: 5.2% Medical/Rx/Dental Pre-65: 5.10% initial, increasing 0.1% per year then decreasing to an ultimate rate of 4.0%

All mortality rates are based on the rates used in Smith County's December 31, 2022 TCDRS valuation. Mortality rates for active members were based on 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for inactive members were based on 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for disabled members were based on 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XIV. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

(1) HEALTH PLAN - continued

Health insurance elections were developed based on the following:

- 100% of employees who were hired prior to June 1, 2005 and have coverage in the County-sponsored health and/or dental insurance plan before retirement are assumed to elect coverage at retirement and continue coverage for life.
- 10% of employees electing coverage in the health and/or dental insurance plan at retirement are assumed to cover their spouse, who is assumed to continue coverage for life.
- 50% of spouses electing coverage are assumed to waive coverage upon becoming Medicare eligible.
- Current participants enrolled in Medical Plan 1 or Medical Plan 2 are assumed to remain in their currently elected plan until age 65, should they elect post-retirement medical coverage. Participants in all other plans are assumed to have a 70% likelihood of electing Plan 1 and a 30% likelihood of electing Plan 2 upon retirement.
- Employees hired on or after June 1, 2005 are not eligible to continue coverage in the County-sponsored medical/Rx, dental plan, or life insurance plan, and therefore are not valued in the GASB 74 actuarial valuation.

Medical/prescription drug and dental per capita claims and administration costs were developed based on the following:

- County claims experience (including Medical/Rx and Dental), fees, and administration costs for the County's employees and retirees from October 1, 2021 through September 30, 2023.
- Claims experience was adjusted for healthcare cost trend, age-sex differentials between employees and retirees, medical plan values, and integration of Medicare at ages 65 and after.
- Post-65 medical claims are based on County contributions to the BCBS Medicare Supplemental Plan.
- The actuarial cost method was Entry Age Normal, as required by GASB 75.
- Investment gains/losses are amortized over five year, liability gains/losses are amortized over Average Working Lifetime, and Plan changes are recognized immediately.

(g) DISCOUNT RATE

The discount rate used to measure the total OPEB liability was 4.63%. Since the fund does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the 20-year municipal bonds rate. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XIV. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

(1) HEALTH PLAN - continued

(h) CHANGES IN THE NET OPEB LIABILITY

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balances as of September 30, 2022	\$ 37,316,159	\$ -	\$ 37,316,159
Changes for the year:			
Service cost	385,487	-	385,487
Interest	1,631,725	-	1,631,725
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(7,279,687)	-	(7,279,687)
Changes in assumptions	(2,101,593)	-	(2,101,593)
Refund of contributions	-	-	-
Benefit payments	(1,233,938)	(1,233,938)	-
Employer contributions	-	1,233,938	(1,233,938)
Net investment income	-	-	-
Administrative expenses	-	-	-
Other	-	-	-
Balances as of September 30, 2023	<u>\$ 28,718,153</u>	<u>\$ -</u>	<u>\$ 28,718,153</u>

(i) SENSITIVITY ANALYSIS

The following presents the net OPEB liability of the County, calculated using the discount rate of 4.63%, as well as what the Smith County net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.63%) or 1 percentage point higher (5.63%) than the current rate.

	1% Decrease in Discount Rate (3.63%)	Discount Rate (4.63%)	1% Increase in Discount Rate (5.63%)
Total OPEB Liability	\$ 32,532,566	\$ 28,718,153	\$ 25,582,676
Plan fiduciary net position	-	-	-
Net OPEB Liability	<u>\$ 32,532,566</u>	<u>\$ 28,718,153</u>	<u>\$ 25,582,676</u>

The healthcare trend rate is 5.1% for both dental and medical/Rx Post-65, and 8.0% initial, decreasing to the ultimate rate of 4.00% for medical/Rx Pre-65. The following presents the net OPEB liability of the County, calculated using the health trend rates noted above, as well as what the Smith County net OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Total OPEB Liability	\$ 25,205,506	\$ 28,718,153	\$ 33,019,245
Plan fiduciary net position	-	-	-
Net OPEB Liability	<u>\$ 25,205,506</u>	<u>\$ 28,718,153</u>	<u>\$ 33,019,245</u>

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XIV. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

(1) HEALTH PLAN - continued

(j) OPEB EXPENSE

For the year ended September 30, 2023, the County recognized OPEB income of \$8,726,005.

Components of OPEB Expense	
Service cost	\$ 385,487
Interest on total OPEB liability	1,631,725
Differences between expected and actual experience	(6,921,965)
Changes in assumptions	(3,821,252)
Projected earnings on OPEB plan investments	-
Differences between projected and actual earnings on plan investments	-
OPEB plan administrative expenses	-
Total OPEB expense	\$ (8,726,005)

(k) DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES TO BE RECOGNIZED IN OPEB EXPENSE IN FUTURE YEARS

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 3,887,375
Changes in actuarial assumptions	-	5,950,281
Difference between projected and actual investment earnings	-	-
Total	\$ -	\$ 9,837,656

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

Year Ended September 30	
2024	\$ (9,223,901)
2025	(613,755)
2026	-
2027	-
2028	-
Thereafter	-
	\$ (9,837,656)

**SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

XIV. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – Continued

(2) SUPPLEMENTAL DEATH BENEFITS PLAN

(a) PLAN DESCRIPTION

The County also participates in a cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas County and District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees. The coverage provided to retired employees is a postemployment benefit other than pension benefits (OPEB). Retired employees are insured for \$5,000.

The GTLF is a separate trust administered by the TCDRS board of trustees. TCDRS issues a publicly available comprehensive annual financial report (ACFR) that includes financial statements and required supplementary information for the GTLF. This report is available at www.tcdrs.org. TCDRS' ACFR may also be obtained by writing to the Texas County & District Retirement System, P.O. Box 2034, Austin, TX 76768-2034, or by calling 800-823-7782.

(b) PLAN MEMBERSHIP

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

	12/31/2022
Inactive employees currently receiving benefits	490
Inactive employees entitled to but not yet receiving benefits	232
Active employees	928
	1,650

All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan.

(c) BENEFITS PROVIDED

Payment from this funds are similar to group term life insurance benefits, and are paid to the designated beneficiaries upon the receipt of an approved application of payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an "other postemployment benefit" (OPEB) and is a fixed amount of \$5,000. The obligations of this plan are payable only from the GTLF and are not an obligation of, or claim against, the TCDRS Pension Trust Fund.

(d) CONTRIBUTIONS

Each participating employer contributes to the Group Term Life program at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered payroll of members employed by the County. There is a one-year delay between the actuarial valuation that services as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy is to ensure that adequate resources are available to meet all insurance benefit payments for the upcoming year. It is not the intent of the funding policy to pre-fund retiree term life insurance during employees' entire careers.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XIV. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – Continued

(2) SUPPLEMENTAL DEATH BENEFITS PLAN - continued

As the GTLF covers both active and retiree participants, with no segregation of assets, the GTLF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

For calendar years 2022 the total GTLF contribution rate for the County was .28%, while the retiree portion of the GTLF contribution was .12% and for Calendar year 2023 the GTLF contribution rate was .22% while the retiree portion was .09%. The County's contributions for the year ended September 30, 2023, were \$53,537 for the retiree portion, and \$129,173 for the total GTLF rate. Due to the SDB being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

(e) TOTAL OPEB LIABILITY OF THE COUNTY

The County's total OPEB liability was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

(f) ACTUARIAL ASSUMPTIONS

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	Does not apply
Salary Increases	Does not apply
Investment Rate of Return (Discount Rate)	3.72% 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2022.

The actuarial cost method being used is known as the Entry Age Normal Method, as required by GASB 75. This method develops the annual cost of the Plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost, and that due to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability.

The County has no automatic cost-of-living adjustments ("COLA") and one is not considered to be substantively automatic under GASB 75. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculation or in the funding valuation.

All actuarial assumptions that determined the total OPEB liability as of December 31, 2021 were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2021, except where required to be different by GASB 75.

(g) DISCOUNT RATE

Under GASB 75, the discount rate for an unfunded OPEB plan should be based on 20-year-tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 3.72% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2022.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XIV. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – Continued

(2) SUPPLEMENTAL DEATH BENEFITS PLAN - continued

(h) CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balance at 12/31/2021	\$ 2,805,101
Changes for the year:	
Service cost	101,347
Interest	59,261
Change of benefit terms	-
Difference between expected and actual experience	15,747
Changes of assumptions or other inputs	(793,097)
Benefit payments	<u>(59,736)</u>
Net changes	<u>(676,478)</u>
Balance at 12/31/2022	<u><u>\$ 2,128,623</u></u>

(i) SENSITIVITY ANALYSIS

The following presents the total OPEB liability for the County, calculated using the discount rate of 3.72%, would be if it were calculated using a discount rate that is 1-percentage-point lower (2.72%) or 1-percentage-point higher (4.72%) than the current rate:

	1% Decrease in Discount Rate (2.72%)	Discount Rate (3.72%)	1% Increase in Discount Rate (4.72%)
Total OPEB Liability	\$ 2,563,017	\$ 2,128,623	\$ 1,793,789

(j) OPEB EXPENSE

For the year ended September 30, 2023, the County recognized OPEB expense of \$145,737.

Components of OPEB Expense	
Service cost	\$ 101,347
Interest on total OPEB liability	59,261
Effect of plan changes	-
Recognition of deferred outflows/inflows of resources:	
Recognition of economic/demographic gains or losses	(3,239)
Recognition of assumption changes or inputs	<u>(11,632)</u>
Total OPEB expense	<u><u>\$ 145,737</u></u>

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

XIV. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – Continued

(2) SUPPLEMENTAL DEATH BENEFITS PLAN - continued

(k) DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES TO BE RECOGNIZED IN OPEB EXPENSE IN FUTURE YEARS

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 17,750	\$ 10,572
Changes in actuarial assumptions	257,642	634,478
Contributions made subsequent to the measurement date	38,292	-
Total	\$ 313,684	\$ 645,050

The County had \$38,292 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date, but before the end of the County’s reporting period will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2024, rather than in the current fiscal year. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	
2023	\$ 18,313
2024	(87,455)
2025	(145,044)
2026	(155,472)
2027	-
Thereafter	-
	\$ (369,658)

XV. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 14, 2024, the date the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION



SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Property Taxes:				
Taxes - current	\$ 52,866,715	\$ 52,866,715	\$ 51,916,382	\$ (950,333)
Taxes - delinquent	500,000	500,000	635,317	135,317
Penalty and collection fees	650,000	650,000	806,822	156,822
Total Property Taxes	<u>54,016,715</u>	<u>54,016,715</u>	<u>53,358,521</u>	<u>(658,194)</u>
Licenses and Other Taxes:				
Liquor drink tax	760,000	760,000	804,747	44,747
Sales tax	27,200,000	27,200,000	28,942,684	1,742,684
Bingo taxes	40,000	40,000	34,627	(5,373)
Miscellaneous	47,500	47,500	53,235	5,735
Total Licenses and Other Taxes	<u>28,047,500</u>	<u>28,047,500</u>	<u>29,835,293</u>	<u>1,787,793</u>
Fees of Office:				
County Judge	5,800	5,800	7,814	2,014
Sheriff	285,000	285,000	271,847	(13,153)
Constables	310,000	310,000	386,174	76,174
County Clerk	1,876,000	1,876,000	1,471,276	(404,724)
Criminal District Attorney	25,000	25,000	25,641	641
District Clerk	360,000	360,000	368,496	8,496
Justices of the Peace	330,000	330,000	321,778	(8,222)
Vehicle sales tax commission	3,100,000	3,100,000	3,099,657	(343)
Auto registration	825,000	825,000	865,938	40,938
Records management	38,000	38,000	44,600	6,600
Court imposed fees	524,350	524,350	552,008	27,658
State imposed fees	133,550	133,550	133,769	219
Titles and certificates	339,000	339,000	340,119	1,119
Telephone coin station revenues	830,000	830,000	643,964	(186,036)
Miscellaneous	119,000	119,000	155,627	36,627
Total Fees of Office	<u>9,100,700</u>	<u>9,100,700</u>	<u>8,688,708</u>	<u>(411,992)</u>
Fines:				
District and county courts	359,000	359,000	1,353,212	994,212
Total Fines	<u>359,000</u>	<u>359,000</u>	<u>1,353,212</u>	<u>994,212</u>
Intergovernmental Revenues:				
Intergovernmental revenues	923,792	923,792	1,355,899	432,107
Total Intergovernmental Revenues	<u>923,792</u>	<u>923,792</u>	<u>1,355,899</u>	<u>432,107</u>
Other Revenues and Fees:				
Interest	335,000	335,000	3,441,941	3,106,941
Rentals	83,620	83,620	109,459	25,839
Donations	7,600	8,800	13,225	4,425
Reimbursements	423,115	423,115	634,449	211,334
Prisoner care	510,000	510,000	581,946	71,946
Other revenues	30,000	31,364	365,072	333,708
Total Other Revenues and Fees	<u>1,389,335</u>	<u>1,391,899</u>	<u>5,146,092</u>	<u>3,754,193</u>
Total Revenues	<u>\$ 93,837,042</u>	<u>\$ 93,839,606</u>	<u>\$ 99,737,725</u>	<u>\$ 5,898,119</u>

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES				
General Government:				
Commissioners' Court	\$ 699,977	\$ 699,977	\$ 697,524	\$ 2,453
Record Service Bureau	226,586	226,586	220,656	5,930
County Auditor	1,132,417	1,132,417	1,024,408	108,009
Election division	722,805	722,805	632,258	90,547
County Treasurer	225,395	237,895	236,371	1,524
Tax Assessor-Collector	2,428,612	2,428,612	2,296,958	131,654
General operations	4,575,466	4,518,316	4,066,027	452,289
Physical plant	2,868,839	2,862,567	2,642,189	220,378
Personnel	439,704	445,904	444,853	1,051
Budget office	107,454	107,454	9,181	98,273
Information services	5,083,493	5,086,493	4,505,103	581,390
Collections	245,185	245,185	233,416	11,769
Veterans service office	259,829	259,829	244,530	15,299
Purchasing agent	514,999	516,363	513,551	2,812
Total General Government	19,530,761	19,490,403	17,767,025	1,723,378
Justice System:				
County Court	325,543	325,543	305,830	19,713
County Court at Law	548,353	548,353	525,571	22,782
County Court at Law #2	539,716	539,716	483,072	56,644
County Court at Law #3	567,531	567,531	496,826	70,705
County Clerk	1,623,657	1,623,657	1,572,633	51,024
District Courts	3,968,399	3,567,899	3,017,031	550,868
District Clerk	1,755,196	1,755,196	1,542,820	212,376
Justices of the Peace	1,989,705	2,100,205	2,027,710	72,495
Indigent defense	2,102,000	2,117,500	2,083,984	33,516
Pre-trial release	356,339	356,339	295,710	60,629
Juvenile probation	42,908	45,408	45,184	224
Criminal District Attorney	7,662,103	7,624,257	7,147,780	476,477
Total Justice System	21,481,450	21,171,604	19,544,151	1,627,453
Public Safety:				
Animal Control	573,179	592,465	572,282	20,183
Civil defense and rural fire aid	684,982	699,819	516,747	183,072
Constables	2,348,675	2,397,790	2,327,992	69,798
Sheriff's department	14,695,592	14,901,475	14,342,591	558,884
Warrant division	-	-	3,382	(3,382)
Litter abatement office	234,014	234,014	218,570	15,444
Dispatcher	2,463,503	2,464,703	2,185,874	278,829
Total Public Safety	20,999,945	21,290,266	20,167,438	1,122,828
Health and Human Services:				
Indigent health care	210,000	210,000	119,087	90,913
Agricultural extension	307,294	311,745	297,031	14,714
Public services	541,686	541,686	543,681	(1,995)
Total Health and Human Services	1,058,980	1,063,431	959,799	103,632

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES (cont'd.)				
Corrections and Rehab:				
Jail	\$ 25,455,424	\$ 26,581,096	\$ 25,456,055	\$ 1,125,041
Community service & rehab	61,150	61,150	41,620	19,530
Total Corrections and Rehab	<u>25,516,574</u>	<u>26,642,246</u>	<u>25,497,675</u>	<u>1,144,571</u>
Capital Outlay:				
Equipment	2,648,633	2,941,237	3,087,109	(145,872)
Vehicles	399,493	635,969	515,289	120,680
Other	500,000	503,100	256,057	247,043
Total Capital Outlay	<u>3,548,126</u>	<u>4,080,306</u>	<u>3,858,455</u>	<u>221,851</u>
Debt Service:				
Principal	100,547	100,547	100,547	-
Interest	3,449	3,449	3,449	-
Total Debt Service	<u>103,996</u>	<u>103,996</u>	<u>103,996</u>	<u>-</u>
Total Expenditures	<u>92,239,832</u>	<u>93,842,252</u>	<u>87,898,539</u>	<u>5,943,713</u>
Excess of Revenues Over Expenditures	1,597,210	(2,646)	11,839,186	11,841,832
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	110,795	116,665	5,870
Proceeds from leases	-	-	185,386	185,386
Proceeds from SBITAs	-	-	1,384,154	1,384,154
Sale of equipment	-	-	84,344	84,344
Transfers in	-	843,038	843,038	-
Transfers out	(16,100,000)	(16,100,000)	(16,100,000)	-
Total Other Financing Sources (Uses)	<u>(16,100,000)</u>	<u>(15,146,167)</u>	<u>(13,486,413)</u>	<u>1,659,754</u>
Excess of Revenues and Other Financing Sources (Under) Over Expenditures and Other Financing Uses	(14,502,790)	(15,148,813)	(1,647,227)	13,501,586
FUND BALANCE, SEPTEMBER 30, 2022	<u>52,564,339</u>	<u>52,564,339</u>	<u>52,564,339</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2023	<u>\$ 38,061,549</u>	<u>\$ 37,415,526</u>	<u>\$ 50,917,112</u>	<u>\$ 13,501,586</u>

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUND - ROAD AND BRIDGE
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Property Taxes:				
Taxes - current	\$ 9,296,506	\$ 9,296,506	\$ 9,192,031	\$ (104,475)
Taxes - delinquent	53,000	53,000	110,328	57,328
Total Property Taxes	<u>9,349,506</u>	<u>9,349,506</u>	<u>9,302,359</u>	<u>(47,147)</u>
Fees of Office:				
Auto registration	2,760,000	2,400,000	2,810,812	410,812
Other fees	77,000	437,000	150,279	(286,721)
Total Fees of Office	<u>2,837,000</u>	<u>2,837,000</u>	<u>2,961,091</u>	<u>124,091</u>
Fines:				
Justices of the Peace	500,000	500,000	503,120	3,120
Total Fines	<u>500,000</u>	<u>500,000</u>	<u>503,120</u>	<u>3,120</u>
Intergovernmental Revenues:				
Intergovernmental revenues	78,000	78,000	77,972	(28)
Total Intergovernmental Revenues	<u>78,000</u>	<u>78,000</u>	<u>77,972</u>	<u>(28)</u>
Other Revenues and Fees:				
Interest	38,000	38,000	478,820	440,820
Other revenue	5,000	5,000	77,854	72,854
Total Other Revenues and Fees	<u>43,000</u>	<u>43,000</u>	<u>556,674</u>	<u>513,674</u>
Total Revenues	<u>12,807,506</u>	<u>12,807,506</u>	<u>13,401,216</u>	<u>593,710</u>
EXPENDITURES				
Infrastructure and Environmental Services:				
Administrative	994,051	1,015,257	841,698	173,559
Labor Division	8,827,078	8,962,003	6,806,242	2,155,761
Equipment Division	1,921,556	1,984,056	1,840,837	143,219
Total Infrastructure and Environmental Services	<u>11,742,685</u>	<u>11,961,316</u>	<u>9,488,777</u>	<u>2,472,539</u>
Capital Outlay:				
Improvements	75,000	15,000	12,072	2,928
Vehicles	236,000	269,000	196,694	72,306
Equipment	1,190,000	1,423,542	929,394	494,148
Total Capital Outlay	<u>1,501,000</u>	<u>1,707,542</u>	<u>1,138,160</u>	<u>569,382</u>
Total Expenditures	<u>13,243,685</u>	<u>13,668,858</u>	<u>10,626,937</u>	<u>3,041,921</u>
Excess of Revenues Over (Under) Expenditures	(436,179)	(861,352)	2,774,279	3,635,631
OTHER FINANCING SOURCES				
Insurance proceeds	-	-	983	983
Sale of equipment	-	-	51,690	51,690
Transfers in	11,000,000	11,000,000	11,000,000	-
Total Other Financing Sources	<u>11,000,000</u>	<u>11,000,000</u>	<u>11,052,673</u>	<u>52,673</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	10,563,821	10,138,648	13,826,952	3,688,304
FUND BALANCE, SEPTEMBER 30, 2022	<u>5,034,809</u>	<u>5,034,809</u>	<u>5,034,809</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2023	<u>\$ 15,598,630</u>	<u>\$ 15,173,457</u>	<u>\$ 18,861,761</u>	<u>\$ 3,688,304</u>

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
Total Pension Liability									
Service cost	\$ 6,232,122	\$ 5,890,994	\$ 5,296,743	\$ 4,938,486	\$ 4,955,098	\$ 5,058,170	\$ 5,136,064	\$ 4,457,220	\$ 4,018,152
Interest on total pension liability	16,561,277	15,692,780	14,933,713	14,033,281	13,394,652	12,546,230	11,548,165	10,890,190	9,987,652
Effect of plan changes	-	-	-	-	-	-	1,176,989	(890,020)	2,013,743
Effect of assumption changes or inputs	-	111,897	12,111,284	-	-	459,075	-	1,482,064	-
Effect of economic/demographic (gains) or losses	(533,343)	(218,403)	(94,704)	850,358	(1,552,915)	461,252	(308,900)	(1,540,557)	2,010,479
Benefit payments/refunds of contributions	(10,915,005)	(9,885,461)	(9,847,495)	(8,833,914)	(8,471,177)	(7,443,441)	(6,953,355)	(6,839,560)	(5,988,650)
Net change in total pension liability	11,345,051	11,591,807	21,547,205	11,008,211	8,325,658	11,081,286	10,598,963	7,559,337	12,041,376
Total pension liability, beginning	217,036,987	205,445,180	183,897,975	172,889,764	164,564,106	153,482,820	142,883,857	135,324,520	123,283,144
Total pension liability, ending (a)	\$ 228,382,038	\$ 217,036,987	\$ 205,445,180	\$ 183,897,975	\$ 172,889,764	\$ 164,564,106	\$ 153,482,820	\$ 142,883,857	\$ 135,324,520
Fiduciary Net Position									
Employer contributions	\$ 6,088,672	\$ 5,246,245	\$ 5,134,342	\$ 4,794,899	\$ 4,569,901	\$ 4,295,225	\$ 3,898,296	\$ 3,931,296	\$ 2,909,278
Member contributions	3,484,609	3,212,928	3,111,725	3,010,254	2,981,508	2,799,502	2,693,793	2,664,006	2,471,480
Investment income net of investment expenses	(13,112,308)	40,776,708	17,615,379	24,224,110	(2,831,093)	19,337,813	9,172,255	(242,117)	8,000,021
Benefit payments/refunds of contributions	(10,915,005)	(9,885,461)	(9,847,495)	(8,833,914)	(8,471,177)	(7,443,441)	(6,953,355)	(6,839,560)	(5,988,650)
Administrative expenses	(132,680)	(122,068)	(136,384)	(129,963)	(118,476)	(100,688)	(99,745)	(89,499)	(93,288)
Other	(233)	11,219	(35,183)	(22,014)	(30,582)	(5,622)	(204,647)	(187,789)	(16,468)
Net change in fiduciary net position	(14,586,945)	39,239,571	15,842,384	23,043,372	(3,899,919)	18,882,789	8,506,597	(763,663)	7,282,373
Fiduciary net position, beginning	225,629,068	186,389,497	170,547,113	147,503,741	151,403,660	132,520,871	124,014,274	124,777,937	117,493,564
Fiduciary net position, ending (b)	\$ 211,042,123	\$ 225,629,068	\$ 186,389,497	\$ 170,547,113	\$ 147,503,741	\$ 151,403,660	\$ 132,520,871	\$ 124,014,274	\$ 124,777,937
Net pension liability/(asset), ending = (a) - (b)	\$ 17,339,915	\$ (8,592,081)	\$ 19,055,683	\$ 13,350,862	\$ 25,386,023	\$ 13,160,446	\$ 20,961,949	\$ 18,869,583	\$ 10,546,583
Fiduciary net position as a % of total pension liability	92.41%	103.96%	90.72%	92.74%	85.32%	92.00%	86.34%	86.79%	92.21%
Pensionable covered payroll	\$ 49,780,135	\$ 45,898,973	\$ 44,453,218	\$ 40,003,629	\$ 40,912,214	\$ 39,992,890	\$ 38,482,762	\$ 38,057,229	\$ 35,306,853
Net pension liability as a % of covered payroll	34.81%	-18.72%	42.87%	31.05%	62.05%	32.91%	54.47%	49.58%	29.87%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

**SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	2,774,644	2,774,919	(275)	34,926,585	7.95%
2015	3,569,819	3,569,819	-	36,240,209	9.85%
2016	3,871,232	3,871,232	-	38,015,395	10.18%
2017	4,192,173	4,192,173	-	39,635,274	10.58%
2018	4,495,650	4,495,832	(182)	40,669,317	11.05%
2019	4,743,047	4,743,047	-	42,518,447	11.16%
2020	5,067,840	5,067,840	-	44,282,077	11.44%
2021	5,124,057	5,124,057	-	44,697,006	11.46%
2022	5,246,245	5,246,245	-	49,624,008	10.57%
2023	6,251,909	6,251,909	-	55,365,164	11.29%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Timing	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	18.0 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-year smoothed fair value
Inflation	2.50%
Salary Increases	Varies by age and service. 4.70% average over career, including inflation
Investment Rate of Return	7.5%, net of administrative and 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 MP2021 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	2015: Employer contributions reflect that the current service matching rate was increased to 175% for future benefits. 2017: Employer contributions reflect that the current service matching rate was increased to 200% for future benefits. Also, new Annuity Purchase Rates were reflected for benefits earned after 2017.

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS
HEALTH PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 385,487	\$ 746,121	\$ 1,073,865	\$ 911,579	\$ 521,147	\$ 648,429
Interest	1,631,725	1,162,319	1,266,456	1,397,073	1,872,028	1,731,605
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(7,279,687)	(28,421)	(10,603,137)	-	3,901,951	-
Changes in assumptions	(2,101,593)	(14,589,730)	4,056,605	3,684,948	2,992,701	(4,641,759)
Benefit payments	<u>(1,233,938)</u>	<u>(1,316,140)</u>	<u>(1,367,240)</u>	<u>(1,376,238)</u>	<u>(1,240,359)</u>	<u>(1,083,639)</u>
Net change in total OPEB liability	(8,598,006)	(14,025,851)	(5,573,451)	4,617,362	8,047,468	(3,345,364)
Total OPEB liability, beginning	<u>37,316,159</u>	<u>51,342,010</u>	<u>56,915,461</u>	<u>52,298,099</u>	<u>44,250,631</u>	<u>47,595,995</u>
Total OPEB liability, ending (a)	<u>\$ 28,718,153</u>	<u>\$ 37,316,159</u>	<u>\$ 51,342,010</u>	<u>\$ 56,915,461</u>	<u>\$ 52,298,099</u>	<u>\$ 44,250,631</u>
Fiduciary Net Position						
Employer contributions	\$ 1,233,938	\$ 1,316,140	\$ 1,367,240	\$ 1,376,238	\$ 1,240,359	\$ 1,083,639
Net investment income	-	-	-	-	-	-
Benefit payments	(1,233,938)	(1,316,140)	(1,367,240)	(1,376,238)	(1,240,359)	(1,083,639)
Administrative expenses	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fiduciary net position	-	-	-	-	-	-
Fiduciary net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary net position, ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability/(asset), ending = (a) - (b)	<u>\$ 28,718,153</u>	<u>\$ 37,316,159</u>	<u>\$ 51,342,010</u>	<u>\$ 56,915,461</u>	<u>\$ 52,298,099</u>	<u>\$ 44,250,631</u>
Fiduciary net position as a % of total OPEB liability			0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 5,900,000	\$ 6,500,000	\$ 7,000,000	\$ 9,200,000	\$ 9,000,000	\$ 9,500,000
Net OPEB liability as a % of covered payroll	486.75%	574.09%	733.50%	618.60%	581.10%	465.80%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

**SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered- Employee Payroll
2018	\$ 1,083,639	\$ 1,083,639	\$ -	\$ 9,500,000	11.4%
2019	1,240,359	1,240,359	-	9,000,000	13.8%
2020	1,376,238	1,376,338	-	9,200,000	15.0%
2021	1,367,240	1,367,240	-	7,000,000	19.5%
2022	1,316,140	1,316,140	-	6,500,000	20.2%
2022	1,233,938	1,233,938	-	5,900,000	20.9%

NOTES TO SCHEDULE OF CONTRIBUTIONS

This schedule will present 10 years of information once it is accumulated.

Valuation Date	September 30, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll
Amortization Period	5 years for investment gains/losses Average Working Lifetime for liability gains/losses
Asset Valuation Method	The plan is not prefunded.
Discount Rate	4.63%
Healthcare cost trend rates	Medical/Rx/Dental Post-65: 5.20% Medical/Rx/Dental Pre-65: 5.1% initial, increasing .10% per year then decreasing to an ultimate rate of 4.0%
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 - Active Participants	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Mortality - Inactive Participants	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Mortality - Disabled Participants	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
SUPPLEMENTAL DEATH BENEFITS PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
Total OPEB liability						
Service Cost	\$ 101,347	\$ 90,761	\$ 77,014	\$ 51,477	\$ 63,778	\$ 56,702
Interest	59,261	57,726	63,965	70,153	64,443	64,659
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(793,097)	(4,268)	(20,032)	25,768	(19,164)	(17,110)
Change of assumptions and other inputs	15,747	56,398	307,985	503,070	(210,809)	93,952
Benefit payments	(59,736)	(55,079)	(53,344)	(51,604)	(45,003)	(39,993)
Net Change in Total OPEB Liability	(676,478)	145,538	375,588	598,864	(146,755)	158,210
Total OPEB Liability - Beginning	\$ 2,805,101	\$ 2,659,563	2,283,975	1,685,111	1,831,866	1,673,656
Total OPEB Liability - Ending (a)	<u>\$ 2,128,623</u>	<u>\$ 2,805,101</u>	<u>\$ 2,659,563</u>	<u>\$ 2,283,975</u>	<u>\$ 1,685,111</u>	<u>\$ 1,831,866</u>
Covered Payroll	\$ 49,780,135	\$ 45,898,973	\$ 44,453,218	\$ 43,003,629	\$ 40,912,214	\$ 39,992,890
Net OPEB Liability as a Percentage of Covered Payroll	4.28%	6.11%	5.98%	5.31%	4.12%	4.58%

NOTES TO SCHEDULE

This schedule will present 10 years of information once it is accumulated.

Valuation Date:

Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Rates:

Actuarial Cost Method	Entry Age Percent of Salary
Amortization Method	Straight-Line amortization over Expected Working Life
Investment Rate of Return (Discount Rate)	3.72% 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2022.
Disability	Members who become disabled are eligible to commence benefit payments regardless of age. Rates of disability are in a customer table based on TCDRS experience.
Mortality - Depositing Members	135% of the Pub-2010 General Employees Amount-Weighted Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Table for females, both projected with 100% of the MP2021 Ultimate scale after 2010.
Mortality - Service Retirees, Beneficiaries, and Non-Depositing Members	135% of the Pub-2010 General Healthy Retirees Amount-Weighted Table for males and 120% of the Pub-2010 General Healthy Retirees Amount-Weighted Table for females, both projected with 100% of the MP2021 Ultimate scale after 2010.
Mortality - Disables Retirees	135% of the Pub-2010 General Disabled Retirees Amount-Weighted Table for males and 120% of the Pub-2010 General Disabled Retirees Amount-Weighted Table for females, both projected with 100% of the MP2021 Ultimate scale after 2010.

Other Information:

The Supplemental Death Benefits Fund is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

SMITH COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

I. BUDGETS AND BUDGETARY ACCOUNTING

A. BUDGET BASIS

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) in the United States of America.



ADDITIONAL SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

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

	SPECIAL REVENUE FUNDS							
	DISTRICT CLERK TITLE IV-D	COUNTY LAW LIBRARY	COUNTY CLERK RECORDS PRESERVATION	DISTRICT CLERK RECORDS PRESERVATION	JUVENILE DELINQUENCY PREVENTION	COURTHOUSE SECURITY	DISTRICT ATTORNEY	
ASSETS								
Cash	\$ 49,800	\$ 60,279	\$ 2,197,849	\$ 188,201	\$ 101,222	\$ 1,311,303	\$ 32,194	
Investments	-	171,910	3,548,012	-	-	-	-	
Taxes receivable-delinquent, net	-	-	-	-	-	-	-	
Accounts receivable	-	3,216	16,036	752	634	3,718	-	
Prepaid and other assets	-	-	-	-	-	-	-	
Due from other funds	-	-	-	-	-	-	-	
TOTAL ASSETS	\$ 49,800	\$ 235,405	\$ 5,761,897	\$ 188,953	\$ 101,856	\$ 1,315,021	\$ 32,194	
LIABILITIES								
Vouchers payable	\$ -	\$ 1,910	\$ 14,050	\$ -	\$ -	\$ 60,258	\$ 41	
Salaries payable	-	1,708	-	-	-	-	-	
Due to other funds	-	-	-	-	-	-	-	
Total Liabilities	-	3,618	14,050	-	-	60,258	41	
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-property taxes	-	-	-	-	-	-	-	
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	
FUND BALANCE								
Nonspendable:								
Prepays	-	-	-	-	-	-	-	
Restricted for:								
Records preservation	-	-	5,747,847	188,953	-	-	-	
Courthouse security	-	-	-	-	-	1,254,763	-	
Law enforcement purposes	-	-	-	-	-	-	32,153	
Adult probation	-	-	-	-	-	-	-	
Juvenile services	-	-	-	-	101,856	-	-	
Technology	-	-	-	-	-	-	-	
Judicial support	49,800	231,787	-	-	-	-	-	
Public services	-	-	-	-	-	-	-	
Inmates	-	-	-	-	-	-	-	
Capital projects	-	-	-	-	-	-	-	
Debt service	-	-	-	-	-	-	-	
Committed to:								
Juvenile services	-	-	-	-	-	-	-	
Workforce development	-	-	-	-	-	-	-	
Major building repairs	-	-	-	-	-	-	-	
Elections department	-	-	-	-	-	-	-	
Capital projects	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	
Total fund balance	49,800	231,787	5,747,847	188,953	101,856	1,254,763	32,153	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 49,800	\$ 235,405	\$ 5,761,897	\$ 188,953	\$ 101,856	\$ 1,315,021	\$ 32,194	

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

	SPECIAL REVENUE FUNDS						
	COURT IMPROVEMENT	DISTRICT ATTORNEY DRUG FORFEITURE	DRUG FORFEITURE	DISTRICT ADULT PROBATION	EAST TEXAS AUTO CRUSHERS	LOCAL LAW ENFORCEMENT GRANTS	JUVENILE GENERAL
ASSETS							
Cash	\$ 126,709	\$ 174,530	\$ 163,474	\$ 720,539	\$ 74,141	\$ -	\$ 1,126,418
Investments	-	-	-	1,816,365	-	-	142,754
Taxes receivable-delinquent, net	-	-	-	-	-	-	-
Accounts receivable	702	-	6,300	21,276	110,030	52,715	40,729
Prepaid and other assets	-	-	-	1,043	2,051	-	1,960
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 127,411	\$ 174,530	\$ 169,774	\$ 2,559,223	\$ 186,222	\$ 52,715	\$ 1,311,861
LIABILITIES							
Vouchers payable	\$ 132	\$ -	\$ 14,884	\$ 13,608	\$ 42,445	\$ 52,715	\$ 131,586
Salaries payable	-	-	-	68,406	2,128	-	77,906
Due to other funds	-	-	-	-	150,000	-	-
Total Liabilities	132	-	14,884	82,014	194,573	52,715	209,492
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCE							
Nonspendable:							
Prepays	-	-	-	1,043	2,051	-	1,960
Restricted for:							
Records preservation	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-
Law enforcement purposes	-	-	154,890	-	-	-	-
Adult probation	-	174,530	-	2,476,166	-	-	-
Juvenile services	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-
Judicial support	127,279	-	-	-	-	-	-
Public services	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Committed to:							
Juvenile services	-	-	-	-	-	-	1,100,409
Workforce development	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(10,402)	-	-
Total fund balance	127,279	174,530	154,890	2,477,209	(8,351)	-	1,102,369
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 127,411	\$ 174,530	\$ 169,774	\$ 2,559,223	\$ 186,222	\$ 52,715	\$ 1,311,861

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

	SPECIAL REVENUE FUNDS						
	TEXAS JUVENILE JUSTICE DEPARTMENT	CRIME VICTIMS SERVICES	SHERIFF DEA TASK FORCE	JUSTICE COURT TECHNOLOGY FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND	JUVENILE JUSTICE ALTERNATIVE EDUCATION	BODY WORN CAMERA PROGRAM
ASSETS							
Cash	\$ 166,942	\$ 137,665	\$ 528,474	\$ 280,737	\$ 11,267	\$ 52,721	\$ 471
Investments	13,867	-	-	145,491	-	26	-
Taxes receivable-delinquent, net	-	-	-	-	-	-	-
Accounts receivable	552,158	-	1,388	592	232	-	-
Prepaid and other assets	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 732,967	\$ 137,665	\$ 529,862	\$ 426,820	\$ 11,499	\$ 52,747	\$ 471
LIABILITIES							
Vouchers payable	\$ 28,751	\$ 84	\$ 1,367	-	-	-	-
Salaries payable	19,354	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total Liabilities	48,105	84	1,367	-	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCE							
Nonspendable:							
Prepays	-	-	-	-	-	-	-
Restricted for:							
Records preservation	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-
Law enforcement purposes	-	137,581	528,495	-	-	-	471
Adult probation	-	-	-	-	-	-	-
Juvenile services	804,638	-	-	-	-	52,747	-
Technology	-	-	-	426,820	11,499	-	-
Judicial support	-	-	-	-	-	-	-
Public services	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Committed to:							
Juvenile services	-	-	-	-	-	-	-
Workforce development	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Unassigned	(119,776)	-	-	-	-	-	-
Total fund balance	684,862	137,581	528,495	426,820	11,499	52,747	471
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 732,967	\$ 137,665	\$ 529,862	\$ 426,820	\$ 11,499	\$ 52,747	\$ 471

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

SPECIAL REVENUE FUNDS									
LEOSE FUND	JUDICIAL EDUCATION	HOMELAND SECURITY	DA CRIME PREVENTION	FORFEITURE INTEREST 10%	WORKFORCE INVESTMENT	JAC MAINTENANCE			
\$ 93,033	\$ 27,269	\$ 14,597	\$ 6,285	\$ 297,077	\$ -	\$ 266,230			
-	-	-	-	-	126,401	954,263			
-	85	-	-	-	-	-			
-	-	-	-	-	-	-			
-	-	-	-	-	-	-			
TOTAL ASSETS	\$ 27,354	\$ 14,597	\$ 6,285	\$ 297,077	\$ 126,401	\$ 1,220,493			
LIABILITIES									
Vouchers payable	-	\$ -	\$ -	\$ -	\$ 1,600	\$ 5,522			
Salaries payable	-	-	-	-	-	-			
Due to other funds	-	-	-	-	11,821	-			
Total Liabilities	3	-	-	-	13,421	5,522			
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue-property taxes	-	-	-	-	-	-			
Total Deferred Inflows of Resources	-	-	-	-	-	-			
FUND BALANCE									
Nonspendable:									
Prepays	-	-	-	-	-	-			
Restricted for:									
Records preservation	-	-	-	-	-	-			
Courthouse security	-	-	-	-	-	-			
Law enforcement purposes	93,030	14,597	6,285	297,077	-	-			
Adult probation	-	-	-	-	-	-			
Juvenile services	-	-	-	-	-	-			
Technology	-	-	-	-	-	-			
Judicial support	-	27,354	-	-	-	-			
Public services	-	-	-	-	-	-			
Inmates	-	-	-	-	-	-			
Capital projects	-	-	-	-	-	-			
Debt service	-	-	-	-	-	-			
Committed to:									
Juvenile services	-	-	-	-	-	-			
Workforce development	-	-	-	-	112,980	-			
Major building repairs	-	-	-	-	-	1,214,971			
Elections department	-	-	-	-	-	-			
Capital projects	-	-	-	-	-	-			
Unassigned	-	-	-	-	-	-			
Total fund balance	93,030	14,597	6,285	297,077	112,980	1,214,971			
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 93,033	\$ 14,597	\$ 6,285	\$ 297,077	\$ 126,401	\$ 1,220,493			

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

	SPECIAL REVENUE FUNDS						COMMISSARY FUND
	ELECTIONS VOTING MACHINE REPLACEMENT	ELECTION SERVICES CONTRACT	CHAPTER 19 VOTER REGISTRATION	EDWARD BYRNE MEMORIAL JAG GRANT	DA FEDERAL ASSETS		
ASSETS							
Cash	\$ 7,557	\$ 110,200	\$ 30,987	\$ 97,208	\$ 35,249	\$ 669,802	11,145
Investments	-	-	-	-	-	-	-
Taxes receivable-delinquent, net	-	-	-	-	-	-	-
Accounts receivable	-	-	6,591	-	6,050	-	54,045
Prepaid and other assets	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 7,557	\$ 110,200	\$ 37,578	\$ 97,208	\$ 41,299	\$ 734,992	
LIABILITIES							
Vouchers payable	\$ -	\$ -	\$ 899	\$ 82,208	\$ -	\$ -	\$ 36,870
Salaries payable	-	-	-	-	-	-	-
Due to other funds	-	-	31,000	15,000	-	-	-
Total Liabilities	-	-	31,899	97,208	-	36,870	
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	
FUND BALANCE							
Nonspendable:							
Prepaids	-	-	-	-	-	-	-
Restricted for:							
Records preservation	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	41,299	-	-
Law enforcement purposes	-	-	-	-	-	-	-
Adult probation	-	-	-	-	-	-	-
Juvenile services	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-
Judicial support	-	-	-	-	-	-	-
Public services	7,557	-	5,679	-	-	698,122	-
Inmates	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Committed to:							
Juvenile services	-	-	-	-	-	-	-
Workforce development	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-
Elections department	-	110,200	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	7,557	110,200	5,679	-	41,299	698,122	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 7,557	\$ 110,200	\$ 37,578	\$ 97,208	\$ 41,299	\$ 734,992	

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

	SPECIAL REVENUE FUNDS			TOTAL	DEBT SERVICE FUND		CAPITAL PROJECT FUNDS	
	TRANSPORTATION GRANTS	EAST TEXAS ANTI GANG	FINANCIAL CRIMES		DEBT SERVICE FUND	FACILITY IMPROVEMENT	INFRASTRUCTURE IMPROVEMENT SERIES 2018	
ASSETS								
Cash	\$ 98,016	\$ 377,265	\$ -	\$ 9,635,711	\$ 327,888	\$ 2,671,166	\$ -	
Investments	-	-	-	6,930,234	216,646	1,896,382	-	
Taxes receivable-delinquent, net	-	-	-	-	389,031	108,625	-	
Accounts receivable	19,114	189,990	528,176	1,614,529	25,105	6,171	-	
Prepaid and other assets	-	1,849	2,021	8,924	-	-	-	
Due from other funds	-	-	-	-	-	-	-	
TOTAL ASSETS	\$ 117,130	\$ 569,104	\$ 530,197	\$ 18,189,398	\$ 958,670	\$ 4,682,344	\$ -	
LIABILITIES								
Vouchers payable	\$ 4,000	\$ 94,442	\$ 251,921	\$ 839,296	\$ -	\$ 228,321	\$ -	
Salaries payable	-	6,263	-	175,765	-	-	-	
Due to other funds	122,000	485,000	467,409	1,282,230	-	-	-	
Total Liabilities	126,000	585,705	719,330	2,297,291	-	228,321	-	
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-property taxes	-	-	-	-	360,032	100,528	-	
Total Deferred Inflows of Resources	-	-	-	-	360,032	100,528	-	
FUND BALANCE								
Nonspendable:								
Prepays	-	1,849	2,021	8,924	-	-	-	
Restricted for:								
Records preservation	-	-	-	5,936,800	-	-	-	
Courthouse security	-	-	-	1,254,763	-	-	-	
Law enforcement purposes	-	(1,849)	-	1,478,559	-	-	-	
Adult probation	-	-	-	2,476,166	-	-	-	
Juvenile services	-	-	-	959,241	-	-	-	
Technology	-	-	-	438,319	-	-	-	
Judicial support	-	-	-	436,220	-	-	-	
Public services	-	-	-	13,236	-	-	-	
Inmates	-	-	-	698,122	-	-	-	
Capital projects	-	-	-	-	-	-	-	
Debt service	-	-	-	-	598,638	-	-	
Committed to:								
Juvenile services	-	-	-	1,100,409	-	-	-	
Workforce development	-	-	-	112,980	-	-	-	
Major building repairs	-	-	-	1,214,971	-	-	-	
Elections department	-	-	-	110,200	-	-	-	
Capital projects	-	-	-	-	-	4,353,495	-	
Unassigned	(8,870)	(16,601)	(191,154)	(346,803)	-	-	-	
Total fund balance	(8,870)	(16,601)	(189,133)	15,892,107	598,638	4,353,495	-	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 117,130	\$ 569,104	\$ 530,197	\$ 18,189,398	\$ 958,670	\$ 4,682,344	\$ -	

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

	CAPITAL PROJECT FUNDS					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	INFRASTRUCTURE IMPROVEMENT SERIES 2019	INFRASTRUCTURE IMPROVEMENT SERIES 2020	INFRASTRUCTURE IMPROVEMENT SERIES 2021	INFRASTRUCTURE IMPROVEMENT SERIES 2022	PARKING GARAGE CONSTRUCTION SERIES 2023	
ASSETS						
Cash	\$ 268,375	\$ 290,241	\$ 111,256	\$ 8,214,788	\$ 19,211,169	\$ 40,730,594
Investments	-	-	-	-	-	9,043,262
Taxes receivable-delinquent, net	-	-	-	-	-	497,656
Accounts receivable	-	-	-	-	-	1,645,805
Prepaid and other assets	-	-	-	-	-	8,924
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	\$ 268,375	\$ 290,241	\$ 111,256	\$ 8,214,788	\$ 19,211,169	\$ 51,926,241
LIABILITIES						
Vouchers payable	\$ 182,216	-	\$ 4,241	\$ 504,894	\$ 103,977	\$ 1,862,945
Salaries payable	-	-	-	-	-	175,765
Due to other funds	-	-	-	-	-	1,282,230
Total Liabilities	182,216	-	4,241	504,894	103,977	3,320,940
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	-	-	-	-	-	460,560
Total Deferred Inflows of Resources	-	-	-	-	-	460,560
FUND BALANCE						
Nonspendable:						
Prepays	-	-	-	-	-	8,924
Restricted for:						
Records preservation	-	-	-	-	-	5,936,800
Courthouse security	-	-	-	-	-	1,254,763
Law enforcement purposes	-	-	-	-	-	1,478,559
Adult probation	-	-	-	-	-	2,476,166
Juvenile services	-	-	-	-	-	959,241
Technology	-	-	-	-	-	438,319
Judicial support	-	-	-	-	-	436,220
Public services	-	-	-	-	-	13,236
Inmates	-	-	-	-	-	698,122
Capital projects	86,159	290,241	107,015	7,709,894	19,107,192	27,300,501
Debt service	-	-	-	-	-	598,638
Committed to:						
Juvenile services	-	-	-	-	-	1,100,409
Workforce development	-	-	-	-	-	112,980
Major building repairs	-	-	-	-	-	1,214,971
Elections department	-	-	-	-	-	110,200
Capital projects	-	-	-	-	-	4,353,495
Unassigned	-	-	-	-	-	(346,803)
Total fund balance	86,159	290,241	107,015	7,709,894	19,107,192	48,144,741
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 268,375	\$ 290,241	\$ 111,256	\$ 8,214,788	\$ 19,211,169	\$ 51,926,241

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	SPECIAL REVENUE FUNDS									
	DISTRICT CLERK TITLE IV-D	COUNTY LAW LIBRARY	COUNTY CLERK RECORDS PRESERVATION	COUNTY CLERK RECORDS PRESERVATION	DISTRICT CLERK RECORDS PRESERVATION	JUVENILE DELINQUENCY PREVENTION	COURTHOUSE SECURITY	DISTRICT ATTORNEY		
REVENUES										
Property taxes	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	158,387	-	858,384	22,619	27,561	176,089	-	-	-
Intergovernmental revenues	998	-	-	-	-	-	-	-	23,790	-
Other revenues and fees	2,363	11,320	266,009	8,869	4,228	4,228	61,222	-	5,731	-
Total Revenues	3,361	169,707	1,124,393	31,488	31,789	31,789	237,311	-	29,521	-
EXPENDITURES										
General government	-	-	487,441	17,239	-	-	-	-	-	-
Justice system	27	152,811	-	-	-	-	125,140	-	24,945	-
Public safety	-	-	-	-	-	-	-	-	-	-
Corrections and rehabilitation	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	32,254	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	27	152,811	487,441	17,239	17,239	-	157,394	-	24,945	-
Excess of Revenue Over (Under) Expenditures	3,334	16,896	636,952	14,249	14,249	31,789	79,917	-	4,576	-
OTHER FINANCING SOURCES (USES)										
Issuance of debt (par value)	-	-	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,334	16,896	636,952	14,249	14,249	31,789	79,917	-	4,576	-
FUND BALANCE, SEPTEMBER 30, 2022	46,466	214,891	5,110,895	174,704	174,704	70,067	1,174,846	-	27,577	-
FUND BALANCE, SEPTEMBER 30, 2023	49,800	231,787	5,747,847	188,953	188,953	101,856	1,254,763	\$	32,153	\$

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	SPECIAL REVENUE FUNDS							
	COURT IMPROVEMENT	DISTRICT ATTORNEY DRUG FORFEITURE	DRUG FORFEITURE	DISTRICT ADULT PROBATION	EAST TEXAS AUTO CRUSHERS	LOCAL LAW ENFORCEMENT GRANTS	JUVENILE GENERAL	
REVENUES								
Property taxes	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
Fees of office	-	-	-	3,389,802	-	-	-	20,366
Intergovernmental revenues	20,606	-	-	824,710	424,724	52,715	-	-
Other revenues and fees	7,389	48,341	93,479	249,341	5,132	-	-	445,442
Total Revenues	27,995	48,341	93,479	4,463,853	429,856	52,715	-	465,808
EXPENDITURES								
General government	-	-	-	-	-	-	-	-
Justice system	71,287	-	-	-	-	-	-	5,533,609
Public safety	-	73,965	24,873	-	441,488	52,715	-	-
Corrections and rehabilitation	-	-	-	4,606,102	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Capital outlay	-	-	98,600	-	32,695	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-	-
Total Expenditures	71,287	73,965	123,473	4,606,102	474,183	52,715	-	5,533,609
Excess of Revenue Over (Under) Expenditures	(43,292)	(25,624)	(29,994)	(142,249)	(44,327)	-	-	(5,067,801)
OTHER FINANCING SOURCES (USES)								
Issuance of debt (par value)	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	1,000	-	-	-
Transfers in	-	-	-	-	-	-	-	5,100,000
Transfers out	-	-	-	-	-	-	-	(50,000)
Total Other Financing Sources (Uses)	-	-	-	-	1,000	-	-	5,050,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(43,292)	(25,624)	(29,994)	(142,249)	(43,327)	-	-	(17,801)
FUND BALANCE, SEPTEMBER 30, 2022	170,571	200,154	184,884	2,619,458	34,976	-	-	1,120,170
FUND BALANCE, SEPTEMBER 30, 2023	\$ 127,279	\$ 174,530	\$ 154,890	\$ 2,477,209	\$ (8,351)	\$ -	\$ -	\$ 1,102,369

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	SPECIAL REVENUE FUNDS									
	TEXAS JUVENILE JUSTICE DEPARTMENT	CRIME VICTIMS SERVICES	SHERIFF DEA TASK FORCE	JUSTICE COURT TECHNOLOGY FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND	JUVENILE JUSTICE ALTERNATIVE EDUCATION	BODY WORN CAMERA PROGRAM			
REVENUES										
Property taxes	-	-	-	-	-	-	-	-	-	-
Fees of office	-	-	-	24,993	-	-	-	-	-	-
Intergovernmental revenues	2,512,877	-	7,690	-	-	-	-	-	-	-
Other revenues and fees	15,092	16,521	31,247	19,768	9,533	2,547	-	-	-	-
Total Revenues	2,527,969	16,521	38,937	44,761	9,533	2,547	-	-	-	-
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	-	-
Justice system	-	5,721	-	21,370	15,000	-	-	-	-	-
Public safety	-	-	7,551	-	-	-	-	-	-	-
Corrections and rehabilitation	1,718,558	-	-	-	-	-	-	-	-	-
Health and human services	4,773	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	21,261	-	-	-	-	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	1,723,331	5,721	28,812	21,370	15,000	-	-	-	-	-
Excess of Revenue Over (Under) Expenditures	804,638	10,800	10,125	23,391	(5,467)	2,547	-	-	-	-
OTHER FINANCING SOURCES (USES)										
Issuance of debt (par value)	-	-	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	804,638	10,800	10,125	23,391	(5,467)	2,547	-	-	-	-
FUND BALANCE, SEPTEMBER 30, 2022	(119,776)	126,781	518,370	403,429	16,966	50,200	471	-	-	-
FUND BALANCE, SEPTEMBER 30, 2023	\$ 684,862	\$ 137,581	\$ 528,495	\$ 426,820	\$ 11,499	\$ 52,747	\$ 471	-	-	-

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

SPECIAL REVENUE FUNDS										
LEOSE FUND	JUDICIAL EDUCATION	HOMELAND SECURITY	DA CRIME PREVENTION	FORFEITURE INTEREST 10%	WORKFORCE INVESTMENT	JAC MAINTENANCE				
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Property taxes	-	-	-	-	-	-				
Fees of office	-	-	-	-	-	-				
Intergovernmental revenues	5,026	-	-	-	-	-				
Other revenues and fees	1,249	1,173	304	29,209	5,686	72,181				
Total Revenues	6,275	1,173	304	29,209	5,686	72,181				
EXPENDITURES										
General government	-	-	-	-	23,199	97,897				
Justice system	2,884	-	-	-	-	-				
Public safety	13,280	-	-	-	-	-				
Corrections and rehabilitation	-	-	-	-	-	-				
Health and human services	-	-	-	22,000	-	-				
Community and economic development	-	-	-	-	-	-				
Capital outlay	-	-	-	-	-	-				
Debt Service-principal retirement	-	-	-	-	-	25,425				
Bond issuance costs	-	-	-	-	-	-				
Debt Service-interest and fiscal charges	-	-	-	-	-	-				
Total Expenditures	2,884	-	-	22,000	23,199	123,322				
Excess of Revenue Over (Under) Expenditures	3,391	1,173	304	7,209	(17,513)	(51,141)				
OTHER FINANCING SOURCES (USES)										
Issuance of debt (par value)	-	-	-	-	-	-				
Bond premium	-	-	-	-	-	-				
Insurance proceeds	-	-	-	-	-	-				
Transfers in	-	-	-	-	-	100,000				
Transfers out	-	-	-	-	-	-				
Total Other Financing Sources (Uses)	-	-	-	-	-	100,000				
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	13,647	1,173	304	7,209	(17,513)	48,859				
FUND BALANCE, SEPTEMBER 30, 2022	79,383	13,424	5,981	289,868	130,493	1,166,112				
FUND BALANCE, SEPTEMBER 30, 2023	93,030	14,597	6,285	297,077	112,980	1,214,971				

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	SPECIAL REVENUE FUNDS						COMMISSARY FUND
	ELECTIONS VOTING MACHINE REPLACEMENT	ELECTION SERVICES CONTRACT	CHAPTER 19 VOTER REGISTRATION	EDWARD BYRNE MEMORIAL JAG GRANT	DA FEDERAL ASSETS		
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	29,990	-	-	-	-	-
Intergovernmental revenues	-	-	18,184	27,619	-	-	-
Other revenues and fees	-	4,703	-	-	18,019	-	403,827
Total Revenues	-	34,693	18,184	27,619	18,019	-	403,827
EXPENDITURES							
General government	-	-	18,206	-	-	-	-
Justice system	-	-	-	-	-	-	279,262
Public safety	-	-	-	27,619	-	-	-
Corrections and rehabilitation	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	110,270
Debt Service-principal retirement	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	-	-	18,206	27,619	-	-	389,532
Excess of Revenue Over (Under) Expenditures	-	34,693	(22)	-	18,019	-	14,295
OTHER FINANCING SOURCES (USES)							
Issuance of debt (par value)	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	34,693	(22)	-	18,019	-	14,295
FUND BALANCE, SEPTEMBER 30, 2022	7,557	75,507	5,701	-	23,280	-	683,827
FUND BALANCE, SEPTEMBER 30, 2023	\$ 7,557	\$ 110,200	\$ 5,679	\$ -	\$ 41,299	\$ -	\$ 698,122

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUND		CAPITAL PROJECT FUNDS	
	TRANSPORTATION GRANTS	EAST TEXAS ANTI GANG	FINANCIAL CRIMES	TOTAL	DEBT SERVICE FUND	FACILITY IMPROVEMENT	INFRASTRUCTURE IMPROVEMENT SERIES 2018
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 7,845,436	\$ 2,189,441	\$ -
Fees of office	-	-	-	4,708,191	-	-	-
Intergovernmental revenues	226,618	2,182,516	1,658,096	7,986,169	-	-	-
Other revenues and fees	-	-	-	1,866,852	131,808	332,166	92
Total Revenues	226,618	2,182,516	1,658,096	14,561,212	7,977,244	2,521,607	92
EXPENDITURES							
General government	-	-	-	643,982	-	369,247	-
Justice system	-	-	-	6,106,916	-	-	-
Public safety	-	2,147,119	1,383,598	4,297,348	-	-	-
Corrections and rehabilitation	-	-	-	6,324,660	-	-	-
Health and human services	-	-	-	26,773	-	-	-
Community and economic development	226,618	-	-	226,618	-	-	-
Capital outlay	-	54,275	467,000	841,780	-	2,788,103	-
Debt Service-principal retirement	-	-	-	-	6,120,000	-	-
Bond issuance costs	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	1,578,603	-	-
Total Expenditures	226,618	2,201,394	1,850,598	18,468,077	7,698,603	3,157,350	-
Excess of Revenue Over (Under) Expenditures	-	(18,878)	(192,502)	(3,906,865)	278,641	(635,743)	92
OTHER FINANCING SOURCES (USES)							
Issuance of debt (par value)	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-
Insurance proceeds	-	-	3,247	4,247	-	-	-
Transfers in	-	-	-	5,200,000	5,672	-	-
Transfers out	-	-	-	(50,000)	-	(50,000)	(5,672)
Total Other Financing Sources (Uses)	-	-	3,247	5,154,247	5,672	(50,000)	(5,672)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(18,878)	(189,255)	1,247,382	284,313	(685,743)	(5,580)
FUND BALANCE, SEPTEMBER 30, 2022	(8,870)	2,277	122	14,644,725	314,325	5,039,238	5,580
FUND BALANCE, SEPTEMBER 30, 2023	(8,870)	(16,601)	(189,133)	15,892,107	598,638	4,353,495	-

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	CAPITAL PROJECT FUNDS					TOTAL
	INFRASTRUCTURE IMPROVEMENT SERIES 2019	INFRASTRUCTURE IMPROVEMENT SERIES 2020	INFRASTRUCTURE IMPROVEMENT SERIES 2021	INFRASTRUCTURE IMPROVEMENT SERIES 2022	PARKING GARAGE CONSTRUCTION SERIES 2023	NONMAJOR GOVERNMENTAL FUNDS
REVENUES						
Property taxes	-	-	-	-	-	10,034,877
Fees of office	-	-	-	-	-	4,708,191
Intergovernmental revenues	-	-	-	-	-	7,986,169
Other revenues and fees	49,718	31,644	38,669	725,763	219,502	3,396,214
Total Revenues	49,718	31,644	38,669	725,763	219,502	26,125,451
EXPENDITURES						
General government	-	-	-	-	-	1,013,229
Justice system	-	-	-	-	-	6,106,916
Public safety	-	-	-	-	-	4,297,348
Corrections and rehabilitation	-	-	-	-	-	6,324,660
Health and human services	-	-	-	-	-	26,773
Community and economic development	-	-	-	-	-	226,618
Capital outlay	2,343,758	689,028	2,889,307	11,050,242	112,310	20,714,528
Debt Service-principal retirement	-	-	-	-	-	6,120,000
Bond issuance costs	-	-	-	-	149,288	149,288
Debt Service-interest and fiscal charges	-	-	-	-	-	1,578,603
Total Expenditures	2,343,758	689,028	2,889,307	11,050,242	261,598	46,557,963
Excess of Revenue Over (Under) Expenditures	(2,294,040)	(657,384)	(2,850,638)	(10,324,479)	(42,096)	(20,432,512)
OTHER FINANCING SOURCES (USES)						
Issuance of debt (par value)	-	-	-	-	18,170,000	18,170,000
Bond premium	-	-	-	-	979,288	979,288
Insurance proceeds	-	-	-	-	-	4,247
Transfers in	-	-	-	-	-	5,205,672
Transfers out	-	-	-	-	-	(105,672)
Total Other Financing Sources (Uses)	-	-	-	-	19,149,288	24,253,535
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,294,040)	(657,384)	(2,850,638)	(10,324,479)	19,107,192	3,821,023
FUND BALANCE, SEPTEMBER 30, 2022	2,380,199	947,625	2,957,653	18,034,373	-	44,323,718
FUND BALANCE, SEPTEMBER 30, 2023	86,159	290,241	107,015	7,709,894	19,107,192	48,144,741

**DETAILED SCHEDULES OF REVENUES
EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET TO ACTUAL**

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY LAW LIBRARY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Law library fees	\$ 162,000	\$ 158,387	\$ (3,613)
Total Fees of Office	162,000	158,387	(3,613)
Other Revenues and Fees:			
Interest	600	11,320	10,720
Miscellaneous revenue	5,000	-	(5,000)
Total Other Revenues and Fees	5,600	11,320	5,720
Total Revenues	167,600	169,707	2,107
EXPENDITURES			
Justice System:			
Salaries and benefits	111,069	91,463	19,606
Supplies	55,000	48,650	6,350
Training expenses	500	-	500
Operating expenses	660	96	564
Contract agreements	19,000	1,316	17,684
Miscellaneous	12,500	11,286	1,214
Total Justice System	198,729	152,811	45,918
Total Expenditures	198,729	152,811	45,918
Excess of Revenues Over (Under) Expenditures	\$ (31,129)	16,896	\$ 48,025
FUND BALANCE SEPTEMBER 30, 2022		214,891	
FUND BALANCE SEPTEMBER 30, 2023		\$ 231,787	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - DISTRICT CLERK RECORDS PRESERVATION FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fees of Office:			
Record preservation fees	\$ 22,000	\$ 22,619	\$ 619
Total Fees of Office	<u>22,000</u>	<u>22,619</u>	<u>619</u>
Other Revenues and Fees:			
Interest	<u>700</u>	<u>8,869</u>	<u>8,169</u>
Total Other Revenues and Fees	<u>700</u>	<u>8,869</u>	<u>8,169</u>
Total Revenues	<u>22,700</u>	<u>31,488</u>	<u>8,788</u>
EXPENDITURES			
General Government:			
Salaries and benefits	47,652	17,239	30,413
Contract agreements	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total General Government	<u>57,652</u>	<u>17,239</u>	<u>40,413</u>
Capital Outlay:			
Equipment	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Capital Outlay	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Expenditures	<u>67,652</u>	<u>17,239</u>	<u>50,413</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (44,952)</u>	14,249	<u>\$ 59,201</u>
FUND BALANCE SEPTEMBER 30, 2022		<u>174,704</u>	
FUND BALANCE SEPTEMBER 30, 2023		<u>\$ 188,953</u>	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY CLERK RECORDS PRESERVATION FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fees of Office:			
Record preservation fees	\$ 1,140,000	858,384	\$ (281,616)
Total Fees of Office	<u>1,140,000</u>	<u>858,384</u>	<u>(281,616)</u>
Other Revenues and Fees:			
Interest	12,000	266,009	254,009
Total Other Revenues and Fees	<u>12,000</u>	<u>266,009</u>	<u>254,009</u>
Total Revenues	<u>1,152,000</u>	<u>1,124,393</u>	<u>(27,607)</u>
EXPENDITURES			
General Government:			
Salaries and benefits	23,826	-	23,826
Miscellaneous	200,000	168,457	31,543
Imaging / rebinding	2,600,000	318,984	2,281,016
Total General Government	<u>2,823,826</u>	<u>487,441</u>	<u>2,336,385</u>
Capital Outlay:			
Equipment	200,000	-	200,000
Total Capital Outlay	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total Expenditures	<u>3,023,826</u>	<u>487,441</u>	<u>2,536,385</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (1,871,826)</u>	636,952	<u>\$ 2,508,778</u>
FUND BALANCE SEPTEMBER 30, 2022		<u>5,110,895</u>	
FUND BALANCE SEPTEMBER 30, 2023		<u>5,747,847</u>	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - JUVENILE DELINQUENCY PREVENTION FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Juvenile Delinquency Prevention	\$ 22,000	\$ 27,561	\$ 5,561
Total Fees of Office	22,000	27,561	5,561
Other Revenues and Fees:			
Interest	300	4,228	3,928
Total Other Revenues and Fees	300	4,228	3,928
Total Revenues	22,300	31,789	9,489
EXPENDITURES			
Total Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	\$ 22,300	31,789	\$ 9,489
FUND BALANCE SEPTEMBER 30, 2022		70,067	
FUND BALANCE SEPTEMBER 30, 2023		\$ 101,856	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - COURTHOUSE SECURITY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Courthouse security	\$ 135,000	\$ 146,050	\$ 11,050
Courthouse security - Precinct #1	30,000	30,039	39
Total Fees of Office	165,000	176,089	11,089
Other Revenues and Fees:			
Interest	3,500	61,222	57,722
Total Other Revenues and Fees	3,500	61,222	57,722
Total Revenues	168,500	237,311	68,811
EXPENDITURES			
Public Safety:			
Training	1,650	1,621	29
Miscellaneous	89,746	83,816	5,930
Total Public Safety	91,396	85,437	5,959
Capital Outlay:			
Courthouse Renovations	114,200	-	114,200
Security Improvements	25,000	32,000	(7,000)
Equipment	42,500	39,957	2,543
Total Capital Outlay	181,700	71,957	109,743
Total Expenditures	273,096	157,394	115,702
Excess of Revenues Over (Under) Expenditures	\$ (104,596)	79,917	\$ 184,513
FUND BALANCE SEPTEMBER 30, 2022		1,174,846	
FUND BALANCE SEPTEMBER 30, 2023		\$ 1,254,763	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - JUSTICE COURT TECHNOLOGY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Justice Court technology	\$ 24,000	\$ 24,993	\$ 993
Total Fees of Office	24,000	24,993	993
Other Revenues and Fees:			
Interest	1,500	19,768	18,268
Total Other Revenues and Fees	1,500	19,768	18,268
Total Revenues	25,500	44,761	19,261
EXPENDITURES			
Justice System:			
Operating expenses	5,000	-	5,000
Total Justice System	5,000	-	5,000
Capital Outlay:			
Computer equipment	122,950	21,370	101,580
Total Capital Outlay	122,950	21,370	101,580
Total Expenditures	127,950	21,370	106,580
Excess of Revenues Over (Under) Expenditures	\$ (102,450)	23,391	\$ 125,841
FUND BALANCE SEPTEMBER 30, 2022		403,429	
FUND BALANCE SEPTEMBER 30, 2023		\$ 426,820	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY & DISTRICT COURT TECHNOLOGY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ 100	\$ 404	\$ 304
Other revenue	8,500	9,129	629
Total Other Revenues and Fees	<u>8,600</u>	<u>9,533</u>	<u>933</u>
Total Revenues	<u>8,600</u>	<u>9,533</u>	<u>933</u>
EXPENDITURES			
Justice System:			
Miscellaneous	<u>2,200</u>	<u>-</u>	<u>2,200</u>
Total Justice System	<u>2,200</u>	<u>-</u>	<u>2,200</u>
Capital Outlay:			
Computer equipment	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total Capital Outlay	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total Expenditures	<u>17,200</u>	<u>15,000</u>	<u>2,200</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (8,600)</u>	<u>(5,467)</u>	<u>\$ 3,133</u>
FUND BALANCE SEPTEMBER 30, 2022		<u>16,966</u>	
FUND BALANCE SEPTEMBER 30, 2023		<u>\$ 11,499</u>	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - JUVENILE GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fees of Office:			
Supervision and other fees	\$ 11,500	\$ 20,366	\$ 8,866
Total Fees of Office	11,500	20,366	8,866
Other Revenues and Fees:			
Prisoner care	300,000	377,133	77,133
Interest	4,000	58,392	54,392
Other revenue	3,700	9,917	6,217
Total Other Revenues and Fees	307,700	445,442	137,742
Total Revenues	319,200	465,808	146,608
EXPENDITURES			
Justice System:			
Salaries and benefits	5,020,207	4,813,707	206,500
Supplies	71,000	69,538	1,462
Operating expenses	139,300	124,933	14,367
Contract agreements	60,360	28,162	32,198
Placement	197,387	73,693	123,694
Miscellaneous	436,673	415,254	21,419
Total Justice System	5,924,927	5,525,287	399,640
Capital Outlay:			
Equipment	15,000	8,322	6,678
Total Capital Outlay	15,000	8,322	6,678
Total Expenditures	5,939,927	5,533,609	406,318
Excess of Revenues Over (Under) Expenditures	(5,620,727)	(5,067,801)	552,926
OTHER FINANCING SOURCES (USES)			
Transfers in	5,100,000	5,100,000	-
Transfers out	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	5,050,000	5,050,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (570,727)	(17,801)	\$ 552,926
FUND BALANCE SEPTEMBER 30, 2022		1,120,170	
FUND BALANCE SEPTEMBER 30, 2023		\$ 1,102,369	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - FORFEITURE INTEREST 10% FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Other Revenues and Fees:			
Interest	\$ 1,500	\$ 14,587	\$ 13,087
Other revenue	<u>10,000</u>	<u>14,622</u>	<u>4,622</u>
Total Other Revenues and Fees	<u>11,500</u>	<u>29,209</u>	<u>17,709</u>
Total Revenues	<u>11,500</u>	<u>29,209</u>	<u>17,709</u>
EXPENDITURES			
Health and Human Services:			
Operating expenses	<u>22,000</u>	<u>22,000</u>	<u>-</u>
Total Health and Human Services	<u>22,000</u>	<u>22,000</u>	<u>-</u>
Total Expenditures	<u>22,000</u>	<u>22,000</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (10,500)</u>	7,209	<u>\$ 17,709</u>
FUND BALANCE SEPTEMBER 30, 2022		<u>289,868</u>	
FUND BALANCE SEPTEMBER 30, 2023		<u>\$ 297,077</u>	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - WORKFORCE INVESTMENT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Other Revenues and Fees:			
Interest	\$ 100	\$ 5,686	\$ 5,586
Total Other Revenues and Fees	<u>100</u>	<u>5,686</u>	<u>5,586</u>
Total Revenues	<u>100</u>	<u>5,686</u>	<u>5,586</u>
EXPENDITURES			
General Government:			
Travel and training	10,000	1,600	8,400
Operating expenses	<u>35,000</u>	<u>21,599</u>	<u>13,401</u>
Total General Government	<u>45,000</u>	<u>23,199</u>	<u>21,801</u>
Total Expenditures	<u>45,000</u>	<u>23,199</u>	<u>21,801</u>
Excess of Revenues Over (Under) Expenditures	<u>(44,900)</u>	<u>(17,513)</u>	<u>27,387</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (44,900)</u>	<u>(17,513)</u>	<u>\$ 27,387</u>
FUND BALANCE SEPTEMBER 30, 2022		<u>130,493</u>	
FUND BALANCE SEPTEMBER 30, 2023		<u>\$ 112,980</u>	

**SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - JAC MAINTENANCE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ 3,000	53,609	\$ 50,609
Insurance proceeds	-	18,572	18,572
Total Other Revenues and Fees	3,000	72,181	69,181
Total Revenues	3,000	72,181	69,181
EXPENDITURES			
General Government:			
Building improvements	582,478	59,584	522,894
Ordinary repairs	50,000	27,099	22,901
Equipment	40,000	36,639	3,361
Total General Government	672,478	123,322	549,156
Total Expenditures	672,478	123,322	549,156
Excess of Revenues Over (Under) Expenditures	(669,478)	(51,141)	618,337
OTHER FINANCING SOURCES (USES)			
Transfers in	100,000	100,000	-
Total Other Financing Sources (Uses)	100,000	100,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (569,478)	48,859	\$ 618,337
FUND BALANCE SEPTEMBER 30, 2022		1,166,112	
FUND BALANCE SEPTEMBER 30, 2023		\$ 1,214,971	

SMITH COUNTY, TEXAS
CAPITAL PROJECTS FUND - FACILITY IMPROVEMENT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Property Taxes:			
Taxes - current	\$ 2,187,413	\$ 2,162,827	\$ (24,586)
Taxes - delinquent	20,000	26,614	6,614
Total Property Taxes	<u>2,207,413</u>	<u>2,189,441</u>	<u>(17,972)</u>
Other Revenues and Fees:			
Donations	50,000	50,000	-
Interest	10,000	282,166	272,166
Total Other Revenues and Fees	<u>60,000</u>	<u>332,166</u>	<u>272,166</u>
Total Revenues	<u>2,267,413</u>	<u>2,521,607</u>	<u>254,194</u>
EXPENDITURES			
General Government:			
Professional fees	554,436	369,247	185,189
Contingencies	18,555	-	18,555
Total General Government	<u>572,991</u>	<u>369,247</u>	<u>203,744</u>
Capital Outlay:			
Road and Bridge facility	3,111,449	2,251,041	860,408
Equipment	191,695	191,542	153
Improvements	2,077,795	248,509	1,829,286
Total Capital Outlay	<u>5,495,939</u>	<u>2,788,103</u>	<u>2,707,836</u>
Total Expenditures	<u>6,068,930</u>	<u>3,157,350</u>	<u>2,911,580</u>
Excess of Revenues Over (Under) Expenditures	(3,801,517)	(635,743)	3,165,774
OTHER FINANCING SOURCES (USES)			
Transfers out	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (3,851,517)</u>	(685,743)	<u>\$ 3,165,774</u>
FUND BALANCE SEPTEMBER 30, 2022		<u>5,039,238</u>	
FUND BALANCE SEPTEMBER 30, 2023		<u>\$ 4,353,495</u>	

SMITH COUNTY, TEXAS
CAPITAL PROJECTS FUND - INFRASTRUCTURE IMPROVEMENT FUND SERIES 2019
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Other Revenues and Fees:			
Interest	\$ 2,500	\$ 49,718	\$ 47,218
Total Other Revenues and Fees	<u>2,500</u>	<u>49,718</u>	<u>47,218</u>
Total Revenues	<u>2,500</u>	<u>49,718</u>	<u>47,218</u>
EXPENDITURES			
Capital Outlay:			
Special Road Projects	<u>2,355,383</u>	<u>2,343,758</u>	<u>11,625</u>
Total Capital Outlay	<u>2,355,383</u>	<u>2,343,758</u>	<u>11,625</u>
Total Expenditures	<u>2,355,383</u>	<u>2,343,758</u>	<u>11,625</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (2,352,883)</u>	(2,294,040)	<u>\$ 58,843</u>
FUND BALANCE SEPTEMBER 30, 2022		<u>2,380,199</u>	
FUND BALANCE SEPTEMBER 30, 2023		<u>\$ 86,159</u>	

SMITH COUNTY, TEXAS
CAPITAL PROJECTS FUND - INFRASTRUCTURE IMPROVEMENT FUND SERIES 2020
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Other Revenues and Fees:			
Interest	\$ 3,000	\$ 31,644	\$ 28,644
Total Other Revenues and Fees	<u>3,000</u>	<u>31,644</u>	<u>28,644</u>
Total Revenues	<u>3,000</u>	<u>31,644</u>	<u>28,644</u>
EXPENDITURES			
Capital Outlay:			
Special Road Projects	<u>779,612</u>	<u>689,028</u>	<u>90,584</u>
Total Capital Outlay	<u>779,612</u>	<u>689,028</u>	<u>90,584</u>
Total Expenditures	<u>779,612</u>	<u>689,028</u>	<u>90,584</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (776,612)</u>	(657,384)	<u>\$ 119,228</u>
FUND BALANCE SEPTEMBER 30, 2022		<u>947,625</u>	
FUND BALANCE SEPTEMBER 30, 2023		<u>\$ 290,241</u>	

SMITH COUNTY, TEXAS
CAPITAL PROJECTS FUND - INFRASTRUCTURE IMPROVEMENT FUND SERIES 2021
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ 3,000	\$ 38,669	\$ 35,669
Total Other Revenues and Fees	3,000	38,669	35,669
Total Revenues	3,000	38,669	35,669
EXPENDITURES			
Capital Outlay:			
Special Road Projects	2,889,913	2,889,307	606
Total Capital Outlay	2,889,913	2,889,307	606
Total Expenditures	2,889,913	2,889,307	606
Excess of Revenues Over (Under) Expenditures	\$ (2,886,913)	(2,850,638)	\$ 36,275
FUND BALANCE SEPTEMBER 30, 2022		2,957,653	
FUND BALANCE SEPTEMBER 30, 2023		\$ 107,015	

SMITH COUNTY, TEXAS
CAPITAL PROJECTS FUND - INFRASTRUCTURE IMPROVEMENT FUND SERIES 2022
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Other Revenues and Fees:			
Interest	\$ -	\$ 725,763	\$ 725,763
Total Other Revenues and Fees	<u>-</u>	<u>725,763</u>	<u>725,763</u>
Total Revenues	<u>-</u>	<u>725,763</u>	<u>725,763</u>
EXPENDITURES			
Capital Outlay:			
Special Road Projects	18,000,000	11,050,242	6,949,758
Total Capital Outlay	<u>18,000,000</u>	<u>11,050,242</u>	<u>6,949,758</u>
Total Expenditures	<u>18,000,000</u>	<u>11,050,242</u>	<u>6,949,758</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (18,000,000)</u>	(10,324,479)	<u>\$ 7,675,521</u>
FUND BALANCE SEPTEMBER 30, 2022		<u>18,034,373</u>	
FUND BALANCE SEPTEMBER 30, 2023		<u>\$ 7,709,894</u>	

SMITH COUNTY, TEXAS
CAPITAL PROJECTS FUND -PARKING GARAGE CONSTRUCTION FUND SERIES 2023
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ -	\$ 219,502	\$ 219,502
Total Other Revenues and Fees	-	219,502	219,502
Total Revenues	-	219,502	219,502
EXPENDITURES			
Capital Outlay:			
Parking structure	-	112,310	(112,310)
Total Capital Outlay	-	112,310	(112,310)
Debt Service:			
Bond issuance costs	-	149,288	(149,288)
Total Debt Service	-	149,288	(149,288)
Total Expenditures	-	261,598	(261,598)
Excess of Revenues Over (Under) Expenditures	-	(42,096)	(42,096)
OTHER FINANCING SOURCES (USES)			
Proceeds from Bonds	19,000,000	19,149,288	149,288
Total Other Financing Sources (Uses)	19,000,000	19,149,288	149,288
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 19,000,000	19,107,192	\$ 107,192
FUND BALANCE SEPTEMBER 30, 2022		-	
FUND BALANCE SEPTEMBER 30, 2023		\$ 19,107,192	

SMITH COUNTY, TEXAS
CAPITAL PROJECTS FUND - COURTHOUSE CONSTRUCTION FUND SERIES 2023
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ -	\$ 263,633	\$ 263,633
Total Other Revenues and Fees	-	263,633	263,633
Total Revenues	-	263,633	263,633
EXPENDITURES			
Capital Outlay:			
Courthouse construction	-	4,822,032	(4,822,032)
Total Capital Outlay	-	4,822,032	(4,822,032)
Debt Service:			
Bond issuance costs	-	442,000	(442,000)
Total Debt Service	-	442,000	(442,000)
Total Expenditures	-	5,264,032	5,264,032
Excess of Revenues Over (Under) Expenditures	-	(5,000,399)	(5,000,399)
OTHER FINANCING SOURCES (USES)			
Proceeds from Bonds	160,000,000	160,442,000	442,000
Total Other Financing Sources (Uses)	160,000,000	160,442,000	442,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 160,000,000	155,441,601	\$ (4,558,399)
FUND BALANCE SEPTEMBER 30, 2022		-	
FUND BALANCE SEPTEMBER 30, 2023		\$ 155,441,601	

**SMITH COUNTY, TEXAS
DEBT SERVICE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Property Taxes:			
Taxes - current	\$ 7,834,002	\$ 7,745,936	\$ (88,066)
Taxes - delinquent	60,000	99,500	39,500
Total Property Taxes	<u>7,894,002</u>	<u>7,845,436</u>	<u>(48,566)</u>
Other Revenues and Fees:			
Other revenue	-	15,029	15,029
Interest	15,000	116,779	101,779
Total Other Revenues and Fees	<u>15,000</u>	<u>131,808</u>	<u>116,808</u>
Total Revenues	<u>7,909,002</u>	<u>7,977,244</u>	<u>68,242</u>
EXPENDITURES			
Debt Service:			
Principal	6,120,000	6,120,000	-
Interest	1,598,203	1,578,603	19,600
Total Debt Service	<u>7,718,203</u>	<u>7,698,603</u>	<u>19,600</u>
Total Expenditures	<u>7,718,203</u>	<u>7,698,603</u>	<u>19,600</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 190,799</u>	278,641	<u>\$ 87,842</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	5,672	5,672
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,672</u>	<u>5,672</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 190,799</u>	284,313	<u>\$ 93,514</u>
FUND BALANCE SEPTEMBER 30, 2022		<u>314,325</u>	
FUND BALANCE SEPTEMBER 30, 2023		<u>\$ 598,638</u>	

INTERNAL SERVICE FUNDS

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2023

	Governmental Activities		
	Insurance Fund	Payroll Fund	Total
ASSETS			
Current Assets:			
Cash	\$ 691,365	\$ 125,192	\$ 816,557
Investments	3,253,086	-	3,253,086
Accounts receivable	1,423,288	-	1,423,288
Total Current Assets	\$ 5,367,739	125,192	5,492,931
LIABILITIES			
Current Liabilities:			
Vouchers payable	\$ 1,225,188	29,901	1,255,089
Total Current Liabilities	\$ 1,225,188	29,901	1,255,089
NET POSITION			
Unrestricted	\$ 4,142,551	95,291	4,237,842
Total Net Position	\$ 4,142,551	\$ 95,291	\$ 4,237,842

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	<u>Governmental Activities</u>		
	<u>Insurance Fund</u>	<u>Payroll Fund</u>	<u>Total</u>
OPERATING REVENUES			
Premiums and reimbursements	\$ 11,124,273	\$ -	\$ 11,124,273
Total Operating Revenues	<u>11,124,273</u>	<u>-</u>	<u>11,124,273</u>
OPERATING EXPENSES			
Insurance claims and administrative fees	<u>13,295,114</u>	<u>-</u>	<u>13,295,114</u>
Total Operating Expenses	<u>13,295,114</u>	<u>-</u>	<u>13,295,114</u>
Operating income (loss)	<u>(2,170,841)</u>	<u>-</u>	<u>(2,170,841)</u>
NON-OPERATING REVENUES			
Interest income and other	<u>261,135</u>	<u>15,094</u>	<u>276,229</u>
Change in net position	(1,909,706)	15,094	(1,894,612)
NET POSITION - SEPTEMBER 30, 2021	<u>6,052,257</u>	<u>80,197</u>	<u>6,132,454</u>
NET POSITION - SEPTEMBER 30, 2022	<u>\$ 4,142,551</u>	<u>\$ 95,291</u>	<u>\$ 4,237,842</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	<u>Governmental Activities</u>		
	<u>Insurance Fund</u>	<u>Payroll Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received for premiums and payroll	\$ 9,700,985	\$ 72,590,251	\$ 82,291,236
Cash paid to customers	(12,737,378)	-	(12,737,378)
Cash paid to employees	-	(72,589,870)	(72,589,870)
Net cash provided by (used in) operating activities	<u>(3,036,393)</u>	<u>381</u>	<u>(3,036,012)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of investments	805,761	-	805,761
Interest on investments	<u>261,135</u>	<u>15,094</u>	<u>276,229</u>
Net cash provided by investing activities	<u>1,066,896</u>	<u>15,094</u>	<u>1,081,990</u>
Net increase in cash	(1,969,497)	15,475	(1,954,022)
Cash at beginning of year	<u>2,660,862</u>	<u>109,717</u>	<u>2,770,579</u>
CASH AT END OF YEAR	<u><u>\$ 691,365</u></u>	<u><u>\$ 125,192</u></u>	<u><u>\$ 816,557</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (2,170,841)	\$ -	\$ (2,170,841)
Adjustment to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in accounts receivable	(1,423,288)	-	(1,423,288)
Increase (decrease) in vouchers payable	<u>557,736</u>	<u>381</u>	<u>558,117</u>
Net cash provided by (used in) operating activities	<u><u>\$ (3,036,393)</u></u>	<u><u>\$ 381</u></u>	<u><u>\$ (3,036,012)</u></u>

FIDUCIARY FUNDS

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

	Custodial Fund	Evidence Fund	ACH Clearing Fund	Local Provider Fund	Tax Office Collection Account
Assets					
Cash	\$ 925,136	\$ 6,432	\$ 4,381	\$ 678,678	\$ 4,033,364
Investments	-	-	359,658	-	-
Accounts receivable	41,678	-	333,192	3,029,824	-
Total assets	\$ 966,814	\$ 6,432	\$ 697,231	\$ 3,708,502	\$ 4,033,364
Liabilities					
Vouchers payable	437,061	-	18,142	-	-
Due to other governments	-	-	-	-	4,033,364
Due to others	-	-	207,600	-	-
Total liabilities	437,061	-	225,742	-	4,033,364
Net Position					
Individuals, organizations, and other governments	529,753	6,432	471,489	3,708,502	-
Total net position	\$ 529,753	\$ 6,432	\$ 471,489	\$ 3,708,502	\$ -

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

	District Clerk Registry Account	County Clerk Registry Account	Sheriff Fee Account	Justices of the Peace Fee Account	Adult Probation Fee Account
Assets					
Cash	\$ 2,933,264	\$ 4,786,247	\$ 470,913	\$ 810	\$ 94,136
Investments	1,408,860	845,491	11,145	-	-
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 4,342,124</u>	<u>\$ 5,631,738</u>	<u>\$ 482,058</u>	<u>\$ 810</u>	<u>\$ 94,136</u>
Liabilities					
Vouchers payable	\$ -	\$ -	\$ 6,424	\$ -	\$ -
Due to other governments	-	-	-	-	-
Due to others	4,342,124	5,631,738	-	-	-
Total liabilities	<u>4,342,124</u>	<u>5,631,738</u>	<u>6,424</u>	<u>-</u>	<u>-</u>
Net Position					
Individuals, organizations, and other governments	-	-	475,634	810	94,136
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 475,634</u>	<u>\$ 810</u>	<u>\$ 94,136</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

	Juvenile Probation Fee Account	Law Enforcement Seizure Account	DPS Seizure Account	District Attorney Fee Account	Total Custodial Funds
Assets					
Cash	\$ 132	\$ 410,054	\$ 84,220	\$ 3	\$ 14,427,770
Investments	-	-	-	-	2,625,154
Accounts receivable	-	-	-	-	3,404,694
Total assets	\$ 132	\$ 410,054	\$ 84,220	\$ 3	\$ 20,457,618
Liabilities					
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ 461,627
Due to other governments	-	-	-	-	4,033,364
Due to others	-	-	-	-	10,181,462
Total liabilities	-	-	-	-	14,676,453
Net Position	132	410,054	84,220	3	5,781,165
Individuals, organizations, and other governments	132	410,054	84,220	3	5,781,165
Total net position	\$ 132	\$ 410,054	\$ 84,220	\$ 3	\$ 5,781,165

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Custodial Fund	Evidence Fund	ACH Clearing Fund	Local Provider Fund	Tax Office Collection Account
Additions					
Tax collections for other governments	-	-	-	-	\$ 572,022,494
Held for others	1,840,722	-	1,337,666	90,704,964	-
Interest on investments	39,662	311	19,763	463,713	-
	<u>1,880,384</u>	<u>311</u>	<u>1,357,429</u>	<u>91,168,677</u>	<u>572,022,494</u>
Deductions					
Payments to other governments	1,842,289	-	-	-	572,022,494
Payments to others	-	-	1,117,353	88,946,544	-
Administrative expenses	-	-	-	20,000	-
	<u>1,842,289</u>	<u>-</u>	<u>1,117,353</u>	<u>88,966,544</u>	<u>572,022,494</u>
Net increase (decrease) in fiduciary position	38,095	311	240,076	2,202,133	-
Net position - beginning	491,658	6,121	231,413	1,506,369	-
Net position - ending	<u>\$ 529,753</u>	<u>\$ 6,432</u>	<u>\$ 471,489</u>	<u>\$ 3,708,502</u>	<u>\$ -</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	District Clerk Registry Account	County Clerk Registry Account	Sheriff Fee Account	Justices of the Peace Fee Account	Adult Probation Fee Account
Additions					
Tax collections for other governments	\$ -	\$ -	\$ -	\$ -	\$ -
Held for others	4,661,912	7,311,039	3,977,686	2,167,621	2,870,005
Interest on investments	-	-	-	-	-
	<u>4,661,912</u>	<u>7,311,039</u>	<u>3,977,686</u>	<u>2,167,621</u>	<u>2,870,005</u>
Deductions					
Payments to other governments	-	-	-	-	-
Payments to others	4,661,912	7,311,039	3,588,542	2,167,211	2,833,755
Administrative expenses	-	-	-	-	-
	<u>4,661,912</u>	<u>7,311,039</u>	<u>3,588,542</u>	<u>2,167,211</u>	<u>2,833,755</u>
Net increase (decrease) in fiduciary position	-	-	389,144	410	36,250
Net position - beginning	-	-	86,490	400	57,886
Net position - ending	<u>-</u>	<u>-</u>	<u>\$ 475,634</u>	<u>\$ 810</u>	<u>\$ 94,136</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Juvenile Probation Fee Account	Law Enforcement Seizure Account	DPS Seizure Account	District Attorney Fee Account	Total Custodial Funds
Additions					
Tax collections for other governments	\$ -	\$ -	\$ -	\$ -	\$ 572,022,494
Held for others	613	121,562	-	189,493	115,183,283
Interest on investments	-	-	4,067	-	527,516
	<u>613</u>	<u>121,562</u>	<u>4,067</u>	<u>189,493</u>	<u>687,733,293</u>
Deductions					
Payments to other governments	-	108,844	-	-	573,973,627
Payments to others	539	44,524	-	189,490	110,860,909
Administrative expenses	-	-	-	-	20,000
	<u>539</u>	<u>153,368</u>	<u>-</u>	<u>189,490</u>	<u>684,854,536</u>
Net increase (decrease) in fiduciary position	74	(31,806)	4,067	3	2,878,757
Net position - beginning	58	441,860	80,153	-	2,902,408
Net position - ending	<u>132</u>	<u>410,054</u>	<u>84,220</u>	<u>3</u>	<u>5,781,165</u>



STATISTICAL SECTION

**SMITH COUNTY, TEXAS
STATISTICAL SECTION**

This part of Smith County’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, not disclosures, and supplementary information says about the County’s overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the county’s financial performance and well-being have changed over time.	130
Revenue Capacity	
These schedules contain information to help the reader assess the County’s most significant local revenue source, property taxes.	134
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.	140
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.	144
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the service the County provides and the activities it performs.	147

Table 1

SMITH COUNTY, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	<i>Fiscal Year</i>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 50,279,650	\$ 54,266,461	\$ 60,752,064	\$ 63,953,784	\$ 67,459,545	\$ 70,060,840	\$ 73,535,200	\$ 80,980,786	\$ 84,735,514	\$ 100,628,300
Restricted	12,046,080	13,034,397	12,948,762	14,113,845	14,923,205	15,398,654	17,035,399	14,356,037	13,912,946	16,407,896
Unrestricted	1,476,020	434,472	(3,066,221)	(11,195,972)	(17,252,314)	(17,975,770)	(14,968,264)	(4,811,636)	13,379,514	27,000,493
Total Governmental Activities Net Position	\$ 63,801,750	\$ 67,735,330	\$ 70,634,605	\$ 66,871,657	\$ 65,130,436	\$ 67,483,724	\$ 75,602,335	\$ 90,525,187	\$ 112,027,974	\$ 144,036,689

Source: Government-wide Statement of Net Position

Table 2

SMITH COUNTY, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020*	2021	2022	2023
<i>Expenses:</i>										
General government	\$ 13,288,738	\$ 12,424,974	\$ 15,586,973	\$ 15,563,810	\$ 16,537,343	\$ 18,333,708	\$ 23,262,579	\$ 18,735,826	\$ 24,748,638	\$ 27,336,696
Justice system	18,633,229	19,096,917	18,511,326	22,278,463	21,261,358	22,166,443	20,959,685	20,947,538	20,559,327	23,550,551
Public safety	14,250,079	14,075,256	14,940,548	16,649,574	16,136,780	17,026,261	18,648,538	18,226,954	20,147,187	23,801,747
Health & human services	1,733,055	1,569,689	1,361,441	1,536,858	1,226,655	1,111,532	2,041,849	7,172,361	3,503,083	961,835
Infrastructure	7,094,425	7,856,817	9,323,759	10,242,264	9,310,870	11,644,610	11,056,090	9,327,905	11,555,874	12,623,330
Corrections & rehabilitation	24,339,547	25,051,057	26,747,533	28,140,531	26,653,284	28,668,267	28,087,621	30,636,954	29,613,043	30,623,047
Community & economic development	437,030	115,116	114,992	488,972	948,051	938,397	732,357	458,902	300,382	226,618
Interest on long-term debt	948,025	974,079	951,346	848,318	991,728	1,282,171	1,311,721	1,287,772	913,115	2,728,838
Total Governmental Activities Expenses	\$ 80,724,128	\$ 81,163,905	\$ 87,537,918	\$ 95,748,790	\$ 93,066,069	\$ 101,171,389	\$ 106,100,440	\$ 106,794,212	\$ 111,340,649	\$ 121,852,662
<i>Revenues:</i>										
Net Program Revenues:										
Charges for Services:										
General government	\$ 5,640,093	\$ 5,096,512	\$ 6,352,983	\$ 4,579,801	\$ 4,533,785	\$ 4,580,214	\$ 4,728,146	\$ 5,845,268	\$ 6,015,311	\$ 5,710,902
Justice system	3,809,999	4,054,229	3,848,656	3,774,718	3,755,231	3,746,743	3,510,527	5,226,064	4,308,046	5,065,081
Public safety	1,043,872	1,127,719	981,852	1,035,860	1,047,658	1,035,028	906,403	933,496	1,130,203	1,175,865
Infrastructure	3,668,169	3,349,974	3,284,340	3,716,290	4,032,853	3,932,128	3,576,601	3,520,912	4,168,486	4,020,885
Corrections & rehabilitation	3,399,786	3,467,857	3,352,506	3,408,882	3,673,833	3,912,329	4,093,266	4,193,152	3,463,964	4,033,766
Community & economic development	142,161	-	-	-	-	-	-	-	-	-
Operating grants & contributions	5,589,457	5,048,437	5,848,269	5,473,483	6,421,932	5,930,987	13,253,418	13,365,211	8,072,052	10,909,444
Capital grants & contributions	346,022	537,923	127,628	586,314	971,599	865,864	864,766	426,219	10,350,803	10,939,520
Total Governmental Activities Revenues	23,639,559	22,682,651	23,796,234	22,575,348	24,436,891	24,003,293	30,933,127	33,510,322	37,508,865	41,855,463
Program revenues	\$ (57,084,569)	\$ (58,481,254)	\$ (63,741,684)	\$ (73,173,442)	\$ (68,629,178)	\$ (77,168,096)	\$ (75,167,313)	\$ (73,283,890)	\$ (73,831,784)	\$ (79,997,199)
Net (Expense)/Revenue:										
General Revenues:										
Property taxes	\$ 44,562,723	\$ 46,738,447	\$ 48,450,847	\$ 50,177,482	\$ 52,079,609	\$ 56,329,278	\$ 60,853,157	\$ 62,151,500	\$ 65,085,868	\$ 72,698,640
Sales & other taxes	17,368,276	17,989,224	17,447,908	17,987,171	19,233,755	20,613,031	21,489,070	25,132,160	28,366,684	29,835,293
Miscellaneous	217,938	563,264	276,661	523,981	310,433	520,479	197,793	102,725	176,821	180,880
Gain (Loss) on sale of assets	64,921	382,297	34,181	62,781	1,674,944	(51,425)	21,652	125,930	(10,284)	101,095
Proceeds from Leases	-	-	-	-	-	-	-	-	351,879	185,386
Proceeds from SBITAs	-	-	-	-	-	-	-	-	-	1,384,154
Interest	176,107	305,073	431,362	659,079	1,349,912	2,110,021	1,179,398	694,427	1,363,603	7,620,466
Total Governmental Activities Revenues	62,389,965	65,978,305	66,640,959	69,410,494	74,648,653	79,521,384	83,741,070	88,206,742	95,334,571	112,005,914
Change in Net Position	5,305,396	7,497,051	2,899,275	(3,762,948)	6,019,475	2,353,288	8,573,757	14,922,852	21,502,787	32,008,715
Net Position - Beginning (Restated)	58,645,809	63,801,750	67,735,330	70,634,605	66,871,657	65,130,436	67,483,724	75,602,335	90,525,187	112,027,974
Other increases (decreases) in fund balance	(149,455)	(3,563,471)	-	-	(7,760,696)	-	(455,146)	-	-	-
Net Position - Ending	\$ 63,801,750	\$ 67,735,330	\$ 70,634,605	\$ 66,871,657	\$ 65,130,436	\$ 67,483,724	\$ 75,602,335	\$ 90,525,187	\$ 112,027,974	\$ 144,036,689

Source: Statement of Activities

* Net position change due to the adoption of GASB 84.

Table 3

SMITH COUNTY, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020*	2021	2022	2023
General Fund										
Fund Balances										
Nonspendable	\$ 78,629	\$ 86,345	\$ 87,541	\$ 436,286	\$ 449,501	\$ 484,961	\$ 479,878	\$ 517,806	\$ 594,362	\$ 629,098
Assigned As:										
Indigent Health Care	221,719	53,234	-	-	-	-	-	-	-	-
Juvenile Services	2,351,722	2,285,237	2,036,230	1,437,601	811,027	-	-	-	-	-
Workforce Development	322,965	247,978	236,954	223,410	211,060	-	-	-	-	-
Unassigned	23,639,616	27,232,940	30,765,250	30,461,111	31,563,404	32,919,475	34,866,524	46,518,254	51,969,977	50,288,014
Restricted As:										
Capital Projects	-	-	-	-	-	-	-	-	-	-
Total General Fund	\$ 26,614,651	\$ 29,905,734	\$ 33,125,975	\$ 32,558,408	\$ 33,034,992	\$ 33,404,436	\$ 35,346,402	\$ 47,036,060	\$ 52,564,339	\$ 50,917,112
Road and Bridge Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,187
Committed	\$ 3,894,378	\$ 6,045,297	\$ 3,142,682	\$ 3,506,050	\$ 4,807,485	\$ 4,475,050	\$ 6,316,604	\$ 4,316,569	\$ 5,034,809	\$ 18,826,574
Total Road and Bridge Fund	\$ 3,894,378	\$ 6,045,297	\$ 3,142,682	\$ 3,506,050	\$ 4,807,485	\$ 4,475,050	\$ 6,316,604	\$ 4,316,569	\$ 5,034,809	\$ 18,861,761
Jail Expansion Fund										
Restricted	\$ 2,890,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Jail Expansion Fund	\$ 2,890,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Major Capital Improvement Funds										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 9,862,835	\$ 11,130,993	\$ 11,735,697	\$ 14,303,878	\$ 24,325,430	\$ 155,441,601
Committed	\$ -	\$ -	\$ -	\$ -	\$ 9,862,835	\$ 11,130,993	\$ 11,735,697	\$ 14,303,878	\$ 24,325,430	\$ 155,441,601
Total Capital Improvement Fund	\$ -	\$ -	\$ -	\$ -	\$ 9,862,835	\$ 11,130,993	\$ 11,735,697	\$ 14,303,878	\$ 24,325,430	\$ 155,441,601
All Other Governmental Funds										
Debt Service Fund										
Restricted	\$ 1,587,380	\$ 1,622,772	\$ 1,647,844	\$ 1,707,149	\$ 1,794,491	\$ 1,883,278	\$ 2,811,260	\$ 1,459,292	\$ 314,325	\$ 598,638
Other Non Major Funds										
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Capital Project Funds										
Restricted	3,267,782	2,801,768	2,053,099	1,723,624	4,433,775	3,193,507	3,576,476	1,862,459	5,039,238	4,353,495
Committed	-	-	-	5,205	6,241	7,503	5,886	4,952	5,549	8,924
Unassigned	-	-	-	1,096,465	138,527	2,037,873	2,346,833	2,507,711	2,490,563	2,538,560
Special Revenue Funds:										
Nonspendable	77,224	79,181	73,955	12,406,696	13,128,714	15,049,417	14,224,137	12,896,745	13,598,622	15,809,258
Committed	10,458,700	11,413,702	11,303,230	12,406,696	13,128,714	15,049,417	14,224,137	12,896,745	13,598,622	15,809,258
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 15,391,086	\$ 15,917,422	\$ 15,078,128	\$ 16,939,139	\$ 19,501,748	\$ 22,171,578	\$ 22,964,592	\$ 18,731,159	\$ 21,319,651	\$ 50,262,573
Total Fund Balances										
										\$ 275,483,047

Source: Governmental Funds Balance Sheet

* All Other Governmental Funds Restricted Fund Balance reduced \$455,146 due to the implementation of GASB 84.

Table 4

**SMITH COUNTY, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020*	2021	2022	2023
REVENUES										
Property taxes	\$ 44,447,153	\$ 46,696,153	\$ 48,407,317	\$ 50,155,353	\$ 52,107,892	\$ 56,349,786	\$ 61,042,100	\$ 62,211,018	\$ 64,854,155	\$ 72,695,757
Licenses and other taxes	17,375,869	17,989,224	17,447,908	17,987,171	19,233,755	20,613,031	21,489,070	25,132,160	28,366,684	29,835,293
Fees of office	14,567,863	14,843,542	14,391,642	14,548,480	15,038,922	15,364,384	15,158,666	15,947,007	16,713,340	16,357,990
Fines	1,492,331	1,222,979	1,064,895	1,111,907	1,278,003	1,211,487	1,041,445	938,219	901,161	1,856,332
Intergovernmental revenues	4,393,404	4,430,032	4,433,314	4,341,587	5,557,703	4,213,702	11,210,657	12,174,943	16,795,611	20,222,636
Other revenues and fees	3,652,503	2,908,504	4,439,096	3,133,831	3,888,185	5,222,869	4,414,663	3,750,379	4,065,884	11,010,929
Total Revenues	\$ 85,929,123	\$ 88,090,434	\$ 90,184,172	\$ 91,278,329	\$ 97,104,460	\$ 102,975,259	\$ 114,356,601	\$ 120,153,726	\$ 131,696,835	\$ 151,978,937
EXPENDITURES										
Current:										
General government	\$ 11,377,443	\$ 11,976,341	\$ 12,477,132	\$ 13,588,505	\$ 15,446,305	\$ 17,431,196	\$ 22,190,539	\$ 17,854,760	\$ 24,306,109	\$ 24,038,120
Justice system	17,022,271	18,162,995	18,215,587	18,820,952	19,681,928	20,709,745	20,587,143	21,141,976	23,201,277	25,651,067
Public safety	12,332,830	12,728,202	13,004,306	13,502,279	14,231,984	15,559,895	16,935,004	17,236,844	20,947,527	24,464,786
Corrections and rehabilitation	21,976,306	21,722,139	23,867,191	23,111,450	23,786,089	25,873,743	26,163,204	28,498,838	29,319,416	31,822,335
Health and human services	1,722,653	1,590,381	1,361,198	1,433,139	1,213,291	1,168,119	1,187,247	7,207,772	3,495,664	988,570
Infrastructure & environmental	5,799,789	7,248,522	7,465,624	6,385,971	5,747,926	7,404,914	5,639,464	3,456,302	5,393,425	5,208,334
Community & Economic Development	437,030	115,116	114,992	488,972	948,051	938,397	732,357	458,902	300,382	226,618
Capital outlay	19,625,860	8,087,998	8,431,746	7,466,685	12,676,706	14,946,610	16,436,607	16,178,562	18,519,149	40,365,158
Debt Service:										
Principal retirement	4,631,457	4,874,229	4,828,556	4,197,036	5,326,622	6,220,183	5,384,937	6,999,245	4,890,290	6,220,547
Interest & fiscal charges	1,065,246	998,436	973,690	865,690	795,897	1,166,053	1,282,647	1,220,698	1,175,506	1,582,052
Bond issuance costs					102,620	104,587	85,000	87,000	136,250	591,288
Total Expenditures	\$ 95,990,885	\$ 87,504,359	\$ 90,740,022	\$ 89,860,679	\$ 99,957,419	\$ 111,523,442	\$ 116,624,149	\$ 120,340,899	\$ 131,684,995	\$ 161,158,875
Excess (deficiency) of revenues over (under) expenditures	\$ (10,061,762)	\$ 586,075	\$ (555,850)	\$ 1,417,650	\$ (2,852,959)	\$ (8,548,183)	\$ (2,267,548)	\$ (187,173)	\$ 11,840	\$ (9,179,938)
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ 4,979,937	\$ 2,770,964	\$ 2,052,088	\$ 4,050,000	\$ 4,300,000	\$ 7,439,070	\$ 8,201,228	\$ 7,950,000	\$ 8,526,955	\$ 17,048,710
Transfers out	(4,979,937)	(2,770,964)	(2,052,088)	(4,050,000)	(4,300,000)	(7,439,070)	(8,201,228)	(7,950,000)	(8,526,955)	(17,048,710)
Premium on long-term debt	-	-	-	-	789,754	784,587	710,000	412,000	866,250	9,086,288
Proceeds from Leases	-	-	-	-	-	-	-	-	351,879	185,386
Proceeds from SBITAs	-	-	-	-	-	-	-	-	-	1,384,154
Issuance of Debt	-	-	34,181	62,781	1,763,659	40,745	7,125,000	7,425,000	17,270,000	170,505,000
Sale of Equipment	-	382,297	-	-	1,503,369	377,848	43,281	125,930	87,420	136,034
Insurance proceeds	-	-	-	176,381	1,503,369	377,848	43,281	243,744	278,043	121,895
Capital lease proceeds	162,561	2,109,498	-	-	3,032,640	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ 162,561	\$ 2,491,795	\$ 34,181	\$ 239,162	\$ 17,056,422	\$ 12,523,180	\$ 7,899,933	\$ 8,206,674	\$ 18,853,592	\$ 181,418,757
Net change in fund balances	(9,899,201)	3,077,870	(521,669)	1,656,812	14,203,463	3,974,997	5,632,385	8,019,501	18,865,432	172,238,819
Fund balances - Beginning of year	58,689,785	48,790,584	51,868,454	51,346,785	53,003,597	67,207,060	71,182,057	76,359,295	84,378,796	103,244,228
Other increases (decreases) to fund balance	-	-	-	-	-	-	(455,146)	-	-	-
Implementation of new accounting pronouncement	-	-	-	-	-	-	-	-	-	-
Fund Balances - End of year	\$ 48,790,584	\$ 51,868,454	\$ 51,346,785	\$ 53,003,597	\$ 67,207,060	\$ 71,182,057	\$ 76,359,296	\$ 84,378,796	\$ 103,244,228	\$ 275,483,047
Debt Service as a Percentage of Noncapital Expenditures	8.1%	8.0%	7.6%	6.5%	7.6%	8.3%	7.1%	8.7%	5.8%	7.5%

Source: Government-wide Statement of Revenues, Expenditures and Changes in Fund Balance

* Fund Balance change due to the adoption of GASB 84

Table 5

SMITH COUNTY, TEXAS
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Property taxes	\$ 44,562,723	\$ 46,738,447	\$ 48,450,847	\$ 50,177,482	\$ 52,079,482	\$ 56,329,278	\$ 60,853,156	\$ 62,151,500	\$ 65,085,868	\$ 72,698,640
Sales tax	16,827,874	17,359,451	16,798,877	17,375,397	18,563,538	19,875,943	20,869,270	24,292,313	27,519,864	28,942,684
Other taxes	540,402	629,773	649,031	611,774	670,217	737,088	619,800	839,847	846,820	892,609
Total Tax Revenue	\$ 61,930,999	\$ 64,727,671	\$ 65,898,755	\$ 68,164,653	\$ 71,313,364	\$ 76,942,309	\$ 82,342,226	\$ 87,283,660	\$ 93,452,552	\$ 102,533,933

Source: Government-wide Statement of Activities

Table 6
Page 1 of 2

SMITH COUNTY, TEXAS
TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	2023		2022		2021		2020		2019	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, residential, single-family	\$ 17,990,556,398	49.86%	\$ 14,369,365,481	46.89%	\$ 11,687,817,701	44.11%	\$ 10,997,790,619	43.09%	\$ 10,132,868,971	41.81%
Real, residential, multi-family	1,517,502,882	4.21%	1,245,674,499	4.06%	1,029,993,207	3.89%	847,740,055	3.32%	858,175,825	3.54%
Real, vacant lots/tracts	543,799,412	1.51%	493,785,733	1.61%	381,344,645	1.44%	374,272,435	1.47%	365,708,857	1.51%
Real, acreage (land only)	2,456,380,705	6.81%	2,274,820,645	7.42%	2,314,770,060	8.74%	2,266,560,042	8.88%	2,109,534,830	8.70%
Real, farm and ranch improvements	2,569,794,941	7.12%	2,097,930,585	6.85%	1,744,529,769	6.58%	1,637,270,448	6.41%	1,492,209,796	6.16%
Real, commercial	3,594,851,552	9.96%	3,395,289,755	11.08%	3,247,772,678	12.26%	3,073,844,690	12.04%	3,133,292,128	12.93%
Real, industrial	499,383,600	1.38%	480,749,935	1.57%	267,167,867	1.01%	459,208,880	1.80%	438,457,361	1.81%
Real, oil, gas and other mineral reserves	360,434,186	1.00%	239,138,507	0.78%	163,006,162	0.62%	209,303,654	0.82%	244,865,411	1.01%
Real and tangible personal, utilities	11,491,558	0.03%	63,643,070	0.21%	60,366,699	0.23%	56,767,713	0.22%	54,229,541	0.22%
Utilities tangible personal	616,672,101	1.71%	669,461,397	2.18%	520,900,410	1.97%	502,072,775	1.97%	475,079,030	1.96%
Utilities, tangible personal, business commercial	1,621,398,340	4.49%	1,438,494,202	4.69%	1,341,423,286	5.06%	1,300,970,868	5.10%	1,361,179,171	5.62%
Tangible personal, business industrial	976,048,124	2.71%	670,304,627	2.19%	624,814,017	2.36%	744,911,937	2.92%	652,035,737	2.69%
Tangible personal, other (mobile homes)	178,483,564	0.49%	157,299,144	0.51%	93,572,835	0.35%	92,751,682	0.36%	92,812,440	0.38%
Real property, inventory	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Special inventory	35,398,196	0.10%	21,464,536	0.07%	63,536,127	0.24%	72,320,774	0.28%	69,981,920	0.29%
Tax Exempt Property, Real	128,206,716	0.36%	125,373,361	0.41%	100,342,503	0.38%	91,862,550	0.36%	86,086,857	0.36%
No SPTD Code	2,980,323,303	8.26%	2,903,456,577	9.47%	2,856,804,361	10.78%	2,795,992,847	10.95%	2,671,730,518	11.02%
Tax Exempt Property, Personal	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Tax Exempt Property, Mineral	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Tax Exempt Property, Mineral	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total Appraised Value Before Exemptions	\$ 36,080,725,578	100.00%	\$ 30,646,252,054	100.00%	\$ 26,498,162,327	100.00%	\$ 25,523,641,969	100.00%	\$ 24,238,228,393	100.00%
Less: total exemptions/reductions	9,012,600,567		7,240,615,048		6,327,626,084		6,295,486,360		5,708,306,903	
Add: Protested value not in dispute	0		0		202,373,329,107		-		-	
Taxable Assessed Value	\$ 27,068,125,011		\$ 23,405,637,006		\$ 20,373,329,107		\$ 19,228,155,609		\$ 18,529,921,490	
Total Direct Tax Rate	0.347264		0.330000		0.335000		0.335000		0.345000	
Estimated Actual Assessed Value	\$ 27,068,125,011		\$ 23,405,637,006		\$ 20,373,329,107		\$ 19,228,155,609		\$ 18,529,921,490	
Assessed Value as a Percentage of Actual Value	100.00%		100.00%		100.00%		100.00%		100.00%	

SMITH COUNTY, TEXAS
TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	2018		2017		2016		2015		2014	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, residential, single-family	\$ 9,488,107,960	41.88%	\$ 9,142,320,187	42.99%	\$ 8,681,489,488	42.35%	\$ 8,211,969,870	41.87%	\$ 7,795,086,556	41.56%
Real, residential, multi-family	818,479,176	3.61%	755,999,518	3.55%	719,802,667	3.51%	704,703,096	3.59%	626,057,924	3.34%
Real, vacant lots/tracts	367,305,663	1.62%	348,308,921	1.64%	344,830,133	1.68%	346,925,076	1.77%	339,528,899	1.81%
Real, acreage (land only)	2,026,456,506	8.95%	1,859,588,908	8.74%	1,833,612,767	8.95%	1,796,733,221	9.16%	1,682,731,970	8.97%
Real, farm and ranch improvements	1,393,061,482	6.15%	1,312,232,451	6.17%	1,250,657,098	6.10%	1,206,393,379	6.15%	1,116,705,827	5.95%
Real, commercial	2,891,792,453	12.76%	2,759,028,248	12.97%	2,638,676,404	12.87%	2,560,142,237	13.05%	2,431,625,948	12.96%
Real, industrial	310,945,225	1.37%	305,972,954	1.44%	339,082,642	1.65%	320,493,986	1.63%	310,696,749	1.66%
Real, oil, gas and other mineral reserves	193,792,601	0.86%	201,977,707	0.95%	177,884,912	0.87%	241,075,496	1.23%	359,472,416	1.92%
Real and tangible personal, utilities	52,461,997	0.23%	49,276,738	0.23%	47,055,651	0.23%	43,459,321	0.22%	40,028,545	0.21%
Utilities tangible personal	439,776,330	1.94%	404,735,296	1.90%	381,006,239	1.86%	380,209,713	1.94%	1,177,460,858	6.28%
Utilities, tangible personal, business commercial	1,295,860,232	5.72%	1,186,032,429	5.58%	1,161,921,155	5.67%	1,168,009,773	5.95%	334,120,491	1.78%
Tangible personal, business industrial	537,803,895	2.37%	528,472,795	2.48%	561,433,952	2.74%	542,623,178	2.77%	570,933,514	3.04%
Tangible personal, other (mobile homes)	91,527,369	0.40%	87,501,048	0.41%	84,854,130	0.41%	82,342,797	0.42%	82,458,876	0.44%
Real property, inventory	-	0.00%	-	0.00%	-	0.00%	40,342,651	0.21%	44,206,154	0.24%
Real inventory	50,719,970	0.22%	48,272,913	0.23%	38,330,114	0.19%	-	0.00%	-	0.00%
Special inventory	81,543,385	0.36%	77,442,745	0.36%	78,826,633	0.38%	73,850,595	0.38%	65,620,473	0.35%
Tax Exempt Property, Real	2,614,778,874	11.54%	2,201,404,366	10.35%	2,157,611,427	10.53%	1,895,373,943	9.66%	1,780,419,237	9.49%
No SPTD Code	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Tax Exempt Property, Personal	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Tax Exempt Property, Mineral	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total Appraised Value Before Exemptions	\$ 22,654,413,118	100.00%	\$ 21,268,567,224	100.00%	\$ 20,497,073,412	100.00%	\$ 19,614,648,352	100.00%	\$ 18,757,165,637	100.00%
Less: total exemptions/reductions	5,434,007,579		4,824,246,094		4,771,121,331		4,448,277,107		4,213,115,602	
Add: Protested value not in dispute	201,384,198		-		11,841,538		1,396,274		3,868,778	
Taxable Assessed Value	\$ 17,421,389,737		\$ 16,444,321,130		\$ 15,737,953,619		\$ 15,167,667,519		\$ 14,547,918,813	
Total Direct Tax Rate	0.337311		0.330000		0.330000		0.330000		0.330000	
Estimated Actual Assessed Value	\$ 17,421,389,737		\$ 16,444,321,130		\$ 15,737,953,619		\$ 15,167,667,519		\$ 14,547,918,813	
Assessed Value as a Percentage of Actual Value	100.00%		100.00%		100.00%		100.00%		100.00%	

Table 7

**SMITH COUNTY, TEXAS
PROPERTY TAX RATES*
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

	Percent Applicable to Smith County	Tax Year									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Entity											
Smith County - Total	100%	0.330000	0.330000	0.330000	0.330000	0.337311	0.345000	0.335000	0.335000	0.330000	0.347264
County - M&O Rate		0.295676	0.296628	0.297331	0.298359	0.298359	0.305802	0.307620	0.310465	0.294186	0.294186
County - Debt Rate		0.034324	0.033372	0.032669	0.031641	0.038952	0.039198	0.027380	0.024535	0.035814	0.053078
Cities											
Arp	100.00	0.562180		0.669147	0.690079	0.700871	0.722604	0.707162	0.671836	0.613359	0.519888
Bullard	81.68	0.588137		0.563264	0.563264	0.595347	0.605347	0.595599	0.555990	0.570788	0.562456
Lindale	100.00	0.482100		0.472218	0.476000	0.475000	0.470900	0.478500	0.456891	0.422950	0.360000
Overton	11.53			0.648000	0.668000	0.729700	0.727911	n/a	0.739950		0.517611
Overton Cemetery				0.000000	0.000000	0.050000	0.050000	0.050000	0.050000		0.050000
Troup	95.36	0.921544		0.909881	0.912933	0.867087	0.867087	0.829434	0.816257	0.710545	0.544700
Tyler	100.00	0.220000	0.220000	0.230000	0.240000	0.244452	0.259900	0.259000	0.269900	0.261850	0.247920
Whitehouse	100.00	0.672110		0.650000	0.675207	0.792891	0.792891	0.792891	0.792891	0.772891	0.717855
Winona	100.00	0.375443		0.362780	0.400000	0.420000	0.402997	0.450000	0.407732	0.407732	0.407732
ISD											
Arp		1.270000		1.460000	1.470000	1.470000	1.408300	1.392700	1.352800	1.282900	1.097500
Bullard	76.26	1.470000		1.670000	1.670000	1.630000	1.470000	1.375300	1.356300	1.434600	1.249200
Chapel Hill	100.00	1.245000	1.240000	1.240000	1.230000	1.230000	1.145900	1.099000	1.099000	1.020500	1.105100
Gladewater	41.87			1.565000	1.565000	1.565000	1.463400	n/a	1.449700		1.002449
Lindale	100.00	1.435000		1.400000	1.390000	1.390000	1.360000	1.258000	1.192000	1.169600	0.954200
Troup	62.80	1.118000		1.170000	1.220000	1.290000	1.183350	1.169700	1.166700	1.044144	0.827500
Tyler	100.00	1.375000	1.375000	1.375000	1.405000	1.405000	1.335000	1.304100	1.289100	1.179300	0.960000
Van	28.13	1.521400		1.561400	1.521400	1.546400	1.414750	1.355170	1.275170	1.193170	1.007770
Whitehouse	100.00	1.193000	1.193000	1.193000	1.413000	1.413000	1.325000	1.274600	1.222600	1.132600	0.927200
Winona	100.00	1.498000		1.485140	1.447420	1.432890	1.284200	1.222170	1.217740	1.139600	0.982700
Other Entities											
Kilgore College		0.154000		0.175000	0.175000	0.175000	0.175000	0.175000	0.175000	0.175000	0.175000
Tyler Jr. College	95.07	0.199926	0.199930	0.199930	0.199926	0.199260	0.199926	1.999260	0.199926	0.188001	0.187993
Smith County MUD	100.00	0.302200									
East Texas MUD	100.00	0.387400		0.241960	0.278400	0.255300	0.253000	0.238717	0.250000	0.243392	0.225540
ESD #1	100.00	0.069417		0.084648	0.067664	0.067664	0.067664	0.065300	0.063588	0.078427	0.071364
ESD #2	100.00	0.084648		0.067664	0.084648	0.084648	0.084648	0.070000	0.068633	0.030436	0.067688

Source: Smith County Appraisal District & Smith County Tax A/C
* Rates are per \$100 valuation.

Table 8

SMITH COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
September 30, 2023

Name of Taxpayer	Nature of Property	2023			2014			% of Net Taxable Assessed Valuation
		Tax Year Taxable Assessed Valuation	Rank	% of Net Taxable Assessed Valuation	Tax Year Taxable Assessed Valuation	Rank	% of Net Taxable Assessed Valuation	
Oncor Electric Delivery Co.	Utility	\$ 263,810,914	1	0.97%	144,098,017	3	0.99%	
Delek Refining	Refinery	251,979,516	2	0.93%	\$ 316,775,961	1	2.18%	
Tyler Regional Hospital, LLC	Medical	202,148,130	3	0.75%				
Brookshire Grocery Co	Grocery Retail	175,667,617	4	0.65%	158,410,719	2	1.09%	
Dayton Hudson/Target	Retail	167,184,577	5	0.62%	98,058,980	4	0.67%	
Trane-American Standard	Manufacturer	119,225,766	6	0.44%	90,742,318	5	0.62%	
Walmart/Sam's East	Wholesaler/Retailer	99,081,331	7	0.37%	84,522,468	6	0.58%	
Sanderson Farms	Wholesaler/Retailer	75,860,993	8	0.28%				
United Telephone Co. of Texas	Utility	69,402,913	9	0.26%				
Tyler Broadway/Centennial	Retail	71,023,160						
Simon Property Group	Property Management				42,815,000	8	0.29%	
Genecov Investment Group	Financial	67,453,887	10	0.25%	83,122,970	7	0.57%	
Linn Operating	Oil & Gas Production				39,421,641	10	0.27%	
Cebridge Acquisitions LP	Cable				40,012,475	9		
		<u>\$ 1,562,838,804</u>		5.77%	<u>\$ 1,097,980,549</u>		7.55%	

Table 9

**SMITH COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS**

Tax Year	Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year			Total Collections to Date		
			Amount	Percentage of Levy	Subsequent Years	Amount	Percentage of Levy	Subsequent Years
2013	2014	44,254,117	43,372,946	98.01%	683,496	\$ 44,056,442	99.55%	
2014	2015	46,373,103	45,450,962	98.01%	758,619	\$ 46,209,581	99.65%	
2015	2016	48,244,535	47,266,751	97.97%	749,619	\$ 48,016,370	99.53%	
2016	2017	49,919,705	49,003,276	98.16%	730,564	\$ 49,733,839	99.63%	
2017	2018	52,060,978	51,153,925	98.26%	821,699	\$ 51,975,624	99.84%	
2018	2019	56,375,225	55,273,548	98.05%	717,966	\$ 55,991,514	99.32%	
2019	2020	60,931,901	59,983,614	98.44%	671,623	\$ 60,655,237	99.55%	
2020	2021	61,998,705	61,092,589	98.54%	688,511	\$ 61,781,100	99.65%	
2021	2022	65,001,562	63,813,147	98.17%	297,158	\$ 64,110,305	98.63%	
2022	2023	72,354,718	71,212,263	98.42%	748,667	\$ 71,960,930	99.46%	
2023	2024*	87,354,046	64,183,451	73.48%	314,196	\$ 64,497,647	73.83%	

* Collections as of 1/31/2024

Source: Smith County Tax Assessor/Collector

Table 10

**SMITH COUNTY, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	General Obligation Bonds	Financed Purchases	Lease Liability	SBITA Liability	Total Primary Government	Percentage of Personal Income	Per Capita
2013	216,670	33,585,000	5,386,926			38,971,926	0.44%	179.87
2014	218,842	30,280,000	3,627,671			33,907,671	0.37%	154.94
2015	222,936	26,905,000	4,824,776			31,729,776	0.34%	142.33
2016	225,000	23,780,155	3,436,220			27,216,375	0.24%	120.96
2017	225,290	20,149,746	2,784,184			22,933,930	0.20%	101.80
2018	227,727	35,753,039	4,135,201			39,888,240	0.37%	175.16
2019	230,221	34,260,000	2,570,020			36,830,020	0.29%	159.98
2020	232,751	38,480,699	2,010,083			40,490,782	0.31%	173.97
2021	238,755	40,719,032	250,837			40,969,869	0.31%	171.60
2022	237,186	54,735,338	100,547	107,770	-	54,943,655	0.41%	231.65
2023	241,922	226,778,156	-	266,811	1,322,654	228,367,621	1.60%	943.97

Note: Details regarding the County's outstanding debt can be found in the Notes to the Financial Statements.

(1) See Schedule of Demographic & Economic Statistics

Table 11

**SMITH COUNTY, TEXAS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year Ended 9/30	General Obligation Bonds ¹	Financed Purchases	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property	Per Capita	Population
2014	30,280,000		1,586,699	28,693,301	0.20%	131.11	218,842
2015	26,905,000		1,622,772	25,282,228	0.17%	113.41	222,936
2016	23,780,155		1,647,844	22,132,311	0.14%	98.37	225,000
2017	20,149,746		1,707,149	18,442,597	0.11%	81.86	225,290
2018	27,595,000	4,135,201	1,798,311	25,796,689	0.15%	113.28	227,727
2019	34,260,000	2,570,020	1,883,278	32,376,722	0.17%	140.63	230,221
2020	36,560,000	2,010,082	2,763,448	33,796,552	0.18%	145.20	232,751
2021	40,695,719	250,837	1,459,292	39,236,427	0.21%	164.34	238,755
2022	53,740,038	100,547	314,325	53,425,713	0.29%	225.25	237,186
2023	226,778,156	-	598,638	226,179,518	1.22%	934.93	241,922

Table 12

SMITH COUNTY, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
As of September 30, 2023

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
DIRECT DEBT **			
Smith County	\$ 228,367,621	100.00%	\$ 228,367,621
<i>Total Direct Debt</i>	<u>\$ 228,367,621</u>		<u>\$ 228,367,621</u>
OVERLAPPING DEBT			
Arp ISD	\$ 15,690,000	100.00%	\$ 15,690,000
Arp, City of	2,866,000	100.00%	2,866,000
Bullard ISD	156,417,000	65.03%	101,717,975
Bullard, City of	7,147,000	81.51%	5,825,520
Chapel Hill ISD	101,425,000	100.00%	101,425,000
East Texas MUD of Smith County	4,115,000	100.00%	4,115,000
Gladewater ISD	26,314,525	22.84%	6,010,238
Kilgore Jr. College	5,000,000	3.80%	190,000
Lindale ISD	60,424,093	100.00%	60,424,093
Lindale, City of	14,719,767	100.00%	14,719,767
Overton, City of	88,000	8.93%	7,858
Troup ISD	4,790,000	49.08%	2,350,932
Troup, City of	1,381,000	91.95%	1,269,830
Tyler ISD	421,705,000	100.00%	421,705,000
Tyler Junior College	53,167,000	91.71%	48,759,456
Van ISD	35,349,447	11.77%	4,160,630
Whitehouse ISD	98,970,000	100.00%	98,970,000
Whitehouse, City of	21,207,000	100.00%	21,207,000
Winona ISD	36,310,000	100.00%	36,310,000
Winona, City of	-	100.00%	-
<i>Total Overlapping Debt</i>	<u>\$ 1,067,085,832</u>		<u>\$ 947,724,298</u>
TOTAL DIRECT & OVERLAPPING DEBT	<u><u>\$ 1,295,453,453</u></u>		<u><u>\$ 1,176,091,919</u></u>

(1) Source: Municipal Advisory Council of Texas

* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Amounts were determined using the portion of each entity's taxable value that is located within the county and dividing it by the entity's total value.

SMITH COUNTY, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
 (Amounts Expressed in Thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 3,241,431	\$ 3,394,216	\$ 3,468,870	\$ 3,633,325	\$ 3,731,906	\$ 4,039,398	\$ 4,281,691	\$ 4,509,991	\$ 5,439,235	\$ 6,640,968
Total Net Debt Applicable to Limit	31,867	28,528	25,428	21,627	29,393	36,143	39,364	40,211	51,595	216,259
Legal Debt Margin	\$ 3,209,564	\$ 3,365,688	\$ 3,443,442	\$ 3,611,698	\$ 3,702,513	\$ 4,003,255	\$ 4,242,327	\$ 4,469,780	\$ 5,387,640	\$ 6,424,709
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.98%	0.84%	0.73%	0.60%	0.79%	0.89%	0.92%	0.89%	0.95%	3.26%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed Value of Real Property	\$ 26,563,872
Debt Limit (25% of Total Real Property Value)	6,640,968
Debt Applicable to Limit	
General Obligation Bonds	\$ 215,660
Less: Amount Set Aside for Repayment of General Obligation Debt	599
Total Net Debt Application to Limit	<u>\$ 216,259</u>
Legal Debt Margin	<u>\$ 6,424,709</u>

Table 14

**SMITH COUNTY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Estimated Population ⁴	Estimated Personal Income ¹ (thousands of dollars)	Per Capita Personal Income ¹	Median Age ⁴	Education Level in Years of Formal Schooling	School Enrollment ⁴	Unemployment Rate ¹
2014	218,842	9,199,272	42,036	35.5	13.6	35,609	5.2%
2015	222,936	9,464,715	42,455	36.3	13.6	40,667	4.5%
2016	225,000	11,196,700	49,763	36.4	13.6	40,618	4.2%
2017	225,290	11,196,700	49,699	36.1	13.6	41,212	3.4%
2018	227,727	10,748,612	47,200	36.5	13.6	40,893	4.1%
2019	230,221	12,714,831	55,229	36.6	13.6	38,955	3.2%
2020	232,751	13,102,118	56,292	36.8	13.6	39,556	7.1%
2021	238,755	13,102,118	54,877	36.6	13.6	38,518	3.6%
2022	237,186	13,458,913	57,076	34.3	13.6	41,248	4.2%
2023	241,922	14,298,554	60,284	33.4	13.6	40,205	3.7%

Data sources:

¹Texas Association of Counties - County Information Project

²Texas Education Agency

³U.S. Bureau of Labor Statistics

⁴TEDC Community Profile

Table 15

**SMITH COUNTY, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment (1)	Employees	Rank	Percentage of Total County Employment (2)
Christus Trinity Mother Francis *	5,000	1	4.4%	4,030	1	3.9%
UT Health East Texas *	3,550	2	3.2%	3,092	2	3.0%
Tyler Independent School District	2,550	3	2.3%	2,359	3	2.3%
The Trane Company*	2,500	4	2.2%	1,500	6	0.0%
Sanderson Farms	1,750	5	1.6%			
Walmart	1,500	6	1.3%	1,296	7	1.2%
Brookshire Grocery Co *	1,450	7	1.3%	1,762	4	1.7%
UT Health Science Center	1,450	8	1.3%	1,050	8	1.0%
UT Texas - Tyler	1,200	9	1.1%	1,557	5	1.5%
Optimum	1,150	10	1.0%			0.0%
Tyler Junior College				935	9	0.9%
City of Tyler				803	10	0.8%
Total	22,100		19.6%	18,384		16.2%

Source: Tyler Economic Development Council

* Headquarters located in Tyler.

(1) total county employment of 112,520

(2) total county employment of 103,940

Table 16

**SMITH COUNTY, TEXAS
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

<i>Function</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	97	102	104	103	108	110	115	114	121	126
Judicial	141	140	141	143	143	143	146	147	151	166
Law Enforcement	163	164	165	168	171	174	181	183	206	217
Corrections	304	312	327	332	330	328	336	332	311	307
Roads & Transportation	77	77	77	83	83	83	83	83	84	85
Other	3	3	4	4	4	4	4	4	4	4
Totals	785	798	818	833	839	842	865	863	877	905

*Full Time Equivalent

Table 17

**SMITH COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function:										
General Government:										
County Clerk:										
Number of Criminal Cases Filed	4,177	3,455	3,450	3,260	4,101	3,803	2,753	2,256	3,202	4,254
Number of Civil Cases Filed	914	1,240	1,182	1,486	1,754	1,928	1,167	1,250	1,123	1,333
Human Resources:										
Issues Opened	1,263	1,324	1,389	1,636	1,466	1,204	1,349	5,879	3,886	5,294
Purchasing:										
Purchase Orders Issued	6,203	6,368	7,743	7,519	7,624	9,003	9,519	7,585	7,108	6,452
Annual Contracts Awarded/RFB	10	11	15	9	6	5	5	18	25	41
Information Technology:										
Help Desk Calls Processed	3,880	4,379	5,868	6,212	8,011	8,088	12,000	12,800	12,800	16,632
Number of Computers Supported	935	988	988	993	1,015	1,069	1,102	1,063	1,036	1,059
Elections Administration:										
Voter applications processed	19,590	21,865	34,994	32,462	36,008	29,049	46,067	43,209	45,374	37,835
Elections Held	10	6	14	11	12	9	7	15	16	12
County Auditor:										
Accounts Payable Checks Processed	13,629	13,767	14,220	14,820	14,463	15,037	13,455	14,609	14,182	13,324
Grants Administered	21	19	25	23	17	20	23	22	18	17
Tax Assessor/Collector										
Motor Vehicle Registrations	213,297	216,905	215,176	215,502	220,345	222,529	218,921	228,042	232,314	235,241
Titles	56,205	58,914	61,228	60,192	64,665	65,157	64,487	73,046	73,047	68,833
Judicial:										
District Courts:										
Criminal Cases Disposed	2,397	2,071	2,123	2,223	2,059	2,190	1,739	1,651	2,500	*
Civil Cases Disposed	1,145	904	1,073	943	1,190	1,146	1,412	1,104	1,247	*
County Courts										
Criminal Cases Disposed	5,282	4,246	3,778	3,610	3,958	4,127	2,540	2,580	3,482	*
Civil Cases Disposed	2,642	1,044	1,052	1,074	2,076	1,720	1,297	1,056	1,091	*
Juvenile Cases Disposed	357	317	342	125	238	240	207	230	263	*
Justices of the Peace										
Criminal Cases Filed	19,324	14,107	15,061	16,240	16,706	17,160	10,938	8,963	3,699	*
Law Enforcement:										
Sheriff - Calls for Service	30,675	30,720	32,251	35,640	30,804	31,049	29,499	30,747	29,639	30,528
Sheriff - Active CID cases	2,673	3,523	3,124	3,300	3,521	3,698	3,261	3,298	3,486	3,975
Corrections:										
Prisoners Booked	10,892	9,269	8,872	8,569	9,276	9,180	6,764	7,278	7,381	7,847
Roads & Transportation:										
Field Work Orders Completed	4,433	5,422	5,582	4,581	3,919	3,780	4,621	5,229	4,096	4,624

* Office of Court Administration Annual Reports not yet available

Table 18

SMITH COUNTY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

<i>Function/Program</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>General Government</i>										
Buildings	7	6	6	5	5	5	10	12	12	12
Plazas	2	2	2	2	2	2	2	2	2	2
Vehicles	12	13	14	14	14	14	15	15	15	15
<i>Infrastructure</i>										
Buildings	5	5	5	5	5	5	5	6	6	6
Vehicles/Dump Trucks	77	78	78	78	78	79	86	78	78	78
<i>Justice System</i>										
Buildings	4	5	5	5	5	5	5	5	5	5
Vehicles	8	9	9	8	10	13	9	10	10	10
<i>Public Safety</i>										
Buildings	5	6	6	6	6	6	6	6	6	6
Vehicles	161	174	170	173	168	174	185	169	169	169
<i>Corrections & Rehabilitation</i>										
Jails	2	2	2	2	2	2	2	2	2	2
Juvenile Detention Centers	1	1	1	1	1	1	1	1	1	1
Adult Probation Center	1	1	1	1	1	1	1	1	1	1
Vehicles - Jail	5	11	12	14	14	18	20	22	22	22
Vehicles - Juvenile Probation	8	8	7	7	7	8	9	9	9	9
Vehicles - Adult Probation	15	9	9	7	6	7	7	8	8	8



GOVERNMENTAL COMPLIANCE SECTION

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

The Honorable Commissioners' Court of Smith County
Tyler, 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, each major fund, and the aggregate remaining fund information of Smith County, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Smith County, Texas's basic financial statements, and have issued our report thereon dated March 14, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Smith County, Texas's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Smith County, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of Smith County, Texas'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 over financial reporting 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
March 14, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND TEXAS GRANT MANAGEMENT STANDARDS

Independent Auditor's Report

The Honorable Commissioners' Court of Smith County
Tyler, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Smith County, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the State of Texas *Grant Management Standards* that could have a direct and material effect on each of Smith County, Texas' major federal and state programs for the year ended September 30, 2023. Smith County, Texas' major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Smith County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal and 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance), and the State of Texas Grant Management Standards (TxGMS). Our responsibilities under those standards and the Uniform Guidance and TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Smith 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 federal program. Our audit does not provide a legal determination of Smith 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 Smith County's federal and state programs.

Auditors' 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 Smith 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*, the Uniform Guidance, and TxGMS 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 Smith County's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS, 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 Smith 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 Smith 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 Uniform Guidance and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of Smith 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 federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control Over Compliance (continued)

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 in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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 Uniform Guidance and TxGMS. Accordingly, this report is not suitable for any other purpose.

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
March 14, 2024

SMITH COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Grantor or Pass-through Grantor's Number	Program Expenditures	Passed Through to Subrecipients
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through Texas Department of Emergency Management:				
COVID-19 - Disaster Grants - Public Assistance	97.036		\$ 109,305	-
TOTAL U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>109,305</u>	<u>-</u>
U. S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Edward Bryne Memorial Justice Assistance Grant Program - 2021	16.738	15PBJA-21-GG-01903-JAGX	2,249	-
Edward Bryne Memorial Justice Assistance Grant Program - 2022	16.738	15PBJA-22-GG-02664-JAGX	25,370	-
State Criminal Alien Assistance Program	16.606	15PBJA-21-RR-04878-SCAAP	158,542	-
State Criminal Alien Assistance Program	16.606	15PBJA-22-RR-05445-SCAAP	82,208	-
Federal Asset Forfeiture Account	16.922		28,812	-
TOTAL U. S. DEPARTMENT OF JUSTICE			<u>297,181</u>	<u>-</u>
U. S. DEPARTMENT OF TRANSPORTATION				
Passed Through Texas Department of Transportation:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	5310-2022-SC-00109	226,618	-
TOTAL U. S. DEPARTMENT OF TRANSPORTATION			<u>226,618</u>	<u>-</u>
U. S. DEPARTMENT OF TREASURY				
Direct Programs:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		10,802,597	432,065
TOTAL U. S. DEPARTMENT OF TREASURY			<u>10,802,597</u>	<u>432,065</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Texas Department of Family and Protective Services:				
Foster Care Title IV-E	93.658	HHS000285100024	141,854	-
Foster Care Title IV-E	93.658	HHS000285000038	346	-
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>142,200</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 11,577,901</u>	<u>\$ 432,065</u>

See Notes to Schedule on following page.

SMITH COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Smith County, Texas under programs of the federal government for the year ended September 30, 2023 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Smith County, Texas, it is not intended to and does not present the financial position, changes in net assets or cash flows of Smith County, Texas.

NOTE 2 – NON-CASH ASSISTANCE, INSURANCE AND LOANS

Smith County did not receive any non-cash assistance through federal awards during the year ended September 30, 2023. There were no federal loans or loan guarantees outstanding at year end.

Certain federal awards require Smith County to maintain adequate insurance coverage. Following is a summary of Smith County’s insurance policies and the liability limits:

<u>Type of Coverage</u>	<u>Liability Limit</u>
Property	\$248,843,647
Commercial General Liability	100K/300K/100K
Automobile	100K/300K/100K
Crime	250,000
Equipment	50,000,000
Public Officials Liability	2,000,000
Law Enforcement Liability	2,000,000
Law Enforcement Animals	30,000

NOTE 3 – INDIRECT COST RATES

The County did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR § 200.414.

**SMITH COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<u>State Grantor/Pass Through Grantor/ Program Title</u>	<u>Grant Contract Number</u>	<u>Amounts Passed to Through Subrecipients</u>	<u>Program Expenditures</u>
TEXAS OFFICE OF THE ATTORNEY GENERAL			
Direct Programs:			
Texas Automated Victim Notification - VINE	C-00366	\$ -	\$ 29,403
TOTAL TEXAS OFFICE OF THE ATTORNEY GENERAL		<u>-</u>	<u>29,403</u>
TEXAS OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION			
Direct Programs:			
Bullet Resistant Shield Grant Program	4653001	-	52,715
TAG Anti Gang Initiative	3277404	-	2,051,643
Border Prosecution Unit	3932502	-	149,749
TOTAL TEXAS OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION		<u>-</u>	<u>2,254,107</u>
TASK FORCE ON INDIGENT FORMULA GRANT			
Direct Programs:			
Indigent Defense Formula Grant	212-23-212	-	137,683
TOTAL TASK FORCE ON INDIGENT FORMULA GRANT		<u>-</u>	<u>137,683</u>
TEXAS DEPARTMENT OF MOTOR VEHICLES			
Passed Through Motor Vehicle Crime Prevention Authority:			
East Texas Auto Theft Task Force	608-23-2120000	281,362	357,474
TOTAL TEXAS DEPARTMENT OF MOTOR VEHICLES		<u>281,362</u>	<u>357,474</u>
TEXAS JUDICIAL COMMISSION ON MENTAL HEALTH			
Direct Programs:			
Community Diversion Coordinator Pilot Program	201-21-340	-	71,287
TOTAL TASK FORCE ON INDIGENT FORMULA GRANT		<u>-</u>	<u>71,287</u>
TEXAS SECRETARY OF STATE			
Direct Programs:			
Chapter 19 Voter Registration	FY 2022	-	18,206
Passed Through East Texas Council of Governments:			
FY23 Solid Waste Management Planning Grant	23-06-10	-	3,000
TOTAL TEXAS SECRETARY OF STATE		<u>-</u>	<u>21,206</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u>\$ 281,362</u>	<u>\$ 2,871,160</u>

See Notes to Schedule on following page.

SMITH COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The accompanying schedule of expenditures of state awards includes the state award activity of Smith County, Texas, under programs of the state government for the year ended September 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas *Grant Management Standards* (TxGMS). Therefore, some amounts presented in this schedule may differ from amounts present in, or used in, the preparation of the basis financial statements.

Expenditures reported in the schedule is presented on the modified accrual basis of accounting, which is described in Note 1 to the County’s financial statement. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and TxGMS, wherein certain types of expenditures are not allowable or limited as to reimbursement.

NOTE 2 – INDIRECT COST RATES

The County did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**SMITH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal and State Awards

Internal control over major programs:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No

Type of auditors’ report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or the State of Texas *Grant Management Standards*? _____ Yes X No

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal or State Program or Cluster</i>
21.027	Coronavirus State and Local Fiscal Recovery Funds
State	Texas Anti Gang Initiative Grant

Dollar threshold used to distinguish
Between type A and type B federal programs: \$750,000

Dollar threshold used to distinguish
Between type A and type B state programs: \$750,000

Auditee qualified as low-risk auditee: X Yes _____ No

**SMITH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2023**

Section II – Financial Statement Findings

None noted.

Section III – Federal and State Award Findings and Questioned Costs

None noted.

**SMITH COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2023**

None.