

**THE SUPREME COURT OF
TEXAS**

ANNUAL FINANCIAL REPORT

For The Year Ended August 31, 2023

**Nathan L. Hecht
Chief Justice**

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The Supreme Court of Texas

CHIEF JUSTICE
NATHAN L. HECHT

201 West 14th Street Post Office Box 12248 Austin TX 78711
Telephone: 512/463-1312 Facsimile: 512/463-1365

CLERK
BLAKE A. HAWTHORNE

JUSTICES
DEBRA H. LEHRMANN
JEFFREY S. BOYD
JOHN P. DEVINE
JAMES D. BLACKLOCK
J. BRETT BUSBY
JANE N. BLAND
REBECA A. HUDDLE
EVAN A. YOUNG

GENERAL COUNSEL
NINA HESS HSU

EXECUTIVE ASSISTANT
NADINE SCHNEIDER

DIRECTOR OF PUBLIC AFFAIRS
AMY STARNES

October 29, 2023

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Jerry McGinty, Director, Legislative Budget Board
Lisa Collier, State Auditor

Dear Lady and Gentlemen:

We are pleased to submit the Annual Financial Report of The Supreme Court of Texas for the year ended August 31, 2023, in compliance with TEX. GOV'T CODE ANN Section 2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Jan Evans at 512-463-1366.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathan L. Hecht".

Nathan L. Hecht
Chief Justice

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THE SUPREME COURT OF TEXAS (201)
 EXHIBIT I
 COMBINED BALANCE SHEET/ STATEMENT OF NET ASSETS -
 GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2023

	GOVERNMENTAL FUND TYPES	
	GENERAL FUNDS (Exh A-1)	SPECIAL REVENUE FUND (Exh B-1)
	<u> </u>	<u> </u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents		
Cash in Bank	\$	\$ 678,455.43
Cash in State Treasury	2,076.69	
Legislative Appropriations	1,473,390.57	
Interfund Receivable (Agy 212 Fund 0001)	0.00	
Federal Receivable	<u>0.00</u>	
 Total Current Assets	 <u>1,475,467.26</u>	 <u>678,455.43</u>
 Non-Current Assets:		
Capital Assets:		
Depreciable		
Furniture and Equipment		
Less Accumulated Depreciation		
Intangible		
Software		
Accumulated Amortization		
Non-Depreciable		
Other Capital Assets		
	<u> </u>	<u> </u>
 Total Non-Current Assets	 <u>0.00</u>	 <u>0.00</u>
 TOTAL ASSETS	 \$ <u>1,475,467.26</u>	 \$ <u>678,455.43</u>
 LIABILITIES		
Current Liabilities:		
Payables from :		
Accounts Payable	\$ 180,647.22	\$ 234,899.08
Payroll Payable	685,219.04	0.00
Payroll Deduction Liability	2,076.69	
Due To Other Agencies (Note 12)	56,416.85	0.00
Employees' Compensable Leave		
Capital Lease Obligations		
Total Current Liabilities	<u>924,359.80</u>	<u>234,899.08</u>
 Non-Current Liabilities:		
Employees' Compensable Leave		

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GOVERNMENTAL FUNDS TOTAL	CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	STATEMENT OF NET ASSETS
\$ 678,455.43		\$	\$ 678,455.43
2,076.69			2,076.69
1,473,390.57			1,473,390.57
0.00			0.00
0.00			0.00
<u>2,153,922.69</u>			<u>2,153,922.69</u>
	0.00	0.00	
\$		\$	\$
	49,691.08		49,691.08
	(49,691.08)		(49,691.08)
			0.00
			0.00
	<u>49,975.00</u>		<u>49,975.00</u>
<u>0.00</u>	<u>49,975.00</u>	<u>0.00</u>	<u>49,975.00</u>
<u>\$ 2,153,922.69</u>	<u>49,975.00</u>	<u>\$ 0.00</u>	<u>\$ 2,203,897.69</u>
\$ 415,546.30		\$	\$ 415,546.30
685,219.04			685,219.04
2,076.69			2,076.69
56,416.85			56,416.85
0.00		364,328.28	364,328.28
<u>1,159,258.88</u>	<u>0.00</u>	<u>364,328.28</u>	<u>1,523,587.16</u>
		363,623.18	363,623.18

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THE SUPREME COURT OF TEXAS (201)
 EXHIBIT I
 COMBINED BALANCE SHEET/ STATEMENT OF NET ASSETS -
 GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2023

	GOVERNMENTAL FUND TYPES	
	GENERAL FUNDS (Exh A-1)	SPECIAL REVENUE FUND (Exh B-1)
	<u> </u>	<u> </u>
Capital Lease Obligations		
Total Non-Current Liabilities	<u>0.00</u>	<u>0.00</u>
 TOTAL LIABILITIES	 <u>924,359.80</u>	 <u>234,899.08</u>
 Fund Financial Statements - Fund FUND BALANCES (DEFICITS):		
	\$	\$
Restricted	0.00	443,556.35
Committed		0.00
Unassigned	<u>551,107.46</u>	<u>0.00</u>
 TOTAL FUND BALANCES	 <u>551,107.46</u>	 <u>443,556.35</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 1,475,467.26</u>	 <u>\$ 678,455.43</u>

Government-wide Statement - Net Assets
 Net Assets:
 Invested in Capital Assets, Net of Related Debt
 Restricted for:
 Debt Retirement
 Employee Benefit
 Unrestricted

Total Net Assets

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

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GOVERNMENTAL FUNDS TOTAL	CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	STATEMENT OF NET ASSETS
			0.00
	0.00	363,623.18	363,623.18
1,159,258.88	0.00	727,951.46	1,887,210.34
\$ 443,556.35		\$	\$ 443,556.35
0.00			0.00
551,107.46	0.00	0.00	551,107.46
994,663.81	0.00	0.00	994,663.81
\$ 2,153,922.69	0.00	\$ 727,951.46	\$ 2,881,874.15
	49,975.00		49,975.00
			0.00
			0.00
		(727,951.46)	(727,951.46)
	\$ 49,975.00	\$ (727,951.46)	\$ 316,687.35
			\$ 2,203,897.69

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THE SUPREME COURT OF TEXAS (201)
EXHIBIT II

COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES/
STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS

For the Year Ended August 31, 2023

	GOVERNMENTAL FUND TYPES	
	GENERAL FUNDS (Exh A-2)	SPECIAL REVENUE FUND (Exh B-2)
REVENUES:	\$	\$
Legislative Appropriations		
Original Appropriations	21,112,514.00	0.00
Additional Appropriations	1,772,389.34	0.00
Federal Revenue	2,303,365.31	
Interest, Dividend & Other Income	760.00	34,010,468.89
Settlement of Claims		559.95
State Grant Pass-Through Revenue		2,500,000.00
Other Revenue	150,194.00	0.00
 Total Revenues	 25,339,222.65	 36,511,028.84
EXPENDITURES:		
Salaries and Wages	8,047,638.36	483,251.00
Payroll Related Costs	2,097,066.14	0.00
Professional Fees & Services	41,500.00	2,386.12
Travel	68,298.38	16,244.95
Materials and Supplies	62,142.64	61,844.25
Communication and Utilities	9,878.87	132,736.04
Repairs and Maintenance	0.00	9,413.52
Rentals and Leases	21,638.54	29,246.99
Printing and Reproduction	16,363.24	46,647.40
Federal Pass-through Expenditure	244,865.30	0.00
State Grant Pass-through Expenditure	27,740.96	0.00
Intergovernmental Payments	106,800.00	669,090.44
Public Assistance Payments	19,211,836.15	46,073,682.00
Other Operating Expenditures	349,293.54	30,886.90
Capital Outlay	0.00	0.00
Depreciation Expense	0.00	0.00
 Total Expenditures	 30,305,062.12	 47,555,429.61
 EXCESS OF REVENUES OVER EXPENDITURES	 (4,965,839.47)	 (11,044,400.77)
OTHER FINANCING SOURCES (USES):		
Increase in Net Assets - Capital Outlay		
Operating Transfers In (Note 12)	10,000,000.00	14,274,204.54
Operating Transfers Out (Note 12)	(5,000,760.00)	(3,217,205.27)
 Total Other Financing Sources (Uses)	 4,999,240.00	 11,056,999.27
 NET CHANGE IN FUND BALANCES/NET ASSETS	 33,400.53	 12,598.50

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GOVERNMENTAL FUNDS TOTAL	Capital Asset Adjustments	Long-term Liabilities Adjustments	Statement of Activities
\$			\$
21,112,514.00			21,112,514.00
1,772,389.34			1,772,389.34
2,303,365.31			2,303,365.31
34,011,228.89			34,011,228.89
559.95			559.95
2,500,000.00			2,500,000.00
150,194.00			150,194.00
<hr/>	<hr/>	<hr/>	<hr/>
61,850,251.49	0.00	0.00	61,850,251.49
8,530,889.36		188,597.65	8,719,487.01
2,097,066.14			2,097,066.14
43,886.12			43,886.12
84,543.33			84,543.33
123,986.89			123,986.89
142,614.91			142,614.91
9,413.52			9,413.52
50,885.53			50,885.53
63,010.64			63,010.64
244,865.30			244,865.30
27,740.96			27,740.96
775,890.44			775,890.44
65,285,518.15			65,285,518.15
380,180.44			380,180.44
0.00	0.00		0.00
0.00	339.62		339.62
<hr/>	<hr/>	<hr/>	<hr/>
77,860,491.73	339.62	188,597.65	78,049,429.00
<hr/>	<hr/>	<hr/>	<hr/>
(16,010,240.24)	(339.62)	(188,597.65)	(16,199,177.51)
<hr/>	<hr/>	<hr/>	<hr/>
0.00			0.00
24,274,204.54			24,274,204.54
(8,217,965.27)			(8,217,965.27)
<hr/>	<hr/>	<hr/>	<hr/>
16,056,239.27	0.00	0.00	16,056,239.27
<hr/>	<hr/>	<hr/>	<hr/>
45,999.03	(339.62)	(188,597.65)	(142,938.24)

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THE SUPREME COURT OF TEXAS (201)

EXHIBIT II

COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES/
STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS

For the Year Ended August 31, 2023

	GOVERNMENTAL FUND TYPES	
	GENERAL FUNDS (Exh A-2)	SPECIAL REVENUE FUND (Exh B-2)
FUND BALANCES - Beginning	593,709.52	<u>430,957.85</u>
Restatements	0.00	
FUND BALANCES - Beginning, As Restated	<u>593,709.52</u>	<u>430,957.85</u>
Lapsed Appropriations	<u>(76,002.59)</u>	<u>0.00</u>
FUND BALANCES - Ending	<u>\$ 551,107.46</u>	<u>443,556.35</u>

Government-wide Statement - Net Assets

Change in Net Assets

Net Assets Beginning

Adjustments to Beginning Net Assets

Restatements

Net Assets Beginning as Restated and Adjusted

Net Assets Ending

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

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GOVERNMENTAL FUNDS TOTAL	<u>Capital Asset Adjustments</u>	<u>Long-term Liabilities Adjustments</u>	Statement of Activities
1,024,667.37			\$ 1,024,667.37
0.00			0.00
<u>1,024,667.37</u>			<u>1,024,667.37</u>
<u>(76,002.59)</u>			<u>(76,002.59)</u>
<u><u>994,663.81</u></u>			<u><u>\$ 805,726.54</u></u>
	<u>(339.62)</u>	<u>(188,597.65)</u>	
	50,314.62	\$ (539,353.81)	\$ (489,039.19)
	0.00		0.00
	<u>50,314.62</u>	<u>(539,353.81)</u>	<u>(489,039.19)</u>
	<u><u>49,975.00</u></u>	<u><u>(727,951.46)</u></u>	<u><u>\$ 316,687.35</u></u>

THE SUPREME COURT OF TEXAS (201)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ENTITY

The Supreme Court of Texas is an appellate court for the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for State Agencies.

The Supreme Court of Texas, consisting of a Chief Justice and eight (8) Justices, is the highest appellate court of civil cases in Texas. The Justices are elected for six year terms. The Supreme Court is also the administrative head of the judicial branch of Texas government. It promulgates the Rules of Civil Procedure, the Rules of Appellate Procedure and the Rule of Evidence. It appoints the Administrative director of the courts, the Board of Law Examiners, the Texas Court Reporters Certification Board and some members of the State Commission on Judicial Conduct, the Commission for Lawyer Discipline and the Board of Directors of the State Bar of Texas. It must approve the State Bar's annual budget. Under the Texas constitution and the Government Code, all law licenses and court reporter certifications are issued in the name of the Supreme Court. The Supreme Court's authority is found in the Texas Constitution, Article V, Section 3 and 31, and the Texas Government Code Sections 22.001-22.0070, 51.001-51.006, 74.021 and 81.000.

Due to the significant changes related to Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying financial report to be in compliance with generally accepted accounting principles (GAAP). The financial report will be considered for audit by the State Auditor as part of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Blended Component Units

No component units have been identified which should have been blended into an appropriate fund.

B. FUND STRUCTURE

The accompanying financial statements are presented on the basis of funds and account groups, each of which is considered a separate accounting entity.

GOVERNMENTAL FUND TYPES & GOVERNMENT-WIDE ADJUSTMENT FUND TYPES

General Revenue Fund

The general revenue fund (fund 0001) is used to account for all financial resources of the state except those required to be accounted for in another fund.

Special Revenue Funds

Account for the proceeds of specific revenue sources (other than for private-purpose trusts or for major capital projects) that are legally restricted to use for specified purposes.

THE SUPREME COURT OF TEXAS (201)
NOTES TO THE FINANCIAL STATEMENTS

Capital Asset Adjustment Fund Type

Capital Asset Adjustment Fund Type will be used to convert governmental fund types' capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

Long-Term Liabilities Adjustment Fund Type will be used to convert governmental fund types' debt from modified accrual to full accrual.

FIDUCIARY FUND TYPES

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

C. BASIS OF ACCOUNTING

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end. The State of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for Fund Financial Statements prepared on the modified basis of accrual. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Basis conversion adjustment fund types convert modified accrual basis to full accrual basis of accounting. The following activities are recognized in these fund types:

- * Capital assets
- * Accumulated depreciation
- * Unpaid employee compensable leave
- * The outstanding debt service principal on long-term liabilities
- * Capital leases
- * Long-term claims and judgements
- * Full accrual revenues and expenses
- * Pension amounts in governmental activities

Proprietary fund types and fiduciary fund types except agency funds are accounted for on the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

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THE SUPREME COURT OF TEXAS (201) NOTES TO THE FINANCIAL STATEMENTS

D. BUDGETS AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act).

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

E. ASSETS, LIABILITIES, AND FUND BALANCES/NET POSITIONS

ASSETS

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Capital Assets

Assets that meet the reporting threshold and useful life are capitalized. The capitalization threshold and the estimated useful life vary depending on the asset type. These assets are capitalized at cost, if purchased, or at appraised fair value as of the date of acquisition. Purchase of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art and historical treasures are not depreciated. Road and highway infrastructure is depreciated over the estimate of average useful life of a grouping of assets using the composite method. Other depreciable assets are depreciated over the estimated useful life of the asset using the straight-line method.

All capital assets acquired by proprietary funds or trust funds are reported at cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are reported at acquisition value. Depreciation is charged to operations over the estimated useful life of each asset, using the straight-line method.

Current Receivables

Other Receivables include year-end revenue accruals. This account can appear in governmental and proprietary fund types.

Non-Current Receivables - Other

There are no receivables not expected to be collected within one year.

LIABILITIES

Accounts Payable

Accounts Payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Current Payables - Other

Payables are the accrual of year-end expenditure transactions. Payables may be included in either the governmental or proprietary fund types.

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THE SUPREME COURT OF TEXAS (201)
NOTES TO THE FINANCIAL STATEMENTS

Non-Current Payables - Other

There are no payables not expected to be paid in one year.

Employees' Compensable Leave

Employees' Compensable Leave Balances represent the liability that became "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

FUND BALANCES/NET POSITION

"Fund balance" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. "Net position" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary and fiduciary fund statements.

Fund Balance Components

Fund balances for governmental funds are classified as either nonspendable, restricted, committed, assigned or unassigned in the fund financial statements.

The Board uses resources in the following order:

* When both restricted and unrestricted resources are available, use:

1. Restricted Resources
2. Unrestricted Resources (as they are needed)

*When only unrestricted resources are available for use in governmental funds, use:

1. Committed Resources
2. Assigned Resources
3. Unassigned Resources

Nonspendable fund balance includes amounts not available to be spent because they are either:
Not in spendable form -OR- Legally or contractually required to be maintained intact.

Restricted fund balance includes those resources that have constraints placed on their use through external parties - such as creditors, grantors, contributors, laws or regulations of other governments - or by law through constitutional provisions or enabling legislation.

Committed fund balance can be used only for specific purposes pursuant to constraints imposed through legislation passed into law by a formal action of the Texas Legislature, the state's highest level decision making authority.

Assigned fund balance includes amount constrained by the state's intent to be used for specific purposes, but the constraints do not meet the requirements to be reported as restricted or committed. Intent is expressed by: The Texas Legislature -OR- A body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

THE SUPREME COURT OF TEXAS (201)
NOTES TO THE FINANCIAL STATEMENTS

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund.

Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Position

Restricted Net Position results when constraints placed on net resources use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

Unrestricted Net Position consists of net resources, which do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources, which are imposed by management, but can be removed or modified.

F. INTERFUND TRANSACTIONS AND BALANCES

The agency has the following types of transactions among funds:

- 1) Transfers: Legally required transfers that are reported when incurred as "Transfers In" by the recipient fund and as "Transfers Out" by the disbursing fund.
- 2) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.
- 3) Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as "Current", repayment for two (or more) years is classified as "Non-Current."
- 4) Interfund Sales and Purchases: Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund. The composition of the agency's Interfund receivables and payables, if any, is presented in Note 12.

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THE SUPREME COURT OF TEXAS (201)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: CAPITAL ASSETS

A summary of changes in Capital Assets for the year ended August 31, 2023:

	Balance 9/1/22	Adjustments	Completed CIP	Inc Int'agy Trans
Governmental Activities:				
Non-depreciable Assets				
Other Capital Assets	49,975.00			
Depreciable Assets				
Furniture and				
Equipment	\$ 49,691.08	\$	\$	\$
Intangible: Software	0.00		0.00	0.00
Total non & depreciable/ amortizable assets	99,666.08	0.00	0.00	0.00
Less Accum Deprec for:				
Furniture and Equip	(49,691.08)	0.00		
Less Acc Amort Software	0.00			
Total Accum Deprec/Amort	(49,691.08)	0.00	0.00	0.00
TOTAL	\$ 49,975.00	\$ 0.00	\$ 0.00	\$ 0.00
	Dec Int'agy Trans	Addition	Deletions	Balance 8/31/23
continued				
Governmental Activities:				
Non-depreciable Assets				
Construction in Progress				49,975.00
Depreciable Assets				
Furniture and				
Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 49,691.08
Intangible: Software	0.00	0.00	0.00	0.00
Total non & depreciable/ amortizable assets	0.00	0.00	0.00	99,666.08
Less Accum Deprec for:				
Furniture and Equip	0.00	0.00	0.00	(49,691.08)
Less Acc Amort Software	0.00			0.00
Total Accum Deprec/Amort	0.00	0.00	0.00	(49,691.08)
TOTAL	\$ 0.00	\$ 0.00	\$ 0.00	\$ 49,975.00

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS

The Supreme Court of Texas is authorized by statute to make investments following the "prudent person rule." There were no significant violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2023, the Attorney License Fee account has \$678,455.43 cash in bank which is the same as the carrying amount on the books.

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THE SUPREME COURT OF TEXAS (201)
NOTES TO THE FINANCIAL STATEMENTS

CASH IN BANK - CARRYING VALUE	\$ 678,455.43
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalent	<u>0.00</u>
Cash in Bank per AFR	<u>\$ 678,455.43</u>
Governmental Funds Current Assets Cash in Bank	<u>\$ 678,455.43</u>
Cash in Bank per AFR	<u>\$ 678,455.43</u>

As of August 31, 2023, the total bank balances was as follows:

Governmental Activities Fund Type 02	<u>\$ 678,455.43</u>
--------------------------------------	----------------------

Deposit Custodial Credit Risk:

	Bank Balance Uninsured and Uncollateralized
Governmental Activities Fund Type 02	\$ <u>428,455.43</u>
Total Fund Type 02	<u>428,455.43</u>
Total Governmental	<u>428,455.43</u>
Supreme Court of Texas Totals	<u>\$ 428,455.43</u>

The agency does not have a deposit policy for custodial credit risk.

NOTE 4: SHORT TERM DEBT

Not Applicable

NOTE 5: SUMMARY OF LONG-TERM LIABILITIES

Notes and Loans Payable:

The agency did not have any notes or loans payable as of August 31, 2023.

Changes In Long-Term Liabilities

During the year ended August 31, 2023, the following changes occurred in liabilities.

Governmental Activities:	Balance 9/01/22	Additions	Deductions/Changes	Balance 8/31/23	Amounts Due Within One Yr
Compensable Leave	\$ 539,353.81	\$ 560,069.98	\$ (371,472.33)	\$ 727,951.46	\$ 364,328.28
Capital Lease Oblig	0.00	0.00	0.00	0.00	0.00
TOTAL	<u>\$ 539,353.81</u>	<u>\$ 560,069.98</u>	<u>\$ (371,472.33)</u>	<u>\$ 727,951.46</u>	<u>\$ 364,328.28</u>

THE SUPREME COURT OF TEXAS (201)
NOTES TO THE FINANCIAL STATEMENTS

Employees' Compensable Leave

If a state employee had continuous employment with the state for at least six months, the state employee is entitled to be paid for all unused vacation time accrued in the event of the employee's resignation, dismissal or separation from state employment. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Position. Both an expense and liability for business-type activities are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. This obligation is usually paid from the same funding sources(s) from which the employee's salary or wage compensation was paid.

NOTE 6: BONDED INDEBTEDNESS

Not applicable

NOTE 7: DERIVATIVE INSTRUMENTS

Not applicable

NOTE 8: LEASES

Not applicable

NOTE 9: PENSION PLANS

Not applicable

NOTE 10: DEFERRED COMPENSATION

Not applicable

NOTE 11: POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Not applicable

NOTE 12: INTERFUND BALANCES/ACTIVITIES

As explained in Note 1 on Interfund Transactions and Balances, there are numerous transactions between funds and agencies. At year end, amounts to be received or paid are reported as Interfund Receivables or Interfund Payables, Advances From or Advances To, or Due From or Due To Other Funds. Individual interfund receivable and payable balances at August 31, 2023 were as follows:

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

The Judicial Fund 0573 is a shared fund with District Courts and with the Comptroller's Office Judiciary Section, agency 241. There were transfers between the Supreme Court and agency 241.

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THE SUPREME COURT OF TEXAS (201)
NOTES TO THE FINANCIAL STATEMENTS

The Statewide Electronic Filing System Fund 5157 is a shared fund with District Courts and with the Office of Court Administration, agency 212.

Individual balances and activities at August 31, 2023, follows:

	<u>Due To</u>	<u>Due From</u>	<u>Source</u>
Fund Type (01)			
Appd Fund 0001, D23 Fund 0001			
Agency 212, D23 Fund 0001	56,416.85		Shared Funds
Agency 746, D23 Fund 7999			
Fund Type (02)			
Appd Fund 0573, D23 Fund 00573			
Agency 212, D23 Fund 0001			Shared Funds
Total Due To/From	\$ <u>56,416.85</u>	\$ <u>0.00</u>	
	<u>Operating</u>	<u>Operating</u>	
	<u>Transfer In</u>	<u>Transfer Out</u>	
Fund Type (01)			
Appd Fund 0001, D23 Fund 5010			
Agency 302, D23 Fund 5010	5,000,000.00		Shared Funds
Agency 201, D23 Fund 5010	5,000,000.00	5,000,000.00	
Appd Fund 0001, D23 Fund 5157			
Agency 212, D23 Fund 5157		760.00	Shared Funds
Fund Type (02)			
Appd Fund 0573, D23 Fund 0469			
Agency 241, D23 Fund 0573		2,500,000.00	Shared Funds
Appd Fund 0573, D23 Fund 0573			
Agency 241, D23 Fund 0573	14,274,204.54		Shared Funds
Appd Fund 0573, D23 Fund 1534			
Agency 241, D23 Fund 0573		<u>717,205.27</u>	Shared Funds
Total Transfers	\$ <u>24,274,204.54</u>	\$ <u>8,217,965.27</u>	

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

Not applicable

NOTE 14: ADJUSTMENTS TO FUND BALANCES/NET ASSETS

Not applicable

NOTE 15: CONTINGENCIES AND COMMITMENTS

Not applicable

THE SUPREME COURT OF TEXAS (201)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 16: SUBSEQUENT EVENTS

Not applicable

NOTE 17: RISK MANAGEMENT

Not applicable

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS/MATERIAL CHANGES TO AFR

Not applicable

NOTE 19: THE FINANCIAL REPORTING ENTITY: RELATED ORGANIZATIONS

Not applicable

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Not applicable

NOTE 21: N/A

NOTE 22: DONOR-RESTRICTED ENDOWMENTS

Not applicable

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Not applicable

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Not applicable

NOTE 25: TERMINATION BENEFITS

Not applicable

NOTE 26: SEGMENT INFORMATION

Not applicable

NOTE 27: SERVICE CONCESSION AGREEMENTS

Not applicable

NOTE 28: DEFERRED OUTFLOWS OF RESOURCES & DEFERRED INFLOWS OF RESOURCES

Not applicable

THE SUPREME COURT OF TEXAS (201)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 29: TROUBLED DEBT RESTRUCTURING

Not applicable

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTERS

Not applicable

NOTE 31: TAX ABATEMENTS

Not applicable

NOTE 32: FUND BALANCES

Not applicable

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THE SUPREME COURT OF TEXAS (201)
 EXHIBIT A-1
 COMBINING BALANCE SHEET -
 ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2023

	GENERAL FUNDS Fund 0001 U/F (0001)	GENERAL REVENUE Fund 0001 (FD 8070)
	<u> </u>	<u> </u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$	\$
Petty Cash on Hand		
Cash In State Treasury		2,076.69
Legislative Appropriations	1,473,390.57	
Federal Receivable		
	<u> </u>	<u> </u>
Total Current Assets	\$ 1,473,390.57	\$ 2,076.69
Non-Current Assets:		
Loans Receivable	\$	\$
		0.00
	<u> </u>	<u> </u>
Total Non-Current Assets	0.00	0.00
	<u> </u>	<u> </u>
TOTAL ASSETS	\$ 1,473,390.57	\$ 2,076.69
LIABILITIES		
Current Liabilities:		
Payables from :		
Accounts Payable	\$ 180,647.22	\$
Payroll Deduction Liability		2,076.69
Due to Other Agencies (Note 12)	56,416.85	
Payroll Payable	685,219.04	
	<u> </u>	<u> </u>
Total Current Liabilities	922,283.11	2,076.69
	<u> </u>	<u> </u>
TOTAL LIABILITIES	\$ 922,283.11	\$ 2,076.69
Fund Financial Statements - Fund		
FUND BALANCES (DEFICITS):		
NonSpendable Consumable Inventories	\$ 0.00	\$
Committed		0.00
Unassigned	551,107.46	
	<u> </u>	<u> </u>
TOTAL FUND BALANCES	551,107.46	0.00
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,473,390.57	\$ 2,076.69
	<u> </u>	<u> </u>

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

TOTALS
(EXHIBIT I)
2023

\$ 0.00
2,076.69
1,473,390.57
0.00
\$ 1,475,467.26

\$ 0.00
0.00
\$ 1,475,467.26

\$ 180,647.22
2,076.69
56,416.85
685,219.04
924,359.80
\$ 924,359.80

\$ 0.00
0.00
551,107.46
551,107.46
\$ 1,475,467.26

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THE SUPREME COURT OF TEXAS (201)
 EXHIBIT B-1
 COMBINING BALANCE SHEET -
 SPECIAL REVENUE FUNDS
 For the Year Ended August 31, 2023

	SPECIAL REVENUE Fund 0573 U/F (0573)	SPECIAL REVENUE Fund 9999 U/F (0999)
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$	\$
Cash in Bank	0.00	678,455.43
Legislative Appropriations	0.00	
Federal Receivable	0.00	
	<u>0.00</u>	<u>678,455.43</u>
Total Current Assets	\$ 0.00	\$ 678,455.43
Non-Current Assets:		
Loans Receivable	\$	0.00
	<u>0.00</u>	<u>0.00</u>
Total Non-Current Assets	0.00	0.00
TOTAL ASSETS	<u>\$ 0.00</u>	<u>\$ 678,455.43</u>
LIABILITIES		
Current Liabilities:		
Payables from :		
Accounts Payable	\$ 234,899.08	\$
Payroll Payable	0.00	
Due to Other Agencies (Agy 212, Fund 0001)	0.00	0.00
	<u>234,899.08</u>	<u>0.00</u>
Total Current Liabilities	234,899.08	0.00
TOTAL LIABILITIES	<u>\$ 234,899.08</u>	<u>\$ 0.00</u>
Fund Financial Statements - Fund		
FUND BALANCES (DEFICITS):		
Restricted	\$ (234,899.08)	\$ 678,455.43
Committed		
	<u>(234,899.08)</u>	<u>678,455.43</u>
TOTAL FUND BALANCES	<u>(234,899.08)</u>	<u>678,455.43</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0.00</u>	<u>\$ 678,455.43</u>

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

TOTALS
(EXHIBIT I)
2023

\$ 678,455.43
0.00
0.00

\$ 678,455.43

\$ 0.00
0.00

\$ 678,455.43

\$ 234,899.08
0.00
0.00

234,899.08

\$ 234,899.08

\$ 443,556.35
0.00

443,556.35

\$ 678,455.43

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THE SUPREME COURT OF TEXAS (201)
 EXHIBIT A-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
 FUND BALANCES - ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2023

	GENERAL REVENUE FUND 0001 U/F (0001)	GENERAL REVENUE FUND 0001 U/F (5010)
REVENUES:		
Legislative Appropriations	\$ 21,112,514.00	\$
Additional Appropriations	1,772,389.34	
Federal Revenue	2,303,365.31	
Licenses and Permits		
Other Revenue	150,194.00	
Total Revenues	25,338,462.65	0.00
EXPENDITURES:		
Salaries and Wages	8,047,638.36	
Payroll Related Costs	2,097,066.14	
Professional Fees & Services	41,500.00	
Travel	68,298.38	
Materials and Supplies	62,142.64	
Communication and Utilities	9,878.87	
Repairs and Maintenance		
Rentals and Leases	21,638.54	
Printing and Reproduction	16,363.24	
Federal Pass-through Expenditure	244,865.30	
State Grant Pass-through Expenditure	27,740.96	
Intergovernmental Payments	106,800.00	
Public Assistance Payments	14,211,836.15	5,000,000.00
Other Operating Expenditures	349,293.54	
Capital Outlay		
Total Expenditures	25,305,062.12	5,000,000.00
EXCESS OF REVENUES OVER EXPENDITURES	33,400.53	(5,000,000.00)
OTHER FINANCING SOURCES (USES):		
Operating Transfers In (Note 12)		10,000,000.00
Operating Transfers Out (Note 12)		(5,000,000.00)
Total Other Financing Sources (Uses)	0.00	5,000,000.00
EXCESS OF REVENUE & OTHER FINANCING SOURCES OVER EXPENDITURES & OTHER FINANCING USES	33,400.53	0.00
FUND BALANCES - Beginning	593,709.52	0.00
Restatements		0.00
FUND BALANCES - Beginning, As Restated	593,709.52	
Lapsed Appropriations	(76,002.59)	
FUND BALANCES - Ending	\$ 551,107.46	\$ 0.00

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

GENERAL REVENUE FUND 0001 U/F (5157)	<u>TOTALS</u> EXHIBIT II 2023
	\$ 21,112,514.00
	1,772,389.34
	2,303,365.31
760.00	760.00
	150,194.00
760.00	25,339,222.65
	8,047,638.36
	2,097,066.14
	41,500.00
	68,298.38
	62,142.64
	9,878.87
	0.00
	21,638.54
	16,363.24
	244,865.30
	27,740.96
	106,800.00
	19,211,836.15
	349,293.54
	0.00
0.00	30,305,062.12
760.00	(4,965,839.47)
	10,000,000.00
(760.00)	(5,000,760.00)
(760.00)	4,999,240.00
0.00	33,400.53
0.00	593,709.52
0.00	0.00
	593,709.52
	(76,002.59)
0.00	\$ 551,107.46

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THE SUPREME COURT OF TEXAS (201)
 EXHIBIT B-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
 FUND BALANCES - SPECIAL REVENUE FUNDS
 For the Year Ended August 31, 2023

	SPECIAL REVENUE FUND 0573 U/F (0469)	SPECIAL REVENUE FUND 0573 U/F (1534)	
	<u> </u>	<u> </u>	
REVENUES:			
Legislative Appropriations	\$	\$	\$
Additional Appropriations			
Licenses, Fees and Permits		717,205.27	
Interest, Dividend & Other Income			
State Grant Pass-Through Revenue	2,500,000.00		
Other Revenue			
	<u> </u>	<u> </u>	
Total Revenues	<u>2,500,000.00</u>	<u>717,205.27</u>	
EXPENDITURES:			
Salaries and Wages			
Payroll Related Costs			
Professional Fees & Services			
Travel			
Materials and Supplies			
Communication and Utilities			
Repairs and Maintenance			
Rentals and Leases			
Printing and Reproduction			
Federal Pass-through Expenditure			
State Grant Pass-through Expenditure			
Intergovernmental Payments			
Public Assistance Payments			
Other Operating Expenditures			
Capital Outlay			
	<u> </u>	<u> </u>	
Total Expenditures	<u>0.00</u>	<u>0.00</u>	
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,500,000.00</u>	<u>717,205.27</u>	
OTHER FINANCING SOURCES (USES):			
Operating Transfers In (Note 12)			
Operating Transfers Out (Note 12)	<u>(2,500,000.00)</u>	<u>(717,205.27)</u>	
Total Other Financing Sources (Uses)	<u>(2,500,000.00)</u>	<u>(717,205.27)</u>	
EXCESS OF REVENUE & OTHER FINANCING SOURCES OVER EXPENDITURES & OTHER FINANCING USES	0.00	0.00	
FUND BALANCES - Beginning	0.00	0.00	
Restatements		<u>0.00</u>	
FUND BALANCES - Beginning, As Restated	<u>0.00</u>	<u>0.00</u>	
Lapsed Appropriations	<u>0.00</u>	<u>0.00</u>	
FUND BALANCES - Ending	\$ <u><u>0.00</u></u>	\$ <u><u>0.00</u></u>	\$

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

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SPECIAL REVENUE FUND 9999 U/F (0999)	SPECIAL REVENUE FUND 0573 U/F (0573)	TOTALS EXHIBIT II 2023
	\$	\$ 0.00
		0.00
224,975.00	33,068,288.62	34,010,468.89
559.95		559.95
		2,500,000.00
		0.00
<u>225,534.95</u>	<u>33,068,288.62</u>	<u>36,511,028.84</u>
150,000.00	333,251.00	483,251.00
		0.00
	2,386.12	2,386.12
7,920.87	8,324.08	16,244.95
13,487.36	48,356.89	61,844.25
3,602.80	129,133.24	132,736.04
	9,413.52	9,413.52
	29,246.99	29,246.99
43,657.40	2,990.00	46,647.40
		0.00
		0.00
	669,090.44	669,090.44
	46,073,682.00	46,073,682.00
2,225.00	28,661.90	30,886.90
		0.00
<u>220,893.43</u>	<u>47,334,536.18</u>	<u>47,555,429.61</u>
<u>4,641.52</u>	<u>(14,266,247.56)</u>	<u>(11,044,400.77)</u>
	14,274,204.54	14,274,204.54
		(3,217,205.27)
<u>0.00</u>	<u>14,274,204.54</u>	<u>11,056,999.27</u>
4,641.52	7,956.98	12,598.50
673,813.91	(242,856.06)	430,957.85
0.00	0.00	0.00
<u>673,813.91</u>	<u>(242,856.06)</u>	<u>430,957.85</u>
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>678,455.43</u>	<u>\$ (234,899.08)</u>	<u>\$ 443,556.35</u>

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THE SUPREME COURT OF TEXAS (201)
 SCHEDULE 1A
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2023

Federal Grantor/ Pass-through Grantor Program Title	CFDA Number	NSE Name/ Id. Number	Agy #	Pass-through From		Direct Program Amount
				Agencies Amount	Non-State Entities Amount	
US Department of Health and Human Services						
<u>Direct Programs:</u>						
State Court Improvement Program	93.586					2,303,365.31
Pass-through To:						
Office of Court Administration						
Totals - US Dpt of Health & Human Services				0.00	0.00	2,303,365.31
Total Expenditures of Federal Awards				0.00	0.00	2,303,365.31

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Total PT From & Direct Prog Amt	Agy #	Pass-through To		Expenditures Amount	Total PT To & Direct Exp Amt
		Agencies Amount	Non-State Entities Amount		
2,303,365.31				2,058,500.01	2,303,365.31
<u>2,303,365.31</u>	212	<u>244,865.30</u>			
<u>2,303,365.31</u>		<u>244,865.30</u>	<u>0.00</u>	<u>2,058,500.01</u>	<u>2,303,365.31</u>
<u>2,303,365.31</u>		<u>244,865.30</u>	<u>0.00</u>	<u>2,058,500.01</u>	<u>2,303,365.31</u>

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THE SUPREME COURT OF TEXAS (201)
 SCHEDULE 1B
 SCHEDULE OF STATE GRANT PASS-THROUGHS
 FROM/TO STATE AGENCIES
 For the Year Ended August 31, 2023

Pass-through From	Grant ID	Agency #	Amount
Victim of Crimes Civil Legal Services Program OFFICE OF THE ATTORNEY GENERAL	302.0005	302	<u>2,500,000.00</u>
Total Pass-through From Other Agencies (Exh II):			<u><u>2,500,000.00</u></u>
Pass-through To	Grant ID	Agency #	Amount
JCMH-OCA Technology Grant OFFICE OF COURT ADMINISTRATION	201.0005	212	<u>27,740.96</u>
Total Pass-through To Other Agencies (Exh II):			<u><u>27,740.96</u></u>