



CITY OF JACKSBORO, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2023

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Prepared By: Department of Finance

CITY OF JACKSBORO, TEXAS

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INTRODUCTORY SECTION



March 15, 2024

The Honorable Mayor, Aldermen, and the Citizens of the City of Jacksboro

Chapter 103 of the Texas Municipal Code requires that a municipality shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. This statutory requirement is addressed in the City of Jacksboro (City) financial management plan, which includes the objective that an Annual Comprehensive Financial Report (ACFR) will be prepared by the Finance Department. The Annual Comprehensive Financial Report includes a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Accordingly, the Annual Comprehensive Financial Report for the City of Jacksboro, Texas for the fiscal year ended September 30, 2023, is hereby issued.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making representations, the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City'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 misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Edgin, Parkman, Fleming & Fleming, PC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2023, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis

(MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Profile of the City

The City of Jacksboro, the county seat of Jack County, was incorporated in 1875 and is a Type A General Law municipal corporation under Texas law. The City occupies approximately 5.8 square miles and serves an estimated population of 4,209. As a municipal corporation, the City is empowered by state statutes to levy a tax on real and business personal property located within the corporate boundaries.

The City of Jacksboro operates under the Aldermanic form of government where policymaking and legislative authority are vested in a governing council consisting of the Mayor and five (5) Aldermen (the "City Council"). The City Council is responsible for adopting the annual program of services (budget), appointing committees, employing the City Attorney, City Manager, City Secretary and Municipal Judge, as well as enacting ordinances and establishing the tax rate.

The City Manager is responsible for appointing the various department directors, implementing the policies and ordinances adopted by the City Council, and managing the day-to-day operations of the City. The City Manager also serves as liaison to the Jacksboro Economic Development Corporation. The Mayor and Council Members are elected at-large to serve two (2) year terms.

The basic financial statements of the City include all governmental activities, functions, and organizations for which it is financially accountable pursuant to and as defined by the Governmental Accounting Standards Board (GASB). The Economic Development Corporation (EDC) is a component unit of the City. In addition to appointing the EDC Board of Directors, the Council also approves the annual program of services for the EDC.

Services Provided

The City of Jacksboro is a full service city and provides the following: maintenance of streets and infrastructure; parks and recreation and cultural activities; public safety including emergency management, fire and police; solid waste services through a third party contract; and, water and wastewater distribution and collection systems.

Economic Conditions and Outlook

The City and County experienced an EF-3 tornado in March 2022, and as result the City made conscious decisions to focus the majority of its expenditures across all departments in the General Fund towards recovery efforts. Recovery efforts extended into FY 2023 for several months, however the majority of the recovery is now complete. The City has recognized a decline in sales tax receipts, although we do anticipate a recovery in this area. Additionally, Waste Connections has announced the company will begin the construction of the new landfill in calendar year 2024. As a result, we anticipate a positive economic outlook as a result of increased revenues from the

landfill contract. Finally, the addition of several new homes in the City, and the projected growth leads us to believe we will be able to maintain a low ad valorem tax well into the future..

An estimated 10,000 plus vehicles per day (Texas Department of Transportation) pass through the center of downtown. Jacksboro is equidistant to Fort Worth and Wichita Falls and is the transfer point for two (2) U.S. Highways (281, 380) and four (4) State Highways (59, 114, 148, 199). Ease of access is a contributing factor to new business growth.

Local Economy

The City currently enjoys a favorable economic outlook as a number of new tourism related businesses have made plans to locate here. Fort Richardson State Park hosts an estimated 180,000 visitors annually and contributes approximately \$900,000 to the local economy. The City maintains two (2) lakes, Lake Jacksboro and Lost Creek Reservoir, which are primary contributors to an expanding recreation base.

Tourism is the third largest industry in the State of Texas and Jacksboro is the recipient of those dollars based upon hunting and fishing and enhanced recreation facilities. That includes adult and youth baseball facilities, a state grant funded playground (Texas Parks & Wildlife) and growth in league play due to increased interest countywide.

The Jacksboro Independent School District recently approved a bond for the construction of a fourth campus. The driving force behind this expansion is significant population growth in Jack County. The growth will continue to improve the economic outlook for the City.

A leading North American oil and gas resource development has recently announced the construction and expansion of their presence in Jacksboro, which indicates a continued emphasis on the importance of the oil and gas industry in our community. We anticipate this will lead to additional housing and manufacturing.

The City also works closely with a local non-profit organization that contributes funds towards "quality of life" projects that have also enhanced tourism opportunities. Several of the projects funded by this organization include enhancements to local parks and community sports facilities.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities incurred. Accounting records for the City's utilities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial

statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The annual program of services serves as the foundation of the City's financial planning and control. State law requires the annual program of services to be adopted by the City Council before the start of the fiscal year. The proposed budget must be submitted to the City Secretary no later than thirty (30) days before the date set for a public hearing by the City Council to consider adoption of the annual program of services.

Prior to adoption, the City Manager and city department directors prepare program expenditure estimates for the remainder of the current fiscal year and for the upcoming fiscal year, and these are compared to estimates of revenue for the same periods. Adjustments are made to the program expenditure and expense estimates as necessary to ensure that the proposed program of services is presented within total estimated income and available beginning fund resources.

The City Manager is authorized to transfer budgeted amounts between line items within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the fund level. Financial reports are produced showing budget and actual expenditures by line item and are distributed monthly to the departmental management and to others upon request.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at the position level and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly.

A budget-to-actual comparison for the General Fund is provided later in this report.

Debt Management. The City funds its capital program from a combination of current revenues and capital debt. Annual debt service requirements for general obligation debt are below the statutory legal limit of \$1.50 per \$100 assessed property value.

Cash Management. The City utilizes its investment policy in the management of all cash. The City's investment policy embraces current state regulations on the investment of public funds and authorizes the City to invest in certificates of deposit from the bank depository, direct obligations of the United States Government, obligations of an agency of the United States Government and local government investment pools. State law requires public funds deposits be collateralized. Collateral is monitored to ensure that the market value of the pledged securities equals or exceeds the related deposit or investment balance. All collateral shall be subject to verification by the Finance Director and the City's independent auditors.

Tax Appraisal/Collection Responsibilities. Under Texas law enacted in 1979, and subsequent revisions of the State Property Tax Code, the appraised value of taxable property in Jacksboro is established by the Jack County Appraisal District. The City of Jacksboro and other taxing jurisdictions in Jack County provide a pro-rata share of the budgeted expenditures incurred by the Appraisal District, based on individual levy. The Jack County Tax Assessor-Collector provides tax collection services for the City and other taxing jurisdictions in Jack County.

Risk Management. A city government is constantly exposed to risk of all kinds, including damage to public property and liability resulting from injury to persons and damage to their property. As a means of providing reasonable protection against these risks, the City participates in the Texas Municipal League Intergovernmental Risk Pool for its property loss and liability coverage. As a member of the program, the City is provided the most extensive protection available to Texas cities in the areas of comprehensive general liability, auto liability, losses to municipal buildings and contents, and for law enforcement and public officials' liability coverage.

Awards. In accordance with the City's financial management plan, the City of Jacksboro was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement in Financial Reporting for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The current annual comprehensive financial report was prepared with the objective of meeting the Certificate of Achievement Program's requirements and is being submitted to GFOA to determine its eligibility for the certificate.

Acknowledgements. The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the City. We would like to express our appreciation to all staff members who assisted and contributed to its preparation. We would also like to thank the Mayor and City Council members for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,



Michael R. Smith
City Manager



Hanna Reynolds
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

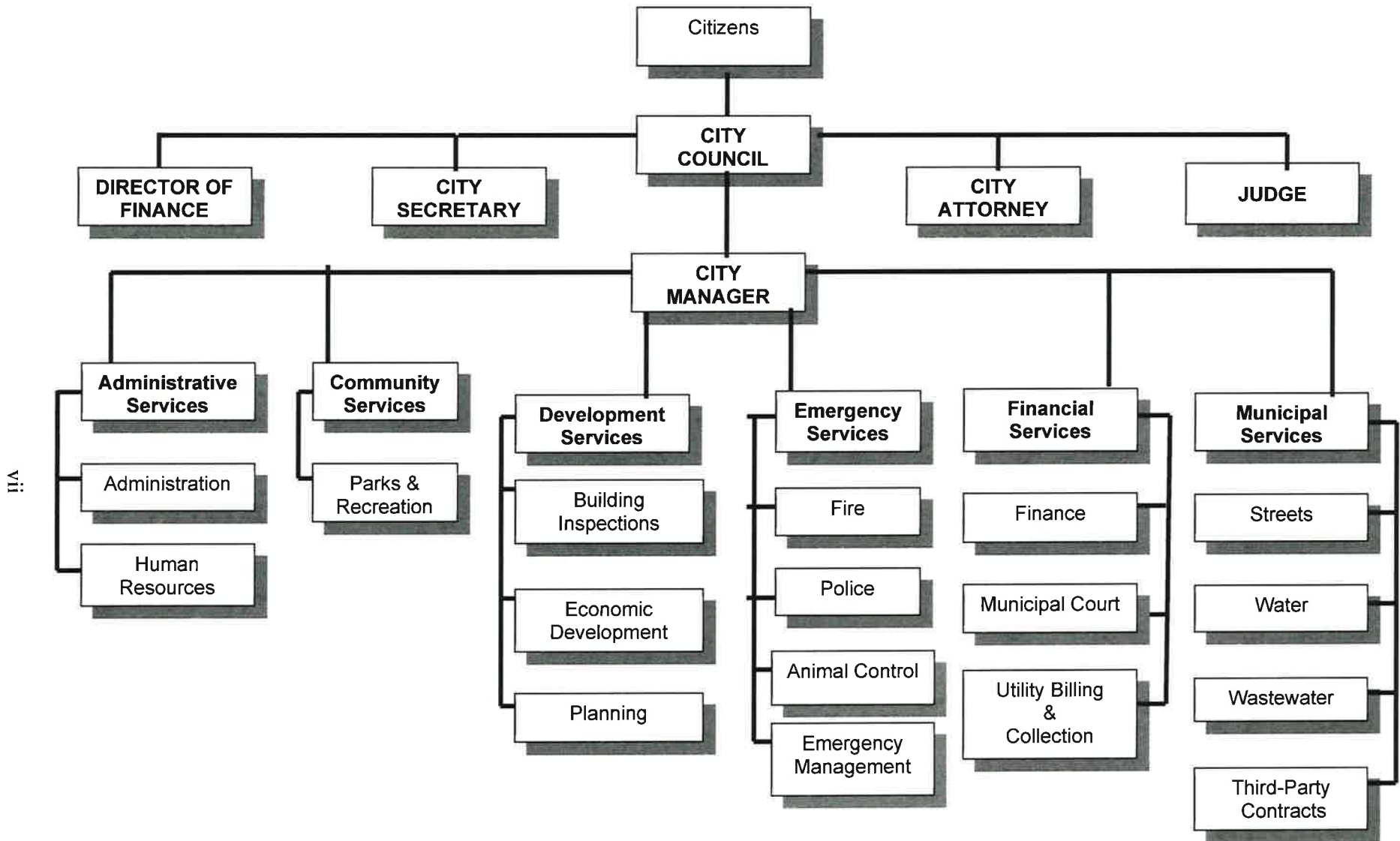
**City of Jacksboro
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO



City of Jacksboro
Organizational Chart

CITY OF JACKSBORO
PRINCIPAL OFFICIALS

Elected Officials

Craig Fenter	Mayor
Brandon Sisson	Alderman
Olibia Gonzalez	Alderman
Greg Robinson	Alderman
Stewart Chalmers	Alderman
Joel Hood	Alderman

Appointed Officials

Michael R. Smith	City Manager
Shalyn Burritt	City Secretary
Scott Haynes	Chief of Police
Hanna Reynolds	Director of Finance

FINANCIAL SECTION



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

1401 HOLLIDAY ST., SUITE 216 • P.O. Box 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 • FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

Independent Auditor's Report

Honorable Mayor and City Council
City of Jacksboro, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jacksboro, Texas (City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City'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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jacksboro, Texas as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System, the Schedule of Contributions – Texas Municipal Retirement System, and the Schedule of Changes in Total OPEB Liability and Related Ratios – Texas Municipal Retirement System identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Edgin, Parkman, Fleming & Fleming, PC

EDGIN, PARKMAN, FLEMING & FLEMING, PC

Wichita Falls, Texas
March 28, 2024



Management's Discussion and Analysis

Our discussion and analysis of the City of Jacksboro's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the transmittal letter on pages i-v and the City's financial statements, which begin on page 13.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$12,647,817 (net position). Of this amount \$1,470,211 (unrestricted net position) may be used to meet the City's obligations.
- Overall Net Position increased \$822,101. This increase in net position is attributed to increased revenue less expenses of ongoing operations of \$926,434, less the prior period adjustment decreases of \$96,509.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,134,278, an increase of \$28,477 in comparison with the prior year. The increase is primarily due to increased revenues less expenses.
- At the end of the current fiscal year, the unassigned fund balance in the general fund was \$1,764,719, or 44.53% percent of total general fund expenditures.
- The City of Jacksboro's outstanding bonds payable decreased by \$258,213 in the governmental activities and \$140,891 in the business-type activities. The required debt service payments were made on time. More information about the City's bonds payable may be found on pages 39 to 44.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City of Jacksboro's basic financial statements are comprised of three components:

- 1) *Government-wide Financial Statements*
- 2) *Fund Financial Statements, and*
- 3) *Notes to the Financial Statements*

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the finances of the City of Jacksboro, Texas in a manner like a private-sector business.

The statement of net position presents information on all the City's assets, deferred outflows of resources and liabilities, deferred inflows of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing

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

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include legislative, general government, public safety, streets, culture, and recreation. The business-type activities of the City include the water, sewer, and solid waste utilities.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate component unit, Jacksboro Economic Development Corporation (JEDC), for which the City is financially accountable. Financial information for the JEDC is presented as a discrete component and is not included with the primary government. The JEDC is presented in a separate column in the government-wide financial statements. The government-wide financial statements and the JEDC fund financial statements can be found in the pages that follow this discussion.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds

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

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

The City maintains three major governmental funds and six nonmajor governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major general, debt service, and capital projects funds. The nonmajor funds are summarized in the other governmental funds column. The nonmajor funds combining schedules are included in the Combining and Individual Statements and Schedules section of this report.

The City adopts an annual appropriated budget for the general, capital projects, debt services, special revenue, and utility funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. This comparison can be found in the Fund Statements section of this report. The Notes to the Financial Statements are an integral part of this statement.

Proprietary funds

The City of Jacksboro, Texas maintains a single enterprise fund, the water, sewer, and solid waste utility fund.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its water, sewer, and solid waste operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the water and sewer enterprise fund which is a major fund of the City.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. More detailed information on long-term debt activity and capital asset activity is presented in the relevant disclosures in the notes to the financial statements. The notes to the financial statements can be found on the pages immediately following the financial statements.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceed liabilities by \$12,647,817 at the close of the most recent fiscal year.

The largest portion (85.34%) of the City's net position reflects its net investment in capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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.

The following table is a comparative summary of net position as of September 30, 2023, and 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 2,662,303	\$ 2,548,265	\$ 818,354	\$ 1,196,228	\$ 3,480,657	\$ 3,744,493
Capital assets, net of accumulated depreciation	8,009,798	7,990,859	5,673,871	5,158,102	13,683,669	13,148,961
Total assets	10,672,101	10,539,124	6,492,225	6,354,330	17,164,326	16,893,454
Deferred outflow of resources	539,404	144,053	275,159	96,661	814,563	240,714
Current liabilities	196,530	111,857	356,472	862,189	553,002	974,046
Long-term liabilities outstanding	3,520,494	2,830,854	1,219,861	1,023,869	4,740,355	3,854,723
Total liabilities	3,717,024	2,942,711	1,576,333	1,886,058	5,293,357	4,828,769
Deferred inflows of resources	24,975	306,279	12,740	169,422	37,715	475,701
Net position						
Net investment in capital assets	5,705,520	5,645,247	5,087,937	4,404,191	10,793,457	10,049,438
Restricted net position						
Debt service	228,888	224,038	-	-	228,888	224,038
Specific purposes	155,251	124,664	-	-	155,251	124,664
Unrestricted	1,379,847	1,443,696	90,374	(23,744)	1,470,221	1,419,952
Total net position	\$ 7,469,506	\$ 7,437,645	\$ 5,178,311	\$ 4,380,447	\$12,647,817	\$ 11,818,092

An additional portion of the City's net position (3.04%) represents resources that are subject to external restrictions on how they may be used.

Governmental Activities

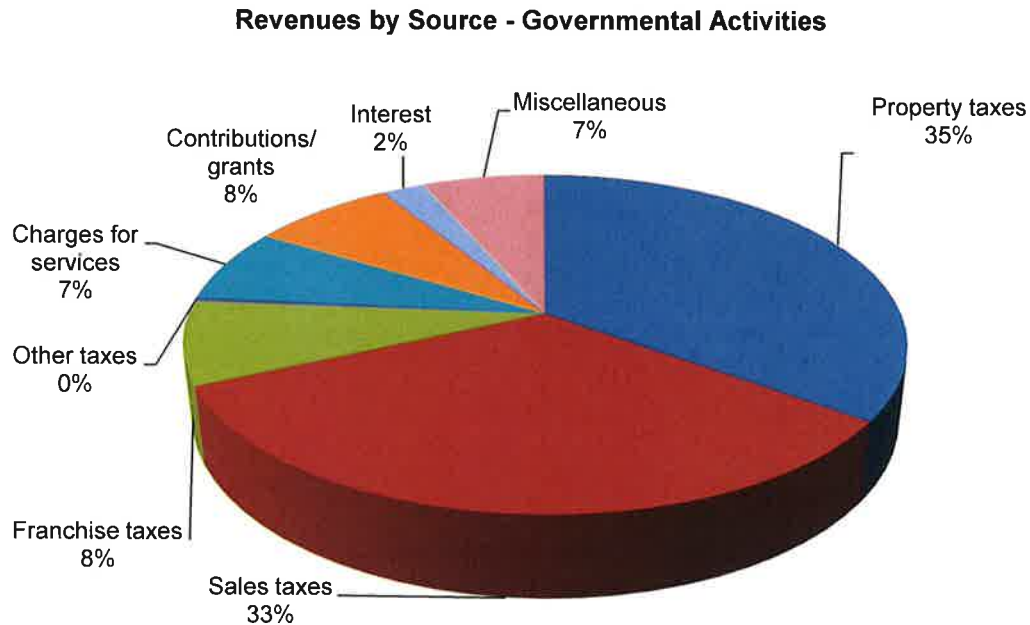
Governmental activities increased net position by \$31,861, and business-type activities increased net position by \$894,373, for a net total increase in net position of \$926,434. The key elements of this City-wide increase are shown in the following table:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues						
Charges for services	\$ 208,604	\$ 191,510	\$ 3,361,562	\$ 3,011,660	\$ 3,570,166	\$ 3,203,170
Operating grants and contributions	88,294	138,195	-	-	88,294	138,195
Capital grants and contributions	327,388	87,842	647,426	441,014	974,814	528,856
General revenues						
Property taxes	1,510,046	1,508,177	-	-	1,510,046	1,508,177
Sales taxes	1,436,872	1,440,766	-	-	1,436,872	1,440,766
Franchise taxes	343,738	331,171	-	-	343,738	331,171
Hotel / Motel taxes	22,317	31,378	-	-	22,317	31,378
Other taxes	13,642	11,354	-	-	13,642	11,354
Interest	97,522	20,769	55,019	9,440	152,541	30,209
Miscellaneous	286,311	407,813	-	-	286,311	407,813
Total revenues	4,334,734	4,168,975	4,064,007	3,462,114	8,398,741	7,631,089
Expenses:						
Legislative	57,228	40,328	-	-	57,228	40,328
General government	1,139,244	1,060,014	-	-	1,139,244	1,060,014
Public safety	1,927,994	1,394,943	-	-	1,927,994	1,394,943
Streets	612,855	492,677	-	-	612,855	492,677
Culture and recreation	642,289	620,500	-	-	642,289	620,500
Interest and fiscal charges	72,332	50,340	-	-	72,332	50,340
Water and sewer utilities	-	-	3,020,565	2,540,481	3,020,565	2,540,481
Total expenses	4,451,942	3,658,802	3,020,565	2,540,481	7,472,507	6,199,283
Change in net position before transfers	(117,208)	510,173	1,043,442	921,633	926,234	1,431,806
Net transfers	149,069	100,000	(149,069)	(100,000)	-	-
Change in net position	31,861	610,173	894,373	821,633	926,234	1,431,806
Net position - beginning as originally stated	7,437,645	6,832,656	4,380,447	3,561,254	11,818,092	10,393,910
Prior Period Adjustment	-	(5,184)	(96,509)	(2,440)	(96,509)	(7,624)
Net position - beginning, restated	7,437,645	-	4,283,938	-	11,721,583	-
Net position - ending	\$ 7,469,506	\$ 7,437,645	\$ 5,178,311	\$ 4,380,447	\$ 12,647,817	\$ 11,825,716

In total, the City's revenues increased by 10.06%, to \$8,398,741, mainly due to increased operating grants and contributions and sales taxes. The total cost of all programs and services increased by 20.54%, to \$7,472,507.

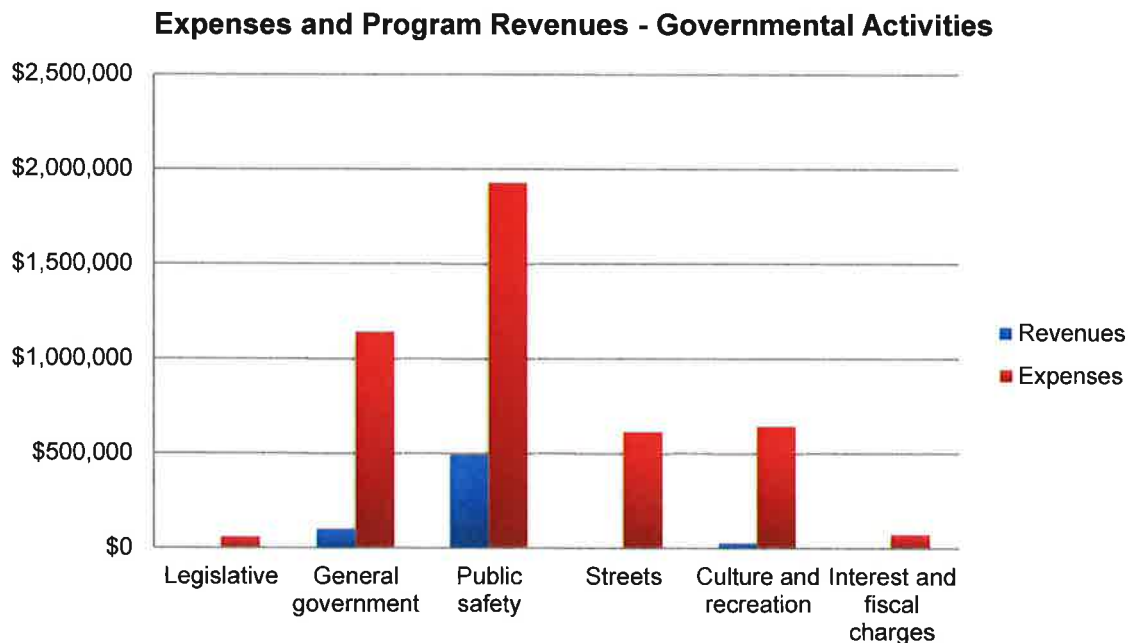
Revenues by source – governmental activities

Property taxes, sales taxes, franchise taxes, and charges for services provide 83% of the revenues for the governmental activities. The chart below provides a graphic representation of the City's revenues by source:



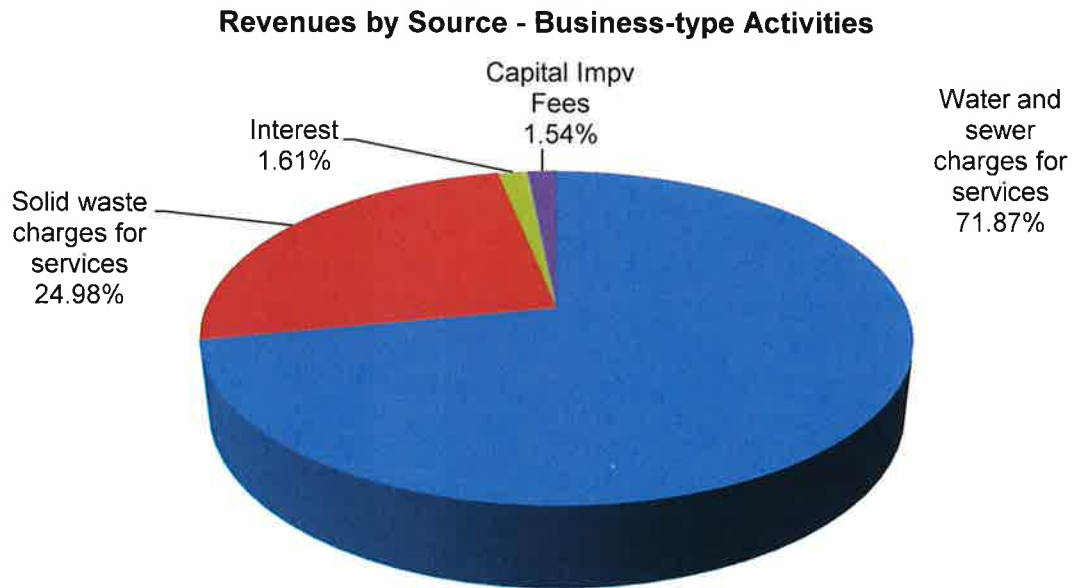
Expenses and program revenues – governmental activities

Public safety, general government, and culture and recreation make up 84.06% of the expenses for the governmental activities. The chart below provides a graphic representation of the City's governmental expenses and related revenues by source.



Revenues by source – business-type activities

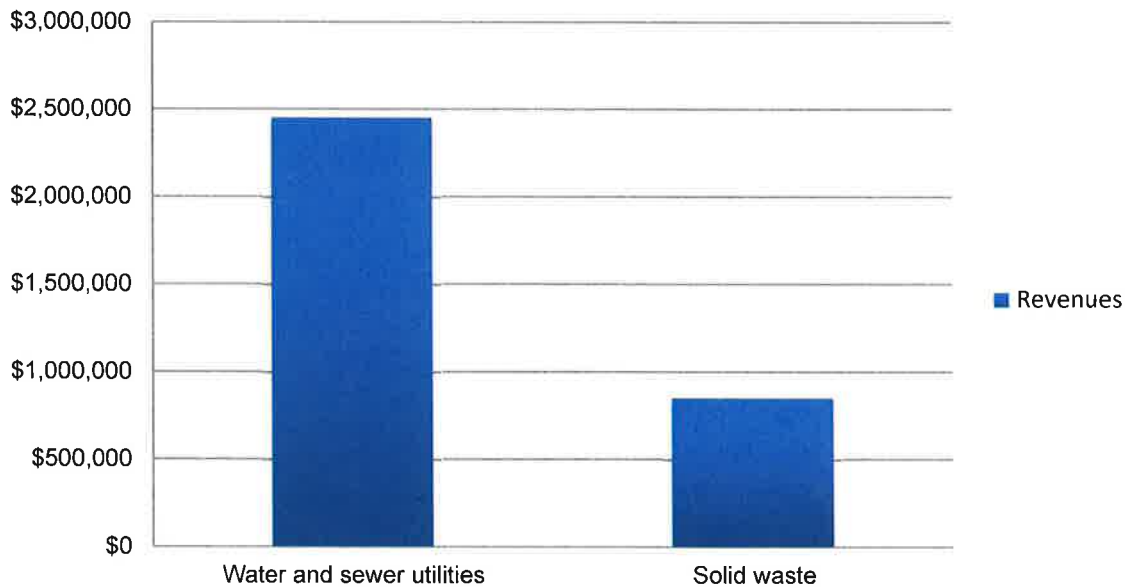
Water, sewer, and solid waste charges for services account for 98% of the revenue for business-type activities. The following chart provides a breakdown of all business-type revenues by source.



Expenses and program revenues – business-type activities

The City's business-type activities include water, sewer, and solid waste utilities. The City's water and sewer utilities make up 71.82% of operating expenses, and solid waste makes up the remaining 28.18%. The chart below provides a graphic representation of the City's business-type operating expenses and any related revenues by source.

Expenses and Program Revenue - Business-type Activities



Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,134,278, an increase of \$28,477 in comparison with the prior year. Approximately 82.68% of this total amount, \$1,764,719, constitutes unassigned fund balance in the general fund, which is available for spending at the City's discretion. The remainder of fund balance is restricted to indicate it is required to be set aside for specific purposes as follows: 1) debt service \$228,288, 2) other governmental funds \$154,824, 3) projects \$427.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$1,767,831. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 44.53% of total general fund expenditures. The fund balance of the general fund decreased by \$8,193 during the current fiscal year. The interfund transfers to the capital projects fund from the general fund resulted in a decrease in the general fund balance.

The debt service fund has a total fund balance of \$211,623, all of which is restricted for the payment of debt service. Debt service payments were made when due. The net increase in fund balance during the current year in the debt service fund was \$3,534.

Proprietary Funds

The City's proprietary fund provides the same type of information found in the government-wide statements, but in more detail.

Unrestricted net position of the utility fund at the end of the current fiscal year amounted to \$90,734. Net position increased \$894,373 from the prior year. Factors regarding the finances were addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Revenues were \$452,063 more than the City's budgeted projections, and expenditures were more than the final budget by \$224,465. The positive revenue variance was primarily due to increased sales taxes.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$13,683,669 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, the Lost Creek Dam and Reservoir, streets, machinery and equipment, water and sewer system, and construction in progress.

CITY OF JACKSBORO CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 295,178	\$ 273,943	\$ -	\$ -	\$ 295,178	\$ 273,943
Construction in progress	-	114,062	368,019	155,707	368,019	269,769
Buildings and improvements	1,874,771	1,610,828	-	-	1,874,771	1,610,828
Lost Creek Dam & Reservoir	3,516,160	3,683,597	-	-	3,516,160	3,683,597
Streets	1,374,722	1,519,112	-	-	1,374,722	1,519,112
Water and sewer system	-	-	4,878,306	4,719,591	4,878,306	4,719,591
Machinery and equipment	815,056	682,200	388,955	217,540	1,204,011	899,740
Right-to-use leased machinery and equipment	133,911	107,117	38,591	65,264	172,502	172,381
Total	\$ 8,009,798	\$ 7,990,859	\$ 5,673,871	\$ 5,158,102	\$ 13,683,669	\$ 13,148,961

Additional information on the City's capital assets can be found in note 7. CAPITAL ASSETS of this report.

Long-term Liabilities

At the end of the 2023 fiscal year, the City had total long-term liabilities of \$3,028,624.

CITY OF JACKSBORO OUTSTANDING LONG TERM LIABILITIES

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Bonds Payable, including premiums	\$ 1,690,718	\$ 1,948,931	\$ 545,869	\$ 686,760	\$ 2,236,587	\$ 2,635,691
Notes payable	475,076	285,731	-	-	475,076	285,731
Right-to-use lease liabilities	138,484	110,950	40,065	67,151	178,549	178,101
Compensated absences	82,705	71,181	55,707	40,915	138,412	112,096
Total	\$ 2,386,983	\$ 2,416,793	\$ 641,641	\$ 794,826	\$ 3,028,624	\$ 3,211,619

Additional information on the City's long-term debt can be found in note 9. LONG-TERM OBLIGATIONS of this report.

Economic Factors and Next Year's Program of Services (Budget) and Rates

- The 2023 appraised net taxable value used for the FY 2023-24 budget preparation was \$129,206,925, which is a 0.07% increase from the 2022 adjusted net taxable value of \$129,206,925.
- For the 2023-24 budget year, the City adopted a tax rate of \$0.695901 per one hundred dollars of assessed valuation.
- The FY 2023-24 adopted general operating fund budget decreases expenditures by 4.38% compared to the final FY 2022-23 actual amount, from \$3,963,195 actual in FY 2022-23 to a budgeted \$3,789,460 in FY 2023-23.

These indicators were considered when adopting the FY 2023-24 general fund budget. Beginning actual fund balance available for appropriation in the FY 2023-24 general fund budget is \$1,764,719. In total, the City's adopted FY 2023-24 general fund budget is projected to increase the ending fund balance by \$56,985.

Component Unit

The financial statements for the Jacksboro Economic Development Corporation (JEDC), a component unit of the City of Jacksboro, are included in this report. The financial highlights are as follows:

- The assets and deferred outflows of resources of the JEDC exceeded its liabilities and deferred inflows of resources by \$2,279,344 September 30, 2023.
- Net position increased by \$38,103, in comparison with the prior year.

Jacksboro Economic Development Corporation Net Position

	Governmental Activities	
	2022	2021
Current and other assets	\$ 2,635,281	\$ 2,655,733
Capital assets, net of accumulated depreciation	4,361	5,419
Total assets	2,639,642	2,661,152
Deferred outflows of resources	27,176	5,577
Current liabilities	20,252	5,908
Long-term liabilities outstanding	365,964	406,945
Total liabilities	386,216	412,853
Deferred inflows of resources	1,258	11,577
Net position		
Net investment in capital assets	4,361	5,419
Unrestricted	2,274,983	2,236,880
Total net position	\$ 2,279,344	\$ 2,242,299

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City of Jacksboro's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Secretary, 112 West Belknap, Jacksboro, Texas, 76458.

BASIC FINANCIAL STATEMENTS

CITY OF JACKSBORO, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 1,242,557	\$ 324,518	\$ 1,567,075	\$ 1,724,944
Receivables (net):				
Property taxes	77,121	-	77,121	-
Sales taxes	202,605	-	202,605	67,535
Franchise fees	68,217	-	68,217	-
Municipal court fines	266,547	-	266,547	-
Customers	-	437,793	437,793	-
Intergovernmental	11,620	-	11,620	-
Other	5,328	-	5,328	826
Internal balances	464,407	(464,407)	-	-
Property held for sale	-	-	-	841,976
Restricted assets:				
Cash and cash equivalents	323,901	520,450	844,351	-
Capital assets not being depreciated:				
Land	295,178	-	295,178	-
Construction in progress	-	368,019	368,019	-
Capital assets:				
Buildings and improvements	5,402,850	-	5,402,850	-
Streets	2,825,847	-	2,825,847	-
Lost Creek Dam and Reservoir	8,355,568	-	8,355,568	-
Water and sewer system	-	13,316,117	13,316,117	-
Machinery and equipment	2,685,704	1,548,185	4,233,889	10,800
Furniture and fixtures	227,788	45,199	272,987	-
Right-to-use leased machinery and equipment	268,572	112,679	381,251	-
Accumulated depreciation	(12,051,709)	(9,716,328)	(21,768,037)	(6,439)
Total assets	10,672,101	6,492,225	17,164,326	2,639,642
Deferred Outflows of Resources				
Pension plan related	533,963	272,366	806,329	26,919
OPEB plan related	5,441	2,793	8,234	257
Total deferred outflows of resources	539,404	275,159	814,563	27,176
Liabilities				
Accounts payable and other accrued liabilities	164,124	276,866	440,990	17,716
Wages payable	25,044	14,077	39,121	963
Accrued interest payable	7,362	1,899	9,261	1,573
Customer deposits	-	63,630	63,630	-
Long-term liabilities:				
Portion due or payable within one year	475,409	188,321	663,730	84,936
Portion due or payable after one year	1,911,574	453,320	2,364,894	223,918
Net pension liability (payable after one year)	1,047,834	534,515	1,582,349	52,793
Total OPEB liability (payable after one year)	85,677	43,705	129,382	4,317
Total liabilities	3,717,024	1,576,333	5,293,357	386,216
Deferred Inflows of Resources				
OPEB plan related	24,975	12,740	37,715	1,258
Total deferred inflows of resources	24,975	12,740	37,715	1,258
Net Position				
Net investment in capital assets	5,705,520	5,087,937	10,793,457	4,361
Restricted:				
Park projects	427	-	427	-
Debt service	228,888	-	228,888	-
Tourism	95,691	-	95,691	-
Court technology	5,179	-	5,179	-
Court security	14,832	-	14,832	-
School safety	24,875	-	24,875	-
Grants	14,247	-	14,247	-
Unrestricted	1,379,847	90,374	1,470,221	2,274,983
Total net position	\$ 7,469,506	\$ 5,178,311	\$ 12,647,817	\$ 2,279,344

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Legislative	\$ 57,228	\$ -	\$ -	\$ -
General government	1,139,244	53,338	48,900	-
Public safety	1,927,994	130,049	35,384	327,388
Streets	612,855	-	-	-
Culture and recreation	642,289	25,217	4,010	-
Interest and fiscal charges	72,332	-	-	-
Total governmental activities	<u>4,451,942</u>	<u>208,604</u>	<u>88,294</u>	<u>327,388</u>
Business-type activities:				
Water, sewer, and solid waste utilities	<u>3,020,565</u>	<u>3,361,562</u>	<u>-</u>	<u>647,426</u>
Total primary government	<u>\$ 7,472,507</u>	<u>\$ 3,570,166</u>	<u>\$ 88,294</u>	<u>\$ 974,814</u>
Component unit:				
Jacksboro Economic Development Corporation	<u>\$ 1,057,401</u>	<u>\$ 543,618</u>	<u>\$ 3,500</u>	<u>\$ -</u>
General revenues and transfers:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Sales taxes				
Franchise fees				
Hotel/Motel taxes				
Other taxes				
Interest				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning, as originally stated				
Prior period adjustment				
Net position - beginning, as restated				
Net position - ending				

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (57,228)	\$ -	\$ (57,228)	\$ -
(1,037,006)	-	(1,037,006)	-
(1,435,173)	-	(1,435,173)	-
(612,855)	-	(612,855)	-
(613,062)	-	(613,062)	-
(72,332)	-	(72,332)	-
<u>(3,827,656)</u>	<u>-</u>	<u>(3,827,656)</u>	<u>-</u>
-	988,423	988,423	-
<u>(3,827,656)</u>	<u>988,423</u>	<u>(2,839,233)</u>	<u>-</u>
-	-	-	(510,283)
1,231,987	-	1,231,987	-
278,059	-	278,059	-
1,436,872	-	1,436,872	478,957
343,738	-	343,738	-
22,317	-	22,317	-
13,642	-	13,642	-
97,522	55,019	152,541	48,457
286,311	-	286,311	19,914
149,069	(149,069)	-	-
<u>3,859,517</u>	<u>(94,050)</u>	<u>3,765,467</u>	<u>547,328</u>
<u>31,861</u>	<u>894,373</u>	<u>926,234</u>	<u>37,045</u>
7,437,645	4,380,447	11,818,092	2,242,299
-	(96,509)	(96,509)	-
<u>7,437,645</u>	<u>4,283,938</u>	<u>11,721,583</u>	<u>2,242,299</u>
<u>\$ 7,469,506</u>	<u>\$ 5,178,311</u>	<u>\$ 12,647,817</u>	<u>\$ 2,279,344</u>

CITY OF JACKSBORO, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 1,242,557	\$ -	\$ -	\$ -	\$ 1,242,557
Receivables (net):					
Property taxes	61,538	15,583	-	-	77,121
Sales taxes	202,605	-	-	-	202,605
Franchise fees	68,217	-	-	-	68,217
Municipal court fines	266,547	-	-	-	266,547
Intergovernmental	-	-	-	11,620	11,620
Other	1,279	-	-	4,049	5,328
Due from other funds	435,000	29,407	-	-	464,407
Restricted cash	3,112	181,213	-	139,576	323,901
Total assets	<u>\$ 2,280,855</u>	<u>\$ 226,203</u>	<u>\$ -</u>	<u>\$ 155,245</u>	<u>\$ 2,662,303</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable and other current liabilities	\$ 163,703	\$ -	\$ -	\$ 421	\$ 164,124
Wages payable	25,044	-	-	-	25,044
Total liabilities	<u>188,747</u>	<u>-</u>	<u>-</u>	<u>421</u>	<u>189,168</u>
Deferred inflows of resources:					
Unavailable revenues	<u>324,277</u>	<u>14,580</u>	<u>-</u>	<u>-</u>	<u>338,857</u>
Fund balances:					
Restricted	3,112	211,623	-	154,824	369,559
Unassigned	1,764,719	-	-	-	1,764,719
Total fund balances	<u>1,767,831</u>	<u>211,623</u>	<u>-</u>	<u>154,824</u>	<u>2,134,278</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,280,855</u>	<u>\$ 226,203</u>	<u>\$ -</u>	<u>\$ 155,245</u>	<u>\$ 2,662,303</u>

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total fund balances - governmental funds (Exhibit A-3) \$ 2,134,278

Amounts reported for *governmental activities* in the Statement of Net Position (Exhibit A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. Capital assets at year-end consist of:

Gross capital assets	\$ 20,061,507	
Related accumulated depreciation	<u>12,051,709</u>	8,009,798

Property taxes receivable are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.		72,310
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Municipal court fees receivable are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.		266,547
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Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds payable	1,672,515	
Bond premiums	18,203	
Notes payable	475,076	
Right-to-use lease liabilities	138,484	
Compensated absences	<u>82,705</u>	(2,386,983)

Interest payable on long-term debt is not due and payable in the current period and therefore not reported as liabilities in the funds. Accrued interest at year-end was:		(7,362)
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The City's net pension liability and related deferred outflows and inflows related to its participation in the Texas Municipal Retirement System do not meet criteria to be reported in the governmental funds financial statements. These items consist of:

Deferred outflows of resources - pension plan related	533,963	
Net pension liability	<u>(1,047,834)</u>	(513,871)

The City's total OPEB (other post-employment benefit) liability and related deferred outflows and inflows related to the Supplemental Death Benefit Fund (SDBF) from the Texas Municipal Retirement System do not meet criteria to be reported in the governmental funds financial statements. These items consist of:

Deferred outflows of resources - OPEB related	5,441	
Deferred inflows of resources - OPEB related	(24,975)	
Total OPEB liability	<u>(85,677)</u>	<u>(105,211)</u>

Total net position - governmental activities (Exhibit A-1)		<u><u>\$ 7,469,506</u></u>
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See accompanying notes to the basic financial statements.

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

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 1,241,434	\$ 279,428	\$ -	\$ -	\$ 1,520,862
Sales taxes	1,436,872	-	-	-	1,436,872
Franchise fees	343,738	-	-	-	343,738
Hotel/Motel taxes	-	-	-	22,317	22,317
Other taxes	13,642	-	-	-	13,642
Charges for services	3,103	-	-	-	3,103
Licenses, permits, and fees	38,515	-	-	-	38,515
Recreation fees	25,217	-	-	-	25,217
Court fines and fees	111,221	-	-	7,291	118,512
Rentals	11,720	-	-	-	11,720
Contributions	346,684	-	-	-	346,684
Intergovernmental	57,378	-	-	11,620	68,998
Interest income	79,372	12,503	-	5,647	97,522
Miscellaneous	286,311	-	-	-	286,311
Total revenues	<u>3,995,207</u>	<u>291,931</u>	<u>-</u>	<u>46,875</u>	<u>4,334,013</u>
Expenditures					
Current:					
Legislative	57,228	-	-	-	57,228
General government	1,055,412	-	-	2,119	1,057,531
Public safety	1,642,865	-	-	11,620	1,654,485
Streets	454,784	-	-	-	454,784
Culture and recreation	404,587	-	-	-	404,587
Capital outlay	175,552	-	536,605	-	712,157
Debt service:					
Principal	149,520	255,000	-	-	404,520
Interest charges	23,247	31,716	-	-	54,963
Debt issuance costs	-	-	20,000	-	20,000
Paying agent fees	-	750	-	-	750
Total expenditures	<u>3,963,195</u>	<u>287,466</u>	<u>556,605</u>	<u>13,739</u>	<u>4,821,005</u>
Excess of revenues over (under) expenditures	<u>32,012</u>	<u>4,465</u>	<u>(556,605)</u>	<u>33,136</u>	<u>(486,992)</u>
Other Financing Sources (Uses)					
Issuance of tax notes	-	-	270,000	-	270,000
Issuance of right-to-use lease liabilities	96,400	-	-	-	96,400
Transfers in	150,000	-	286,605	-	436,605
Transfers out	(286,605)	(931)	-	-	(287,536)
Total other financing sources (uses)	<u>(40,205)</u>	<u>(931)</u>	<u>556,605</u>	<u>-</u>	<u>515,469</u>
Net change in fund balance	(8,193)	3,534	-	33,136	28,477
Fund balances - beginning	<u>1,776,024</u>	<u>208,089</u>	<u>-</u>	<u>121,688</u>	<u>2,105,801</u>
Fund balances - ending	<u>\$ 1,767,831</u>	<u>\$ 211,623</u>	<u>\$ -</u>	<u>\$ 154,824</u>	<u>\$ 2,134,278</u>

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances - total governmental funds (Exhibit A-5) \$ 28,477

Amounts reported for *governmental activities* in the Statement of Activities (Exhibit A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. The net difference between the two is as follows:

Capital outlay during the year	\$ 712,157	
Depreciation expense for the year	<u>693,218</u>	18,939

Because certain receivables will not be collected for several months after the City's fiscal year ends, they are not considered 'available' revenues and are deferred in the governmental funds. The deferred inflow portions changed by these amounts this year:

Property taxes	(10,816)	
Municipal court fees	<u>11,537</u>	721

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Principal payments during the year were:

Bonds payable	255,000	
Notes payable	80,655	
Right-to-use lease liabilities	<u>68,866</u>	404,521

Amortization of the bond premiums during the year was: 3,213

Accrued interest payable from the beginning of the year to the end of the year changed by: 167

The City issued additional debt during the year. The debt is reported as an other source in the governmental funds; however, is reported as liabilities in the governmental activities. The amount of debt issued during the year was: (366,400)

Compensated absences are reported as the amount is earned in the Statement of Activities, but as paid in the governmental funds. During the year, the liability changed by: (11,524)

The City participates in an agent multiple-employer defined benefit pension plan. Contributions to the plan are expenditures at the fund level when payments are due. At the government-wide level, pension expenses are recognized on an actuarial basis. Payments were less than the actuarial expense in the current year. (46,174)

The City participates in a single-employer defined benefit OPEB plan. Contributions to the plan are expenditures at the fund level when payments are due. At the government-wide level, OPEB expenses are recognized on an actuarial basis. Payments were less than the actuarial expense in the current year. (79)

Change in net position of governmental activities (Exhibit A-2)	<u>\$ 31,861</u>
-----------------------------------------------------------------	------------------

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Property taxes	\$ 1,207,145	\$ 1,207,145	\$ 1,241,434	\$ 34,289
Sales taxes	1,250,000	1,250,000	1,436,872	186,872
Franchise fees	310,000	310,000	343,738	33,738
Other taxes	12,000	12,000	13,642	1,642
Charges for services	23,000	23,000	3,103	(19,897)
Licenses, permits, and fees	31,000	31,000	38,515	7,515
Recreation fees	30,000	30,000	25,217	(4,783)
Court fines and fees	81,450	81,450	111,221	29,771
Rentals	15,000	15,000	11,720	(3,280)
Contributions	93,000	223,000	346,684	123,684
Intergovernmental	50,000	50,000	57,378	7,378
Interest income	6,000	6,000	79,372	73,372
Miscellaneous	288,000	304,549	286,311	(18,238)
Total revenues	<u>3,396,595</u>	<u>3,543,144</u>	<u>3,995,207</u>	<u>452,063</u>
Expenditures				
Current:				
Legislative	36,472	36,472	57,228	(20,756)
General government	984,070	984,070	1,055,412	(71,342)
Public safety	1,478,540	1,651,585	1,642,865	8,720
Streets	445,090	471,715	454,784	16,931
Culture and recreation	455,470	452,487	404,587	47,900
Capital outlay	30,000	51,301	175,552	(124,251)
Debt service:				
Principal	80,600	80,600	149,520	(68,920)
Interest charges	10,500	10,500	23,247	(12,747)
Total expenditures	<u>3,520,742</u>	<u>3,738,730</u>	<u>3,963,195</u>	<u>(224,465)</u>
Excess of revenues over (under) expenditures	<u>(124,147)</u>	<u>(195,586)</u>	<u>32,012</u>	<u>227,598</u>
Other Financing Sources (Uses)				
Issuance of right-to-use lease liability	-	-	96,400	96,400
Proceeds from sale of capital assets	20,000	20,000	-	(20,000)
Transfers in	150,000	150,000	150,000	-
Transfers out	(35,000)	-	(286,605)	(286,605)
Total other financing sources (uses)	<u>135,000</u>	<u>170,000</u>	<u>(40,205)</u>	<u>(210,205)</u>
Net change in fund balance	10,853	(25,586)	(8,193)	17,393
Fund balances - beginning	<u>1,776,024</u>	<u>1,776,024</u>	<u>1,776,024</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,786,877</u>	<u>\$ 1,750,438</u>	<u>\$ 1,767,831</u>	<u>\$ 17,393</u>

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2023

	<u>Utility Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 324,518
Receivables (net)	437,793
Restricted assets:	
Cash and cash equivalents	520,450
Total current assets	<u>1,282,761</u>
Long-term assets:	
Capital assets:	
Water and sewer system	13,316,117
Machinery and equipment	1,548,185
Furniture and fixtures	45,199
Right-to-use lease assets	112,679
Construction in progress	368,019
Less accumulated depreciation	<u>(9,716,328)</u>
Total long-term assets	<u>5,673,871</u>
Total assets	<u>6,956,632</u>
Deferred Outflows of Resources:	
Pension plan related	272,366
OPEB plan related	2,793
Total deferred outflows of resources	<u>275,159</u>
Liabilities	
Current liabilities:	
Accounts payable and other current liabilities	276,866
Wages payable	14,077
Due to other funds	464,407
Accrued interest payable	1,899
Customer deposits	63,630
Compensated absences, current portion	25,068
Current maturities of long-term obligations	163,253
Total current liabilities	<u>1,009,200</u>
Long-term liabilities:	
Long-term obligations, less current maturities	422,681
Compensated absences, net of current portion	30,639
Net pension liability	534,515
Total OPEB liability	43,705
Total long-term liabilities	<u>1,031,540</u>
Total liabilities	<u>2,040,740</u>
Deferred Inflows of Resources:	
OPEB plan related	12,740
Total deferred inflows of resources	<u>12,740</u>
Net Position	
Net investment in capital assets	5,087,937
Unrestricted	90,374
Total net position	<u>\$ 5,178,311</u>

See accompanying notes to the basic financial statements.

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

	<u>Utility Fund</u>
Operating revenues:	
Water revenues	\$ 1,455,394
Sewer revenues	910,785
Solid waste	853,320
Penalties	47,830
Tap fees	16,998
Miscellaneous	24,568
Total operating revenues	<u>3,308,895</u>
Operating expenses:	
Salaries and benefits	1,023,228
Supplies and maintenance	477,241
Contractual services	203,341
Sanitation contractual services	846,387
Depreciation	453,125
Total operating expenses	<u>3,003,322</u>
Operating income	<u>305,573</u>
Nonoperating revenues (expenses):	
Intergovernmental revenues	647,426
Interest income	55,019
Interest expense	(17,243)
Total nonoperating revenues (expenses)	<u>685,202</u>
Income before capital contributions and transfers	990,775
Capital contributions	52,667
Transfers in	931
Transfers out	<u>(150,000)</u>
Change in net position	<u>894,373</u>
Net position - beginning, as originally stated	4,380,447
Prior period adjustment	(96,509)
Net position - beginning, as restated	<u>4,283,938</u>
Net position - ending	<u><u>\$ 5,178,311</u></u>

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Utility Fund
Cash flows from operating activities:	
Received from customers	\$ 3,262,223
Payments to employees	(1,007,493)
Payments to suppliers and professional contractors for services	(1,491,014)
Net cash provided by operating activities	<u>763,716</u>
Cash flows from noncapital financing activities:	
Loans to other funds	(27,321)
Transfers from other funds	931
Transfers to other funds	(150,000)
Net cash used by noncapital financing activities	<u>(176,390)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(968,894)
Principal paid on capital debt	(167,977)
Interest paid on capital debt	(17,264)
Capital contributions	52,667
Net cash used by capital and related financing activities	<u>(1,101,468)</u>
Cash flows from investing activities:	
Interest on investments	<u>55,019</u>
Net Decrease in Cash and Cash Equivalents	(459,123)
Cash and Cash Equivalents - Beginning	1,304,091
Cash and Cash Equivalents - Ending	<u>\$ 844,968</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 305,573
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	453,125
(Increase) decrease in current assets and deferred outflows of resources:	
Accounts receivable	(53,928)
Deferred outflows of resources	(193,562)
Increase (decrease) in current liabilities and deferred inflows of resources:	
Accounts payable and other accrued liabilities	35,955
Wages payable	2,010
Customer deposits	7,256
Compensated absences	14,792
Net pension liability	369,663
Total OPEB liability	(20,486)
Deferred inflows of resources	(156,682)
Total adjustments	<u>458,143</u>
Net cash provided by operating activities	<u>\$ 763,716</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:	
Unrestricted cash and cash equivalents	\$ 324,518
Restricted assets - cash and cash equivalents	520,450
Total cash and cash equivalents	<u>\$ 844,968</u>

See accompanying notes to the basic financial statements.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of Jacksboro, Texas (City) conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. GAAP for local governments includes those principles prescribed by the Governmental Accounting Standards Board (GASB), which includes all statements and interpretations of the National Council on Governmental Accounting (NCGA) unless modified by the GASB, and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units. The following is a summary of the more significant policies and practices used by the City.

A. Reporting Entity

The City is incorporated as a general law municipal corporation under the laws of the State of Texas. The City operates under a Mayor / Alderman form of government and provides the following services: legislative, general administrative services, public safety (police and fire), streets, and culture and recreation. Other services include water, sewer, and solid waste operations. The City, for financial purposes, includes all of the funds relevant to the operations of the City of Jacksboro, Texas.

The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The component unit of the City includes the separately administered organization that is controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The Jacksboro Economic Development Corporation (JEDC) is a discretely-presented component unit which serves all of the citizens of the City and is governed by a board of directors that are appointed by and serve at the discretion of the City Council. The City Council has ultimate authority over the actions of the JEDC. The JEDC is reported as a governmental entity and its accounts are maintained on the accrual basis of accounting. Separate audited financial statements are not issued for the JEDC; however, complete financial statements for the JEDC may be obtained from the City's Finance Officer at 112 West Belknap, Jacksboro, Texas.

B. Basis of Presentation

Government-wide Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on activities of the primary government and its component unit.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (public works, public transportation, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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, 2) grants and contributions that are restricted to meeting operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate fund-based financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for governmental and enterprise) for the determination of major funds. The major governmental funds are the General Fund, Debt Service Fund, and the Capital Projects Fund. The major enterprise fund is the Utility Fund.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. 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 in which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Government fund-level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes, franchise fees, and hotel/motel taxes associated with the current fiscal period are susceptible to accrual and have been recognized as revenues of the current fiscal period.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. This fund is used to account for all financial resources of the general government, except for those required to be accounted for in another fund.

The Debt Service Fund is used to account for the annual debt service requirements of the City.

The Capital Projects Fund is used to account for the applicable proceeds from the issuance of tax notes and the associated capital outlay.

The City reports the following major enterprise fund:

The Utility Fund is used to account for the water, wastewater, and sanitation services provided by the City.

In addition, the City reports the following nonmajor fund types:

The Special Revenue Funds account for proceeds for specific revenues that are legally restricted to expenditures for a specified purpose. The nonmajor governmental funds are as follows:

- Hotel/motel fund is supported by hotel/motel taxes and are used to promote tourism.
- Court technology fund is supported by court fines and are used for technology purchases.
- Court security, school safety, and crossing guard funds are supported by court fines and used for security and safety purposes.
- Grant Fund is supported by intergovernmental grants and used for the purpose specified in the grant contract.

GASB Statement No. 34 eliminates the presentation of account groups but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Utility Fund are charges to customers for services. Operating expenses for the Utility Fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

D. Budget Policies

The City Council adopts an annual budget for the General, Special Revenue, Debt Service, and Utility Funds. The General Fund budget is legally adopted. The annual budgets for the General, Debt Service, and Special Revenue Funds are adopted on a modified accrual basis. The budget for the Utility Fund is adopted under a basis consistent with GAAP, except that amortization and depreciation are not considered (working capital basis). The Capital Projects Fund is not a budgeted fund.

The City adheres to the following procedures in establishing the budget reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must have been given. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.
2. Once a budget is approved, it can only be amended by approval of a majority of the members of the City Council. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end. All budget appropriations lapse at year end.

E. Assets, Liabilities and Net Position or Equity

1. Cash, Investments, and Temporary Deposits

The City's cash, investments, and temporary deposits are pooled for investment. For purposes of the statement of cash flows, the City considers cash on hand, demand deposits, and investments with original maturities of three months or less to be cash equivalents.

2. Property Taxes

Property taxes are attached as an enforceable lien on property as of January 1 of the prior year. Taxes are levied on October 1, and do not begin to accrue interest until February 1. The City is permitted by the Municipal Finance Law of the State of Texas to levy taxes (exclusive of those amounts levied to service long-term debt) up to \$2.25 per \$100 of assessed valuation. The City's tax rate for the current year was \$.920265 per \$100 in assessed valuation. Additionally, the City levied a tax for Debt Service of \$.205921 per \$100 in assessed valuation; therefore, the total tax rate was \$1.126186 per \$100 in assessed valuation.

An allowance for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

3. Inventories and Prepaid Items

The City records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Property Held for Sale

Property held for sale consists of land and buildings that were purchased or donated to be sold to third parties. Those assets are carried at the lower of cost or fair market value.

5. Capital Assets

Capital assets which include land, buildings and improvements, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are reported in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets and capital assets received in a service concession arrangement are recorded at acquisition value at the time received.

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

Buildings and improvements	20-50 years
Streets	20-50 years
Machinery, equipment, furniture, and fixtures	5-15 years
Right-to-use leased machinery and equipment	1-5 years

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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. Certain amounts related to the City's participation in pension plans (see Note 10) are reported in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element 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. The City has three types of items that qualify for reporting in this category. Property taxes receivable (\$72,310) and municipal court fines receivable (\$266,547) are unavailable and therefore cannot be recognized as revenue in the governmental funds until they are received. There are also certain items related to the City's participation in pension and OPEB plans (see Notes 10 and 11) that are reported in this category.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

7. Compensated Absences

Employees in permanent positions are eligible for vacation benefits, either as time off with pay or as terminal in cases of separation from City employment. Upon leaving the employment of the City, employees will be paid for unused vacation days which they have accrued.

- Permanent employees accumulate sick leave indefinitely. However, no terminal pay is authorized for unused sick leave for terminating employees.

8. Long-Term Obligations

Long-term debt and other obligations for general government purposes are recorded in the government-wide statement of net position. Long-term debt and other obligations financed by the Utility Fund are reported as liabilities in that fund.

For the government-wide and Utility Fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expended when incurred. In the governmental fund-level financial statements, bond proceeds are reported as another financing source. Bond premiums and discounts in governmental funds are also recognized currently as other financing sources or uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

9. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation. At September 30, 2023, the restricted fund balances were as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
Landfill capital projects	\$ 2,685	\$ -	\$ -	\$ 2,685
Park projects	427			427
Debt service	-	211,623	-	211,623
Tourism	-	-	95,691	95,691
Court technology	-	-	5,179	5,179
Court security	-	-	14,832	14,832
School safety	-	-	24,875	24,875
Grants	-	-	14,247	14,247
Totals	<u>\$3,112</u>	<u>\$211,623</u>	<u>\$154,824</u>	<u>\$369,559</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the City Council. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the City intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, or debt service fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City itself.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

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

10. Transactions Between Funds

Outstanding balances between funds are reported as "due to/from other funds." Any residual balances between governmental activities and business-type activities are reported in the government-wide statements as "internal balances". Nonrecurring or non-routine transfers of equity between funds are accounted for as transfers.

11. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City participates in the Texas Municipal League Intergovernmental Risk Pool (TML). TML is a self-funded pool operating as a common risk management and insurance program. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

of coverage has its own level of reinsurance. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

12. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Accordingly, actual results could differ from those estimates.

13. Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported to TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Other Post-Employment Benefits

The fiduciary net position of the TMRS Supplemental Death Benefit Fund (SDBF) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go-plan and all cash is held in a cash account.

2. COMPLIANCE AND ACCOUNTABILITY

A. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", a violation of finance-related legal and contractual provisions is reported below, along with the action taken to address the violation:

- For the year ended September 30, 2023, the City over expended the General Fund's budget in five functional areas and in total (see Exhibit A-7). The City will be more diligent in monitoring its actual expenditures compared to the City's adopted budget in future years.

B. Deficit Fund Balance or Net Position of Individual Funds

As of September 30, 2023, the City did not have any individual funds with deficit fund balances.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

3. DEPOSITS AND INVESTMENTS

A. Deposits

All of the City's demand and time depository accounts are held in local banking institutions. At September 30, 2023, the carrying amount of the City's deposits (cash and interest-bearing savings accounts included in temporary investments) was \$2,411,404 and the bank balance was \$2,502,833. The City's cash deposits at September 30, 2023, and during the year ended September 30, 2023, were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

All of the JEDC's demand and time depository accounts are held in local banking institutions. At September 30, 2023, the carrying amount of the Corporation's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,724,925 and the bank balance was \$1,789,376. The Corporation's cash deposits at September 30, 2023, and during the year ended September 30, 2023, were entirely covered by FDIC insurance.

B. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act (Act) to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, maturity and the quality and capability of investment management; include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the City adhered to the requirements of the Act. Additionally, investment practices of the City were in accordance with local policies.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

Investments of the City and JEDC at September 30, 2023 are as follows and are reported as cash and cash equivalents on Exhibit A-1:

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

3. DEPOSITS AND INVESTMENTS (CONT'D.)

<u>Types of Investments</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Average Credit Quality Ratings</u>	<u>Weighted Average Days to Maturity</u>
Primary Government:				
TexSTAR	\$ 462,324	\$ 462,324	AAA-m	29
JEDC:				
LOGIC	<u>1,572,335</u>	<u>1,572,335</u>	AAA-m	39
Total investments	<u>\$2,034,659</u>	<u>\$2,034,659</u>		

The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

Public Funds Investment Pools

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have 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; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. The City participates in the following public funds investment pools:

TexSTAR – Texas Short Term Asset Reserve Program (TexSTAR) is administered by J.P. Morgan Investment Management Inc. and First Southwest, a division of Hilltop Securities, Inc. J.P. Morgan Investment Management, Inc. provides investment management services and First Southwest provides participant and marketing services for TexSTAR. TexSTAR's governing body is a five-member board of directors comprised of three government officials and one member employed by each co-administrator or an affiliate. TexSTAR's investments are only those authorized by the Act governing pools for local governments. The balances are valued at net asset value per unit/share.

Each participating government owns an undivided beneficial interest in the assets of the pool represented by units. Participants may terminate their participation in TexSTAR at any time by redeeming their units. TexSTAR is not registered with the Securities and Exchange Commission (SEC) as an investment company.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

3. DEPOSITS AND INVESTMENTS (CONT'D.)

LOGIC – Local Government Investment Cooperative (LOGIC) is administered by J.P. Morgan Investment Management Inc. and First Southwest, a division of Hilltop Securities, Inc. J.P. Morgan Investment Management, Inc. provides investment management services and First Southwest provides participant and marketing services for LOGIC. LOGIC's governing body is a five-member board of directors comprised of three government officials and two other persons with expertise in public finance. LOGIC's investments are only those authorized by the Texas Public Funds Investment Act governing pools for local governments. LOGIC presently offers two investment pools, each of which is separately managed and has a different investment objective. The balances are valued at net asset value per unit/share.

Each participating government owns an undivided beneficial interest in the assets of the pool represented by units. Participants may terminate their participation in LOGIC at any time by redeeming their units. LOGIC is not registered with the Securities and Exchange Commission (SEC) as an investment company.

C. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

1. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the City was not significantly exposed to credit risk.

2. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name.

At year end, the City was not exposed to custodial credit risk.

3. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City was not exposed to concentration of credit risk.

4. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the City was not exposed to interest rate risk.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

3. DEPOSITS AND INVESTMENTS (CONT'D.)

5. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

D. Investment Accounting Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

4. RECEIVABLES

Receivables at September 30, 2023, including the allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Other Gov. Funds	Utility Fund	Totals Primary Government	JEDC – Component Unit	Totals Reporting Entity
Receivables:							
Property taxes	\$ 68,375	\$17,314	\$ -	\$ -	\$ 85,689	\$ -	\$ 85,689
Sales taxes	202,605	-	-	-	202,605	67,535	270,140
Franchise fees	68,217	-	-	-	68,217	-	68,217
Municipal court fines	533,094	-	-	-	533,094	-	533,094
Utility services	-	-	-	462,233	462,233	-	462,233
Intergovernmental	-	-	11,620	-	11,620	-	11,620
Other	<u>1,279</u>	<u>-</u>	<u>4,049</u>	<u>-</u>	<u>5,328</u>	<u>826</u>	<u>6,154</u>
Gross receivables	873,570	17,314	15,669	462,233	1,368,786	68,361	1,437,147
Less: Allowance for uncollectible accounts	(273,384)	(1,731)	-	(24,440)	(299,555)	-	(299,555)
Net total receivables	<u>\$600,186</u>	<u>\$15,583</u>	<u>\$15,669</u>	<u>\$437,793</u>	<u>\$1,069,231</u>	<u>\$68,361</u>	<u>\$1,137,592</u>

There are no net receivables, other than delinquent property taxes and municipal court fines, that the City does not expect to collect within a year. The City expects to collect approximately \$50,000 of the \$85,689 total delinquent property taxes within a year and \$140,000 of the \$533,094 of the municipal court fines within a year. These amounts are similar to the amounts collected in previous years.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

5. NOTE RECEIVABLE

On March 6, 2017, JEDC entered into an agreement with a grantee to fund the renovation of a facility the JEDC owns for use as a commercial restaurant by the grantee. The agreement is pursuant to Section 380.001 of the Texas Local Government Code. The agreement is for the JEDC to fund \$271,000 for the renovation to be repaid by the grantee monthly over 84 months starting January 1, 2018 at \$3,226 per month. In December 2020, JEDC reduced the payment to \$1,500 per month for October 2020 to June 2021, with the remaining monthly payments of \$3,226 due until the balance is paid in full. The agreement also allows for the grantee to occupy the facility without payment of rent, subject to the grantee paying for the following costs to operate and maintain the buildings, including ad valorem taxes, utilities, and maintenance costs. The agreement also allows the grantee to elect to exercise an option to purchase upon repaying the note or sooner if agreed to by both parties in writing. The purchase price shall be \$85,000 with the grantee making 24 monthly payments of \$3,542 unless earlier payment is agreed to by both parties. During fiscal year 2023, eight payments were received, totaling \$25,810; however, the building was sold during the year leaving a balance of \$110,161. The remaining balance as of September 30, 2023 was written off.

6. RESTRICTED CASH

Restricted cash consists of cash held for specific purposes in accordance with bond covenants or other legal restrictions. At September 30, 2023, restricted cash is comprised of the following:

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds	Utility Fund
Landfill capital projects	\$2,685	\$ -	\$ -	\$ 2,685	\$ -
Park projects	427	-	-	427	-
Debt service	-	181,213	-	181,213	-
Tourism	-	-	92,063	92,063	-
Court security	-	-	14,832	14,832	-
Court technology	-	-	5,179	5,179	-
School safety	-	-	24,875	24,875	-
Grants	-	-	2,627	2,627	-
Utility capital projects	-	-	-	-	456,820
Utility customer deposits	-	-	-	-	63,630
Totals	<u>\$3,112</u>	<u>\$181,213</u>	<u>\$139,576</u>	<u>\$323,901</u>	<u>\$520,450</u>

7. CAPITAL ASSETS

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

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

7. CAPITAL ASSETS (CONT'D.)

Governmental activities:

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
Capital assets not being depreciated:					
Land	\$ 273,943	\$ 21,235	\$ -	\$ -	\$ 295,178
Construction in progress	114,062	-	-	(114,062)	-
Total capital assets not being depreciated	<u>388,005</u>	<u>21,235</u>	<u>-</u>	<u>(114,062)</u>	<u>295,178</u>
Capital assets being depreciated:					
Buildings and improvements	4,963,262	325,526	-	114,062	5,402,850
Streets	2,825,847	-	-	-	2,825,847
Lost Creek Dam and Reservoir	8,355,568	-	-	-	8,355,568
Machinery and equipment	2,416,707	268,997	-	-	2,685,704
Furniture and fixtures	227,788	-	-	-	227,788
Right-to-use leased machinery and equipment	<u>310,855</u>	<u>96,399</u>	<u>138,682</u>	<u>-</u>	<u>268,572</u>
Total capital assets being depreciated	<u>19,100,027</u>	<u>690,922</u>	<u>138,682</u>	<u>114,062</u>	<u>19,766,329</u>
Less accumulated depreciation for:					
Buildings and improvements	3,352,434	175,645	-	-	3,528,079
Streets	1,306,735	144,390	-	-	1,451,125
Lost Creek Dam and Reservoir	4,671,971	167,437	-	-	4,839,408
Machinery and equipment	1,734,507	136,141	-	-	1,870,648
Furniture and fixtures	227,788	-	-	-	227,788
Right-to-use leased machinery and equipment	<u>203,738</u>	<u>69,605</u>	<u>138,682</u>	<u>-</u>	<u>134,661</u>
Total accumulated depreciation	<u>11,497,173</u>	<u>693,218</u>	<u>138,682</u>	<u>-</u>	<u>12,051,709</u>
Total capital assets being depreciated, net	<u>7,602,854</u>	<u>(2,296)</u>	<u>-</u>	<u>114,062</u>	<u>7,714,620</u>
Governmental activities capital assets, net	<u>\$ 7,990,859</u>	<u>\$ 18,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,009,798</u>

Depreciation expense was charged to departments as follows:

General Government	\$ 69,770
Public Safety	241,348
Streets	148,852
Culture and Recreation	<u>233,248</u>
Total	<u>\$693,218</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

7. CAPITAL ASSETS (CONT'D.)

Business-type activities:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclassifications</u>	<u>Ending Balances</u>
Capital assets not being depreciated:					
Construction in progress	\$ 155,707	\$256,116	\$ -	(\$43,804)	\$ 368,019
Capital assets being depreciated:					
Water and sewer system	\$12,800,345	471,968	-	43,804	13,316,117
Machinery and equipment	1,307,375	240,810	-	-	1,548,185
Furniture and fixtures	45,199	-	-	-	45,199
Right-to-use leased machinery and equipment	209,664	-	96,985	-	112,679
Total capital assets being depreciated	14,362,583	712,778	96,985	43,804	15,022,180
Less accumulated depreciation for:					
Water and sewer system	8,080,754	357,057	-	-	8,437,811
Machinery and equipment	1,089,835	69,395	-	-	1,159,230
Furniture and fixtures	45,199	-	-	-	45,199
Right-to-use leased machinery and equipment	144,400	26,673	96,985	-	74,088
Total accumulated depreciation	9,360,188	453,125	96,985	-	9,716,328
Total capital assets being depreciated, net	5,002,395	259,653	-	43,804	5,305,852
Business-type activities capital assets, net	\$ 5,158,102	\$515,769	\$ -	\$ -	\$ 5,673,871

8. INTERFUND BALANCES AND ACTIVITY

A. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2023 consisted of the following:

<u>Due to Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Utility Fund	\$435,000	Short-term borrowings
Debt Service	Utility Fund	29,407	Short-term borrowings
Total		\$464,407	

All amounts are scheduled to be repaid within one year.

B. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2023 consisted of the following:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Utility Fund	\$150,000	Cover deficit operations
Capital Projects Fund	General Fund	286,605	Cover deficit operations
Utility Fund	Debt Service Fund	931	Cover deficit operations
Total		\$437,536	

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

9. LONG-TERM OBLIGATIONS

A. Long-term Liabilities

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended September 30, 2023, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
<u>Governmental Activities:</u>					
Bonds payable	\$1,927,515	\$ -	\$255,000	\$1,672,515	\$267,151
Premiums on bonds payable	21,416	-	3,213	18,203	-
Notes payable	285,731	270,000	80,655	475,076	116,658
Right-to-use lease liabilities	110,950	96,400	68,866	138,484	54,383
Compensated absences *	71,181	53,058	41,534	82,705	37,217
Total governmental activities	<u>\$2,416,793</u>	<u>\$419,458</u>	<u>\$449,268</u>	<u>\$2,386,983</u>	<u>\$475,409</u>
<u>Business-type Activities:</u>					
Bonds payable	\$ 647,485	\$ -	\$135,000	\$ 512,485	\$142,849
Premiums on bonds payable	39,275	-	5,891	33,384	-
Right-to-use lease liabilities	67,151	-	27,086	40,065	20,404
Compensated absences *	40,915	24,682	9,890	55,707	25,068
Total business-type activities	<u>\$ 794,826</u>	<u>\$ 24,682</u>	<u>\$177,867</u>	<u>\$ 641,641</u>	<u>\$188,321</u>
<u>JEDC</u>					
Note payable	<u>\$ 391,294</u>	<u>\$ -</u>	<u>\$ 82,440</u>	<u>\$ 308,854</u>	<u>\$ 84,936</u>

* - Other long-term liabilities

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

B. Bonds Payable

Bonds payable at September 30, 2023, including net unamortized premiums on the bonds, are comprised of the following individual issues:

<u>Description</u>	<u>Bonds Authorized</u>	<u>Range of Interest Rates</u>	<u>Final Maturity Date</u>	<u>Annual Serial Payments</u>	<u>Bonds Outstanding at 9/30/23</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>
Combination Tax & Surplus Water & Sewer System Revenue Certificates of Obligation, Series 2004	\$ 535,000	4.650%	2/15/2024	\$30,000 to \$40,000	\$ 40,000	\$ 20,000	\$ 20,000
General Obligation Refunding Bonds, Series 2015	4,095,000	2.00% to 4.000%	8/15/2029	\$45,000 to \$680,000	500,000	60,000	440,000
Plus bond premium					51,587	18,203	33,384
General Obligation Refunding Bonds, Series 2021	2,095,000	1.690%	2/15/2031	\$140,000 to \$250,000	<u>1,645,000</u>	<u>1,592,515</u>	<u>52,485</u>
Total all bonds					<u>\$2,236,587</u>	<u>\$1,690,718</u>	<u>\$545,869</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

9. LONG-TERM OBLIGATIONS (CONT'D.)

Aggregate maturities of the bonds payable (principal and interest) for the years subsequent to September 30, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 267,151	\$ 27,318	\$ 294,469
2025	251,984	22,373	274,357
2026	251,984	17,852	269,836
2027	236,817	13,191	250,008
2028	241,650	9,148	250,798
2029-2031	<u>422,929</u>	<u>10,822</u>	<u>433,751</u>
Totals	<u>\$1,672,515</u>	<u>\$100,704</u>	<u>\$1,773,219</u>

<u>Year Ending September 30,</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 142,849	\$16,477	\$159,326
2025	93,016	12,428	105,444
2026	98,016	9,743	107,759
2027	53,183	6,456	59,639
2028	58,350	4,516	62,866
2029-2031	<u>67,071</u>	<u>2,574</u>	<u>69,645</u>
Totals	<u>\$ 512,485</u>	<u>\$52,194</u>	<u>\$564,679</u>

C. Notes Payable

The City has notes payable at September 30, 2023 as follows:

Governmental activities:

Note payable to LegacyTexas Bank to finance the purchase of a used 2010 Ferra Fire Apparatus Pumper. The note is due in monthly principal and interest payments of \$3,888 at 3.77% per annum through June 2027. The note is collateralized by the Pumper.

\$162,553

Note payable to Prosperity Bank to finance the purchase of a used Broce Sweeper. The note is due in annual principal and interest payments of \$44,054 at 3.60% per annum through October 2023. The note is collateralized by the Sweeper.

42,523

Tax Note, Series 2022, to finance the construction of the animal shelter. The note is due in semi-annual principal and interest payments at 4.95% per annum through December 2029.

270,000

Total governmental activities notes payable

\$475,076

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

9. LONG-TERM OBLIGATIONS (CONT'D.)

The JEDC has a note payable at September 30, 2023 as follows:

Note payable to the Jacksboro National Bank to finance the purchase of land held for sale. The note is due in annual principal payments plus interest at 4.25% per annum through February 2027. The note is collateralized by 177 acres in Jacksboro, Texas.

\$308,854

The debt service requirements on the notes payable at September 30, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$116,658	\$19,597	\$136,255
2025	77,750	14,767	92,517
2026	81,414	11,322	92,736
2027	72,254	7,776	80,030
2028	40,000	5,297	45,297
2029-30	<u>87,000</u>	<u>4,381</u>	<u>91,381</u>
Totals	<u>\$475,076</u>	<u>\$63,140</u>	<u>\$538,216</u>

<u>Year Ending September 30,</u>	<u>JEDC</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 84,936	\$ 8,752	\$ 93,688
2025	87,553	6,135	93,688
2026	90,227	3,461	93,688
2027	<u>46,138</u>	<u>705</u>	<u>46,843</u>
Totals	<u>\$308,854</u>	<u>\$19,053</u>	<u>\$327,907</u>

D. Right-to-Use Lease Liabilities

The City has right-to-use lease liabilities at September 30, 2023 as follows:

Governmental activities:

In December 2018, the City leased a 2019 Chevrolet Tahoe with an initial value of \$47,761. Sixty monthly payments of \$858 are due beginning in December 2018. The lease is computed at the City's incremental borrowing rate of 3.00%.

\$ 2,562

In June 2019, the City leased a 2019 Chevrolet Tahoe with an initial value of \$39,575. Sixty monthly payments of \$711 are due beginning in June 2019. The lease is computed at the City's incremental borrowing rate of 3.00%.

7,014

In June 2021, the City leased a 2021 Ford F-150 Pickup with an initial value of \$26,498. Forty-eight monthly payments of \$587 are due beginning in June 2021. The lease is computed at the City's incremental borrowing rate of 3.00%.

11,985

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

9. LONG-TERM OBLIGATIONS (CONT'D.)

In June 2021, the City leased a 2021 Ford F-150 Pickup with an initial value of \$19,485. Forty-eight monthly payments of \$431 are due beginning in June 2021. The lease is computed at the City's incremental borrowing rate of 3.00%.	8,812
In June 2021, the City leased a 2021 Ford F-250 Pickup with an initial value of \$14,255. Forty-eight monthly payments of \$316 are due beginning in June 2021. The lease is computed at the City's incremental borrowing rate of 3.00%.	6,147
In June 2022, the City leased a 2021 Ford F-150 with an initial value of \$24,600. Sixty monthly payments of \$442 are due beginning in June 2022. The lease is computed at the City's incremental borrowing rate of 3.00%.	18,791
In January 2023, the City leased a 2022 Chevrolet Silverado Pickup with an initial value of \$73,188. Sixty monthly payments of \$1,487 are due beginning in January 2023. The lease bears interest at 8.09%.	66,090
In April 2023, the City leased a 2018 Chevrolet Tahoe with an initial value of \$7,576. Twelve monthly payments of \$674 are due beginning in April 2023. The lease bears an interest rate at 12.33%.	3,904
In June 2023, the City leased a 2018 Ford F-250 Pickup with an initial value of \$7,304. Twenty-four monthly payments of \$327 are due beginning in June 2023. The lease bears interest at 7.04%.	6,157
In June 2023, the City leased a 2018 Chevrolet Tahoe with an initial value of \$8,330. Twenty-four monthly payments of \$373 are due beginning in June 2023. The lease bears interest at 7.05%.	<u>7,022</u>
Total governmental activities right-to-use lease liabilities	<u>\$138,484</u>

Business-type activities:

In April 2019, the City leased a 2019 Ford F-350 Pickup with an initial value of \$54,442. Sixty monthly payments of \$978 are due beginning in April 2019. The lease is computed at the City's incremental borrowing rate of 3.00%.	\$ 7,738
In June 2021, the City leased a 2021 Ford F-150 Pickup with an initial value of \$18,101. Forty-eight monthly payments of \$401 are due beginning in June 2021. The lease is computed at the City's incremental borrowing rate of 3.00%.	8,187

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

9. LONG-TERM OBLIGATIONS (CONT'D.)

In August 2021, the City leased a 2021 Ford F-250 with an initial value of \$40,136. Sixty monthly payments of \$721 are due beginning in August 2021. The lease is computed at the City's incremental borrowing rate of 3.00%.

24,140

Total business-type activities right-to-use lease liabilities

\$40,065

The debt service requirements on the right-to-use lease liabilities at September 30, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 54,383	\$69,001	\$123,384
2025	36,015	4,421	40,436
2026	20,346	2,803	23,149
2027	20,452	1,372	21,824
	<u>7,288</u>	<u>146</u>	<u>7,434</u>
Totals	<u>\$138,484</u>	<u>\$77,743</u>	<u>\$216,227</u>

<u>Year Ending September 30,</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$20,404	\$ 884	\$21,288
2025	11,846	414	12,260
2026	<u>7,815</u>	<u>118</u>	<u>7,933</u>
Totals	<u>\$40,065</u>	<u>\$1,416</u>	<u>\$41,481</u>

E. Aggregate Maturities of All Long-term Debt

Aggregate maturities of all long-term debt (principal and interest) for the years subsequent to September 30, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 438,192	\$115,916	\$ 554,108
2025	365,749	41,561	407,310
2026	353,744	31,977	385,721
2027	329,523	22,339	351,862
2028	288,938	14,591	303,529
2029-2031	<u>509,929</u>	<u>15,203</u>	<u>525,132</u>
Totals	<u>\$2,286,075</u>	<u>\$241,587</u>	<u>\$2,527,662</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

9. LONG-TERM OBLIGATIONS (CONT'D.)

<u>Year Ending September 30,</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$163,253	\$17,361	\$180,614
2025	104,862	12,842	117,704
2026	105,831	9,861	115,692
2027	53,183	6,456	59,639
2028	58,350	4,516	62,866
2029-2031	<u>67,071</u>	<u>2,574</u>	<u>69,645</u>
Totals	<u>\$552,550</u>	<u>\$53,610</u>	<u>\$606,160</u>

<u>Year Ending September 30,</u>	<u>JEDC</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 84,936	\$ 8,752	\$ 93,688
2025	87,553	6,135	93,688
2026	90,227	3,461	93,688
2027	<u>46,138</u>	<u>705</u>	<u>46,843</u>
Totals	<u>\$308,854</u>	<u>\$19,053</u>	<u>\$327,907</u>

10. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City participates as one of 901 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that can be obtained at www.tmr.com.

All eligible employees of the City are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the City Council, within the options available in the governing state statutes of TMRS.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

10. DEFINED BENEFIT PENSION PLAN (CONT'D.)

At retirement, the benefit is calculated based on the sum of the employee's contributions with interest, the City-financed monetary credits with interest, and their age at retirement and other actuarial factors. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member's contributions and interest.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	27
Inactive employees entitled to but not yet receiving benefits	48
Active employees	38

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching ratios are either 1:1 (1 to 1), 1.5:1 (1-1/2 to 1) or 2:1 (2 to 1), both as adopted by the governing body of the participating city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees of the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 13.66% and 13.62% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$293,780, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) 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.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for populated declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

10. DEFINED BENEFIT PENSION PLAN (CONT'D.)

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on the fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Public Equity	35%	7.55%
Core Fixed Income	6%	2.00%
Non-Core Fixed Income	20%	5.68%
Other Public and Private Markets	12%	7.22%
Real Estate	12%	6.85%
Hedge Funds	5%	5.35%
Private Equity	10%	10.00%
Total	<u>100%</u>	

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

10. DEFINED BENEFIT PENSION PLAN (CONT'D.)

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability / (Asset)

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability / (Asset)
	(a)	(b)	(a) – (b)
Balances as of December 31, 2021	\$8,466,790	\$7,992,656	\$ 474,134
Changes for the year:			
Service cost	317,467	-	317,467
Interest on total pension liability	567,932	-	567,932
Change of benefit terms	-	-	-
Difference between expected and actual experience	87,542	-	87,542
Change of assumptions	-	-	-
Contributions - employer	-	259,677	(259,677)
Contributions – employee	-	133,070	(133,070)
Net investment income	-	(581,789)	581,789
Benefit payments, including refunds of employee contributions	(423,422)	(423,422)	-
Administrative expense	-	(5,049)	5,049
Other changes	-	6,024	(6,024)
Balances as of December 31, 2022	<u>\$9,016,309</u>	<u>\$7,381,167</u>	<u>\$1,635,142</u>

Net pension liability:

Net pension liability associated with the primary government	\$1,582,349 ⁽¹⁾
Net pension liability associated with the component unit	<u>52,793</u>

Total \$1,635,142

⁽¹⁾ Of this amount, \$1,047,834 is reported as Governmental Activities and is generally liquidated by the General Fund.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

10. DEFINED BENEFIT PENSION PLAN (CONT'D.)

Sensitivity Analysis

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability / (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate.

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net pension liability	<u>\$2,973,053</u>	<u>\$1,635,142</u>	<u>\$557,826</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained at www.tmr.com.

E. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2023, the primary government recognized pension expense of \$340,214 and the component unit recognized \$11,351 for a total pension expense of \$351,565.

At September 30, 2023, the City 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 experience	\$ 98,690	\$ -
Differences in assumption changes	-	-
Net difference between projected and actual earnings	507,805	-
Contributions made subsequent to measurement date	<u>226,753</u>	-
Total	<u>\$833,248</u>	<u>\$ -</u>
Deferred outflows of resources:		
Deferred outflows of resources associated with the primary government		\$806,329
Deferred outflows of resources associated with the component unit		<u>26,919</u>
Total		<u>\$833,248</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

10. DEFINED BENEFIT PENSION PLAN (CONT'D.)

\$226,753 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	
2023	\$ 95,858
2024	151,237
2025	135,143
2026	<u>224,257</u>
Total	<u>\$606,495</u>

11. DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN

A. Plan Description

The City participates in a defined benefit group-term life insurance plan administered by the TMRS known as the Supplemental Death Benefits Fund (SDBF). The plan is administered as a single-employer plan. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not retirees. 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 \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

B. Benefits Provided

The SDBF provides a death benefit for retirees which is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

11. DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D.)

Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	11
Active employees	38

C. Total OPEB Liability

The City's Total OPEB Liability is based on an actuarial valuation performed as of December 31, 2022 and a measurement date of December 31, 2022.

Actuarial Assumptions

1. General inflation – General inflation is assumed to be 2.50% per year.
2. Discount rates – Because the SDBF is considered to be an unfunded trust under GASB Statement No. 75, the relevant discount rate for calculating the Total OPEB liability is based on the Fidelity Index's "20-year Municipal GO AA Index" rate as of the measurement date.
3. Individual salary increases – Salary increases are assumed to occur once a year, on January 1. Therefore, the pay used for the period year following the valuation date is equal to the reported pay for the prior year, increased by the salary increase assumption. Salaries are assumed to increase on a graduated service-based scale ranging from 3.5% to 11.50%.
4. Termination rates – For the first 10 years of service, the base table rates vary by gender, entry age, and length of service. After 10 years of service, base termination rates vary by gender and by the number of years remaining until first retirement eligibility.
5. Forfeiture rates (withdrawal of member deposits from TMRS) – These rates for vested members vary by age and employer match, and they are expressed as a percentage of the termination rates.
6. Service retirees and beneficiary mortality rates – For calculating the OPEB liability and the OPEB contribution rates, the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%.
7. Disabled annuitant mortality rates – For calculating the OPEB liability and the OPEB contribution rates, the mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

11. DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D.)

8. Pre-retirement mortality - For calculating the OPEB liability and the contribution rates, the PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements.

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of December 31, 2021	<u>\$184,621</u>
Changes for the year:	
Service cost	10,075
Interest on total OPEB liability	3,456
Change in benefit terms	-
Difference between expected and actual experience	2,084
Change in assumptions or other inputs	(62,926)
Benefit payments	<u>(3,611)</u>
Net changes	<u>(50,922)</u>
Balance as of December 31, 2022	<u>\$133,699</u>
Total OPEB Liability:	
Total OPEB liability associated with the primary government	\$129,382 ⁽¹⁾
Total OPEB liability associated with the component unit	<u>4,317</u>
Total	<u>\$133,699</u>

⁽¹⁾ Of this amount, \$85,677 is reported as Governmental Activities and is generally liquidated by the General Fund.

Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.05%) or 1 percentage point higher (5.05%) than the current rate.

	1% Decrease <u>3.05%</u>	Current Discount Rate <u>4.05%</u>	1% Increase <u>5.05%</u>
Total OPEB liability	<u>\$157,730</u>	<u>\$133,699</u>	<u>\$114,943</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

11. DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D.)

D. OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the primary government recognized OPEB expense of \$4,636 and the component unit recognized \$155 for a total OPEB expense of \$4,791.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,418
Changes in assumptions	-	32,555
Contributions made subsequent to measurement date	<u>8,491</u>	<u>-</u>
Total	<u>\$8,491</u>	<u>\$38,973</u>
Deferred outflows of resources:		
Deferred outflows of resources associated with the primary government		\$8,234
Deferred outflows of resources associated with the component unit		<u>257</u>
Total		<u>\$8,491</u>
Deferred inflows of resources:		
Deferred inflows of resources associated with the primary government		\$37,715
Deferred inflows of resources associated with the component unit		<u>1,258</u>
Total		<u>\$38,973</u>

\$8,491 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	
2023	(\$ 6,941)
2024	(10,830)
2025	(13,496)
2026	<u>(7,706)</u>
Total	<u>(\$38,973)</u>

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

12. COMMITMENTS AND CONTINGENCIES

A. Litigation

The City is subject to claims and lawsuits which arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position of the City.

B. Federal and State Grants

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

C. Construction Commitments

The City entered into contracts for construction projects that were still open as of September 30, 2023. The total commitment under the contracts is \$689,899 and the amount incurred is \$359,950, leaving a commitment of \$329,949 at September 30, 2023. The remaining commitments will be liquidated by the Utility Fund.

13. ECONOMIC DEPENDENCY

The City's top ten taxpayers' taxable values equal \$15,967,970, or approximately 12% of the total taxable value for 2022-23. A significant decline in taxable values from these entities could have a material adverse effect on the City's operations.

14. COVID-19 PANDEMIC

Beginning in December 2019, a novel coronavirus, now designated SAR-CoV2 which causes the disease COVID-19 was declared a global pandemic by the World Health Organization. The symptoms of COVID-19 can range from severe illness and can cause complications including death. On March 13, 2020, the Governor of the State of Texas issued a proclamation certifying that COVID-19 poses an imminent threat of disaster in Texas and declared a state of disaster for all counties in Texas. A state of disaster requires that certain emergency protective measures be taken pursuant to the Texas Disaster Act of 1975 relating to Emergency Management and Public Health, pursuant to Chapter 418 of the Texas Government Code.

State and local governments placed restrictions on the operations of businesses and public gatherings to promote health and slow the spread of the virus. The federal government passed several appropriations to address the negative economic impact caused by these restrictions. The City did not receive any additional funds from these federal grant awards during the year ended September 30, 2023. During the year ended September 30, 2023, the City expended \$647,426, which was the remaining balance of the COVID-19 funds.

CITY OF JACKSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

15. PRIOR PERIOD ADJUSTMENT

Correction of an Error

During fiscal year 2023, the City's Utility Fund paid invoices for Tarrant Regional Water District charges that applied to prior years. The effect of reclassifying these charges that were applicable to prior years was a decrease to contractual services of \$96,509 and a decrease to beginning net position of \$96,509 in the statement of activities – business-type activities and in the changes in net position – proprietary fund.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JACKSBORO, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM

	2022	2021	2020
Total Pension Liability			
Service cost	\$ 317,467	\$ 316,705	\$ 326,798
Interest on total pension liability	567,932	531,344	521,416
Changes of benefit terms	-	-	-
Difference between expected and actual experience	87,542	127,454	(222,789)
Changes of assumptions	-	-	-
Benefit payments/refunds of contributions	(423,422)	(444,253)	(502,321)
Net change in total pension liability	549,519	531,250	123,104
Total pension liability, beginning	8,466,790	7,935,540	7,812,436
Total pension liability, ending (a)	<u>\$ 9,016,309</u>	<u>\$ 8,466,790</u>	<u>\$ 7,935,540</u>
Fiduciary Net Position			
Contributions - employer	\$ 259,677	\$ 266,975	\$ 283,610
Contributions - employee	133,070	129,570	133,077
Net investment income	(581,789)	926,090	507,617
Benefit payments/refunds of contributions	(423,422)	(444,253)	(502,322)
Administrative expenses	(5,049)	(4,294)	(3,291)
Other	6,024	28	(128)
Net change in fiduciary net position	(611,489)	874,116	418,563
Fiduciary net position, beginning	7,992,656	7,118,540	6,699,977
Fiduciary net position, ending (b)	<u>\$ 7,381,167</u>	<u>\$ 7,992,656</u>	<u>\$ 7,118,540</u>
Net pension liability, ending (a) - (b)	<u>\$ 1,635,142</u>	<u>\$ 474,134</u>	<u>\$ 817,000</u>
Fiduciary net position as a % of total pension liability	<u>81.86%</u>	<u>94.40%</u>	<u>89.70%</u>
Covered payroll	<u>\$ 1,901,001</u>	<u>\$ 1,850,993</u>	<u>\$ 1,901,096</u>
Net pension liability as a % of covered payroll	<u>86.01%</u>	<u>25.62%</u>	<u>42.98%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

2019	2018	2017	2016	2015	2014
\$ 333,732	\$ 305,023	\$ 299,253	\$ 286,906	\$ 275,573	\$ 221,377
495,514	469,119	432,160	406,479	401,993	382,649
-	-	-	-	-	-
(73,710)	(51,000)	154,536	37,097	(63,756)	(138)
49,481	-	-	-	61,085	-
(333,329)	(359,597)	(322,981)	(389,423)	(413,386)	(295,891)
471,688	363,545	562,968	341,059	261,509	307,997
7,340,748	6,977,203	6,414,235	6,073,176	5,811,667	5,503,670
<u>\$ 7,812,436</u>	<u>\$ 7,340,748</u>	<u>\$ 6,977,203</u>	<u>\$ 6,414,235</u>	<u>\$ 6,073,176</u>	<u>\$ 5,811,667</u>
\$ 271,908	\$ 253,522	\$ 243,284	\$ 229,525	\$ 230,041	\$ 182,117
133,569	126,491	122,430	116,764	115,371	99,312
886,553	(176,608)	713,191	328,686	7,285	268,117
(333,329)	(359,597)	(322,981)	(389,423)	(413,386)	(295,891)
(5,020)	(3,419)	(3,702)	(3,719)	(4,438)	(2,800)
(151)	(178)	(188)	(200)	(219)	(230)
953,530	(159,789)	752,034	281,633	(65,346)	250,625
5,746,447	5,906,236	5,154,202	4,872,569	4,937,915	4,687,290
<u>\$ 6,699,977</u>	<u>\$ 5,746,447</u>	<u>\$ 5,906,236</u>	<u>\$ 5,154,202</u>	<u>\$ 4,872,569</u>	<u>\$ 4,937,915</u>
<u>\$ 1,112,459</u>	<u>\$ 1,594,301</u>	<u>\$ 1,070,967</u>	<u>\$ 1,260,033</u>	<u>\$ 1,200,607</u>	<u>\$ 873,752</u>
<u>85.76%</u>	<u>78.28%</u>	<u>84.65%</u>	<u>80.36%</u>	<u>80.23%</u>	<u>84.97%</u>
<u>\$ 1,908,129</u>	<u>\$ 1,807,008</u>	<u>\$ 1,748,996</u>	<u>\$ 1,668,061</u>	<u>\$ 1,648,162</u>	<u>\$ 1,403,518</u>
<u>58.30%</u>	<u>88.23%</u>	<u>61.23%</u>	<u>75.54%</u>	<u>72.85%</u>	<u>62.25%</u>

CITY OF JACKSBORO, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS TEXAS MUNICIPAL RETIREMENT SYSTEM

	2023	2022	2021	2020
Actuarial determined contribution	\$ 293,780	\$ 267,189	\$ 269,767	\$ 285,049
Contributions in relation to the actuarially determined contribution	(293,780)	(267,189)	(269,767)	(285,049)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,155,386	\$ 1,924,036	\$ 1,844,842	\$ 1,934,816
Contributions as a percentage of covered payroll	13.63%	13.89%	14.62%	14.73%

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	<p>Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.</p> <p>Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.</p>

Other Information:

Notes There were no benefit changes during the year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

The data on this schedule is based on the City's fiscal year-end, not the valuation/measurement data as provided in other schedules of this report.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 266,370	\$ 254,155	\$ 234,544	\$ 230,625	\$ 210,963
<u>(266,370)</u>	<u>(254,155)</u>	<u>(234,544)</u>	<u>(230,625)</u>	<u>(210,963)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 1,877,141</u>	<u>\$ 1,815,954</u>	<u>\$ 1,691,128</u>	<u>\$ 1,669,333</u>	<u>\$ 1,538,210</u>
<u>14.19%</u>	<u>14.00%</u>	<u>13.87%</u>	<u>13.82%</u>	<u>13.71%</u>

CITY OF JACKSBORO, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability			
Service cost	\$ 10,075	\$ 8,885	\$ 8,745
Interest on total OPEB liability	3,456	3,594	4,181
Changes of benefit terms	-	-	-
Difference between expected and actual experience	2,084	(7,059)	(6,872)
Changes of assumptions or other inputs	(62,926)	5,591	23,674
Benefit payments	<u>(3,612)</u>	<u>(3,332)</u>	<u>(1,141)</u>
Net change in total OPEB liability	(50,923)	7,679	28,587
 Total OPEB liability, beginning	 <u>184,621</u>	 <u>176,942</u>	 <u>148,355</u>
Total OPEB liability, ending	<u>\$ 133,698</u>	<u>\$ 184,621</u>	<u>\$ 176,942</u>
 Covered employee payroll	 <u>\$ 1,901,001</u>	 <u>\$ 1,850,993</u>	 <u>\$ 1,901,096</u>
 Total OPEB liability as a % of covered employee payroll	 <u>7.03%</u>	 <u>9.97%</u>	 <u>9.31%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

There are no assets accumulated in a trust that meets the criteria of GASB Codification P52.101 to pay related benefits for the OPEB plan.

2019	2018	2017
\$ 5,915	\$ 6,867	\$ 5,772
4,578	4,216	4,079
-	-	-
(6,442)	(4,595)	-
24,450	(8,962)	9,936
(1,144)	(904)	(874)
27,357	(3,378)	18,913
120,998	124,376	105,463
<u>\$ 148,355</u>	<u>\$ 120,998</u>	<u>\$ 124,376</u>
<u>\$ 1,908,129</u>	<u>\$ 1,807,008</u>	<u>\$ 1,748,996</u>
<u>7.77%</u>	<u>6.70%</u>	<u>7.11%</u>

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

CITY OF JACKSBORO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Hotel/Motel Tax Fund	Court Technology Fund	Court Security Fund
Assets			
Receivables (net):			
Intergovernmental	\$ -	\$ -	\$ -
Other	4,049	-	-
Restricted cash and cash equivalents	92,063	5,179	14,832
Total assets	<u>\$ 96,112</u>	<u>\$ 5,179</u>	<u>\$ 14,832</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable and other current liabilities	\$ 421	\$ -	\$ -
Total liabilities	<u>421</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted	95,691	5,179	14,832
Total fund balances	<u>95,691</u>	<u>5,179</u>	<u>14,832</u>
Total liabilities and fund balance	<u>\$ 96,112</u>	<u>\$ 5,179</u>	<u>\$ 14,832</u>

School Safety Fund	Crossing Guard Fund	Grant Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 11,620	\$ 11,620
-	-	-	4,049
9,487	15,388	2,627	139,576
<u>\$ 9,487</u>	<u>\$ 15,388</u>	<u>\$ 14,247</u>	<u>\$ 155,245</u>
\$ -	\$ -	\$ -	\$ 421
-	-	-	421
9,487	15,388	14,247	154,824
9,487	15,388	14,247	154,824
<u>\$ 9,487</u>	<u>\$ 15,388</u>	<u>\$ 14,247</u>	<u>\$ 155,245</u>

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

	Hotel/Motel Tax Fund	Court Technology Fund	Court Security Fund
Revenues			
Hotel/Motel taxes	\$ 22,317	\$ -	\$ -
Court fines	-	3,308	3,983
Intergovernmental	-	-	-
Interest income	3,499	64	527
Total revenues	<u>25,816</u>	<u>3,372</u>	<u>4,510</u>
Expenditures			
Current:			
General government	2,119	-	-
Public safety	-	-	-
Total expenditures	<u>2,119</u>	<u>-</u>	<u>-</u>
Net change in fund balances	23,697	3,372	4,510
Fund balances - beginning	<u>71,994</u>	<u>1,807</u>	<u>10,322</u>
Fund balances - ending	<u>\$ 95,691</u>	<u>\$ 5,179</u>	<u>\$ 14,832</u>

School Safety Fund	Crossing Guard Fund	Grant Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 22,317
-	-	-	7,291
-	-	11,620	11,620
382	619	556	5,647
<u>382</u>	<u>619</u>	<u>12,176</u>	<u>46,875</u>
-	-	-	2,119
-	-	11,620	11,620
-	-	11,620	13,739
382	619	556	33,136
9,105	14,769	13,691	121,688
<u>\$ 9,487</u>	<u>\$ 15,388</u>	<u>\$ 14,247</u>	<u>\$ 154,824</u>

CITY OF JACKSBORO, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 315,167	\$ 315,167	\$ 279,428	\$ (35,739)
Interest income	2,500	2,500	12,503	10,003
Total revenues	<u>317,667</u>	<u>317,667</u>	<u>291,931</u>	<u>(25,736)</u>
Expenditures				
Debt service:				
Principal retirement	390,000	390,000	255,000	135,000
Interest	53,292	53,292	31,716	21,576
Paying agent fees	1,500	1,500	750	750
Total expenditures	<u>444,792</u>	<u>444,792</u>	<u>287,466</u>	<u>157,326</u>
Excess of revenues over (under) expenditures	<u>(127,125)</u>	<u>(127,125)</u>	<u>4,465</u>	<u>131,590</u>
Other Financing Sources (Uses)				
Transfers in	155,625	155,625	-	(155,625)
Transfers out	-	-	(931)	(931)
Total other financing sources (uses)	<u>155,625</u>	<u>155,625</u>	<u>(931)</u>	<u>(156,556)</u>
Net change in fund balance	28,500	28,500	3,534	(24,966)
Fund balance - beginning	<u>208,089</u>	<u>208,089</u>	<u>208,089</u>	<u>-</u>
Fund balance - ending	<u>\$ 236,589</u>	<u>\$ 236,589</u>	<u>\$ 211,623</u>	<u>\$ (24,966)</u>

CITY OF JACKSBORO, TEXAS
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Hotel/Motel taxes	\$ 25,000	\$ 25,000	\$ 22,317	\$ (2,683)
Court fines	250	250	-	(250)
Interest income	-	-	3,499	3,499
Total revenues	<u>25,250</u>	<u>25,250</u>	<u>25,816</u>	<u>566</u>
Expenditures				
Current:				
General government	<u>20,000</u>	<u>20,000</u>	<u>2,119</u>	<u>17,881</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>2,119</u>	<u>17,881</u>
Net change in fund balance	5,250	5,250	23,697	18,447
Fund balance - beginning	<u>71,994</u>	<u>71,994</u>	<u>71,994</u>	<u>-</u>
Fund balance - ending	<u>\$ 77,244</u>	<u>\$ 77,244</u>	<u>\$ 95,691</u>	<u>\$ 18,447</u>

CITY OF JACKSBORO, TEXAS
COURT TECHNOLOGY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Court fines	\$ 1,500	\$ 1,500	\$ 3,308	\$ 1,808
Interest income	-	-	64	64
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>3,372</u>	<u>1,872</u>
Expenditures				
Current:				
Public safety	<u>6,100</u>	<u>6,100</u>	<u>-</u>	<u>6,100</u>
Total expenditures	<u>6,100</u>	<u>6,100</u>	<u>-</u>	<u>6,100</u>
Net change in fund balance	(4,600)	(4,600)	3,372	7,972
Fund balance - beginning	<u>1,807</u>	<u>1,807</u>	<u>1,807</u>	<u>-</u>
Fund balance - ending	<u>\$ (2,793)</u>	<u>\$ (2,793)</u>	<u>\$ 5,179</u>	<u>\$ 7,972</u>

CITY OF JACKSBORO, TEXAS
COURT SECURITY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Court fines	\$ 800	\$ 800	\$ 3,983	\$ 3,183
Interest income	10	10	527	517
Total revenues	<u>810</u>	<u>810</u>	<u>4,510</u>	<u>3,700</u>
Expenditures				
Current:				
Public safety	<u>1,750</u>	<u>1,750</u>	<u>-</u>	<u>1,750</u>
Total expenditures	<u>1,750</u>	<u>1,750</u>	<u>-</u>	<u>1,750</u>
Net change in fund balance	(940)	(940)	4,510	5,450
Fund balance - beginning	<u>10,322</u>	<u>10,322</u>	<u>10,322</u>	<u>-</u>
Fund balance - ending	<u>\$ 9,382</u>	<u>\$ 9,382</u>	<u>\$ 14,832</u>	<u>\$ 5,450</u>

CITY OF JACKSBORO, TEXAS
SCHOOL SAFETY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Court fines	\$ 500	\$ 500	\$ -	\$ (500)
Interest income	10	10	382	372
Total revenues	<u>510</u>	<u>510</u>	<u>382</u>	<u>(128)</u>
Expenditures				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	510	510	382	(128)
Fund balance - beginning	<u>9,105</u>	<u>9,105</u>	<u>9,105</u>	<u>-</u>
Fund balance - ending	<u>\$ 9,615</u>	<u>\$ 9,615</u>	<u>\$ 9,487</u>	<u>\$ (128)</u>

CITY OF JACKSBORO, TEXAS
CROSSING GUARD SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Court fines	\$ 500	\$ 500	\$ -	\$ (500)
Interest income	10	10	619	609
Total revenues	<u>510</u>	<u>510</u>	<u>619</u>	<u>109</u>
Expenditures				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	510	510	619	109
Fund balance - beginning	<u>14,769</u>	<u>14,769</u>	<u>14,769</u>	<u>-</u>
Fund balance - ending	<u>\$ 15,279</u>	<u>\$ 15,279</u>	<u>\$ 15,388</u>	<u>\$ 109</u>

CITY OF JACKSBORO, TEXAS
GRANT FUND SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 652,244	\$ 652,244	\$ 11,620	\$ (640,624)
Interest income	-	-	556	556
Total revenues	<u>652,244</u>	<u>652,244</u>	<u>12,176</u>	<u>(640,068)</u>
Expenditures				
Current:				
Public safety	<u>2,244</u>	<u>2,244</u>	<u>11,620</u>	<u>(9,376)</u>
Total expenditures	<u>2,244</u>	<u>2,244</u>	<u>11,620</u>	<u>(9,376)</u>
Excess of revenues over (under) expenditures	<u>650,000</u>	<u>650,000</u>	<u>556</u>	<u>(649,444)</u>
Other Financing Sources				
Transfers in	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>(90,000)</u>
Total other financing sources	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>(90,000)</u>
Net change in fund balance	740,000	740,000	556	(739,444)
Fund balances - beginning	<u>13,691</u>	<u>13,691</u>	<u>13,691</u>	<u>-</u>
Fund balance - ending	<u>\$ 753,691</u>	<u>\$ 753,691</u>	<u>\$ 14,247</u>	<u>\$ (739,444)</u>

STATISTICAL SECTION (UNAUDITED)

Statistical Section

This part of the City of Jacksboro's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information and supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	73 - 82
Revenue Capacity These schedules contain information to help the reader assess the significant local revenue sources.	83 - 87
Debt Capacity These schedules offer demographic and economic indicators to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	88 - 91
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	92 - 93
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	94 - 97

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF JACKSBORO, TEXAS

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (UNAUDITED)

	2013-2014	2014-2015	2015-2016	2016-2017
Governmental activities				
Net investment in capital assets	\$ 3,665,049	\$ 5,391,114	\$ 5,797,362	\$ 5,714,520
Restricted	266,578	284,580	216,967	254,563
Unrestricted	1,392,452	1,621,369	1,192,218	853,152
Total governmental activities net position	<u>\$ 5,324,079</u>	<u>\$ 7,297,063</u>	<u>\$ 7,206,547</u>	<u>\$ 6,822,235</u>
Business-type activities				
Net investment in capital assets	\$ 5,081,552	\$ 3,684,798	\$ 3,910,965	\$ 4,027,114
Unrestricted	913,792	915,133	707,233	658,525
Total business-type activities net position	<u>\$ 5,995,344</u>	<u>\$ 4,599,931</u>	<u>\$ 4,618,198</u>	<u>\$ 4,685,639</u>
Primary government				
Net investment in capital assets	\$ 8,746,601	\$ 9,075,912	\$ 9,708,327	\$ 9,741,634
Restricted	266,578	284,580	216,967	254,563
Unrestricted	2,306,244	2,536,502	1,899,451	1,511,677
Total primary government net position	<u>\$ 11,319,423</u>	<u>\$ 11,896,994</u>	<u>\$ 11,824,745</u>	<u>\$ 11,507,874</u>

Source: Annual Comprehensive Financial Reports

Fiscal Year					
2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-23
\$ 5,930,883	\$ 6,142,822	\$ 5,899,398	\$ 5,665,692	\$ 5,645,247	\$ 5,705,520
278,399	297,453	327,375	276,703	348,702	384,139
611,780	377,665	553,508	890,261	1,443,696	1,379,847
<u>\$ 6,821,062</u>	<u>\$ 6,817,940</u>	<u>\$ 6,780,281</u>	<u>\$ 6,832,656</u>	<u>\$ 7,437,645</u>	<u>\$ 7,469,506</u>
\$ 4,203,304	\$ 4,195,398	\$ 4,152,986	\$ 4,044,008	\$ 4,404,191	\$ 5,087,937
219,888	(108,768)	(511,953)	(482,754)	(23,744)	90,374
<u>\$ 4,423,192</u>	<u>\$ 4,086,630</u>	<u>\$ 3,641,033</u>	<u>\$ 3,561,254</u>	<u>\$ 4,380,447</u>	<u>\$ 5,178,311</u>
\$ 10,134,187	\$ 10,338,220	\$ 10,052,384	\$ 9,709,700	\$ 10,049,438	\$ 10,793,457
278,399	297,453	327,375	276,703	348,702	384,139
831,668	268,897	41,555	407,507	1,419,952	1,470,221
<u>\$ 11,244,254</u>	<u>\$ 10,904,570</u>	<u>\$ 10,421,314</u>	<u>\$ 10,393,910</u>	<u>\$ 11,818,092</u>	<u>\$ 12,647,817</u>

CITY OF JACKSBORO, TEXAS

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

	2013-2014	2014-2015	2015-2016	2016-2017
Expenses				
Governmental activities:				
Legislative	\$ 48,662	\$ 46,898	\$ 46,617	\$ 16,740
General government	918,091	1,050,967	1,036,283	1,004,252
Public safety	1,287,930	1,254,748	1,287,085	1,363,190
Streets	367,113	348,773	503,702	541,326
Culture and recreation	472,599	506,138	726,902	748,874
Interest and fiscal charges	314,621	240,131	152,393	147,882
Total governmental activities expenses	<u>3,409,016</u>	<u>3,447,655</u>	<u>3,752,982</u>	<u>3,822,264</u>
Business-type activities:				
Water, sewer, and solid waste utilities	<u>2,412,894</u>	<u>2,323,608</u>	<u>2,419,918</u>	<u>2,470,651</u>
Total business-type activities expenses	<u>2,412,894</u>	<u>2,323,608</u>	<u>2,419,918</u>	<u>2,470,651</u>
Total primary government expenses	<u>\$ 5,821,910</u>	<u>\$ 5,771,263</u>	<u>\$ 6,172,900</u>	<u>\$ 6,292,915</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 148,687	\$ 304,671	\$ 68,391	\$ 27,721
Public safety	83,311	83,777	61,969	45,685
Culture and recreation	31,766	42,989	32,002	24,193
Operating grants and contributions	54,256	133,693	61,587	99,816
Capital grants and contributions	<u>837,048</u>	<u>-</u>	<u>3,300</u>	<u>-</u>
Total governmental activities program revenues	<u>1,155,068</u>	<u>565,130</u>	<u>227,249</u>	<u>197,415</u>
Business-type activities:				
Charges for services:				
Water, sewer, and solid waste utilities	3,122,515	2,930,300	2,825,099	2,923,764
Operating grants and contributions	-	-	2,750	-
Capital grants and contributions	<u>181,070</u>	<u>91,356</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	<u>3,303,585</u>	<u>3,021,656</u>	<u>2,827,849</u>	<u>2,923,764</u>
Total primary government program revenues	<u>\$ 4,458,653</u>	<u>\$ 3,586,786</u>	<u>\$ 3,055,098</u>	<u>\$ 3,121,179</u>
Net (Expense)/Revenue				
Governmental activities	\$ (2,253,948)	\$ (2,882,525)	\$ (3,525,733)	\$ (3,624,849)
Business-type activities	890,691	698,048	407,931	453,113
Total primary government net expense	<u>\$ (1,363,257)</u>	<u>\$ (2,184,477)</u>	<u>\$ (3,117,802)</u>	<u>\$ (3,171,736)</u>

Fiscal Year					
2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
\$ 17,085	\$ 17,007	\$ 17,174	\$ 38,694	\$ 40,328	\$ 57,228
1,251,963	1,217,870	1,009,521	1,004,674	1,060,014	1,139,244
1,378,385	1,540,584	1,300,342	1,342,833	1,394,943	1,927,994
470,082	425,377	487,170	523,167	492,677	612,855
733,187	747,886	674,161	592,057	620,500	642,289
134,128	121,899	109,513	124,437	50,340	72,332
<u>3,984,830</u>	<u>4,070,623</u>	<u>3,597,881</u>	<u>3,625,862</u>	<u>3,658,802</u>	<u>4,451,942</u>
2,691,296	2,813,144	2,990,864	2,711,781	2,540,481	3,020,565
<u>2,691,296</u>	<u>2,813,144</u>	<u>2,990,864</u>	<u>2,711,781</u>	<u>2,540,481</u>	<u>3,020,565</u>
<u>\$ 6,676,126</u>	<u>\$ 6,883,767</u>	<u>\$ 6,588,745</u>	<u>\$ 6,337,643</u>	<u>\$ 6,199,283</u>	<u>\$ 7,472,507</u>
\$ 33,158	\$ 31,874	\$ 33,393	\$ 35,718	\$ 68,339	\$ 53,338
126,537	104,052	76,865	80,305	98,011	130,049
26,626	23,793	10,991	28,804	25,160	25,217
354,716	333,245	86,459	331,631	138,195	88,294
-	-	-	-	87,842	327,388
<u>541,037</u>	<u>492,964</u>	<u>207,708</u>	<u>476,458</u>	<u>417,547</u>	<u>624,286</u>
2,980,857	2,913,610	2,987,575	2,930,677	3,011,660	3,361,562
-	-	-	-	-	-
-	-	-	-	441,014	647,426
<u>2,980,857</u>	<u>2,913,610</u>	<u>2,987,575</u>	<u>2,930,677</u>	<u>3,452,674</u>	<u>4,008,988</u>
<u>\$ 3,521,894</u>	<u>\$ 3,406,574</u>	<u>\$ 3,195,283</u>	<u>\$ 3,407,135</u>	<u>\$ 3,870,221</u>	<u>\$ 4,633,274</u>
\$ (3,443,793)	\$ (3,577,659)	\$ (3,390,173)	\$ (3,149,404)	\$ (3,241,255)	\$ (3,827,656)
289,561	100,466	(3,289)	218,896	912,193	988,423
<u>\$ (3,154,232)</u>	<u>\$ (3,477,193)</u>	<u>\$ (3,393,462)</u>	<u>\$ (2,930,508)</u>	<u>\$ (2,329,062)</u>	<u>\$ (2,839,233)</u>

CITY OF JACKSBORO, TEXAS

CHANGES IN NET POSITION (CONT'D.) LAST TEN FISCAL YEARS (UNAUDITED)

	2013-2014	2014-2015	2015-2016	2016-2017
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property tax	\$ 1,387,122	\$ 1,464,291	\$ 1,458,820	\$ 1,514,785
Sales tax	1,380,733	1,100,538	700,297	699,433
Franchise fees	347,857	398,688	400,158	347,271
Hotel occupancy tax	-	-	21,310	22,877
Other taxes	-	-	1,408	2,409
Investment earnings	4,025	6,079	9,998	21,472
Miscellaneous	550,702	422,937	242,860	238,843
Transfers	798,340	1,901,412	392,815	393,447
Total governmental activities	<u>4,468,779</u>	<u>5,293,945</u>	<u>3,227,666</u>	<u>3,240,537</u>
Business-type activities:				
Investment earnings	2,024	2,231	3,151	7,775
Miscellaneous	16,473	14,037	-	-
Transfers	(798,340)	(1,901,412)	(392,815)	(393,447)
Total business-type activities	<u>(779,843)</u>	<u>(1,885,144)</u>	<u>(389,664)</u>	<u>(385,672)</u>
Total primary government	<u>\$ 3,688,936</u>	<u>\$ 3,408,801</u>	<u>\$ 2,838,002</u>	<u>\$ 2,854,865</u>
Change in Net Position				
Governmental activities	\$ 2,214,831	\$ 2,411,420	\$ (298,067)	\$ (384,312)
Business-type activities	110,848	(1,187,096)	18,267	67,441
Total primary government	<u>\$ 2,325,679</u>	<u>\$ 1,224,324</u>	<u>\$ (279,800)</u>	<u>\$ (316,871)</u>

Source: Annual Comprehensive Financial Reports

Fiscal Year					
2017-2018	2018-2019	2019-2020	2020-2021	2020-2021	2022-2023
\$ 1,487,869	\$ 1,503,115	\$ 1,494,349	\$ 1,448,456	\$ 1,448,456	\$ 1,510,046
905,428	1,038,005	829,014	867,703	867,703	1,436,872
308,005	326,672	306,808	326,402	326,402	343,738
22,534	17,328	14,461	22,574	22,574	22,317
2,774	5,334	3,892	7,189	7,189	13,642
29,705	35,321	10,087	3,388	3,388	97,522
174,251	198,762	243,903	226,067	226,067	286,311
536,798	450,000	450,000	300,000	300,000	149,069
3,467,364	3,574,537	3,352,514	3,201,779	3,201,779	3,859,517
12,819	12,972	7,692	1,325	1,325	55,019
(536,798)	(450,000)	(450,000)	(300,000)	(300,000)	(149,069)
(523,979)	(437,028)	(442,308)	(298,675)	(298,675)	(94,050)
\$ 2,943,385	\$ 3,137,509	\$ 2,910,206	\$ 2,903,104	\$ 2,903,104	\$ 3,765,467
\$ 23,571	\$ (3,122)	\$ (37,659)	\$ 52,375	\$ (39,476)	\$ 31,861
(234,418)	(336,562)	(445,597)	(79,779)	613,518	894,373
\$ (210,847)	\$ (339,684)	\$ (483,256)	\$ (27,404)	\$ 574,042	\$ 926,234

CITY OF JACKSBORO, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS (UNAUDITED)

	2013-2014	2014-2015	2015-2016	2016-2017
General Fund				
Restricted	\$ 2,809	\$ 2,810	\$ 2,817	\$ 2,834
Assigned	-	-	96,370	96,238
Unassigned	1,260,330	1,977,772	1,522,282	1,267,108
Total general fund	<u>\$ 1,263,139</u>	<u>\$ 1,980,582</u>	<u>\$ 1,621,469</u>	<u>\$ 1,366,180</u>
All other Governmental Funds				
Restricted, reported in:				
Debt Service Fund	\$ 135,149	\$ 171,880	\$ 77,463	\$ 102,456
Capital Projects Fund	60,938	-	-	-
Special Revenue Funds	42,040	64,342	74,857	89,146
Unassigned	(2,668)	(99,026)	(96,370)	(96,238)
Total all other governmental funds	<u>\$ 235,459</u>	<u>\$ 137,196</u>	<u>\$ 55,950</u>	<u>\$ 95,364</u>

Source: Annual Comprehensive Financial Reports

Fiscal Year					
2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-23
\$ 2,872	\$ 2,930	\$ 2,953	\$ 2,955	\$ 2,976	\$ 3,112
108,057	-	-	-	-	-
1,006,476	1,002,386	1,077,276	1,330,196	1,773,048	1,764,719
<u>\$ 1,117,405</u>	<u>\$ 1,005,316</u>	<u>\$ 1,080,229</u>	<u>\$ 1,333,151</u>	<u>\$ 1,776,024</u>	<u>\$ 1,767,831</u>
\$ 121,116	\$ 154,136	\$ 193,332	\$ 155,733	\$ 208,089	\$ 211,623
-	-	-	-	-	-
92,284	82,952	83,182	80,143	121,688	154,824
-	-	-	-	-	-
<u>\$ 213,400</u>	<u>\$ 237,088</u>	<u>\$ 276,514</u>	<u>\$ 235,876</u>	<u>\$ 329,777</u>	<u>\$ 366,447</u>

CITY OF JACKSBORO, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS (UNAUDITED)

	2013-2014	2014-2015	2015-2016	2016-2017
Revenues				
Property taxes	\$ 1,387,122	\$ 1,460,087	\$ 1,456,297	\$ 1,499,194
Sales taxes	1,380,733	1,100,538	700,297	699,433
Franchise fees	347,857	398,688	400,158	347,271
Hotel/Motel taxes	-	-	21,310	22,877
Other taxes	-	-	1,408	2,409
Charges for services	9,677	3,476	4,375	4,745
Licenses, permits, and fees	142,348	291,895	45,023	23,010
Recreation fees	24,168	42,189	32,002	24,193
Court fines and fees	44,145	83,777	59,266	68,432
Rentals	4,260	10,100	9,531	9,428
Contributions	747,931	106,974	32,886	63,375
Intergovernmental	143,373	26,719	28,701	36,441
Interest income	4,025	6,079	9,998	21,472
Miscellaneous	550,702	440,711	180,160	188,189
Total revenues	<u>4,786,341</u>	<u>3,971,233</u>	<u>2,981,412</u>	<u>3,010,469</u>
Expenditures				
Current:				
Legislative	48,662	46,898	46,617	16,740
General government	866,875	1,012,967	1,009,581	961,556
Public safety	1,088,348	1,024,512	1,009,448	1,057,885
Streets	282,083	239,924	377,778	398,517
Culture and recreation	212,584	230,610	438,726	459,473
Capital outlay	966,210	664,132	717,017	159,177
Debt service:				
Principal	761,711	740,000	534,349	487,330
Interest charges	318,975	220,340	151,181	149,175
Debt issuance costs	-	35,143	110	40
Paying agent fees	-	1,570	1,500	1,500
Total expenditures	<u>4,545,448</u>	<u>4,216,096</u>	<u>4,286,307</u>	<u>3,691,393</u>
Excess of revenues over (under) expenditures	<u>240,893</u>	<u>(244,863)</u>	<u>(1,304,895)</u>	<u>(680,924)</u>
Other Financing Sources (Uses)				
Issuance of bonds	-	1,445,000	-	-
Issuance of tax notes	-	-	-	-
Issuance of right-to-use lease liability	-	-	-	-
Premium on refunding bonds issued	-	44,973	-	-
Payment to refunded bonds escrow agent	-	(2,654,830)	-	-
Proceeds from sale of capital assets	-	-	65,000	71,602
Proceeds from issuance of note payable	-	127,490	387,160	-
Transfers in	807,067	1,910,348	418,702	450,822
Transfer out	(8,725)	(8,936)	(25,887)	(57,375)
Total other financing sources (uses)	<u>798,342</u>	<u>864,045</u>	<u>844,975</u>	<u>465,049</u>
Net change in fund balances	<u>\$ 1,039,235</u>	<u>\$ 619,182</u>	<u>\$ (459,920)</u>	<u>\$ (215,875)</u>
Debt service as a percentage of noncapital expenditures	<u>30.2%</u>	<u>27.1%</u>	<u>19.2%</u>	<u>18.1%</u>

Source: Annual Comprehensive Financial Reports

Fiscal Year					
2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
\$ 1,481,195	\$ 1,490,864	\$ 1,527,063	\$ 1,464,855	\$ 1,547,247	\$ 1,520,862
905,428	1,038,005	829,014	867,703	1,440,766	1,436,872
308,005	326,672	306,808	326,402	331,171	343,738
22,534	17,328	14,461	22,574	31,378	22,317
2,774	5,334	3,892	7,189	11,354	13,642
3,160	1,120	705	885	21,090	3,103
24,440	19,086	21,518	22,255	36,720	38,535
26,626	23,793	10,991	28,804	25,160	25,217
92,238	118,001	41,396	72,151	59,317	118,512
5,558	11,668	11,170	12,578	10,529	11,720
25,964	62,499	21,858	113,914	183,477	346,684
328,752	270,746	64,601	217,717	42,560	68,998
29,705	35,321	10,087	3,388	20,769	97,522
166,720	188,919	243,903	226,067	407,813	286,311
3,423,099	3,609,356	3,107,467	3,386,482	4,169,351	4,334,033
17,085	17,007	17,174	38,694	40,328	57,228
1,178,657	1,122,236	941,748	948,102	1,013,914	1,057,531
1,104,831	1,263,084	1,166,447	1,196,269	1,213,100	1,654,485
336,118	282,024	352,028	381,470	325,202	454,784
456,531	463,049	369,604	354,045	390,488	404,587
456,880	439,515	177,227	198,898	320,153	712,157
418,213	445,142	462,086	256,203	399,476	404,520
136,052	124,043	111,826	66,432	53,766	54,963
-	-	-	32,412	-	20,000
1,500	1,500	735	1,800	750	750
4,105,867	4,157,600	3,598,875	3,474,325	3,757,177	4,821,005
(682,768)	(548,244)	(491,408)	(87,843)	412,174	(486,972)
-	-	-	2,025,000	-	-
-	-	-	-	-	270,000
-	-	-	-	24,600	96,400
-	-	-	-	-	-
-	-	-	(2,024,873)	-	-
15,231	9,843	155,747	-	-	-
-	-	-	-	-	-
576,629	526,940	534,604	300,000	106,215	436,605
(39,831)	(76,940)	(84,604)	-	(6,215)	(287,536)
552,029	459,843	605,747	300,127	124,600	515,469
\$ (130,739)	\$ (88,401)	\$ 114,339	\$ 212,284	\$ 536,774	\$ 28,497
15.2%	15.3%	16.8%	9.9%	13.2%	11.2%

CITY OF JACKSBORO, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY -
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year *	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (per \$100 val.)
	Real Property	Mineral/Utility Property			
2013-2014	\$ 154,367,590	\$ 21,739,310	\$ 59,220,010	\$ 116,886,890	1.180000
2014-2015	157,884,990	24,503,800	61,997,830	120,390,960	1.180000
2015-2016	161,451,620	24,667,140	63,628,210	122,490,550	1.180000
2016-2017	168,572,460	15,470,600	67,677,670	116,365,390	1.263505
2017-2018	174,220,899	14,161,930	68,402,200	119,980,629	1.219039
2018-2019	173,693,995	12,241,590	67,941,890	117,993,695	1.245746
2019-2020	177,019,290	21,942,220	77,169,938	121,791,572	1.200000
2020-2021	180,617,630	21,003,504	78,037,370	123,583,764	1.141670
2021-2022	185,796,750	21,646,600	77,932,760	129,510,590	1.125000
2022-23	203,539,775	11,295,650	85,628,500	129,206,925	1.261860

Source: Jack County Appraisal District

* Note: The information received from the Jack County Appraisal District relates to the next fiscal year of the City as property values are assessed in one calendar year and payable in the next.

CITY OF JACKSBORO, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES -
LAST TEN FISCAL YEARS (UNAUDITED)

Tax Rates Per \$100 Valuation

City Direct Rates				Overlapping Rates					
Fiscal Year	Operating/ General	General Obligation Debt Service	Total	Jack County	Jack County Special	Jacksboro ISD	Faith Community Hospital	Jack WCID #1	Grand Total
2013-2014	0.598040	0.581960	1.180000	0.441100	0.086875	1.500000	0.304920	0.009695	2.924550
2014-2015	0.617879	0.562121	1.180000	0.323584	0.068527	1.500000	0.312757	0.010234	2.777223
2015-2016	0.722250	0.457750	1.180000	0.304474	0.064386	1.500000	0.312757	0.010234	2.649601
2016-2017	0.743630	0.519875	1.263505	0.359503	0.091941	1.500000	0.312757	0.011146	2.795222
2017-2018	0.814423	0.404616	1.219039	0.386792	0.108522	1.500000	0.295000	0.012089	2.706999
2018-2019	0.815991	0.429755	1.245746	0.428547	0.110306	1.500000	0.315000	0.012946	2.796554
2019-2020	0.781500	0.418500	1.200000	0.435130	0.113045	1.430000	0.315000	0.012491	2.724166
2020-2021	0.941080	0.200590	1.141670	0.415830	0.108560	1.426400	0.315000	0.011973	2.478353
2021-2022	0.887016	0.237984	1.125000	0.429590	0.114190	1.423400	0.315000	0.012237	2.532401
2022-23	0.920265	0.205921	1.126186	0.404635	0.107520	1.381700	0.309000	0.010570	2.419346

Source: Jack County Appraisal District

CITY OF JACKSBORO, TEXAS

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
SEPTEMBER 30, 2023**

Taxpayer	2022-23 *			2013-14 *		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Nine Downhole Technologies	\$ 17,517,020	1	13.56%	\$ -	N/A	N/A
Crombie Properties LLC	4,388,080	2	3.40%	-	N/A	N/A
Jacksboro Supply	4,128,310	3	3.20%	-	N/A	N/A
Jacksboro National Bank	3,394,350	4	2.63%	2,001,430	3	1.71%
Oncor Electric	2,848,320	5	2.20%	1,972,490	4	1.69%
Hurd Crane LLC	2,288,590	6	1.77%	3,827,600	2	3.27%
Swan Real Estate Management, LP	1,740,800	7	1.35%	802,350	9	0.69%
ARG Lumar LLC	1,449,620	8	1.12%	-	N/A	N/A
Four Stars Ford	1,386,590	9	1.07%	-	N/A	N/A
Taylor, James & Dori	1,150,010	10	0.89%	-	N/A	N/A
Stevens Transport		N/A	0.00%	6,292,840	1	5.38%
One Cypress Trucking		N/A	0.00%	1,648,310	5	1.41%
Jacksboro Assisted Living Inc		N/A	0.00%	1,019,620	7	0.87%
Bell Tubulars		N/A	0.00%	1,377,720	6	1.18%
Jacksboro Pump & Specialty		N/A	0.00%	974,390	8	0.83%
Corrections Corp of America		N/A	0.00%	789,420	10	0.68%
	<u>\$ 40,291,690</u>		<u>31.18%</u>	<u>\$ 20,706,170</u>		<u>17.71%</u>

Source: Jack County Appraisal District

* Note: The information received from the Jack County Appraisal District relates to the next fiscal year of the City as property values are assessed in one calendar year and payable in the next.

CITY OF JACKSBORO, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS -
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Taxes Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2013-2014	\$ 1,379,559	\$ (3,031)	\$ 1,376,528	\$ 1,319,707	95.87%	\$ 54,050	\$ 1,373,757	99.80%
2014-2015	1,419,800	(2,194)	1,417,606	1,365,197	96.30%	49,650	1,414,847	99.81%
2015-2016	1,445,305	(5,038)	1,440,267	1,374,551	95.44%	60,671	1,435,222	99.65%
2016-2017	1,471,016	(2,586)	1,468,430	1,418,053	96.57%	46,955	1,465,008	99.77%
2017-2018	1,463,020	(6,451)	1,456,569	1,407,276	96.62%	43,978	1,451,254	99.64%
2018-2019	1,469,902	(4,552)	1,465,350	1,396,848	95.33%	60,714	1,457,562	99.47%
2019-2020	1,461,499	(14,590)	1,446,909	1,396,596	96.52%	42,447	1,439,043	99.46%
2020-2021	1,410,919	(4,495)	1,406,424	1,366,705	97.18%	30,197	1,396,902	99.32%
2021-2022	1,457,392	(7,000)	1,450,392	1,417,430	97.73%	20,862	1,438,292	99.17%
2022-2023	1,453,983	(7,834)	1,446,149	1,417,821	98.04%	-	1,417,821	98.04%

Source: Jack County Appraisal District

CITY OF JACKSBORO, TEXAS

WATER, SEWER AND SANITATION REVENUES - LAST TEN FISCAL YEARS (UNAUDITED)

<u>Fiscal Year</u>	<u>Water Revenues</u>	<u>Sewer Revenues</u>	<u>Sanitation Revenues</u>	<u>Other Revenues</u>	<u>Totals</u>
2013-2014	\$ 1,488,602	\$ 876,665	\$ 633,415	\$ -	\$ 2,998,682
2014-2015	1,344,403	851,336	626,085	68,114	2,889,938
2015-2016	1,282,968	822,452	604,059	61,769	2,771,248
2016-2017	1,319,658	846,664	638,816	64,955	2,870,093
2017-2018	1,366,245	856,841	645,122	59,090	2,927,298
2018-2019	1,284,294	829,711	680,129	66,080	2,860,214
2019-2020	1,334,602	831,740	687,830	80,447	2,934,619
2020-2021	1,275,245	823,301	705,750	72,773	2,877,069
2021-2022	1,307,675	799,011	764,719	87,008	2,958,413
2022-2023	1,455,394	910,785	853,320	89,396	3,308,895

Source: City records

CITY OF JACKSBORO, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE - LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Governmental Activities (1)			
	General Obligation Bonds	Certificates of Obligation	Lease Liabilities	Notes Payable
2013-2014	2,840,000	3,580,000	-	-
2014-2015	1,383,903	3,140,000	-	127,490
2015-2016	1,045,690	2,965,000	-	490,301
2016-2017	752,478	2,800,000	-	457,971
2017-2018	559,266	2,630,000	-	399,758
2018-2019	356,053	2,445,000	-	339,436
2019-2020	147,841	2,250,000	-	276,987
2020-2021	2,149,629	60,000	-	240,288
2021-2022	1,908,931	40,000	110,950	285,731
2022-2023	1,670,718	20,000	138,484	475,076

Notes: (1) Debt information is from the City's accounting records and are detailed in the notes to the financial statements
 (2) See Exhibit D-13 for population data
 * Information is not available.

Business-type Activities (1)			Total Primary Government	Percentage of Personal Income	Per Capita (2)
General Obligation Bonds	Certificates of Obligation	Lease Liabilities			
-	1,730,000	-	8,150,000	*	\$ 1,802
2,545,513	305,000	-	7,501,906	*	\$ 1,619
2,099,622	255,000	-	6,855,613	*	\$ 1,480
1,703,731	230,000	-	5,944,180	*	\$ 1,283
1,417,840	205,000	-	5,211,864	*	\$ 1,155
1,121,948	180,000	-	4,442,437	*	\$ 985
811,057	155,000	-	3,640,885	*	\$ 841
770,166	60,000	-	3,280,083	*	\$ 761
646,760	40,000	67,151	3,099,523	*	\$ 707
525,869	20,000	40,065	2,890,212	*	\$ 687

CITY OF JACKSBORO, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING -
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	General Bonded Debt Outstanding (1)			Percentage of Actual Taxable Value of Property (2)	Per Capita (3)
	General Obligation Bonds	Certificates of Obligation	Total		
2013-2014	2,840,000	5,310,000	8,150,000	6.97%	\$ 1,802
2014-2015	3,929,416	3,445,000	7,374,416	6.13%	\$ 1,592
2015-2016	3,145,312	3,220,000	6,365,312	5.20%	\$ 1,374
2016-2017	2,456,209	3,030,000	5,486,209	4.71%	\$ 1,184
2017-2018	1,977,106	2,835,000	4,812,106	4.01%	\$ 1,067
2018-2019	1,478,001	2,625,000	4,103,001	3.48%	\$ 910
2019-2020	958,898	2,405,000	3,363,898	2.76%	\$ 777
2020-2021	2,919,795	120,000	3,039,795	2.46%	\$ 705
2021-2022	2,555,691	80,000	2,635,691	2.04%	\$ 601
2002-2023	2,196,587	40,000	2,236,587	1.73%	\$ 531

- Notes:
- (1) Includes general bonded debt for both Governmental Activities and Business-Type Activities and includes bond premiums
 - (2) See Exhibit D-2 for property tax data
 - (3) See Exhibit D-13 for population data

CITY OF JACKSBORO, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED) SEPTEMBER 30, 2023

	Gross Governmental Activities Debt (1)	Percentage Applicable to City of Jacksboro (2)	Amount Applicable to City of Jacksboro
Direct:			
City of Jacksboro	<u>\$ 2,304,278</u>	100.00%	<u>\$ 2,304,278</u>
Overlapping:			
Jack County	-	9.41%	-
Jacksboro Independent School District	<u>61,571,000</u>	13.91%	<u>8,564,526</u>
Total overlapping	<u>61,571,000</u>		<u>8,564,526</u>
Total direct and overlapping bonded debt	<u><u>\$ 63,875,278</u></u>		<u><u>\$ 10,868,804</u></u>

Sources:

- (1) Municipal Advisory Council of Texas
- (2) The estimated percentage is based on a formula using assessed values of property.

CITY OF JACKSBORO, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS -
LAST TEN FISCAL YEARS (UNAUDITED)

<u>Fiscal Year</u>	<u>City of Jacksboro Estimated Population (1)</u>	<u>City of Jacksboro Personal Income (2)</u>	<u>City of Jacksboro Per Capita Personal Income</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Jack County Unemployment Rate (4)</u>
2013-2014	4,523	N/A	N/A	N/A	992	3.8%
2014-2015	4,633	N/A	N/A	N/A	960	4.3%
2015-2016	4,633	N/A	N/A	N/A	1,008	4.2%
2016-2017	4,633	N/A	N/A	N/A	1,034	4.9%
2017-2018	4,511	N/A	N/A	N/A	1,032	3.1%
2018-2019	4,511	N/A	N/A	N/A	1,058	3.7%
2019-2020	4,328	N/A	N/A	N/A	1,063	3.7%
2020-2021	4,311	N/A	N/A	N/A	1,075	3.7%
2021-2022	4,387	N/A	N/A	N/A	1,078	3.3%
2022-2023	4,209	N/A	N/A	N/A	1,101	3.8%

Source: (1) Jacksboro Economic Development Corporation
(2) Information not readily available
(3) Jacksboro Independent School District
(4) Texas Association of Counties

CITY OF JACKSBORO, TEXAS

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)
SEPTEMBER 30, 2023

Employer	2022-2023			2013-2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jacksboro Independent School District	172	1	4.09%	175	3	11.42%
Faith Community Hospital	152	2	3.61%	-	N/A	-
Management & Training Corp.	140	3	3.33%	70	5	4.57%
Nine Energy Services	84	4	2.00%	-	N/A	-
Jack County	72	5	1.71%	80	4	5.22%
Jacksboro Health Care Center	45	6	1.07%	41	6	2.67%
City of Jacksboro	36	7	0.86%	35	7	2.28%
Jacksboro National Bank	30	8	0.71%	25	10	1.63%
Lowes	26	9	0.62%	-	N/A	-
Oakridge Oil & Gas	20	10	0.48%	-	N/A	-
Corrections Corp. of America		N/A	-	250	1	16.31%
Crest Pumping Technologies		N/A	-	187	2	12.20%
Geer Tank Trucks		N/A	-	33	8	2.15%
Renewable Energy Services of America, Inc.		N/A	-	30	9	1.96%
Totals	777		18.46%	926		60.41%

Sources: Jacksboro Economic Development Corporation and Oncor Economic Development Department

CITY OF JACKSBORO, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (UNAUDITED)

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
General Government	14.00	12.00	11.00	7.00
Public Safety	13.00	12.00	13.00	13.00
Cultural and Recreational	3.00	4.00	3.00	4.00
Street Maintenance	3.00	4.00	4.00	4.00
Water and Sewer	<u>11.00</u>	<u>13.00</u>	<u>13.00</u>	<u>11.00</u>
Total	<u><u>44.00</u></u>	<u><u>45.00</u></u>	<u><u>44.00</u></u>	<u><u>39.00</u></u>

Source: City Budget Office

Fiscal Year					
2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-23
7.00	7.00	8.00	8.00	8.00	8.00
14.00	14.00	15.00	12.00	14.00	11.00
4.00	4.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	4.00	4.00	4.00
10.00	10.00	10.00	9.00	9.00	9.00
39.00	39.00	41.00	37.00	39.00	36.00

CITY OF JACKSBORO, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (UNAUDITED)

	2013-2014	2014-2015	2015-2016	2016-2017
General government				
Council directed programs	5	5	5	5
Council meetings	27	27	23	27
Proclamations, ordinances, resolutions	30	30	20	29
Positions filled	14	14	25	12
GFOA ACFR Award	1	1	1	1
GFOA Distinguished Budget Award	-	-	-	-
Public Safety				
Municipal court				
New cases filed	346	635	425	503
Warrants cleared	63	124	65	40
Police				
Number of employees	10	5	10	10
Calls for service	1,597	1,383	1,539	1,777
Fire				
Number of employees	7	5.0	3	3
Number of fire runs	1,485	1,136	958	1,028
Animal control				
Calls for service	1,175	310	237	174
Animals impounded	158	133	286	330
Citations issued	31	41	25	20
Adoptions *	-	-	47	109
Development Services				
Building permits	194	228	309	289
Cultural and Recreational				
Parks and Recreation				
Aquatics daily admissions	-	2,505	3,219	3,439
Athletics / recreation participation	130	120	123	155
Activity center memberships	290	169	147	80
Camping permits *	-	-	56	50
Rentals *	-	-	37	20
Park acreage maintained	93	93	94	94
Water and Sewer				
Number of water consumers	1,638	1,638	1,656	1,650
Treated water (million gallons)	200	202	214	225
Treated effluent water (million gallons)	17	130	139	116

Source: City Departments

* Began tracking in 2015-16

Fiscal Year				
2017-2018	2018-2019	2019-2020	2020-2021	2022-2023
5	5	5	5	5
20	21	19	23	21
27	26	29	41	41
6	6	6	6	6
1	1	1	1	1
-	-	-	-	-
609	724	722	589	1231
63	110	117	135	37
10	10	10	7	10
1,828	1,736	2,854	2,193	3980
3	3	3	3	3
1,089	1,023	1,149	876	1108
113	189	183	375	307
228	199	216	283	210
5	8	8	8	4
39	63	30	134	98
332	325	524	794	409
2,919	2,042	622	1,154	1554
120	80	85	154	59
68	77	61	155	72
27	25	72	117	94
25	29	21	27	12
94	94	94	94	94
1,695	1,688	1,725	1,549	1700
257	245	220	215	233
130	122	148	129	128