

SMITH COUNTY, TEXAS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020

COUNTY JUDGE – NATHANIEL MORAN

Members of the Commissioners Court:

Jeff Warr – Commissioner, Pct. #1

Cary Nix – Commissioner, Pct. #2

Terry Phillips – Commissioner, Pct. #3

JoAnn Hampton – Commissioner, Pct. #4

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

SMITH COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2020

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INTRODUCTORY SECTION





COUNTY OF SMITH

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

Ann W. Wilson, CPA, CIO
County Auditor

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

March 23, 2021

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

The Comprehensive Annual Financial Report of Smith County, Texas for the fiscal year ending September 30, 2020 is submitted in accordance to the requirements of Chapters 114.025 of the Local Government Code.

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

Smith County's financial statements have been audited by Gollob Morgan Peddy PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Smith County for the fiscal year ended September 30, 2020 are free of material misstatement. 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. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Smith County's financial statements for the fiscal year ended September

30, 2020, are presented fairly 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's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Smith County's MD&A can be found immediately following the report of the independent auditors.

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

PROFILE OF SMITH COUNTY

The County of Smith was established in 1846 and is located in the north east section of the state. Smith County covers 932 square miles and serves a population of approximately 232,751. The City of Tyler is the county seat and Smith County's largest incorporated area with an estimated population of approximately 100,806 residents. Smith County also includes the Cities of Lindale, Whitehouse, Arp, Troup, Bullard, Winona, New Chapel Hill, Noonday, Overton, and Hide-a-way Lake.

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

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

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

The County provides a full range of services as authorized by the Constitution and Statutes of the State of Texas. The primary functions include general government, justice system, law

enforcement, juvenile service, public transportation, public health, human services, and debt service.

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

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy – Smith County continues to be the home to many major industries, including manufacturing, health care and higher education. As of December 2020, Smith County reports an unemployment rate of 3.2% as compared to the national unemployment rate of 3.5% in December 2020 according to the US Bureau of Labor Statistics.

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

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

LONG TERM FINANCIAL PLANNING

Smith County has adopted several financial management policies to provide guidelines to insure its long-term financial health. The general fund balance policy sets a minimum level of reserve funds in the general fund at 25% of current budgeted expenditures and discourages any dependence on reserves to balance the general fund budget. The debt management policy establishes guidelines for debt issuance, debt levels, appropriate types of debt to issue, and debt repayment schedules. The County remains in compliance with these policies. Smith County maintained a formal Capital Improvement Plan for 2020.

RELEVANT FINANCIAL POLICIES

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

MAJOR INITIATIVES

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

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Distinguished Budget Presentation Award to Smith County for its annual budget document dated October 1, 2019. This was the 16th consecutive year. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communications device.

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Smith County for the Comprehensive Annual Financial Report dated September 30, 2019. This was the 10th consecutive year Smith County has applied and received this award.

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

Respectfully submitted,



Ann W. Wilson, CPA
Smith County Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

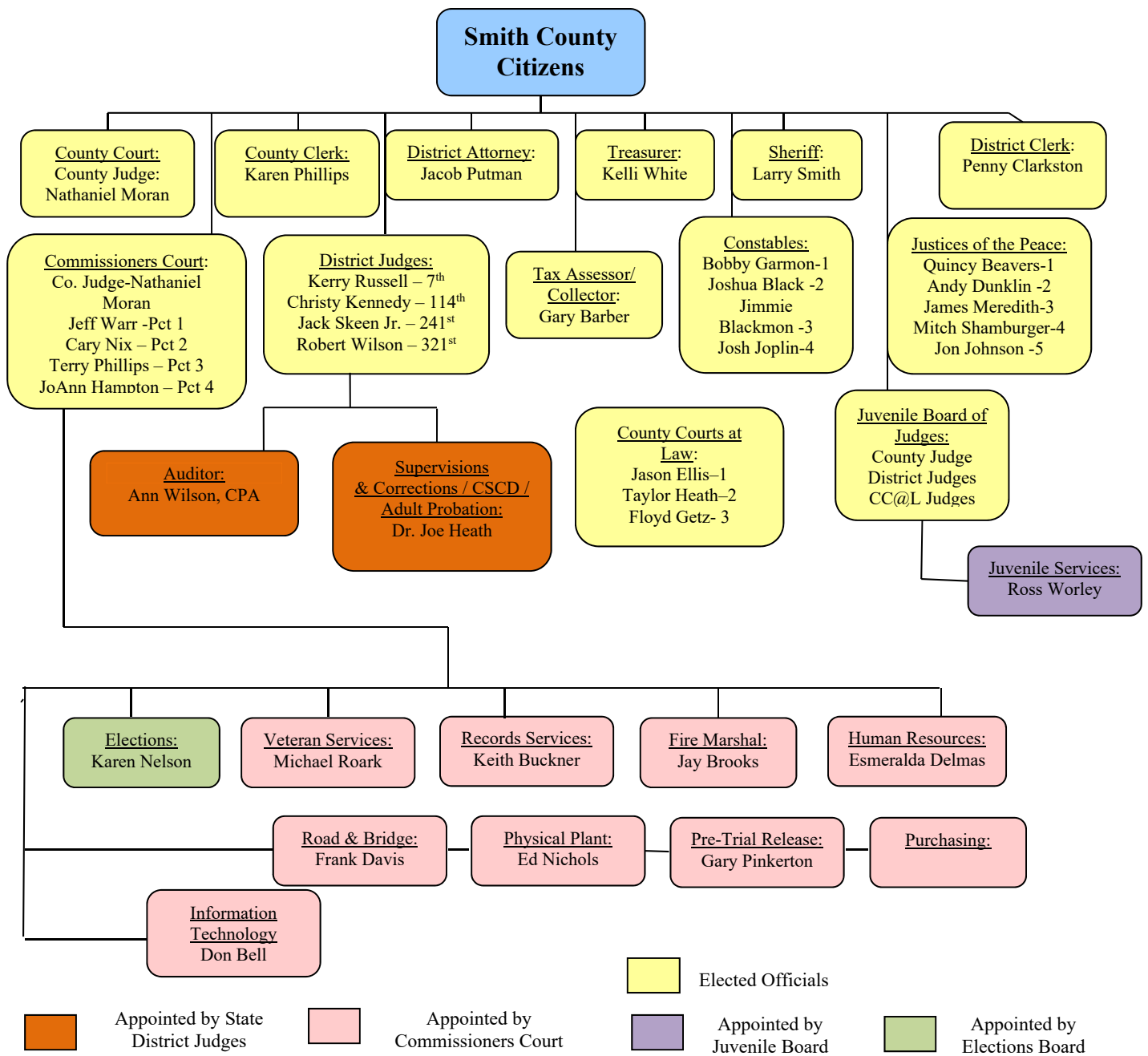
**Smith County
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO



**SMITH COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2020**

Commissioners Court

County Judge	Nathaniel Moran
Commissioner - Precinct #1	Jeff Warr
Commissioner - Precinct #2	Cary Nix
Commissioner - Precinct #3	Terry Phillips
Commissioner - Precinct #4	JoAnn Hampton

Judicial

County Court	Judge Nathaniel Moran
County Court at Law	Judge Jason Ellis
County Court at Law #2	Judge Taylor Heaton
County Court at Law #3	Judge Floyd T. Getz
7 th District Court	Judge Kerry Russell
114 th District Court	Judge Christy Kennedy
241 st District Court	Judge Jack Skeen, Jr.
321 st District Court	Judge Robert Wilson

County & Precinct Officials

Constable - Precinct #1	Bobby Garmon
Constable - Precinct #2	Joshua Black
Constable - Precinct #3	Jimmie Blackmon
Constable - Precinct #4	Josh Joplin
Constable - Precinct #5	Kenneth Bibby
County Clerk	Karen Phillips
District Attorney	Jacob Putman
District Clerk	Penny Clarkston
Elections/Voter Registration	Karen Nelson
Justice of the Peace - Pct. #1	Judge Quincy Beavers, Jr.
Justice of the Peace - Pct. #2	Judge Andy Dunklin
Justice of the Peace - Pct. #3	Judge James Meredith
Justice of the Peace - Pct. #4	Judge Mitch Shamburger
Justice of the Peace - Pct. #5	Judge Jon Johnson
Sheriff	Larry Smith
Tax Assessor-Collector	Gary Barber
County Treasurer	Kelli White
Adult Probation	Dr. Joe Heath
County Auditor	Ann W. Wilson, CPA
Juvenile Services	Ross Worley
Purchasing	



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Smith County, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Smith County, Texas as of September 30, 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 4–16; the budgetary comparison information contained in Schedules 1, and 2 on pages 66–69; the Schedule of Changes in the County's Net Pension Liability and Related Ratios on page 70; the Schedule

of Employer Contributions on page 71; the Schedule of Changes in the County's OPEB Liability and Related Ratios – Health Plan on page 72, the Schedule of Employer Contributions – Health Plan on page 73, the Schedule of Changes in the County's Net OPEB Liability – Supplemental Death Benefits Plan on page 74 and the Notes to Required Supplementary Information on page 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2021, on our consideration of Smith County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Smith County, Texas' internal control over financial reporting and compliance.



Certified Public Accountants

Tyler, Texas
March 16, 2021

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SMITH COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the County of Smith's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2020. The MD&A should be read in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements. The discussion and analysis includes comparative data for prior years of government-wide data.

FINANCIAL HIGHLIGHTS

Smith County's total government-wide assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$76,057,481 at the close of the fiscal year ending September 30, 2020. This is an increase of \$8,573,757 from the previous year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$67,483,724.

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

- Net investment in capital assets of \$73,535,200 includes land, improvements, buildings, infrastructure, intangible assets, construction in progress, and other capital assets, net of accumulated depreciation, and is reduced by outstanding debt, net of unspent proceeds, related to the purchase or construction of capital assets.
- Of the total net position, \$17,490,545 is restricted by constraints imposed from outside the County such as debt obligations, laws, and regulations.
- Unrestricted net position is a negative \$14,968,264.
- As of September 30, 2020, Smith County governmental funds reported combined fund balances of \$76,814,441. This reflects an increase of \$5,632,385 from the previous fiscal year that is primarily due to the issuance of general obligation bonds and CARES Act Funding. The current year total consists of a combined nonspendable fund balance of \$485,764, restricted fund balance of \$29,226,240, committed fund balance of \$12,239,913, and unassigned fund balance of \$34,862,524 for fiscal year 2020.
- The general fund is used to account for the general operations of the county. At the end of the fiscal year, the nonspendable fund balance was \$479,878 and the unassigned fund balance was \$34,866,524.
- The Road & Bridge Fund is used to account for construction, maintenance, repair or operation of roads, streets, highways, or other related facilities. The committed fund balance for the Road & Bridge Fund at fiscal yearend was \$6,316,604.
- The nonmajor governmental funds had a combined total fund balance at September 30, 2020 of \$35,151,435. Of that amount, \$5,886 is nonspendable, \$5,923,309 is committed, a

negative \$4,000 is unassigned and \$29,226,240 is restricted (\$26,414,980 for special revenue funds and \$2,811,260 for debt service).

- In fiscal year 2020, the County issued general obligation debt in the amount of \$7,125,000.
- Smith County's general obligation debt increased by \$2,300,000. Total general obligation debt at the end of fiscal year 2020 is \$36,560,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Smith County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related

legal compliance. All of the funds of Smith County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$76,057,481 for fiscal year 2020 and \$67,483,724 for fiscal year 2019. Revenues exceeded expenses during the current year, increasing net position by \$8,753,757.

Smith County Net Position

The County's net position for the fiscal years ended September 30, 2019 and 2020 are summarized as follows:

	Governmental Activities FY19	Governmental Activities FY20
Current & Other Assets	\$ 85,457,391	\$ 92,788,219
Capital Assets (net of depreciation)	95,718,864	102,290,284
<i>Total Assets</i>	\$ 181,176,255	\$ 195,078,503
Deferred Outflows of Resources		
Deferred Charge on TCDRS Pension & OPEB	\$ 18,374,862	\$ 15,026,692
	\$ 18,374,862	\$ 15,026,692
Current & Other Liabilities	\$ 14,968,572	\$ 16,556,740
Long-term Liabilities	113,129,657	106,956,810
<i>Total Liabilities</i>	\$ 128,098,229	\$ 123,513,550
Deferred Inflows of Resources		
Deferred Charge on TCDRS Pension & OPEB	\$ 3,969,164	\$ 10,534,164
	\$ 3,969,164	\$ 10,534,164
Net Position:		
Net Investment in Capital Assets	\$ 70,060,840	\$ 73,535,200
Restricted	15,398,654	17,490,545
Unrestricted	(17,975,770)	(14,968,264)
<i>Total Net Position</i>	\$ 67,483,724	\$ 76,057,481

The largest portion of the County's current fiscal year net position, \$73,535,200 is invested in capital assets (e.g. land, improvements, buildings, equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The primary use of these capital assets is to provide services to citizens; therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Another balance of net position represents resources that are subject to external restriction on how they may be used. Restrictions include \$4,400,516 for records management, \$3,915,936 for COVID-19 Relief, \$2,811,260 for debt service and \$6,362,833 for other purposes. The remaining portion of the net position is unrestricted net position, which is a negative \$14,968,264.

While the County is able to report a positive balance of net position for the government as a whole, the unrestricted net position is negative. The negative unrestricted net position is a result of implementing accounting standards which change the focus of accounting for Other Post Employment Benefits (OPEB) and pension benefits by recognizing the net pension liability as a long-term liability. More information regarding OPEB contributions and net pension liability can be found in the required supplemental information.

The County's net position increased by \$8,573,757 during the current fiscal year. Key components of the increase include the following:

- Unrestricted net position increased as a result of strong revenue collections and trends, and moderating levels of expenses for several key areas.
- The net position of the internal service fund increased by \$1,967,159 as a result of plan premium increases and plan document changes in 2019.
- Capital assets increased by \$6,571,420 as the County continued implementing its adopted capital improvement plan. The County made significant improvements to county buildings and infrastructure in 2019.
- Governmental Accounting Standards Board Statement 68 required that the County recognize its net pension liability as a long-term liability.

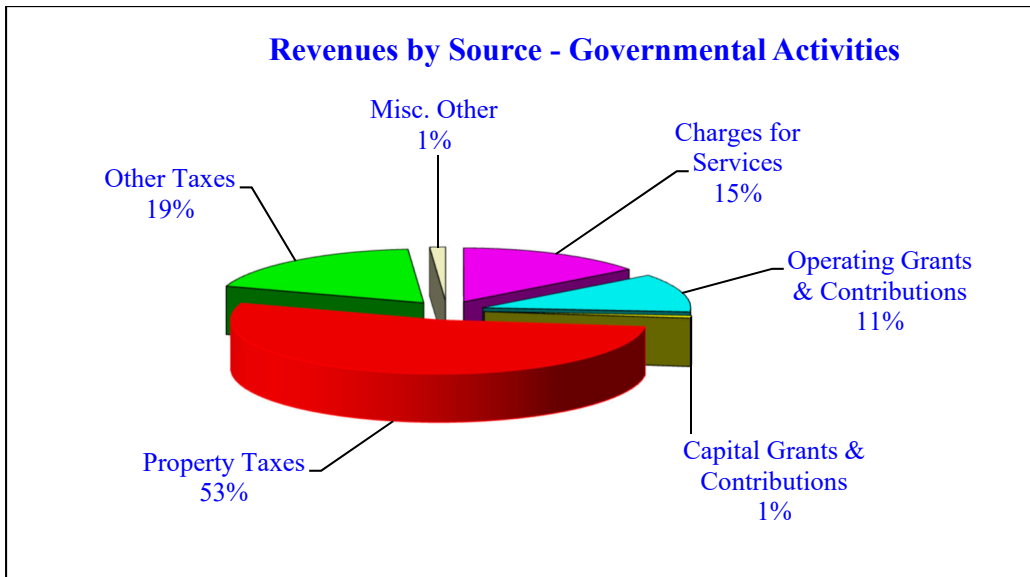
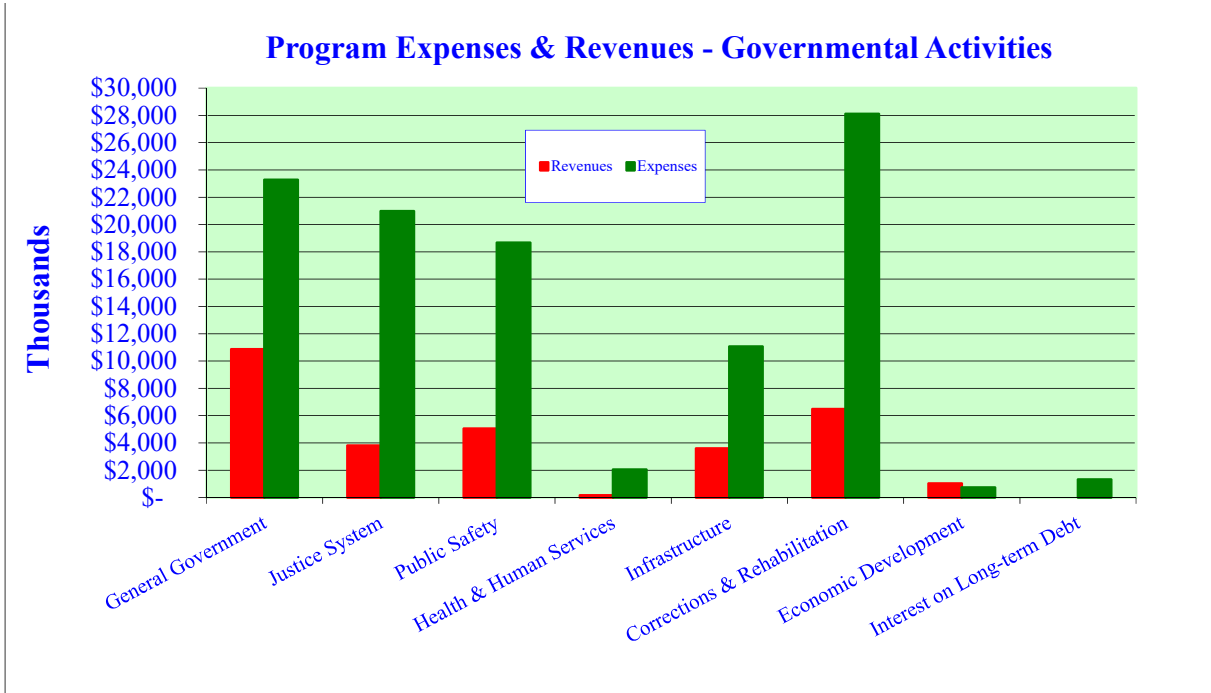
Governmental Activities

Governmental activities increased Smith County's net position by \$8,573,757.

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

Smith County's Changes in Net Position

	<u>Governmental Activities 2019</u>	<u>Governmental Activities 2020</u>
Net Program Revenues:		
Charges for Services	\$ 17,206,442	\$ 16,814,943
Operating Grants & Contributions	5,930,987	13,253,418
Capital Grants & Contributions	865,864	864,766
General Revenues:		
Property Taxes	56,329,278	60,853,157
Sales & Other Taxes	20,613,031	21,489,070
Rentals & Commissions		
Reimbursements		
Miscellaneous	520,479	197,793
Gain (Loss) in Sale of Assets	(51,425)	21,652
Interest	2,110,021	1,179,398
Total Revenues	<u>\$ 103,524,677</u>	<u>\$ 114,674,197</u>
<i>Expenses:</i>		
General Government	\$ 18,333,708	\$ 23,262,579
Justice System	22,166,443	20,959,685
Public Safety	17,026,261	18,648,538
Health & Human Services	1,111,532	2,041,849
Conservation		
Infrastructure	11,644,610	11,056,090
Corrections & Rehabilitation	28,668,267	28,087,621
Community & Economic Development	938,397	732,357
Interest on Long-term Debt	1,282,171	1,311,721
Total Expenses	<u>\$ 101,171,389</u>	<u>\$ 106,100,440</u>
Change in Net Position	\$ 2,353,288	\$ 8,573,757
Net Position - Beginning	65,130,436	67,483,724
Prior Period Adjustment	-	-
Other Increases (Decreases) in Fund Balance	-	-
Net Position - Ending	<u>\$ 67,483,724</u>	<u>\$ 76,057,481</u>



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

- ❖ Program revenues of \$30,933,127 equaled 29% of governmental expenses of \$106,100,440. As expected, general revenues of \$83,741,070 and fund balance provided the additional support and coverage for expenses.
- ❖ Approximately 25% of the expenses are for Corrections & Rehabilitation (\$28,087,621) while this category provided about 6% of the total revenues of \$114,674,197.
- ❖ The next largest category of expenses is General Government (\$23,262,579) at 22%.

General Government provided about 9% of total revenues. General Government expense increases are primarily due to the COVID-19 pandemic costs and revenues increases are associated with governmental relief funds.

- ❖ Justice System activities accounted for 20% of governmental expenses while the category provided 3% of total revenues.
- ❖ Public Safety activities accounted for 17% of governmental expenses while this category provided 4% of total revenues.
- ❖ Infrastructure (Road & Bridge) accounted for 11% of governmental expenses while this category provided 3% of total revenues.
- ❖ Grant revenues and contributions comprised about 12% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

Governmental Funds - The general government functions are reported in the General, Special Revenue, Debt Service, and Capital Project Funds. The focus of Smith County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Smith County's annual financing and budgeting requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$76,814,441. Approximately \$29,226,240 or 38% are restricted; \$12,239,913 or 16% are committed; \$34,862,524 or 45% are unassigned and \$485,764 are non-spendable.

Smith County's General Fund is the primary operating fund of the County. At the end of the current fiscal year, the fund balance in the County's General Fund was \$35,346,402. As a measure of the general fund's liquidity, we compare the fund balance to the total fund expenditures and other financing uses. The fund balance in the County's general fund (\$35,346,402) represents approximately 51% of the County's general fund expenditures and other financing uses. The minimum general fund budgetary target for reserves is 25% of expenditures. The fund balance of the County's general fund increased by \$1,941,966 during the current fiscal year. The increase was attributable to actual revenues slightly exceeding budgetary estimates and actual expenditures ending at approximately 92% of appropriations.

The road & bridge fund accounts for monies designated for the acquisition, construction and maintenance of county roads & bridges. The fund has a total fund balance of \$6,316,604 all of which is committed by the Commissioners Court. The fund balance increased by \$1,841,555 from the previous year which is mainly attributed to the decreased ability to do road maintenance

activities due to the COVID-19 pandemic.

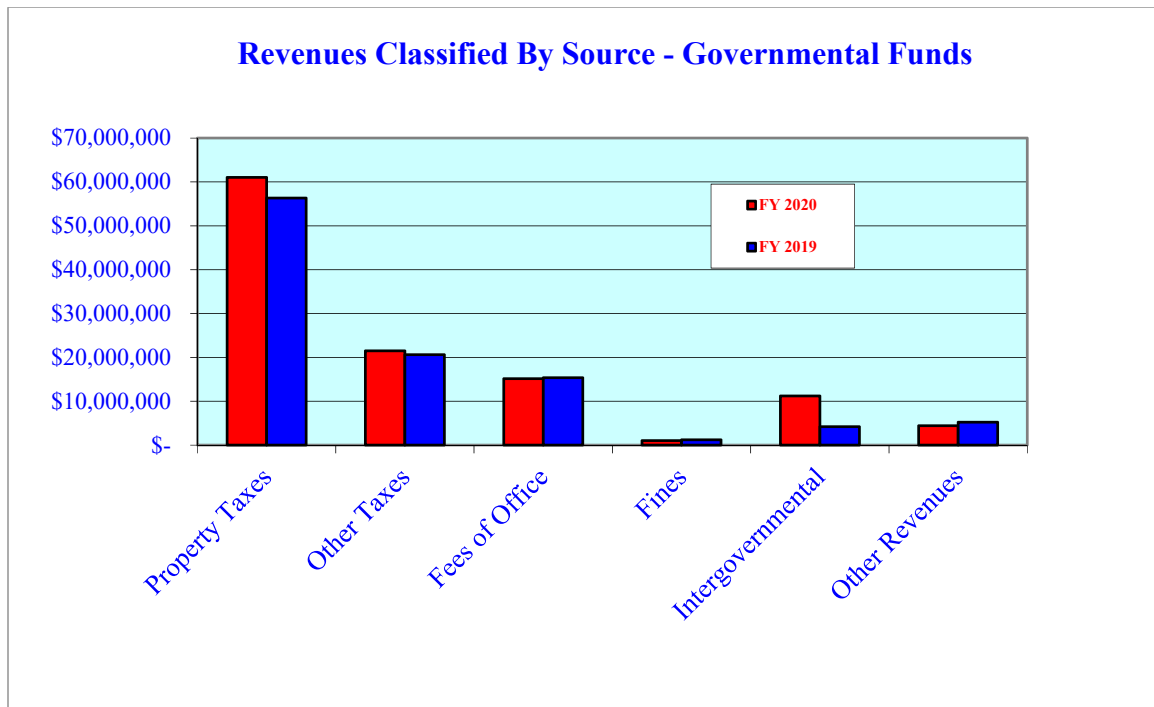
The Infrastructure Improvement Funds are used to account for the construction costs associated with the general obligation bonds issued in FY19 and FY20 for road & bridge improvements. Complete details about the status of road and bridge projects and resource documents can be found at <https://www.smith-county.com/i-want-to/view/county-road-projects>.

The debt service fund has a total fund balance of \$2,811,260, an increase of \$927,982 as compared with the prior year.

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

Governmental Funds - Revenues Classified by Source

Revenues by Source	FY 2020	FY 2019	Increase (Decrease)	Percent of Change
Property Taxes	\$ 61,042,100	\$ 56,349,786	\$ 4,692,314	8.33%
Other Taxes	21,489,070	20,613,031	876,039	4.25%
Fees of Office	15,158,667	15,364,384	(205,717)	-1.34%
Fines	1,041,445	1,211,487	(170,042)	-14.04%
Intergovernmental	11,210,657	4,213,702	6,996,955	166.05%
Other Revenues	4,414,663	5,222,869	(808,206)	-15.47%
Total Revenues	\$ 114,356,602	\$ 102,975,259	\$ 11,381,343	11.05%



- Property Taxes - the increase of \$4,692,314 was primarily due to an increase in taxable values and new construction.
- Other Taxes – the increase is primarily due to sales tax revenue increases from the previous year.
- Fees of Office & Fines - are impacted by the volume of cases and collection efforts. The slight decrease in revenue for FY20 is attributed to effects of COVID-19 on the judicial proceedings.
- The change in Intergovernmental Revenue is attributed mostly to the State and Federal funding received for COVID-19 Relief.

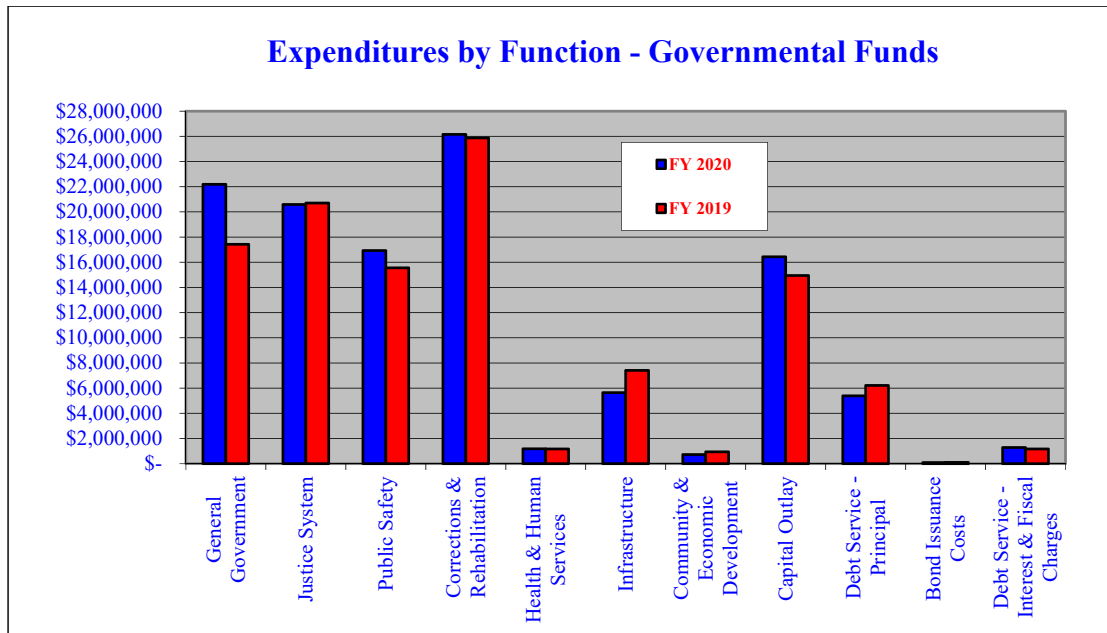
The following table presents expenditure by function compared to prior year amounts.

Expenditures by Function - Governmental Funds

Expenditures by Function	FY 2020	FY 2019	Increase (Decrease)	Percent of Change
General Government	\$ 22,190,539	\$ 17,431,196	\$ 4,759,343	27.30%
Justice System	20,587,143	20,709,745	(122,602)	-0.59%
Public Safety	16,935,004	15,559,895	1,375,109	8.84%
Corrections & Rehabilitation	26,163,204	25,873,743	289,461	1.12%
Health & Human Services	1,187,247	1,168,119	19,128	1.64%
Infrastructure	5,639,464	7,404,914	(1,765,450)	-23.84%
Community & Economic Development	732,357	938,397	(206,040)	-21.96%
Capital Outlay	16,436,607	14,946,610	1,489,997	9.97%
Debt Service - Principal	5,384,937	6,220,183	(835,246)	-13.43%
Bond Issuance Costs	85,000	104,587	(19,587)	-18.73%
Debt Service - Interest & Fiscal Charges	1,282,647	1,166,053	116,594	10.00%
	<u>\$ 116,624,149</u>	<u>\$ 111,523,442</u>	<u>\$ 5,100,707</u>	<u>4.57%</u>

Overall, total expenditures increased by approximately 4.5%. The increase in expenditures of 27.30% in General Government is due to the effects of the COVID-19 pandemic and the need to assist with county and community needs. The decreases in expenditures from the previous fiscal year indicate the impact of the pandemic on county activities.

OPERATING FUNDS - BUDGETARY HIGHLIGHTS



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

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

Actual revenues were higher than budgeted by \$1,778,274.

Actual expenditures were 92% of the amended budget. Operational savings from budgeted amounts were primarily from salary lag, inability to travel, and unused contingency funds.

DEBT ADMINISTRATION AND CAPITAL ASSETS

Long-term Debt - At September 30, 2020, Smith County had general obligation bonds outstanding in the amount of \$36,560,000. The County's bond rating is AA2 from Moody's and AA+ from Standard and Poor's. In compliance with Governmental Accounting Standards Board (GASB) Statement 45, Smith County began reporting the Other Post Employment Benefit (OPEB) obligation in FY09.

The following represents the activity of the long-term debt of the County for FY2020.

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
General Obligation Bonds	\$ 34,260,000	\$ 7,125,000	\$ 4,825,000	\$ 36,560,000
Bond Premium, Net	1,493,040	710,000	282,341	1,920,699
Compensated Absences	3,001,943	2,034,583	1,825,486	3,211,040
Net OPEB Liability	53,983,210	5,216,226	-	59,199,436
Net Pension Liability	25,386,023	-	12,035,161	13,350,862
Capital Leases	2,570,020	-	559,937	2,010,083
Total	<u>\$ 120,694,236</u>	<u>\$ 15,085,809</u>	<u>\$ 19,527,925</u>	<u>\$ 116,252,120</u>

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

Capital Assets - The capital assets of Smith County are those assets (land, buildings, improvements, roads & bridges, and machinery & equipment), which are used in the performance of the County’s functions including infrastructure assets. At September 30, 2020, net capital assets of the governmental activities totaled \$102,290,284. Depreciation on capital assets is recognized in the Government-wide financial statements.

Smith County's Capital Assets

	Cost	Accumulated Depreciation	Net Capital Assets
Governmental Activities:			
Land	\$ 1,529,309	\$ -	\$ 1,529,309
Buildings & Improvements	88,992,373	44,744,636	44,247,737
Machinery & Equipment	36,253,751	29,460,967	6,792,784
Infrastructure	122,943,652	74,670,164	48,273,488
Construction in Progress	1,446,966	-	1,446,966
Total	<u>\$ 251,166,051</u>	<u>\$ 148,875,767</u>	<u>\$ 102,290,284</u>

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

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

In considering the Smith County budget for FY2021, the County Commissioners and management considered the following factors:

- Property tax revenues are budgeted to decrease in FY21 due to the economic uncertainty caused by the COVID-19 pandemic. A one cent tax rate decrease was adopted for FY21.
- Revenues were estimated with an increased level of the usual conservative approach due to the inability to proceed in a normal manner with the judicial system.
- Interest rates are planned to continue with a slight decrease.
- Expenditures are budgeted to provide zero dependence on fund balance for ongoing operations.

PENSION AND OTHER POST EMPLOYMENT BENEFIT PLANS

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

Effective for the fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* created specific reporting requirements for pensions that are different than those used for funding purposes. Both valuations are important as the reporting valuation provides a standard measure that can be used to compare pension liabilities to other governments and the funding valuation includes strategies for repaying any unfunded actuarial accrued liabilities.

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

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

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report, or need any additional financial information, contact the appropriate financial office (County Auditor, County Treasurer or County Judge) at 200 E. Ferguson St., Tyler, Texas 75702 or visit the County's website at www.smith-county.com.



BASIC FINANCIAL STATEMENTS

**SMITH COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

EXHIBIT 1

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 26,844,866
Investments	52,386,186
Receivables (net of allowance for doubtful accounts)	11,855,407
Investment in joint venture	1,125,375
Prepays and other assets	576,385
Capital assets (net of accumulated depreciation):	
Land	1,529,309
Buildings	10,929,383
Improvements	33,318,353
Machinery and equipment	6,792,784
Construction in progress	1,446,966
Infrastructure	48,273,489
Total Assets	195,078,503
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on TCDRS pension	8,660,691
Deferred charge on OPEB	6,366,001
Total Deferred Outflows of Resources	15,026,692
LIABILITIES	
Vouchers payable	4,452,872
Salaries payable	2,615,758
Accrued interest payable	192,800
Long-term debt:	
Portion due or payable within one year:	
Compensated absences	2,296,065
Capital leases	1,759,245
Bonds payable	5,240,000
Portion due or payable after one year:	
Compensated absences	914,975
Capital leases	250,838
Bonds payable	33,240,699
Net pension liability	13,350,862
Other post employment benefit liability	59,199,436
Total Liabilities	123,513,550
DEFERRED INFLOWS OF RESOURCES	
Deferred charge on TCDRS pension	8,910,676
Deferred charge on OPEB	1,623,488
Total Deferred Inflows of Resources	10,534,164
NET POSITION	
Net investment in capital assets	73,535,200
Restricted for:	
Records preservation	4,400,516
Law enforcement purposes	1,424,211
Adult probation	2,498,625
Juvenile services	325,175
Inmates	555,585
Courthouse security	877,661
Technology	364,719
Public services	14,470
Judicial support	302,387
COVID Relief	3,915,936
Debt service	2,811,260
Unrestricted	(14,968,264)
Total Net Position	\$ 76,057,481

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

EXHIBIT 2

SMITH COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
Primary Government:					
Governmental activities:					
General government	\$ 23,262,579	\$ 4,728,146	\$ 6,123,569	\$ -	\$ (12,410,864)
Justice system	20,959,685	3,510,527	294,125	-	(17,155,033)
Public safety	18,648,538	906,403	4,140,673	-	(13,601,462)
Corrections and rehabilitation	28,087,621	4,093,266	2,378,121	-	(21,616,234)
Health and human services	2,041,849	-	153,339	-	(1,888,510)
Infrastructure	11,056,090	3,576,601	-	6,351	(7,473,138)
Community and economic development	732,357	-	163,591	858,415	289,649
Interest on long-term debt	1,311,721	-	-	-	(1,311,721)
Total primary government	<u>\$ 106,100,440</u>	<u>\$ 16,814,943</u>	<u>\$ 13,253,418</u>	<u>\$ 864,766</u>	<u>\$ (75,167,313)</u>
General revenues:					
Property taxes					\$ 60,853,157
Sales taxes					20,869,269
Other taxes					619,801
Miscellaneous					197,793
Gain on sale of assets					21,652
Interest earned					1,179,398
Total general revenues					<u>83,741,070</u>
Change in net position					8,573,757
Net position - beginning of year					<u>67,483,724</u>
Net position - end of year					<u>\$ 76,057,481</u>

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

**SMITH COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 704,525	\$ 396,012	\$ 23,680,393	\$ 24,780,930
Investments	32,035,367	6,052,603	10,274,707	48,362,677
Receivables:				
Property taxes	2,333,526	313,163	4,430,485	7,077,174
Other	4,503,001	162,820	789,373	5,455,194
Prepaid and other assets	479,878	29,916	5,886	515,680
Due from other funds	618,000	-	-	618,000
	<u>40,674,297</u>	<u>6,954,514</u>	<u>39,180,844</u>	<u>86,809,655</u>
Total assets	\$ 40,674,297	\$ 6,954,514	\$ 39,180,844	\$ 86,809,655
LIABILITIES				
Vouchers payable	1,121,664	\$ 138,165	\$ 2,607,796	\$ 3,867,625
Salaries payable	2,016,062	192,079	404,199	2,612,340
Due to other funds	-	-	618,000	618,000
	<u>3,137,726</u>	<u>330,244</u>	<u>3,629,995</u>	<u>7,097,965</u>
Total liabilities	3,137,726	330,244	3,629,995	7,097,965
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	2,190,169	307,666	399,414	2,897,249
	<u>2,190,169</u>	<u>307,666</u>	<u>399,414</u>	<u>2,897,249</u>
Total Deferred Inflows of Resources	2,190,169	307,666	399,414	2,897,249
FUND BALANCES				
Nonspendable:				
Prepays	479,878	-	5,886	485,764
Restricted for:				
Judicial support	-	-	302,387	302,387
Records preservation	-	-	4,400,515	4,400,515
Courthouse security	-	-	877,661	877,661
Law enforcement purposes	-	-	1,424,211	1,424,211
Adult probation	-	-	2,498,625	2,498,625
Juvenile services	-	-	325,174	325,174
Covid relief	-	-	3,915,936	3,915,936
Technology	-	-	364,719	364,719
Public services	-	-	14,470	14,470
Inmates	-	-	555,585	555,585
Capital projects	-	-	11,735,697	11,735,697
Debt service	-	-	2,811,260	2,811,260
Committed to:				
Juvenile services	-	-	1,056,640	1,056,640
Workforce development	-	-	175,584	175,584
Major building repairs	-	-	1,096,576	1,096,576
Elections department	-	-	18,033	18,033
Capital projects	-	-	3,576,476	3,576,476
Road maintenance	-	6,316,604	-	6,316,604
Unassigned	34,866,524	-	(4,000)	34,862,524
	<u>35,346,402</u>	<u>6,316,604</u>	<u>35,151,435</u>	<u>76,814,441</u>
Total fund balances	35,346,402	6,316,604	35,151,435	76,814,441
Total liabilities, deferred inflows of resources, and fund balances	\$ 40,674,297	\$ 6,954,514	\$ 39,180,844	\$ 86,809,655

EXHIBIT 4

SMITH COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION (EXHIBIT 1)
SEPTEMBER 30, 2020

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

Total fund balances governmental funds (Exhibit 3)	\$ 76,814,441
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds balance sheet.	102,290,284
Equity in an affiliated joint venture is included in governmental activities in the statement of net position.	1,125,375
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds balance sheet.	2,220,095
Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in governmental funds balance sheet.	(192,800)
Internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	5,559,679
Net other post employment benefit obligation in governmental activities does not require current financial resources and therefore are not reported in the governmental funds balance sheet.	(59,199,436)
Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	(43,701,822)
Net pension liability	(13,350,862)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position as well as the differences between expected and actual experience and the net difference between projected and actual earnings.	8,660,691
Differences between expected and actual pension experience are deferred inflows on the Statement of Net Position	(8,910,676)
Contributions to the OPEB plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position as well as the differences between expected and actual experience and the net difference between projected and actual earnings.	(1,623,489)
Differences between expected and actual OPEB experience are deferred inflows on the Statement of Net Position	<u>6,366,001</u>
Net position of governmental activities	<u><u>\$ 76,057,481</u></u>

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

SMITH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Property taxes	46,222,563	\$ 6,155,014	\$ 8,664,523	\$ 61,042,100
Licenses and other taxes	21,489,070	-	-	21,489,070
Fees of office	7,610,129	2,807,586	4,740,951	15,158,666
Fines	358,160	683,285	-	1,041,445
Intergovernmental revenues	794,741	-	10,415,916	11,210,657
Other revenues and fees	2,733,682	85,730	1,595,251	4,414,663
Total revenues	79,208,345	9,731,615	25,416,641	114,356,601
EXPENDITURES				
Current:				
General government	15,851,082	-	6,339,457	22,190,539
Justice system	15,130,729	-	5,456,414	20,587,143
Public safety	15,070,750	-	1,864,254	16,935,004
Corrections and rehabilitation	20,407,346	-	5,755,858	26,163,204
Health and human services	1,145,021	-	42,226	1,187,247
Infrastructure and environmental	-	5,639,464	-	5,639,464
Community and economic development	-	-	732,357	732,357
Capital outlay	1,163,496	4,178,151	11,094,960	16,436,607
Debt service:				
Principal retirement	385,926	174,011	4,825,000	5,384,937
Bond issuance costs	-	-	85,000	85,000
Interest and fiscal charges	24,137	51,259	1,207,251	1,282,647
Total expenditures	69,178,487	10,042,885	37,402,777	116,624,149
Excess (deficiency) of revenues over (under) expenditures	10,029,858	(311,270)	(11,986,136)	(2,267,548)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	7,125,000	7,125,000
Bond premium	-	-	710,000	710,000
Sale of equipment	20,055	1,597	-	21,652
Insurance proceeds	43,281	-	-	43,281
Transfers in	-	2,151,228	6,050,000	8,201,228
Transfers (out)	(8,151,228)	-	(50,000)	(8,201,228)
Total other financing sources (uses)	(8,087,892)	2,152,825	13,835,000	7,899,933
Net change in fund balances	1,941,966	1,841,555	1,848,864	5,632,385
Fund balances - beginning of year	33,404,436	4,475,049	33,302,571	71,182,056
Fund balances - end of year	\$ 35,346,402	\$ 6,316,604	\$ 35,151,435	\$ 76,814,441

EXHIBIT 6

**SMITH COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (EXHIBIT 2)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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

Net change in fund balances - total governmental funds	\$	5,632,385
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation in the current period was less than capital outlay for County owned assets.		6,571,420
The net increase of the equity in investment in an affiliated joint venture is reflected on the statement of activities.		159,265
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(188,943)
Governmental funds report all payments to other post employment benefits as expenditures. However, in the government-wide statement of activities the actuarial annually required contribution is considered an expense. Any deficit amount is considered a liability. Change in net other post employment benefits obligation.		(2,877,913)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(2,167,722)
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds. This amount reflects the change in the accrued liability for compensated absences and change in pension expense as a result of GASB 68.		(425,419)
Certain prepaid items recognized in the statement of position		(152,400)
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as an expenditure in governmental funds.		55,925
Internal service fund is used by management to charge the costs of health insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities.		1,967,159
Change in net position of governmental activities	\$	8,573,757

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

**SMITH COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020**

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash	\$ 2,063,936
Investments	4,023,509
Accounts receivable	195
Total Current Assets	6,148,345
 LIABILITIES	
Current Liabilities:	
Vouchers payable	585,248
Salaries payable	3,418
Total Current Liabilities	588,666
 NET POSITION	
Unrestricted	5,559,679
Total Net Position	\$ 5,559,679

SMITH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premiums and reimbursements	\$ 10,526,551
Total Operating Revenues	10,526,551
OPERATING EXPENSES	
Insurance claims and administrative fees	8,611,531
Total Operating Expenses	8,611,531
Operating income (loss)	1,915,020
NON-OPERATING REVENUES	
Interest income and other	52,139
Change in net position	1,967,159
NET POSITION - SEPTEMBER 30, 2019	3,592,520
NET POSITION - SEPTEMBER 30, 2020	\$ 5,559,679

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

**SMITH COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

**Governmental
Activities -
Internal
Service Funds**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received for premiums and payroll	\$ 72,464,424
Cash paid to customers and employees	<u>(69,712,513)</u>
Net cash provided by operating activities	<u>2,751,911</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(4,022,897)
Interest on investments	<u>52,139</u>
Net cash used in investing activities	<u>(3,970,758)</u>
Net decrease in cash	(1,218,847)
Cash at beginning of year	<u>3,282,783</u>
CASH AT END OF YEAR	<u><u>\$ 2,063,936</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ 1,915,020
Adjustment to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	951,329
Decrease in prepaids	53,865
Decrease in vouchers payable	(171,721)
Increase in salaries payable	<u>3,418</u>
Net cash provided by operating activities	<u><u>\$ 2,751,911</u></u>

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

SMITH COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
SEPTEMBER 30, 2020

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 24,511,757
Investments	2,896,126
Accounts receivable	<u>454,926</u>
Total Assets	<u><u>\$ 27,862,809</u></u>
 LIABILITIES	
Vouchers payable	\$ 853,424
Due to other governments	484,328
Other liabilities	<u>26,525,057</u>
Total Liabilities	<u><u>\$ 27,862,809</u></u>

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

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

FUND-LEVEL FINANCIAL STATEMENTS

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

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

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

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

The County's accounts are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund equity, revenues and expenses or expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, although the latter are excluded from the government-wide statements.

The government reports the following major governmental funds:

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

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

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

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

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

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

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

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Fiduciary fund level financial statements include fiduciary funds which are classified into private purpose trust and agency funds. The County has only agency funds which are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County reports twelve agency funds as nonmajor fiduciary funds.

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

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments. State statutes and the County's official Investment Policy authorize the County to invest in repurchase agreements, certificates of deposit, direct obligations of the U.S. Government and agency securities, money market mutual funds, and managed public funds investment pools.

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

2. Receivables and Payables

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

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

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

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

3. Prepaid Items

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

(Continued)

**SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

4. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

5. Construction-in-Progress

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

6. Compensated Absences

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

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

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

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

6. Compensated Absences - Continued

Each permanent full-time employee earns sick leave at the rate of one working day per month and may accumulate maximum sick leave of 80 working days. After an employee accumulates the maximum number of sick days, any excess may be converted to vacation days at an exchange rate of four sick days for one day of vacation. Outstanding sick leave balances are canceled, without recompensation, upon termination, resignation, retirement or death. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulated rights to receive sick pay benefits.

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

7. Long-term Obligations

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

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

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County did not have any items that qualified for reporting in this category other than the items related to the changes in the net pension liability, and other post-employment benefits (OPEB) liability, which are discussed below.

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

8. Deferred Outflows/Inflows of Resources - Continued

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

9. Fund Equity

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

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

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

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

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

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

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

9. Fund Equity - Continued

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

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

10. Estimates

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

11. Pensions and Other Post-Employment Benefits

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, and pension and OPEB expense, information about the fiduciary net position of the County's retirement and OPEB plan and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For the fiscal year ending September 30, 2020, the County recognized total OPEB expense of \$4,711,922, \$4,113,058 of which was for the Health Plan and \$598,864 for the Supplemental Death Benefit Plan.

D. Implementation of New Standards

The County did not implement any new standards in the current year.

E. Future Implementation of New Standards

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, which will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. This statement is effective for reporting periods beginning after December 15, 2019. The County is evaluating the impact of this statement on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*, which will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance and purpose of a government's leasing arrangements. This statement is effective for reporting periods beginning after June 15, 2021. The County is evaluating the impact of this statement on its financial statements.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

F. Future Implementation of New Standards - continued

In June 2018 GASB issued Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period* which will (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period by requiring that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the cost of a capital asset reported in a business-type activity or enterprise fund. This statement is effective for reporting periods beginning after December 15, 2020. The County is evaluating the impact of this statement on its financial statements.

In August 2018 GASB Issued Statement No. 90 *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61* which will improve the consistency and comparability of reporting the government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The County is evaluating the impact of this statement on its financial statements.

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

In February 2020 GASB issued Statement No. 92 *Omnibus 2020* which includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements. The issues covered by the statement include clarification of the effective date of GASB 87 for interim periods, reporting of intra-entity transfers between a primary government and a component unit defined benefit pension plan, and the applicability of certain pension and other post-employment benefit pronouncements to specific criteria. The requirements of this statement are effective for reporting periods after June 15, 2021. The County is evaluating the impact of this statement on its financial statements.

In May 2020 GASB issued Statement No. 96 *Subscription-Based Information Technology Arrangements* which provides guidance for subscription-based information technology arrangements (“SBITAs”). SBITAs are contracts that convey control of the right to use a SBITA vendor’s IT software as specified in the contract for a period of time in exchange transaction. The statement requires governments with SBITAs to recognized a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. . The requirements of this statement are effective for reporting periods after June 15, 2022. The County is evaluating the impact of this statement on its financial statements.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

II. RECONCILIATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes reconciliation between fund balance for total governmental funds and net position as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable and pension liability, are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.” The details of this \$(43,701,822) difference are as follows:

Bonds payable	\$ (36,560,000)
Bond premiums, net	(1,920,699)
Capital leases obligations	(2,010,083)
Compensated absences	<u>(3,211,040)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (43,701,822)</u>

Another element of that reconciliation states that “capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds balance sheet.” The details of this \$102,290,284 difference are as follows:

Beginning balance of capital assets, net of accumulated depreciation	\$ 95,718,864
Capital asset additions, net of retirements	16,436,607
Depreciation of capital assets, current year	<u>(9,865,187)</u>
	<u>\$ 102,290,284</u>

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

The government fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation indicates that “governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$6,571,420 difference are as follows:

Capital outlay	\$ 16,436,607
Depreciation expense	<u>(9,865,187)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 6,571,420</u>

(Continued)

**SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

II. RECONCILIATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS – continued

Another element of that reconciliation states that “The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas the amounts are deferred and amortized in the statement of activities.” The details of this \$(2,167,722) difference are as follows:

Principal payments on long-term debt	\$ 5,384,937
Amortization of bond premium	282,341
Proceeds from bonds and capital leases issued	<u>(7,835,000)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (2,167,722)</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY- continued

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

The budgets as presented in the financial statements reflect all amendments approved by the Commissioners' Court for the year ended September 30, 2020, if designated as final budget.

B. Expenditures Over Appropriations

No funds had expenditures in excess of appropriations for the year ended September 30, 2020.

C. Deficit Fund Equity

As of September 30, 2020, one fund, Transportation Grants had a deficit fund balance of \$4,000. It is expected to be covered by the General Fund.

IV. DEPOSITS AND INVESTMENTS

A. Cash Deposits

The carrying amount of the County's cash was \$26,844,866, and total bank balances equaled \$27,809,783. The carrying amount of the County's Trust and Agency cash was \$24,511,757 and total bank balances equaled \$25,927,349. Certificates of deposit shown as investments on the Trust and Agency statement of fiduciary assets and liabilities had a carrying amount and bank balance of \$2,581,283. The bank deposits are required to be covered by federal depository insurance or by collateral held by the depository bank in the County's name, and were covered entirely by federal depository insurance or by collateral held by the depository bank in the County's name.

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

B. Investments

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. DEPOSITS AND INVESTMENTS - continued

B. Investments - continued

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

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

Investments are categorized into these three categories of credit risk:

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

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

	<u>Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Risk</u>
Primary Government			
Local Government Investment Cooperative	\$ 46,860,617	54	AAA
TexStar	5,514,504	39	AAAAm
Southside - Certificate of Deposit	11,065	247	N/A
Total fair value	<u>\$ 52,386,186</u>		
Fiduciary Funds			
Local Government Investment Cooperative	\$ 314,843	54	AAA
Portfolio weighted average maturity		52	

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

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

Custodial credit risk – Custodial credit risk is the risk for deposits that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the

Investment or collateral securities that are in the possession of an outside party. The County requires all bank deposits to be collateralized at a level not less than 100% of the total uninsured deposits.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. DEPOSITS AND INVESTMENTS - continued

B. Investments - continued

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

V. PROPERTY TAXES AND OTHER RECEIVABLES

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

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

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

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

Unavailable revenue:	
General fund	\$ 2,190,169
Road & Bridge fund	307,666
Facility improvement fund	70,236
Debt service fund	329,178
Total unavailable revenue	<u>\$ 2,897,249</u>

The County is authorized by the tax laws of the State of Texas to levy taxes up to \$.80 per \$100 of assessed valuation for general governmental services and the payment of principal and interest on certain permanent improvement long-term debt. The tax rate as of September 30, 2020 was \$.345000.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. PROPERTY TAXES AND OTHER RECEIVABLES - Continued

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

	Internal Service and General Fund	Road and Bridge Special Revenue Fund	Other Nonmajor Funds	Total Governmental Activities
Receivables:				
Property Taxes	\$ 2,333,526	\$ 313,163	\$ 4,430,485	\$ 7,077,174
Other	4,503,196	162,820	789,373	5,455,389
Gross receivables	6,836,722	475,983	5,219,858	12,532,563
Less: Allowance for uncollectibles	511,894	68,697	96,565	677,156
Net total receivables	\$ 6,324,828	\$ 407,286	\$ 5,123,293	\$ 11,855,407

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

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. PROPERTY TAXES AND OTHER RECEIVABLES - Continued

Disclosure relevant for the fiscal year ended September 30, 2020 is:

Government Entering Into Tax Abatement	Terms of Abatement	Name	Type	Smith County Applied Value	Amount of Taxes Abated for FY 2020
Smith County	100% 4 years	Boyd Metals	Manufacturing	\$ 621,667	\$ 2,145
Smith County	80% 5 years	GG Distributing	Distribution	940,000	3,243
Smith County		GG Realty, LLC		12,759,874	44,022
Smith County	100% 5 years	JSF-2	Food Processing Facility	31,684,420	109,311
Smith County	100% 6 years	John Soules Enterprises	Food Processing Facility	4,956,490	17,100
Smith County	100% 4 years	Wiggins Creek Leasing LLC	Manufacturing	42,700	147
	100% 2 years				
	80% 2 years	Dragline Service Specialties			
Smith County	50% 1 year	(Wyoming Machinery)	Distribution	9,880,644	34,088
	80% 7 years				
Smith County	50% 3 years	Sanderson Farms Plant	Food Processing Facility	148,559,999	512,532
Smith County	Tiered 5 years	Jasper Ventures (EPC)	Engineering/Construction	3,450,966	11,906
			Total County Initiated	<u>\$ 212,896,760</u>	<u>\$ 734,494</u>
City of Tyler	100% 3 years	Crest Process Systems	Manufacturing	\$ 1,887,640	\$ 6,512
City of Tyler	100% 3 years	Hood Packaging, Inc.	Manufacturing	3,807,063	13,134
City of Tyler	100% 3 years	Estes McClure	Consulting	102,450	353
City of Tyler	100% 7 years	Renal Care Group Texas, Inc.	Medical Support	1,466,854	5,061
City of Tyler	100% 3 years	Highland Dairy	Distribution	1,256,999	4,337
	50% 1 year				
City of Tyler	100% 7 years	Vereit OFC Tyler TX LLC	Real Estate Management	8,272,000	28,538
City of Tyler	100% 2 years	EMA Interests, LP	Consulting	3,397,550	11,722
City of Tyler	100% 4 years	American Standard	Manufacturing	5,337,000	18,413
	50% 1 year				
			Total Initiated by Others	<u>\$ 25,527,556</u>	<u>\$ 88,070</u>

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

VI. CAPITAL ASSETS

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

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,223,436	\$ 305,873	\$ -	\$ 1,529,309
Construction in progress	1,289,636	1,446,966	(1,289,636)	1,446,966
Total capital assets, not being depreciated	2,513,072	1,752,839	(1,289,636)	2,976,275
Capital assets, being depreciated:				
Infrastructure	110,542,834	12,400,818	-	122,943,652
Buildings	34,169,264	876,347	-	35,045,611
Improvements	53,307,809	638,953	-	53,946,762
Machinery and equipment	34,475,022	2,057,286	(278,557)	36,253,751
Total capital assets, being depreciated	232,494,929	15,973,404	(278,557)	248,189,776
Less accumulated depreciation for:				
Infrastructure	(70,322,505)	(4,347,659)	-	(74,670,164)
Buildings	(23,441,114)	(675,115)	-	(24,116,229)
Improvements	(18,337,583)	(2,290,824)	-	(20,628,407)
Machinery and equipment	(27,187,935)	(2,551,589)	278,557	(29,460,967)
Total accumulated depreciation	(139,289,137)	(9,865,187)	278,557	(148,875,767)
Total capital assets, being depreciated, net	93,205,792	6,108,217	-	99,314,009
Governmental activities capital assets, net	<u>\$ 95,718,864</u>	<u>\$ 7,861,056</u>	<u>\$ (1,289,636)</u>	<u>\$ 102,290,284</u>

Depreciation expense for 2020 was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 946,084
Public safety	1,142,816
Correction and rehabilitation	2,435,946
Infrastructure and environmental	5,230,428
Justice system	109,913
Total depreciation expense - governmental activities	<u>\$ 9,865,187</u>

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

VII. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction Commitments. As of September 30, 2020, the County has active construction projects. At year end the County's commitments with contractors are as follows:

Project	Spent-to-Date	Estimated Remaining Commitments
Courthouse elevator replacements	\$ 99,430	\$ 99,430
Special road projects	1,348,536	3,851,434
	\$ 1,447,966	\$ 3,950,864

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

General fund	\$ 223,550
Justice Court Technology fund	6,209
COVID-19 Grants fund	62,643
Drug Forfeiture - Sheriff	1,040
Facility Improvement fund	466,253
Road and Bridge fund	1,445,699
Infrastructure - 2018 Series	779,000
Infrastructure - 2019 Series	2,709,301
Infrastructure - 2020 Series	504,315
County Clerk Records Preservation	2,751,111
Total	\$ 8,949,121

VIII. LONG-TERM DEBT

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

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

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

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

VIII. LONG-TERM DEBT - continued

General obligation bonds currently outstanding are as follows:

Description	Original Bond Amt	Interest Rates (%)	Date of Issue	Date of Maturity	Bonds Outstanding
General Obligation Bonds - 2011 Series	\$ 39,955,000	1.0 - 4.0	6/28/2011	8/15/2023	\$ 8,830,000
General Obligation Bonds - 2018 Series	11,320,000	2.0 - 4.0	6/12/2018	2/15/2028	10,255,000
General Obligation Bonds - 2019 Series	11,320,000	3.0 - 4.0	6/11/2019	2/15/2029	10,350,000
General Obligation Bonds - 2020 Series	7,125,000	2.0-5.0	7/23/2020	2/15/2030	7,125,000
	<u>\$ 69,720,000</u>				<u>\$ 36,560,000</u>

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

Years Ending September 30	Principal	Interest
2021	5,240,000	1,170,268
2022	4,740,000	1,001,500
2023	3,390,000	783,725
2024	3,550,000	679,800
2025	3,825,000	574,250
2026-2030	<u>15,815,000</u>	<u>1,078,175</u>
	<u>\$ 36,560,000</u>	<u>\$ 5,287,718</u>

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

Changes in Long-Term Debt

Long-term liability for the year ended September 30, 2020 was as follows:

Governmental Activities:	Beginning Balance 10/1/2019	Additions	Reductions	Ending Balance 9/30/2020	Due Within One Year	Due in More Than One Year
General obligation bonds	\$ 34,260,000	\$ 7,125,000	\$ 4,825,000	\$ 36,560,000	\$ 5,240,000	\$ 31,320,000
Bond premium, net	1,493,040	710,000	282,341	1,920,699	-	1,920,699
Compensated absences	3,001,943	2,034,583	1,825,486	3,211,040	2,296,065	914,975
Net OPEB liability	53,983,210	5,216,226	-	59,199,436	-	59,199,436
Net Pension liability	25,386,023	-	12,035,161	13,350,862	-	13,350,862
Capital leases	2,570,020	-	559,937	2,010,083	1,759,245	250,838
Total	<u>\$ 120,694,236</u>	<u>\$ 15,085,809</u>	<u>\$ 19,527,925</u>	<u>\$ 116,252,120</u>	<u>\$ 9,295,310</u>	<u>\$ 106,956,810</u>

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

VIII. LONG-TERM DEBT - continued

Authorized but Unissued Debt

In November 2017, Smith County voters approved a \$39,500,000 bond package for improvements to roads. During 2018, 2019 and 2020, the County issued \$32,000,000, including premium, of the bonds (the 2018 and 2019 Series General Obligation Bonds) with the remaining \$7,500,000 to be issued in 2021. The bonds are expected to be amortized over a term of ten years.

IX. LEASES

Operating Leases

The County operates under numerous lease agreements classified as operating leases. The leases contain annual renewals and include leases for copy machines and postage meters. The combined annual expenditures for operating leases during the fiscal year ended September 30, 2020 was approximately \$327,841.

Capital Leases

The County has entered into various lease agreements as the lessee for financing the acquisition of computer equipment for the Sheriff's Department and Jail as well as equipment for the Road and Bridge Department. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The County has not entered into any lease agreements as the lessee for financing during the year as of September 30, 2020.

The assets acquired through capital leases are as follows:

	Activities
Asset:	
Machinery and equipment	\$ 5,091,924
Less: Accumulated depreciation	(3,634,934)
Total	\$ 1,456,990

Depreciation expense on assets under capital lease for the year ended September 30, 2020 was \$527,961.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020, were as follows:

Year Ending September 30	Governmental Activities
2021	1,804,074
2022	158,895
2023	103,998
Total minimum lease payments	2,066,967
Less: amount representing interest	(56,884)
Present value of minimum lease payments	\$ 2,010,083

X. INTERFUND RECEIVABLES, PAYABLE BALANCES AND TRANSFERS

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

X. INTERFUND RECEIVABLES, PAYABLE BALANCES AND TRANSFERS - continued

The composition of interfund balances as of September 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Non-major Governmental Funds	\$ 618,000	Supplement fund sources
	Total	<u>\$ 618,000</u>	

The following summarized the County's transfers for the year ended September 30, 2020:

	Transfers In			Explanation
	Road and Bridge Fund	Nonmajor Governmental Funds	Total	
Transfers out:				
General Fund	\$ 2,151,228	\$ 6,000,000	\$ 8,151,228	Supplemental fund sources
Nonmajor Governmental Funds	-	50,000	50,000	Supplemental fund sources
Totals	<u>\$ 2,151,228</u>	<u>\$ 6,050,000</u>	<u>\$ 8,201,228</u>	

XI. DEFINED BENEFIT PENSION PLAN

(a) PLAN DESCRIPTION

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

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

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

XI. DEFINED BENEFIT PENSION PLAN – continued

(b) PLAN MEMBERSHIP

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2019
Inactive employees or beneficiaries currently receiving benefits	522
Inactive employees entitled to but not yet receiving benefits	796
Active employees	899
	2,217

(c) CONTRIBUTIONS

The employer has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 11.55% for the months of the accounting year 2020, and 11.15% for the months of the accounting year 2019. County contributions to the plan were \$5,067,840 for the year ended September 30, 2020.

The deposit rate payable by the employee members for 2019 and 2020 is 7% as adopted by the governing body of the employer. The employee deposit rate and the employer deposit rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

(d) NET PENSION LIABILITY OF THE COUNTY

The County’s Net Pension Liability was measured as of December 31, 2019, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

(e) ACTUARIAL ASSUMPTIONS

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75%
Overall payroll growth	3.25%
Investment rate of return	8.00%, net of pension plan investment expenses, including inflation

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

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.25% (made up of 2.75% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.60% per year for a career employee.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

XI. DEFINED BENEFIT PENSION PLAN – continued

Mortality rates for active members were based on 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for service retirees, beneficiaries, and non-depositing members were based on the 130% of the RP-2014 Healthy Annuitant Mortality Tables for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for disabled retirees were based on the 130% of the RP-2014 Disabled Annuitant Mortality Tables for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 68.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on April 2020 information for a 10 year time horizon.

The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. The following target asset allocation was adopted by the TCDRS board in June 2020. The geometric real rate of return is net of inflation, assumed at 2.0%.

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
International Equities - Developed	MSCI World Ex USA (net)	7.00%	5.20%
International Equities - Emerging	MSCI Emerging Markets (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.20%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	3.14%
Direct Lending	S&P/LSTA Leverage Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REIT's Index + 33% S&P Global REIT (net) Index	3.00%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	8.00%	2.30%
		<u>100.00%</u>	

⁽¹⁾ Target asset allocation adopted at the June 2020 TCDRS Board meeting

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.8% per Cliffwater's 2020 capital market assumptions

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

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

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

XI. DEFINED BENEFIT PENSION PLAN – continued

(f) DISCOUNT RATE

The discount rates used to measure the Total Pension Liability was 8.10%. Using the alternative method, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments based on the funding requirements under the County’s funding policy and the legal requirements under the TCDRS Act.

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

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

(g) CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2018	\$ 172,889,764	\$ 147,503,741	\$ 25,386,023
Changes for the year:			
Service cost	4,938,486	-	4,938,486
Interest on total pension liability ⁽¹⁾	14,053,281	-	14,053,281
Effect of plan changes ⁽²⁾	-	-	-
Effect of economic/demographic gains or losses	850,358	-	850,358
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(655,971)	(655,971)	-
Benefit payments	(8,177,943)	(8,177,943)	-
Administrative expenses	-	(129,963)	129,963
Member contributions	-	3,010,254	(3,010,254)
Net investment income	-	24,224,110	(24,224,110)
Employer contributions	-	4,794,899	(4,794,899)
Other ⁽³⁾	-	(22,014)	22,014
Balances as of December 31, 2019	\$ 183,897,975	\$ 170,547,113	\$ 13,350,862

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

⁽²⁾ No plan changes valued.

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

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

XI. DEFINED BENEFIT PENSION PLAN – continued

(h) SENSITIVITY ANALYSIS

The following presents the net pension liability of the County, calculated using the discount rate of 8.10%, as well as what the Smith County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
Total pension liability	\$ 208,346,017	\$ 183,897,975	\$ 163,512,517
Fiduciary net position	170,547,113	170,547,113	170,547,113
Net pension liability/(asset)	<u>\$ 37,798,904</u>	<u>\$ 13,350,862</u>	<u>\$ (7,034,596)</u>

(i) PENSION PLAN FIDUCIARY NET POSITION

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

(j) PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2020, the County recognized pension expense of \$5,369,935. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 753,081	\$ 10,635,014
Changes in actuarial assumptions	114,768	-
Difference between projected and actual investment earnings	4,027,685	(1,724,339)
Contributions made subsequent to measurement date	3,765,157	-
Total	<u>\$ 8,660,691</u>	<u>\$ 8,910,675</u>

County contributions subsequent to the measurement date of \$3,765,157 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2020	\$ (954,772)
2021	(1,354,148)
2022	758,418
2023	(2,464,640)
2024	-
Thereafter	-
	<u>\$ (4,015,142)</u>

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

XII. OTHER INFORMATION

RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employee; and natural disasters. The County maintains commercial insurance coverage for each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims did not exceed this commercial insurance coverage during the past three years.

CONTINGENCIES

Grants

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

Litigation

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

UNCERTAINTIES

During March 2020, the economy was impacted by a viral outbreak (COVID 19) which has affected the United States as well as international economies. The impact of this pandemic initially caused significant market downturns and disrupted many industries as well as local households. Although it has currently not had a significant financial impact on County, its future impacts cannot be predicted at this time.

JOINT VENTURE

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

For the year ended September 30, 2020, the County budgeted funding of \$200,000 for the Health District. The County's equity interest in the Health District was \$1,125,375 at September 30, 2020. The Health District's total Fund Balance at September 30, 2020 was approximately \$4.1 million. Financial statements for the Health District may be obtained at the entity's Administrative Offices.

DEFERRED COMPENSATION

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

The market value and carrying value of deferred compensation plan assets is \$2,577,394 as of September 30, 2020.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

XII. OTHER INFORMATION - continued

HEALTH, DENTAL AND LIFE PLANS

The County implemented a self-insured health plan for employees, including dental and prescription benefits. The County pays the full amount of insurance premiums for their retirees except dependent coverage. The employees pay the cost of coverage for any dependents they enroll under the plan. The County maintains an Insurance Fund to track premiums and claim payments. The County has retained an insurance policy for specific and aggregate stop-loss coverage. There is an individual stop-loss of \$225,000 and aggregate protection once the County's deductible of approximately \$10.7 million is met. The maximum reimbursement is set at \$1,000,000.

Changes in the estimated liability for medical claims for fiscal years 2019 and 2020 are presented below:

Insurance Fund	Insurance Claims Payable At Beginning of Year	Current Year Claims and Changes In Estimates	Actual Claim Payments	Insurance Claims Payable At End of Year
September 30, 2019	\$ 864,925	\$ 8,217,545	\$ 8,369,032	\$ 713,438
September 30, 2020	713,438	8,136,472	8,281,377	568,533

XIII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

(1) HEALTH PLAN

(a) PLAN DESCRIPTION

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

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

Active employees hired after June 1, 2005 are not eligible to continue coverage in the County-sponsored medical/RX or dental plan, nor are they provided life insurance by the County. Under the provisions of GASB Statement 45, these employees who will not be eligible to continue coverage in the County's Health Plan do not receive an Other Post Employment Benefit. Accordingly, only those employees who are eligible to participate in the Retiree Health Existing (Closed) Program are included in the valuation results described below.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

XIII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - continued

(1) HEALTH PLAN - continued

(b) PLAN MEMBERSHIP

At the September 30, 2020 measurement date (October 1, 2018 valuation), the following employees were covered by the benefit terms:

	9/30/2020
Inactive employees currently receiving benefits	215
Active employees	117
	332

(c) BENEFITS PROVIDED

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

(d) CONTRIBUTIONS

County contribution consists of monthly premium contributions to the Smith County Insurance Fund to pay claims for retirees that are not Medicare eligible. The contributions are at the same premium rate as for active employees. Medicare eligible retirees are provided a Medicare insurance supplement program. The County contributions to the Smith County Insurance Fund for retirees in fiscal year 2020 were \$1,376,238. The table below provides the required monthly inactive participant contribution, County contribution, and total contribution for medical/Rx coverage effective for the 2018-2020 plan year.

Date of Hire	Inactive Contributions	County Contributions	Total Contributions
Before June 1, 2005*			
<u>Plan 1</u>			
Single	\$ -	\$ 827.72	\$ 827.72
Single + Spouse	529.42	827.72	1,357.14
Surviving Spouse	529.42	-	529.42
<u>Plan 2</u>			
Single	\$ 43.98	\$ 827.72	\$ 871.70
Single + Spouse	582.38	827.72	1,410.10
Surviving Spouse	582.38	-	582.38
<u>Plan 3</u>			
Single	\$ 43.98	\$ 827.72	\$ 871.70
Single + Spouse	582.38	827.72	1,410.10
Surviving Spouse	582.38	-	582.38

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

XIII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - continued

(1) HEALTH PLAN - continued

The table below provides the required inactive participant contributions, County contributions, and full group COBRA premiums for the County-sponsored dental plan effective for the 2018-2020 plan year.

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

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

(e) NET OPEB LIABILITY

The County's net OPEB liability was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2018 rolled forward to September 30, 2020.

(f) ACTUARIAL ASSUMPTIONS

The Total OPEB liability in the October 1, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75%
Overall payroll growth	Not applicable.
Discount rate	2.66% (20-year municipal bond index for pay-as-you go funding)
Healthcare cost trend rates	Dental: 4.00% Medical/Rx Post-65: 4.00% Medical/Rx Pre-65: 8.33% initial, decreasing .33% per year to an ultimate rate of 5.00%

All mortality rates are based on the rates used in Smith County's December 31, 2018 TCDRS valuation. Mortality rates for active members were based on the RP-2000 Combined Mortality Tab set forward two years for males, set back four years for females, projected to 2014 with Scale AA and projected with 110% of Scale MP-2014 thereafter. Mortality rates for inactive members were based on the RP-2000 Combined Mortality Table set forward one year for males, projected to 2014 with Scale AA and projected with 110% of Scale MP-2014 thereafter. Mortality rates for disabled members were based on the RP-2000 Disabled Mortality Table set forward two years for females, projected to 2014 with Scale AA and projected with 110% of Scale MP-2016 thereafter.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

XIII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - continued

(1) HEALTH PLAN - continued

Health insurance elections were developed based on the following:

- 100% of employees who were hired prior to June 1, 2005 and have coverage in the County-sponsored health and/or dental insurance plan before retirement are assumed to elect coverage at retirement and continue coverage for life.
- 25% of employees electing coverage in the health and/or dental insurance plan at retirement are assumed to cover their spouse, who is assumed to continue coverage for life.
- 50% of spouses electing coverage are assumed to waive coverage upon becoming Medicare eligible.
- Current participants enrolled in Medical Plan 1 or Medical Plan 2 are assumed to remain in their currently elected plan until age 65, should they elect post-retirement medical coverage. Participants in all other plans are assumed to have a 70% likelihood of electing Plan 1 and a 30% likelihood of electing Plan 2 upon retirement.
- Employees hired on or after June 1, 2005 are not eligible to continue coverage in the County-sponsored medical/Rx, dental plan, or life insurance plan, and therefore are not valued in the GASB 75 actuarial valuation.

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

- County claims experience (including Medical/Rx and Dental), fees, and administration costs for the County's employees and retirees from January 1, 2014 through December 31, 2016.
- Claims experience was adjusted for healthcare cost trend, age-sex differentials between employees and retirees, medical plan values, and integration of Medicare at ages 65 and after.
- Post-65 medical claims are based on County contributions to the BCBS Medicare Supplemental Plan.
- The actuarial cost method was Entry Age Normal, as required by GASB 75.
- Investment gains/losses are amortized over five year, liability gains/losses are amortized over Average Working Lifetime, and Plan changes are recognized immediately.

(g) DISCOUNT RATE

The discount rate used to measure the total OPEB liability was 2.21%. Since the fund does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the 20-year municipal bonds rate. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

XIII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - continued

(1) HEALTH PLAN - continued

(h) CHANGES IN THE NET OPEB LIABILITY

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balances as of September 30, 2019	\$ 52,298,099	\$ -	\$ 52,298,099
Changes for the year:			
Service cost	911,579	-	911,579
Interest	1,397,073	-	1,397,073
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions	3,684,948	-	3,684,948
Refund of contributions	-	-	-
Benefit payments	(1,376,238)	(1,376,238)	-
Employer contributions	-	1,376,238	(1,376,238)
Net investment income	-	-	-
Administrative expenses	-	-	-
Other	-	-	-
Balances as of September 30, 2020	<u>\$ 56,915,461</u>	<u>\$ -</u>	<u>\$ 56,915,461</u>

(i) SENSITIVITY ANALYSIS

The following presents the net OPEB liability of the County, calculated using the discount rate of 2.21%, as well as what the Smith County net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current rate.

	1% Decrease in Discount Rate (1.21%)	Discount Rate (2.21%)	1% Increase in Discount Rate (3.21%)
Total OPEB Liability	\$ 66,623,915	\$ 56,915,461	\$ 49,201,533
Plan fiduciary net position	-	-	-
Net OPEB Liability	<u>\$ 66,623,915</u>	<u>\$ 56,915,461</u>	<u>\$ 49,201,533</u>

The healthcare trend rate is 4.00% for both dental and medical/Rx Post-65, and 8.33% initial, decreasing to the ultimate rate of 5.00% for medical/Rx Pre-65. The following presents the net OPEB liability of the County, calculated using the health trend rates noted above, as well as what the Smith County net OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Total OPEB Liability	\$ 47,496,892	\$ 56,915,461	\$ 69,129,718
Plan fiduciary net position	-	-	-
Net OPEB Liability	<u>\$ 47,496,892</u>	<u>\$ 56,915,461</u>	<u>\$ 69,129,718</u>

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

XIII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - continued

(1) HEALTH PLAN - continued

(j) OPEB EXPENSE

For the year ended September 30, 2020, the County recognized OPEB expense of \$4,113,058.

Components of OPEB Expense	
Service cost	\$ 911,579
Interest on total OPEB liability	1,397,073
Differences between expected and actual experience	1,054,581
Changes in assumptions	749,825
Projected earnings on OPEB plan investments	-
Differences between projected and actual earnings on plan investments	-
OPEB plan administrative expenses	-
Total OPEB expense	\$ 4,113,058

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

At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,792,789	\$ -
Changes in actuarial assumptions	4,064,041	1,476,924
Difference between projected and actual investment earnings	-	-
Total	\$ 5,856,830	\$ 1,476,924

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

Year Ended September 30	
2020	\$ 1,804,406
2021	1,878,348
2022	697,152
2023	-
2024	-
Thereafter	-
	\$ 4,379,906

**SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

(2) SUPPLEMENTAL DEATH BENEFITS PLAN

(a) PLAN DESCRIPTION

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

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

(b) PLAN MEMBERSHIP

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2019
Inactive employees currently receiving benefits	436
Inactive employees entitled to but not yet receiving benefits	193
Active employees	899
	1,528

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

(c) BENEFITS PROVIDED

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

(d) CONTRIBUTIONS

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

(2) SUPPLEMENTAL DEATH BENEFITS PLAN - continued

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

For calendar years 2019 and 2020, the total GTLF contribution rate for the City was .28%, while the retiree portion of the GTLF contribution was .12%. The County’s contributions for the year ended September 30, 2020, were \$53,144 for the retiree portion, and \$123,995 for the total GTLF rate. Due to the SDB being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer’s yearly contributions for retirees.

(e) TOTAL OPEB LIABILITY OF THE COUNTY

The County’s total OPEB liability was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

(f) ACTUARIAL ASSUMPTIONS

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	Does not apply
Salary Increases	Does not apply
Investment Rate of Return (Discount Rate)	2.74% 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2019.

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

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

All actuarial assumptions that determined the total OPEB liability as of December 31, 2019 were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB 75.

(g) DISCOUNT RATE

Under GASB 75, the discount rate for an unfunded OPEB plan should be based on 20-year-tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.74% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2019.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

(2) SUPPLEMENTAL DEATH BENEFITS PLAN - continued

(h) CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balance at 12/31/2018	\$ 1,685,111
Changes for the year:	
Service cost	51,477
Interest	70,153
Change of benefit terms	-
Difference between expected and actual experience	25,768
Changes of assumptions or other inputs	503,070
Benefit payments	(51,604)
Net changes	598,864
Balance at 12/31/2019	\$ 2,283,975

(i) SENSITIVITY ANALYSIS

The following presents the total OPEB liability for the County, calculated using the discount rate of 2.74%, would be if it were calculated using a discount rate that is 1-percentage-point lower (1.74%) or 1-percentage-point higher (3.74%) than the current rate:

	1% Decrease in Discount Rate (1.74%)		1% Increase in Discount Rate (3.74%)	
	Discount Rate (1.74%)	Discount Rate (2.74%)	Discount Rate (2.74%)	Discount Rate (3.74%)
Total OPEB Liability	\$ 2,796,519	\$ 2,283,975	\$ 2,283,975	\$ 1,896,757

(j) OPEB EXPENSE

For the year ended September 30, 2020, the County recognized OPEB expense of \$194,210.

Components of OPEB Expense	
Service cost	\$ 51,477
Interest on total OPEB liability	70,153
Effect of plan changes	-
Recognition of deferred outflows/inflows of resources:	
Recognition of economic/demographic gains or losses	(1,531)
Recognition of assumption changes or inputs	74,111
Total OPEB expense	\$ 194,210

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

(2) SUPPLEMENTAL DEATH BENEFITS PLAN - continued

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

At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 497,916	\$ 20,052
Changes in actuarial assumptions	(27,871)	126,485
Contributions made subsequent to the measurement date	32,714	-
Total	\$ 502,759	\$ 146,537

The County had \$32,714 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 for the year ending September 30, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Year Ended December 31
2020	\$ 72,580
2021	72,580
2022	72,582
2023	105,766
2024	-
Thereafter	-
	\$ 323,508

XV. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 16, 2021, the date the financial statements were available to be issued.

Subsequent to year end, in February 2021 a significant cold weather event struck the County. The County was declared a Federal disaster area, due to this event. Although the County is still assessing damages and costs, it is expected that insurance and Federal assistance will help alleviate costs to the County.



REQUIRED SUPPLEMENTARY INFORMATION



SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Property Taxes:				
Taxes - current	\$ 45,862,355	\$ 45,862,355	\$ 45,034,991	\$ (827,364)
Taxes - delinquent	500,000	500,000	551,253	51,253
Penalty and collection fees	500,000	500,000	636,319	136,319
Total Property Taxes	<u>46,862,355</u>	<u>46,862,355</u>	<u>46,222,563</u>	<u>(639,792)</u>
Licenses and Other Taxes:				
Liquor drink tax	635,000	635,000	524,125	(110,875)
Sales tax	19,250,000	19,250,000	20,869,269	1,619,269
Bingo taxes	-	-	45,252	45,252
Miscellaneous	42,000	42,000	50,424	8,424
Total Licenses and Other Taxes	<u>19,927,000</u>	<u>19,927,000</u>	<u>21,489,070</u>	<u>1,562,070</u>
Fees of Office:				
County Judge	5,000	5,000	5,243	243
Sheriff	310,000	310,000	262,424	(47,576)
Constables	361,000	361,000	271,243	(89,757)
County Clerk	1,377,000	1,377,000	1,459,734	82,734
Criminal District Attorney	40,000	40,000	30,734	(9,266)
District Clerk	450,000	450,000	339,499	(110,501)
Justices of the Peace	381,000	381,000	308,956	(72,044)
Vehicle sales tax commission	2,200,000	2,200,000	2,267,501	67,501
Auto registration	780,000	780,000	699,468	(80,532)
Records management	66,000	66,000	43,947	(22,053)
Court imposed fees	618,600	618,600	571,640	(46,960)
State imposed fees	183,000	183,000	166,554	(16,446)
Titles and certificates	334,000	334,000	335,600	1,600
Telephone coin station revenues	625,000	625,000	745,752	120,752
Miscellaneous	97,500	97,500	101,834	4,334
Total Fees of Office	<u>7,828,100</u>	<u>7,828,100</u>	<u>7,610,129</u>	<u>(217,971)</u>
Fines:				
District and county courts	371,300	371,300	358,160	(13,140)
Total Fines	<u>371,300</u>	<u>371,300</u>	<u>358,160</u>	<u>(13,140)</u>
Intergovernmental Revenues:				
Intergovernmental revenues	837,313	837,313	794,741	(42,572)
Total Intergovernmental Revenues	<u>837,313</u>	<u>837,313</u>	<u>794,741</u>	<u>(42,572)</u>
Other Revenues and Fees:				
Interest	850,000	850,000	516,319	(333,681)
Rentals	94,503	94,503	85,068	(9,435)
Donations	8,000	8,000	3,845	(4,155)
Reimbursements	294,500	294,500	366,436	71,936
Prisoner care	320,000	320,000	1,257,410	937,410
Other revenues	37,000	37,000	504,604	467,604
Total Other Revenues and Fees	<u>1,604,003</u>	<u>1,604,003</u>	<u>2,733,682</u>	<u>1,129,679</u>
Total Revenues	<u>\$ 77,430,071</u>	<u>\$ 77,430,071</u>	<u>\$ 79,208,345</u>	<u>\$ 1,778,274</u>

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES				
General Government:				
Commissioners' Court	\$ 688,997	\$ 752,630	\$ 686,757	\$ 65,873
Record Service Bureau	201,884	201,884	199,006	2,878
County Auditor	992,382	992,382	909,582	82,800
Election division	585,699	585,699	554,310	31,389
County Treasurer	200,105	200,105	197,841	2,264
Tax Assessor-Collector	2,054,822	2,054,822	1,972,115	82,707
General operations	4,439,859	4,371,859	3,530,421	841,438
Physical plant	2,373,772	2,341,604	2,229,043	112,561
Personnel	297,663	295,713	291,602	4,111
Information services	4,001,274	3,974,503	3,638,271	336,232
Collections	204,542	204,542	191,934	12,608
Veterans service office	240,157	240,157	195,926	44,231
Fleet Administration Office	318,745	173,141	96,618	76,523
Purchasing agent	390,886	390,886	346,161	44,725
Total General Government	16,990,787	16,779,927	15,039,587	1,740,340
Justice System:				
County Court	425,358	361,725	327,178	34,547
County Court at Law	524,568	524,568	490,350	34,218
County Court at Law #2	497,702	497,702	472,705	24,997
County Court at Law #3	532,999	532,999	504,883	28,116
County Clerk	1,422,486	1,430,640	1,386,929	43,711
District Courts	2,972,056	2,972,056	2,559,697	412,359
District Clerk	1,452,817	1,452,817	1,229,168	223,649
Justices of the Peace	1,723,657	1,758,657	1,696,070	62,587
Indigent defense	1,632,000	1,632,000	1,391,762	240,238
Pre-trial release	289,847	289,847	264,484	25,363
Juvenile probation	93,738	93,738	90,772	2,966
Criminal District Attorney	5,138,810	5,138,810	4,716,731	422,079
Total Justice System	16,706,038	16,685,559	15,130,729	1,554,830
Public Safety:				
Animal Control	515,913	516,354	474,110	42,244
Civil defense and rural fire aid	593,447	602,946	567,566	35,380
Constables	1,848,686	1,893,509	1,769,628	123,881
Sheriff's department	10,393,904	10,400,717	10,069,208	331,509
Warrant division	189,445	189,445	184,893	4,552
Litter abatement office	199,978	199,978	184,628	15,350
Dispatcher	2,008,603	2,008,603	1,638,333	370,270
Total Public Safety	15,749,976	15,811,552	14,888,366	923,186
Health and Human Services:				
Indigent health care	450,000	450,000	366,087	83,913
Agricultural extension	271,176	271,176	243,141	28,035
Public services	533,864	533,864	533,793	71
Total Health and Human Services	1,255,040	1,255,040	1,143,021	112,019

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENDITURES (cont'd.)				
Corrections and Rehab:				
Jail	\$ 21,242,955	\$ 21,282,963	\$ 20,392,091	\$ 890,872
Community service & rehab	19,350	19,350	15,255	4,095
Total Corrections and Rehab	<u>21,262,305</u>	<u>21,302,313</u>	<u>20,407,346</u>	<u>894,967</u>
Capital Outlay:				
Equipment	1,371,319	1,461,832	1,320,668	141,164
Vehicles	800,000	929,994	838,707	91,287
Other	500,000	500,000	-	500,000
Total Capital Outlay	<u>2,671,319</u>	<u>2,891,826</u>	<u>2,159,375</u>	<u>732,451</u>
Debt Service:				
Principal	385,926	385,926	385,926	-
Interest	24,137	24,137	24,137	-
Total Debt Service	<u>410,063</u>	<u>410,063</u>	<u>410,063</u>	<u>-</u>
Total Expenditures	<u>75,045,528</u>	<u>75,136,280</u>	<u>69,178,487</u>	<u>5,957,793</u>
Excess of Revenues Over Expenditures	2,384,543	2,293,791	10,029,858	7,736,067
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	13,113	43,281	30,168
Sale of equipment	-	-	20,055	20,055
Transfers out	(8,150,000)	(8,151,228)	(8,151,228)	-
Total Other Financing Sources (Uses)	<u>(8,150,000)</u>	<u>(8,138,115)</u>	<u>(8,087,892)</u>	<u>50,223</u>
Excess of Revenues and Other Financing Sources (Under) Over Expenditures and Other Financing Uses	(5,765,457)	(5,844,324)	1,941,966	7,786,290
FUND BALANCE, SEPTEMBER 30, 2019	<u>33,404,436</u>	<u>33,404,436</u>	<u>33,404,436</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2020	<u>\$ 27,638,979</u>	<u>\$ 27,560,112</u>	<u>\$ 35,346,402</u>	<u>\$ 7,786,290</u>

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUND - ROAD AND BRIDGE
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Property Taxes:				
Taxes - current	\$ 6,154,793	\$ 6,154,793	\$ 6,085,485	\$ (69,308)
Taxes - delinquent	53,000	53,000	69,529	16,529
Total Property Taxes	<u>6,207,793</u>	<u>6,207,793</u>	<u>6,155,014</u>	<u>(52,779)</u>
Fees of Office:				
Auto registration	2,610,000	2,610,000	2,598,990	(11,010)
Other fees	144,000	144,000	208,596	64,596
Total Fees of Office	<u>2,754,000</u>	<u>2,754,000</u>	<u>2,807,586</u>	<u>53,586</u>
Fines:				
Justices of the Peace	877,500	877,500	683,285	(194,215)
Total Fines	<u>877,500</u>	<u>877,500</u>	<u>683,285</u>	<u>(194,215)</u>
Other Revenues and Fees:				
Interest	135,000	135,000	76,388	(58,612)
Other revenue	7,800	7,800	9,342	1,542
Total Other Revenues and Fees	<u>142,800</u>	<u>142,800</u>	<u>85,730</u>	<u>(57,070)</u>
Total Revenues	<u>9,982,093</u>	<u>9,982,093</u>	<u>9,731,615</u>	<u>(250,478)</u>
EXPENDITURES				
Infrastructure and Environmental Services:				
Administrative	655,738	655,738	596,536	59,202
Labor Division	6,902,083	7,148,583	6,013,443	1,135,140
Equipment Division	1,703,027	1,637,625	1,415,656	221,969
Total Infrastructure and Environmental Services	<u>9,260,848</u>	<u>9,441,946</u>	<u>8,025,635</u>	<u>1,416,311</u>
Capital Outlay:				
Improvements	3,000,000	2,753,500	1,326,175	1,427,325
Equipment	400,000	466,630	465,805	825
Total Capital Outlay	<u>3,400,000</u>	<u>3,220,130</u>	<u>1,791,980</u>	<u>1,428,150</u>
Debt Service:				
Principal payments	174,011	174,011	174,011	-
Interest and fiscal charges	51,259	51,259	51,259	-
Total Debt Service	<u>225,270</u>	<u>225,270</u>	<u>225,270</u>	<u>-</u>
Total Expenditures	<u>12,886,118</u>	<u>12,887,346</u>	<u>10,042,885</u>	<u>2,844,461</u>
Excess of Revenues Over (Under) Expenditures	(2,904,025)	(2,905,253)	(311,270)	2,593,983
OTHER FINANCING SOURCES				
Sale of equipment	-	-	1,597	1,597
Transfers in	2,150,000	2,151,228	2,151,228	-
Total Other Financing Sources	<u>2,150,000</u>	<u>2,151,228</u>	<u>2,152,825</u>	<u>1,597</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(754,025)	(754,025)	1,841,555	2,595,580
FUND BALANCE, SEPTEMBER 30, 2019	<u>4,475,049</u>	<u>4,475,049</u>	<u>4,475,049</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2020	<u>\$ 3,721,024</u>	<u>\$ 3,721,024</u>	<u>\$ 6,316,604</u>	<u>\$ 2,595,580</u>

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
Total Pension Liability						
Service cost	\$ 4,938,486	\$ 4,955,098	\$ 5,058,170	\$ 5,136,064	\$ 4,457,220	\$ 4,018,152
Interest on total pension liability	14,053,281	13,394,652	12,546,230	11,548,165	10,890,190	9,987,652
Effect of plan changes	-	-	-	1,176,989	(890,020)	2,013,743
Effect of assumption changes or inputs	-	-	459,075	-	1,482,064	-
Effect of economic/demographic (gains) or losses	850,358	(1,552,915)	461,252	(308,900)	(1,540,557)	2,010,479
Benefit payments/refunds of contributions	(8,833,914)	(8,471,177)	(7,443,441)	(6,953,355)	(6,839,560)	(5,988,650)
Net change in total pension liability	11,008,211	8,325,658	11,081,286	10,598,963	7,559,337	12,041,376
Total pension liability, beginning	172,889,764	164,564,106	153,482,820	142,883,857	135,324,520	123,283,144
Total pension liability, ending (a)	<u>\$ 183,897,975</u>	<u>\$ 172,889,764</u>	<u>\$ 164,564,106</u>	<u>\$ 153,482,820</u>	<u>\$ 142,883,857</u>	<u>\$ 135,324,520</u>
Fiduciary Net Position						
Employer contributions	\$ 4,794,899	\$ 4,569,901	\$ 4,295,225	\$ 3,898,296	\$ 3,931,296	\$ 2,909,278
Member contributions	3,010,254	2,981,508	2,799,502	2,693,793	2,664,006	2,471,480
Investment income net of investment expenses	24,224,110	(2,831,093)	19,337,813	9,172,255	(242,117)	8,000,021
Benefit payments/refunds of contributions	(8,833,914)	(8,471,177)	(7,443,441)	(6,953,355)	(6,839,560)	(5,988,650)
Administrative expenses	(129,963)	(118,476)	(100,688)	(99,745)	(89,499)	(93,288)
Other	(22,014)	(30,582)	(5,622)	(204,647)	(187,789)	(16,468)
Net change in fiduciary net position	23,043,372	(3,899,919)	18,882,789	8,506,597	(763,663)	7,282,373
Fiduciary net position, beginning	147,503,741	151,403,660	132,520,871	124,014,274	124,777,937	117,495,564
Fiduciary net position, ending (b)	\$ 170,547,113	\$ 147,503,741	\$ 151,403,660	\$ 132,520,871	\$ 124,014,274	\$ 124,777,937
Net pension liability/(asset), ending = (a) - (b)	<u>\$ 13,350,862</u>	<u>\$ 25,386,023</u>	<u>\$ 13,160,446</u>	<u>\$ 20,961,949</u>	<u>\$ 18,869,583</u>	<u>\$ 10,546,583</u>
Fiduciary net position as a % of total pension liability	92.74%	85.32%	92.00%	86.34%	86.79%	92.21%
Pensionable covered payroll	\$ 40,003,629	\$ 40,912,214	\$ 39,992,890	\$ 38,482,762	\$ 38,057,229	\$ 35,306,853
Net pension liability as a % of covered payroll	31.05%	62.05%	32.91%	54.47%	49.58%	29.87%

Notes to the Schedule:

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

**SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2011	2,334,372	2,334,372	-	34,806,065	6.71%
2012	1,998,059	1,998,059	-	33,252,666	6.01%
2013	2,172,173	2,172,173	-	33,635,881	6.46%
2014	2,774,644	2,774,919	(275)	34,926,585	7.95%
2015	3,569,819	3,569,819	-	36,240,209	9.85%
2016	3,871,232	3,871,232	-	38,015,395	10.18%
2017	4,192,173	4,192,173	-	39,635,274	10.58%
2018	4,495,650	4,495,832	(182)	40,669,317	11.05%
2019	4,743,047	4,743,047	-	42,518,447	11.16%
2020	5,067,840	5,067,840	-	44,282,077	11.44%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Timing	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	11.9 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.90% average over career, including inflation
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Tables for males and 110% of the RP-2014 Healthy Annuitant Mortality Tables for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality, and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule	2015: Employer contributions reflect that the current service matching rate was increased to 175% for future benefits. 2016: No changes in plan provisions were reflected in the Schedule. 2017: Employer contributions reflect that the current service matching rate was increased to 200% for future benefits. Also, new Annuity Purchase Rates were reflected for benefits earned after 2017.

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS
HEALTH PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 911,579	\$ 521,147	\$ 648,429
Interest	1,397,073	1,872,028	1,731,605
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	3,901,951	-
Changes in assumptions	3,684,948	2,992,701	(4,641,759)
Benefit payments	<u>(1,376,238)</u>	<u>(1,240,359)</u>	<u>(1,083,639)</u>
Net change in total OPEB liability	4,617,362	8,047,468	(3,345,364)
Total OPEB liability, beginning	<u>52,298,099</u>	<u>44,250,631</u>	<u>47,595,995</u>
Total OPEB liability, ending (a)	<u>\$ 56,915,461</u>	<u>\$ 52,298,099</u>	<u>\$ 44,250,631</u>
Fiduciary Net Position			
Employer contributions	\$ 1,376,238	\$ 1,240,359	\$ 1,083,639
Net investment income	-	-	-
Benefit payments	(1,376,238)	(1,240,359)	(1,083,639)
Administrative expenses	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fiduciary net position	-	-	-
Fiduciary net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary net position, ending (b)	\$ -	\$ -	\$ -
Net OPEB liability/(asset), ending = (a) - (b)	<u>\$ 56,915,461</u>	<u>\$ 52,298,099</u>	<u>\$ 44,250,631</u>
Fiduciary net position as a % of total OPEB liability	0.00%	0.00%	0.00%
Covered payroll	\$ 9,200,000	\$ 9,000,000	\$ 9,500,000
Net OPEB liability as a % of covered payroll	618.60%	581.10%	465.80%

Notes to the Schedule:

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

**SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered- Employee Payroll
2018	\$ 1,083,639	\$ 1,083,639	\$ -	\$ 9,500,000	11.4%
2019	1,240,359	1,240,359	-	9,000,000	13.8%
2020	1,376,238	1,376,338	-	9,200,000	15.0%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Valuation Date	October 1, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll
Amortization Period	5 years for investment gains/losses Average Working Lifetime for liability gains/losses
Asset Valuation Method	The plan is not prefunded.
Discount Rate	2.66%
Healthcare cost trend rates	Dental: 4.00% Medical/Rx Post-65: 4.00% Medical/Rx Pre-65: 8.33% initial, decreasing .33% per year to an ultimate rate of 5.00%
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality - Active Participants	RP-2000 Combined Mortality Table set forward 2 years for males, set back 4 years for females, projected to 2014 with Scale AA and projected with 110% of Scale MP-2014 thereafter.
Mortality - Inactive Participants	RP-2000 Combined Mortality Table set forward 1 year for males, projected to 2014 with Scale AA and projected with 110% of Scale MP-2014 thereafter.
Mortality - Disabled Participants	RP-2000 Disabled Mortality Table set forward 2 years for females, projected to 2014 with Scale AA and projected with 110% of Scale MP-2016 thereafter.

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
SUPPLEMENTAL DEATH BENEFITS PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
Total OPEB liability			
Service Cost	\$ 51,477	\$ 63,778	\$ 56,702
Interest	70,153	64,443	64,659
Changes in benefit terms	-	-	-
Difference between expected and actual experience	25,768	(19,164)	(17,110)
Change of assumptions and other inputs	503,070	(210,809)	93,952
Benefit payments	(51,604)	(45,003)	(39,993)
Net Change in Total OPEB Liability	598,864	(146,755)	158,210
Total OPEB Liability - Beginning	1,685,111	1,831,866	1,673,656
Total OPEB Liability - Ending (a)	\$ 2,283,975	\$ 1,685,111	\$ 1,831,866
Covered Payroll	\$ 43,003,629	\$ 40,912,214	\$ 39,992,890
Net OPEB Liability as a Percentage of Covered Payroll	5.31%	4.12%	4.58%

NOTES TO SCHEDULE

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

Valuation Date:

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

Methods and Assumptions Used to Determine Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line amortization over Expected Working Life
Investment Rate of Return (Discount Rate)	102.74% 21 Year Bond GO Index published by bondbuyer.com as of December 26, 2019.
Disability	Members who become disabled are eligible to commence benefit payments regardless of age. Rates of disability are in a customer table based on TCDRS experience.
Mortality - Depositing Members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Mortality - Service Retirees, Beneficiaries, and Non-Depositing Members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Mortality - Disables Retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Other Information:

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

SMITH COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020

I. BUDGETS AND BUDGETARY ACCOUNTING

A. BUDGET BASIS

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



ADDITIONAL SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	SPECIAL REVENUE FUNDS							
	DISTRICT CLERK TITLE IV-D	COUNTY LAW LIBRARY	COUNTY CLERK RECORDS PRESERVATION	DISTRICT CLERK RECORDS PRESERVATION	JUVENILE DELINQUENCY PREVENTION	COURTHOUSE SECURITY	DISTRICT ATTORNEY	COURT IMPROVEMENT
ASSETS								
Cash	\$ 45,223	\$ 74,844	\$ 1,329,556	\$ 177,983	\$ 17,860	\$ 875,235	\$ 17,975	\$ 34,548
Investments	-	162,498	3,359,010	-	-	-	-	-
Taxes receivable-delinquent, net	-	-	-	-	-	-	-	-
Accounts receivable	-	4,039	12,633	722	661	2,426	57	217
Prepaid and other assets	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 45,223	\$ 241,381	\$ 4,701,199	\$ 178,705	\$ 18,521	\$ 877,661	\$ 18,032	\$ 34,765
LIABILITIES								
Vouchers payable	\$ -	\$ 8,709	478,456	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries payable	-	4,159	-	933	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	22,000
Total Liabilities	-	12,868	478,456	933	-	-	-	22,000
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-property taxes	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCE								
Nonspendable:								
Prepays	-	-	-	-	-	-	-	-
Restricted for:								
Records preservation	-	-	4,222,743	177,772	-	-	-	-
Courthouse security	-	-	-	-	-	877,661	-	-
Law enforcement purposes	-	-	-	-	-	-	18,032	-
Adult probation	-	-	-	-	-	-	-	-
Juvenile services	-	-	-	-	18,521	-	-	-
Covid relief	-	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-	-
Judicial support	45,223	228,513	-	-	-	-	-	12,765
Public services	-	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Committed to:								
Juvenile services	-	-	-	-	-	-	-	-
Workforce development	-	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	45,223	228,513	4,222,743	177,772	18,521	877,661	18,032	12,765
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 45,223	\$ 241,381	\$ 4,701,199	\$ 178,705	\$ 18,521	\$ 877,661	\$ 18,032	\$ 34,765

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	SPECIAL REVENUE FUNDS							
	LOCAL LAW ENFORCEMENT GRANTS	DISTRICT ATTORNEY DRUG FORFEITURE	DPS SEIZURES	DRUG FORFEITURE	LOCAL LAW ENFORCEMENT SEIZURES	DISTRICT ADULT PROBATION	EAST TEXAS AUTO CRUSHERS	JUVENILE GENERAL
ASSETS								
Cash	\$ -	\$ 236,968	\$ 40,965	\$ 114,497	\$ 414,181	\$ 946,611	\$ 79,006	\$ 1,136,883
Investments	-	-	-	-	-	1,716,914	-	135,273
Taxes receivable-delinquent, net	-	-	-	-	-	-	-	-
Accounts receivable	-	3,802	-	-	-	20,033	116,261	13,234
Prepaid and other assets	-	-	-	-	-	2,164	1,701	2,021
TOTAL ASSETS	\$ -	\$ 240,770	\$ 40,965	\$ 114,497	\$ 414,181	\$ 2,685,722	\$ 196,968	\$ 1,287,411
LIABILITIES								
Vouchers payable	\$ -	\$ 1,338	\$ -	\$ 5,068	\$ -	\$ 24,084	\$ 28,772	\$ 43,276
Salaries payable	-	-	-	-	-	160,849	4,447	185,474
Due to other funds	-	-	-	-	-	-	150,000	-
Total Liabilities	-	1,338	-	5,068	-	184,933	183,219	228,750
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-property taxes	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCE								
Nonspendable:								
Prepays	-	-	-	-	-	2,164	1,701	2,021
Restricted for:								
Records preservation	-	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-	-
Law enforcement purposes	-	239,432	40,965	109,429	414,181	-	12,048	-
Adult probation	-	-	-	-	-	2,498,625	-	-
Juvenile services	-	-	-	-	-	-	-	-
Covid relief	-	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-	-
Judicial support	-	-	-	-	-	-	-	-
Public services	-	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Committed to:								
Juvenile services	-	-	-	-	-	-	-	1,056,640
Workforce development	-	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	-	239,432	40,965	109,429	414,181	2,500,789	13,749	1,058,661
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ -	\$ 240,770	\$ 40,965	\$ 114,497	\$ 414,181	\$ 2,685,722	\$ 196,968	\$ 1,287,411

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	SPECIAL REVENUE FUNDS							
	TEXAS JUVENILE JUSTICE DEPARTMENT	CRIME VICTIM'S SERVICES	STEP TOBACCO GRANT	SHERIFF DEA TASK FORCE	JUSTICE COURT TECHNOLOGY FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND	JUVENILE JUSTICE ALTERNATIVE EDUCATION	BODY WORN CAMERA PROGRAM
ASSETS								
Cash	\$ 296,646	\$ 121,763	\$ -	\$ 74,972	\$ 225,190	\$ 3,346	\$ 49,390	\$ 471
Investments	37,855	-	-	-	138,106	-	25	-
Taxes receivable-delinquent, net	-	-	-	-	-	-	-	-
Accounts receivable	-	40	-	20,061	812	134	-	-
Prepaid and other assets	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 334,501	\$ 121,803	\$ -	\$ 95,033	\$ 364,108	\$ 3,480	\$ 49,415	\$ 471
LIABILITIES								
Vouchers payable	\$ 34,009	\$ 115	\$ -	\$ 5,135	\$ 2,869	\$ -	\$ -	\$ -
Salaries payable	43,254	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total Liabilities	77,263	115	-	5,135	2,869	-	-	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-property taxes	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCE								
Nonspendable:								
Prepays	-	-	-	-	-	-	-	-
Restricted for:								
Records preservation	-	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-	-
Law enforcement purposes	-	121,688	-	89,898	-	-	-	471
Adult probation	-	-	-	-	-	-	-	-
Juvenile services	257,238	-	-	-	-	-	49,415	-
Covid relief	-	-	-	-	-	-	-	-
Technology	-	-	-	-	361,239	3,480	-	-
Judicial support	-	-	-	-	-	-	-	-
Public services	-	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Committed to:								
Juvenile services	-	-	-	-	-	-	-	-
Workforce development	-	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	257,238	121,688	-	89,898	361,239	3,480	49,415	471
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 334,501	\$ 121,803	\$ -	\$ 95,033	\$ 364,108	\$ 3,480	\$ 49,415	\$ 471

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

SPECIAL REVENUE FUNDS										
	LEOSE FUND	JUDICIAL EDUCATION	COMMUNITY POLICING	HOMELAND SECURITY	DA CRIME PREVENTION	FORFEITURE INTEREST 10%	WORKFORCE INVESTMENT	JAC MAINTENANCE		
ASSETS										
Cash	\$ 52,924	\$ 15,801	\$ -	\$ 12,825	\$ 5,887	\$ 281,242	\$ 3,981	\$ 190,752		
Investments	-	-	-	-	-	-	171,603	905,824		
Taxes receivable-delinquent, net	-	-	-	-	-	-	-	-		
Accounts receivable	-	85	-	-	-	1,284	-	-		
Prepaid and other assets	-	-	-	-	-	-	-	-		
TOTAL ASSETS	\$ 52,924	\$ 15,886	\$ -	\$ 12,825	\$ 5,887	\$ 282,526	\$ 175,584	\$ 1,096,576		
LIABILITIES										
Vouchers payable	\$ 1,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Salaries payable	-	-	-	-	-	-	-	-		
Due to other funds	-	-	-	-	-	-	-	-		
Total Liabilities	1,105	-	-	-	-	-	-	-		
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue-property taxes	-	-	-	-	-	-	-	-		
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-		
FUND BALANCE										
Nonspendable:										
Prepays	-	-	-	-	-	-	-	-		
Restricted for:										
Records preservation	-	-	-	-	-	-	-	-		
Courthouse security	-	-	-	-	-	-	-	-		
Law enforcement purposes	51,819	-	-	12,825	5,887	282,526	-	-		
Adult probation	-	-	-	-	-	-	-	-		
Juvenile services	-	-	-	-	-	-	-	-		
Covid relief	-	-	-	-	-	-	-	-		
Technology	-	-	-	-	-	-	-	-		
Judicial support	-	15,886	-	-	-	-	-	-		
Public services	-	-	-	-	-	-	-	-		
Inmates	-	-	-	-	-	-	-	-		
Capital projects	-	-	-	-	-	-	-	-		
Debt service	-	-	-	-	-	-	-	-		
Committed to:										
Juvenile services	-	-	-	-	-	-	-	-		
Workforce development	-	-	-	-	-	-	175,584	-		
Major building repairs	-	-	-	-	-	-	-	1,096,576		
Elections department	-	-	-	-	-	-	-	-		
Capital projects	-	-	-	-	-	-	-	-		
Unassigned	-	-	-	-	-	-	-	-		
Total fund balance	51,819	15,886	-	12,825	5,887	282,526	175,584	1,096,576		
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 52,924	\$ 15,886	\$ -	\$ 12,825	\$ 5,887	\$ 282,526	\$ 175,584	\$ 1,096,576		

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

SPECIAL REVENUE FUNDS

	ELECTIONS VOTING MACHINE REPLACEMENT	ELECTION SERVICES CONTRACT	CHAPTER 19 VOTER REGISTRATION	DA FEDERAL ASSETS	COMMISSARY FUND	CAPITAL IMPROVEMENTS GRANTS	TRANSPORTATION GRANTS	EAST TEXAS ANTI GANG	COVID 19 RELIEF GRANTS
ASSETS									
Cash	\$ 7,557	\$ 29,738	\$ 37,913	\$ 21,996	\$ 442,732	\$ -	\$ 28,190	\$ 296,332	\$ 761,764
Investments	-	-	-	-	11,065	-	-	-	-
Taxes receivable-delinquent, net	-	-	-	-	-	-	-	-	3,990,286
Accounts receivable	-	-	-	3,014	87,250	333,946	28,820	122,061	-
Prepaid and other assets	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 7,557	\$ 29,738	\$ 37,913	\$ 25,010	\$ 541,047	\$ 333,946	\$ 57,010	\$ 418,393	\$ 4,752,050
LIABILITIES									
Vouchers payable	\$ -	\$ 11,705	\$ -	\$ -	\$ 11,311	\$ 333,946	\$ 16,010	\$ 43,310	\$ 836,114
Salaries payable	-	-	-	-	-	-	-	5,083	-
Due to other funds	-	-	31,000	-	-	-	45,000	370,000	-
Total Liabilities	-	11,705	31,000	-	11,311	333,946	61,010	418,393	836,114
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue-property taxes	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-
FUND BALANCE									
Nonspendable:									
Prepays	-	-	-	-	-	-	-	-	-
Restricted for:									
Records preservation	-	-	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-	-	-
Law enforcement purposes	-	-	-	25,010	-	-	-	-	-
Adult probation	-	-	-	-	-	-	-	-	-
Juvenile services	-	-	-	-	-	-	-	-	-
Covid relief	-	-	-	-	-	-	-	-	3,915,936
Technology	-	-	-	-	-	-	-	-	-
Judicial support	-	-	-	-	-	-	-	-	-
Public services	7,557	-	6,913	-	-	-	-	-	-
Inmates	-	-	-	-	529,736	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Committed to:									
Juvenile services	-	-	-	-	-	-	-	-	-
Workforce development	-	-	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-	-	-
Elections department	-	18,033	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(4,000)	-	-
Total fund balance	7,557	18,033	6,913	25,010	529,736	-	(4,000)	-	3,915,936
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 7,557	\$ 29,738	\$ 37,913	\$ 25,010	\$ 541,047	\$ 333,946	\$ 57,010	\$ 418,393	\$ 4,752,050

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUNDS			DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	OTHER GRANTS	TOTAL	FACILITY IMPROVEMENT	INFRASTRUCTURE IMPROVEMENT SERIES 2018	INFRASTRUCTURE IMPROVEMENT SERIES 2019	INFRASTRUCTURE IMPROVEMENT SERIES 2020		DEBT SERVICE FUND
ASSETS								
Cash	\$ 25,849	\$ 8,529,596	\$ 1,528,173	\$ 779,319	\$ 4,410,161	\$ 7,170,481	\$ 1,262,663	\$ 23,680,393
Investments	-	6,638,173	2,123,650	-	-	-	1,512,884	10,274,707
Taxes receivable-delinquent, net	-	3,990,286	89,475	-	-	-	350,724	4,430,485
Accounts receivable	-	771,592	3,614	-	-	-	14,167	789,373
Prepaid and other assets	-	5,886	-	-	-	-	-	5,886
TOTAL ASSETS	\$ 25,849	\$ 19,935,533	\$ 3,744,912	\$ 779,319	\$ 4,410,161	\$ 7,170,481	\$ 3,140,438	\$ 39,180,844
LIABILITIES								
Vouchers payable	\$ -	\$ 1,885,332	\$ 98,200	\$ -	\$ 474,285	\$ 149,979	\$ -	\$ 2,607,796
Salaries payable	-	404,199	-	-	-	-	-	404,199
Due to other funds	-	618,000	-	-	-	-	-	618,000
Total Liabilities	-	2,907,531	98,200	-	474,285	149,979	-	3,629,995
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-property taxes	-	-	70,236	-	-	-	329,178	399,414
Total Deferred Inflows of Resources	-	-	70,236	-	-	-	329,178	399,414
FUND BALANCE								
Nonspendable:								
Prepays	-	5,886	-	-	-	-	-	5,886
Restricted for:								
Records preservation	-	4,400,515	-	-	-	-	-	4,400,515
Courthouse security	-	877,661	-	-	-	-	-	877,661
Law enforcement purposes	-	1,424,211	-	-	-	-	-	1,424,211
Adult probation	-	2,498,625	-	-	-	-	-	2,498,625
Juvenile services	-	325,174	-	-	-	-	-	325,174
Covid relief	-	3,915,936	-	-	-	-	-	3,915,936
Technology	-	364,719	-	-	-	-	-	364,719
Judicial support	-	302,387	-	-	-	-	-	302,387
Public services	-	14,470	-	-	-	-	-	14,470
Inmates	25,849	555,585	-	-	-	-	-	555,585
Capital projects	-	-	-	779,319	3,935,876	7,020,502	-	11,735,697
Debt service	-	-	-	-	-	-	2,811,260	2,811,260
Committed to:								
Juvenile services	-	1,056,640	-	-	-	-	-	1,056,640
Workforce development	-	175,584	-	-	-	-	-	175,584
Major building repairs	-	1,096,576	-	-	-	-	-	1,096,576
Elections department	-	18,033	-	-	-	-	-	18,033
Capital projects	-	-	3,576,476	-	-	-	-	3,576,476
Unassigned	-	(4,000)	-	-	-	-	-	(4,000)
Total fund balance	25,849	17,028,002	3,576,476	779,319	3,935,876	7,020,502	2,811,260	35,151,435
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 25,849	\$ 19,935,533	\$ 3,744,912	\$ 779,319	\$ 4,410,161	\$ 7,170,481	\$ 3,140,438	39,180,844

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	SPECIAL REVENUE FUNDS							
	DISTRICT CLERK TITLE IV-D	COUNTY LAW LIBRARY	COUNTY CLERK RECORDS PRESERVATION	DISTRICT CLERK RECORDS PRESERVATION	JUVENILE DELINQUENCY PREVENTION	COURTHOUSE SECURITY	DISTRICT ATTORNEY	COURT IMPROVEMENT
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	162,383	1,019,134	20,508	14,159	118,673	10,785	-
Intergovernmental revenues	139	-	-	-	-	-	22,659	24,602
Other revenues and fees	446	7,096	65,695	1,667	62	8,118	25,753	825
Total Revenues	585	169,479	1,084,829	22,175	14,221	126,791	59,197	25,427
EXPENDITURES								
General government	-	-	4,030,769	6,266	-	-	-	-
Justice system	-	173,750	-	-	-	-	61,832	20,164
Public safety	-	-	-	-	-	4,065	-	-
Corrections and rehabilitation	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	23,565	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-	-
Total Expenditures	-	173,750	4,030,769	6,266	-	27,630	61,832	20,164
Excess of Revenue Over (Under) Expenditures	585	(4,271)	(2,945,940)	15,909	14,221	99,161	(2,635)	5,263
OTHER FINANCING SOURCES (USES)								
Issuance of debt	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	585	(4,271)	(2,945,940)	15,909	14,221	99,161	(2,635)	5,263
FUND BALANCE, SEPTEMBER 30, 2019	44,638	232,784	7,168,683	161,863	4,300	778,500	20,667	7,502
FUND BALANCE, SEPTEMBER 30, 20120	\$ 45,223	\$ 228,513	\$ 4,222,743	\$ 177,772	\$ 18,521	\$ 877,661	\$ 18,032	\$ 12,765

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	SPECIAL REVENUE FUNDS							
	LOCAL LAW ENFORCEMENT GRANTS	DISTRICT ATTORNEY DRUG FORFEITURE	DPS SEIZURES	DRUG FORFEITURE	LOCAL LAW ENFORCEMENT SEIZURES	DISTRICT ADULT PROBATION	EAST TEXAS AUTO CRUSHERS	JUVENILE GENERAL
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	-	-	-	3,347,515	-	15,351
Intergovernmental revenues	138,000	-	-	-	-	686,182	515,657	-
Other revenues and fees	-	123,976	423	38,521	149,217	141,456	869	288,285
Total Revenues	138,000	123,976	423	38,521	149,217	4,175,153	516,526	303,636
EXPENDITURES								
General government	-	-	-	-	-	-	-	-
Justice system	-	-	-	-	-	-	-	4,934,422
Public safety	-	97,539	2,554	16,270	73,763	-	519,478	-
Corrections and rehabilitation	-	-	-	-	-	4,225,751	-	-
Health and human services	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Capital outlay	138,000	27,816	-	12,000	-	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-	-
Total Expenditures	138,000	125,355	2,554	28,270	73,763	4,225,751	519,478	4,934,422
Excess of Revenue Over (Under) Expenditures	-	(1,379)	(2,131)	10,251	75,454	(50,598)	(2,952)	(4,630,786)
OTHER FINANCING SOURCES (USES)								
Issuance of debt	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	5,000,000
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	5,000,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(1,379)	(2,131)	10,251	75,454	(50,598)	(2,952)	369,214
FUND BALANCE, SEPTEMBER 30, 2019	-	240,811	43,096	99,178	338,727	2,551,387	16,701	689,447
FUND BALANCE, SEPTEMBER 30, 20120	\$ -	\$ 239,432	\$ 40,965	\$ 109,429	\$ 414,181	\$ 2,500,789	\$ 13,749	\$ 1,058,661

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	SPECIAL REVENUE FUNDS							
	TEXAS JUVENILE JUSTICE DEPARTMENT	CRIME VICTIM'S SERVICES	STEP TOBACCO GRANT	SHERIFF DEA TASK FORCE	JUSTICE COURT TECHNOLOGY FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND	JUVENILE JUSTICE ALTERNATIVE EDUCATION	BODY WORN CAMERA PROGRAM
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	-	-	32,443	-	-	-
Intergovernmental revenues	1,473,296	-	-	18,620	-	-	-	-
Other revenues and fees	18,215	5,534	140	1,019	3,255	8,000	489	-
Total Revenues	1,491,511	5,534	140	19,639	35,698	8,000	489	-
EXPENDITURES								
General government	-	-	-	-	-	-	-	-
Justice system	-	2,921	-	-	10,325	15,000	-	-
Public safety	-	-	15,215	4,377	-	-	-	-
Corrections and rehabilitation	1,530,107	-	-	-	-	-	-	-
Health and human services	23,226	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	27,816	-	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-	-
Total Expenditures	1,553,333	2,921	15,215	32,193	10,325	15,000	-	-
Excess of Revenue Over (Under) Expenditures	(61,822)	2,613	(15,075)	(12,554)	25,373	(7,000)	489	-
OTHER FINANCING SOURCES (USES)								
Issuance of debt	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(61,822)	2,613	(15,075)	(12,554)	25,373	(7,000)	489	-
FUND BALANCE, SEPTEMBER 30, 2019	319,060	119,075	15,075	102,452	335,866	10,480	48,926	471
FUND BALANCE, SEPTEMBER 30, 20120	\$ 257,238	\$ 121,688	\$ -	\$ 89,898	\$ 361,239	\$ 3,480	\$ 49,415	\$ 471

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

SPECIAL REVENUE FUNDS								
	LEOSE FUND	JUDICIAL EDUCATION	COMMUNITY POLICING	HOMELAND SECURITY	DA CRIME PREVENTION	FORFEITURE INTEREST 10%	WORKFORCE INVESTMENT	JAC MAINTENANCE
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	4,005	-	-	-	-	-	-
Other revenues and fees	28,058	132	419	127	58	11,562	1,516	9,610
Total Revenues	28,058	4,137	419	127	58	11,562	1,516	9,610
EXPENDITURES								
General government	-	-	45,403	-	-	-	18,195	25,010
Justice system	-	602	-	-	-	-	-	-
Public safety	219	-	-	-	-	-	-	-
Corrections and rehabilitation	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	19,000	-	-
Community and economic development	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-	-
Total Expenditures	219	602	45,403	-	-	19,000	18,195	25,010
Excess of Revenue Over (Under) Expenditures	27,839	3,535	(44,984)	127	58	(7,438)	(16,679)	(15,400)
OTHER FINANCING SOURCES (USES)								
Issuance of debt	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	50,000
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	50,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	27,839	3,535	(44,984)	127	58	(7,438)	(16,679)	34,600
FUND BALANCE, SEPTEMBER 30, 2019	23,980	12,351	44,984	12,698	5,829	289,964	192,263	1,061,976
FUND BALANCE, SEPTEMBER 30, 20120	\$ 51,819	\$ 15,886	\$ -	\$ 12,825	\$ 5,887	\$ 282,526	\$ 175,584	\$ 1,096,576

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

SPECIAL REVENUE FUNDS

	ELECTIONS VOTING MACHINE REPLACEMENT	ELECTION SERVICES CONTRACT	CHAPTER 19 VOTER REGISTRATION	DA FEDERAL ASSETS	COMMISSARY FUND	CAPITAL IMPROVEMENTS GRANTS	TRANSPORTATION GRANTS	EAST TEXAS ANTI GANG	COVID 19 RELIEF GRANTS
REVENUES									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	558,415	163,591	1,130,774	5,379,976
Other revenues and fees	-	481	-	435	416,279	6,351	-	-	17,295
Total Revenues	-	481	-	435	416,279	564,766	163,591	1,130,774	5,397,271
EXPENDITURES									
General government	-	33,455	-	-	-	-	-	-	1,289,413
Justice system	-	-	-	21,082	216,316	-	-	-	-
Public safety	-	-	-	-	-	-	-	1,130,774	-
Corrections and rehabilitation	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	564,766	167,591	-	-
Capital outlay	-	-	-	-	100,261	-	-	-	191,922
Debt Service-principal retirement	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total Expenditures	-	33,455	-	21,082	316,577	564,766	167,591	1,130,774	1,481,335
Excess of Revenue Over (Under) Expenditures	-	(32,974)	-	(20,647)	99,702	-	(4,000)	-	3,915,936
OTHER FINANCING SOURCES (USES)									
Issuance of debt	-	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(32,974)	-	(20,647)	99,702	-	(4,000)	-	3,915,936
FUND BALANCE, SEPTEMBER 30, 2019	7,557	51,007	6,913	45,657	430,034	-	-	-	-
FUND BALANCE, SEPTEMBER 30, 20120	\$ 7,557	\$ 18,033	\$ 6,913	\$ 25,010	\$ 529,736	\$ -	\$ (4,000)	\$ -	\$ 3,915,936

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUNDS			DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	OTHER GRANTS	TOTAL	FACILITY IMPROVEMENT	INFRASTRUCTURE IMPROVEMENT SERIES 2018	INFRASTRUCTURE IMPROVEMENT SERIES 2019	INFRASTRUCTURE IMPROVEMENT SERIES 2020		DEBT SERVICE FUND
REVENUES								
Property taxes	\$ -	\$ -	\$ 1,766,297	\$ -	\$ -	\$ -	\$ 6,898,226	\$ 8,664,523
Fees of office	-	4,740,951	-	-	-	-	-	4,740,951
Intergovernmental revenues	-	10,115,916	-	-	300,000	-	-	10,415,916
Other revenues and fees	-	1,381,384	37,616	14,439	93,751	6,054	62,007	1,595,251
Total Revenues	-	16,238,251	1,803,913	14,439	393,751	6,054	6,960,233	25,416,641
EXPENDITURES								
General government	-	5,448,511	890,946	-	-	-	-	6,339,457
Justice system	-	5,456,414	-	-	-	-	-	5,456,414
Public safety	-	1,864,254	-	-	-	-	-	1,864,254
Corrections and rehabilitation	-	5,755,858	-	-	-	-	-	5,755,858
Health and human services	-	42,226	-	-	-	-	-	42,226
Community and economic development	-	732,357	-	-	-	-	-	732,357
Capital outlay	-	521,380	1,479,998	769,162	7,588,868	735,552	-	11,094,960
Debt Service-principal retirement	-	-	-	-	-	-	4,825,000	4,825,000
Bond issuance costs	-	-	-	-	-	85,000	-	85,000
Debt Service-interest and fiscal charges	-	-	-	-	-	-	1,207,251	1,207,251
Total Expenditures	-	19,821,000	2,370,944	769,162	7,588,868	820,552	6,032,251	37,402,777
Excess of Revenue Over (Under) Expenditures	-	(3,582,749)	(567,031)	(754,723)	(7,195,117)	(814,498)	927,982	(11,986,136)
OTHER FINANCING SOURCES (USES)								
Issuance of debt	-	-	-	-	-	7,125,000	-	7,125,000
Bond premium	-	-	-	-	-	710,000	-	710,000
Transfers in	-	5,050,000	1,000,000	-	-	-	-	6,050,000
Transfers out	-	-	(50,000)	-	-	-	-	(50,000)
Total Other Financing Sources (Uses)	-	5,050,000	950,000	-	-	7,835,000	-	13,835,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	1,467,251	382,969	(754,723)	(7,195,117)	7,020,502	927,982	1,848,864
FUND BALANCE, SEPTEMBER 30, 2019	25,849	15,560,751	3,193,507	1,534,042	11,130,993	-	1,883,278	33,302,571
FUND BALANCE, SEPTEMBER 30, 20120	\$ 25,849	\$ 17,028,002	\$ 3,576,476	\$ 779,319	\$ 3,935,876	\$ 7,020,502	\$ 2,811,260	\$ 35,151,435

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

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY LAW LIBRARY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fees of Office:			
Law library fees	\$ 193,000	\$ 162,383	\$ (30,617)
Total Fees of Office	<u>193,000</u>	<u>162,383</u>	<u>(30,617)</u>
Other Revenues and Fees:			
Interest	4,000	2,696	(1,304)
Miscellaneous revenue	-	4,400	4,400
Total Other Revenues and Fees	<u>4,000</u>	<u>7,096</u>	<u>3,096</u>
Total Revenues	<u>197,000</u>	<u>169,479</u>	<u>(27,521)</u>
EXPENDITURES			
Justice System:			
Salaries and benefits	102,102	94,609	7,493
Supplies	47,715	47,616	99
Training expenses	500	-	500
Operating expenses	1,195	1,019	176
Contract agreements	19,000	18,554	446
Miscellaneous	12,000	11,952	48
Total Justice System	<u>182,512</u>	<u>173,750</u>	<u>8,762</u>
Total Expenditures	<u>182,512</u>	<u>173,750</u>	<u>8,762</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 14,488</u>	(4,271)	<u>\$ (18,759)</u>
FUND BALANCE OCTOBER 1, 2019		<u>232,784</u>	
FUND BALANCE SEPTEMBER 30, 2020		<u>\$ 228,513</u>	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - DISTRICT CLERK RECORDS PRESERVATION FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Record preservation fees	\$ 17,500	\$ 20,508	\$ 3,008
Total Fees of Office	<u>17,500</u>	<u>20,508</u>	<u>3,008</u>
Other Revenues and Fees:			
Interest	<u>3,000</u>	<u>1,667</u>	<u>(1,333)</u>
Total Other Revenues and Fees	<u>3,000</u>	<u>1,667</u>	<u>(1,333)</u>
Total Revenues	<u>20,500</u>	<u>22,175</u>	<u>1,675</u>
EXPENDITURES			
General Government:			
Salaries and benefits	23,932	6,266	17,666
Contract agreements	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total General Government	<u>33,932</u>	<u>6,266</u>	<u>27,666</u>
Capital Outlay:			
Equipment	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total Capital Outlay	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total Expenditures	<u>83,932</u>	<u>6,266</u>	<u>77,666</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (63,432)</u>	15,909	<u>\$ 79,341</u>
FUND BALANCE OCTOBER 1, 2019		<u>161,863</u>	
FUND BALANCE SEPTEMBER 30, 2020		<u>\$ 177,772</u>	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY CLERK RECORDS PRESERVATION FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Record preservation fees	\$ 965,000	\$ 1,019,134	\$ 54,134
Total Fees of Office	965,000	1,019,134	54,134
Other Revenues and Fees:			
Interest	115,000	65,695	(49,305)
Total Other Revenues and Fees	115,000	65,695	(49,305)
Total Revenues	1,080,000	1,084,829	4,829
EXPENDITURES			
General Government:			
Salaries and benefits	23,932	-	23,932
Miscellaneous	203,500	-	203,500
Imaging / rebinding	7,187,834	4,030,062	3,157,772
Total General Government	7,415,266	4,030,062	3,385,204
Capital Outlay:			
Equipment	112,166	707	111,459
Total Capital Outlay	112,166	707	111,459
Total Expenditures	7,527,432	4,030,769	3,496,663
Excess of Revenues Over (Under) Expenditures	<u>\$ (6,447,432)</u>	(2,945,940)	<u>\$ 3,501,492</u>
FUND BALANCE OCTOBER 1, 2019		<u>7,168,683</u>	
FUND BALANCE SEPTEMBER 30, 2020		<u>\$ 4,222,743</u>	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - JUVENILE DELINQUENCY PREVENTION FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fees of Office:			
Juvenile Delinquency Prevention	\$ -	\$ 14,159	\$ 14,159
Total Fees of Office	<u>-</u>	<u>14,159</u>	<u>14,159</u>
Other Revenues and Fees:			
Interest	<u>50</u>	<u>62</u>	<u>12</u>
Total Other Revenues and Fees	<u>50</u>	<u>62</u>	<u>12</u>
Total Revenues	<u>50</u>	<u>14,221</u>	<u>14,171</u>
EXPENDITURES			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 50</u>	14,221	<u>\$ 14,171</u>
FUND BALANCE OCTOBER 1, 2019		<u>4,300</u>	
FUND BALANCE SEPTEMBER 30, 2020		<u>\$ 18,521</u>	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - COURTHOUSE SECURITY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Courthouse security	\$ 82,000	\$ 83,624	\$ 1,624
Courthouse security - Precinct #1	43,000	35,049	(7,951)
Total Fees of Office	<u>125,000</u>	<u>118,673</u>	<u>(6,327)</u>
Other Revenues and Fees:			
Interest	15,000	8,118	(6,882)
Total Other Revenues and Fees	<u>15,000</u>	<u>8,118</u>	<u>(6,882)</u>
Total Revenues	<u>140,000</u>	<u>126,791</u>	<u>(13,209)</u>
EXPENDITURES			
Public Safety:			
Training	2,000	-	2,000
Miscellaneous	60,000	4,065	55,935
Total Public Safety	<u>62,000</u>	<u>4,065</u>	<u>57,935</u>
Capital Outlay:			
Courthouse Renovations	125,000	627	124,373
Security Improvements	25,000	22,938	2,062
Equipment	50,000	-	50,000
Total Capital Outlay	<u>200,000</u>	<u>23,565</u>	<u>176,435</u>
Total Expenditures	<u>262,000</u>	<u>27,630</u>	<u>234,370</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (122,000)</u>	99,161	<u>\$ 221,161</u>
FUND BALANCE OCTOBER 1, 2019		<u>778,500</u>	
FUND BALANCE SEPTEMBER 30, 2020		<u>\$ 877,661</u>	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - JUSTICE COURT TECHNOLOGY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Justice Court technology	\$ 44,000	\$ 32,443	\$ (11,557)
Total Fees of Office	44,000	32,443	(11,557)
Other Revenues and Fees:			
Interest	6,000	3,255	(2,745)
Total Other Revenues and Fees	6,000	3,255	(2,745)
Total Revenues	50,000	35,698	(14,302)
EXPENDITURES			
Justice System:			
Operating expenses	5,000	100	4,900
Total Justice System	5,000	100	4,900
Capital Outlay:			
Computer equipment	45,000	10,225	34,775
Total Capital Outlay	45,000	10,225	34,775
Total Expenditures	50,000	10,325	39,675
Excess of Revenues Over (Under) Expenditures	\$ -	25,373	\$ 25,373
FUND BALANCE OCTOBER 1, 2019		335,866	
FUND BALANCE SEPTEMBER 30, 2020		\$ 361,239	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY & DISTRICT COURT TECHNOLOGY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ 1,200	\$ 109	\$ (1,091)
Other revenue	8,500	7,891	(609)
Total Other Revenues and Fees	9,700	8,000	(1,700)
Total Revenues	9,700	8,000	(1,700)
EXPENDITURES			
Capital Outlay:			
Computer equipment	-	15,000	(15,000)
Total Capital Outlay	-	15,000	(15,000)
Total Expenditures	-	15,000	(15,000)
Excess of Revenues Over (Under) Expenditures	\$ 9,700	(7,000)	\$ (16,700)
FUND BALANCE OCTOBER 1, 2019		10,480	
FUND BALANCE SEPTEMBER 30, 2020		\$ 3,480	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - JUVENILE GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fees of Office:			
Supervision and other fees	\$ 16,800	\$ 15,351	\$ (1,449)
Total Fees of Office	16,800	15,351	(1,449)
Other Revenues and Fees:			
Prisoner care	150,000	271,920	121,920
Interest	19,500	11,512	(7,988)
Other revenue	4,800	4,853	53
Total Other Revenues and Fees	174,300	288,285	113,985
Total Revenues	191,100	303,636	112,536
EXPENDITURES			
Justice System:			
Salaries and benefits	4,665,755	4,353,797	311,958
Supplies	64,500	42,822	21,678
Operating expenses	146,800	121,431	25,369
Contract agreements	74,860	61,904	12,956
Placement	204,187	177,206	26,981
Miscellaneous	257,098	171,831	85,267
Total Justice System	5,413,200	4,928,991	484,209
Capital Outlay:			
Improvements	10,000	5,431	4,569
Total Capital Outlay	10,000	5,431	4,569
Total Expenditures	5,423,200	4,934,422	488,778
Excess of Revenues Over (Under) Expenditures	(5,232,100)	(4,630,786)	601,314
OTHER FINANCING SOURCES (USES)			
Transfers in	5,000,000	5,000,000	-
Total Other Financing Sources (Uses)	5,000,000	5,000,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (232,100)</u>	369,214	<u>\$ 601,314</u>
FUND BALANCE OCTOBER 1, 2019		689,447	
FUND BALANCE SEPTEMBER 30, 2020		<u>\$ 1,058,661</u>	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - FORFEITURE INTEREST 10% FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Other Revenues and Fees:			
Interest	\$ 6,000	\$ 2,840	\$ (3,160)
Other revenue	<u>10,000</u>	<u>8,722</u>	<u>(1,278)</u>
Total Other Revenues and Fees	<u>16,000</u>	<u>11,562</u>	<u>(4,438)</u>
Total Revenues	<u>16,000</u>	<u>11,562</u>	<u>(4,438)</u>
EXPENDITURES			
Health and Human Services:			
Operating expenses	<u>19,000</u>	<u>19,000</u>	<u>-</u>
Total Health and Human Services	<u>19,000</u>	<u>19,000</u>	<u>-</u>
Total Expenditures	<u>19,000</u>	<u>19,000</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u><u>\$ (3,000)</u></u>	<u>(7,438)</u>	<u><u>\$ (4,438)</u></u>
FUND BALANCE OCTOBER 1, 2019		<u>289,964</u>	
FUND BALANCE SEPTEMBER 30, 2020		<u><u>\$ 282,526</u></u>	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - WORKFORCE INVESTMENT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ 2,500	\$ 1,516	\$ (984)
Total Revenues	2,500	1,516	(984)
EXPENDITURES			
General Government:			
Travel and training	15,000	-	15,000
Operating expenses	30,000	18,195	11,805
Total General Government	45,000	18,195	26,805
Total Expenditures	45,000	18,195	26,805
Excess of Revenues Over (Under) Expenditures	(42,500)	(16,679)	25,821
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (42,500)	(16,679)	\$ 25,821
FUND BALANCE OCTOBER 1, 2019		192,263	
FUND BALANCE SEPTEMBER 30, 2020		\$ 175,584	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - JAC MAINTENANCE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ 18,000	\$ 9,610	\$ (8,390)
Total Other Revenues and Fees	18,000	9,610	(8,390)
Total Revenues	18,000	9,610	(8,390)
EXPENDITURES			
General Government:			
Building Improvements	20,000	-	20,000
Equipment	30,000	25,010	4,990
Total General Government	50,000	25,010	24,990
Total Expenditures	50,000	25,010	24,990
Excess of Revenues Over (Under) Expenditures	(32,000)	(15,400)	16,600
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	50,000	-
Total Other Financing Sources (Uses)	50,000	50,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 18,000	34,600	\$ 16,600
FUND BALANCE OCTOBER 1, 2019		1,061,976	
FUND BALANCE SEPTEMBER 30, 2020		\$ 1,096,576	

SCHEDULE 21

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

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Property Taxes:			
Taxes - current	\$ 1,758,512	\$ 1,738,744	\$ (19,768)
Taxes - delinquent	20,000	27,553	7,553
Total Property Taxes	<u>1,778,512</u>	<u>1,766,297</u>	<u>(12,215)</u>
Other Revenues and Fees:			
Interest	75,000	37,616	(37,384)
Total Other Revenues and Fees	<u>75,000</u>	<u>37,616</u>	<u>(37,384)</u>
Total Revenues	<u>1,853,512</u>	<u>1,803,913</u>	<u>(49,599)</u>
EXPENDITURES			
General Government:			
Operating expenses	-	12,400	(12,400)
Professional fees	1,095,207	847,965	247,242
Total General Government	<u>1,095,207</u>	<u>860,365</u>	<u>234,842</u>
Capital Outlay:			
Jail renovations	650,715	250,715	400,000
ComputereEquipment	30,581	30,581	-
Cottonbelt renovations	87,600	31,941	55,659
Real estate purchases	1,200,000	1,188,166	11,834
Improvements	1,836,836	9,176	1,827,660
Total Capital Outlay	<u>3,805,732</u>	<u>1,510,579</u>	<u>2,295,153</u>
Total Expenditures	<u>4,900,939</u>	<u>2,370,944</u>	<u>2,529,995</u>
Excess of Revenues Over (Under) Expenditures	(3,047,427)	(567,031)	2,480,396
OTHER FINANCING SOURCES (USES)			
Transfers in	1,000,000	1,000,000	-
Transfers out	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	<u>950,000</u>	<u>950,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (2,097,427)</u>	382,969	<u>\$ 2,480,396</u>
FUND BALANCE OCTOBER 1, 2019		<u>3,193,507</u>	

SMITH COUNTY, TEXAS
CAPITAL PROJECTS FUND - INFRASTRUCTURE IMPROVEMENT FUND SERIES 2018
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Other Revenues and Fees:			
Interest	\$ 10,000	\$ 14,439	\$ 4,439
Total Other Revenues and Fees	<u>10,000</u>	<u>14,439</u>	<u>4,439</u>
Total Revenues	<u>10,000</u>	<u>14,439</u>	<u>4,439</u>
EXPENDITURES			
Capital Outlay:			
Special Road Projects	<u>1,585,000</u>	<u>769,162</u>	<u>815,838</u>
Total Capital Outlay	<u>1,585,000</u>	<u>769,162</u>	<u>815,838</u>
Total Expenditures	<u>1,585,000</u>	<u>769,162</u>	<u>815,838</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (1,575,000)</u>	(754,723)	<u>\$ 820,277</u>
FUND BALANCE OCTOBER 1, 2019		<u>1,534,042</u>	
FUND BALANCE SEPTEMBER 30, 2020		<u>\$ 779,319</u>	

SMITH COUNTY, TEXAS
CAPITAL PROJECTS FUND - INFRASTRUCTURE IMPROVEMENT FUND SERIES 2019
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interlocal Agreements	\$ 300,000	\$ 300,000	\$ -
Interest	150,000	93,751	(56,249)
Total Other Revenues and Fees	<u>450,000</u>	<u>393,751</u>	<u>(56,249)</u>
Total Revenues	<u>450,000</u>	<u>393,751</u>	<u>(56,249)</u>
EXPENDITURES			
Capital Outlay:			
Special Road Projects	10,300,000	7,588,868	2,711,132
Total Capital Outlay	<u>10,300,000</u>	<u>7,588,868</u>	<u>2,711,132</u>
Total Expenditures	<u>10,300,000</u>	<u>7,588,868</u>	<u>2,711,132</u>
Excess of Revenues Over (Under) Expenditures	<u>(9,850,000)</u>	<u>(7,195,117)</u>	<u>2,654,883</u>
FUND BALANCE OCTOBER 1, 2019		<u>11,130,993</u>	
FUND BALANCE SEPTEMBER 30, 2020		<u>\$ 3,935,876</u>	

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

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ -	\$ 6,054	\$ 6,054
Total Other Revenues and Fees	-	6,054	6,054
Total Revenues	-	6,054	6,054
EXPENDITURES			
Capital Outlay:			
Special Road Projects	7,667,200	735,552	6,931,648
Total Capital Outlay	7,667,200	735,552	6,931,648
Debt Service:			
Bond issuance cost	82,800	85,000	(2,200)
Total Debt Service	82,800	85,000	(2,200)
Total Expenditures	7,750,000	820,552	6,929,448
Excess of Revenues Over (Under) Expenditures	(7,750,000)	(814,498)	6,935,502
OTHER FINANCING SOURCES (USES)			
Proceeds from Bonds	7,750,000	7,835,000	85,000
Total Other Financing Sources (Uses)	7,750,000	7,835,000	85,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	7,020,502	\$ 7,020,502
FUND BALANCE OCTOBER 1, 2019		-	
FUND BALANCE SEPTEMBER 30, 2020		\$ 7,020,502	

**SMITH COUNTY, TEXAS
DEBT SERVICE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Property Taxes:			
Taxes - current	\$ 5,937,603	\$ 6,815,388	\$ 877,785
Taxes - delinquent	60,000	82,838	22,838
Total Property Taxes	<u>5,997,603</u>	<u>6,898,226</u>	<u>900,623</u>
Other Revenues and Fees:			
Interest	100,000	62,007	(37,993)
Total Other Revenues and Fees	<u>100,000</u>	<u>62,007</u>	<u>(37,993)</u>
Total Revenues	<u>6,097,603</u>	<u>6,960,233</u>	<u>862,630</u>
EXPENDITURES			
Debt Service:			
Principal	4,825,000	4,825,000	-
Interest	1,218,051	1,207,251	10,800
Total Debt Service	<u>6,043,051</u>	<u>6,032,251</u>	<u>10,800</u>
Total Expenditures	<u>6,043,051</u>	<u>6,032,251</u>	<u>10,800</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 54,552</u>	927,982	<u>\$ 873,430</u>
FUND BALANCE OCTOBER 1, 2019		<u>1,883,278</u>	
FUND BALANCE SEPTEMBER 30, 2020		<u>\$ 2,811,260</u>	

INTERNAL SERVICE FUNDS

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2020

	Governmental Activities		
	Insurance Fund	Payroll Fund	Total
ASSETS			
Current Assets:			
Cash	\$ 1,967,686	\$ 96,250	\$ 2,063,936
Investments	4,023,509	-	4,023,509
Accounts receivable	195	-	195
Prepays	60,705	-	60,705
Total Current Assets	6,052,095	96,250	6,148,345
LIABILITIES			
Current Liabilities:			
Vouchers payable	568,533	16,715	585,248
Salaries payable	-	3,418	3,418
Total Current Liabilities	568,533	20,133	588,666
NET POSITION			
Unrestricted	5,483,562	76,117	5,559,679
Total Net Position	\$ 5,483,562	\$ 76,117	\$ 5,559,679

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	<u>Governmental Activities</u>		
	<u>Insurance Fund</u>	<u>Payroll Fund</u>	<u>Total</u>
OPERATING REVENUES			
Premiums and reimbursements	\$ 10,526,551	\$ -	\$ 10,526,551
Total Operating Revenues	<u>10,526,551</u>	<u>-</u>	<u>10,526,551</u>
OPERATING EXPENSES			
Insurance claims and administrative fees	<u>8,611,531</u>	<u>-</u>	<u>8,611,531</u>
Total Operating Expenses	<u>8,611,531</u>	<u>-</u>	<u>8,611,531</u>
Operating income (loss)	<u>1,915,020</u>	<u>-</u>	<u>1,915,020</u>
NON-OPERATING REVENUES			
Interest income and other	<u>49,627</u>	<u>2,512</u>	<u>52,139</u>
Change in net position	1,964,647	2,512	1,967,159
NET POSITION - SEPTEMBER 30, 2019	<u>3,518,915</u>	<u>73,605</u>	<u>3,592,520</u>
NET POSITION - SEPTEMBER 30, 2020	<u>\$ 5,483,562</u>	<u>\$ 76,117</u>	<u>\$ 5,559,679</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	<u>Governmental Activities</u>		
	<u>Insurance Fund</u>	<u>Payroll Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received for premiums and payroll	\$ 11,477,255	\$ 60,987,169	\$ 72,464,424
Cash paid to customers and employees	<u>(8,702,571)</u>	<u>(61,009,942)</u>	<u>(69,712,513)</u>
Net cash provided by (used in) operating activities	<u>2,774,684</u>	<u>(22,773)</u>	<u>2,751,911</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(4,022,897)	-	(4,022,897)
Interest on investments	<u>49,627</u>	<u>2,512</u>	<u>52,139</u>
Net cash provided by (used in) investing activities	<u>(3,973,270)</u>	<u>2,512</u>	<u>(3,970,758)</u>
Net decrease in cash	(1,198,586)	(20,261)	(1,218,847)
Cash at beginning of year	<u>3,166,272</u>	<u>116,511</u>	<u>3,282,783</u>
CASH AT END OF YEAR	<u>\$ 1,967,686</u>	<u>\$ 96,250</u>	<u>\$ 2,063,936</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 1,915,020	\$ -	\$ 1,915,020
Adjustment to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in accounts receivable	950,704	625	951,329
(Increase) decrease in prepaids	53,865	-	53,865
Increase (decrease) in vouchers payable	(144,905)	(26,816)	(171,721)
Increase in salaries payable	<u>-</u>	<u>3,418</u>	<u>3,418</u>
Net cash provided by (used in) operating activities	<u>\$ 2,774,684</u>	<u>\$ (22,773)</u>	<u>\$ 2,751,911</u>

FIDUCIARY FUNDS

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
SEPTEMBER 30, 2020

	<u>Trust & Agency Fund</u>	<u>Evidence Fund</u>	<u>ACH Clearing Fund</u>	<u>Local Provider Fund</u>	<u>Tax Office Fee Account</u>	<u>District Clerk Fee Account</u>	<u>County Clerk Fee Account</u>
Assets							
Cash	\$ 889,478	\$ 6,025	\$ 2,618	\$ 14,646,439	\$ 3,046,976	\$ 1,793,045	\$ 3,829,484
Investments	-	-	314,843	-	-	1,358,803	1,222,480
Accounts receivable	55,011	-	393,263	-	-	-	-
Total assets	<u>\$ 944,489</u>	<u>\$ 6,025</u>	<u>\$ 710,724</u>	<u>\$ 14,646,439</u>	<u>\$ 3,046,976</u>	<u>\$ 3,151,848</u>	<u>\$ 5,051,964</u>
Liabilities							
Vouchers payable	\$ 460,161	\$ -	393,263	\$ -	\$ -	\$ -	\$ -
Due to other governments	484,328	-	-	-	-	-	-
Other liabilities	-	6,025	317,461	14,646,439	3,046,976	3,151,848	5,051,964
Total liabilities	<u>\$ 944,489</u>	<u>\$ 6,025</u>	<u>\$ 710,724</u>	<u>\$ 14,646,439</u>	<u>\$ 3,046,976</u>	<u>\$ 3,151,848</u>	<u>\$ 5,051,964</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
SEPTEMBER 30, 2020

	<u>Sheriff Fee Account</u>	<u>Justices of the Peace Fee Account</u>	<u>Adult Probation Fee Account</u>	<u>Juvenile Probation Fee Account</u>	<u>District Attorney Fee Account</u>	<u>Total Agency Funds</u>
Assets						
Cash	\$ 270,242	\$ -	\$ 27,380	\$ -	\$ 70	\$ 24,511,757
Investments	-	-	-	-	-	2,896,126
Accounts receivable	-	6,652	-	-	-	454,926
Total assets	<u>\$ 270,242</u>	<u>\$ 6,652</u>	<u>\$ 27,380</u>	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ 27,862,809</u>
Liabilities						
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 853,424
Due to other governments	-	-	-	-	-	484,328
Other liabilities	270,242	6,652	27,380	-	70	26,525,057
Total liabilities	<u>\$ 270,242</u>	<u>\$ 6,652</u>	<u>\$ 27,380</u>	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ 27,862,809</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	September 30, 2019	Additions	Deductions	September 30, 2020
Trust & Agency Fund				
Assets				
Cash	\$ 999,959	\$ 2,300,859	\$ 2,411,340	\$ 889,478
Accounts receivable	80,634	55,011	80,634	55,011
Total assets	<u>\$ 1,080,593</u>	<u>\$ 2,355,870</u>	<u>\$ 2,491,974</u>	<u>\$ 944,489</u>
Liabilities				
Vouchers payable	\$ 608,207	\$ 956,093	\$ 1,104,139	\$ 460,161
Due to other governments	472,386	1,318,988	1,307,046	484,328
Total liabilities	<u>\$ 1,080,593</u>	<u>\$ 2,275,081</u>	<u>\$ 2,411,185</u>	<u>\$ 944,489</u>
Evidence Fund				
Assets				
Cash	\$ 5,966	\$ 59	\$ -	\$ 6,025
Total assets	<u>\$ 5,966</u>	<u>\$ 59</u>	<u>\$ -</u>	<u>\$ 6,025</u>
Liabilities				
Other liabilities	\$ 5,966	\$ 59	\$ -	\$ 6,025
Total liabilities	<u>\$ 5,966</u>	<u>\$ 59</u>	<u>\$ -</u>	<u>\$ 6,025</u>
ACH Clearing Fund				
Assets				
Cash	\$ 2,542	\$ 1,806,578	\$ 1,806,502	\$ 2,618
Investments	207,600	107,243	-	314,843
Accounts receivable	-	393,263	-	393,263
Total assets	<u>\$ 210,142</u>	<u>\$ 2,307,084</u>	<u>\$ 1,806,502</u>	<u>\$ 710,724</u>
Liabilities				
Vouchers payable	\$ -	\$ 393,263	\$ -	\$ 393,263
Other liabilities	210,142	1,520,558	1,413,239	317,461
Total liabilities	<u>\$ 210,142</u>	<u>\$ 1,913,821</u>	<u>\$ 1,413,239</u>	<u>\$ 710,724</u>
Local Provider Fund				
Assets				
Cash	\$ 22,341,103	\$ 49,443,719	\$ 57,138,383	\$ 14,646,439
Accounts receivable	5,203,440	-	5,203,440	-
Total assets	<u>\$ 27,544,543</u>	<u>\$ 49,443,719</u>	<u>\$ 62,341,823</u>	<u>\$ 14,646,439</u>
Liabilities				
Other liabilities	\$ 27,544,543	\$ 49,443,719	\$ 62,341,823	\$ 14,646,439
Total liabilities	<u>\$ 27,544,543</u>	<u>\$ 49,443,719</u>	<u>\$ 62,341,823</u>	<u>\$ 14,646,439</u>
Tax Office Fee Account				
Assets				
Cash	\$ 2,907,524	\$ 468,803,777	\$ 468,664,325	\$ 3,046,976
Total assets	<u>\$ 2,907,524</u>	<u>\$ 468,803,777</u>	<u>\$ 468,664,325</u>	<u>\$ 3,046,976</u>
Liabilities				
Other liabilities	\$ 2,907,524	\$ 468,803,777	\$ 468,664,325	\$ 3,046,976
Total liabilities	<u>\$ 2,907,524</u>	<u>\$ 468,803,777</u>	<u>\$ 468,664,325</u>	<u>\$ 3,046,976</u>
District Clerk Fee Account				
Assets				
Cash	\$ 1,491,291	\$ 3,491,232	\$ 3,189,478	\$ 1,793,045
Investments	1,505,798	-	146,995	1,358,803
Total assets	<u>\$ 2,997,089</u>	<u>\$ 3,491,232</u>	<u>\$ 3,336,473</u>	<u>\$ 3,151,848</u>
Liabilities				
Other liabilities	\$ 2,997,089	\$ 3,491,232	\$ 3,336,473	\$ 3,151,848
Total liabilities	<u>\$ 2,997,089</u>	<u>\$ 3,491,232</u>	<u>\$ 3,336,473</u>	<u>\$ 3,151,848</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	September 30, 2019	Additions	Deductions	September 30, 2020
County Clerk Fee Account				
Assets				
Cash	\$ 3,987,796	\$ 5,993,735	\$ 6,152,047	\$ 3,829,484
Investments	1,422,514	-	200,034	1,222,480
Total assets	<u>\$ 5,410,310</u>	<u>\$ 5,993,735</u>	<u>\$ 6,352,081</u>	<u>\$ 5,051,964</u>
Liabilities				
Other liabilities	\$ 5,410,310	\$ 5,993,735	\$ 6,352,081	\$ 5,051,964
Total liabilities	<u>\$ 5,410,310</u>	<u>\$ 5,993,735</u>	<u>\$ 6,352,081</u>	<u>\$ 5,051,964</u>
Sherriff Fee Account				
Assets				
Cash	\$ 199,020	\$ 3,724,063	\$ 3,652,841	\$ 270,242
Total assets	<u>\$ 199,020</u>	<u>\$ 3,724,063</u>	<u>\$ 3,652,841</u>	<u>\$ 270,242</u>
Liabilities				
Other liabilities	\$ 199,020	\$ 3,724,063	\$ 3,652,841	\$ 270,242
Total liabilities	<u>\$ 199,020</u>	<u>\$ 3,724,063</u>	<u>\$ 3,652,841</u>	<u>\$ 270,242</u>
Justices of the Peace Fee Account				
Assets				
Cash	\$ -	\$ 2,505,895	\$ 2,505,895	\$ -
Accounts receivable	5,964	6,652	5,964	6,652
Total assets	<u>\$ 5,964</u>	<u>\$ 2,512,547</u>	<u>\$ 2,511,859</u>	<u>\$ 6,652</u>
Liabilities				
Other liabilities	\$ 5,964	\$ 2,512,547	\$ 2,511,859	\$ 6,652
Total liabilities	<u>\$ 5,964</u>	<u>\$ 2,512,547</u>	<u>\$ 2,511,859</u>	<u>\$ 6,652</u>
Adult Probation Fee Account				
Assets				
Cash	\$ 54,338	\$ 2,167,378	\$ 2,194,336	\$ 27,380
Total assets	<u>\$ 54,338</u>	<u>\$ 2,167,378</u>	<u>\$ 2,194,336</u>	<u>\$ 27,380</u>
Liabilities				
Other liabilities	\$ 54,338	\$ 2,167,378	\$ 2,194,336	\$ 27,380
Total liabilities	<u>\$ 54,338</u>	<u>\$ 2,167,378</u>	<u>\$ 2,194,336</u>	<u>\$ 27,380</u>
Juvenile Probation Fee Account				
Assets				
Cash	\$ 15	\$ 738	\$ 753	\$ -
Total assets	<u>\$ 15</u>	<u>\$ 738</u>	<u>\$ 753</u>	<u>\$ -</u>
Liabilities				
Other liabilities	\$ 15	\$ 738	\$ 753	\$ -
Total liabilities	<u>\$ 15</u>	<u>\$ 738</u>	<u>\$ 753</u>	<u>\$ -</u>
District Attorney Fee Account				
Assets				
Cash	\$ 13	\$ 151,451	\$ 151,394	\$ 70
Total assets	<u>\$ 13</u>	<u>\$ 151,451</u>	<u>\$ 151,394</u>	<u>\$ 70</u>
Liabilities				
Other liabilities	\$ 13	\$ 151,451	\$ 151,394	\$ 70
Total liabilities	<u>\$ 13</u>	<u>\$ 151,451</u>	<u>\$ 151,394</u>	<u>\$ 70</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>September 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>September 30, 2020</u>
Total - All Agency Funds				
Assets				
Cash	\$ 31,989,567	\$ 540,389,484	\$ 547,867,294	\$ 24,511,757
Investments	3,135,912	107,243	347,029	2,896,126
Accounts receivable	5,290,038	454,926	5,290,038	454,926
Total assets	<u>\$ 40,415,517</u>	<u>\$ 540,951,653</u>	<u>\$ 553,504,361</u>	<u>\$ 27,862,809</u>
Liabilities				
Vouchers payable	\$ 608,207	\$ 956,093	\$ 1,104,139	\$ 853,424
Due to other governments	472,386	1,318,988	1,307,046	484,328
Other liabilities	39,334,924	537,809,257	550,619,124	26,525,057
Total liabilities	<u>\$ 40,415,517</u>	<u>\$ 540,084,338</u>	<u>\$ 553,030,309</u>	<u>\$ 27,862,809</u>



STATISTICAL SECTION

**SMITH COUNTY, TEXAS
STATISTICAL SECTION**

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the county’s financial performance and well-being have changed over time.	119
Revenue Capacity	
These schedules contain information to help the reader assess the County’s most significant local revenue source, property taxes.	123
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.	129
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.	133
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the service the County provides and the activities it performs.	135

Table 1

**SMITH COUNTY, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS ⁽¹⁾**

	<i>Fiscal Year</i>									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 41,344,486	\$ 41,543,340	\$ 45,191,948	\$ 50,279,650	\$ 54,266,461	\$ 60,752,064	\$ 63,953,784	\$ 67,459,545	\$ 70,060,840	\$ 73,535,200
Restricted	10,939,989	11,457,212	11,273,480	12,046,080	13,034,397	12,948,762	14,113,845	14,923,205	15,398,654	17,490,545
Unrestricted	1,302,772	1,327,726	2,180,381	1,476,020	434,472	(3,066,221)	(11,195,972)	(17,252,314)	(17,975,770)	(14,968,264)
Total Governmental Activities Net Position:	\$ 53,587,247	\$ 54,328,278	\$ 58,645,809	\$ 63,801,750	\$ 67,735,330	\$ 70,634,605	\$ 66,871,657	\$ 65,130,436	\$ 67,483,724	\$ 76,057,481

Source: Government-wide Statement of Net Position

Table 2

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Expenses:</i>										
General government	\$ 14,371,733	\$ 13,728,952	\$ 12,834,578	\$ 13,288,738	\$ 12,424,974	\$ 15,586,973	\$ 15,563,810	\$ 16,537,343	\$ 18,333,708	\$ 23,262,579
Justice system	17,868,740	18,462,956	18,438,771	18,633,229	19,096,917	18,511,326	22,278,463	21,261,358	22,166,443	20,959,685
Public safety	13,361,846	14,129,032	13,205,896	14,250,079	14,075,256	14,940,548	16,649,574	16,136,780	17,026,261	18,648,538
Health & human services	1,980,055	2,311,701	1,825,570	1,733,055	1,569,689	1,361,441	1,536,858	1,226,655	1,111,532	2,041,849
Infrastructure	8,205,372	8,087,384	7,427,825	7,094,425	7,856,817	9,323,759	10,242,264	9,310,870	11,644,610	11,056,090
Corrections & rehabilitation	24,998,840	23,001,543	22,895,180	24,339,547	25,051,057	26,747,533	28,140,531	26,653,284	28,668,267	28,087,621
Community & economic development	-	65,628	705,190	437,030	115,116	114,992	488,972	948,051	938,397	732,357
Interest on long-term debt	564,727	1,091,290	1,062,624	948,025	974,079	951,346	848,318	991,728	1,282,171	1,311,721
Total Governmental Activities Expenses	\$ 81,351,313	\$ 80,878,486	\$ 78,395,634	\$ 80,724,128	\$ 81,163,905	\$ 87,537,918	\$ 95,748,790	\$ 93,066,069	\$ 101,171,389	\$ 106,100,440
<i>Revenues:</i>										
Net Program Revenues:										
Charges for Services:										
General government	\$ 4,137,746	\$ 4,536,536	\$ 5,131,826	\$ 5,640,093	\$ 5,096,512	\$ 6,352,983	\$ 4,579,801	\$ 4,533,785	\$ 4,580,214	\$ 4,728,146
Justice system	3,781,583	3,686,302	3,913,891	3,809,999	4,054,229	3,848,656	3,774,718	3,755,231	3,746,743	3,510,527
Public safety	984,690	1,007,656	1,024,531	1,043,872	1,127,719	981,852	1,035,860	1,047,658	1,035,028	906,403
Health & human services	-	-	-	-	-	-	-	-	-	-
Infrastructure	3,815,663	3,931,043	3,667,550	3,668,169	3,349,974	3,284,340	3,716,290	4,032,853	3,932,128	3,576,601
Corrections & rehabilitation	3,327,735	3,460,997	3,588,740	3,399,786	3,467,857	3,352,506	3,408,882	3,673,833	3,912,329	4,093,266
Community & economic development	157,458	154,630	143,060	142,161	-	-	-	-	-	-
Operating grants & contributions	6,327,076	5,661,016	4,333,248	5,589,457	5,048,437	5,848,269	5,473,483	6,421,932	5,930,987	13,253,418
Capital grants & contributions	328,008	134,023	709,537	346,022	537,923	127,628	586,314	971,599	865,864	864,766
Total Governmental Activities Program revenues	22,859,959	22,572,203	22,512,383	23,639,559	22,682,651	23,796,234	22,575,348	24,436,891	24,003,293	30,933,127
<i>Net (Expense)/Revenue:</i>	\$ (58,491,354)	\$ (58,306,283)	\$ (55,883,251)	\$ (57,084,569)	\$ (58,481,254)	\$ (63,741,684)	\$ (73,173,442)	\$ (68,629,178)	\$ (77,168,096)	\$ (75,167,313)
General Revenues:										
Property taxes	\$ 42,132,195	\$ 43,022,048	\$ 43,438,070	\$ 44,562,723	\$ 46,738,447	\$ 48,450,847	\$ 50,177,482	\$ 52,079,609	\$ 56,329,278	\$ 60,853,157
Sales & other taxes	15,284,372	15,367,369	16,098,612	17,368,276	17,989,224	17,447,908	17,987,171	19,233,755	20,613,031	21,489,070
Rentals & commissions	-	-	-	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-	-	-
Miscellaneous	79,016	87,088	105,134	217,938	563,264	276,661	523,981	310,433	520,479	197,793
State shared	-	-	-	-	-	-	-	-	-	-
Gain (Loss) in sale of assets	69,833	200,366	12,412	64,921	382,297	34,181	62,781	1,674,944	(51,425)	21,652
Loss on donation of assets	-	-	-	-	-	-	-	-	-	-
Interest	162,820	370,443	546,554	176,107	305,073	431,362	659,079	1,349,912	2,110,021	1,179,398
Total Governmental Activities	57,728,236	59,047,314	60,200,782	62,389,965	65,978,305	66,640,959	69,410,494	74,648,653	79,521,384	83,741,070
Change in Net Position	(763,118)	741,031	4,317,531	5,305,396	7,497,051	2,899,275	(3,762,948)	6,019,475	2,353,288	8,573,757
Net Position - Beginning	54,044,035	53,587,247	54,328,278	58,645,809	63,801,750	67,735,330	70,634,605	66,871,657	65,130,436	67,483,724
Other increases (decreases) in fund balance	306,330	-	-	(149,455)	(3,563,471)	-	-	(7,760,696)	-	-
Net Position - Ending	\$ 53,587,247	\$ 54,328,278	\$ 58,645,809	\$ 63,801,750	\$ 67,735,330	\$ 70,634,605	\$ 66,871,657	\$ 65,130,436	\$ 67,483,724	\$ 76,057,481

Source: Statement of Activities

Table 3

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Fund Balances										
Nonspendable	\$ 304,894	\$ -	\$ 175,462	\$ 78,629	\$ 86,345	\$ 87,541	\$ 436,286	\$ 449,501	\$ 484,961	\$ 479,878
Assigned As:										
Indigent Health Care	343,265	139,271	183,975	221,719	53,234	-	-	-	-	-
Juvenile Services	1,326,370	1,880,633	2,213,167	2,351,722	2,285,237	2,036,230	1,437,601	811,027	-	-
Workforce Development	317,840	336,226	343,172	322,965	247,978	236,954	223,410	211,060	-	-
Unassigned	12,395,091	17,052,444	21,642,832	23,639,616	27,232,940	30,765,250	30,461,111	31,563,404	32,919,475	34,866,524
Restricted As:										
Capital Projects			141,073							
Total General Fund	<u>\$ 14,687,460</u>	<u>\$ 19,408,574</u>	<u>\$ 24,699,681</u>	<u>\$ 26,614,651</u>	<u>\$ 29,905,734</u>	<u>\$ 33,125,975</u>	<u>\$ 32,558,408</u>	<u>\$ 33,034,992</u>	<u>\$ 33,404,436</u>	<u>\$ 35,346,402</u>
Road and Bridge Fund										
Nonspendable	\$ 33,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	2,551,160	3,309,953	4,042,341	3,894,378	6,045,297	3,142,682	3,506,050	4,807,485	4,475,050	6,316,604
Total Road and Bridge Fund	<u>\$ 2,584,919</u>	<u>\$ 3,309,953</u>	<u>\$ 4,042,341</u>	<u>\$ 3,894,378</u>	<u>\$ 6,045,297</u>	<u>\$ 3,142,682</u>	<u>\$ 3,506,050</u>	<u>\$ 4,807,485</u>	<u>\$ 4,475,050</u>	<u>\$ 6,316,604</u>
Jail Expansion Fund										
Restricted	\$ 34,292,057	\$ 29,534,832	\$ 17,519,362	\$ 2,890,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Jail Expansion Fund	<u>\$ 34,292,057</u>	<u>\$ 29,534,832</u>	<u>\$ 17,519,362</u>	<u>\$ 2,890,469</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Infrastructure Improvement Funds										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,862,835	\$ 11,130,993	\$ 11,735,697
Total Infrastructure Improvement Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,862,835</u>	<u>\$ 11,130,993</u>	<u>\$ 11,735,697</u>
All Other Governmental Funds										
Debt Service Fund										
Restricted	\$ 1,472,562	\$ 1,505,354	\$ 1,560,558	\$ 1,587,380	\$ 1,622,772	\$ 1,647,844	\$ 1,707,149	\$ 1,794,491	\$ 1,883,278	\$ 2,811,260
Capital Project Funds										
Committed	96,097	1,301,174	1,295,994	3,267,782	2,801,768	2,053,099	1,723,624	4,433,775	3,193,507	3,576,476
Special Revenue Funds:										
Nonspendable	8,987	-	-	-	-	-	5,205	6,241	7,503	5,886
Committed	1,689,716	1,031,527	-	77,224	79,181	73,955	1,096,465	138,527	2,037,873	2,346,833
Restricted	9,424,092	9,951,858	9,571,849	10,458,700	11,413,702	11,303,230	12,406,696	13,128,714	15,049,417	14,679,283
Total All Other Governmental Funds	<u>\$ 12,691,454</u>	<u>\$ 13,789,913</u>	<u>\$ 12,428,401</u>	<u>\$ 15,391,086</u>	<u>\$ 15,917,423</u>	<u>\$ 15,078,128</u>	<u>\$ 16,939,139</u>	<u>\$ 19,501,748</u>	<u>\$ 22,171,578</u>	<u>\$ 23,419,738</u>

Source: Governmental Funds Balance Sheet

Table 4

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Property taxes	\$ 41,014,854	\$ 42,852,403	\$ 43,491,921	\$ 44,447,153	\$ 46,696,153	\$ 48,407,317	\$ 50,155,353	\$ 52,107,892	\$ 56,349,786	\$ 61,042,100
Licenses and other taxes	15,289,486	15,373,326	16,112,734	17,375,869	17,989,224	17,447,908	17,987,171	19,233,755	20,613,031	21,489,070
Fees of office	13,297,716	13,485,803	13,894,901	14,567,863	14,843,542	14,391,642	14,548,480	15,038,922	15,364,384	15,158,666
Fines	1,579,776	1,578,666	1,494,520	1,492,331	1,222,979	1,064,895	1,111,907	1,278,003	1,211,487	1,041,445
Intergovernmental revenues	4,058,250	4,376,869	4,024,089	4,393,404	4,430,032	4,433,314	4,341,587	5,557,703	4,213,702	11,210,657
Other revenues and fees	4,389,536	3,694,866	3,837,093	3,652,503	2,908,504	4,439,096	3,133,831	3,888,185	5,222,869	4,414,663
Total Revenues	\$ 79,629,618	\$ 81,361,933	\$ 82,855,258	\$ 85,929,123	\$ 88,090,434	\$ 90,184,172	\$ 91,278,329	\$ 97,104,460	\$ 102,975,259	\$ 114,356,601
EXPENDITURES										
Current:										
General government	\$ 10,648,052	\$ 11,263,202	\$ 11,084,803	\$ 11,377,443	\$ 11,976,341	\$ 12,477,132	\$ 13,588,505	\$ 15,446,305	\$ 17,431,196	\$ 22,190,539
Justice system	15,981,625	16,533,591	17,151,120	17,022,271	18,162,995	18,215,587	18,820,952	19,681,928	20,709,745	20,587,143
Public safety	11,793,429	11,848,201	11,691,321	12,332,830	12,728,202	13,004,306	13,502,279	14,231,984	15,559,895	16,935,004
Corrections and rehabilitation	22,013,924	20,192,127	20,752,349	21,976,306	21,722,139	23,867,191	23,111,450	23,786,089	25,873,743	26,163,204
Health and human services	1,949,226	2,303,651	1,833,641	1,722,653	1,590,381	1,361,198	1,433,139	1,213,291	1,168,119	1,187,247
Conservation	-	-	-	-	-	-	-	-	-	-
Infrastructure & environmental	5,829,170	5,526,159	5,529,769	5,799,789	7,248,522	7,465,624	6,385,971	5,747,926	7,404,914	5,639,464
Community & Economic Development	-	65,628	705,190	437,030	115,116	114,992	488,972	948,051	938,397	732,357
Capital outlay	4,418,149	8,157,654	18,245,035	19,625,860	8,087,998	8,431,746	7,466,685	12,676,706	14,946,610	16,436,607
Debt Service:										
Principal retirement	2,859,119	4,164,856	4,275,406	4,631,457	4,874,229	4,828,556	4,197,036	5,326,622	6,220,183	5,384,937
Interest & fiscal charges	526,294	1,262,842	1,115,291	1,065,246	998,436	973,690	865,690	795,897	1,166,053	1,282,647
Bond issuance costs	-	-	-	-	-	-	-	102,620	104,587	85,000
Total Expenditures	\$ 76,018,988	\$ 81,317,911	\$ 92,383,925	\$ 95,990,885	\$ 87,504,359	\$ 90,740,022	\$ 89,860,679	\$ 99,957,419	\$ 111,523,442	\$ 116,624,149
Excess (deficiency) of revenues over (under expenditures)	\$ 3,610,630	\$ 44,022	\$ (9,528,667)	\$ (10,061,762)	\$ 586,075	\$ (555,850)	\$ 1,417,650	\$ (2,852,959)	\$ (8,548,183)	\$ (2,267,548)
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ 275,303	\$ 1,288,691	\$ 1,597,820	\$ 4,979,937	\$ 2,770,964	\$ 2,052,088	\$ 4,050,000	\$ 4,300,000	\$ 7,439,070	\$ 8,201,228
Transfers out	(275,303)	(1,288,691)	(1,597,820)	(4,979,937)	(2,770,964)	(2,052,088)	(4,050,000)	(4,300,000)	(7,439,070)	(8,201,228)
Premium on long-term debt	978,275	-	-	-	-	-	-	789,754	784,587	710,000
Payment to escrow agent for refunded bonds	(5,837,616)	-	-	-	-	-	-	-	-	-
Issuance of Debt	39,955,000	-	-	-	-	-	-	11,320,000	11,320,000	7,125,000
Sale of Equipment	-	-	-	-	382,297	34,181	62,781	1,763,659	40,745	21,652
Insurance proceeds	-	-	-	-	-	-	176,381	150,369	377,848	43,281
Capital lease proceeds	1,246,144	1,743,359	2,175,180	162,561	2,109,498	-	-	3,032,640	-	-
Total Other Financing Sources (Uses)	\$ 36,341,803	\$ 1,743,359	\$ 2,175,180	\$ 162,561	\$ 2,491,795	\$ 34,181	\$ 239,162	\$ 17,056,422	\$ 12,523,180	\$ 7,899,933
Net change in fund balances	39,952,433	1,787,381	(7,353,487)	(9,899,201)	3,077,870	(521,669)	1,656,812	14,203,463	3,974,997	5,632,385
Fund balances - Beginning of year	24,303,458	64,255,891	66,043,272	58,689,785	48,790,584	51,868,454	51,346,785	53,003,597	67,207,060	71,182,057
Other increases (decreases) to fund balance	-	-	-	-	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
Fund Balances - End of year	\$ 64,255,891	\$ 66,043,272	\$ 58,689,785	\$ 48,790,584	\$ 51,868,454	\$ 51,346,785	\$ 53,003,597	\$ 67,207,060	\$ 71,182,057	\$ 76,814,442
Debt Service as a Percentage of Noncapital Expenditures										
	5.0%	8.0%	7.8%	8.1%	8.0%	7.6%	6.5%	7.7%	8.4%	7.2%

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

Table 5

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Property taxes	\$ 42,132,195	\$ 43,022,048	\$ 43,438,070	\$ 44,562,723	\$ 46,738,447	\$ 48,450,847	\$ 50,177,482	\$ 52,079,609	\$ 56,329,278	\$ 60,853,156
Sales tax	14,827,226	14,952,458	15,650,035	16,827,874	17,359,451	16,798,877	17,375,397	18,563,538	19,875,943	20,869,270
Other taxes	457,146	414,911	448,577	540,402	629,773	649,031	611,774	670,217	737,088	619,800
Total Tax Revenue	<u>\$ 57,416,567</u>	<u>\$ 58,389,417</u>	<u>\$ 59,536,682</u>	<u>\$ 61,930,999</u>	<u>\$ 64,727,671</u>	<u>\$ 65,898,755</u>	<u>\$ 68,164,653</u>	<u>\$ 71,313,364</u>	<u>\$ 76,942,309</u>	<u>\$ 82,342,226</u>

Source: Government-wide Statement of Activities

Table 6
Page 1 of 2

SMITH COUNTY, TEXAS
TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	2020		2019		2018		2017		2016	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, residential, single-family	\$ 10,997,790,619	43.09%	\$ 10,132,868,971	41.81%	\$ 9,488,107,960	41.88%	\$ 9,142,320,187	42.99%	\$ 8,681,489,488	42.35%
Real, residential, multi-family	847,740,055	3.32%	858,175,825	3.54%	818,479,176	3.61%	755,999,518	3.55%	719,802,667	3.51%
Real, vacant lots/tracts	374,272,435	1.47%	365,708,857	1.51%	367,305,663	1.62%	348,308,921	1.64%	344,830,133	1.68%
Real, acreage (land only)	2,266,560,042	8.88%	2,109,534,830	8.70%	2,026,456,506	8.95%	1,859,588,908	8.74%	1,833,612,767	8.95%
Real, farm and ranch improvements	1,637,270,448	6.41%	1,492,209,796	6.16%	1,393,061,482	6.15%	1,312,232,451	6.17%	1,250,657,098	6.10%
Real, commercial	3,073,844,690	12.04%	3,133,292,128	12.93%	2,891,792,453	12.76%	2,759,028,248	12.97%	2,638,676,404	12.87%
Real, industrial	459,208,880	1.80%	438,437,361	1.81%	310,945,225	1.37%	305,972,954	1.44%	339,082,642	1.65%
Real, oil, gas and other mineral reserves	209,303,654	0.82%	244,865,411	1.01%	193,792,601	0.86%	201,977,707	0.95%	177,884,912	0.87%
Real and tangible personal, utilities	56,767,713	0.22%	54,229,541	0.22%	52,461,997	0.23%	49,276,738	0.23%	47,055,651	0.23%
Utilities tangible personal	502,072,775	1.97%	475,079,030	1.96%	439,776,330	1.94%	404,735,296	1.90%	381,006,239	1.86%
Utilities, tangible personal, business commercial	1,300,970,868	5.10%	1,361,179,171	5.62%	1,295,860,232	5.72%	1,186,032,429	5.58%	1,161,921,155	5.67%
Tangible personal, business industrial	744,911,937	2.92%	652,035,737	2.69%	537,803,895	2.37%	528,472,795	2.48%	561,433,952	2.74%
Tangible personal, other (mobile homes)	92,751,682	0.36%	92,812,440	0.38%	91,527,369	0.40%	87,501,048	0.41%	84,854,130	0.41%
Real property, inventory		0.00%		0.00%		0.00%	-	0.00%	-	0.00%
Real Inventory	72,320,774	0.28%	69,981,920	0.29%	50,719,970	0.22%	48,272,913	0.23%	38,330,114	0.19%
Special inventory	91,862,550	0.36%	86,086,857	0.36%	81,543,385	0.36%	77,442,745	0.36%	78,826,633	0.38%
Tax Exempt Property, Real	2,795,992,847	10.95%	2,671,730,518	11.02%	2,614,778,874	11.54%	2,201,404,366	10.35%	2,157,611,427	10.53%
No SPTD Code		0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Tax Exempt Property, Personal		0.00%		0.00%		0.00%		0.00%		0.00%
Tax Exempt Property, Mineral		0.00%		0.00%		0.00%		0.00%		0.00%
Total Appraised Value Before Exemptions	\$ 25,523,641,969	100.00%	\$ 24,238,228,393	100.00%	\$ 22,654,413,118	100.00%	\$ 21,268,567,224	100.00%	\$ 20,497,075,412	100.00%
Less: total exemptions/reductions	6,295,486,360		5,708,306,903		5,434,007,579		4,824,246,094		4,771,121,331	
Add: Protested value not in dispute	0		0		201,384,198				11,841,538	
Taxable Assessed Value	\$ 19,228,155,609		\$ 18,529,921,490		\$ 17,421,789,737		\$ 16,444,321,130		\$ 15,737,795,619	
Total Direct Tax Rate	0.335000		0.345000		0.337311		0.330000		0.330000	
Estimated Actual Assessed Value	\$ 19,228,155,609		\$ 18,529,921,490		\$ 17,421,789,737		\$ 16,444,321,130		\$ 15,737,795,619	
Assessed Value as a Percentage of Actual Value	100.00%		100.00%		100.00%		100.00%		100.00%	

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SMITH COUNTY, TEXAS
TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	2015		2014		2013		2012		2011	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, residential, single-family	\$ 8,211,969,870	41.87%	\$ 7,795,086,556	41.56%	\$ 7,533,980,526	41.38%	\$ 7,368,844,402	41.49%	\$ 7,290,020,159	45.86%
Real, residential, multi-family	704,703,096	3.59%	626,057,924	3.34%	607,376,411	3.34%	585,563,445	3.30%	577,350,602	3.63%
Real, vacant lots/tracts	346,925,076	1.77%	339,528,899	1.81%	325,512,277	1.79%	316,418,359	1.78%	314,078,686	1.98%
Real, acreage (land only)	1,796,733,221	9.16%	1,682,731,970	8.97%	1,895,165,170	10.41%	1,895,257,020	10.67%	1,840,319,602	11.58%
Real, farm and ranch improvements	1,206,393,379	6.15%	1,116,705,827	5.95%	815,063,196	4.48%	787,102,513	4.43%	781,867,857	4.92%
Real, commercial	2,560,142,257	13.05%	2,431,625,948	12.96%	2,323,696,408	12.76%	2,254,448,661	12.69%	2,246,869,924	14.13%
Real, industrial	320,493,986	1.63%	310,696,749	1.66%	318,667,955	1.75%	315,657,235	1.78%	254,115,499	1.60%
Real, oil, gas and other mineral reserves	241,075,496	1.23%	359,472,416	1.92%	336,761,438	1.85%	342,643,958	1.93%	384,537,816	2.42%
Real and tangible personal, utilities	43,459,321	0.22%	40,028,545	0.21%	36,675,149	0.20%	34,292,498	0.19%	351,377,665	2.21%
Utilities tangible personal	380,209,713	1.94%	1,177,460,858	6.28%	1,147,221,057	6.30%	1,696,530,712	9.55%	1,650,488,060	10.38%
Utilities, tangible personal, business commercial	1,168,009,773	5.95%	334,120,491	1.78%	330,019,179	1.81%	310,695,729	1.75%	80,099,951	0.50%
Tangible personal, business industrial	542,623,178	2.77%	570,933,514	3.04%	553,111,984	3.04%				
Tangible personal, other (mobile homes)	82,342,797	0.42%	82,458,876	0.44%	82,482,964	0.45%				
Real property, inventory	40,342,651	0.21%	44,206,154	0.24%	55,254,705	0.30%	82,299,398	0.46%	74,545,208	0.47%
Real Inventory		0.00%		0.00%		0.00%	62,373,976	0.35%	-	0.00%
Special inventory	73,850,595	0.38%	65,620,473	0.35%	59,541,837	0.33%	53,880,681	0.30%	51,024,344	0.32%
Tax Exempt Property, Real	1,895,373,943	9.66%	1,780,419,237	9.49%	1,787,895,521	9.82%	1,626,478,355	9.16%	-	0.00%
No SPTD Code	-	0.00%	11,200	0.00%						
Tax Exempt Property, Personal		0.00%		0.00%		0.00%	25,357,249	0.14%	-	0.00%
Tax Exempt Property, Mineral		0.00%		0.00%		0.00%	2,587,597	0.01%	-	0.00%
Total Appraised Value Before Exemptions	\$ 19,614,648,352	100.00%	\$ 18,757,165,637	100.00%	\$ 18,208,425,777	100.00%	\$ 17,760,431,788	100.00%	\$ 15,896,695,373	100.00%
Less: total exemptions/reductions	4,448,277,107		4,213,115,602		4,091,181,762		3,974,179,812		2,267,135,381	
Add: Protested value not in dispute	1,396,274		3,868,778		12,117,194					
Taxable Assessed Value	<u>\$ 15,167,767,519</u>		<u>\$ 14,547,918,813</u>		<u>\$ 14,129,361,209</u>		<u>\$ 13,786,251,976</u>		<u>\$ 13,629,559,992</u>	
Total Direct Tax Rate	0.330000		0.330000		0.323564		0.323564		0.32394	
Estimated Actual Assessed Value	\$ 15,167,767,519		\$ 14,547,918,813		\$ 14,129,361,209		\$ 13,786,950,359		\$ 13,629,559,992	
Assessed Value as a Percentage of Actual Value	100.00%		100.00%		100.00%		100.00%		100.00%	

Table 7

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

	Percent Applicable to Smith County	Tax Year									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Entity											
Smith County - Total	100%	0.313940	0.323564	0.323564	0.330000	0.330000	0.330000	0.330000	0.337311	0.345000	0.335000
County - M&O Rate		0.291171	0.287601	0.288352	0.295676	0.296628	0.297331	0.298359	0.298359	0.305802	0.307620
County - Debt Rate		0.022769	0.035963	0.035212	0.034324	0.033372	0.032669	0.031641	0.038952	0.039198	0.027380
Cities											
Arp	100.00				0.562180		0.669147	0.690079	0.700871	0.722604	0.707162
Bullard	83.01				0.588137		0.563264	0.563264	0.595347	0.605347	0.595599
Lindale	100.00				0.482100		0.472218	0.476000	0.475000	0.470900	0.478500
Overton	9.23						0.648000	0.668000	0.729700	0.727911	0.000000
Overton Cemetery								0.000000	0.050000	0.050000	0.000000
Troup	95.18				0.921544		0.909881	0.912933	0.867087	0.867087	0.829434
Tyler	100.00	0.208870	0.207710	0.220000	0.220000	0.220000	0.230000	0.240000	0.244452	0.259900	0.259000
Whitehouse	100.00				0.672110		0.650000	0.675207	0.792891	0.792891	0.792891
Winona	100.00				0.375443		0.362780	0.400000	0.420000	0.402997	0.450000
ISD											
Arp					1.270000		1.460000	1.470000	1.470000	1.408300	1.392700
Bullard	65.55				1.470000		1.670000	1.670000	1.630000	1.470000	1.375300
Chapel Hill	100.00	1.260000	1.245000	1.253000	1.245000	1.240000	1.240000	1.230000	1.230000	1.145900	1.099000
Gladewater	22.20						1.565000	1.565000	1.565000	1.463400	
Lindale	99.64				1.435000		1.400000	1.390000	1.390000	1.360000	1.258000
Troup	53.28				1.118000		1.170000	1.220000	1.290000	1.183350	1.169700
Tyler	100.00	1.375000	1.375000	1.375000	1.375000	1.375000	1.375000	1.405000	1.405000	1.335000	1.304100
Van	13.19				1.521400		1.561400	1.521400	1.546400	1.414750	1.355170
Whitehouse	100.00	1.193000	1.193000	1.193000	1.193000	1.193000	1.193000	1.413000	1.413000	1.325000	1.274600
Winona	100.00				1.498000		1.485140	1.447420	1.432890	1.284200	1.222170
Other Entities											
Kilgore College					0.154000		0.175000	1.750000	0.175000	0.175000	0.175000
Tyler Jr. College	94.55	0.182180	0.199930	0.199930	0.199926	0.199930	0.199930	0.199926	0.199260	0.199926	1.999260
Smith County MUD	100.00				0.302200						
East Texas MUD	100.00				0.387400		0.241960	0.278400	0.253000	0.253000	0.238717
ESD #1	100.00				0.069417		0.084648	0.067664	0.067664	0.067664	0.065300
ESD #2	100.00				0.084648		0.067664	0.084648	0.084648	0.084648	0.070000

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

Table 8

SMITH COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
September 30, 2020

Name of Taxpayer	Nature of Property	Rank	2020		Rank	2011	
			Tax Year Assessed Valuation	% of Net Taxable Assessed Valuation		Tax Year Assessed Valuation	% of Net Taxable Assessed Valuation
Tyler Regional Hospital, LLC	Medical	1	\$ 258,431,932	1.33%			
Delek Refining	Refinery	2	\$ 238,199,350	1.22%	1	\$ 178,480,348	1.31%
Oncor Electric Delivery Co.	Utility	3	222,597,766	1.14%	3	129,719,653	0.95%
Brookshire Grocery Co	Grocery Retail	4	152,585,178	0.78%	2	136,234,836	1.00%
Trane-American Standard	Manufacturer	5	111,882,903	0.58%	4	108,561,777	0.80%
Walmart/Sam's East	Wholesaler/Retailer	6	98,523,665	0.51%	8	81,793,018	0.60%
Dayton Hudson/Target	Retail	7	94,385,164	0.49%	5	107,880,844	0.79%
Tyler Broadway/Centennial	Retail	8	73,075,656	0.38%			
Cebridge Acquisitions LP	Cable	9	63,464,400	0.33%	9	54,199,332	
Genecov Investment Group	Financial	10	59,663,524	0.31%			
Walmart/Sam's East	Wholesaler/Retailer	7		0.00%			0.00%
Genecov Investment Group	Financial				7	81,875,989	0.60%
Carrier/United Technologies	Manufacturer				10	44,952,878	0.33%
Transcanada Keystone Pipeline	Oil & Gas Production	10		0.00%			
Southwest Energy Production	Utility				6	85,823,063	0.63%
Southwestern Bell	Telephone Utility						0.00%
			<u>\$ 1,114,377,606</u>	<u>5.73%</u>		<u>\$ 1,009,521,738</u>	<u>7.01%</u>

Table 9

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

Tax Year	Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2011	2012	42,578,284	41,723,457	97.99%	767,272	\$ 42,490,729	99.79%
2012	2013	43,150,455	42,335,407	98.11%	692,312	\$ 43,027,719	99.72%
2013	2014	44,254,117	43,372,946	98.01%	683,496	\$ 44,056,442	99.55%
2014	2015	46,373,103	45,450,962	98.01%	758,619	\$ 46,209,581	99.65%
2015	2016	48,244,535	47,266,751	97.97%	749,619	\$ 48,016,370	99.53%
2016	2017	49,919,705	49,003,276	98.16%	730,564	\$ 49,733,839	99.63%
2017	2018	52,060,978	51,153,925	98.26%	821,699	\$ 51,975,624	99.84%
2018	2019	56,375,225	55,273,548	98.05%	717,966	\$ 55,991,514	99.32%
2019	2020	60,931,901	59,983,614	98.44%	671,623	\$ 60,655,237	99.55%
2020	2021*	61,998,705	49,370,346	79.63%	196,707	\$ 49,567,053	79.95%

* Collections as of 1/31/2021
Source: Smith County Tax Assessor/Collector

Table 10

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

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2011	212,765	39,955,000	3,489,944	43,444,944	0.53%	204.19
2012	214,941	36,825,000	4,248,709	41,073,709	0.48%	191.09
2013	216,670	33,585,000	5,386,926	38,971,926	0.44%	179.87
2014	218,842	30,280,000	3,627,671	33,907,671	0.37%	154.94
2015	222,936	26,905,000	4,824,776	31,729,776	0.34%	142.33
2016	225,000	23,780,155	3,436,220	27,216,375	0.24%	120.96
2017	225,290	20,149,746	2,784,184	22,933,930	0.20%	101.80
2018	227,727	35,753,039	4,135,201	39,888,240	0.37%	175.16
2019	230,221	34,260,000	2,570,020	36,830,020	0.29%	159.98
2020	232,751	38,480,699	2,010,083	40,490,782	0.31%	173.97

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

(1) See Schedule of Demographic & Economic Statistics

Table 11

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

Fiscal Year Ended 9/30	General Obligation Bonds	Capital Leases	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of	Per Capita	Population
					Estimated Actual Taxable Value of Property		
2011	\$ 39,955,000		1,472,561	38,482,439	0.28%	180.87	212,765
2012	36,825,000		1,505,353	35,319,647	0.26%	164.32	214,941
2013	33,585,000		1,560,558	32,024,442	0.23%	147.80	216,670
2014	30,280,000		1,586,699	28,693,301	0.20%	131.11	218,842
2015	26,905,000		1,622,772	25,282,228	0.17%	113.41	222,936
2016	23,780,155		1,647,844	22,132,311	0.14%	98.37	225,000
2017	20,149,746		1,707,149	18,442,597	0.11%	81.86	225,290
2018	27,595,000	4,135,201	1,798,311	25,796,689	0.15%	113.28	227,727
2019	34,260,000	2,570,020	1,883,278	32,376,722	0.17%	140.63	230,221
2020	36,560,000	2,010,082	2,763,448	33,796,552	0.18%	145.20	232,751

Table 12

Smith County, Texas
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
As of September 30, 2020

<u>Governmental Unit</u>	<u>Net Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Overlapping Debt</u>
<u>DIRECT DEBT</u>			
Smith County	\$ 40,441,557	100.00%	\$ 40,441,557
<i>Total Direct Debt</i>	<u>\$ 40,441,557</u>		<u>\$ 40,441,557</u>
<u>OVERLAPPING DEBT</u>			
Arp ISD	\$ 17,945,000	100.00%	\$ 17,945,000
Arp, City of	1,741,000	100.00%	1,741,000
Bullard ISD	62,345,533	65.55%	40,867,497
Bullard, City of	3,999,000	83.01%	3,319,570
Chapel Hill ISD	15,276,000	100.00%	15,276,000
East Texas MUD of Smith County	4,735,000	100.00%	4,735,000
Gladewater ISD	30,245,000	22.20%	6,714,390
Lindale ISD	70,534,093	99.64%	70,280,170
Lindale, City of	14,480,217	100.00%	14,480,217
Overton, City of	521,000	9.23%	48,088
Troup ISD	5,720,000	53.28%	3,047,616
Troup, City of	1,748,000	95.18%	1,663,746
Tyler ISD	397,885,000	100.00%	397,885,000
Tyler Junior College	49,064,000	94.55%	46,390,012
Van ISD	40,360,000	13.19%	5,323,484
Whitehouse ISD	106,695,000	100.00%	106,695,000
Whitehouse, City of	16,915,000	100.00%	16,915,000
Winona ISD	25,245,919	100.00%	25,245,919
Winona, City of	-	100.00%	-
<i>Total Overlapping Debt</i>	<u>\$ 865,454,762</u>		<u>\$ 778,572,710</u>
TOTAL DIRECT & OVERLAPPING DEBT	<u><u>\$ 905,896,319</u></u>		<u><u>\$ 819,014,267</u></u>

(1) Source: Municipal Advisory Council of Texas

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

Table 13

**SMITH COUNTY, TEXAS
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 3,528,771	\$ 3,089,012	\$ 3,115,064	\$ 3,241,431	\$ 3,394,216	\$ 3,468,870	\$ 3,633,325	\$ 3,731,906	\$ 4,039,398	\$ 4,281,691
Total Net Debt Applicable to Limit	41,428	38,330	35,146	31,867	28,528	25,428	\$ 21,627	\$ 29,393	\$ 36,143	\$ 39,364
Legal Debt Margin	\$ 3,487,343	\$ 3,050,682	\$ 3,079,919	\$ 3,209,564	\$ 3,365,688	\$ 3,443,442	\$ 3,611,698	\$ 3,702,513	\$ 4,003,255	\$ 4,242,327
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.17%	1.24%	1.13%	0.98%	0.84%	0.73%	0.60%	0.79%	0.89%	0.92%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed Value of Real Property	\$ 17,126,766
Debt Limit (25% of Total Real Property Value)	4,281,691
Debt Applicable to Limit	
General Obligation Bonds	\$ 36,560
Less: Amount Set Aside for Repayment of General Obligation Debt	2,804
Total Net Debt Application to Limit	\$ 39,364
Legal Debt Margin	\$ 4,242,327

Table 14

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

Fiscal Year	Estimated Population ¹	Estimated Personal Income ¹ (thousands of dollars)	Per Capita Personal Income	Median Age ¹	Education Level in Years of Formal Schooling	School Enrollment ²	Unemployment Rate ³
2011	212,765	8,192,210	38,504	35.5	13.6	35,946	7.8%
2012	214,941	8,533,552	39,702	35.5	13.6	35,749	7.0%
2013	216,670	8,889,117	41,026	35.5	13.6	35,682	6.5%
2014	218,842	9,199,272	42,036	35.5	13.6	35,609	5.2%
2015	222,936	9,464,715	42,455	36.3	13.6	40,667	4.5%
2016	225,000	11,196,700	49,763	36.4	13.6	40,618	4.2%
2017	225,290	11,196,700	49,699	36.1	13.6	41,212	3.4%
2018	227,727	10,748,612	47,200	36.5	13.6	40,893	4.1%
2019	230,221	12,714,831	55,229	36.6	13.6	38,955	3.2%
2020	232,751	13,102,118	56,292	36.8	13.6	39,556	7.1%

Data sources:

¹Texas Association of Counties - County Information Project

²Texas Education Agency

³U.S. Bureau of Labor Statistics

Table 15

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

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment (1)	Employees	Rank	Percentage of Total County Employment (2)
UT Health East Texas *	4,439	1	4.2%	3,725	2	4.1%
Christus Trinity Mother Francis *	4,095	2	3.9%	3,884	1	4.3%
Tyler Independent School District	2,639	3	2.5%	2,464	4	2.7%
Sanderson Farms	1,692	4	1.6%			0.0%
Brookshire Grocery Co *	1,620	5	1.5%	2,524	3	2.8%
The Trane Company*	1,331	6	1.3%	1,575	6	1.7%
UT Texas - Tyler	1,440	7	1.4%			0.0%
Walmart	1,241	8	1.2%	1,711	5	1.9%
Altice USA	1,150	9	1.1%	1,197	7	1.3%
UT Health Science Center	1,108	10	1.0%	849	8	0.9%
Tyler Junior College				786	9	0.9%
Smith County				775	10	0.9%
Total	<u>16,316</u>		<u>11.6%</u>	<u>15,765</u>		<u>21.6%</u>

Source: Tyler Economic Development Council

* Headquarters located in Tyler.

(1) total county employment of 105,569

(2) total county employment of 90,382

Table 16

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

<i>Function</i>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	97	96	96	97	102	104	103	108	115	112
Judicial	141	141	141	141	140	141	143	143	147	147
Law Enforcement	163	163	164	163	164	165	168	172	182	184
Corrections	293	293	293	304	312	327	332	330	336	332
Roads & Transportation	76	76	76	77	77	77	83	83	83	83
Other	4	3	3	3	3	4	4	4	4	4
Totals	774	772	773	785	798	818	833	840	867	862

*Full Time Equivalent at the Beginning of Fiscal Year

Table 17

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function:										
General Government:										
County Clerk:										
Number of Criminal Cases Filed	4,376	4,397	4,629	4,177	3,455	3,450	3,260	4,101	3,803	2,753
Number of Civil Cases Filed	1,384	1,324	1,150	914	1,240	1,182	1,486	1,754	1,928	1,167
Human Resources:										
Issues Opened	2,246	1,506	1,325	1,263	1,324	1,389	1,636	1,466	1,204	1,349
Purchasing:										
Purchase Orders Issued	4,572	4,656	4,204	6,203	6,368	7,743	7,519	7,624	7,505	8,826
Annual Contracts Awarded/RFB	25	34	34	10	11	15	9	6	5	5
Information Technology:										
Help Desk Calls Processed	3,847	3,844	3,844	3,880	4,379	5,868	6,212	8,011	8,088	12,000
Number of Computers Supported	668	820	935	935	988	988	993	1,015	1,069	1,102
Elections Administration:										
Voter applications processed	4,785	4,785	15,355	19,590	21,865	34,994	32,462	36,008	29,049	46,067
Elections Held	12	11	6	10	6	14	11	12	9	7
County Auditor:										
Accounts Payable Checks Processed	25,416	23,872	22,386	13,629	13,767	14,220	14,820	14,463	15,037	13,455
Grants Administered	21	23	21	21	19	25	23	17	20	23
Tax Assessor/Collector										
Motor Vehicle Registrations	205,297	206,626	210,950	213,297	216,905	215,176	215,502	220,345	222,529	218,921
Titles	50,994	54,553	56,670	56,205	58,914	61,228	60,192	64,665	65,157	64,487
Judicial:										
District Courts:										
Criminal Cases Disposed	2,606	1,792	2,389	2,397	2,071	2,123	2,223	2,059	2,190	*
Civil Cases Disposed	1,393	874	1,214	1,145	904	1,073	943	1,190	1,146	*
County Courts										
Criminal Cases Disposed	5,895	5,142	5,992	5,282	4,246	3,778	3,610	3,958	4,127	*
Civil Cases Disposed	3,322	2,813	2,991	2,642	1,044	1,052	1,074	2,076	1,720	*
Juvenile Cases Disposed	295	274	331	357	317	342	125	238	240	*
Justices of the Peace										
Criminal Cases Filed	18,885	17,606	18,132	19,324	14,107	15,061	16,240	16,706	17,160	*
Law Enforcement:										
Sheriff - Calls for Service	30,601	31,159	32,004	30,675	30,720	32,251	35,640	30,804	31,049	29,499
Sheriff - Active CID cases	5,879		4,517	2,673	3,523	3,124	3,300	3,521	3,698	3,261
Corrections:										
Prisoners Booked	7,793	11,335	11,271	10,892	9,269	8,872	8,569	9,276	9,180	6,764
Roads & Transportation:										
Field Work Orders Completed	4,078	3,554	3,930	4,433	5,422	5,582	4,581	3,919	3,780	4,621

* Office of Court Administration Annual Reports not yet available

Table 18

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

<i>Function/Program</i>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>General Government</i>										
Buildings	4	4	7	7	6	6	5	5	5	10
Plazas	2	2	2	2	2	2	2	2	2	2
Vehicles	18	13	12	12	13	14	14	14	14	15
<i>Infrastructure</i>										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles/Dump Trucks	91	71	73	77	78	78	78	78	79	86
<i>Justice System</i>										
Buildings	4	4	4	4	5	5	5	5	5	5
Vehicles	11	9	8	8	9	9	8	10	13	9
<i>Public Safety</i>										
Buildings	5	5	5	5	6	6	6	6	6	6
Vehicles	159	163	164	161	174	170	173	168	174	185
<i>Corrections & Rehabilitation</i>										
Jails	2	2	2	2	2	2	2	2	2	2
Juvenile Detention Centers	1	1	1	1	1	1	1	1	1	1
Adult Probation Center	0	0	1	1	1	1	1	1	1	1
Vehicles - Jail	1	2	4	5	11	12	14	14	18	20
Vehicles - Juvenile Probation	5	6	6	8	8	7	7	7	8	9
Vehicles - Adult Probation	8	17	15	15	9	9	7	6	7	7



GOVERNMENTAL COMPLIANCE SECTION

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

The Honorable Commissioners' Court of Smith County
Tyler, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Smith County, Texas as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise Smith County, Texas's basic financial statements, and have issued our report thereon dated March 16, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
March 16, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

To Honorable Commissioners' Court of Smith County
Tyler, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Smith County, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the State of Texas *Uniform Grant Management Standards* that could have a direct and material effect on each of Smith County, Texas' major federal and state programs for the year ended September 30, 2020. Smith County, Texas' major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Smith County, Texas' major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance); and the State of Texas Uniform Grant Management Standards (UGMS). Those standards the Uniform Guidance, and UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Smith County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Smith County, Texas' compliance.

Opinion on Each Major Federal Program

In our opinion, Smith County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of Smith County, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered Smith County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each federal major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of Smith County, Texas' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Certified Public Accountants

Tyler, Texas
March 16, 2021

SMITH COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor or Pass-through Grantor's Number</u>	<u>Program Expenditures</u>
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Texas Department of Agriculture:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	7217431	7,954
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	7218062	<u>550,461</u>
TOTAL U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>558,415</u>
U. S. DEPARTMENT OF JUSTICE			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	2020-AP-BX-0846	110,230
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3924801	138,000
Federal Asset Forfeiture Account	16.922	N/A	<u>32,193</u>
TOTAL U. S. DEPARTMENT OF JUSTICE			<u>280,423</u>
U. S. DEPARTMENT OF TRANSPORTATION			
Passed Through Texas Department of Transportation:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51016031019	37,090
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	5310-2019-SC-00087	32,000
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	5310-2019-SC-00040	<u>82,491</u>
TOTAL U. S. DEPARTMENT OF TRANSPORTATION			<u>151,581</u>
U. S. DEPARTMENT OF TREASURY			
Direct Programs:			
Treasury Asset Forfeiture Program	21.016	N/A	<u>21,082</u>
Passed Through Texas Department of Emergency Management:			
COVID-19 Coronavirus Relief Fund Grant	21.019	2020-CF-21019	<u>4,932,439</u>
TOTAL U. S. DEPARTMENT OF TREASURY			<u>4,953,521</u>
U. S. ELECTIONS ASSISTANCE COMMISSION			
Passed Through Texas Secretary of State			
Help America Vote Election Security Grant	90.404	TX18101001-01-212	108,330
COVID-19 Help America Vote Election CARES Act Grant	90.404	TX20101CARES-212	<u>79,157</u>
TOTAL U. S. ELECTIONS ASSISTANCE COMMISSION			<u>187,487</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Texas Department of Family and Protective Services:			
Foster Care Title IV-E	93.658	HHS000285100024	2,984
Foster Care Title IV-E	93.658	HHS000285100024	<u>59,747</u>
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>62,731</u>
U. S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Texas Division of Emergency Management:			
Emergency Management Performance Grants	97.042	EMT-2019-EP-00005	<u>48,031</u>
TOTAL U. S. DEPARTMENT OF HOMELAND SECURITY			<u>48,031</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 6,242,189</u>

See Notes to Schedule on following page.

SMITH COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Smith County, Texas under programs of the federal government for the year ended September 30, 2020 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Smith County, Texas, it is not intended to and does not present the financial position, changes in net assets or cash flows of Smith County, Texas.

NOTE 2 – NON-CASH ASSISTANCE, INSURANCE AND LOANS

Smith County did not receive any non-cash assistance through federal awards during the year ended September 30, 2020. There were no federal loans or loan guarantees outstanding at year end.

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

<u>Type of Coverage</u>	<u>Liability Limit</u>
Property	\$141,438,000
Commerical General Liability	100K/300K/100K
Automobile	100K/300K/100K
Crime	250,000
Equipment	50,000,000
Public Officials Liability	2,000,000
Law Enforcement Liability	2,000,000
Law Enforcement Animals	30,000

NOTE 3 – INDIRECT COST RATES

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

**SMITH COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

<u>State Grantor/Pass Through Grantor/ Program Title</u>	<u>Grant Contract Number</u>	<u>Amounts Passed to Through Subrecipients</u>	<u>Program Expenditures</u>
TEXAS OFFICE OF THE ATTORNEY GENERAL			
Direct Programs:			
Texas Automated Victim Notification - VINE	2004109	\$ -	\$ 30,170
TOTAL TEXAS OFFICE OF THE ATTORNEY GENERAL		<u>-</u>	<u>30,170</u>
TEXAS OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION			
Direct Programs:			
Drug Court	1976212	-	20,164
TAG Anti Gang Initiative	3727401	-	1,045,354
Border Prosecution Unit	3932501	-	85,420
TOTAL TEXAS OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION		<u>-</u>	<u>1,150,938</u>
TASK FORCE ON INDIGENT FORMULA GRANT			
Direct Programs:			
Indigent Defense Formula Grant	212-20-212	-	164,983
TOTAL TASK FORCE ON INDIGENT FORMULA GRANT		<u>-</u>	<u>164,983</u>
TEXAS DEPARTMENT OF MOTOR VEHICLES			
Passed Through Motor Vehicle Crime Prevention Authority:			
East Texas Auto Theft Task Force	608-20-2120000	256,395	328,735
TOTAL TEXAS DEPARTMENT OF MOTOR VEHICLES		<u>256,395</u>	<u>328,735</u>
TEXAS SECRETARY OF STATE			
Direct Programs:			
Chapter 19 Voter Registration	FY 2020	-	31,820
TOTAL TEXAS SECRETARY OF STATE		<u>-</u>	<u>31,820</u>
EAST TEXAS COUNCIL OF GOVERNMENTS			
Direct Programs:			
Solid Waste	20-06-11	-	3,000
TOTAL EAST TEXAS COUNCIL OF GOVERNMENTS		<u>-</u>	<u>3,000</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u>\$ 256,395</u>	<u>\$ 1,709,646</u>

See Notes to Schedule on following page.

SMITH COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The accompanying schedule of expenditures of state awards includes the state award activity of Smith County, Texas, under programs of the state government for the year ended September 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas *Uniform Grant Management Standards* (UGMS). Therefore, some amounts presented in this schedule may differ from amounts present in, or used in, the preparation of the basis financial statements.

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

NOTE 2 – INDIRECT COST RATES

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

**SMITH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

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

Federal and State Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal or State Program or Cluster</i>
21.019	Coronavirus Relief Fund Grant
State	Texas Anti Gang Initiative Grant East Texas Auto Theft Task Force

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

Dollar threshold used to distinguish
Between type A and type B state programs: \$300,000

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

SMITH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020

Section II – Financial Statement Findings

None noted.

Section III – Federal and State Award Findings and Questioned Costs

None noted for Federal. For State, there were no findings reported as of September 30, 2019 as there was not a State Single Audit conducted in the prior period.

**SMITH COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2020**

None.