

SMITH COUNTY, TEXAS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021

COUNTY JUDGE – NATHANIEL MORAN

Members of the Commissioners Court:

Neil Franklin – 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, 2021

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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 16, 2022

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

The Annual Comprehensive Financial Report of Smith County, Texas for the fiscal year ending September 30, 2021 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, 2021 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, 2021, 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 238,755. 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 2021, Smith County reports an unemployment rate of 3.6% as compared to the national unemployment rate of 3.9% in December 2021 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 2021.

RELEVANT FINANCIAL POLICIES

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

MAJOR INITIATIVES

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

The major portion of the funding for the road reconstruction will come from the 2017 \$39.5M voter approved bond sale. The bonds were planned to be issued in three parts in 2018, 2019, and 2020 in increments of \$12M, \$12M and \$15.5M; however, with the current economic conditions, the 2020 series was issued at \$7.125M with the remaining authorized issued in 2021. Another voter approved bond sale occurred in 2021 for \$45M. These bonds have been authorized but not issued at this time.

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, 2020. This was the 17th 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, 2020. This was the 11th 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

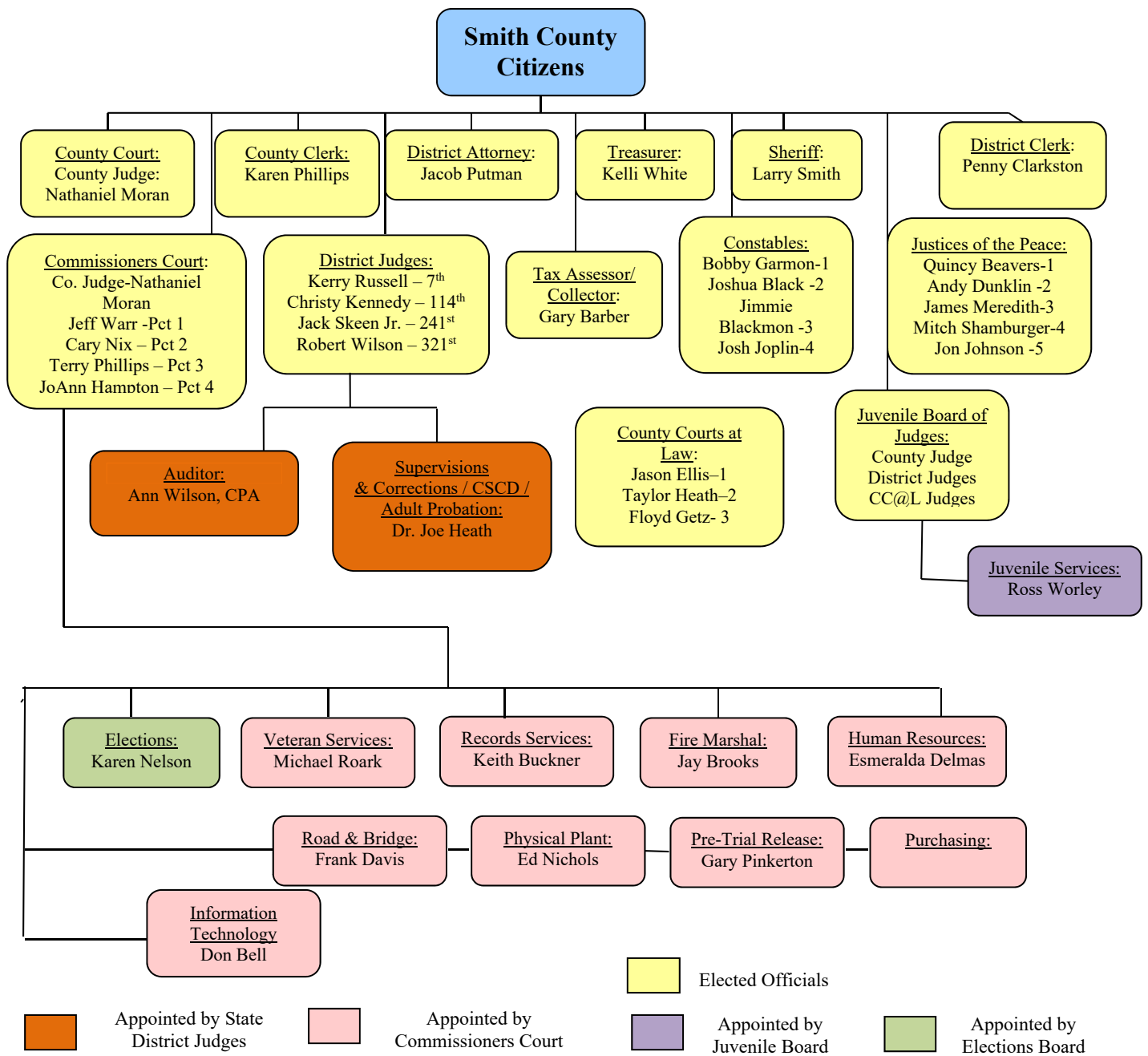
**Smith County
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



**SMITH COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2021**

Commissioners Court

County Judge	Nathaniel Moran
Commissioner - Precinct #1	Neil Franklin
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 Putnam
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



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, 2021, 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 67–70; the Schedule of Changes in the County's Net Pension Liability and Related Ratios on page 71; the Schedule

of Employer Contributions on page 72; the Schedule of Changes in the County’s OPEB Liability and Related Ratios – Health Plan on page 73, the Schedule of Employer Contributions – Health Plan on page 74, 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 76 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, 2022, on our consideration of Smith County, Texas’ internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Smith County, Texas’ internal control over financial reporting and compliance.

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
March 16, 2022

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Members American Institute of Certified Public Accountants and Private Companies Practice Section

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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, 2021. 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 \$90,525,187 at the close of the fiscal year ending September 30, 2021. This is an increase of \$14,922,825 from the previous year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$75,602,481.

Please note that during the fiscal year ending September 30, 2021, the County implemented GASB No. 84, causing a restatement of net position and fund balances at September 30, 2020. This restatement resulted in a decrease of \$455,146 in both net position and fund balances of nonmajor governmental funds.

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

- Net investment in capital assets of \$80,980,786 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, \$14,356,037 is restricted by constraints imposed from outside the County such as debt obligations, laws, and regulations.
- Unrestricted net position is a negative \$4,811,636.
- As of September 30, 2021, Smith County governmental funds reported combined fund balances of \$84,378,796. This reflects an increase of \$8,019,501 from the previous fiscal year that is primarily due to the issuance of general obligation bonds and COVID-19 Funding. The current year total consists of a combined nonspendable fund balance of \$522,758, restricted fund balance of \$28,659,915, committed fund balance of \$8,686,739, and unassigned fund balance of \$46,509,384 for fiscal year 2021.
- 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 \$517,806 and the unassigned fund balance was \$46,518,254.

- The Road & Bridge Fund is used to account for construction, maintenance, repair or operation of roads, streets, highways, or other related facilities. The committed fund balance for the Road & Bridge Fund at fiscal year end was \$4,316,569.
- The nonmajor governmental funds had a combined total fund balance at September 30, 2021 of \$32,057,367. Of that amount, \$4,952 is nonspendable, \$4,370,170 is committed, a negative \$8,870 is unassigned and \$27,691,115 is restricted (\$26,231,823 for special revenue funds and \$1,459,292 for debt service).
- In fiscal year 2021, the County issued general obligation debt in the amount of \$7,425,000.
- Smith County's general obligation debt increased by \$2,185,000. Total general obligation debt at the end of fiscal year 2021 is \$38,745,000.

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 \$90,525,187 for fiscal year 2021 and \$75,602,335 for fiscal year 2020. Revenues exceeded expenses during the current year, increasing net position by \$14,922,852.

Smith County Net Position

The County’s net position for the fiscal years ended September 30, 2020 and 2021 are summarized as follows:

	Governmental Activities FY20 - Restated	Governmental Activities FY21
Current & Other Assets	\$ 92,333,073	\$ 130,378,033
Capital Assets (net of depreciation)	102,290,284	107,646,777
<i>Total Assets</i>	\$ 194,623,357	\$ 238,024,810
Deferred Outflows of Resources		
Deferred Charge on TCDRS Pension & OPEB	\$ 15,026,692	\$ 19,162,916
	\$ 15,026,692	\$ 19,162,916
Current & Other Liabilities	\$ 16,556,740	\$ 42,090,430
Long-term Liabilities	106,956,810	110,111,620
<i>Total Liabilities</i>	\$ 123,513,550	\$ 152,202,050
Deferred Inflows of Resources		
Deferred Charge on TCDRS Pension & OPEB	\$ 10,534,164	\$ 14,460,483
	\$ 10,534,164	\$ 14,460,483
Net Position:		
Net Investment in Capital Assets	\$ 73,535,200	\$ 80,980,786
Restricted	17,035,399	14,356,037
Unrestricted	(14,968,264)	(4,811,636)
<i>Total Net Position</i>	\$ 75,602,335	\$ 90,525,187

The largest portion of the County’s current fiscal year net position, \$80,980,786 is invested in capital assets (e.g. land, improvements, buildings, equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The primary use of these capital assets is to provide services to citizens; therefore, these assets are not available for future spending.

Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Another balance of net position represents resources that are subject to external restriction on how they may be used. Restrictions include \$5,360,614 for records management, \$1,459,292 for debt service and \$7,536,131 for other purposes. The remaining portion of the net position is unrestricted net position, which is a negative \$4,811,636.

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 \$14,922,852 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 \$1,510,644 as a result of claim activity and plan changes.
- Capital assets increased by \$5,356,493 as the County continued implementing its adopted capital improvement plan. The County made significant improvements to county buildings and infrastructure in 2021.
- Governmental Accounting Standards Board Statement 68 required that the County recognize its net pension liability as a long-term liability.

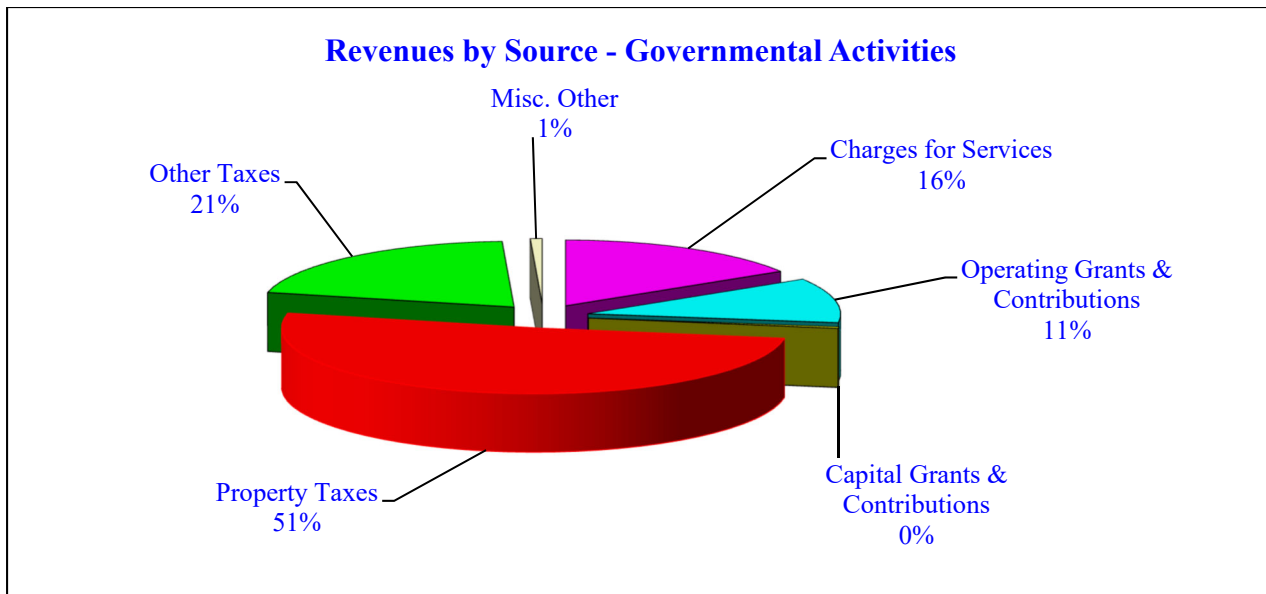
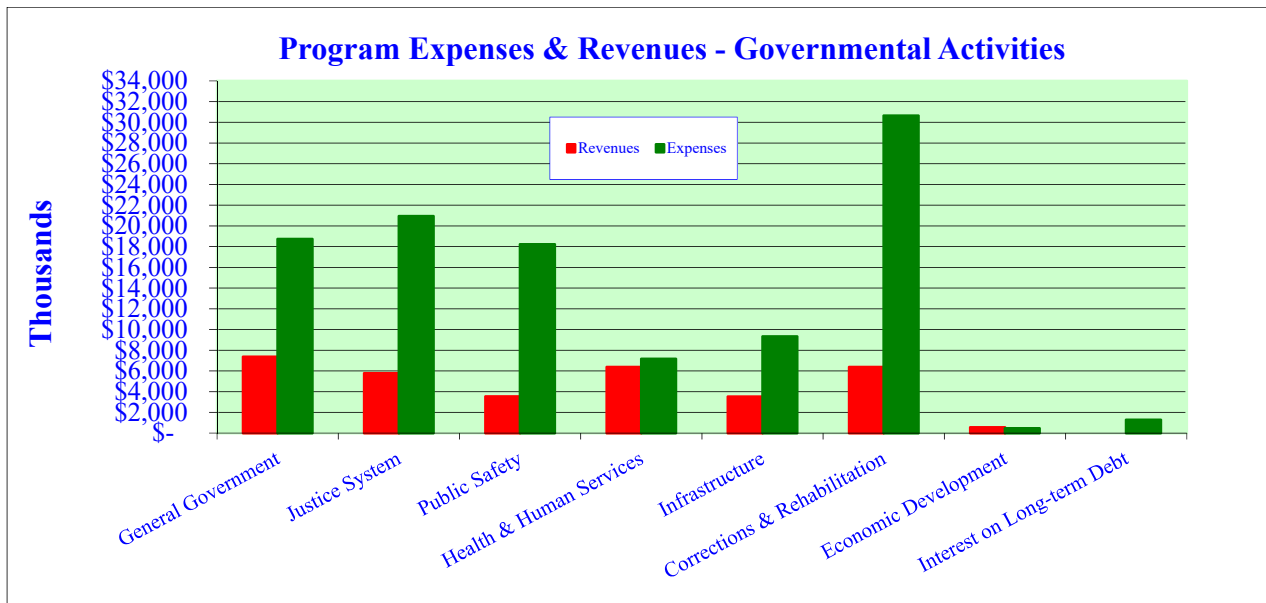
Governmental Activities

Governmental activities increased Smith County's net position by \$14,922,852.

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

Smith County's Changes in Net Position

	Governmental Activities 2020	Governmental Activities 2021
Net Program Revenues:		
Charges for Services	\$ 16,814,943	\$ 19,718,892
Operating Grants & Contributions	13,253,418	13,365,211
Capital Grants & Contributions	864,766	426,219
General Revenues:		
Property Taxes	60,853,157	62,151,500
Sales & Other Taxes	21,489,070	25,132,160
Rentals & Commissions		
Reimbursements		
Miscellaneous	197,793	102,725
Gain (Loss) in Sale of Assets	21,652	125,930
Interest	1,179,398	694,427
Total Revenues	<u>\$ 114,674,197</u>	<u>\$ 121,717,064</u>
<i>Expenses:</i>		
General Government	\$ 23,262,579	\$ 18,735,826
Justice System	20,959,685	20,947,538
Public Safety	18,648,538	18,226,954
Health & Human Services	2,041,849	7,172,361
Conservation		
Infrastructure	11,056,090	9,327,905
Corrections & Rehabilitation	28,087,621	30,636,954
Community & Economic Development	732,357	458,902
Interest on Long-term Debt	1,311,721	1,287,772
Total Expenses	<u>\$ 106,100,440</u>	<u>\$ 106,794,212</u>
Change in Net Position	\$ 8,573,757	\$ 14,922,852
Net Position - Beginning (Restated)	67,483,724	75,602,335
Prior Period Adjustment	(455,146)	-
Net Position - Ending	<u>\$ 75,602,335</u>	<u>\$ 90,525,187</u>



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

- ❖ Program revenues of \$33,510,322 equaled 31% of governmental expenses of \$106,794,212. As expected, general revenues of \$88,206,742 and fund balance provided the additional support and coverage for expenses.
- ❖ Approximately 29% of the expenses are for Corrections & Rehabilitation (\$30,636,954) while this category provided about 5% of the total revenues of \$121,717,064.

- ❖ The next largest category of expenses is the Justice System (\$20,947,538) at 20%. General Government provided about 5% of total revenues. Justice System expense increases are primarily due to the COVID-19 case backlog and the increased court activity.
- ❖ General Government activities accounted for 18% of governmental expenses while the category provided 3% of total revenues.
- ❖ Public Safety activities accounted for 17% of governmental expenses while this category provided 3% of total revenues.
- ❖ Infrastructure (Road & Bridge) accounted for 9% of governmental expenses while this category provided 3% of total revenues.
- ❖ Grant revenues and contributions comprised about 11% 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 \$84,378,796. Approximately \$28,659,915 or 34% are restricted; \$8,686,739 or 10% are committed; \$46,509,384 or 55% are unassigned and \$522,758 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 \$47,036,060. 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 (\$47,036,060) represents approximately 61% 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 \$11,689,658 during the current fiscal year. The increase was attributable to actual revenues exceeding budgetary estimates and actual expenditures ending at approximately 94% 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 \$4,316,569 all of which is committed by the Commissioners Court. The fund balance decreased by \$2,000,035 from

the previous year which is mainly attributed to the decreased ability to do road maintenance activities in the previous year due to the COVID-19 pandemic.

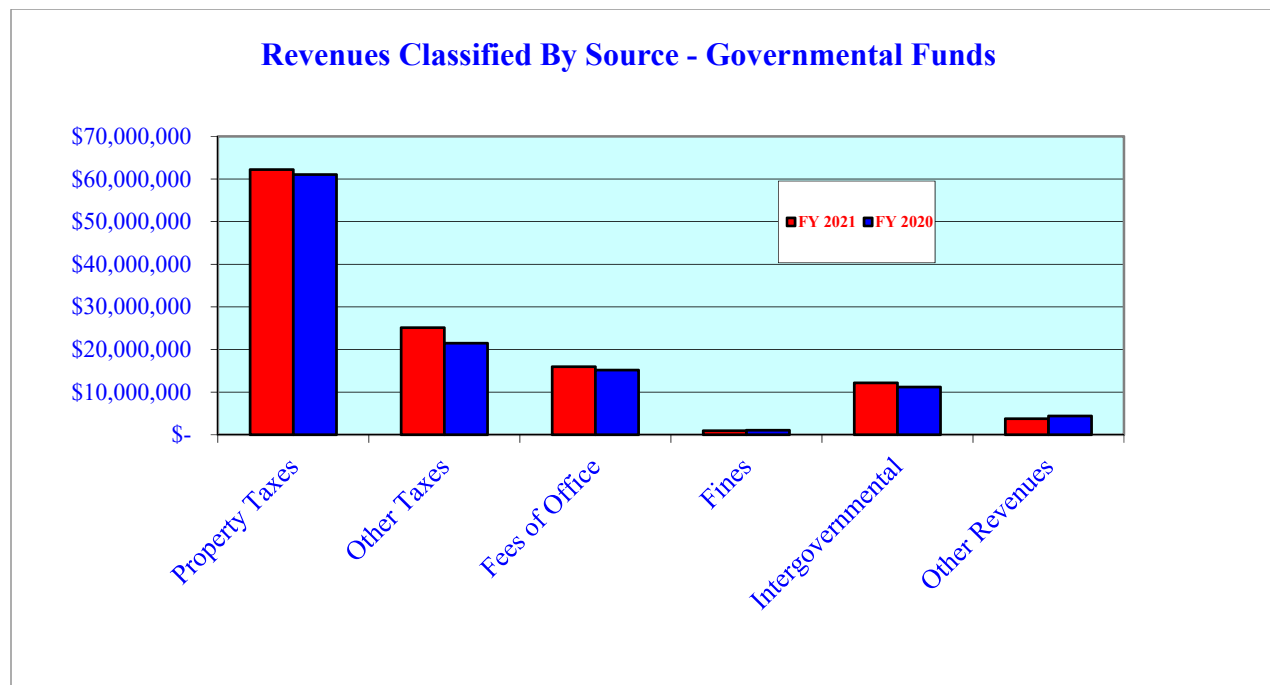
The Infrastructure Improvement Funds are used to account for the construction costs associated with the general obligation bonds issued in FY19, FY20 and FY21 for road & bridge improvements. Complete details about the status of road and bridge projects and resource documents can be found at <https://www.smith-county.com/i-want-to/view/county-road-projects>.

The debt service fund has a total fund balance of \$1,459,292, a decrease of \$1,351,968 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 2021	FY 2020	Increase (Decrease)	Percent of Change
Property Taxes	\$ 62,211,018	\$ 61,042,100	\$ 1,168,918	1.91%
Other Taxes	25,132,160	21,489,070	3,643,090	16.95%
Fees of Office	15,947,007	15,158,666	788,341	5.20%
Fines	938,219	1,041,445	(103,226)	-9.91%
Intergovernmental	12,174,943	11,210,657	964,286	8.60%
Other Revenues	3,750,379	4,414,663	(664,284)	-15.05%
Total Revenues	\$ 120,153,726	\$ 114,356,601	\$ 5,797,125	5.07%



- Property Taxes - the increase of \$1,168,918 was primarily due to an increase in taxable values and new construction.
- Other Taxes – the increase of \$3,643,090 is primarily due to sales tax revenue increases from the previous year and increased mixed beverage tax collections.
- Fees of Office & Fines - are impacted by the volume 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.

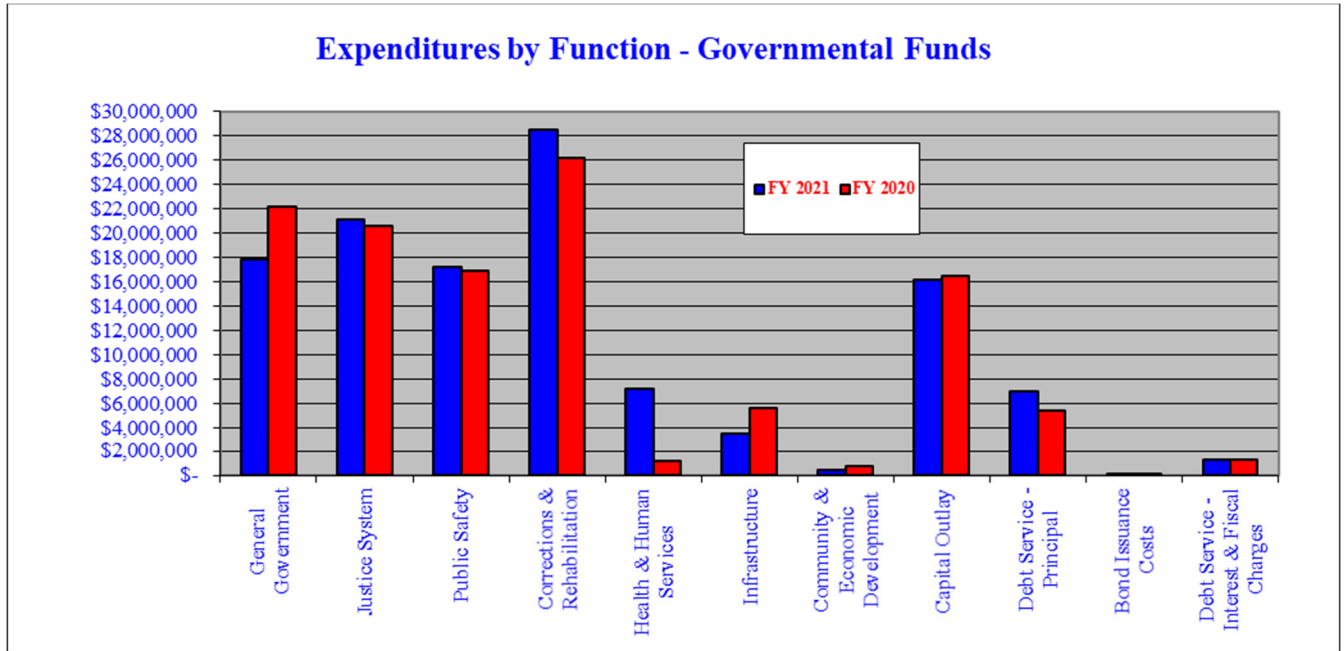
The following table presents expenditure by function compared to prior year amounts.

Expenditures by Function - Governmental Funds

Expenditures by Function	FY 2021	FY 2020	Increase (Decrease)	Percent of Change
General Government	\$ 17,854,760	\$ 22,190,539	\$ (4,335,779)	-19.54%
Justice System	21,141,976	20,587,143	554,833	2.70%
Public Safety	17,236,844	16,935,004	301,840	1.78%
Corrections & Rehabilitation	28,498,838	26,163,204	2,335,634	8.93%
Health & Human Services	7,207,772	1,187,247	6,020,525	507.10%
Infrastructure	3,456,302	5,639,464	(2,183,162)	-38.71%
Community & Economic Development	458,902	732,357	(273,455)	-37.34%
Capital Outlay	16,178,562	16,436,607	(258,045)	-1.57%
Debt Service - Principal	6,999,245	5,384,937	1,614,308	29.98%
Bond Issuance Costs	87,000	85,000	2,000	2.35%
Debt Service - Interest & Fiscal Charges	1,220,698	1,282,647	(61,949)	-4.83%
	<u>\$ 120,340,899</u>	<u>\$ 116,624,149</u>	<u>\$ 3,716,750</u>	<u>3.19%</u>

Overall, total expenditures increased by approximately 3.2%. The increase in expenditures of 507% in Health & Human Services is due to the relief efforts from the COVID-19 pandemic and the need to assist with county and community needs. The increases in expenditures from the previous fiscal year indicate the impact the pandemic continues to place 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 \$8,536,610

Actual expenditures were 94% 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, 2021, Smith County had general obligation bonds outstanding in the amount of \$38,745,000. 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 FY2021.

	Beginning			
	Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
General Obligation Bonds	\$ 36,560,000	\$ 7,425,000	\$ 5,240,000	\$ 38,745,000
Bond Premium, Net	1,920,699	412,000	358,667	1,974,032
Compensated Absences	3,211,040	1,938,816	1,896,254	3,253,602
Net OPEB Liability	59,199,436	375,588	5,573,451	54,001,573
Net Pension Liability	13,350,862	5,704,821	-	19,055,683
Capital Leases	2,010,083		1,759,245	250,838
Total	\$ 116,252,120	\$ 15,856,225	\$ 14,827,617	\$ 117,280,728

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, 2021, net capital assets of the governmental activities totaled \$107,646,777. 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	\$ 2,033,442	\$ -	\$ 2,033,442
Buildings & Improvements	91,680,405	47,836,443	43,843,962
Machinery & Equipment	36,847,251	31,451,038	5,396,213
Infrastructure	131,282,862	79,723,963	51,558,899
Construction in Progress	4,814,261	-	4,814,261
Total	\$ 266,658,221	\$ 159,011,444	\$ 107,646,777

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 FY2022, the County Commissioners and management considered the following factors:

- Property tax revenues are budgeted to slightly increase in FY22 due continued growth.
- Revenues were estimated with the usual conservative approach.
- Interest rates are planned to remain low.
- 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, 2021**

EXHIBIT 1

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 75,264,683
Investments	42,564,761
Receivables (net of allowance for doubtful accounts)	9,975,271
Investment in joint venture	2,019,890
Prepays and other assets	553,428
Capital assets (net of accumulated depreciation):	
Land	2,033,442
Buildings	11,673,865
Improvements	32,170,097
Machinery and equipment	5,396,213
Construction in progress	4,814,261
Infrastructure	51,558,899
Total Assets	238,024,810
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on TCDRS pension	12,837,367
Deferred charge on OPEB	6,325,546
Total Deferred Outflows of Resources	19,162,913
LIABILITIES	
Vouchers payable	6,235,109
Salaries payable	2,832,525
Deferred revenues	25,635,553
Due to other governments	45,262
Accrued interest payable	172,873
Long-term debt:	
Portion due or payable within one year:	
Compensated absences	2,278,817
Capital leases	150,291
Bonds payable	4,740,000
Portion due or payable after one year:	
Compensated absences	974,785
Capital leases	100,547
Bonds payable	35,979,032
Net pension liability	19,055,683
Other post employment benefit liability	54,001,573
Total Liabilities	152,202,050
DEFERRED INFLOWS OF RESOURCES	
Deferred charge on TCDRS pension	6,867,827
Deferred charge on OPEB	7,592,659
Total Deferred Inflows of Resources	14,460,486
NET POSITION	
Net investment in capital assets	80,980,786
Restricted for:	
Records preservation	5,360,614
Law enforcement purposes	1,230,330
Adult probation	2,392,756
Juvenile services	327,769
Inmates	689,161
Courthouse security	1,005,527
Technology	387,512
Public services	13,321
Judicial support	520,955
COVID Relief	968,800
Debt service	1,459,292
Unrestricted	(4,811,636)
Total Net Position	\$ 90,525,187

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, 2021

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	\$ 18,735,826	\$ 5,845,268	\$ 1,516,544	\$ -	\$ (11,374,014)
Justice system	20,947,538	5,226,064	547,560	-	(15,173,914)
Public safety	18,226,954	933,496	2,479,002	123,680	(14,690,776)
Corrections and rehabilitation	30,636,954	4,193,152	2,187,405	-	(24,256,397)
Health and human services	7,172,361	-	6,383,207	-	(789,154)
Infrastructure	9,327,905	3,520,912	-	-	(5,806,993)
Community and economic development	458,902	-	251,493	302,539	95,130
Interest on long-term debt	1,287,772	-	-	-	(1,287,772)
Total primary government	<u>\$ 106,794,212</u>	<u>\$ 19,718,892</u>	<u>\$ 13,365,211</u>	<u>\$ 426,219</u>	<u>\$ (73,283,890)</u>
General revenues:					
Property taxes					\$ 62,151,500
Sales taxes					24,292,313
Other taxes					839,847
Miscellaneous					102,725
Gain on sale of assets					125,930
Interest earned					694,427
Total general revenues					<u>88,206,742</u>
Change in net position					14,922,852
Net position - beginning of year, restated					<u>75,602,335</u>
Net position - end of year					<u>\$ 90,525,187</u>

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

**SMITH COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	COVID 19 RELIEF GRANTS	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 22,103,116	\$ 130,366	\$ 27,299,755	\$ 23,530,716	\$ 73,063,953
Investments	24,059,283	5,067,001	-	9,411,035	38,537,319
Receivables:					
Property taxes	2,374,869	316,505	-	338,027	3,029,401
Other	5,151,472	134,742	13,292	955,725	6,255,231
Prepaid and other assets	517,806	30,670	-	4,952	553,428
Due from other funds	669,000	-	-	-	669,000
	<u>54,875,546</u>	<u>5,679,284</u>	<u>27,313,047</u>	<u>34,240,455</u>	<u>122,108,332</u>
Total assets	<u>\$ 54,875,546</u>	<u>\$ 5,679,284</u>	<u>\$ 27,313,047</u>	<u>\$ 34,240,455</u>	<u>\$ 122,108,332</u>
LIABILITIES					
Vouchers payable	\$ 3,421,909	\$ 831,092	\$ 663,432	\$ 779,236	\$ 5,695,669
Salaries payable	2,182,150	220,428	-	429,947	2,832,525
Deferred revenue	-	-	25,635,553	-	25,635,553
Due to other governments	-	-	45,262	-	45,262
Due to other funds	-	-	-	669,000	669,000
	<u>5,604,059</u>	<u>1,051,520</u>	<u>26,344,247</u>	<u>1,878,183</u>	<u>34,878,009</u>
Total liabilities	<u>5,604,059</u>	<u>1,051,520</u>	<u>26,344,247</u>	<u>1,878,183</u>	<u>34,878,009</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	2,235,427	311,195	-	304,905	2,851,527
	<u>2,235,427</u>	<u>311,195</u>	<u>-</u>	<u>304,905</u>	<u>2,851,527</u>
Total Deferred Inflows of Resources	<u>2,235,427</u>	<u>311,195</u>	<u>-</u>	<u>304,905</u>	<u>2,851,527</u>
FUND BALANCES					
Nonspendable:					
Prepays	517,806	-	-	4,952	522,758
Restricted for:					
Judicial support	-	-	-	520,955	520,955
Records preservation	-	-	-	5,360,614	5,360,614
Courthouse security	-	-	-	1,005,527	1,005,527
Law enforcement purposes	-	-	-	1,230,330	1,230,330
Adult probation	-	-	-	2,392,756	2,392,756
Juvenile services	-	-	-	327,769	327,769
Covid relief	-	-	968,800	-	968,800
Technology	-	-	-	387,512	387,512
Public services	-	-	-	13,321	13,321
Inmates	-	-	-	689,161	689,161
Capital projects	-	-	-	14,303,878	14,303,878
Debt service	-	-	-	1,459,292	1,459,292
Committed to:					
Juvenile services	-	-	-	1,206,936	1,206,936
Workforce development	-	-	-	156,856	156,856
Major building repairs	-	-	-	1,109,982	1,109,982
Elections department	-	-	-	33,937	33,937
Capital projects	-	-	-	1,862,459	1,862,459
Road maintenance	-	4,316,569	-	-	4,316,569
Unassigned	46,518,254	-	-	(8,870)	46,509,384
	<u>47,036,060</u>	<u>4,316,569</u>	<u>968,800</u>	<u>32,057,367</u>	<u>84,378,796</u>
Total fund balances	<u>47,036,060</u>	<u>4,316,569</u>	<u>968,800</u>	<u>32,057,367</u>	<u>84,378,796</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 54,875,546</u>	<u>\$ 5,679,284</u>	<u>\$ 27,313,047</u>	<u>\$ 34,240,455</u>	<u>\$ 122,108,332</u>

EXHIBIT 4

SMITH COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION (EXHIBIT 1)
SEPTEMBER 30, 2021

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

Total fund balances governmental funds (Exhibit 3)	\$ 84,378,796
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds balance sheet.	107,646,777
Equity in an affiliated joint venture is included in governmental activities in the statement of net position.	2,019,890
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.	2,160,575
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.	(172,873)
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.	7,070,323
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.	(54,001,573)
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.	(44,223,471)
Net pension liability	(19,055,683)
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.	12,837,367
Differences between expected and actual pension experience are deferred inflows on the Statement of Net Position	(6,867,828)
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.	6,325,546
Differences between expected and actual OPEB experience are deferred inflows on the Statement of Net Position	(7,592,659)
Net position of governmental activities	<u>\$ 90,525,187</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, 2021

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	COVID 19 RELIEF GRANTS	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property taxes	\$ 48,866,597	\$ 6,456,438	\$ -	\$ 6,887,983	\$ 62,211,018
Licenses and other taxes	25,132,160	-	-	-	25,132,160
Fees of office	8,159,091	2,899,133	-	4,888,783	15,947,007
Fines	356,090	582,129	-	-	938,219
Intergovernmental revenues	850,207	78,131	6,795,981	4,450,624	12,174,943
Other revenues and fees	2,375,543	39,650	54,522	1,280,664	3,750,379
Total revenues	<u>85,739,688</u>	<u>10,055,481</u>	<u>6,850,503</u>	<u>17,508,054</u>	<u>120,153,726</u>
EXPENDITURES					
Current:					
General government	15,822,079	-	983,304	1,049,377	17,854,760
Justice system	15,557,247	-	-	5,584,729	21,141,976
Public safety	15,739,838	-	-	1,497,006	17,236,844
Corrections and rehabilitation	22,857,045	-	-	5,641,793	28,498,838
Health and human services	949,831	-	6,227,752	30,189	7,207,772
Infrastructure and environmental	-	3,456,302	-	-	3,456,302
Community and economic development	-	-	-	458,902	458,902
Capital outlay	1,129,209	7,001,538	486,583	7,561,232	16,178,562
Debt service:					
Principal retirement	145,307	1,613,938	-	5,240,000	6,999,245
Bond issuance costs	-	-	-	87,000	87,000
Interest and fiscal charges	13,588	31,242	-	1,175,868	1,220,698
Total expenditures	<u>72,214,144</u>	<u>12,103,020</u>	<u>7,697,639</u>	<u>28,326,096</u>	<u>120,340,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,525,544</u>	<u>(2,047,539)</u>	<u>(847,136)</u>	<u>(10,818,042)</u>	<u>(187,173)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	7,425,000	7,425,000
Bond premium	-	-	-	412,000	412,000
Sale of equipment	59,020	25,596	-	41,314	125,930
Insurance proceeds	205,094	21,908	-	16,742	243,744
Transfers in	2,900,000	-	-	5,050,000	7,950,000
Transfers (out)	(5,000,000)	-	(2,100,000)	(850,000)	(7,950,000)
Total other financing sources (uses)	<u>(1,835,886)</u>	<u>47,504</u>	<u>(2,100,000)</u>	<u>12,095,056</u>	<u>8,206,674</u>
Net change in fund balances	11,689,658	(2,000,035)	(2,947,136)	1,277,014	8,019,501
Fund balances - beginning of year, restated	<u>35,346,402</u>	<u>6,316,604</u>	<u>3,915,936</u>	<u>30,780,353</u>	<u>76,359,295</u>
Fund balances - end of year	<u>\$ 47,036,060</u>	<u>\$ 4,316,569</u>	<u>\$ 968,800</u>	<u>\$ 32,057,367</u>	<u>\$ 84,378,796</u>

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, 2021**

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

Net change in fund balances - total governmental funds	\$	8,019,501
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.		5,356,493
The net increase of the equity in investment in an affiliated joint venture is reflected on the statement of activities.		894,515
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(59,518)
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.		(799,332)
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.		(479,088)
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.		459,710
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.		19,927
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.		1,510,644
Change in net position of governmental activities	\$	14,922,852

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, 2021**

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash	\$ 2,200,730
Investments	4,027,442
Accounts receivable	<u>1,381,591</u>
Total Current Assets	<u>7,609,763</u>
 LIABILITIES	
Current Liabilities:	
Vouchers payable	<u>539,440</u>
Total Current Liabilities	<u>539,440</u>
 NET POSITION	
Unrestricted	<u>7,070,323</u>
Total Net Position	<u><u>\$ 7,070,323</u></u>

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

SMITH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premiums and reimbursements	<u>\$ 11,699,037</u>
Total Operating Revenues	<u>11,699,037</u>
OPERATING EXPENSES	
Insurance claims and administrative fees	<u>10,203,126</u>
Total Operating Expenses	<u>10,203,126</u>
Operating income (loss)	<u>1,495,911</u>
NON-OPERATING REVENUES	
Interest income and other	<u>14,733</u>
Change in net position	1,510,644
NET POSITION - SEPTEMBER 30, 2020	<u>5,559,679</u>
NET POSITION - SEPTEMBER 30, 2021	<u><u>\$ 7,070,323</u></u>

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

**SMITH COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received for premiums and payroll	\$ 71,557,163
Cash paid to customers and employees	<u>(71,431,169)</u>
Net cash provided by operating activities	<u>125,994</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(3,933)
Interest on investments	<u>14,733</u>
Net cash provided by investing activities	<u>10,800</u>
Net increase in cash	136,794
Cash at beginning of year	<u>2,063,936</u>
CASH AT END OF YEAR	<u><u>\$ 2,200,730</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ 1,495,911
Adjustment to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	(1,381,396)
Decrease in prepaid assets	60,705
Decrease in vouchers payable	(45,808)
Decrease in salaries payable	<u>(3,418)</u>
Net cash provided by operating activities	<u><u>\$ 125,994</u></u>

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

SMITH COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	Custodial Funds
ASSETS	
Cash	\$ 44,526,390
Investments	2,841,158
Accounts receivable	442,067
	442,067
Total Assets	\$ 47,809,615
 LIABILITIES	
Vouchers payable	\$ 908,137
Due to other governments	4,200,312
Due to others	7,930,717
	7,930,717
Total Liabilities	13,039,166
 NET POSITION	
Individuals, organizations, and other governments	34,770,449
Total net position	\$ 34,770,449

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

SMITH COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	Custodial Funds
ADDITIONS	
Tax collected for other governments	\$ 501,459,615
Held for others	100,722,666
Interest on investments	96,409
Total additions	602,278,690
DEDUCTIONS	
Payments to other governments	503,845,046
Payments to others	79,595,287
Administrative expenses	20,000
Total deductions	583,460,333
Net increase in fiduciary net position	18,818,357
Net position - beginning restated	15,952,092
Total net position	\$ 34,770,449

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021

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, 2021

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.

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

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

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

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

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, 2021

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

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or 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, 2021

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, 2021

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, 2021

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, 2021

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, 2021, the County recognized total OPEB expense of \$2,226,401, \$1,955,251 of which was for the Health Plan and \$271,150 for the Supplemental Death Benefit Plan.

D. Implementation of New Standards

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

GASB Statement No. 84, Fiduciary Activities ("GASB 84"), establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. It also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The County had some governmental funds that were determined to qualify as fiduciary funds (Law Enforcement Seizures and DPS Seizures) due to the GASB 84 analysis. The required changes due to the implementation of GASB 84 are reflected in the County's financial statements and notes to those statements. As this statement was implemented retroactively it resulted in a restatement of the prior period net position of Fiduciary Activities and restatement of assets and liabilities in Governmental Activities both are as follows:

(Continued)

**SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Implementation of New Standards – continued

Fiduciary Funds	
Fiduciary Funds net position as previously reported	\$ -
Addition of net position as calculated pursuant to GASB 84	34,770,449
Net position of fiduciary funds as of September 30, 2020, as restated	\$ 34,770,449

Statement of Net Position - Governmental Activities			
	As Previously Reported	GASB No. 84 Restatement	As Restated 9/30/2020
Cash	\$ 26,844,866	\$ (455,146)	\$ 26,389,720
Net position			
Restricted for law enforcement purposes	\$ 1,424,211	\$ (455,146)	\$ 969,065

Balance Sheet - Governmental Funds			
	As Previously Reported	GASB No. 84 Restatement	As Restated 9/30/2020
Cash	\$ 24,780,930	\$ (455,146)	\$ 24,325,784
Net position			
Restricted for law enforcement purposes	\$ 1,424,211	\$ (455,146)	\$ 969,065

E. Future Implementation of New Standards

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.

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.

(Continued)

**SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. Future Implementation of New Standards

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 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 recognize 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.

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 \$(44,223,471) difference are as follows:

Bonds payable	\$ (38,745,000)
Bond premiums, net	(1,974,032)
Capital leases obligations	(250,837)
Compensated absences	<u>(3,253,602)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ (44,223,471)</u></u>

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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 \$107,646,777 difference are as follows:

Beginning balance of capital assets, net of accumulated depreciation	\$ 102,290,284
Capital asset additions, net of retirements	16,178,558
Depreciation of capital assets, current year	<u>(10,822,071)</u>
	<u>\$ 107,646,771</u>

C. 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 \$5,356,493 difference are as follows:

Capital outlay	\$ 16,178,561
Depreciation expense	<u>(10,822,068)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 5,356,493</u>

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 \$(479,088) difference are as follows:

Principal payments on long-term debt	\$ 6,999,245
Amortization of bond premium	358,667
Proceeds from bonds and capital leases issued	<u>(7,837,000)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (479,088)</u>

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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.
- (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, 2021, if designated as final budget.

B. Expenditures Over Appropriations

No funds had expenditures in excess of appropriations for the year ended September 30, 2021.

C. Deficit Fund Equity

As of September 30, 2021, one fund, Transportation Grants had a deficit fund balance of \$8,870. It is expected to be covered by the General Fund.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

IV. DEPOSITS AND INVESTMENTS

A. Cash Deposits

The carrying amount of the County's cash was \$75,264,683, and total bank balances equaled \$76,456,529. The carrying amount of the County's Custodial cash was \$44,526,390 and total bank balances equaled \$45,293,404. Certificates of deposit shown as investments on the statement of fiduciary net position had a carrying amount and bank balance of \$2,305,356. 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.

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.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

IV. DEPOSITS AND INVESTMENTS - Continued

B. Investments - Continued

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	\$ 37,382,340	55	AAA
TexStar	5,171,329	43	AAAm
Southside - Certificate of Deposit	11,092	247	N/A
Total fair value	<u>\$ 42,564,761</u>		
Fiduciary Funds			
Local Government Investment Cooperative	\$ 535,801	55	AAA
Portfolio weighted average maturity		54	

Credit risk – Credit risk is the risk that an issuer or other counterpart 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.

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 Custodial Fund. Tax collections are recorded net of the entities' related collection commission paid to the County in this custodial fund according to the levy year for which the taxes are collected. Tax collections deposited for the County are distributed on a monthly basis to the General and Debt Service Funds of the County.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

V. PROPERTY TAXES AND OTHER RECEIVABLES - Continued

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	\$ 2,235,427
Road & Bridge fund	311,195
Facility improvement fund	71,846
Debt service fund	<u>233,059</u>
Total unavailable revenue	<u><u>\$ 2,851,527</u></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, 2021 was \$.335000.

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

	Internal Service and General Funds	Road and Bridge and COVID Relief Special Revenue Funds	Other Nonmajor Funds	Total Governmental Activities
Receivables:				
Property Taxes	\$ 2,374,869	\$ 316,505	\$ 338,027	\$ 3,029,401
Other	<u>6,533,063</u>	<u>148,034</u>	<u>955,725</u>	<u>7,636,822</u>
Gross receivables	8,907,932	464,539	1,293,752	10,666,223
Less: Allowance for uncollectibles	<u>541,665</u>	<u>72,189</u>	<u>77,098</u>	<u>690,952</u>
Net total receivables	<u><u>\$ 8,366,267</u></u>	<u><u>\$ 392,350</u></u>	<u><u>\$ 1,216,654</u></u>	<u><u>\$ 9,975,271</u></u>

Abatement

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

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

V. PROPERTY TAXES AND OTHER RECEIVABLES - Continued

Disclosure relevant for the fiscal year ended September 30, 2021 is:

Government Entering Into Tax Abatement	Terms of Abatement	Name	Type	Smith County Applied Value	Amount of Taxes Abated for FY 2020
Smith County	80% 5 years	GG Distributing	Distribution	\$ 1,339,404	\$ 4,487
Smith County		GG Realty, LLC		12,664,530	42,426
Smith County	100% 5 years	JSF-2	Food Processing Facility	21,000,000	70,350
	100% 2 years				
	80% 2 years	Dragline Service Specialties			
Smith County	50% 1 year	(Wyoming Machinery)	Distribution	5,963,066	19,976
	80% 7 years				
Smith County	50% 3 years	Sanderson Farms Plant	Food Processing Facility	147,986,655	495,755
Smith County	80% 4 years	Wastequip Manufacturing Co. LLC	Manufacturing	542,507	1,817
Smith County	Tiered 5 years	Jasper Ventures (EPC)	Engineering/Construction	2,469,748	8,274
			Total County Initiated	<u>\$ 191,965,910</u>	<u>\$ 643,085</u>
City of Tyler	100% 3 years	Estes McClure	Consulting	81,811	274
City of Tyler	100% 7 years	Renal Care Group Texas, Inc.	Medical Support	1,209,688	4,052
City of Tyler	100% 3 years	Highland Dairy	Distribution	1,306,030	4,375
	50% 1 year				
	100% 2 years				
	80% 1 year				
City of Tyler	50% 1 year	Homeland Title			
City of Tyler		213 Investments LLC	Real Estate Management	877,247	2,939
City of Tyler	100% 7 years	Vereit OFC Tyler TX LLC	Real Estate Management	3,080,000	10,318
City of Tyler	100% 2 years	EMA Interests, LP	Consulting	3,393,516	11,368
City of Tyler	100% 4 years	American Standard	Manufacturing	5,123,520	17,164
	50% 1 year				
			Total Initiated by Others	<u>\$ 15,071,812</u>	<u>\$ 50,490</u>

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,529,309	\$ 504,133	\$ -	\$ 2,033,442
Construction in progress	1,446,966	3,367,295	-	4,814,261
Total capital assets, not being depreciated	<u>2,976,275</u>	<u>3,871,428</u>	-	<u>6,847,703</u>
Capital assets, being depreciated:				
Infrastructure	122,943,652	8,339,211	-	131,282,863
Buildings	35,045,611	1,453,639	-	36,499,250
Improvements	53,946,762	1,234,393	-	55,181,155
Machinery and equipment	36,253,751	1,279,890	(686,388)	36,847,253
Total capital assets, being depreciated	<u>248,189,776</u>	<u>12,307,133</u>	<u>(686,388)</u>	<u>259,810,521</u>
Less accumulated depreciation for:				
Infrastructure	(74,670,164)	(5,053,800)	-	(79,723,964)
Buildings	(24,116,229)	(709,156)	-	(24,825,385)
Improvements	(20,628,407)	(2,382,651)	-	(23,011,058)
Machinery and equipment	(29,460,967)	(2,676,461)	686,388	(31,451,040)
Total accumulated depreciation	<u>(148,875,767)</u>	<u>(10,822,068)</u>	<u>686,388</u>	<u>(159,011,447)</u>
Total capital assets, being depreciated, net	<u>99,314,009</u>	<u>1,485,065</u>	-	<u>100,799,074</u>
Governmental activities capital assets, net	<u>\$ 102,290,284</u>	<u>\$ 5,356,493</u>	<u>\$ -</u>	<u>\$ 107,646,777</u>

Depreciation expense for 2021 was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 1,069,709
Public safety	1,129,240
Correction and rehabilitation	2,506,276
Infrastructure and environmental	5,989,924
Justice system	126,919
Total depreciation expense - governmental activities	<u>\$ 10,822,068</u>

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

VII. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction Commitments. As of September 30, 2021, 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	\$ 159,087	\$ 39,772
Annex elevator replacements	156,602	42,258
Evidence building	135,097	129,256
Special road projects	4,363,475	2,957,266
	\$ 4,814,261	\$ 3,168,552

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	\$ 427,006
Juvenile General fund	795
Justice Court Technology fund	3,008
JAG Grant fund	2,625
East Texas Auto Theft fund	27,395
Road and Bridge fund	179,987
Commisary fund	5,198
Facility Improvement fund	184,046
Financial Crime Unit	1,113
Infrastructure - 2018 Series	777,928
Infrastructure - 2019 Series	1,614,808
Infrastructure - 2020 Series	2,798,290
Infrastructure - 2021 Series	51,868
Total	\$ 6,074,066

VIII. LONG-TERM DEBT

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

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

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

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

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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	\$ 4,830,000
General Obligation Bonds - 2018 Series	11,320,000	2.0 - 4.0	6/12/2018	2/15/2028	10,170,000
General Obligation Bonds - 2019 Series	11,320,000	3.0 - 4.0	6/11/2019	2/15/2029	10,250,000
General Obligation Bonds - 2020 Series	7,125,000	2.0 - 5.0	7/23/2020	2/15/2030	6,070,000
General Obligation Bonds - 2021 Series	7,425,000	2.0 - 5.0	7/22/2021	2/15/2031	7,425,000
	<u>\$ 77,145,000</u>				<u>\$ 38,745,000</u>

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

Years Ending September 30	Principal	Interest
2022	4,740,000	1,159,488
2023	3,845,000	1,382,675
2024	4,025,000	1,289,450
2025	4,615,000	1,486,250
2026	4,630,000	1,368,400
2027-2031	<u>16,890,000</u>	<u>5,782,125</u>
	<u>\$ 38,745,000</u>	<u>\$ 12,468,388</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, 2021 was as follows:

Governmental Activities:	Beginning Balance 10/1/2020	Additions	Reductions	Ending Balance 9/30/2021	Due Within One Year	Due in More Than One Year
General obligation bonds	\$ 36,560,000	\$ 7,425,000	\$ 5,240,000	\$ 38,745,000	\$ 4,740,000	\$ 34,005,000
Bond premium, net	1,920,699	412,000	358,667	1,974,032	-	1,974,032
Compensated absences	3,211,040	1,938,816	1,896,254	3,253,602	2,278,817	974,785
Net OPEB liability	59,199,436	375,588	5,573,451	54,001,573	-	54,001,573
Net Pension liability	13,350,862	5,704,821	-	19,055,683	-	19,055,683
Capital leases	2,010,083	-	1,759,245	250,838	150,291	100,547
Total	<u>\$ 116,252,120</u>	<u>\$ 15,856,225</u>	<u>\$ 14,827,617</u>	<u>\$ 117,280,728</u>	<u>\$ 7,169,108</u>	<u>\$ 110,111,620</u>

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

VIII. LONG-TERM DEBT - Continued

Authorized but Unissued Debt

In November 2021 Smith County voters approved a \$45 million bond package for roads. The bonds are expected to be issued in 2022. 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, 2021 was approximately \$527,087.

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, 2021.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and equipment	\$ 1,437,607
Less: Accumulated depreciation	(1,317,807)
Total	\$ 119,800

Depreciation expense on assets under capital lease for the year ended September 30, 2021 was \$527,961.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021, were as follows:

Year Ending September 30	Governmental Activities
2022	158,894
2023	103,996
Total minimum lease payments	262,890
Less: amount representing interest	(12,052)
Present value of minimum lease payments	\$ 250,838

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, 2021

X. INTERFUND RECEIVABLES, PAYABLE BALANCES AND TRANSFERS - Continued

The composition of interfund balances as of September 30, 2021 is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Non-major Governmental Funds	\$ 669,000	Supplement fund sources
	Total	<u>\$ 669,000</u>	

The following summarized the County's transfers for the year ended September 30, 2021:

	Transfers In			Total	Explanation
	General Fund	COVID 19 Relief Grants	Nonmajor Governmental Funds		
Transfers out:					
General Fund	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	Supplemental fund sources
COVID 19 Relief Grants	2,100,000	-	-	2,100,000	COVID relief for eligible payroll
Nonmajor Governmental Funds	800,000	-	50,000	850,000	Supplemental fund sources
Totals	<u>\$ 2,900,000</u>	<u>\$ -</u>	<u>\$ 5,050,000</u>	<u>\$ 7,950,000</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, 2021**

XI. DEFINED BENEFIT PENSION PLAN – Continued

(b) PLAN MEMBERSHIP

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2020
Inactive employees or beneficiaries currently receiving benefits	540
Inactive employees entitled to but not yet receiving benefits	842
Active employees	882
	2,264

(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 11.43% for the months of the accounting year 2021, and 11.55% for the months of the accounting year 2020. County contributions to the plan were \$5,124,057 for the year ended September 30, 2021.

The deposit rate payable by the employee members for 2020 and 2021 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, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

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

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

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.60% per year for a career employee.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2020 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 January 2021 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 March 2021. 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	11.50%	4.25%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	25.00%	7.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities - Developed	MSCI World Ex USA (net)	5.00%	4.25%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leverage Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REIT's Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	4.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-0.70%
		<u>100.00%</u>	

⁽¹⁾ Target asset allocation adopted at the March 2021 TCDRS Board meeting

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.0% per Cliffwater's 2021 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.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

XI. DEFINED BENEFIT PENSION PLAN – Continued

(f) DISCOUNT RATE

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

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

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

(g) CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2019	\$ 183,897,975	\$ 170,547,113	\$ 13,350,862
Changes for the year:			
Service cost	5,296,743	-	5,296,743
Interest on total pension liability ⁽¹⁾	14,933,713	-	14,933,713
Effect of plan changes ⁽²⁾	-	-	-
Effect of economic/demographic gains or losses	(947,040)	-	(947,040)
Effect of assumptions changes or inputs	12,111,284	-	12,111,284
Refund of contributions	(1,015,358)	(1,015,358)	-
Benefit payments	(8,832,136)	(8,832,136)	-
Administrative expenses	-	(136,384)	136,384
Member contributions	-	3,111,725	(3,111,725)
Net investment income	-	17,615,379	(17,615,379)
Employer contributions	-	5,134,342	(5,134,342)
Other ⁽³⁾	-	(35,183)	35,183
Balances as of December 31, 2020	\$ 205,445,181	\$ 186,389,498	\$ 19,055,683

⁽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, 2021

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 7.60%, 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 (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
Total pension liability	\$ 233,642,657	\$ 205,445,180	\$ 182,066,861
Fiduciary net position	186,389,497	186,389,497	186,389,497
Net pension liability/(asset)	<u>\$ 47,253,160</u>	<u>\$ 19,055,683</u>	<u>\$ (4,322,636)</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, 2021, the County recognized pension expense of \$4,608,386. At September 30, 2021, 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	\$ -	\$ 673,330
Changes in actuarial assumptions	9,083,463	-
Difference between projected and actual investment earnings	-	6,194,498
Contributions made subsequent to measurement date	3,753,904	-
Total	<u>\$ 12,837,367</u>	<u>\$ 6,867,828</u>

County contributions subsequent to the measurement date of \$3,753,904 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending September 30, 2024. 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	
2021	\$ 662,619
2022	2,775,185
2023	(447,873)
2024	(774,296)
2025	-
Thereafter	-
	<u>\$ 2,215,635</u>

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021, the County budgeted funding of \$200,000 for the Health District. The County's equity interest in the Health District was \$2,019,890 at September 30, 2021. The Health District's total Fund Balance at September 30, 2021 was approximately \$5.7 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 \$2,859,897 as of September 30, 2021.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 2020 and 2021 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, 2020	713,438	8,136,472	8,281,377	\$ 568,533
September 30, 2021	568,533	9,923,519	9,971,670	520,382

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

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

(b) PLAN MEMBERSHIP

At the September 30, 2021 measurement date (September 30, 2021 valuation), the following employees were covered by the benefit terms:

	<u>9/30/2021</u>
Inactive employees currently receiving benefits	199
Active employees	<u>121</u>
	<u>320</u>

(Continued)

**SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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

(1) HEALTH PLAN - continued

(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 2021 were \$1,367,240.

The table below provides the required monthly inactive participant contribution, County contribution, and total contribution for medical/Rx coverage effective for the 2020-2021 plan year.

<u>Date of Hire</u>	<u>Inactive Contributions</u>	<u>County Contributions</u>	<u>Total Contributions</u>
Before June 1, 2005*			
<u>Plan 1</u>			
Single	\$ -	\$ 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.

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 2020 - 2021 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.

(Continued)

**SMITH COUNTY, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2021**

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

(1) HEALTH PLAN - continued

(e) NET OPEB LIABILITY

The County's net OPEB liability was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2021.

(f) ACTUARIAL ASSUMPTIONS

The Total OPEB liability in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	Not applicable.
Discount rate	2.26%
	(20-year municipal bond index for pay-as-you go funding)
Healthcare cost trend rates	Medical/Rx/Dental Post-65: 4.50%
	Medical/Rx/Dental Pre-65: 6.50% initial, decreasing .30% per year to an ultimate rate of 3.90%

All mortality rates are based on the rates used in Smith County's December 31, 2020 TCDRS valuation. Mortality rates for active members were based on 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for inactive members were based on 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for disabled members were based on 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Health insurance elections were developed based on the following:

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

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

(1) HEALTH PLAN - continued

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

- County claims experience (including Medical/Rx and Dental), fees, and administration costs for the County's employees and retirees from October 1, 2018 through September 30, 2021.
- 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 2.26%. 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.

(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, 2020	\$ 56,915,461	\$ -	\$ 56,915,461
Changes for the year:			
Service cost	1,073,865	-	1,073,865
Interest	1,266,456	-	1,266,456
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(10,603,137)	-	(10,603,137)
Changes in assumptions	4,056,605	-	4,056,605
Refund of contributions	-	-	-
Benefit payments	(1,367,240)	(1,367,240)	-
Employer contributions	-	1,367,240	(1,367,240)
Net investment income	-	-	-
Administrative expenses	-	-	-
Other	-	-	-
Balances as of September 30, 2021	<u>\$ 51,342,010</u>	<u>\$ -</u>	<u>\$ 51,342,010</u>

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

(1) HEALTH PLAN - continued

(i) SENSITIVITY ANALYSIS

The following presents the net OPEB liability of the County, calculated using the discount rate of 2.26%, 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 (1.26%) or 1 percentage point higher (3.26%) than the current rate.

	1% Decrease in Discount Rate (1.21%)	Discount Rate (2.26%)	1% Increase in Discount Rate (3.21%)
Total OPEB Liability	\$ 61,453,987	\$ 51,342,010	\$ 43,537,628
Plan fiduciary net position	-	-	-
Net OPEB Liability	<u>\$ 61,453,987</u>	<u>\$ 51,342,010</u>	<u>\$ 43,537,628</u>

The healthcare trend rate is 4.50% for both dental and medical/Rx Post-65, and 6.50% initial, decreasing to the ultimate rate of 3.90% 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	\$ 42,775,253	\$ 51,342,010	\$ 62,537,189
Plan fiduciary net position	-	-	-
Net OPEB Liability	<u>\$ 42,775,253</u>	<u>\$ 51,342,010</u>	<u>\$ 62,537,189</u>

(j) OPEB EXPENSE

For the year ended September 30, 2021, the County recognized OPEB expense of 1,955,251.

<u>Components of OPEB Expense</u>	
Service cost	\$ 1,073,865
Interest on total OPEB liability	1,266,456
Differences between expected and actual experience	(2,491,619)
Changes in assumptions	2,106,549
Projected earnings on OPEB plan investments	-
Differences between projected and actual earnings on plan investments	-
OPEB plan administrative expenses	-
Total OPEB expense	<u>\$ 1,955,251</u>

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

(1) HEALTH PLAN - continued

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

At September 30, 2021, 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	\$ -	\$ 6,318,729
Changes in actuarial assumptions	4,537,173	-
Difference between projected and actual investment earnings	-	-
Total	\$ 4,537,173	\$ 6,318,729

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

	Year Ended September 30
2022	\$ (311,128)
2023	(1,470,428)
2024	-
2025	-
2026	-
Thereafter	-
	\$ (1,781,556)

(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.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

(2) SUPPLEMENTAL DEATH BENEFITS PLAN - continued

(b) PLAN MEMBERSHIP

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2020
Inactive employees currently receiving benefits	453
Inactive employees entitled to but not yet receiving benefits	199
Active employees	882
	1,534

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.

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 2020 and 2019, the total GTLF contribution rate for the County was .28%, while the retiree portion of the GTLF contribution was .12%. The County’s contributions for the year ended September 30, 2021, were \$53,614 for the retiree portion, and \$125,092 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, 2020 and was determined by an actuarial valuation as of that date.

(Continued)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

(2) SUPPLEMENTAL DEATH BENEFITS PLAN - continued

(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)	2.12%
	20 Year Bond GO Index published by bondbuyer.com as of December 31, 2020.

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, 2020 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 2.12% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2020.

(h) CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balance at 12/31/2019	\$ 2,283,975
Changes for the year:	
Service cost	77,014
Interest	63,965
Change of benefit terms	-
Difference between expected and actual experience	(20,032)
Changes of assumptions or other inputs	307,985
Benefit payments	(53,344)
Net changes	375,588
Balance at 12/31/2020	\$ 2,659,563

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

(2) SUPPLEMENTAL DEATH BENEFITS PLAN - continued

(i) SENSITIVITY ANALYSIS

The following presents the total OPEB liability for the County, calculated using the discount rate of 2.12%, would be if it were calculated using a discount rate that is 1-percentage-point lower (2.12%) or 1-percentage-point higher (3.12%) than the current rate:

	1% Decrease in Discount Rate (1.12%)		1% Increase in Discount Rate (3.12%)	
	Discount Rate (2.12%)	Discount Rate (2.12%)	Discount Rate (2.12%)	Discount Rate (3.12%)
Total OPEB Liability	\$ 3,289,141	\$ 2,659,563	\$ 2,659,563	\$ 2,187,572

(j) OPEB EXPENSE

For the year ended September 30, 2021, the County recognized OPEB expense of \$271,150.

Components of OPEB Expense	
Service cost	\$ 77,014
Interest on total OPEB liability	63,965
Effect of plan changes	-
Recognition of deferred outflows/inflows of resources:	
Recognition of economic/demographic gains or losses	(5,537)
Recognition of assumption changes or inputs	135,708
Total OPEB expense	\$ 271,150

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

At September 30, 2021, 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	\$ 550,153	\$ -
Changes in actuarial assumptions	-	68,863
Contributions made subsequent to the measurement date	33,153	-
Total	\$ 583,306	\$ 68,863

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

(2) SUPPLEMENTAL DEATH BENEFITS PLAN - continued

The County had \$33,153 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, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31		
2021	\$	130,171
2022		130,173
2023		163,357
2024		57,589
2025		-
Thereafter		-
	\$	481,290

XIV. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 16, 2022, the date the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION



SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Property Taxes:				
Taxes - current	\$ 47,343,908	\$ 47,343,908	\$ 47,670,917	\$ 327,009
Taxes - delinquent	500,000	500,000	538,528	38,528
Penalty and collection fees	500,000	500,000	657,152	157,152
Total Property Taxes	<u>48,343,908</u>	<u>48,343,908</u>	<u>48,866,597</u>	<u>522,689</u>
Licenses and Other Taxes:				
Liquor drink tax	625,000	625,000	732,253	107,253
Sales tax	19,000,000	19,000,000	24,292,313	5,292,313
Bingo taxes	25,000	25,000	46,451	21,451
Miscellaneous	30,500	30,500	61,143	30,643
Total Licenses and Other Taxes	<u>19,680,500</u>	<u>19,680,500</u>	<u>25,132,160</u>	<u>5,451,660</u>
Fees of Office:				
County Judge	4,000	4,000	5,729	1,729
Sheriff	230,000	230,000	283,653	53,653
Constables	290,000	290,000	252,053	(37,947)
County Clerk	1,283,000	1,283,000	1,713,860	430,860
Criminal District Attorney	35,000	35,000	21,466	(13,534)
District Clerk	300,000	300,000	352,505	52,505
Justices of the Peace	305,000	305,000	338,835	33,835
Vehicle sales tax commission	1,800,000	1,800,000	2,368,136	568,136
Auto registration	660,000	660,000	739,254	79,254
Records management	50,000	50,000	23,488	(26,512)
Court imposed fees	557,000	557,000	570,423	13,423
State imposed fees	142,250	142,250	166,786	24,536
Titles and certificates	308,000	308,000	367,425	59,425
Telephone coin station revenues	650,000	650,000	864,904	214,904
Miscellaneous	112,300	112,300	90,574	(21,726)
Total Fees of Office	<u>6,726,550</u>	<u>6,726,550</u>	<u>8,159,091</u>	<u>1,432,541</u>
Fines:				
District and county courts	311,500	311,500	356,090	44,590
Total Fines	<u>311,500</u>	<u>311,500</u>	<u>356,090</u>	<u>44,590</u>
Intergovernmental Revenues:				
Intergovernmental revenues	725,000	725,000	850,207	125,207
Total Intergovernmental Revenues	<u>725,000</u>	<u>725,000</u>	<u>850,207</u>	<u>125,207</u>
Other Revenues and Fees:				
Interest	200,000	200,000	148,236	(51,764)
Rentals	85,120	85,120	81,675	(3,445)
Donations	4,500	4,500	4,016	(484)
Reimbursements	284,000	284,000	285,159	1,159
Prisoner care	820,000	820,000	1,449,312	629,312
Other revenues	22,000	22,000	407,145	385,145
Total Other Revenues and Fees	<u>1,415,620</u>	<u>1,415,620</u>	<u>2,375,543</u>	<u>959,923</u>
Total Revenues	<u>\$ 77,203,078</u>	<u>\$ 77,203,078</u>	<u>\$ 85,739,688</u>	<u>\$ 8,536,610</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, 2021

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES				
General Government:				
Commissioners' Court	\$ 732,997	\$ 636,432	\$ 630,685	\$ 5,747
Record Service Bureau	199,524	199,524	181,449	18,075
County Auditor	997,671	997,671	889,122	108,549
Election division	612,027	728,591	657,203	71,388
County Treasurer	200,300	204,601	203,340	1,261
Tax Assessor-Collector	2,042,849	2,042,849	1,957,745	85,104
General operations	4,585,734	4,236,834	3,730,844	505,990
Physical plant	2,568,862	2,569,778	2,323,990	245,788
Personnel	308,886	308,886	307,380	1,506
Information services	3,863,206	3,813,206	3,551,085	262,121
Collections	210,745	210,745	187,479	23,266
Veterans service office	235,543	235,543	204,528	31,015
Purchasing agent	394,743	394,743	375,557	19,186
Total General Government	16,953,087	16,579,403	15,200,407	1,378,996
Justice System:				
County Court	318,797	318,797	293,147	25,650
County Court at Law	517,112	517,112	484,942	32,170
County Court at Law #2	497,185	497,185	472,116	25,069
County Court at Law #3	523,034	534,034	521,719	12,315
County Clerk	1,395,827	1,395,827	1,384,789	11,038
District Courts	2,973,944	2,973,944	2,799,517	174,427
District Clerk	1,418,341	1,418,341	1,189,455	228,886
Justices of the Peace	1,736,508	1,889,208	1,836,316	52,892
Indigent defense	1,677,000	1,677,000	1,404,413	272,587
Pre-trial release	287,028	287,928	286,739	1,189
Juvenile probation	45,840	45,841	45,648	193
Criminal District Attorney	5,189,931	5,189,931	4,838,446	351,485
Total Justice System	16,580,547	16,745,148	15,557,247	1,187,901
Public Safety:				
Animal Control	522,086	523,885	466,251	57,634
Civil defense and rural fire aid	614,406	680,551	620,046	60,505
Constables	1,882,410	1,904,897	1,848,319	56,578
Sheriff's department	10,604,803	10,683,197	10,646,803	36,394
Warrant division	189,194	189,194	177,532	11,662
Litter abatement office	199,757	199,757	173,954	25,803
Dispatcher	2,137,717	2,137,717	1,755,004	382,713
Total Public Safety	16,150,373	16,319,198	15,687,909	631,289
Health and Human Services:				
Indigent health care	450,000	450,000	145,770	304,230
Agricultural extension	276,488	277,488	268,181	9,307
Public services	533,996	533,996	533,925	71
Total Health and Human Services	1,260,484	1,261,484	947,876	313,608

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, 2021

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES (cont'd.)				
Corrections and Rehab:				
Jail	\$ 21,859,717	\$ 23,970,285	\$ 22,840,872	\$ 1,129,413
Community service & rehab	20,350	20,350	16,173	4,177
Total Corrections and Rehab	<u>21,880,067</u>	<u>23,990,635</u>	<u>22,857,045</u>	<u>1,133,590</u>
Capital Outlay:				
Equipment	1,197,000	1,368,936	1,078,678	290,258
Vehicles	142,500	228,588	228,588	-
Real estate	-	500,000	497,499	2,501
Other	500,000	-	-	-
Total Capital Outlay	<u>1,839,500</u>	<u>2,097,524</u>	<u>1,804,765</u>	<u>292,759</u>
Debt Service:				
Principal	145,307	145,307	145,307	-
Interest	13,588	13,588	13,588	-
Total Debt Service	<u>158,895</u>	<u>158,895</u>	<u>158,895</u>	<u>-</u>
Total Expenditures	<u>74,822,953</u>	<u>77,152,287</u>	<u>72,214,144</u>	<u>4,938,143</u>
Excess of Revenues Over Expenditures	2,380,125	50,791	13,525,544	13,474,753
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	95,474	205,094	109,620
Sale of equipment	-	-	59,020	59,020
Transfers in	800,000	2,900,000	2,900,000	-
Transfers out	(5,000,000)	(5,000,000)	(5,000,000)	-
Total Other Financing Sources (Uses)	<u>(4,200,000)</u>	<u>(2,004,526)</u>	<u>(1,835,886)</u>	<u>168,640</u>
Excess of Revenues and Other Financing Sources (Under) Over Expenditures and Other Financing Uses	(1,819,875)	(1,953,735)	11,689,658	13,643,393
FUND BALANCE, SEPTEMBER 30, 2020	<u>35,346,402</u>	<u>35,346,402</u>	<u>35,346,402</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2021	<u>\$ 33,526,527</u>	<u>\$ 33,392,667</u>	<u>\$ 47,036,060</u>	<u>\$ 13,643,393</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, 2021

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Property Taxes:				
Taxes - current	\$ 6,309,636	\$ 6,309,636	\$ 6,384,667	\$ 75,031
Taxes - delinquent	53,000	53,000	71,771	18,771
Total Property Taxes	<u>6,362,636</u>	<u>6,362,636</u>	<u>6,456,438</u>	<u>93,802</u>
Fees of Office:				
Auto registration	2,360,000	2,360,000	2,761,980	401,980
Other fees	67,000	67,000	137,153	70,153
Total Fees of Office	<u>2,427,000</u>	<u>2,427,000</u>	<u>2,899,133</u>	<u>472,133</u>
Fines:				
Justices of the Peace	702,500	702,500	582,129	(120,371)
Total Fines	<u>702,500</u>	<u>702,500</u>	<u>582,129</u>	<u>(120,371)</u>
Intergovernmental Revenues:				
Intergovernmental revenues	78,000	78,000	78,131	131
Total Intergovernmental Revenues	<u>78,000</u>	<u>78,000</u>	<u>78,131</u>	<u>131</u>
Other Revenues and Fees:				
Interest	30,000	30,000	18,417	(11,583)
Other revenue	7,500	7,500	21,233	13,733
Total Other Revenues and Fees	<u>37,500</u>	<u>37,500</u>	<u>39,650</u>	<u>2,150</u>
Total Revenues	<u>9,607,636</u>	<u>9,607,636</u>	<u>10,055,481</u>	<u>447,845</u>
EXPENDITURES				
Infrastructure and Environmental Services:				
Administrative	653,279	692,251	627,773	64,478
Labor Division	6,836,820	6,676,820	5,945,105	731,715
Equipment Division	1,627,948	1,729,435	1,567,999	161,436
Total Infrastructure and Environmental Services	<u>9,118,047</u>	<u>9,098,506</u>	<u>8,140,877</u>	<u>957,629</u>
Capital Outlay:				
Improvements	2,150,000	3,556,726	1,946,804	1,609,922
Equipment	439,336	509,336	370,159	139,177
Total Capital Outlay	<u>2,589,336</u>	<u>4,066,062</u>	<u>2,316,963</u>	<u>1,749,099</u>
Debt Service:				
Principal payments	1,613,938	1,613,938	1,613,938	-
Interest and fiscal charges	31,242	31,242	31,242	-
Total Debt Service	<u>1,645,180</u>	<u>1,645,180</u>	<u>1,645,180</u>	<u>-</u>
Total Expenditures	<u>13,352,563</u>	<u>14,809,748</u>	<u>12,103,020</u>	<u>2,706,728</u>
Excess of Revenues Over (Under) Expenditures	(3,744,927)	(5,202,112)	(2,047,539)	3,154,573
OTHER FINANCING SOURCES				
Insurance proceeds	-	11,487	21,908	10,421
Sale of equipment	1,495,000	-	25,596	25,596
Total Other Financing Sources	<u>1,495,000</u>	<u>11,487</u>	<u>47,504</u>	<u>36,017</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(2,249,927)	(5,190,625)	(2,000,035)	3,190,590
FUND BALANCE, SEPTEMBER 30, 2020	<u>6,316,604</u>	<u>6,316,604</u>	<u>6,316,604</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2021	<u>\$ 4,066,677</u>	<u>\$ 1,125,979</u>	<u>\$ 4,316,569</u>	<u>\$ 3,190,590</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, 2021

	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
Total Pension Liability							
Service cost	\$ 5,296,743	\$ 4,938,486	\$ 4,955,098	\$ 5,058,170	\$ 5,136,064	\$ 4,457,220	\$ 4,018,152
Interest on total pension liability	14,933,713	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	12,111,284	-	-	459,075	-	1,482,064	-
Effect of economic/demographic (gains) or losses	(947,040)	850,358	(1,552,915)	461,252	(308,900)	(1,540,557)	2,010,479
Benefit payments/refunds of contributions	(9,847,495)	(8,833,914)	(8,471,177)	(7,443,441)	(6,953,355)	(6,839,560)	(5,988,650)
Net change in total pension liability	21,547,205	11,008,211	8,325,658	11,081,286	10,598,963	7,559,337	12,041,376
Total pension liability, beginning	183,897,975	172,889,764	164,564,106	153,482,820	142,883,857	135,324,520	123,283,144
Total pension liability, ending (a)	<u>\$ 205,445,180</u>	<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	\$ 5,134,342	\$ 4,794,899	\$ 4,569,901	\$ 4,295,225	\$ 3,898,296	\$ 3,931,296	\$ 2,909,278
Member contributions	3,111,725	3,010,254	2,981,508	2,799,502	2,693,793	2,664,006	2,471,480
Investment income net of investment expenses	17,615,379	24,224,110	(2,831,093)	19,337,813	9,172,255	(242,117)	8,000,021
Benefit payments/refunds of contributions	(9,847,495)	(8,833,914)	(8,471,177)	(7,443,441)	(6,953,355)	(6,839,560)	(5,988,650)
Administrative expenses	(136,384)	(129,963)	(118,476)	(100,688)	(99,745)	(89,499)	(93,288)
Other	(35,183)	(22,014)	(30,582)	(5,622)	(204,647)	(187,789)	(16,468)
Net change in fiduciary net position	15,842,384	23,043,372	(3,899,919)	18,882,789	8,506,597	(763,663)	7,282,373
Fiduciary net position, beginning	170,547,113	147,503,741	151,403,660	132,520,871	124,014,274	124,777,937	117,495,564
Fiduciary net position, ending (b)	\$ 186,389,497	\$ 170,547,113	\$ 147,503,741	\$ 151,403,660	\$ 132,520,871	\$ 124,014,274	\$ 124,777,937
Net pension liability/(asset), ending = (a) - (b)	<u>\$ 19,055,683</u>	<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	90.72%	92.74%	85.32%	92.00%	86.34%	86.79%	92.21%
Pensionable covered payroll	\$ 44,453,218	\$ 40,003,629	\$ 40,912,214	\$ 39,992,890	\$ 38,482,762	\$ 38,057,229	\$ 35,306,853
Net pension liability as a % of covered payroll	42.87%	31.05%	62.05%	32.91%	54.47%	49.58%	29.87%

Notes to the Schedule:

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

**SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
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%
2021	5,124,057	5,124,057	-	44,697,006	11.46%

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	20.0 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.60% average over career, including inflation
Investment Rate of Return	7.5%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	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. 2019: New inflation, mortality and other assumptions were reflected
Changes in Plan Provisions Reflected in the Schedule	2015: Employer contributions reflect that the current service matching rate was increased to 175% for future benefits. 2017: Employer contributions reflect that the current service matching rate was increased to 200% for future benefits. Also, new Annuity Purchase Rates were reflected for benefits earned after 2017.

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS
HEALTH PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 1,073,865	\$ 911,579	\$ 521,147	\$ 648,429
Interest	1,266,456	1,397,073	1,872,028	1,731,605
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(10,603,137)	-	3,901,951	-
Changes in assumptions	4,056,605	3,684,948	2,992,701	(4,641,759)
Benefit payments	<u>(1,367,240)</u>	<u>(1,376,238)</u>	<u>(1,240,359)</u>	<u>(1,083,639)</u>
Net change in total OPEB liability	(5,573,451)	4,617,362	8,047,468	(3,345,364)
Total OPEB liability, beginning	<u>56,915,461</u>	<u>52,298,099</u>	<u>44,250,631</u>	<u>47,595,995</u>
Total OPEB liability, ending (a)	<u>\$ 51,342,010</u>	<u>\$ 56,915,461</u>	<u>\$ 52,298,099</u>	<u>\$ 44,250,631</u>
Fiduciary Net Position				
Employer contributions	\$ 1,367,240	\$ 1,376,238	\$ 1,240,359	\$ 1,083,639
Net investment income	-	-	-	-
Benefit payments	(1,367,240)	(1,376,238)	(1,240,359)	(1,083,639)
Administrative expenses	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fiduciary net position	-	-	-	-
Fiduciary net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary net position, ending (b)	\$ -	\$ -	\$ -	\$ -
Net OPEB liability/(asset), ending = (a) - (b)	<u>\$ 51,342,010</u>	<u>\$ 56,915,461</u>	<u>\$ 52,298,099</u>	<u>\$ 44,250,631</u>
Fiduciary net position as a % of total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 7,000,000	\$ 9,200,000	\$ 9,000,000	\$ 9,500,000
Net OPEB liability as a % of covered payroll	733.50%	618.60%	581.10%	465.80%

Notes to the Schedule:

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

**SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Valuation Date	September 30, 2020
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	2.26%
Healthcare cost trend rates	Medical/Rx/Dental Post-65: 4.50% Medical/Rx/Dental Pre-65: 6.50% initial, decreasing .30% per year to an ultimate rate of 3.90%
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality - Active Participants	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Mortality - Inactive Participants	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Mortality - Disabled Participants	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
SUPPLEMENTAL DEATH BENEFITS PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
Total OPEB liability				
Service Cost	\$ 77,014	\$ 51,477	\$ 63,778	\$ 56,702
Interest	63,965	70,153	64,443	64,659
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	(20,032)	25,768	(19,164)	(17,110)
Change of assumptions and other inputs	307,985	503,070	(210,809)	93,952
Benefit payments	(53,344)	(51,604)	(45,003)	(39,993)
Net Change in Total OPEB Liability	375,588	598,864	(146,755)	158,210
Total OPEB Liability - Beginning	2,283,975	1,685,111	1,831,866	1,673,656
Total OPEB Liability - Ending (a)	<u>\$ 2,659,563</u>	<u>\$ 2,283,975</u>	<u>\$ 1,685,111</u>	<u>\$ 1,831,866</u>
Covered Payroll	\$ 44,453,218	\$ 43,003,629	\$ 40,912,214	\$ 39,992,890
Net OPEB Liability as a Percentage of Covered Payroll	5.98%	5.31%	4.12%	4.58%

NOTES TO SCHEDULE

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

Valuation Date:

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

Methods and Assumptions Used to Determine Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line amortization over Expected Working Life
Investment Rate of Return (Discount Rate)	2.12% 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2020.
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, 2021

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, 2021

	SPECIAL REVENUE FUNDS						
	DISTRICT CLERK TITLE IV-D	COUNTY LAW LIBRARY	COUNTY CLERK RECORDS PRESERVATION	DISTRICT CLERK RECORDS PRESERVATION	JUVENILE DELINQUENCY PREVENTION	COURTHOUSE SECURITY	DISTRICT ATTORNEY
ASSETS							
Cash	\$ 45,557	\$ 75,519	\$ 1,814,298	\$ 186,265	\$ 44,334	\$ 1,002,966	\$ 23,863
Investments	-	162,656	3,361,591	-	-	-	-
Taxes receivable-delinquent, net	-	-	-	-	-	-	-
Accounts receivable	-	3,920	19,939	403	516	2,561	270
Prepaid and other assets	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 45,557	\$ 242,095	\$ 5,195,828	\$ 186,668	\$ 44,850	\$ 1,005,527	\$ 24,133
LIABILITIES							
Vouchers payable	\$ -	\$ 4,101	18,496	\$ -	\$ -	\$ -	\$ -
Salaries payable	-	4,422	2,160	1,226	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total Liabilities	-	8,523	20,656	1,226	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCE							
Nonspendable:							
Prepays	-	-	-	-	-	-	-
Restricted for:							
Records preservation	-	-	5,175,172	185,442	-	-	-
Courthouse security	-	-	-	-	-	1,005,527	-
Law enforcement purposes	-	-	-	-	-	-	24,133
Adult probation	-	-	-	-	-	-	-
Juvenile services	-	-	-	-	44,850	-	-
Technology	-	-	-	-	-	-	-
Judicial support	45,557	233,572	-	-	-	-	-
Public services	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Committed to:							
Juvenile services	-	-	-	-	-	-	-
Workforce development	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	45,557	233,572	5,175,172	185,442	44,850	1,005,527	24,133
TOTAL LIABILITIES, DEFERRED INFLOWS	-	-	-	-	-	-	-

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	SPECIAL REVENUE FUNDS						
	COURT IMPROVEMENT	LOCAL LAW ENFORCEMENT GRANTS	DISTRICT ATTORNEY DRUG FORFEITURE	DRUG FORFEITURE	DISTRICT ADULT PROBATION	EAST TEXAS AUTO CRUSHERS	JUVENILE GENERAL
ASSETS							
Cash	\$ 244,004	\$ -	\$ 241,187	\$ 213,482	\$ 877,581	\$ 79,506	\$ 1,356,277
Investments	-	-	-	-	1,718,592	-	135,357
Taxes receivable-delinquent, net	-	-	-	-	-	-	-
Accounts receivable	167	-	-	-	18,972	111,677	19,130
Prepaid and other assets	-	-	-	-	2,091	1,363	1,498
TOTAL ASSETS	\$ 244,171	\$ -	\$ 241,187	\$ 213,482	\$ 2,617,236	\$ 192,546	\$ 1,512,262
LIABILITIES							
Vouchers payable	\$ -	\$ -	\$ 41,997	\$ 138	51,333	\$ 22,327	\$ 118,423
Salaries payable	-	-	-	-	171,056	4,575	185,405
Due to other funds	22,000	-	-	-	-	150,000	-
Total Liabilities	22,000	-	41,997	138	222,389	176,902	303,828
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCE							
Nonspendable:							
Prepays	-	-	-	-	2,091	1,363	1,498
Restricted for:							
Records preservation	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-
Law enforcement purposes	-	-	199,190	213,344	-	14,281	-
Adult probation	-	-	-	-	2,392,756	-	-
Juvenile services	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-
Judicial support	222,171	-	-	-	-	-	-
Public services	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Committed to:							
Juvenile services	-	-	-	-	-	-	1,206,936
Workforce development	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	222,171	-	199,190	213,344	2,394,847	15,644	1,208,434
TOTAL LIABILITIES, DEFERRED INFLOWS							

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	SPECIAL REVENUE FUNDS						
	TEXAS JUVENILE JUSTICE DEPARTMENT	CRIME VICTIM'S SERVICES	SHERIFF DEA TASK FORCE	JUSTICE COURT TECHNOLOGY FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND	JUVENILE JUSTICE ALTERNATIVE EDUCATION	BODY WORN CAMERA PROGRAM
ASSETS							
Cash	\$ 67,304	\$ 121,492	\$ 97,820	\$ 246,777	\$ 9,171	\$ 49,598	\$ 471
Investments	25,082	-	-	138,158	-	25	-
Taxes receivable-delinquent, net	-	-	-	-	-	-	-
Accounts receivable	202,462	40	163,455	558	181	-	-
Prepaid and other assets	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 294,848	\$ 121,532	\$ 261,275	\$ 385,493	\$ 9,352	\$ 49,623	\$ 471
LIABILITIES							
Vouchers payable	\$ 12,637	\$ 44	\$ 6,129	\$ 7,333	\$ -	\$ -	\$ -
Salaries payable	48,915	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total Liabilities	61,552	44	6,129	7,333	-	-	-
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	-	121,488	255,146	-	-	-	471
Adult probation	-	-	-	-	-	-	-
Juvenile services	233,296	-	-	-	-	49,623	-
Technology	-	-	-	378,160	9,352	-	-
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	233,296	121,488	255,146	378,160	9,352	49,623	471
TOTAL LIABILITIES, DEFERRED INFLOWS							

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

SPECIAL REVENUE FUNDS							
	LEOSE FUND	JUDICIAL EDUCATION	HOMELAND SECURITY	DA CRIME PREVENTION	FORFEITURE INTEREST 10%	WORKFORCE INVESTMENT	JAC MAINTENANCE
ASSETS							
Cash	\$ 62,550	\$ 19,430	\$ 12,888	\$ 5,912	\$ 297,372	\$ 6,791	\$ 203,816
Investments	-	-	-	-	-	150,065	906,166
Taxes receivable-delinquent, net	-	-	-	-	-	-	-
Accounts receivable	-	225	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 62,550	\$ 19,655	\$ 12,888	\$ 5,912	\$ 297,372	\$ 156,856	\$ 1,109,982
LIABILITIES							
Vouchers payable	\$ 598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total Liabilities	598	-	-	-	-	-	-
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	61,952	-	12,888	5,912	297,372	-	-
Adult probation	-	-	-	-	-	-	-
Juvenile services	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-
Judicial support	-	19,655	-	-	-	-	-
Public services	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Committed to:							
Juvenile services	-	-	-	-	-	-	-
Workforce development	-	-	-	-	-	156,856	-
Major building repairs	-	-	-	-	-	-	1,109,982
Elections department	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	61,952	19,655	12,888	5,912	297,372	156,856	1,109,982
TOTAL LIABILITIES, DEFERRED INFLOWS							

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	SPECIAL REVENUE FUNDS					
	ELECTIONS VOTING MACHINE REPLACEMENT	ELECTION SERVICES CONTRACT	CHAPTER 19 VOTER REGISTRATION	EDWARD BYRNE MEMORIAL JAG GRANT	DA FEDERAL ASSETS	COMMISSARY FUND
ASSETS						
Cash	\$ 7,557	\$ 28,303	\$ 36,764	\$ -	\$ 24,153	\$ 659,317
Investments	-	-	-	-	-	11,092
Taxes receivable-delinquent, net	-	-	-	-	-	-
Accounts receivable	-	5,634	-	30,070	-	77,457
Prepaid and other assets	-	-	-	-	-	-
TOTAL ASSETS	\$ 7,557	\$ 33,937	\$ 36,764	\$ 30,070	\$ 24,153	\$ 747,866
LIABILITIES						
Vouchers payable	\$ -	\$ -	\$ -	\$ 30,070	\$ -	\$ 58,705
Salaries payable	-	-	-	-	-	-
Due to other funds	-	-	31,000	-	-	-
Total Liabilities	-	-	31,000	30,070	-	58,705
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	-	-	-	-	24,153	-
Adult probation	-	-	-	-	-	-
Juvenile services	-	-	-	-	-	-
Technology	-	-	-	-	-	-
Judicial support	-	-	-	-	-	-
Public services	7,557	-	5,764	-	-	-
Inmates	-	-	-	-	-	689,161
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Committed to:						
Juvenile services	-	-	-	-	-	-
Workforce development	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-
Elections department	-	33,937	-	-	-	-
Capital projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	7,557	33,937	5,764	-	24,153	689,161
TOTAL LIABILITIES, DEFERRED INFLOWS	-	-	-	-	-	-

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

SPECIAL REVENUE FUNDS						
	CAPITAL IMPROVEMENTS GRANTS	TRANSPORTATION GRANTS	EAST TEXAS ANTI GANG	FINANCIAL CRIMES	OTHER GRANTS	TOTAL
ASSETS						
Cash	\$ -	\$ 45,535	\$ 314,623	\$ -	\$ -	\$ 8,522,483
Investments	-	-	-	-	-	6,608,784
Taxes receivable-delinquent, net	-	-	-	-	-	-
Accounts receivable	144,685	68,633	70,858	-	-	941,813
Prepaid and other assets	-	-	-	-	-	4,952
TOTAL ASSETS	\$ 144,685	\$ 114,168	\$ 385,481	\$ -	\$ -	\$ 16,078,032
LIABILITIES						
Vouchers payable	\$ 144,685	\$ 27,038	\$ 3,293	\$ -	\$ -	\$ 547,347
Salaries payable	-	-	12,188	-	-	429,947
Due to other funds	-	96,000	370,000	-	-	669,000
Total Liabilities	144,685	123,038	385,481	-	-	1,646,294
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
FUND BALANCE						
Nonspendable:						
Prepays	-	-	-	-	-	4,952
Restricted for:						
Records preservation	-	-	-	-	-	5,360,614
Courthouse security	-	-	-	-	-	1,005,527
Law enforcement purposes	-	-	-	-	-	1,230,330
Adult probation	-	-	-	-	-	2,392,756
Juvenile services	-	-	-	-	-	327,769
Technology	-	-	-	-	-	387,512
Judicial support	-	-	-	-	-	520,955
Public services	-	-	-	-	-	13,321
Inmates	-	-	-	-	-	689,161
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Committed to:						
Juvenile services	-	-	-	-	-	1,206,936
Workforce development	-	-	-	-	-	156,856
Major building repairs	-	-	-	-	-	1,109,982
Elections department	-	-	-	-	-	33,937
Capital projects	-	-	-	-	-	-
Unassigned	-	(8,870)	-	-	-	(8,870)
Total fund balance	-	(8,870)	-	-	-	14,431,738
TOTAL LIABILITIES, DEFERRED INFLOWS	-	-	-	-	-	-

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	CAPITAL PROJECT FUNDS				DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	FACILITY IMPROVEMENT	INFRASTRUCTURE IMPROVEMENT SERIES 2018	INFRASTRUCTURE IMPROVEMENT SERIES 2019	INFRASTRUCTURE IMPROVEMENT SERIES 2020	INFRASTRUCTURE IMPROVEMENT SERIES 2021		DEBT SERVICE FUND
ASSETS							
Cash	\$ 128,840	\$ 782,596	\$ 2,919,025	\$ 3,053,200	\$ 7,691,459	\$ 433,113	\$ 23,530,716
Investments	1,800,800	-	-	-	-	1,001,451	9,411,035
Taxes receivable-delinquent, net	90,430	-	-	-	-	247,597	338,027
Accounts receivable	3,722	-	-	-	-	10,190	955,725
Prepaid and other assets	-	-	-	-	-	-	4,952
TOTAL ASSETS	<u>\$ 2,023,792</u>	<u>\$ 782,596</u>	<u>\$ 2,919,025</u>	<u>\$ 3,053,200</u>	<u>\$ 7,691,459</u>	<u>\$ 1,692,351</u>	<u>\$ 34,240,455</u>
LIABILITIES							
Vouchers payable	\$ 89,487	\$ 1,073	\$ -	\$ 140,700	\$ 629	\$ -	\$ 779,236
Salaries payable	-	-	-	-	-	-	429,947
Due to other funds	-	-	-	-	-	-	669,000
Total Liabilities	<u>89,487</u>	<u>1,073</u>	<u>-</u>	<u>140,700</u>	<u>629</u>	<u>-</u>	<u>1,878,183</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	71,846	-	-	-	-	233,059	304,905
Total Deferred Inflows of Resources	<u>71,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,059</u>	<u>304,905</u>
FUND BALANCE							
Nonspendable:							
Prepays	-	-	-	-	-	-	4,952
Restricted for:							
Records preservation	-	-	-	-	-	-	5,360,614
Courthouse security	-	-	-	-	-	-	1,005,527
Law enforcement purposes	-	-	-	-	-	-	1,230,330
Adult probation	-	-	-	-	-	-	2,392,756
Juvenile services	-	-	-	-	-	-	327,769
Technology	-	-	-	-	-	-	387,512
Judicial support	-	-	-	-	-	-	520,955
Public services	-	-	-	-	-	-	13,321
Inmates	-	-	-	-	-	-	689,161
Capital projects	-	781,523	2,919,025	2,912,500	7,690,830	-	14,303,878
Debt service	-	-	-	-	-	1,459,292	1,459,292
Committed to:							
Juvenile services	-	-	-	-	-	-	1,206,936
Workforce development	-	-	-	-	-	-	156,856
Major building repairs	-	-	-	-	-	-	1,109,982
Elections department	-	-	-	-	-	-	33,937
Capital projects	1,862,459	-	-	-	-	-	1,862,459
Unassigned	-	-	-	-	-	-	(8,870)
Total fund balance	<u>1,862,459</u>	<u>781,523</u>	<u>2,919,025</u>	<u>2,912,500</u>	<u>7,690,830</u>	<u>1,459,292</u>	<u>32,057,367</u>
TOTAL LIABILITIES, DEFERRED INFLOWS							

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	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
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	170,220	1,145,251	29,652	26,198	129,690	3
Intergovernmental revenues	144	-	-	-	-	-	20,576
Other revenues and fees	190	5,483	7,963	670	131	3,932	8,022
Total Revenues	334	175,703	1,153,214	30,322	26,329	133,622	28,601
EXPENDITURES							
General government	-	-	169,218	22,652	-	-	-
Justice system	-	170,644	-	-	-	-	22,500
Public safety	-	-	-	-	-	5,756	-
Corrections and rehabilitation	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Capital outlay	-	-	31,567	-	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	-	170,644	200,785	22,652	-	5,756	22,500
Excess of Revenue Over (Under) Expenditures	334	5,059	952,429	7,670	26,329	127,866	6,101
OTHER FINANCING SOURCES (USES)							
Issuance of debt (par value)	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	334	5,059	952,429	7,670	26,329	127,866	6,101
FUND BALANCE, SEPTEMBER 30, 2020	45,223	228,513	4,222,743	177,772	18,521	877,661	18,032
FUND BALANCE, SEPTEMBER 30, 2021	\$ 45,557	\$ 233,572	\$ 5,175,172	\$ 185,442	\$ 44,850	\$ 1,005,527	\$ 24,133

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	SPECIAL REVENUE FUNDS						
	COURT IMPROVEMENT	LOCAL LAW ENFORCEMENT GRANTS	DISTRICT ATTORNEY DRUG FORFEITURE	DRUG FORFEITURE	DISTRICT ADULT PROBATION	EAST TEXAS AUTO CRUSHERS	JUVENILE GENERAL
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	-	-	3,328,248	-	10,612
Intergovernmental revenues	183,211	3,576	-	-	707,050	507,068	-
Other revenues and fees	26,195	-	89,187	98,076	113,322	456	207,564
Total Revenues	209,406	3,576	89,187	98,076	4,148,620	507,524	218,176
EXPENDITURES							
General government	-	-	-	-	-	-	-
Justice system	-	-	-	-	-	-	5,079,336
Public safety	-	3,576	52,374	20,721	-	505,629	-
Corrections and rehabilitation	-	-	-	-	4,254,562	-	-
Health and human services	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Capital outlay	-	-	77,055	-	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	-	3,576	129,429	20,721	4,254,562	505,629	5,079,336
Excess of Revenue Over (Under) Expenditures	209,406	-	(40,242)	77,355	(105,942)	1,895	(4,861,160)
OTHER FINANCING SOURCES (USES)							
Issuance of debt (par value)	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	26,560	-	-	-
Insurance proceeds	-	-	-	-	-	-	10,933
Transfers in	-	-	-	-	-	-	5,000,000
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	26,560	-	-	5,010,933
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	209,406	-	(40,242)	103,915	(105,942)	1,895	149,773
FUND BALANCE, SEPTEMBER 30, 2020	12,765	-	239,432	109,429	2,500,789	13,749	1,058,661
FUND BALANCE, SEPTEMBER 30, 2021	\$ 222,171	\$ -	\$ 199,190	\$ 213,344	\$ 2,394,847	\$ 15,644	\$ 1,208,434

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	SPECIAL REVENUE FUNDS						
	TEXAS JUVENILE JUSTICE DEPARTMENT	CRIME VICTIM'S SERVICES	SHERIFF DEA TASK FORCE	JUSTICE COURT TECHNOLOGY FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND	JUVENILE JUSTICE ALTERNATIVE EDUCATION	BODY WORN CAMERA PROGRAM
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	-	28,580	-	-	-
Intergovernmental revenues	1,373,498	-	157,647	-	-	-	-
Other revenues and fees	980	3,613	379	1,028	7,944	208	-
Total Revenues	1,374,478	3,613	158,026	29,608	7,944	208	-
EXPENDITURES							
General government	-	-	-	-	-	-	-
Justice system	-	3,813	-	12,687	2,072	-	-
Public safety	-	-	13,341	-	-	-	-
Corrections and rehabilitation	1,387,231	-	-	-	-	-	-
Health and human services	11,189	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	1,398,420	3,813	13,341	12,687	2,072	-	-
Excess of Revenue Over (Under) Expenditures	(23,942)	(200)	144,685	16,921	5,872	208	-
OTHER FINANCING SOURCES (USES)							
Issuance of debt (par value)	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-
Sale of capital assets	-	-	14,754	-	-	-	-
Insurance proceeds	-	-	5,809	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	20,563	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(23,942)	(200)	165,248	16,921	5,872	208	-
FUND BALANCE, SEPTEMBER 30, 2020	257,238	121,688	89,898	361,239	3,480	49,415	471
FUND BALANCE, SEPTEMBER 30, 2021	\$ 233,296	\$ 121,488	\$ 255,146	\$ 378,160	\$ 9,352	\$ 49,623	\$ 471

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

SPECIAL REVENUE FUNDS							
	LEOSE FUND	JUDICIAL EDUCATION	HOMELAND SECURITY	DA CRIME PREVENTION	FORFEITURE INTEREST 10%	WORKFORCE INVESTMENT	JAC MAINTENANCE
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	-	-	-	-	-
Intergovernmental revenues	-	4,636	-	-	-	-	-
Other revenues and fees	27,636	74	63	25	33,846	194	1,117
Total Revenues	27,636	4,710	63	25	33,846	194	1,117
EXPENDITURES							
General government	-	-	-	-	-	18,922	37,711
Justice system	-	941	-	-	-	-	-
Public safety	17,503	-	-	-	-	-	-
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	17,503	941	-	-	19,000	18,922	37,711
Excess of Revenue Over (Under) Expenditures	10,133	3,769	63	25	14,846	(18,728)	(36,594)
OTHER FINANCING SOURCES (USES)							
Issuance of debt (par value)	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-
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	10,133	3,769	63	25	14,846	(18,728)	13,406
FUND BALANCE, SEPTEMBER 30, 2020	51,819	15,886	12,825	5,887	282,526	175,584	1,096,576
FUND BALANCE, SEPTEMBER 30, 2021	\$ 61,952	\$ 19,655	\$ 12,888	\$ 5,912	\$ 297,372	\$ 156,856	\$ 1,109,982

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	SPECIAL REVENUE FUNDS					
	ELECTIONS VOTING MACHINE REPLACEMENT	ELECTION SERVICES CONTRACT	CHAPTER 19 VOTER REGISTRATION	EDWARD BYRNE MEMORIAL JAG GRANT	DA FEDERAL ASSETS	COMMISSARY FUND
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	20,329	-	-	-	-
Intergovernmental revenues	-	-	6,955	123,680	-	-
Other revenues and fees	-	85	-	-	101	516,641
Total Revenues	-	20,414	6,955	123,680	101	516,641
EXPENDITURES						
General government	-	4,510	8,104	-	-	-
Justice system	-	-	-	-	958	291,778
Public safety	-	-	-	123,680	-	-
Corrections and rehabilitation	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	65,438
Debt Service-principal retirement	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	-	4,510	8,104	123,680	958	357,216
Excess of Revenue Over (Under) Expenditures	-	15,904	(1,149)	-	(857)	159,425
OTHER FINANCING SOURCES (USES)						
Issuance of debt (par value)	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	15,904	(1,149)	-	(857)	159,425
FUND BALANCE, SEPTEMBER 30, 2020	7,557	18,033	6,913	-	25,010	529,736
FUND BALANCE, SEPTEMBER 30, 2021	\$ 7,557	\$ 33,937	\$ 5,764	\$ -	\$ 24,153	\$ 689,161

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	SPECIAL REVENUE FUNDS					
	CAPITAL IMPROVEMENTS GRANTS	TRANSPORTATION GRANTS	EAST TEXAS ANTI GANG	FINANCIAL CRIMES	OTHER GRANTS	TOTAL
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	-	-	-	4,888,783
Intergovernmental revenues	202,539	251,493	803,551	-	5,000	4,350,624
Other revenues and fees	-	-	-	-	-	1,155,125
Total Revenues	202,539	251,493	803,551	-	5,000	10,394,532
EXPENDITURES						
General government	-	-	-	-	30,849	291,966
Justice system	-	-	-	-	-	5,584,729
Public safety	-	-	754,426	-	-	1,497,006
Corrections and rehabilitation	-	-	-	-	-	5,641,793
Health and human services	-	-	-	-	-	30,189
Community and economic development	202,539	256,363	-	-	-	458,902
Capital outlay	-	-	49,125	-	-	223,185
Debt Service-principal retirement	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	202,539	256,363	803,551	-	30,849	13,727,770
Excess of Revenue Over (Under) Expenditures	-	(4,870)	-	-	(25,849)	(3,333,238)
OTHER FINANCING SOURCES (USES)						
Issuance of debt (par value)	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	41,314
Insurance proceeds	-	-	-	-	-	16,742
Transfers in	-	-	-	-	-	5,050,000
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	5,108,056
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(4,870)	-	-	(25,849)	1,774,818
FUND BALANCE, SEPTEMBER 30, 2020	-	(4,000)	-	-	25,849	12,656,920
FUND BALANCE, SEPTEMBER 30, 2021	\$ -	\$ (8,870)	\$ -	\$ -	\$ -	\$ 14,431,738

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	CAPITAL PROJECT FUNDS					DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	FACILITY IMPROVEMENT	INFRASTRUCTURE IMPROVEMENT SERIES 2018	INFRASTRUCTURE IMPROVEMENT SERIES 2019	INFRASTRUCTURE IMPROVEMENT SERIES 2020	INFRASTRUCTURE IMPROVEMENT SERIES 2021	DEBT SERVICE FUND	
REVENUES							
Property taxes	\$ 1,844,104	\$ -	\$ -	\$ -	\$ -	\$ 5,043,879	\$ 6,887,983
Fees of office	-	-	-	-	-	-	4,888,783
Intergovernmental revenues	-	-	100,000	-	-	-	4,450,624
Other revenues and fees	57,953	3,277	14,415	23,553	6,320	20,021	1,280,664
Total Revenues	1,902,057	3,277	114,415	23,553	6,320	5,063,900	17,508,054
EXPENDITURES							
General government	757,411	-	-	-	-	-	1,049,377
Justice system	-	-	-	-	-	-	5,584,729
Public safety	-	-	-	-	-	-	1,497,006
Corrections and rehabilitation	-	-	-	-	-	-	5,641,793
Health and human services	-	-	-	-	-	-	30,189
Community and economic development	-	-	-	-	-	-	458,902
Capital outlay	2,008,663	1,073	1,131,266	4,131,555	65,490	-	7,561,232
Debt Service-principal retirement	-	-	-	-	-	5,240,000	5,240,000
Bond issuance costs	-	-	-	-	87,000	-	87,000
Debt Service-interest and fiscal charges	-	-	-	-	-	1,175,868	1,175,868
Total Expenditures	2,766,074	1,073	1,131,266	4,131,555	152,490	6,415,868	28,326,096
Excess of Revenue Over (Under) Expenditures	(864,017)	2,204	(1,016,851)	(4,108,002)	(146,170)	(1,351,968)	(10,818,042)
OTHER FINANCING SOURCES (USES)							
Issuance of debt (par value)	-	-	-	-	7,425,000	-	7,425,000
Bond premium	-	-	-	-	412,000	-	412,000
Sale of capital assets	-	-	-	-	-	-	41,314
Insurance proceeds	-	-	-	-	-	-	16,742
Transfers in	-	-	-	-	-	-	5,050,000
Transfers out	(850,000)	-	-	-	-	-	(850,000)
Total Other Financing Sources (Uses)	(850,000)	-	-	-	7,837,000	-	12,095,056
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,714,017)	2,204	(1,016,851)	(4,108,002)	7,690,830	(1,351,968)	1,277,014
FUND BALANCE, SEPTEMBER 30, 2020	3,576,476	779,319	3,935,876	7,020,502	-	2,811,260	30,780,353
FUND BALANCE, SEPTEMBER 30, 2021	\$ 1,862,459	\$ 781,523	\$ 2,919,025	\$ 2,912,500	\$ 7,690,830	\$ 1,459,292	\$ 32,057,367

**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, 2021

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fees of Office:			
Law library fees	\$ 152,500	\$ 170,220	\$ 17,720
Total Fees of Office	<u>152,500</u>	<u>170,220</u>	<u>17,720</u>
Other Revenues and Fees:			
Interest	1,000	483	(517)
Miscellaneous revenue	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total Other Revenues and Fees	<u>1,000</u>	<u>5,483</u>	<u>4,483</u>
Total Revenues	<u>153,500</u>	<u>175,703</u>	<u>22,203</u>
EXPENDITURES			
Justice System:			
Salaries and benefits	98,272	89,678	8,594
Supplies	51,200	50,884	316
Training expenses	500	-	500
Operating expenses	1,410	795	615
Contract agreements	19,000	17,335	1,665
Miscellaneous	<u>12,000</u>	<u>11,952</u>	<u>48</u>
Total Justice System	<u>182,382</u>	<u>170,644</u>	<u>11,738</u>
Total Expenditures	<u>182,382</u>	<u>170,644</u>	<u>11,738</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (28,882)</u>	5,059	<u>\$ 33,941</u>
FUND BALANCE SEPTEMBER 30, 2020		<u>228,513</u>	
FUND BALANCE SEPTEMBER 30, 2021		<u>\$ 233,572</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, 2021

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Record preservation fees	\$ 12,500	\$ 29,652	\$ 17,152
Total Fees of Office	12,500	29,652	17,152
Other Revenues and Fees:			
Interest	1,000	670	(330)
Total Other Revenues and Fees	1,000	670	(330)
Total Revenues	13,500	30,322	16,822
EXPENDITURES			
General Government:			
Salaries and benefits	29,896	22,652	7,244
Contract agreements	4,000	-	4,000
Total General Government	33,896	22,652	11,244
Capital Outlay:			
Equipment	50,000	-	50,000
Total Capital Outlay	50,000	-	50,000
Total Expenditures	83,896	22,652	61,244
Excess of Revenues Over (Under) Expenditures	<u>\$ (70,396)</u>	7,670	<u>\$ 78,066</u>
FUND BALANCE SEPTEMBER 30, 2020		<u>177,772</u>	
FUND BALANCE SEPTEMBER 30, 2021		<u>\$ 185,442</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, 2021

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Record preservation fees	\$ 800,000	\$ 1,145,251	\$ 345,251
Total Fees of Office	<u>800,000</u>	<u>1,145,251</u>	<u>345,251</u>
Other Revenues and Fees:			
Interest	<u>20,000</u>	<u>7,963</u>	<u>(12,037)</u>
Total Other Revenues and Fees	<u>20,000</u>	<u>7,963</u>	<u>(12,037)</u>
Total Revenues	<u>820,000</u>	<u>1,153,214</u>	<u>333,214</u>
EXPENDITURES			
General Government:			
Salaries and benefits	23,896	2,161	21,735
Miscellaneous	368,659	165,159	203,500
Imaging / rebinding	<u>3,385,952</u>	<u>1,898</u>	<u>3,384,054</u>
Total General Government	<u>3,778,507</u>	<u>169,218</u>	<u>3,609,289</u>
Capital Outlay:			
Equipment	<u>300,000</u>	<u>31,567</u>	<u>268,433</u>
Total Capital Outlay	<u>300,000</u>	<u>31,567</u>	<u>268,433</u>
Total Expenditures	<u>4,078,507</u>	<u>200,785</u>	<u>3,877,722</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (3,258,507)</u>	952,429	<u>\$ 4,210,936</u>
FUND BALANCE SEPTEMBER 30, 2020		<u>4,222,743</u>	
FUND BALANCE SEPTEMBER 30, 2021		<u>\$ 5,175,172</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, 2021

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fees of Office:			
Juvenile Delinquency Prevention	\$ 9,000	\$ 26,198	\$ 17,198
Total Fees of Office	<u>9,000</u>	<u>26,198</u>	<u>17,198</u>
Other Revenues and Fees:			
Interest	<u>10</u>	<u>131</u>	<u>121</u>
Total Other Revenues and Fees	<u>10</u>	<u>131</u>	<u>121</u>
Total Revenues	<u>9,010</u>	<u>26,329</u>	<u>17,319</u>
EXPENDITURES			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 9,010</u>	26,329	<u>\$ 17,319</u>
FUND BALANCE SEPTEMBER 30, 2020		<u>18,521</u>	
FUND BALANCE SEPTEMBER 30, 2021		<u>\$ 44,850</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, 2021

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Courthouse security	\$ 70,000	\$ 96,496	\$ 26,496
Courthouse security - Precinct #1	35,000	33,194	(1,806)
Total Fees of Office	<u>105,000</u>	<u>129,690</u>	<u>24,690</u>
Other Revenues and Fees:			
Interest	2,000	3,932	1,932
Total Other Revenues and Fees	<u>2,000</u>	<u>3,932</u>	<u>1,932</u>
Total Revenues	<u>107,000</u>	<u>133,622</u>	<u>26,622</u>
EXPENDITURES			
Public Safety:			
Training	2,000	-	2,000
Miscellaneous	60,000	5,756	54,244
Total Public Safety	<u>62,000</u>	<u>5,756</u>	<u>56,244</u>
Capital Outlay:			
Courthouse Renovations	125,000	-	125,000
Security Improvements	25,000	-	25,000
Equipment	50,000	-	50,000
Total Capital Outlay	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total Expenditures	<u>262,000</u>	<u>5,756</u>	<u>256,244</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (155,000)</u>	127,866	<u>\$ 282,866</u>
FUND BALANCE SEPTEMBER 30, 2020		<u>877,661</u>	
FUND BALANCE SEPTEMBER 30, 2021		<u>\$ 1,005,527</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, 2021

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Justice Court technology	\$ 30,000	\$ 28,580	\$ (1,420)
Total Fees of Office	<u>30,000</u>	<u>28,580</u>	<u>(1,420)</u>
Other Revenues and Fees:			
Interest	1,500	1,028	(472)
Total Other Revenues and Fees	<u>1,500</u>	<u>1,028</u>	<u>(472)</u>
Total Revenues	<u>31,500</u>	<u>29,608</u>	<u>(1,892)</u>
EXPENDITURES			
Justice System:			
Operating expenses	7,438	-	7,438
Total Justice System	<u>7,438</u>	<u>-</u>	<u>7,438</u>
Capital Outlay:			
Computer equipment	48,771	12,687	36,084
Total Capital Outlay	<u>48,771</u>	<u>12,687</u>	<u>36,084</u>
Total Expenditures	<u>56,209</u>	<u>12,687</u>	<u>43,522</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (24,709)</u>	16,921	<u>\$ 41,630</u>
FUND BALANCE SEPTEMBER 30, 2020		<u>361,239</u>	
FUND BALANCE SEPTEMBER 30, 2021		<u>\$ 378,160</u>	

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, 2021

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ 50	\$ 23	\$ (27)
Other revenue	7,500	7,921	421
Total Other Revenues and Fees	7,550	7,944	394
Total Revenues	7,550	7,944	394
EXPENDITURES			
Justice System:			
Miscellaneous	2,200	2,072	128
Total Justice System	2,200	2,072	128
Capital Outlay:			
Computer equipment	12,800	-	12,800
Total Capital Outlay	12,800	-	12,800
Total Expenditures	15,000	2,072	12,928
Excess of Revenues Over (Under) Expenditures	<u>\$ (7,450)</u>	5,872	<u>\$ 13,322</u>
FUND BALANCE SEPTEMBER 30, 2020		3,480	
FUND BALANCE SEPTEMBER 30, 2021		<u>\$ 9,352</u>	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - JUVENILE GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Supervision and other fees	\$ 13,400	\$ 10,612	\$ (2,788)
Total Fees of Office	13,400	10,612	(2,788)
Other Revenues and Fees:			
Prisoner care	200,000	199,080	(920)
Interest	2,000	4,698	2,698
Other revenue	2,000	3,786	1,786
Total Other Revenues and Fees	204,000	207,564	3,564
Total Revenues	217,400	218,176	776
EXPENDITURES			
Justice System:			
Salaries and benefits	4,647,060	4,417,644	229,416
Supplies	64,500	52,218	12,282
Operating expenses	151,632	116,567	35,065
Contract agreements	75,360	61,539	13,821
Placement	204,187	167,085	37,102
Miscellaneous	348,598	250,348	98,250
Total Justice System	5,491,337	5,065,401	425,936
Capital Outlay:			
Improvements	18,601	13,935	4,666
Total Capital Outlay	18,601	13,935	4,666
Total Expenditures	5,509,938	5,079,336	430,602
Excess of Revenues Over (Under) Expenditures	(5,292,538)	(4,861,160)	431,378
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	10,933	10,933	-
Transfers in	5,000,000	5,000,000	-
Total Other Financing Sources (Uses)	5,010,933	5,010,933	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (281,605)	149,773	\$ 431,378
FUND BALANCE SEPTEMBER 30, 2020		1,058,661	
FUND BALANCE SEPTEMBER 30, 2021		\$ 1,208,434	

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, 2021

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ 500	\$ 1,269	\$ 769
Other revenue	2,500	32,577	30,077
Total Other Revenues and Fees	3,000	33,846	30,846
Total Revenues	3,000	33,846	30,846
EXPENDITURES			
Health and Human Services:			
Operating expenses	19,000	19,000	-
Total Health and Human Services	19,000	19,000	-
Total Expenditures	19,000	19,000	-
Excess of Revenues Over (Under) Expenditures	\$ (16,000)	14,846	\$ 30,846
FUND BALANCE SEPTEMBER 30, 2020		282,526	
FUND BALANCE SEPTEMBER 30, 2021		\$ 297,372	

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, 2021

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ 500	\$ 194	\$ (306)
Total Revenues	500	194	(306)
EXPENDITURES			
General Government:			
Travel and training	15,000	385	14,615
Operating expenses	30,000	18,537	11,463
Total General Government	45,000	18,922	26,078
Total Expenditures	45,000	18,922	26,078
Excess of Revenues Over (Under) Expenditures	(44,500)	(18,728)	25,772
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (44,500)	(18,728)	\$ 25,772
FUND BALANCE SEPTEMBER 30, 2020		175,584	
FUND BALANCE SEPTEMBER 30, 2021		\$ 156,856	

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, 2021

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ 3,000	\$ 1,117	\$ (1,883)
Total Other Revenues and Fees	<u>3,000</u>	<u>1,117</u>	<u>(1,883)</u>
Total Revenues	<u>3,000</u>	<u>1,117</u>	<u>(1,883)</u>
EXPENDITURES			
General Government:			
Building Improvements	20,000	-	20,000
Equipment	40,000	37,711	2,289
Total General Government	<u>60,000</u>	<u>37,711</u>	<u>22,289</u>
Total Expenditures	<u>60,000</u>	<u>37,711</u>	<u>22,289</u>
Excess of Revenues Over (Under) Expenditures	(57,000)	(36,594)	20,406
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	50,000	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (7,000)</u>	13,406	<u>\$ 20,406</u>
FUND BALANCE SEPTEMBER 30, 2020		<u>1,096,576</u>	
FUND BALANCE SEPTEMBER 30, 2021		<u>\$ 1,109,982</u>	

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, 2021

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Property Taxes:			
Taxes - current	\$ 1,802,753	\$ 1,823,598	\$ 20,845
Taxes - delinquent	<u>20,000</u>	<u>20,506</u>	<u>506</u>
Total Property Taxes	<u>1,822,753</u>	<u>1,844,104</u>	<u>21,351</u>
Other Revenues and Fees:			
Donations	50,000	50,000	-
Interest	<u>10,000</u>	<u>7,953</u>	<u>(2,047)</u>
Total Other Revenues and Fees	<u>60,000</u>	<u>57,953</u>	<u>(2,047)</u>
Total Revenues	<u>1,882,753</u>	<u>1,902,057</u>	<u>19,304</u>
EXPENDITURES			
General Government:			
Operating expenses	30,500	28,346	2,154
Professional fees	316,959	262,168	54,791
Contingencies	<u>186,465</u>	<u>-</u>	<u>186,465</u>
Total General Government	<u>533,924</u>	<u>290,514</u>	<u>243,410</u>
Capital Outlay:			
Jail renovations	415,000	406,002	8,998
Cottonbelt renovations	60,829	55,109	5,720
Real estate purchases	604,535	603,931	604
Improvements	<u>1,659,965</u>	<u>1,410,518</u>	<u>249,447</u>
Total Capital Outlay	<u>2,740,329</u>	<u>2,475,560</u>	<u>264,769</u>
Total Expenditures	<u>3,274,253</u>	<u>2,766,074</u>	<u>508,179</u>
Excess of Revenues Over (Under) Expenditures	(1,391,500)	(864,017)	527,483
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(850,000)</u>	<u>(850,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(850,000)</u>	<u>(850,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (2,241,500)</u>	(1,714,017)	<u>\$ 527,483</u>
FUND BALANCE SEPTEMBER 30, 2020		<u>3,576,476</u>	
FUND BALANCE SEPTEMBER 30, 2021		<u>\$ 1,862,459</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, 2021

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ -	\$ 3,277	\$ 3,277
Total Other Revenues and Fees	<u>-</u>	<u>3,277</u>	<u>3,277</u>
Total Revenues	<u>-</u>	<u>3,277</u>	<u>3,277</u>
EXPENDITURES			
Capital Outlay:			
Special Road Projects	<u>779,000</u>	<u>1,073</u>	<u>777,927</u>
Total Capital Outlay	<u>779,000</u>	<u>1,073</u>	<u>777,927</u>
Total Expenditures	<u>779,000</u>	<u>1,073</u>	<u>777,927</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (779,000)</u>	2,204	<u>\$ 781,204</u>
FUND BALANCE SEPTEMBER 30, 2020		<u>779,319</u>	
FUND BALANCE SEPTEMBER 30, 2021		<u>\$ 781,523</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, 2021

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Other Revenues and Fees:			
Interlocal Agreements	\$ -	\$ 100,000	\$ 100,000
Interest	25,000	14,415	(10,585)
Total Other Revenues and Fees	<u>25,000</u>	<u>114,415</u>	<u>89,415</u>
Total Revenues	<u>25,000</u>	<u>114,415</u>	<u>89,415</u>
EXPENDITURES			
Capital Outlay:			
Special Road Projects	<u>2,709,301</u>	<u>1,131,266</u>	<u>1,578,035</u>
Total Capital Outlay	<u>2,709,301</u>	<u>1,131,266</u>	<u>1,578,035</u>
Total Expenditures	<u>2,709,301</u>	<u>1,131,266</u>	<u>1,578,035</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (2,684,301)</u>	(1,016,851)	<u>\$ 1,667,450</u>
FUND BALANCE SEPTEMBER 30, 2020		<u>3,935,876</u>	
FUND BALANCE SEPTEMBER 30, 2021		<u>\$ 2,919,025</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, 2021

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ 25,000	\$ 23,553	\$ (1,447)
Total Other Revenues and Fees	25,000	23,553	(1,447)
Total Revenues	25,000	23,553	(1,447)
EXPENDITURES			
General Government:			
Capital Outlay:			
Special Road Projects	7,004,315	4,131,555	2,872,760
Total Capital Outlay	7,004,315	4,131,555	2,872,760
Total Expenditures	7,004,315	4,131,555	2,872,760
Excess of Revenues Over (Under) Expenditures	\$ (6,979,315)	(4,108,002)	\$ 2,871,313
FUND BALANCE SEPTEMBER 30, 2020		7,020,502	
FUND BALANCE SEPTEMBER 30, 2021		\$ 2,912,500	

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

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Interest	\$ -	\$ 6,320	\$ 6,320
Total Other Revenues and Fees	-	6,320	6,320
Total Revenues	-	6,320	6,320
EXPENDITURES			
Capital Outlay:			
Special Road Projects	7,750,000	65,490	(7,684,510)
Total Capital Outlay	7,750,000	65,490	(7,684,510)
Debt Service:			
Bond issuance cost	-	87,000	87,000
Total Debt Service	-	87,000	87,000
Total Expenditures	7,750,000	152,490	(7,597,510)
Excess of Revenues Over (Under) Expenditures	(7,750,000)	(146,170)	7,603,830
OTHER FINANCING SOURCES (USES)			
Proceeds from Bonds	7,750,000	7,837,000	87,000
Total Other Financing Sources (Uses)	7,750,000	7,837,000	87,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	7,690,830	\$ 7,690,830
FUND BALANCE SEPTEMBER 30, 2020		-	
FUND BALANCE SEPTEMBER 30, 2021		\$ 7,690,830	

**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, 2021**

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Property Taxes:			
Taxes - current	\$ 5,309,920	\$ 4,994,742	\$ (315,178)
Taxes - delinquent	60,000	49,137	(10,863)
Total Property Taxes	<u>5,369,920</u>	<u>5,043,879</u>	<u>(326,041)</u>
Other Revenues and Fees:			
Other revenue	-	3,713	3,713
Interest	12,000	16,308	4,308
Total Other Revenues and Fees	<u>12,000</u>	<u>20,021</u>	<u>8,021</u>
Total Revenues	<u>5,381,920</u>	<u>5,063,900</u>	<u>(318,020)</u>
EXPENDITURES			
Debt Service:			
Principal	5,240,000	5,240,000	-
Interest	1,190,268	1,175,868	14,400
Total Debt Service	<u>6,430,268</u>	<u>6,415,868</u>	<u>14,400</u>
Total Expenditures	<u>6,430,268</u>	<u>6,415,868</u>	<u>14,400</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (1,048,348)</u>	(1,351,968)	<u>\$ (303,620)</u>
FUND BALANCE SEPTEMBER 30, 2020		<u>2,811,260</u>	
FUND BALANCE SEPTEMBER 30, 2021		<u>\$ 1,459,292</u>	

INTERNAL SERVICE FUNDS

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021

	Governmental Activities		
	Insurance Fund	Payroll Fund	Total
ASSETS			
Current Assets:			
Cash	\$ 2,104,403	\$ 96,327	\$ 2,200,730
Investments	4,027,442	-	4,027,442
Accounts receivable	1,381,591	-	1,381,591
Total Current Assets	7,513,436	96,327	7,609,763
LIABILITIES			
Current Liabilities:			
Vouchers payable	520,382	19,058	539,440
Total Current Liabilities	520,382	19,058	539,440
NET POSITION			
Unrestricted	6,993,054	77,269	7,070,323
Total Net Position	\$ 6,993,054	\$ 77,269	\$ 7,070,323

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	<u>Governmental Activities</u>		
	<u>Insurance Fund</u>	<u>Payroll Fund</u>	<u>Total</u>
OPERATING REVENUES			
Premiums and reimbursements	\$ 11,699,037	\$ -	\$ 11,699,037
Total Operating Revenues	<u>11,699,037</u>	<u>-</u>	<u>11,699,037</u>
OPERATING EXPENSES			
Insurance claims and administrative fees	<u>10,203,126</u>	<u>-</u>	<u>10,203,126</u>
Total Operating Expenses	<u>10,203,126</u>	<u>-</u>	<u>10,203,126</u>
Operating income (loss)	<u>1,495,911</u>	<u>-</u>	<u>1,495,911</u>
NON-OPERATING REVENUES			
Interest income and other	<u>13,581</u>	<u>1,152</u>	<u>14,733</u>
Change in net position	1,509,492	1,152	1,510,644
NET POSITION - SEPTEMBER 30, 2020	<u>5,483,562</u>	<u>76,117</u>	<u>5,559,679</u>
NET POSITION - SEPTEMBER 30, 2021	<u>\$ 6,993,054</u>	<u>\$ 77,269</u>	<u>\$ 7,070,323</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	<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	\$ 10,317,641	\$ 61,239,522	\$ 71,557,163
Cash paid to customers and employees	<u>(10,190,572)</u>	<u>(61,240,597)</u>	<u>(71,431,169)</u>
Net cash provided by (used in) operating activities	<u>127,069</u>	<u>(1,075)</u>	<u>125,994</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(3,933)	-	(3,933)
Interest on investments	<u>13,581</u>	<u>1,152</u>	<u>14,733</u>
Net cash provided by investing activities	<u>9,648</u>	<u>1,152</u>	<u>10,800</u>
Net increase in cash	136,717	77	136,794
Cash at beginning of year	<u>1,967,686</u>	<u>96,250</u>	<u>2,063,936</u>
CASH AT END OF YEAR	<u>\$ 2,104,403</u>	<u>\$ 96,327</u>	<u>\$ 2,200,730</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 1,495,911	\$ -	\$ 1,495,911
Adjustment to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in accounts receivable	(1,381,396)	-	(1,381,396)
(Increase) decrease in prepaids	60,705	-	60,705
Increase (decrease) in vouchers payable	(48,151)	2,343	(45,808)
Increase in salaries payable	<u>-</u>	<u>(3,418)</u>	<u>(3,418)</u>
Net cash provided by (used in) operating activities	<u>\$ 127,069</u>	<u>\$ (1,075)</u>	<u>\$ 125,994</u>

FIDUCIARY FUNDS

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	<u>Custodial Fund</u>	<u>Evidence Fund</u>	<u>ACH Clearing Fund</u>	<u>Local Provider Fund</u>	<u>Tax Office Collection Account</u>
Assets					
Cash	\$ 941,283	\$ 6,051	\$ 2,664	\$ 33,213,002	\$ 4,200,312
Investments	-	-	535,801	-	-
Accounts receivable	46,361	-	395,706	-	-
Total assets	<u>\$ 987,644</u>	<u>\$ 6,051</u>	<u>\$ 934,171</u>	<u>\$ 33,213,002</u>	<u>\$ 4,200,312</u>
Liabilities					
Vouchers payable	\$ 504,358	\$ -	395,706	\$ -	\$ -
Due to other governments	-	-	-	-	4,200,312
Due to others	-	-	207,600	-	-
Total liabilities	<u>504,358</u>	<u>-</u>	<u>603,306</u>	<u>-</u>	<u>4,200,312</u>
Net Position					
Individuals, organizations, and other governments	483,286	6,051	330,865	33,213,002	-
Total net position	<u>\$ 483,286</u>	<u>\$ 6,051</u>	<u>\$ 330,865</u>	<u>\$ 33,213,002</u>	<u>\$ -</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	<u>District Clerk Registry Account</u>	<u>County Clerk Registry Account</u>	<u>Sheriff Fee Account</u>	<u>Justices of the Peace Fee Account</u>	<u>Adult Probation Fee Account</u>
Assets					
Cash	\$ 1,651,557	\$ 3,766,203	\$ 226,506	\$ 400	\$ 49,507
Investments	1,290,578	1,014,779	-	-	-
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 2,942,135</u>	<u>\$ 4,780,982</u>	<u>\$ 226,506</u>	<u>\$ 400</u>	<u>\$ 49,507</u>
Liabilities					
Vouchers payable	\$ -	\$ -	\$ 8,073	\$ -	\$ -
Due to other governments	-	-	-	-	-
Due to others	2,942,135	4,780,982	-	-	-
Total liabilities	<u>2,942,135</u>	<u>4,780,982</u>	<u>8,073</u>	<u>-</u>	<u>-</u>
Net Position					
Individuals, organizations, and other governments	-	-	218,433	400	49,507
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,433</u>	<u>\$ 400</u>	<u>\$ 49,507</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	<u>Juvenile Probation Fee Account</u>	<u>Law Enforcement Seizure Account</u>	<u>DPS Seizure Account</u>	<u>District Attorney Fee Account</u>	<u>Total Custodial Funds</u>
Assets					
Cash	\$ -	\$ 398,265	\$ 70,635	\$ 5	\$ 44,526,390
Investments	-	-	-	-	2,841,158
Accounts receivable	-	-	-	-	442,067
Total assets	<u>\$ -</u>	<u>\$ 398,265</u>	<u>\$ 70,635</u>	<u>\$ 5</u>	<u>\$ 47,809,615</u>
Liabilities					
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ 908,137
Due to other governments	-	-	-	-	4,200,312
Due to others	-	-	-	-	7,930,717
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,039,166</u>
Net Position					
Individuals, organizations, and other governments	-	398,265	70,635	5	34,770,449
Total net position	<u>\$ -</u>	<u>\$ 398,265</u>	<u>\$ 70,635</u>	<u>\$ 5</u>	<u>\$ 34,770,449</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Custodial Fund</u>	<u>Evidence Fund</u>	<u>ACH Clearing Fund</u>	<u>Local Provider Fund</u>	<u>Tax Office Collection Account</u>
Additions					
Tax collections for other governments	\$ -	\$ -	\$ -	\$ -	\$ 501,459,615
Held for others	2,228,563	-	1,908,448	75,307,164	-
Interest on investments	3,526	25	409	92,275	-
	<u>2,232,089</u>	<u>25</u>	<u>1,908,857</u>	<u>75,399,439</u>	<u>501,459,615</u>
Deductions					
Payments to other governments	2,230,663	-	-	-	501,459,615
Payments to others	-	-	1,685,000	56,812,876	-
Administrative expenses	-	-	-	20,000	-
	<u>2,230,663</u>	<u>-</u>	<u>1,685,000</u>	<u>56,832,876</u>	<u>501,459,615</u>
Net increase (decrease) in fiduciary position	1,426	25	223,857	18,566,563	-
Net position - beginning restated	481,860	6,026	107,008	14,646,439	-
Net position - ending	<u>\$ 483,286</u>	<u>\$ 6,051</u>	<u>\$ 330,865</u>	<u>\$ 33,213,002</u>	<u>\$ -</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>District Clerk Registry Account</u>	<u>County Clerk Registry Account</u>	<u>Sheriff Fee Account</u>	<u>Justices of the Peace Fee Account</u>	<u>Adult Probation Fee Account</u>
Additions					
Tax collections for other governments	\$ -	\$ -	\$ -	\$ -	\$ -
Held for others	3,177,367	8,456,912	4,497,341	2,322,026	2,416,509
Interest on investments	-	-	-	-	-
	<u>3,177,367</u>	<u>8,456,912</u>	<u>4,497,341</u>	<u>2,322,026</u>	<u>2,416,509</u>
Deductions					
Payments to other governments	-	-	-	-	-
Payments to others	3,177,367	8,456,912	4,490,593	2,322,419	2,410,067
Administrative expenses	-	-	-	-	-
	<u>3,177,367</u>	<u>8,456,912</u>	<u>4,490,593</u>	<u>2,322,419</u>	<u>2,410,067</u>
Net increase (decrease) in fiduciary position	-	-	6,748	(393)	6,442
Net position - beginning restated	-	-	211,685	793	43,065
Net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,433</u>	<u>\$ 400</u>	<u>\$ 49,507</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Juvenile Probation Fee Account</u>	<u>Law Enforcement Seizure Account</u>	<u>DPS Seizure Account</u>	<u>District Attorney Fee Account</u>	<u>Total Custodial Funds</u>
Additions					
Tax collections for other governments	\$ -	\$ -	\$ -	\$ -	\$ 501,459,615
Held for others	1,907	146,611	29,496	230,322	100,722,666
Interest on investments	-	-	174	-	96,409
	<u>1,907</u>	<u>146,611</u>	<u>29,670</u>	<u>230,322</u>	<u>602,278,690</u>
Deductions					
Payments to other governments	-	154,768	-	-	503,845,046
Payments to others	1,907	7,759	-	230,387	79,595,287
Administrative expenses	-	-	-	-	20,000
	<u>1,907</u>	<u>162,527</u>	<u>-</u>	<u>230,387</u>	<u>583,460,333</u>
Net increase (decrease) in fiduciary position	-	(15,916)	29,670	(65)	18,818,357
Net position - beginning restated	-	414,181	40,965	70	15,952,092
Net position - ending	<u>\$ -</u>	<u>\$ 398,265</u>	<u>\$ 70,635</u>	<u>\$ 5</u>	<u>\$ 34,770,449</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.	124
Revenue Capacity	
These schedules contain information to help the reader assess the County’s most significant local revenue source, property taxes.	128
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.	134
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.	138
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.	140

Table 1

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

	<i>Fiscal Year</i>									
	2012	2013	2014	2015	2016	2017	2018	2019	2020*	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 80,980,786
Restricted	11,457,212	11,273,480	12,046,080	13,034,397	12,948,762	14,113,845	14,923,205	15,398,654	17,035,399	14,356,037
Unrestricted	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)	(4,811,636)
Total Governmental Activities Net Position	<u>\$ 54,328,278</u>	<u>\$ 58,645,809</u>	<u>\$ 63,801,750</u>	<u>\$ 67,735,330</u>	<u>\$ 70,634,605</u>	<u>\$ 66,871,657</u>	<u>\$ 65,130,436</u>	<u>\$ 67,483,724</u>	<u>\$ 75,602,335</u>	<u>\$ 90,525,187</u>

Source: Government-wide Statement of Net Position

* Restricted net position reduced \$455,146 due to the implementation of GASB 84.

Table 2

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020*	2021
<i>Expenses:</i>										
General government	\$ 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	\$ 18,735,826
Justice system	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	20,947,538
Public safety	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	18,226,954
Health & human services	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	7,172,361
Infrastructure	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	9,327,905
Corrections & rehabilitation	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	30,636,954
Community & economic development	65,628	705,190	437,030	115,116	114,992	488,972	948,051	938,397	732,357	458,902
Interest on long-term debt	1,091,290	1,062,624	948,025	974,079	951,346	848,318	991,728	1,282,171	1,311,721	1,287,772
Total Governmental Activities Expenses	\$ 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	\$ 106,794,212
<i>Revenues:</i>										
Net Program Revenues:										
Charges for Services:										
General government	\$ 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	\$ 5,845,268
Justice system	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	5,226,064
Public safety	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	933,496
Infrastructure	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	3,520,912
Corrections & rehabilitation	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	4,193,152
Community & economic development	154,630	143,060	142,161	-	-	-	-	-	-	-
Operating grants & contributions	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	13,365,211
Capital grants & contributions	134,023	709,537	346,022	537,923	127,628	586,314	971,599	865,864	864,766	426,219
Total Governmental Activities Program revenues	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	33,510,322
<i>Net (Expense)/Revenue:</i>	\$ (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)	\$ (73,283,890)
General Revenues:										
Property taxes	\$ 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	\$ 62,151,500
Sales & other taxes	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	25,132,160
Miscellaneous	87,088	105,134	217,938	563,264	276,661	523,981	310,433	520,479	197,793	102,725
Gain (Loss) on sale of assets	200,366	12,412	64,921	382,297	34,181	62,781	1,674,944	(51,425)	21,652	125,930
Interest	370,443	546,554	176,107	305,073	431,362	659,079	1,349,912	2,110,021	1,179,398	694,427
Total Governmental Activities	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	88,206,742
Change in Net Position	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	14,922,852
Net Position - Beginning (Restated)	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	75,602,335
Other increases (decreases) in fund balance	-	-	(149,455)	(3,563,471)	-	-	(7,760,696)	-	(455,146)	-
Net Position - Ending	\$ 54,328,278	\$ 58,645,809	\$ 63,801,750	\$ 67,735,330	\$ 70,634,605	\$ 66,871,657	\$ 65,130,436	\$ 67,483,724	\$ 75,602,335	\$ 90,525,187

Source: Statement of Activities

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

Table 3

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020*	2021
General Fund										
Fund Balances										
Nonspendable	\$ -	\$ 175,462	\$ 78,629	\$ 86,345	\$ 87,541	\$ 436,286	\$ 449,501	\$ 484,961	\$ 479,878	\$ 517,806
Assigned As:										
Indigent Health Care	139,271	183,975	221,719	53,234	-	-	-	-	-	-
Juvenile Services	1,880,633	2,213,167	2,351,722	2,285,237	2,036,230	1,437,601	811,027	-	-	-
Workforce Development	336,226	343,172	322,965	247,978	236,954	223,410	211,060	-	-	-
Unassigned	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	46,518,254
Restricted As:										
Capital Projects	-	141,073	-	-	-	-	-	-	-	-
Total General Fund	<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>	<u>\$ 47,036,060</u>
Road and Bridge Fund										
Committed	\$ 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	\$ 4,316,569
Total Road and Bridge Fund	<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>	<u>\$ 4,316,569</u>
Jail Expansion Fund										
Restricted	\$ 29,534,832	\$ 17,519,362	\$ 2,890,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Jail Expansion Fund	<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>	<u>\$ -</u>
Infrastructure Improvement Funds										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,862,835	\$ 11,130,993	\$ 11,735,697	\$ 14,303,878
Total Infrastructure Improvement Fund	<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>	<u>\$ 14,303,878</u>
All Other Governmental Funds										
Debt Service Fund										
Restricted	\$ 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	\$ 1,459,292
Capital Project Funds										
Committed	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	1,862,459
Special Revenue Funds:										
Nonspendable	-	-	-	-	-	5,205	6,241	7,503	5,886	4,952
Committed	1,031,527	-	77,224	79,181	73,955	1,096,465	138,527	2,037,873	2,346,833	2,507,711
Restricted	9,951,858	9,571,849	10,458,700	11,413,702	11,303,230	12,406,696	13,128,714	15,049,417	14,224,137	12,896,745
Total All Other Governmental Funds	<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>\$ 22,964,592</u>	<u>\$ 18,731,159</u>

Source: Governmental Funds Balance Sheet

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

Table 4

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020*	2021
REVENUES										
Property taxes	\$ 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	\$ 62,211,018
Licenses and other taxes	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	25,132,160
Fees of office	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	15,947,007
Fines	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	938,219
Intergovernmental revenues	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	12,174,943
Other revenues and fees	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	3,750,379
Total Revenues	\$ 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	\$ 120,153,726
EXPENDITURES										
Current:										
General government	\$ 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	\$ 17,854,760
Justice system	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	21,141,976
Public safety	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	17,236,844
Corrections and rehabilitation	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	28,498,838
Health and human services	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	7,207,772
Infrastructure & environmental	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	3,456,302
Community & Economic Development	65,628	705,190	437,030	115,116	114,992	488,972	948,051	938,397	732,357	458,902
Capital outlay	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	16,178,562
Debt Service:										
Principal retirement	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	6,999,245
Interest & fiscal charges	1,262,842	1,115,291	1,065,246	998,436	973,690	865,690	795,897	1,166,053	1,282,647	1,220,698
Bond issuance costs	-	-	-	-	-	-	102,620	104,587	85,000	87,000
Total Expenditures	\$ 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	\$ 120,340,899
Excess (deficiency) of revenues over (under expenditures)	\$ 44,022	\$ (9,528,667)	\$ (10,061,762)	\$ 586,075	\$ (555,850)	\$ 1,417,650	\$ (2,852,959)	\$ (8,548,183)	\$ (2,267,548)	\$ (187,173)
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ 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	\$ 7,950,000
Transfers out	(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)	(7,950,000)
Premium on long-term debt	-	-	-	-	-	-	789,754	784,587	710,000	412,000
Issuance of Debt	-	-	-	-	-	-	11,320,000	11,320,000	7,125,000	7,425,000
Sale of Equipment	-	-	-	382,297	34,181	62,781	1,763,659	40,745	21,652	125,930
Insurance proceeds	-	-	-	-	-	176,381	150,369	377,848	43,281	243,744
Capital lease proceeds	1,743,359	2,175,180	162,561	2,109,498	-	-	3,032,640	-	-	-
Total Other Financing Sources (Uses)	\$ 1,743,359	\$ 2,175,180	\$ 162,561	\$ 2,491,795	\$ 34,181	\$ 239,162	\$ 17,056,422	\$ 12,523,180	\$ 7,899,933	\$ 8,206,674
Net change in fund balances	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	8,019,501
Fund balances - Beginning 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	76,359,295
Other increases (decreases) to fund balance	-	-	-	-	-	-	-	-	(455,146)	-
Implementation of new accounting pronouncements	-	-	-	-	-	-	-	-	-	-
Fund Balances - End of year	\$ 66,043,272	\$ 58,689,785	\$ 48,790,584	\$ 51,868,454	\$ 51,346,785	\$ 53,003,597	\$ 67,207,060	\$ 71,182,057	\$ 76,359,296	\$ 84,378,796
Debt Service as a Percentage of Noncapital Expenditures										
	8.0%	7.8%	8.1%	8.0%	7.6%	6.5%	7.6%	8.3%	7.1%	8.7%

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

* Fund Balance change due to the adoption of GASB 84

Table 5

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Property taxes	\$ 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	\$ 62,151,500
Sales tax	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	24,292,313
Other taxes	414,911	448,577	540,402	629,773	649,031	611,774	670,217	737,088	619,800	839,847
Total Tax Revenue	<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>	<u>\$ 87,283,660</u>

Source: Government-wide Statement of Activities

SMITH COUNTY, TEXAS
TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	2021		2020		2019		2018		2017	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, residential, single-family	\$ 11,687,817,701	44.11%	\$ 10,997,790,619	43.09%	\$ 10,132,868,971	41.81%	\$ 9,488,107,960	41.88%	\$ 9,142,320,187	42.99%
Real, residential, multi-family	1,029,993,207	3.89%	847,740,055	3.32%	858,175,825	3.54%	818,479,176	3.61%	755,999,518	3.55%
Real, vacant lots/tracts	381,344,645	1.44%	374,272,435	1.47%	365,708,857	1.51%	367,305,663	1.62%	348,308,921	1.64%
Real, acreage (land only)	2,314,770,060	8.74%	2,266,560,042	8.88%	2,109,534,830	8.70%	2,026,456,506	8.95%	1,859,588,908	8.74%
Real, farm and ranch improvements	1,744,529,769	6.58%	1,637,270,448	6.41%	1,492,209,796	6.16%	1,393,061,482	6.15%	1,312,232,451	6.17%
Real, commercial	3,247,772,678	12.26%	3,073,844,690	12.04%	3,133,292,128	12.93%	2,891,792,453	12.76%	2,759,028,248	12.97%
Real, industrial	267,167,867	1.01%	459,208,880	1.80%	438,437,361	1.81%	310,945,225	1.37%	305,972,954	1.44%
Real, oil, gas and other mineral reserves	163,006,162	0.62%	209,303,654	0.82%	244,865,411	1.01%	193,792,601	0.86%	201,977,707	0.95%
Real and tangible personal, utilities	60,366,699	0.23%	56,767,713	0.22%	54,229,541	0.22%	52,461,997	0.23%	49,276,738	0.23%
Utilities tangible personal	520,900,410	1.97%	502,072,775	1.97%	475,079,030	1.96%	439,776,330	1.94%	404,735,296	1.90%
Utilities, tangible personal, business commercial	1,341,423,286	5.06%	1,300,970,868	5.10%	1,361,179,171	5.62%	1,295,860,232	5.72%	1,186,032,429	5.58%
Tangible personal, business industrial	624,814,017	2.36%	744,911,937	2.92%	652,035,737	2.69%	537,803,895	2.37%	528,472,795	2.48%
Tangible personal, other (mobile homes)	93,572,835	0.35%	92,751,682	0.36%	92,812,440	0.38%	91,527,369	0.40%	87,501,048	0.41%
Real property, inventory	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Real Inventory	63,536,127	0.24%	72,320,774	0.28%	69,981,920	0.29%	50,719,970	0.22%	48,272,913	0.23%
Special inventory	100,342,503	0.38%	91,862,550	0.36%	86,086,857	0.36%	81,543,385	0.36%	77,442,745	0.36%
Tax Exempt Property, Real	2,856,804,361	10.78%	2,795,992,847	10.95%	2,671,730,518	11.02%	2,614,778,874	11.54%	2,201,404,366	10.35%
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	\$ 26,498,162,327	100.00%	\$ 25,523,641,969	100.00%	\$ 24,238,228,393	100.00%	\$ 22,654,413,118	100.00%	\$ 21,268,567,224	100.00%
Less: total exemptions/reductions	6,327,626,084		6,295,486,360		5,708,306,903		5,434,007,579		4,824,246,094	
Add: Protested value not in dispute	202,792,864		-		-		201,384,198		-	
Taxable Assessed Value	<u>\$ 20,373,329,107</u>		<u>\$ 19,228,155,609</u>		<u>\$ 18,529,921,490</u>		<u>\$ 17,421,789,737</u>		<u>\$ 16,444,321,130</u>	
Total Direct Tax Rate	0.335000		0.335000		0.345000		0.337311		0.330000	
Estimated Actual Assessed Value	\$ 20,373,329,107		\$ 19,228,155,609		\$ 18,529,921,490		\$ 17,421,789,737		\$ 16,444,321,130	
Assessed Value as a Percentage of Actual Value	100.00%		100.00%		100.00%		100.00%		100.00%	

SMITH COUNTY, TEXAS
TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	2016		2015		2014		2013		2012	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, residential, single-family	\$ 8,681,489,488	42.35%	\$ 8,211,969,870	41.87%	\$ 7,795,086,556	41.56%	\$ 7,533,980,526	41.38%	\$ 7,368,844,402	41.49%
Real, residential, multi-family	719,802,667	3.51%	704,703,096	3.59%	626,057,924	3.34%	607,376,411	3.34%	585,563,445	3.30%
Real, vacant lots/tracts	344,830,133	1.68%	346,925,076	1.77%	339,528,899	1.81%	325,512,277	1.79%	316,418,359	1.78%
Real, acreage (land only)	1,833,612,767	8.95%	1,796,733,221	9.16%	1,682,731,970	8.97%	1,895,165,170	10.41%	1,895,257,020	10.67%
Real, farm and ranch improvements	1,250,657,098	6.10%	1,206,393,379	6.15%	1,116,705,827	5.95%	815,063,196	4.48%	787,102,513	4.43%
Real, commercial	2,638,676,404	12.87%	2,560,142,257	13.05%	2,431,625,948	12.96%	2,323,696,408	12.76%	2,254,448,661	12.69%
Real, industrial	339,082,642	1.65%	320,493,986	1.63%	310,696,749	1.66%	318,667,955	1.75%	315,657,235	1.78%
Real, oil, gas and other mineral reserves	177,884,912	0.87%	241,075,496	1.23%	359,472,416	1.92%	336,761,438	1.85%	342,643,958	1.93%
Real and tangible personal, utilities	47,055,651	0.23%	43,459,321	0.22%	40,028,545	0.21%	36,675,149	0.20%	34,292,498	0.19%
Utilities tangible personal	381,006,239	1.86%	380,209,713	1.94%	1,177,460,858	6.28%	1,147,221,057	6.30%	1,696,530,712	9.55%
Utilities, tangible personal, business commercial	1,161,921,155	5.67%	1,168,009,773	5.95%	334,120,491	1.78%	330,019,179	1.81%	310,695,729	1.75%
Tangible personal, business industrial	561,433,952	2.74%	542,623,178	2.77%	570,933,514	3.04%	553,111,984	3.04%	-	0.00%
Tangible personal, other (mobile homes)	84,854,130	0.41%	82,342,797	0.42%	82,458,876	0.44%	82,482,964	0.45%	-	0.00%
Real property, inventory	-	0.00%	40,342,651	0.21%	44,206,154	0.24%	55,254,705	0.30%	82,299,398	0.46%
Real Inventory	38,330,114	0.19%	-	0.00%	-	0.00%	-	0.00%	62,373,976	0.35%
Special inventory	78,826,633	0.38%	73,850,595	0.38%	65,620,473	0.35%	59,541,837	0.33%	53,880,681	0.30%
Tax Exempt Property, Real	2,157,611,427	10.53%	1,895,373,943	9.66%	1,780,419,237	9.49%	1,787,895,521	9.82%	1,626,478,355	9.16%
No SPTD Code	-	0.00%	-	0.00%	11,200	0.00%	-	0.00%	-	0.00%
Tax Exempt Property, Personal	-	0.00%	-	0.00%	-	0.00%	-	0.00%	25,357,249	0.14%
Tax Exempt Property, Mineral	-	0.00%	-	0.00%	-	0.00%	-	0.00%	2,587,597	0.01%
Total Appraised Value Before Exemptions	\$ 20,497,075,412	100.00%	\$ 19,614,648,352	100.00%	\$ 18,757,165,637	100.00%	\$ 18,208,425,777	100.00%	\$ 17,760,431,788	100.00%
Less: total exemptions/reductions	4,771,121,331		4,448,277,107		4,213,115,602		4,091,181,762		3,974,179,812	
Add: Protested value not in dispute	11,841,538		1,396,274		3,868,778		12,117,194		-	
Taxable Assessed Value	\$ 15,737,795,619		\$ 15,167,767,519		\$ 14,547,918,813		\$ 14,129,361,209		\$ 13,786,251,976	
Total Direct Tax Rate	0.330000		0.330000		0.330000		0.323564		0.323564	
Estimated Actual Assessed Value	\$ 15,737,795,619		\$ 15,167,767,519		\$ 14,547,918,813		\$ 14,129,361,209		\$ 13,786,950,359	
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									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Entity											
Smith County - Total	100%	0.323564	0.323564	0.330000	0.330000	0.330000	0.330000	0.337311	0.345000	0.335000	0.335000
County - M&O Rate		0.287601	0.288352	0.295676	0.296628	0.297331	0.298359	0.298359	0.305802	0.307620	0.310465
County - Debt Rate		0.035963	0.035212	0.034324	0.033372	0.032669	0.031641	0.038952	0.039198	0.027380	0.024535
Cities											
Arp	100.00			0.562180		0.669147	0.690079	0.700871	0.722604	0.707162	0.671836
Bullard	81.68			0.588137		0.563264	0.563264	0.595347	0.605347	0.595599	0.555990
Lindale	100.00			0.482100		0.472218	0.476000	0.475000	0.470900	0.478500	0.456891
Overton	11.53					0.648000	0.668000	0.729700	0.727911	n/a	0.739950
Overton Cemetery							0.000000	0.050000	0.050000	0.050000	0.050000
Troup	95.36			0.921544		0.909881	0.912933	0.867087	0.867087	0.829434	0.816257
Tyler	100.00	0.207710	0.220000	0.220000	0.220000	0.230000	0.240000	0.244452	0.259900	0.259000	0.269900
Whitehouse	100.00			0.672110		0.650000	0.675207	0.792891	0.792891	0.792891	0.792891
Winona	100.00			0.375443		0.362780	0.400000	0.420000	0.402997	0.450000	0.407732
ISD											
Arp				1.270000		1.460000	1.470000	1.470000	1.408300	1.392700	1.352800
Bullard	76.26			1.470000		1.670000	1.670000	1.630000	1.470000	1.375300	1.356300
Chapel Hill	100.00	1.245000	1.253000	1.245000	1.240000	1.240000	1.230000	1.230000	1.145900	1.099000	1.099000
Gladewater	41.87					1.565000	1.565000	1.565000	1.463400	n/a	1.449700
Lindale	100.00			1.435000		1.400000	1.390000	1.390000	1.360000	1.258000	1.192000
Troup	62.80			1.118000		1.170000	1.220000	1.290000	1.183350	1.169700	1.166700
Tyler	100.00	1.375000	1.375000	1.375000	1.375000	1.375000	1.405000	1.405000	1.335000	1.304100	1.289100
Van	28.13			1.521400		1.561400	1.521400	1.546400	1.414750	1.355170	1.275170
Whitehouse	100.00	1.193000	1.193000	1.193000	1.193000	1.193000	1.413000	1.413000	1.325000	1.274600	1.222600
Winona	100.00			1.498000		1.485140	1.447420	1.432890	1.284200	1.222170	1.217740
Other Entities											
Kilgore College				0.154000		0.175000	1.750000	0.175000	0.175000	0.175000	0.175000
Tyler Jr. College	95.07	0.199930	0.199930	0.199926	0.199930	0.199930	0.199926	0.199260	0.199926	1.999260	0.199926
Smith County MUD	100.00			0.302200							
East Texas MUD	100.00			0.387400		0.241960	0.278400	0.253000	0.253000	0.238717	0.250000
ESD #1	100.00			0.069417		0.084648	0.067664	0.067664	0.067664	0.065300	0.063588
ESD #2	100.00			0.084648		0.067664	0.084648	0.084648	0.084648	0.070000	0.068633

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, 2021**

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>Rank</u>	<u>2021 Tax Year Taxable Assessed Valuation</u>	<u>% of Net Taxable Assessed Valuation</u>	<u>Rank</u>	<u>2012 Tax Year Taxable Assessed Valuation</u>	<u>% of Net Taxable Assessed Valuation</u>
Delek Refining	Refinery	1	\$ 268,488,820	1.32%	1	\$ 258,802,983	1.88%
Tyler Regional Hospital, LLC	Medical	2	\$ 259,537,144	1.27%			
Oncor Electric Delivery Co.	Utility	3	242,753,370	1.19%	3	135,177,587	0.98%
Brookshire Grocery Co	Grocery Retail	4	147,031,315	0.72%	2	144,461,281	1.05%
Dayton Hudson/Target	Retail	5	134,581,881	0.66%	4	108,292,642	0.79%
Trane-American Standard	Manufacturer	6	102,759,856	0.50%	5	101,996,689	0.74%
Walmart/Sam's East	Wholesaler/Retailer	7	98,602,133	0.48%	6	84,729,203	0.61%
Tyler Broadway/Centennial	Retail	8	72,580,205	0.36%			
Transcanada Keystone Pipeline	Oil & Gas Production	9	62,274,991	0.31%			
Genecov Investment Group	Financial	10	61,842,124	0.30%	7	81,260,967	0.59%
Linn Operating	Oil & Gas Production				8	51,448,891	0.37%
Cebridge Acquisitions LP	Cable			0.00%	9	49,206,392	0.36%
Vess Oil Corporation	Oil & Gas Production				10	44,724,735	0.32%
			<u>\$ 1,450,451,839</u>	<u>7.12%</u>		<u>\$ 1,060,101,370</u>	<u>7.69%</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	61,092,589	98.54%	688,511	\$ 61,781,100	99.65%
2021	2022*	65,001,562	54,318,370	83.56%	271,314	\$ 54,589,684	83.98%

* Collections as of 1/31/2022
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
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
2021	238,755	40,719,032	250,837	40,969,869	0.31%	171.60

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		Less: Amounts Available in Debt Service	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of	Per Capita	Population
	Bonds	Capital Leases	Fund		Property		
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
2021	38,745,000	250,837	1,459,292	37,285,708	0.20%	156.17	238,755

Table 12

SMITH COUNTY, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
As of September 30, 2021

<u>Governmental Unit</u>	<u>Net Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Overlapping Debt</u>
DIRECT DEBT			
Smith County	\$ 40,969,869	100.00%	\$ 40,969,869
<i>Total Direct Debt</i>	<u>\$ 40,969,869</u>		<u>\$ 40,969,869</u>
OVERLAPPING DEBT			
Arp ISD	\$ 17,305,000	100.00%	\$ 17,305,000
Arp, City of	1,600,000	100.00%	1,600,000
Bullard ISD	59,690,000	76.26%	45,519,594
Bullard, City of	5,923,000	81.68%	4,837,906
Chapel Hill ISD	14,044,000	100.00%	14,044,000
East Texas MUD of Smith County	4,535,000	100.00%	4,535,000
Gladewater ISD	28,769,525	41.87%	12,045,800
Lindale ISD	66,804,093	100.00%	66,804,093
Lindale, City of	17,400,433	100.00%	17,400,433
Overton, City of	324,000	11.53%	37,357
Troup ISD	5,420,000	62.80%	3,403,760
Troup, City of	1,629,000	95.36%	1,553,414
Tyler ISD	378,395,000	100.00%	378,395,000
Tyler Junior College	45,059,000	95.07%	42,837,591
Van ISD	38,805,000	28.13%	10,915,847
Whitehouse ISD	104,315,000	100.00%	104,315,000
Whitehouse, City of	15,132,000	100.00%	15,132,000
Winona ISD	25,020,000	100.00%	25,020,000
Winona, City of	-	100.00%	-
<i>Total Overlapping Debt</i>	<u>\$ 830,170,051</u>		<u>\$ 765,701,796</u>
TOTAL DIRECT & OVERLAPPING DEBT	<u><u>\$ 871,139,920</u></u>		<u><u>\$ 806,671,665</u></u>

(1) Source: Municipal Advisory Council of Texas

* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Amounts were

Table 13

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 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	\$ 4,509,991
Total Net Debt Applicable to Limit	38,330	35,146	31,867	28,528	25,428	\$ 21,627	\$ 29,393	\$ 36,143	\$ 39,364	\$ 40,211
Legal Debt Margin	\$ 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	\$ 4,469,780
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.24%	1.13%	0.98%	0.84%	0.73%	0.60%	0.79%	0.89%	0.92%	0.89%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Value of Real Property	\$ 18,039,964
Debt Limit (25% of Total Real Property Value)	4,509,991
Debt Applicable to Limit	
General Obligation Bonds	\$ 38,745
Less: Amount Set Aside for Repayment of General Obligation Debt	1,466
Total Net Debt Application to Limit	\$ 40,211
Legal Debt Margin	<u>\$ 4,469,780</u>

Table 14

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

<u>Fiscal Year</u>	<u>Estimated Population¹</u>	<u>Estimated Personal Income¹ (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age⁴</u>	<u>Education Level in Years of Formal Schooling</u>	<u>School Enrollment²</u>	<u>Unemployment Rate³</u>
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%
2021	238,755	13,102,118	54,877	36.6	13.6	38,518	3.6%

Data sources:

¹Texas Association of Counties - County Information Project

²Texas Education Agency

³U.S. Bureau of Labor Statistics

⁴TEDC Community Profile

Table 15

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

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment (1)	Employees	Rank	Percentage of Total County Employment (2)
Christus Trinity Mother Francis *	3,872	1	3.5%	4,000	1	3.8%
UT Health East Texas *	3,559	2	3.2%	3,238	2	3.1%
Tyler Independent School District	2,563	3	2.3%	2,449	4	2.4%
Sanderson Farms	1,845	4	1.7%			0.0%
Walmart	1,521	5	1.4%	1,711	5	1.6%
The Trane Company*	1,473	6	1.3%	1,500	6	1.4%
Brookshire Grocery Co *	1,455	8	1.3%	2,522	3	2.4%
UT Health Science Center	1,460	7	1.3%	865	9	0.8%
UT Texas - Tyler	1,201	9	1.1%	1,094	8	1.1%
Altice USA	1,150	10	1.0%	1,500	7	1.4%
Tyler Junior College				811	10	0.8%
Total	<u>20,099</u>		<u>18.3%</u>	<u>19,690</u>		<u>18.9%</u>

Source: Tyler Economic Development Council

* Headquarters located in Tyler.

(1) total county employment of 109,800

(2) total county employment of 104,089

Table 16

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

<i>Function</i>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	96	96	97	102	104	103	108	110	115	114
Judicial	141	141	141	140	141	143	143	143	147	147
Law Enforcement	163	164	163	164	165	168	171	174	184	183
Corrections	293	293	304	312	327	332	330	328	332	332
Roads & Transportation	76	76	77	77	77	83	83	83	83	83
Other	3	3	3	3	4	4	4	4	4	4
Totals	772	773	785	798	818	833	839	842	865	863

*Full Time Equivalent

Table 17

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

Function:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government:										
County Clerk:										
Number of Criminal Cases Filed	4,397	4,629	4,177	3,455	3,450	3,260	4,101	3,803	2,753	2,256
Number of Civil Cases Filed	1,324	1,150	914	1,240	1,182	1,486	1,754	1,928	1,167	1,250
Human Resources:										
Issues Opened	1,506	1,325	1,263	1,324	1,389	1,636	1,466	1,204	1,349	5,879
Purchasing:										
Purchase Orders Issued	4,656	4,204	6,203	6,368	7,743	7,519	7,624	9,003	9,519	6,907
Annual Contracts Awarded/RFB	34	34	10	11	15	9	6	5	5	18
Information Technology:										
Help Desk Calls Processed	3,844	3,844	3,880	4,379	5,868	6,212	8,011	8,088	12,000	12,800
Number of Computers Supported	820	935	935	988	988	993	1,015	1,069	1,102	1,036
Elections Administration:										
Voter applications processed	4,785	15,355	19,590	21,865	34,994	32,462	36,008	29,049	46,067	43,209
Elections Held	11	6	10	6	14	11	12	9	7	15
County Auditor:										
Accounts Payable Checks Processed	23,872	22,386	13,629	13,767	14,220	14,820	14,463	15,037	13,455	14,609
Grants Administered	23	21	21	19	25	23	17	20	23	22
Tax Assessor/Collector										
Motor Vehicle Registrations	206,626	210,950	213,297	216,905	215,176	215,502	220,345	222,529	218,921	228,042
Titles	54,553	56,670	56,205	58,914	61,228	60,192	64,665	65,157	64,487	73,046
Judicial:										
District Courts:										
Criminal Cases Disposed	1,792	2,389	2,397	2,071	2,123	2,223	2,059	2,190	1,739	*
Civil Cases Disposed	874	1,214	1,145	904	1,073	943	1,190	1,146	1,412	*
County Courts										
Criminal Cases Disposed	5,142	5,992	5,282	4,246	3,778	3,610	3,958	4,127	2,540	*
Civil Cases Disposed	2,813	2,991	2,642	1,044	1,052	1,074	2,076	1,720	1,297	*
Juvenile Cases Disposed	274	331	357	317	342	125	238	240	207	*
Justices of the Peace										
Criminal Cases Filed	17,606	18,132	19,324	14,107	15,061	16,240	16,706	17,160	10,938	*
Law Enforcement:										
Sheriff - Calls for Service	31,159	32,004	30,675	30,720	32,251	35,640	30,804	31,049	29,499	30,747
Sheriff - Active CID cases		4,517	2,673	3,523	3,124	3,300	3,521	3,698	3,261	3,298
Corrections:										
Prisoners Booked	11,335	11,271	10,892	9,269	8,872	8,569	9,276	9,180	6,764	7,278
Roads & Transportation:										
Field Work Orders Completed	3,554	3,930	4,433	5,422	5,582	4,581	3,919	3,780	4,621	5,229

* 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>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<i>General Government</i>										
Buildings	4	7	7	6	6	5	5	5	10	12
Plazas	2	2	2	2	2	2	2	2	2	2
Vehicles	13	12	12	13	14	14	14	14	15	15
<i>Infrastructure</i>										
Buildings	5	5	5	5	5	5	5	5	5	6
Vehicles/Dump Trucks	71	73	77	78	78	78	78	79	86	78
<i>Justice System</i>										
Buildings	4	4	4	5	5	5	5	5	5	5
Vehicles	9	8	8	9	9	8	10	13	9	10
<i>Public Safety</i>										
Buildings	5	5	5	6	6	6	6	6	6	6
Vehicles	163	164	161	174	170	173	168	174	185	169
<i>Corrections & Rehabilitation</i>										
Jails	2	2	2	2	2	2	2	2	2	2
Juvenile Detention Centers	1	1	1	1	1	1	1	1	1	1
Adult Probation Center	0	1	1	1	1	1	1	1	1	1
Vehicles - Jail	2	4	5	11	12	14	14	18	20	22
Vehicles - Juvenile Probation	6	6	8	8	7	7	7	8	9	9
Vehicles - Adult Probation	17	15	15	9	9	7	6	7	7	8



GOVERNMENTAL COMPLIANCE SECTION

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

The Honorable Commissioners' Court of Smith County
Tyler, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Smith County, Texas as of and for the year ended September 30, 2021, 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, 2022.

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, 2022

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

The 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, 2021. 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, 2021.

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.

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
March 16, 2022

**SMITH COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Grantor or Pass-through Grantor's Number	Program Expenditures	Passed Through to Subrecipients
U. S. DEPARTMENT OF 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	7218062	\$ 125,189	-
TOTAL U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>125,189</u>	<u>-</u>
U. S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Edward Bryne Memorial Justice Assistance Grant Program - 2020	16.738	2020-DJ-BX-0876	45,452	-
Edward Bryne Memorial Justice Assistance Grant Program - 2019	16.738	2019-DJ-BX-0577	40,349	-
Edward Bryne Memorial Justice Assistance Grant Program - 2018	16.738	2018-DJ-BX-0874	37,879	-
COVID-19 Justice Assistance Grant Program	16.034	2020-VD-BX-1377	53,282	-
COVID-19 Emergency Supplemental Funding	16.034	4141001	246,084	-
Federal Asset Forfeiture Account	16.922	N/A	13,341	-
TOTAL U. S. DEPARTMENT OF JUSTICE			<u>436,387</u>	<u>-</u>
U. S. DEPARTMENT OF TRANSPORTATION				
Passed Through Texas Department of Transportation:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	5310-2019-SC-00087	144,066	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	5310-2019-SC-00040	103,502	-
FY20 Step Grant	20.513	2021-SmithCo-S-1YG-00126	8,548	-
TOTAL U. S. DEPARTMENT OF TRANSPORTATION			<u>256,116</u>	<u>-</u>
U. S. DEPARTMENT OF TREASURY				
Direct Programs:				
Treasury Asset Forfeiture Program	21.016	N/A	958	-
Emergency Rental Assistance Program	21.023	ERA-2101123472	6,227,752	-
Passed Through Texas Department of Emergency Management:				
COVID-19 Coronavirus Relief Fund Grant	21.019	2020-CF-21019	450,741	-
TOTAL U. S. DEPARTMENT OF TREASURY			<u>6,679,451</u>	<u>-</u>
U. S. ELECTIONS ASSISTANCE COMMISSION				
Passed Through Texas Secretary of State				
Help America Vote Election Security Grant	90.404	TX18101001-01-212	24,577	-
COVID-19 Help America Vote Election CARES Act Grant	90.404	TX20101CARES-212	58,279	-
TOTAL U. S. ELECTIONS ASSISTANCE COMMISSION			<u>82,856</u>	<u>-</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	56,281	-
Foster Care Title IV-E	93.658	HHS000285100038	3,932	-
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>60,213</u>	<u>-</u>
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through Texas Division of Emergency Management:				
Emergency Management Performance Grants	97.042	EMT-2020-RP-00004	46,473	-
TOTAL U. S. DEPARTMENT OF HOMELAND SECURITY			<u>46,473</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 7,686,685</u>	<u>\$ -</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, 2021

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, 2021 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, 2021. 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	\$185,143,460
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, 2021**

<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	2111805	\$ -	\$ 30,123
TOTAL TEXAS OFFICE OF THE ATTORNEY GENERAL		<u>-</u>	<u>30,123</u>
TEXAS OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION			
Direct Programs:			
DA Testing of Forensics Evidence	4175301	-	5,000
TAG Anti Gang Initiative	3727402	-	624,890
TAG Anti Gang Initiative	3727401	-	28,726
Border Prosecution Unit	3932501	-	137,627
TOTAL TEXAS OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION		<u>-</u>	<u>796,243</u>
TASK FORCE ON INDIGENT FORMULA GRANT			
Direct Programs:			
Indigent Defense Formula Grant	212-21-212	-	148,115
TOTAL TASK FORCE ON INDIGENT FORMULA GRANT		<u>-</u>	<u>148,115</u>
TEXAS DEPARTMENT OF MOTOR VEHICLES			
Passed Through Motor Vehicle Crime Prevention Authority:			
East Texas Auto Theft Task Force	608-21-2120000	258,645	320,146
TOTAL TEXAS DEPARTMENT OF MOTOR VEHICLES		<u>258,645</u>	<u>320,146</u>
TEXAS SECRETARY OF STATE			
Direct Programs:			
Chapter 19 Voter Registration	FY 2021	-	6,956
TOTAL TEXAS SECRETARY OF STATE		<u>-</u>	<u>6,956</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u>\$ 258,645</u>	<u>\$ 1,301,583</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, 2021

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, 2021. 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, 2021**

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>
21.023	Emergency Rental Assistance Program
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, 2021**

Section II – Financial Statement Findings

None noted.

Section III – Federal and State Award Findings and Questioned Costs

None noted.

**SMITH COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2021**

None.