

SMITH COUNTY, TEXAS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019

COUNTY JUDGE – NATHANIEL MORAN

Members of the Commissioners Court:

Jeff Warr – Commissioner, Pct. #1
Cary Nix – Commissioner, Pct. #2
Terry Phillips – Commissioner, Pct. #3
JoAnn Hampton – Commissioner, Pct. #4

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

SMITH COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2019

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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 1, 2020

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

The Comprehensive Annual Financial Report of Smith County, Texas for the fiscal year ending September 30, 2019 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, 2019 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, 2019, 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 230,221. 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 2019, Smith County reports an unemployment rate of 3.2% as compared to the national unemployment rate of 3.5% in December 2019 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 2019.

RELEVANT FINANCIAL POLICIES

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

MAJOR INITIATIVES

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

The major portion of the funding for the road reconstruction will come from the 2017 \$39.5M voter approved bond sale. The bonds are planned to be issued in three parts in 2018, 2019, and 2020 in increments of \$12M, \$12M and \$15.5M.

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, 2018. This was the 15th 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, 2018. This was the 9th consecutive year Smith County has applied and received this award.

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

Respectfully submitted,



Ann W. Wilson, CPA
Smith County Auditor



Government Finance Officers Association

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

Presented to

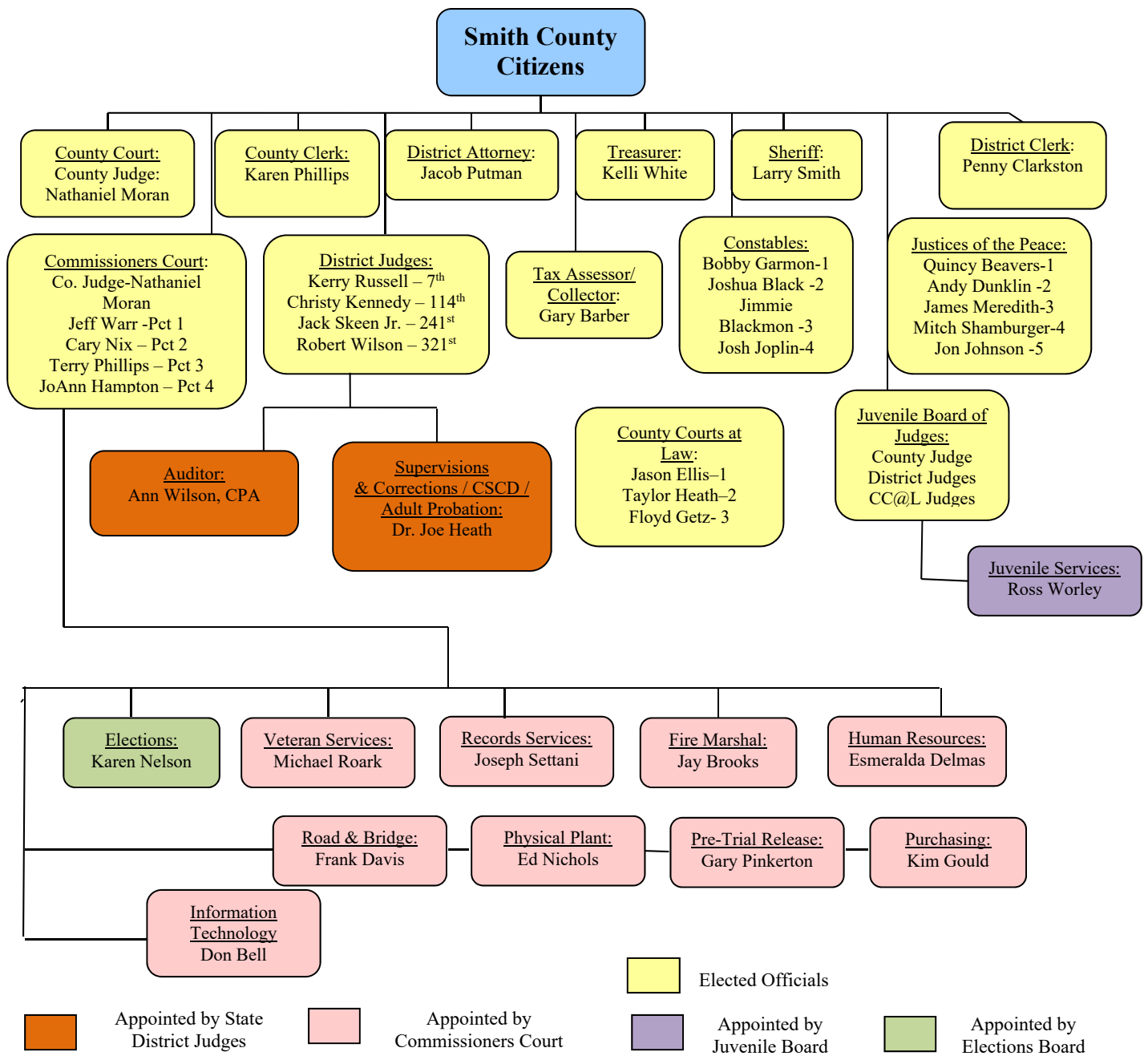
**Smith County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO



SMITH COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2019

Commissioners Court

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

Judicial

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

County & Precinct Officials

Constable - Precinct #1	Bobby Garmon
Constable - Precinct #2	Joshua Black
Constable - Precinct #3	Jimmie Blackmon
Constable - Precinct #4	Josh Joplin
Constable - Precinct #5	Kenneth Bibby
County Clerk	Karen Phillips
District Attorney	Jacob 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
Purchasing	Kim Gould





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, 2019, 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, 2019, 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 65–68; the Schedule of Changes in the County's Net Pension Liability and Related Ratios on page 69; the Schedule

of Employer Contributions on page 70; the Schedule of Changes in the County's OPEB Liability and Related Ratios – Health Plan on page 71, the Schedule of Employer Contributions – Health Plan on page 72, the Schedule of Changes in the County's Net OPEB Liability – Supplemental Death Benefits Plan on page 73 and the Notes to Required Supplementary Information on page 74 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 supplemental information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal 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 is also not a required part of the basic financial statements.

The additional supplemental information and the schedule of expenditures of federal 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 supplemental 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 11, 2020, on our consideration of Smith County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Smith County, Texas' internal control over financial reporting and compliance.



Certified Public Accountants

Tyler, Texas
March 11, 2020

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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, 2019. 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 \$67,483,724 at the close of the fiscal year ending September 30, 2019. This is an increase of \$2,353,288 from the previous year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$65,130,436.

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

- Net investment in capital assets of \$70,060,840 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, \$15,398,654 is restricted by constraints imposed from outside the County such as debt obligations, laws, and regulations.
- Unrestricted net position is a negative \$17,975,770.
- As of September 30, 2019, Smith County governmental funds reported combined fund balances of \$71,182,057. This reflects an increase of \$3,974,997 from the previous fiscal year that is primarily due to the issuance of general obligation bonds. The current year total consists of a combined nonspendable fund balance of \$492,464, restricted fund balance of \$28,063,688, committed fund balance of \$9,706,430, and unassigned fund balance of \$32,919,475 for fiscal year 2019.
- 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 \$484,961 and the unassigned fund balance was \$32,919,475.
- 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 \$4,475,050.
- The Infrastructure Improvement Fund – Series 2019 is the Capital Project Fund used to account for the construction and maintenance of the county roads & bridges from the second

series of the approved general obligation bond sales. The fund has a combined restricted fund balance of \$11,130,993 at year end.

- The nonmajor governmental funds had a combined total fund balance at September 30, 2019 of \$22,171,578. Of that amount, \$7,503 is nonspendable, \$16,932,695 is committed and \$5,231,380 is restricted (\$15,049,427 for special revenue funds and \$1,883,278 for debt service).
- In fiscal year 2019, the County issued general obligation debt in the amount of \$11,320,000.
- Smith County's general obligation debt increased by \$6,725,000. Total general obligation debt at the end of fiscal year 2019 is \$34,260,000.

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, Infrastructure Capital Improvement Fund 2019, 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 \$67,483,724 for fiscal year 2019 and \$65,130,436 for fiscal year 2018. Revenues exceeded expenses during the current year, increasing net position by \$2,353,288.

Smith County Net Position

The County's net position for the fiscal years ended September 30, 2018 and 2019 are summarized as follows:

	Governmental Activities FY18	Governmental Activities FY19
Current & Other Assets	\$ 77,342,847	\$ 85,457,391
Capital Assets (net of depreciation)	90,240,360	95,718,864
<i>Total Assets</i>	\$ 167,583,207	\$ 181,176,255
Deferred Outflows of Resources		
Deferred Charge on TCDRS Pension & OPEB	\$ 4,490,807	\$ 18,374,862
	\$ 4,490,807	\$ 18,374,862
Current & Other Liabilities	\$ 14,608,823	\$ 14,968,572
Long-term Liabilities	86,288,170	113,129,657
<i>Total Liabilities</i>	\$ 100,896,993	\$ 128,098,229
Deferred Inflows of Resources		
Deferred Charge on TCDRS Pension & OPEB	\$ 6,046,585	\$ 3,969,164
	\$ 6,046,585	\$ 3,969,164
Net Position:		
Net Investment in Capital Assets	\$ 67,459,545	\$ 70,060,840
Restricted	14,923,205	15,398,654
Unrestricted	(17,252,314)	(17,975,770)
<i>Total Net Position</i>	\$ 65,130,436	\$ 67,483,724

The largest portion of the County's current fiscal year net position, \$70,060,840 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 \$7,375,184 for records management, \$2,548,501 for adult probation, \$1,883,278 for debt service, and \$3,591,691 for other purposes. The remaining portion of the net position is unrestricted net position, which is a negative \$17,975,770.

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 the new accounting standards which change the focus of accounting for pension benefits by recognizing the net pension liability as a long-term liability. More information regarding contributions and net pension liability can be found in the required supplemental information.

The County's net position increased by \$2,353,288 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 \$2,899,842 as a result of plan premium increases and plan document changes in 2019.
- Capital assets increased by \$5,478,504 as the County continued implementing its adopted capital improvement plan. The County made significant improvements to county buildings and infrastructure in 2019.
- Governmental Accounting Standards Board Statement 68 required that the County recognize its net pension liability as a long-term liability.

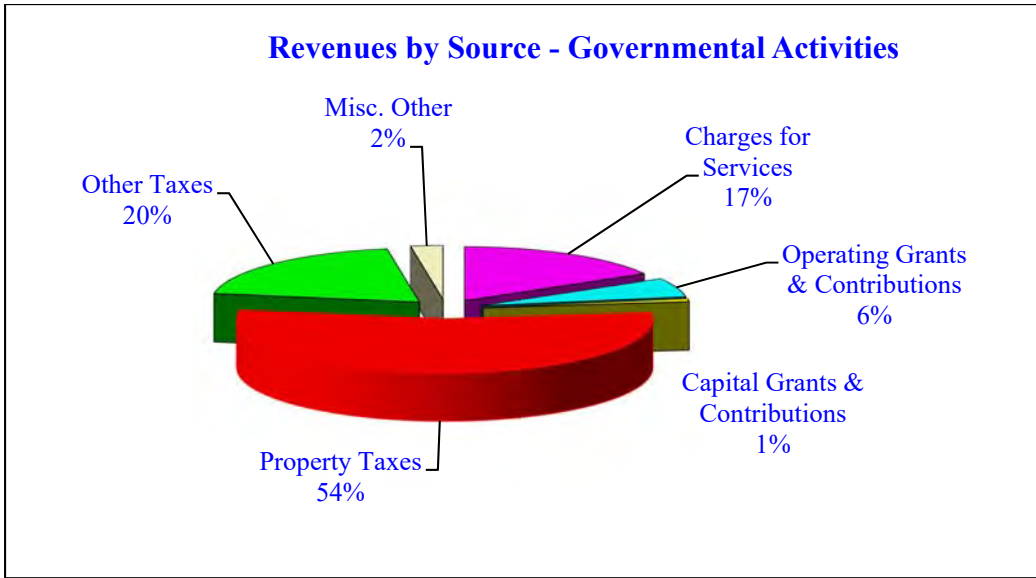
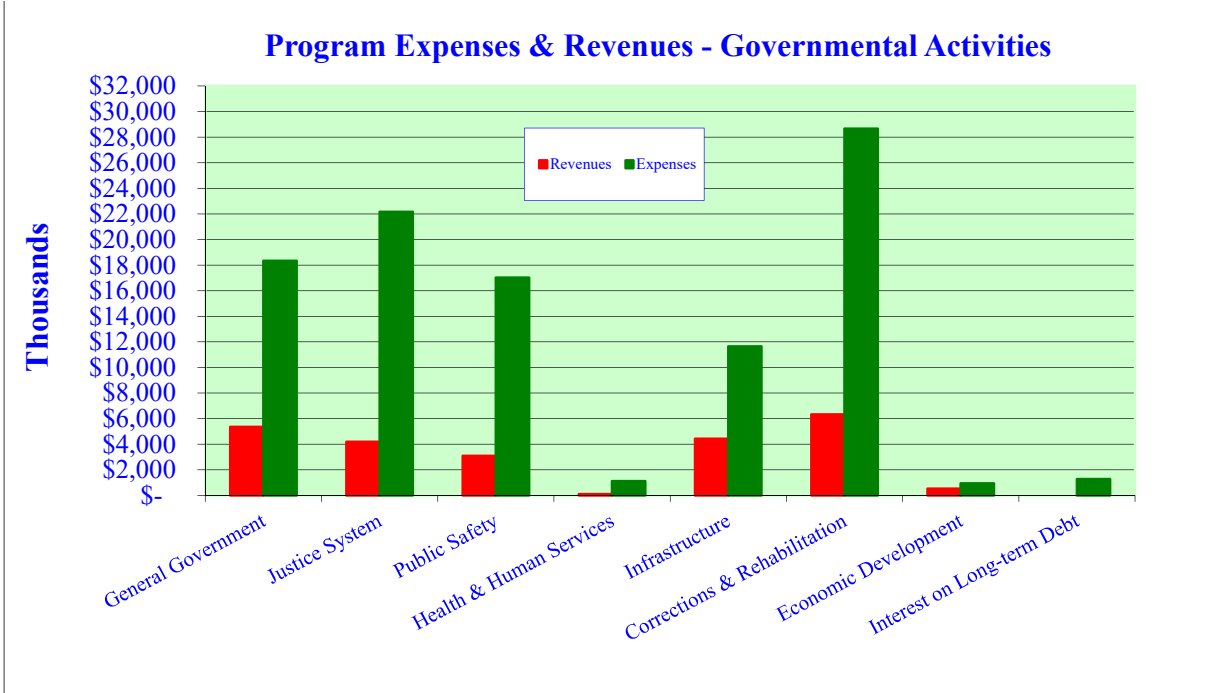
Governmental Activities

Governmental activities increased Smith County's net position by \$2,353,288.

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

Smith County's Changes in Net Position

	Governmental Activities 2018	Governmental Activities 2019
Net Program Revenues:		
Charges for Services	\$ 17,043,360	\$ 17,206,442
Operating Grants & Contributions	6,421,932	5,930,987
Capital Grants & Contributions	971,599	865,864
General Revenues:		
Property Taxes	52,079,609	56,329,278
Sales & Other Taxes	19,233,755	20,613,031
Rentals & Commissions		
Reimbursements		
Miscellaneous	310,433	520,479
Gain (Loss) in Sale of Assets	1,674,944	(51,425)
Interest	1,349,912	2,110,021
Total Revenues	<u>\$ 99,085,544</u>	<u>\$ 103,524,677</u>
<i>Expenses:</i>		
General Government	\$ 16,537,343	\$ 18,333,708
Justice System	21,261,358	22,166,443
Public Safety	16,136,780	17,026,261
Health & Human Services	1,226,655	1,111,532
Conservation		
Infrastructure	9,310,870	11,644,610
Corrections & Rehabilitation	26,653,284	28,668,267
Community & Economic Development	948,051	938,397
Interest on Long-term Debt	991,728	1,282,171
Total Expenses	<u>\$ 93,066,069</u>	<u>\$ 101,171,389</u>
Change in Net Position	\$ 6,019,475	\$ 2,353,288
Net Position - Beginning	66,871,657	65,130,436
Prior Period Adjustment	(7,760,696)	-
Other Increases (Decreases) in Fund Balance	-	-
Net Position - Ending	<u>\$ 65,130,436</u>	<u>\$ 67,483,724</u>



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

- ❖ Program revenues of \$24,003,293 equaled 24% of governmental expenses of \$101,171,389. As expected, general revenues of \$79,521,384 and fund balance provided the additional support and coverage for expenses.
- ❖ Approximately 28% of the expenses are for Corrections & Rehabilitation (\$28,668,267) while this category provided about 4% of the total revenues of \$103,524,677.

- ❖ The next largest category of expenses is the Justice System (\$22,166,443) at 22%. The Justice System provided about 4% of total revenues. Justice System expense increases are primarily due to the mandated indigent defense legislation that resulted in changes regarding assignment of attorneys and is dependent upon the number and costs of cases.
- ❖ General Government activities accounted for 18% of governmental expenses while the category provided 5% 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 10% of governmental expenses while this category provided 4% of total revenues.
- ❖ Grant revenues and contributions comprised about 7% 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 \$71,182,057. Approximately \$28,063,688 or 39% are restricted; \$9,706,430 or 14% are committed; \$32,919,475 or 46% are unassigned and \$492,464 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 \$33,404,436. 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 (\$33,404,436) represents approximately 44% of the County's general fund expenditures and other financing uses. The minimum general fund budgetary target for reserves is 25% of expenditures. The fund balance of the County's general fund increased by \$1,391,531 during the current fiscal year. The increase was attributable to actual revenues slightly exceeding budgetary estimates and actual expenditures ending at approximately 97% 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 \$4,475,050 all of which is committed by the Commissioners Court. The fund balance decreased by \$332,435 from the previous year which is attributed to the increased road maintenance schedule for FY19.

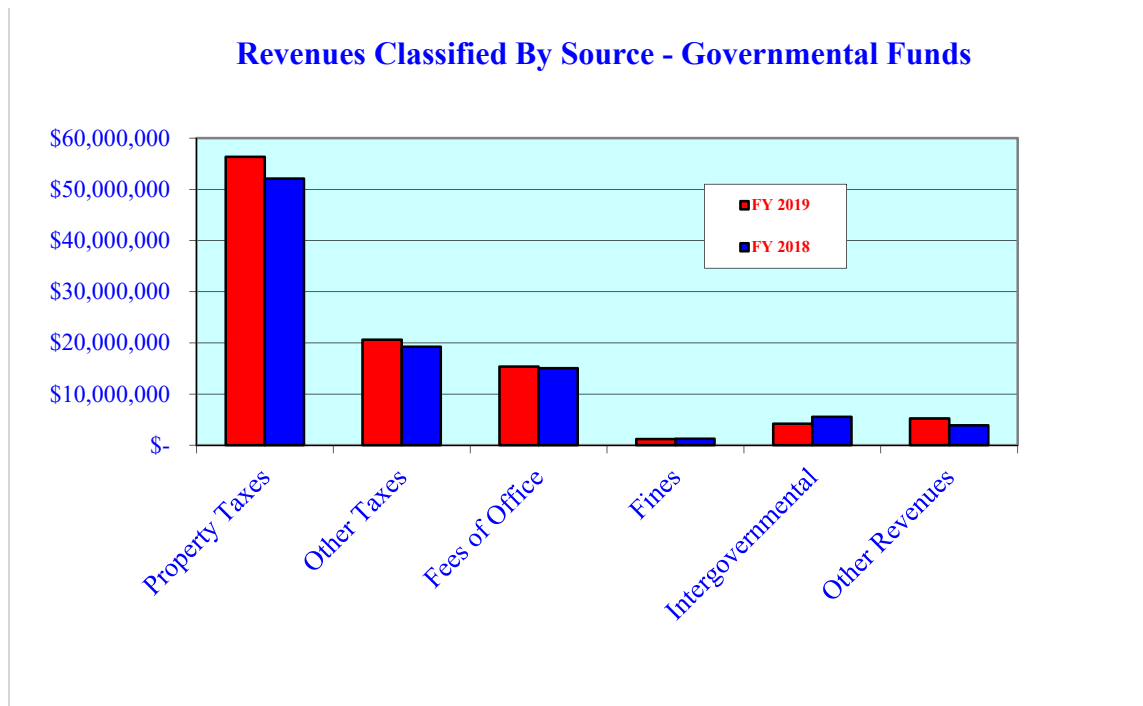
The Infrastructure Improvement Fund 2019 is used to account for the construction costs associated with the general obligation bonds issued in FY19 for road & bridge improvements. The fund has a total fund balance in FY19 of \$11,130,993. Complete details about the status of road and bridge projects and 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 \$1,883,278, an increase of \$88,787 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 2019	FY 2018	Increase (Decrease)	Percent of Change
Property Taxes	\$ 56,349,786	\$ 52,107,892	\$ 4,241,894	8.14%
Other Taxes	20,613,031	19,233,755	1,379,276	7.17%
Fees of Office	15,364,384	15,038,922	325,462	2.16%
Fines	1,211,487	1,278,003	(66,516)	-5.20%
Intergovernmental	4,213,702	5,557,703	(1,344,001)	-24.18%
Other Revenues	5,222,869	3,888,185	1,334,684	34.33%
Total Revenues	\$ 102,975,259	\$ 97,104,460	\$ 5,870,799	6.05%



- Property Taxes - the increase of \$4,241,894 was primarily due to an increase in the required debt service rate, as well as an increase in taxable values and new construction.
- Other Taxes – the increase is primarily due to sales tax revenue increases from the previous year.
- Fees of Office & Fines - are impacted by the volume of cases and collection efforts. The slight increase in revenue for FY19 is attributed to collection efforts and case volume increases.
- The change in Intergovernmental Revenue is attributed mostly to the number of interlocal agreements and state funded programs.

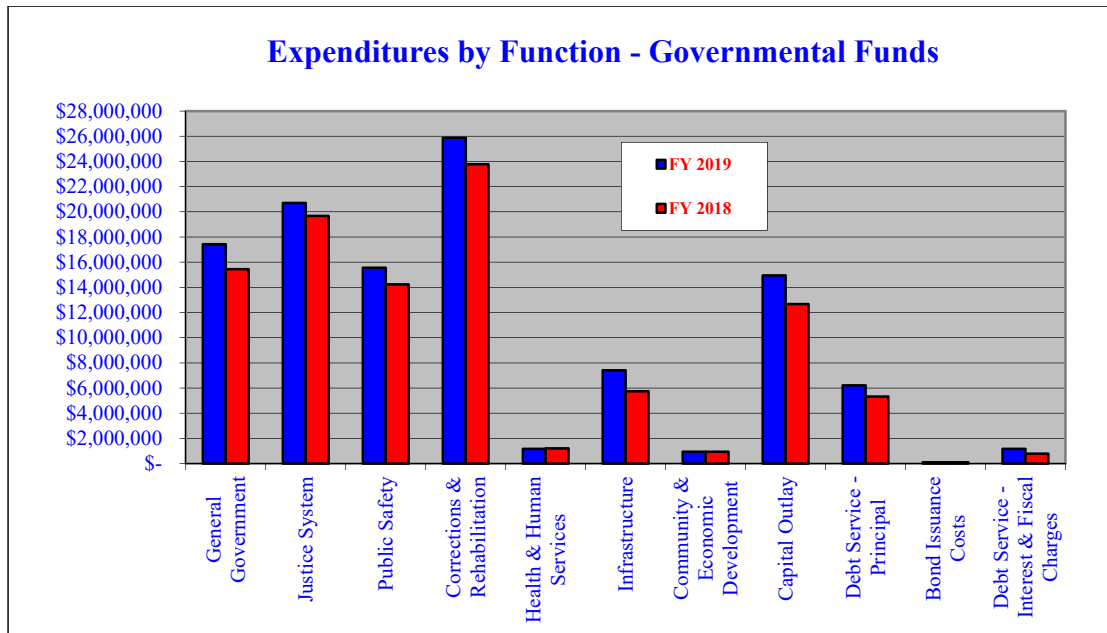
The following table presents expenditure by function compared to prior year amounts.

Expenditures by Function - Governmental Funds

Expenditures by Function	FY 2019	FY 2018	Increase (Decrease)	Percent of Change
General Government	\$ 17,431,196	\$ 15,446,305	\$ 1,984,891	12.85%
Justice System	20,709,745	19,681,928	1,027,817	5.22%
Public Safety	15,559,895	14,231,984	1,327,911	9.33%
Corrections & Rehabilitation	25,873,743	23,786,089	2,087,654	8.78%
Health & Human Services	1,168,119	1,213,291	(45,172)	-3.72%
Infrastructure	7,404,914	5,747,926	1,656,988	28.83%
Community & Economic Development	938,397	948,051	(9,654)	-1.02%
Capital Outlay	14,946,610	12,676,706	2,269,904	17.91%
Debt Service - Principal	6,220,183	5,326,622	893,561	16.78%
Bond Issuance Costs	104,587	102,620	1,967	1.92%
Debt Service - Interest & Fiscal Charges	1,166,053	795,897	370,156	46.51%
	<u>\$ 111,523,442</u>	<u>\$ 99,957,419</u>	<u>\$ 11,566,023</u>	<u>11.57%</u>

Overall, total expenditures increased by approximately 12%. The large increase in expenditures of 28.83% in Infrastructure is due to the capital road & bridge projects from the issuance of general obligations bonds.

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 \$3,385,984.

Actual expenditures were 97% of the amended budget. Operational savings from budgeted amounts were primarily from salary lag and unused contingency funds.

DEBT ADMINISTRATION AND CAPITAL ASSETS

Long-term Debt - At September 30, 2019, Smith County had general obligation bonds outstanding in the amount of \$34,260,000. 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 FY2019.

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
General Obligation Bonds	\$ 27,595,000	\$ 11,320,000	\$ 4,655,000	\$ 34,260,000
Bond Premium, Net	913,448	784,587	204,996	1,493,039
Compensated Absences	2,883,354	2,000,404	1,881,815	3,001,943
OPEB Obligation	46,082,497	8,047,468	146,755	53,983,210
Net Pension Liability	13,160,446	12,225,577	-	25,386,023
Capital Leases	4,135,202	-	1,565,182	2,570,020
Total	<u>\$ 94,769,947</u>	<u>\$ 34,378,036</u>	<u>\$ 8,453,748</u>	<u>\$ 120,694,235</u>

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

Capital Assets - The capital assets of Smith County are those assets (land, buildings, improvements, roads & bridges, and machinery & equipment), which are used in the performance of the County's functions including infrastructure assets. At September 30, 2019, net capital assets of the governmental activities totaled \$95,718,864. Depreciation on capital assets is recognized in the Government-wide financial statements.

Smith County's Capital Assets

	Cost	Accumulated Depreciation	Net Capital Assets
Governmental Activities:			
Land	\$ 1,223,436	\$ -	\$ 1,223,436
Buildings & Improvements	87,477,073	41,778,697	45,698,376
Machinery & Equipment	34,475,022	27,187,935	7,287,087
Infrastructure	110,542,834	70,322,505	40,220,329
Construction in Progress	1,289,636	-	1,289,636
Total	<u>\$ 235,008,001</u>	<u>\$ 139,289,137</u>	<u>\$ 95,718,864</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

In considering the Smith County budget for FY2020, the County Commissioners and management considered the following factors:

- Property tax revenues are budgeted to increase in FY20 due to an increase in the taxable

- values and new property and an increase in the debt service portion of the tax rate.
- Interest rates are planned to continue with a slight decrease.
- Expenditures are budgeted to provide zero dependence on fund balance for ongoing operations.

PENSION AND OTHER POST EMPLOYMENT BENEFIT PLANS

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

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

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

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

REQUEST FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS

**SMITH COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

EXHIBIT 1

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 48,149,311
Investments	28,045,030
Receivables (net of allowance for doubtful accounts)	7,506,977
Investment in joint venture	966,110
Prepays and other assets	789,963
Capital assets (net of accumulated depreciation):	
Land	1,223,436
Buildings	10,728,150
Improvements	34,970,226
Machinery and equipment	7,287,087
Construction in progress	1,289,636
Infrastructure	40,220,329
Total Assets	181,176,255
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on TCDRS pension	13,243,409
Deferred charge on OPEB	5,131,453
Total Deferred Outflows of Resources	18,374,862
LIABILITIES	
Vouchers payable	5,037,594
Salaries payable	2,117,675
Accrued interest payable	248,725
Long-term debt:	
Portion due or payable within one year:	
Compensated absences	2,179,641
Capital leases	559,937
Bonds payable	4,825,000
Portion due or payable after one year:	
Compensated absences	822,302
Capital leases	2,010,083
Bonds payable	30,928,039
Net pension liability	25,386,023
Other post employment benefit liability	53,983,210
Total Liabilities	128,098,229
DEFERRED INFLOWS OF RESOURCES	
Deferred charge on TCDRS pension	1,241,911
Deferred charge on OPEB	2,727,253
Total Deferred Inflows of Resources	3,969,164
NET POSITION	
Net investment in capital assets	70,060,840
Restricted for:	
Records preservation	7,375,184
Law enforcement purposes	1,371,568
Adult probation	2,548,501
Juvenile services	372,287
Inmates	455,883
Courthouse security	778,500
Technology	346,346
Public services	14,470
Judicial support	252,637
Debt service	1,883,278
Unrestricted	(17,975,770)
Total Net Position	\$ 67,483,724

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

**SMITH COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT 2

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	\$ 18,333,708	\$ 4,580,214	\$ 767,096	\$ -	\$ (12,986,398)
Justice system	22,166,443	3,746,743	437,967	-	(17,981,733)
Public safety	17,026,261	1,035,028	2,052,384	-	(13,938,849)
Corrections and rehabilitation	28,668,267	3,912,329	2,413,536	-	(22,342,402)
Health and human services	1,111,532	-	105,289	-	(1,006,243)
Infrastructure	11,644,610	3,932,128	-	491,382	(7,221,100)
Community and economic development	938,397	-	154,715	374,482	(409,200)
Interest on long-term debt	1,282,171	-	-	-	(1,282,171)
Total primary government	\$ 101,171,389	\$ 17,206,442	\$ 5,930,987	\$ 865,864	\$ (77,168,096)
General revenues:					
Property taxes					\$ 56,329,278
Sales taxes					19,875,943
Other taxes					737,088
Miscellaneous					520,479
Loss on sale of assets					(51,425)
Interest earned					2,110,021
Total general revenues					<u>79,521,384</u>
Change in net position					2,353,288
Net position - beginning of year					<u>65,130,436</u>
Net position - end of year					<u>\$ 67,483,724</u>

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

**SMITH COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	INFRASTRUCTURE IMPROVEMENT FUND SERIES 2019 - CAPITAL PROJECT	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 12,057,055	\$ 5,270,817	\$ 11,576,473	\$ 15,962,183	\$ 44,866,528
Investments	20,023,007	702,381	-	7,319,030	28,044,418
Receivables:					
Property taxes	2,273,779	258,498	-	429,881	2,962,158
Other	4,326,036	171,032	-	472,994	4,970,062
Prepaid and other assets	484,961	30,529	-	7,503	522,993
Due from other funds	237,000	-	-	-	237,000
Total assets	\$ 39,401,838	\$ 6,433,257	\$ 11,576,473	\$ 24,191,591	\$ 81,603,159
LIABILITIES					
Vouchers payable	2,183,633	\$ 1,540,616	445,480	\$ 1,061,206	\$ 5,230,935
Salaries payable	1,637,219	162,849	-	317,607	2,117,675
Due to other funds	-	-	-	237,000	237,000
Total liabilities	3,820,852	1,703,465	445,480	1,615,813	7,585,610
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	2,176,550	254,742	-	404,200	2,835,492
Total Deferred Inflows of Resources	2,176,550	254,742	-	404,200	2,835,492
FUND BALANCES					
Nonspendable:					
Prepays	484,961	-	-	7,503	492,464
Restricted for:					
District clerk	-	-	-	44,638	44,638
County law library	-	-	-	232,784	232,784
Records preservation	-	-	-	7,330,546	7,330,546
Juvenile delinquency prevention	-	-	-	4,300	4,300
Courthouse security	-	-	-	778,500	778,500
Law enforcement purposes	-	-	-	1,332,513	1,332,513
Drug court program	-	-	-	7,502	7,502
Adult probation	-	-	-	2,548,501	2,548,501
Juvenile services	-	-	-	367,986	367,986
Mental health	-	-	-	25,849	25,849
Tobacco law enforcement	-	-	-	15,075	15,075
Technology	-	-	-	346,346	346,346
Law enforcement training	-	-	-	23,980	23,980
County judge training	-	-	-	12,351	12,351
Voting machines	-	-	-	7,557	7,557
Voter registration services	-	-	-	6,913	6,913
Inmates	-	-	-	430,034	430,034
Capital projects	-	-	11,130,993	1,534,042	12,665,035
Debt service	-	-	-	1,883,278	1,883,278
Committed to:					
Community policing contracted services	-	-	-	44,984	44,984
Juvenile services	-	-	-	687,643	687,643
Workforce development	-	-	-	192,263	192,263
Major building repairs	-	-	-	1,061,976	1,061,976
Elections department	-	-	-	51,007	51,007
Capital projects	-	-	-	3,193,507	3,193,507
Road maintenance	-	4,475,050	-	-	4,475,050
Unassigned	32,919,475	-	-	-	32,919,475
Total fund balances	33,404,436	4,475,050	11,130,993	22,171,578	71,182,057
Total liabilities, deferred inflows of resources, and fund balances	\$ 39,401,838	\$ 6,433,257	\$ 11,576,473	\$ 24,191,591	\$ 81,603,159

EXHIBIT 4

**SMITH COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION (EXHIBIT 1)
SEPTEMBER 30, 2019**

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

Total fund balances governmental funds (Exhibit 3)	\$ 71,182,057
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds balance sheet.	95,718,863
Equity in an affiliated joint venture is included in governmental activities in the statement of net position.	966,110
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.	2,409,036
Certain prepaid assets recognized in the government wide balance sheet	152,400
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.	(248,725)
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.	3,592,520
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.	(53,983,210)
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.	(41,325,002)
Net pension liability	(25,386,023)
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.	13,243,409
Differences between expected and actual pension experience are deferred inflows on the Statement of Net Position	(1,241,911)
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.	5,131,453
Differences between expected and actual OPEB experience are deferred inflows on the Statement of Net Position	(2,727,253)
Net position of governmental activities	<u>\$ 67,483,724</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, 2019

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	INFRASTRUCTURE IMPROVEMENT FUND SERIES 2019 - CAPITAL PROJECT	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property taxes	44,036,509	\$ 4,965,404	\$ -	\$ 7,347,873	\$ 56,349,786
Licenses and other taxes	20,613,031	-	-	-	20,613,031
Fees of office	7,867,494	2,865,006	-	4,631,884	15,364,384
Fines	355,759	855,728	-	-	1,211,487
Intergovernmental revenues	837,579	-	-	3,376,123	4,213,702
Other revenues and fees	2,480,181	211,394	79,699	2,451,595	5,222,869
Total revenues	<u>76,190,553</u>	<u>8,897,532</u>	<u>79,699</u>	<u>17,807,475</u>	<u>102,975,259</u>
EXPENDITURES					
Current:					
General government	15,279,167	-	-	2,152,029	17,431,196
Justice system	15,032,761	-	-	5,676,984	20,709,745
Public safety	14,579,783	-	-	980,112	15,559,895
Corrections and rehabilitation	20,415,291	-	-	5,458,452	25,873,743
Health and human services	1,125,861	-	-	42,258	1,168,119
Infrastructure and environmental	-	7,404,914	-	-	7,404,914
Community and economic development	-	-	-	938,397	938,397
Capital outlay	872,063	2,882,833	948,706	10,243,008	14,946,610
Debt service:					
Principal retirement	375,668	1,189,515	-	4,655,000	6,220,183
Bond issuance costs	-	-	104,587	-	104,587
Interest and fiscal charges	34,395	86,915	-	1,044,743	1,166,053
Total expenditures	<u>67,714,989</u>	<u>11,564,177</u>	<u>1,053,293</u>	<u>31,190,983</u>	<u>111,523,442</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,475,564</u>	<u>(2,666,645)</u>	<u>(973,594)</u>	<u>(13,383,508)</u>	<u>(8,548,183)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	11,320,000	-	11,320,000
Bond premium	-	-	784,587	-	784,587
Sale of equipment	16,526	7,684	-	16,535	40,745
Insurance proceeds	288,511	5,042	-	84,295	377,848
Transfers in	-	2,321,484	-	5,117,586	7,439,070
Transfers (out)	(7,389,070)	-	-	(50,000)	(7,439,070)
Total other financing sources (uses)	<u>(7,084,033)</u>	<u>2,334,210</u>	<u>12,104,587</u>	<u>5,168,416</u>	<u>12,523,180</u>
Net change in fund balances	1,391,531	(332,435)	11,130,993	(8,215,092)	3,974,997
Fund balances - beginning of year	33,034,992	4,807,485	-	29,364,583	67,207,060
Equity transfer	(1,022,087)	-	-	1,022,087	-
Fund balances - end of year	<u>\$ 33,404,436</u>	<u>\$ 4,475,050</u>	<u>\$ 11,130,993</u>	<u>\$ 22,171,578</u>	<u>\$ 71,182,057</u>

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

EXHIBIT 6

**SMITH COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (EXHIBIT 2)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

Net change in fund balances - total governmental funds	\$	3,974,997
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.		5,570,674
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(92,170)
The net increase of the equity in investment in an affiliated joint venture is reflected on the statement of activities.		38,507
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(20,508)
Governmental funds report all payments to other post employment benefits as expenditures. However, in the government-wide statement of activities the actuarial annually required contribution is considered an expense. Any deficit amount is considered a liability. Change in net other post employment benefits obligation.		(2,006,418)
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.		(5,679,409)
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.		(2,276,985)
Certain prepaid items recognized in the statement of position		(43,711)
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.		(11,531)
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.		2,899,842
Change in net position of governmental activities	\$	<u><u>2,353,288</u></u>

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

**SMITH COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019**

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash	\$ 3,282,783
Investments	612
Accounts receivable	951,524
Prepays	114,570
	4,349,489
Total Current Assets	
 LIABILITIES	
Current Liabilities:	
Vouchers payable	756,969
	756,969
Total Current Liabilities	
 NET POSITION	
Unrestricted	3,592,520
	\$ 3,592,520
Total Net Position	

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, 2019

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premiums and reimbursements	\$ 11,339,969
Total Operating Revenues	11,339,969
OPERATING EXPENSES	
Insurance claims and administrative fees	8,511,839
Total Operating Expenses	8,511,839
Operating income (loss)	2,828,130
NON-OPERATING REVENUES	
Interest income and other	71,712
Change in net position	2,899,842
NET POSITION - SEPTEMBER 30, 2018	692,678
NET POSITION - SEPTEMBER 30, 2019	\$ 3,592,520

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, 2019**

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received for premiums and payroll	\$ 70,231,168
Cash paid to customers and employees	(67,369,508)
Other operating revenues	(114,570)
	2,747,090
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	71,712
	71,712
Net cash provided by investing activities	71,712
Net increase in cash	2,818,802
Cash at beginning of year	463,981
CASH AT END OF YEAR	\$ 3,282,783
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ 2,828,130
Adjustment to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	196,186
Increase in prepaids	(114,570)
Decrease in vouchers payable	(162,656)
	19,386
Net cash used in operating activities	\$ 2,747,090

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

SMITH COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
SEPTEMBER 30, 2019

	Agency Funds
ASSETS	
Cash	\$ 31,989,567
Investments	3,135,912
Accounts receivable	5,290,038
Total Assets	\$ 40,415,517
 LIABILITIES	
Vouchers payable	\$ 608,207
Due to other governments	472,386
Other liabilities	39,334,924
Total Liabilities	\$ 40,415,517

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

Separate fund financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund, the Road and Bridge Fund, and the Infrastructure Improvement Fund Series 2019 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.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 **Infrastructure Improvement Fund Series 2019** is used to account for various infrastructure projects primarily road improvements. The primary source of funding is the 2019 General Obligation Bonds issued by the County. Primary expenditures are for specific road projects and other infrastructure improvements.

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

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

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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).

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

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

1. Deposits and Investments

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

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

2. Receivables and Payables

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

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

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

2. Receivables and Payables - continued

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.

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)

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

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.

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

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.

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

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.

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, 2019, the County recognized total OPEB expense of \$3,296,682, \$3,201,649 of which was for the Health Plan and \$95,033 for the Supplemental Death Benefit Plan.

D. Implementation of New Standards

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

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, which enhances comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. It also enhances the decision-usefulness of the information provided to financial statements users by requiring disclosures related to those AROs. There was no significant impact of this statement on the County's financial statements.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Implementation of New Standards - continued

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* which improved the information that is disclosed in notes to the financial statements related to debt, including direct borrowing and direct placements, by requiring additional essential information related to debt be disclosed, including unused lines of credit; assets pledged as collateral for debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant acceleration clauses. There was no significant impact of this statement on the County's financial statements.

E. Future Implementation of New Standards

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, which will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. This statement is effective for reporting periods beginning after December 15, 2018. The County is evaluating the impact of this statement on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*, which will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance and purpose of a government's leasing arrangements. This statement is effective for reporting periods beginning after December 15, 2019. 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. 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, 2019. The County is evaluating the impact of this statement on its financial statements.

In August 2018 GASB Issued Statement No. 90 *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61* which will improve the consistency and comparability of reporting the government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. 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, 2020. The County is evaluating the impact of this statement on its financial statements.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Future Implementation of New Standards - continued

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, 2020. 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 \$(41,325,002) difference are as follows:

Bonds payable	\$ (34,260,000)
Bond premiums, net	(1,493,040)
Capital leases obligations	(2,570,020)
Compensated absences	<u>(3,001,942)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (41,325,002)</u>

Another element of that reconciliation states that “capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds balance sheet.” The details of this \$95,718,863 difference are as follows:

Beginning balance of capital assets, net of accumulated depreciation	\$ 90,240,360
Capital asset additions, net of retirements	14,854,439
Depreciation of capital assets, current year	<u>(9,375,936)</u>
	<u>\$ 95,718,863</u>

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

The government fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation indicates that “governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$5,596,241 difference are as follows:

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

Capital outlay	\$ 14,946,610
Depreciation expense	<u>(9,375,936)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 5,570,674</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 \$(5,679,409) difference are as follows:

Principal payments on long-term debt	\$ 6,220,182
Amortization of bond premium	204,996
Proceeds from bonds and capital leases issued	<u>(12,104,587)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$(5,679,409)</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

- (1) Prior to September 1, the County Judge submits to the Commissioners’ Court a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. After adoption by Commissioners’ Court, the control for the detailed fee office/department budgets is at the department head or elected official level and by the County Auditor.
- (2) Public hearings are conducted to obtain taxpayer comment.
- (3) The budget is legally enacted through adoption by the Commissioners’ Court.
- (4) Budgets for the General, certain Special Revenue Funds (County Law Library, County Clerk Records Preservation, District Clerk Records Preservation, Juvenile Delinquency Prevention, Courthouse Security, Justice Court Technology, County & District Court Technology, Forfeiture Interest 10%, 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 two of the County’s major funds in the current fiscal year.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY- continued

- (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, 2019, if designated as final budget.

B. Expenditures Over Appropriations

No funds had expenditures in excess of appropriations for the year ended September 30, 2019.

C. Deficit Fund Equity

As of September 30, 2019, there were no funds with a deficit fund balance.

IV. DEPOSITS AND INVESTMENTS

A. Cash Deposits

The carrying amount of the County's cash was \$48,149,311, and total bank balances equaled \$48,436,545. The carrying amount of the County's Trust and Agency cash was \$31,989,576 and total bank balances equaled \$33,619,478. Certificates of deposit shown as investments on the Trust and Agency statement of fiduciary assets and liabilities had a carrying amount and bank balance of \$3,133,912. The bank deposits are required to be covered by federal depository insurance or by collateral held by the depository bank in the County's name, and were covered entirely by federal depository insurance or by collateral held by the depository bank in the County's name.

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

B. Investments

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

**SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

IV. DEPOSITS AND INVESTMENTS - continued

B. Investments - continued

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

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

Investments are categorized into these three categories of credit risk:

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

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

	<u>Amortized Cost</u>	<u>Weighted Average Maturity</u>	<u>Credit Risk</u>
Local Government Investment Cooperative	\$ 23,686,934	49	AAA
TexStar	4,347,057	22	AAAm
Southside - Certificate of Deposit	<u>11,039</u>	248	N/A
Total fair value	<u>\$ 28,045,030</u>		
 Portfolio weighted average maturity		 45	

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.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

V. PROPERTY TAXES AND OTHER RECEIVABLES

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

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

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

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

Unavailable revenue:	
General fund	\$ 2,176,550
Road & Bridge fund	254,742
Facility improvement fund	76,763
Debt service fund	<u>327,437</u>
Total unavailable revenue	<u>\$ 2,835,492</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, 2019 was \$.337311.

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

	Internal Service and General Fund	Road and Bridge Special Revenue Fund	Other Nonmajor Funds	Total Governmental Activities
Receivables:				
Property Taxes	\$2,273,779	\$ 258,498	\$ 429,881	\$ 2,962,158
Other	<u>5,318,037</u>	<u>171,032</u>	<u>472,994</u>	<u>5,962,063</u>
Gross receivables	7,591,816	429,530	902,875	8,924,221
Less: Allowance for uncollectibles	<u>327,352</u>	<u>37,215</u>	<u>61,889</u>	<u>426,456</u>
Net total receivables	<u>\$7,264,464</u>	<u>\$ 392,315</u>	<u>\$ 840,986</u>	<u>\$ 8,497,765</u>

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

V. PROPERTY TAXES AND OTHER RECEIVABLES - Continued

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.

Disclosure relevant for the fiscal year ended September 30, 2019 is:

Government Entering Into Tax Abatement	Terms of Abatement	Name	Type	Smith County Applied Value	Amount of Taxes Abated for FY 2019
Smith County	100% 4 years	Boyd Metals	Manufacturing	\$ 608,446	\$ 2,052
Smith County	80% 5 years	GG Distributing	Distribution	1,499,736	5,059
Smith County		GG Realty, LLC		12,788,954	43,139
Smith County	100% 5 years	JSF-2	Food Processing Facility	29,046,153	97,976
Smith County	100% 6 years	John Soules Enterprises	Food Processing Facility	5,957,485	20,095
Smith County	100% 4 years	Wiggins Creek Leasing LLC	Manufacturing	46,980	158
		Total County Initiated		<u>\$ 49,947,754</u>	<u>\$ 168,479</u>
City of Tyler	100% 3 years	Crest Process Systems	Manufacturing	\$ 3,194,275	\$ 10,775
City of Tyler	100% 3 years	Hood Packaging, Inc.	Manufacturing	4,076,103	13,749
City of Tyler	100% 3 years	Estes McClure	Consulting	146,324	494
City of Tyler	100% 7 years	Fresenius	Medical Support	1,745,262	5,887
City of Tyler	100% 3 years	Highland Dairy	Distribution	1,091,254	3,681
	50% 1 year				
City of Tyler	100% 7 years	Vereit OFC Tyler TX LLC	Medical Support	8,272,000	27,902
City of Tyler	100% 4 years	Trane	Manufacturing	2,625,000	8,854
	50% 1 year				
		Total Initiated by Others		<u>\$ 21,150,218</u>	<u>\$ 71,342</u>

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.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

VI. CAPITAL ASSETS - continued

A summary of changes in capital assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,223,436	\$ -	\$ -	\$ 1,223,436
Construction in progress	<u>1,829,831</u>	<u>1,289,636</u>	<u>(1,829,831)</u>	<u>1,289,636</u>
Total capital assets, not being depreciated	3,053,267	1,289,636	(1,829,831)	2,513,072
Capital assets, being depreciated:				
Infrastructure	97,941,926	12,600,908	-	110,542,834
Buildings	34,169,264	-	-	34,169,264
Improvements	53,264,649	43,160	-	53,307,809
Machinery and equipment	<u>33,619,786</u>	<u>2,842,737</u>	<u>(1,987,501)</u>	<u>34,475,022</u>
Total capital assets, being depreciated	218,995,625	15,486,805	(1,987,501)	232,494,929
Less accumulated depreciation for:				
Infrastructure	(66,922,614)	(3,399,891)	-	(70,322,505)
Buildings	(22,758,546)	(682,568)	-	(23,441,114)
Improvements	(16,044,966)	(2,292,617)	-	(18,337,583)
Machinery and equipment	<u>(26,082,406)</u>	<u>(3,000,860)</u>	<u>1,895,331</u>	<u>(27,187,935)</u>
Total accumulated depreciation	(131,808,532)	(9,375,936)	1,895,331	(139,289,137)
Total capital assets, being depreciated, net	<u>87,187,093</u>	<u>6,110,869</u>	<u>(92,170)</u>	<u>93,205,792</u>
Governmental activities capital assets, net	<u>\$ 90,240,360</u>	<u>\$ 7,400,505</u>	<u>\$(1,922,001)</u>	<u>\$ 95,718,864</u>

Depreciation expense for 2019 was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 833,266
Public safety	1,018,999
Correction and rehabilitation	2,366,419
Infrastructure and environmental	4,129,847
Justice system	<u>1,027,405</u>
Total depreciation expense - governmental activities	<u>\$ 9,375,936</u>

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

VII. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction Commitments. As of September 30, 2019, 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
Time reporting system	\$ 81,648	\$ 46,200
Jail shower renovations	323,558	250,715
Special road projects	884,430	1,406,535
	\$ 1,289,636	\$ 1,703,450

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	\$ 78,867
Facility Improvement fund	400,939
Infrastructure - 2018 Series	800,000
Total	\$1,279,806

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.

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	\$ 12,610,000
General Obligation Bonds - 2018 Series	11,320,000	2.0 - 4.0	6/12/2018	2/15/2028	10,330,000
General Obligation Bonds - 2019 Series	11,320,000	3.0 - 4.0	6/11/2019	2/15/2029	11,320,000
	\$ 62,595,000				\$ 34,260,000

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

VIII. LONG-TERM DEBT - continued

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

Years Ending September 30	Principal	Interest
2020	4,825,000	1,203,051
2021	4,185,000	973,650
2022	4,315,000	848,350
2023	2,960,000	639,125
2024	3,110,000	543,900
2025-2029	14,865,000	1,158,275
	\$ 34,260,000	\$ 5,366,351

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, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance 9/30/2019	Due Within One Year	Due in More Than One Year
Governmental						
Activities:	10/1/2018			9/30/2019		
General obligation bonds	\$ 27,595,000	\$ 11,320,000	\$ 4,655,000	\$ 34,260,000	\$ 4,825,000	\$ 29,435,000
Bond premium, net	913,448	784,587	204,996	1,493,039	-	1,493,039
Compensated absences	2,883,354	2,000,404	1,881,815	3,001,943	2,179,641	822,302
OPEB obligation	46,082,497	8,047,468	146,755	53,983,210	-	53,983,210
Net Pension Liability	13,160,446	12,225,577	-	25,386,023	-	25,386,023
Capital leases	4,135,202	-	1,565,182	2,570,020	559,937	2,010,083
Total	\$ 94,769,947	\$ 34,378,036	\$ 8,453,748	\$ 120,694,235	\$ 7,564,578	\$ 113,129,657

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

Authorized but Unissued Debt

In November 2017, Smith County voters approved a \$39,500,000 bond package for improvements to roads. During 2018 and 2019, the County issued \$24,000,000, including premium, of the bonds (the 2018 and 2019 Series General Obligation Bonds) with the remaining \$15,500,000 to be issued in 2020. The bonds are expected to be amortized over a term of ten years.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019 was approximately \$329,515.

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, 2019.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and equipment	\$ 6,087,503
Less: Accumulated depreciation	(3,295,467)
Total	\$ 2,792,036

Depreciation expense on assets under capital lease for the year ended September 30, 2019 was \$716,453.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2019, were as follows:

Year Ending September 30	Governmental Activities
2020	635,332
2021	1,804,074
2022	158,895
2023	103,998
Total minimum lease payments	2,702,299
Less: amount representing interest	(132,279)
Present value of minimum lease payments	\$ 2,570,020

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, 2019

X. INTERFUND RECEIVABLES, PAYABLE BALANCES AND TRANSFERS - continued

The composition of interfund balances as of September 30, 2019 is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Non-major Governmental Funds	\$ 237,000	Supplement fund sources
	Total	<u>\$ 237,000</u>	

The following summarized the County's transfers for the year ended September 30, 2019:

	Transfers In			Explanation
	Road and Bridge Fund	Nonmajor Governmental Funds	Total	
Transfers out:				
General Fund	\$2,321,484	\$ 550,000	\$ 2,871,484	Supplemental fund sources
Nonmajor Governmental Funds	-	50,000	50,000	Supplemental fund sources
Totals	<u>\$2,321,484</u>	<u>\$ 600,000</u>	<u>\$ 2,921,484</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.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

XI. DEFINED BENEFIT PENSION PLAN – continued

(b) PLAN MEMBERSHIP

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>12/31/2018</u>
Inactive employees or beneficiaries currently receiving benefits	493
Inactive employees entitled to but not yet receiving benefits	770
Active employees	881
	<u>2,144</u>

(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 11.15% for the months of the accounting year 2019, and 11.17% for the months of the accounting year 2018. County contributions to the plan were \$4,743,047 for the year ended September 30, 2019.

The deposit rate payable by the employee members for 2018 and 2019 is the rate of 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, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions:

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

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

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2018 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 2019 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 2013. The following target asset allocation was adopted by the TCDRS board in April 2019. 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	10.50%	5.40%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	18.00%	8.40%
Global Equities	MSCI World (net) Index	2.50%	5.70%
International Equities - Developed	MSCI World Ex USA (net)	10.00%	5.40%
International Equities - Emerging	MSCI Emerging Markets (net) Index	7.00%	5.90%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	1.60%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	4.39%
Direct Lending	S&P/LSTA Leverage Loan Index	11.00%	7.95%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	2.00%	7.20%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.35%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	6.30%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	13.00%	3.90%
		<u>100.00%</u>	

⁽¹⁾ Target asset allocation adopted at the April 2019 TCDRS Board meeting

⁽²⁾ Geometric real rates of return equal the expected return minus the assume inflation rate of 1.7% per Cliffwater's 2019 capital market assumptions

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

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

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

XI. DEFINED BENEFIT PENSION PLAN – continued

(f) DISCOUNT RATE

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

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

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

(g) CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2017	\$ 164,564,106	\$ 151,403,660	\$ 13,160,446
Changes for the year:			
Service cost	4,955,098	-	4,955,098
Interest on total pension liability ⁽¹⁾	13,394,652	-	13,394,652
Effect of plan changes ⁽²⁾	-	-	-
Effect of economic/demographic gains or losses	(1,552,915)	-	(1,552,915)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(1,109,801)	(1,109,801)	-
Benefit payments	(7,361,376)	(7,361,376)	-
Administrative expenses	-	(118,476)	118,476
Member contributions	-	2,981,508	(2,981,508)
Net investment income	-	(2,831,093)	2,831,093
Employer contributions	-	4,569,901	(4,569,901)
Other ⁽³⁾	-	(30,582)	30,582
Balances as of December 31, 2018	<u>\$ 172,889,764</u>	<u>\$ 147,503,741</u>	<u>\$ 25,386,023</u>

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

⁽²⁾ No plan changes valued.

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

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

XI. DEFINED BENEFIT PENSION PLAN – continued

(h) SENSITIVITY ANALYSIS

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

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
Total pension liability	\$ 195,919,552	\$ 172,889,764	\$ 153,673,457
Fiduciary net position	147,503,741	147,503,741	147,503,741
Net pension liability/(asset)	<u>\$ 48,415,811</u>	<u>\$ 25,386,023</u>	<u>\$ 6,169,716</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, 2019, the County recognized pension expense of \$6,901,443. At September 30, 2019, 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	\$ 230,626	\$ 1,241,911
Changes in actuarial assumptions	229,537	-
Difference between projected and actual investment earnings	9,291,030	-
Contributions made subsequent to measurement date	3,492,216	-
Total	<u>\$ 13,243,409</u>	<u>\$ 1,241,911</u>

County contributions subsequent to the measurement date of \$3,492,216 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2019	\$ 3,303,635
2020	1,297,277
2021	897,901
2022	3,010,469
2023	-
Thereafter	-
	<u>\$ 8,509,282</u>

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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.

CONTINGENT LIABILITIES

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.

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, 2019, the County budgeted funding of \$200,000 for the Health District. The County's equity interest in the Health District was \$966,110 at September 30, 2019. The Health District's total Fund Balance at September 30, 2019 was approximately \$3.9 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 \$2,514,238 as of September 30, 2019.

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 \$175,000 and aggregate protection at 175% of total health and prescription claims per year.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

XII. OTHER INFORMATION - continued

Changes in the estimated liability for medical claims for fiscal years 2018 and 2019 are presented below:

Insurance Claims Payable At <u>Beginning of Year</u>	Current Year Claims and Changes <u>In Estimates</u>	Actual Claim Payments	Insurance Claims Payable At <u>End of Year</u>
\$ 801,075	\$11,359,063	\$ 11,295,213	\$ 864,925
864,925	8,217,545	8,369,032	713,438

XIII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

(1) HEALTH PLAN

(a) PLAN DESCRIPTION

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

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

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

(b) PLAN MEMBERSHIP

At the October 1, 2018 and 2016 valuation dates, the following employees were covered by the benefit terms:

	<u>10/1/2018</u>	<u>10/1/2016</u>
Inactive employees currently receiving benefits	192	187
Active employees	<u>160</u>	<u>192</u>
	<u>352</u>	<u>379</u>

(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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

(1) HEALTH PLAN - continued

(c) BENEFITS PROVIDED- continued

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 2019 were \$1,240,359. The table below provides the required monthly inactive participant contribution, County contribution, and total contribution for medical/Rx coverage effective for the 2018-2020 plan year.

<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 2018-2020 plan year.

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

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

**SMITH COUNTY, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2019**

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, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2018.

(f) ACTUARIAL ASSUMPTIONS

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

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

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

Health insurance elections were developed based on the following:

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

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

(g) DISCOUNT RATE

The discount rate used to measure the total OPEB liability was 2.66%. 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, 2018	\$ 44,250,631	\$ -	\$ 44,250,631
Changes for the year:			
Service cost	521,147	-	521,147
Interest	1,872,028	-	1,872,028
Changes in benefit terms	-	-	-
Differences between expected and actual experience	3,901,951	-	3,901,951
Changes in assumptions	-	-	-
Refund of contributions	2,992,701	-	2,992,701
Benefit payments	(1,240,359)	(1,240,359)	-
Employer contributions	-	1,240,359	(1,240,359)
Net investment income	-	-	-
Administrative expenses	-	-	-
Other	-	-	-
Balances as of September 30, 2019	<u>\$ 52,298,099</u>	<u>\$ -</u>	<u>\$ 52,298,099</u>

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 2.66%, 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 (1.66%) or 1 percentage point higher (3.66%) than the current rate.

	1% Decrease in Discount Rate (2.66%)	Discount Rate (2.66%)	1% Increase in Discount Rate (3.66%)
Total OPEB Liability	\$ 45,279,135	\$ 52,298,099	\$ 61,097,744
Plan fiduciary net position	-	-	-
Net OPEB Liability	<u>\$ 45,279,135</u>	<u>\$ 52,298,099</u>	<u>\$ 61,097,744</u>

The healthcare trend rate is 5.00% for both dental and medical/Rx Post-65, and 8.67% initial, decreasing to the ultimate rate of 5.00% for medical/Rx Pre-65. The following presents the net OPEB liability of the County, calculated using the health trend rates noted above, as well as what the Smith County net OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Total OPEB Liability	\$ 62,788,212	\$ 52,298,099	\$ 44,142,940
Plan fiduciary net position	-	-	-
Net OPEB Liability	<u>\$ 62,788,212</u>	<u>\$ 52,298,099</u>	<u>\$ 44,142,940</u>

(j) OPEB EXPENSE

For the year ended September 30, 2019, the County recognized OPEB expense of \$3,201,649.

<u>Components of OPEB Expense</u>	
Service cost	\$ 521,147
Interest on total OPEB liability	1,872,028
Differences between expected and actual experience	1,054,581
Changes in assumptions	(246,107)
Projected earnings on OPEB plan investments	-
Differences between projected and actual earnings on plan investments	-
OPEB plan administrative expenses	-
Total OPEB expense	<u>\$ 3,201,649</u>

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019, 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	\$ 2,847,370	\$ -
Changes in actuarial assumptions	2,183,863	2,531,869
Difference between projected and actual investment earnings	-	-
Total	\$ 5,031,233	\$ 2,531,869

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

	Year Ended September 30
2020	\$ 808,474
2021	808,474
2022	882,416
2023	-
2024	-
Thereafter	-
	\$ 2,499,364

(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, 2019

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

(2) SUPPLEMENTAL DEATH BENEFITS PLAN - continued

(b) PLAN MEMBERSHIP

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>12/31/2018</u>
Inactive employees currently receiving benefits	409
Inactive employees entitled to but not yet receiving benefits	177
Active employees	<u>881</u>
	<u><u>1,467</u></u>

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 year 2018, the total GTLF contribution rate for the City was .29%, while the retiree portion of the GTLF contribution was .11%. The County’s contributions for the year ended September 30, 2019, were \$49,904 for the retiree portion, and \$120,169 for the total GTLF rate. Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer’s yearly contributions for retirees.

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

(2) SUPPLEMENTAL DEATH BENEFITS PLAN - continued

(e) TOTAL OPEB LIABILITY OF THE COUNTY

The County’s total OPEB liability was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

(f) ACTUARIAL ASSUMPTIONS

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	Does not apply
Salary Increases	Does not apply
Investment Rate of Return (Discount Rate)	4.10% 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2018.

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, 2018 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 4.10% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2018.

(h) CHANGES IN THE TOTAL OPEB LIABILITY

SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

	Total OPEB Liability
Balance at 12/31/2017	\$ 1,831,866
Changes for the year:	
Service cost	63,778
Interest	64,443
Change of benefit terms	-
Difference between expected and actual experience	(19,164)
Changes of assumptions or other inputs	(210,809)
Benefit payments	(45,003)
Net changes	(146,755)
Balance at 12/31/2018	\$ 1,685,111

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 4.10%, would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current rate:

	1% Decrease in Discount Rate (3.10%)	Discount Rate (4.10%)	1% Increase in Discount Rate (5.10%)
Total OPEB Liability	\$ 2,019,933	\$ 1,685,111	\$ 1,426,855

(j) OPEB EXPENSE

For the year ended September 30, 2019, the County recognized OPEB expense of \$95,033.

Components of OPEB Expense	
Service cost	\$ 63,778
Interest on total OPEB liability	64,443
Effect of plan changes	-
Recognition of deferred outflows/inflows of resources:	
Recognition of economic/demographic gains or losses	(6,685)
Recognition of assumption changes or inputs	(26,503)
Total OPEB expense	\$ 95,033

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

At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**SMITH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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

(2) SUPPLEMENTAL DEATH BENEFITS PLAN - continued

	Year Ended December 31	
2019	\$	(33,188)
2020		(33,188)
2021		(33,188)
2022		(33,186)
2023		-
Thereafter		-
	\$	(132,750)

XV. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 11, 2020, 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, 2019

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Property Taxes:				
Taxes - current	\$ 43,097,505	\$ 43,097,505	\$ 42,887,813	\$ (209,692)
Taxes - delinquent	500,000	500,000	550,263	50,263
Penalty and collection fees	500,000	500,000	598,433	98,433
Total Property Taxes	44,097,505	44,097,505	44,036,509	(60,996)
Licenses and Other Taxes:				
Liquor drink tax	590,000	590,000	635,957	45,957
Sales tax	18,000,000	18,000,000	19,875,943	1,875,943
Bingo taxes	5,000	5,000	35,296	30,296
Miscellaneous	27,500	27,500	65,835	38,335
Total Licenses and Other Taxes	18,622,500	18,622,500	20,613,031	1,990,531
Fees of Office:				
County Judge	5,000	5,000	5,156	156
Sheriff	300,000	300,000	298,847	(1,153)
Constables	350,000	350,000	379,469	29,469
County Clerk	1,402,000	1,402,000	1,356,983	(45,017)
Criminal District Attorney	34,000	34,000	42,516	8,516
District Clerk	450,000	450,000	432,173	(17,827)
Justices of the Peace	349,000	349,000	375,595	26,595
Vehicle sales tax commission	2,000,000	2,000,000	2,206,124	206,124
Auto registration	775,000	775,000	787,332	12,332
Records management	59,000	59,000	71,908	12,908
Court imposed fees	589,500	589,500	644,472	54,972
State imposed fees	186,500	186,500	185,812	(688)
Titles and certificates	324,000	324,000	338,800	14,800
Telephone coin station revenues	500,000	500,000	640,392	140,392
Miscellaneous	98,900	98,900	101,915	3,015
Total Fees of Office	7,422,900	7,422,900	7,867,494	444,594
Fines:				
District and county courts	407,300	407,300	355,759	(51,541)
Total Fines	407,300	407,300	355,759	(51,541)
Intergovernmental Revenues:				
Intergovernmental revenues	806,501	806,501	837,579	31,078
Total Intergovernmental Revenues	806,501	806,501	837,579	31,078
Other Revenues and Fees:				
Interest	675,000	675,000	1,127,323	452,323
Rentals	69,363	69,363	88,758	19,395
Donations	6,000	6,000	9,164	3,164
Reimbursements	337,500	337,500	362,340	24,840
Prisoner care	275,000	275,000	381,536	106,536
Other revenues	85,000	85,000	511,060	426,060
Total Other Revenues and Fees	1,447,863	1,447,863	2,480,181	1,032,318
Total Revenues	72,804,569	72,804,569	76,190,553	3,385,984

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, 2019

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES				
General Government:				
Commissioners' Court	\$ 632,613	\$ 632,613	\$ 627,554	\$ 5,059
Record Service Bureau	202,191	202,191	196,965	5,226
County Auditor	893,482	893,482	862,515	30,967
Election division	582,989	582,989	445,008	137,981
County Treasurer	186,916	187,816	187,434	382
Tax Assessor-Collector	1,994,772	1,994,772	1,971,602	23,170
General operations	4,475,387	3,963,985	3,633,918	330,067
Physical plant	2,020,170	2,121,233	2,017,682	103,551
Personnel	182,116	198,016	190,786	7,230
County administration	178,777	158,777	153,890	4,887
Information services	3,324,869	3,324,869	3,016,729	308,140
Collections	202,633	202,633	184,498	18,135
Veterans service office	228,185	228,185	209,248	18,937
Fleet Administration Office	237,452	207,416	202,327	5,089
Purchasing agent	367,499	369,099	365,040	4,059
Total General Government	15,710,051	15,268,076	14,265,196	1,002,880
Justice System:				
County Court	442,573	442,573	386,993	55,580
County Court at Law	457,279	457,279	451,836	5,443
County Court at Law #2	445,844	462,844	459,905	2,939
County Court at Law #3	459,819	459,819	451,771	8,048
County Clerk	1,416,978	1,416,978	1,346,670	70,308
District Courts	2,629,412	2,642,412	2,370,563	271,849
District Clerk	1,393,626	1,458,626	1,353,018	105,608
Justices of the Peace	1,688,055	1,752,055	1,716,448	35,607
Indigent defense	1,632,000	1,632,000	1,550,935	81,065
Pre-trial release	281,601	281,601	281,172	429
Juvenile probation	129,307	129,309	128,826	483
Criminal District Attorney	4,818,507	4,818,507	4,534,624	283,883
Total Justice System	15,795,001	15,954,003	15,032,761	921,242
Public Safety:				
Animal Control	468,509	468,509	445,980	22,529
Civil defense and rural fire aid	532,555	532,555	514,125	18,430
Constables	1,745,564	1,753,936	1,686,719	67,217
Sheriff's department	9,977,660	9,998,806	9,893,589	105,217
Warrant division	187,610	194,922	190,716	4,206
Litter abatement office	195,702	178,202	173,322	4,880
Dispatcher	1,882,055	1,882,055	1,674,732	207,323
Total Public Safety	14,989,655	15,008,985	14,579,183	429,802
Health and Human Services:				
Indigent health care	700,000	369,000	368,014	986
Agricultural extension	265,900	266,265	247,998	18,267
Public services	507,658	507,658	508,215	(557)
Total Health and Human Services	1,473,558	1,142,923	1,124,227	18,696

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, 2019

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENDITURES (cont'd.)				
Corrections and Rehab:				
Jail	\$ 19,871,082	\$ 20,547,997	\$ 20,402,051	\$ 145,946
Community service & rehab	19,350	19,350	13,240	6,110
Total Corrections and Rehab	<u>19,890,432</u>	<u>20,567,347</u>	<u>20,415,291</u>	<u>152,056</u>
Capital Outlay:				
Equipment	897,952	1,303,843	1,251,339	52,504
Vehicles	800,000	642,209	636,929	5,280
Total Capital Outlay	<u>1,697,952</u>	<u>1,946,052</u>	<u>1,888,268</u>	<u>57,784</u>
Debt Service:				
Principal	375,668	375,668	375,668	-
Interest	34,395	34,395	34,395	-
Total Debt Service	<u>410,063</u>	<u>410,063</u>	<u>410,063</u>	<u>-</u>
Total Expenditures	<u>69,966,712</u>	<u>70,297,449</u>	<u>67,714,989</u>	<u>2,582,460</u>
Excess of Revenues Over Expenditures	2,837,857	2,507,120	8,475,564	5,968,444
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	278,409	288,511	10,102
Sale of equipment	-	-	16,526	16,526
Transfers out	(7,050,000)	(7,389,070)	(7,389,070)	-
Total Other Financing Sources (Uses)	<u>(7,050,000)</u>	<u>(7,110,661)</u>	<u>(7,084,033)</u>	<u>26,628</u>
Excess of Revenues and Other Financing Sources (Under) Over Expenditures and Other Financing Uses	(4,212,143)	(4,603,541)	1,391,531	5,995,072
FUND BALANCE, SEPTEMBER 30, 2018	33,034,992	33,034,992	33,034,992	-
Equity transfer	-	-	(1,022,087)	(1,022,087)
FUND BALANCE, SEPTEMBER 30, 2019	<u>\$ 28,822,849</u>	<u>\$ 28,431,451</u>	<u>\$ 33,404,436</u>	<u>\$ 4,972,985</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, 2019

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Property Taxes:				
Taxes - current	\$ 4,899,597	\$ 4,899,597	\$ 4,902,420	\$ 2,823
Taxes - delinquent	53,000	53,000	62,984	9,984
Total Property Taxes	4,952,597	4,952,597	4,965,404	12,807
Fees of Office:				
Auto registration	2,560,000	2,560,000	2,648,080	88,080
Other fees	143,500	143,500	216,926	73,426
Total Fees of Office	2,703,500	2,703,500	2,865,006	161,506
Fines:				
Justices of the Peace	748,500	748,500	855,728	107,228
Total Fines	748,500	748,500	855,728	107,228
Other Revenues and Fees:				
Interest	60,000	60,000	194,393	134,393
Other revenue	7,800	7,800	17,001	9,201
Total Other Revenues and Fees	67,800	67,800	211,394	143,594
Total Revenues	8,472,397	8,472,397	8,897,532	425,135
EXPENDITURES				
Infrastructure and Environmental Services:				
Administrative	640,268	617,568	600,792	16,776
Labor Division	6,690,703	6,593,303	5,956,173	637,130
Equipment Division	1,550,945	1,655,684	1,526,590	129,094
Total Infrastructure and Environmental Services	8,881,916	8,866,555	8,083,555	783,000
Capital Outlay:				
Improvements	1,700,000	1,841,148	1,760,683	80,465
Equipment	160,000	453,787	443,510	10,277
Total Capital Outlay	1,860,000	2,294,935	2,204,193	90,742
Debt Service:				
Principal payments	1,189,514	1,189,514	1,189,515	(1)
Interest and fiscal charges	86,915	86,915	86,915	-
Total Debt Service	1,276,429	1,276,429	1,276,430	(1)
Total Expenditures	12,018,345	12,437,919	11,564,178	873,741
Excess of Revenues Over (Under) Expenditures	(3,545,948)	(3,965,522)	(2,666,646)	1,298,876
OTHER FINANCING SOURCES				
Insurance proceeds	-	5,042	5,042	-
Sale of equipment	-	-	7,684	7,684
Transfers in	2,000,000	2,321,484	2,321,484	-
Total Other Financing Sources	2,000,000	2,326,526	2,334,210	7,684
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(1,545,948)	(1,638,996)	(332,436)	1,306,560
FUND BALANCE, SEPTEMBER 30, 2017	4,807,485	4,807,485	4,807,485	-
FUND BALANCE, SEPTEMBER 30, 2018	\$ 3,261,537	\$ 3,168,489	\$ 4,475,049	\$ 1,306,560

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, 2019

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

Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2010	\$ 3,349,081	\$ 3,349,081	\$ -	\$ 34,779,495	9.63%
2011	2,334,372	2,334,372	-	34,806,065	6.71%
2012	1,998,059	1,998,059	-	33,252,666	6.01%
2013	2,172,173	2,172,173	-	33,635,881	6.46%
2014	2,774,644	2,774,919	(275)	34,926,585	7.95%
2015	3,569,819	3,569,819	-	36,240,209	9.85%
2016	3,871,232	3,871,232	-	38,015,395	10.18%
2017	4,192,173	4,192,173	-	39,635,274	10.58%
2018	4,495,650	4,495,832	(182)	40,669,317	11.05%
2019	4,743,047	4,743,047	-	42,518,447	11.16%

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	12.8 years (based on contribution rate calculated in 12/31/2018 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.90% average over career, including inflation
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Tables for males and 110% of the RP-2014 Healthy Annuitant Mortality Tables for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality, and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule	2015: Employer contributions reflect that the current service matching rate was increased to 175% for future benefits. 2016: No changes in plan provisions were reflected in the Schedule. 2017: Employer contributions reflect that the current service matching rate was increased to 200% for future benefits. Also, new Annuity Purchase Rates were reflected for benefits earned after 2017.

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS
HEALTH PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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

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%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

**SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
SUPPLEMENTAL DEATH BENEFITS PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

NOTES TO SCHEDULE

The 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)	4.10% 20 Year Bond GO Index published by bondbuyer.com as of December 27, 2018.
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, 2019

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, 2019

	SPECIAL REVENUE FUNDS							
	DISTRICT CLERK TITLE IV-D	COUNTY LAW LIBRARY	COUNTY CLERK RECORDS PRESERVATION	DISTRICT CLERK RECORDS PRESERVATION	JUVENILE DELINQUENCY PREVENTION	COURTHOUSE SECURITY	DISTRICT ATTORNEY	COURT IMPROVEMENT
ASSETS								
Cash	\$ 44,324	\$ 77,396	\$ 4,875,979	\$ 161,069	\$ 4,293	\$ 825,759	\$ 20,443	\$ 26,121
Investments	-	160,584	2,333,988	-	-	-	-	-
Taxes receivable-delinquent, net	-	-	-	-	-	-	-	-
Accounts receivable	314	6,555	22,678	794	7	3,357	1,409	4,281
Prepaid and other assets	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 44,638	\$ 244,535	\$ 7,232,645	\$ 161,863	\$ 4,300	\$ 829,116	\$ 21,852	\$ 30,402
LIABILITIES								
Vouchers payable	\$ -	\$ 8,275	63,962	\$ -	\$ -	\$ 50,616	\$ 1,185	\$ 900
Salaries payable	-	3,476	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	22,000
Total Liabilities	-	11,751	63,962	-	-	50,616	1,185	22,900
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-property taxes	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCE								
Nonspendable:								
Prepays	-	-	-	-	-	-	-	-
Restricted for:								
District clerk	44,638	-	-	-	-	-	-	-
County law library	-	232,784	-	-	-	-	-	-
Records preservation	-	-	7,168,683	161,863	-	-	-	-
Juvenile delinquency prevention	-	-	-	-	4,300	-	-	-
Courthouse security	-	-	-	-	-	778,500	-	-
Law enforcement purposes	-	-	-	-	-	-	20,667	-
Drug court program	-	-	-	-	-	-	-	7,502
Adult probation	-	-	-	-	-	-	-	-
Juvenile services	-	-	-	-	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
Tobacco law enforcement	-	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-	-
Law enforcement training	-	-	-	-	-	-	-	-
County judge training	-	-	-	-	-	-	-	-
Voting machines	-	-	-	-	-	-	-	-
Voter registration services	-	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Committed to:								
Community policing contracted services	-	-	-	-	-	-	-	-
Juvenile services	-	-	-	-	-	-	-	-
Workforce development	-	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Total fund balance	44,638	232,784	7,168,683	161,863	4,300	778,500	20,667	7,502
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 44,638	\$ 244,535	\$ 7,232,645	\$ 161,863	\$ 4,300	\$ 829,116	\$ 21,852	\$ 30,402

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	SPECIAL REVENUE FUNDS						
	LOCAL LAW ENFORCEMENT GRANTS	DISTRICT ATTORNEY DRUG FORFEITURE	DPS SEIZURES	DRUG FORFEITURE	LOCAL LAW ENFORCEMENT SEIZURES	DISTRICT ADULT PROBATION	EAST TEXAS AUTO CRUSHERS
ASSETS							
Cash	\$ -	\$ 239,520	\$ 43,096	\$ 105,822	\$ 338,727	\$ 990,751	\$ 58,910
Investments	-	-	-	-	-	1,696,699	-
Taxes receivable-delinquent, net	-	-	-	-	-	-	-
Accounts receivable	37,500	1,291	-	-	-	19,408	125,082
Prepaid and other assets	-	-	-	-	-	2,886	2,813
TOTAL ASSETS	\$ 37,500	\$ 240,811	\$ 43,096	\$ 105,822	\$ 338,727	\$ 2,709,744	\$ 186,805
LIABILITIES							
Vouchers payable	37,500	\$ -	\$ -	\$ 6,644	\$ -	\$ 35,287	\$ 16,464
Salaries payable	-	-	-	-	-	123,070	3,640
Due to other funds	-	-	-	-	-	-	150,000
Total Liabilities	37,500	-	-	6,644	-	158,357	170,104
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCE							
Nonspendable:							
Prepays	-	-	-	-	-	2,886	2,813
Restricted for:							
District clerk	-	-	-	-	-	-	-
County law library	-	-	-	-	-	-	-
Records preservation	-	-	-	-	-	-	-
Juvenile delinquency prevention	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-
Law enforcement purposes	-	240,811	43,096	99,178	338,727	-	13,888
Drug court program	-	-	-	-	-	-	-
Adult probation	-	-	-	-	-	2,548,501	-
Juvenile services	-	-	-	-	-	-	-
Mental health	-	-	-	-	-	-	-
Tobacco law enforcement	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-
Law enforcement training	-	-	-	-	-	-	-
County judge training	-	-	-	-	-	-	-
Voting machines	-	-	-	-	-	-	-
Voter registration services	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Committed to:							
Community policing contracted services	-	-	-	-	-	-	-
Juvenile services	-	-	-	-	-	-	-
Workforce development	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Total fund balance	-	240,811	43,096	99,178	338,727	2,551,387	16,701
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 37,500	\$ 240,811	\$ 43,096	\$ 105,822	\$ 338,727	\$ 2,709,744	\$ 186,805

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	SPECIAL REVENUE FUNDS							
	JUVENILE GENERAL	TEXAS JUVENILE JUSTICE DEPARTMENT	CRIME VICTIM'S SERVICES	STEP TOBACCO GRANT	SHERIFF DEA TASK FORCE	JUSTICE COURT TECHNOLOGY FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND	JUVENILE JUSTICE ALTERNATIVE EDUCATION
ASSETS								
Cash	\$ 674,471	\$ 323,222	\$ 119,564	\$ 15,075	\$ 102,737	\$ 209,822	\$ 10,063	\$ 48,901
Investments	233,663	62,728	-	-	-	136,902	-	25
Taxes receivable-delinquent, net	-	-	-	-	-	-	-	-
Accounts receivable	40,477	-	102	-	-	993	417	-
Prepaid and other assets	1,804	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 950,415	\$ 385,950	\$ 119,666	\$ 15,075	\$ 102,737	\$ 347,717	\$ 10,480	\$ 48,926
LIABILITIES								
Vouchers payable	\$ 108,539	\$ 31,898	\$ 591	\$ -	\$ 285	\$ 11,851	\$ -	\$ -
Salaries payable	152,429	34,992	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total Liabilities	260,968	66,890	591	-	285	11,851	-	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-property taxes	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCE								
Nonspendable:								
Prepays	1,804	-	-	-	-	-	-	-
Restricted for:								
District clerk	-	-	-	-	-	-	-	-
County law library	-	-	-	-	-	-	-	-
Records preservation	-	-	-	-	-	-	-	-
Juvenile delinquency prevention	-	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-	-
Law enforcement purposes	-	-	119,075	-	102,452	-	-	-
Drug court program	-	-	-	-	-	-	-	-
Adult probation	-	-	-	-	-	-	-	-
Juvenile services	-	319,060	-	-	-	-	-	48,926
Mental health	-	-	-	-	-	-	-	-
Tobacco law enforcement	-	-	-	15,075	-	-	-	-
Technology	-	-	-	-	-	335,866	10,480	-
Law enforcement training	-	-	-	-	-	-	-	-
County judge training	-	-	-	-	-	-	-	-
Voting machines	-	-	-	-	-	-	-	-
Voter registration services	-	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Committed to:								
Community policing contracted services	-	-	-	-	-	-	-	-
Juvenile services	687,643	-	-	-	-	-	-	-
Workforce development	-	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Total fund balance	689,447	319,060	119,075	15,075	102,452	335,866	10,480	48,926
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 950,415	\$ 385,950	\$ 119,666	\$ 15,075	\$ 102,737	\$ 347,717	\$ 10,480	\$ 48,926

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

SPECIAL REVENUE FUNDS							
	BODY WORN CAMERA PROGRAM	LEOSE FUND	JUDICIAL EDUCATION	COMMUNITY POLICING	HOMELAND SECURITY	DA CRIME PREVENTION	FORFEITURE INTEREST 10%
ASSETS							
Cash	\$ 471	\$ 26,392	\$ 12,245	\$ 44,984	\$ 12,698	\$ 5,829	\$ 289,478
Investments	-	-	-	-	-	-	-
Taxes receivable-delinquent, net	-	-	-	-	-	-	-
Accounts receivable	-	-	106	-	-	-	486
Prepaid and other assets	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 471	\$ 26,392	\$ 12,351	\$ 44,984	\$ 12,698	\$ 5,829	\$ 289,964
LIABILITIES							
Vouchers payable	-	\$ 2,412	-	-	-	-	-
Salaries payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total Liabilities	-	2,412	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCE							
Nonspendable:							
Prepays	-	-	-	-	-	-	-
Restricted for:							
District clerk	-	-	-	-	-	-	-
County law library	-	-	-	-	-	-	-
Records preservation	-	-	-	-	-	-	-
Juvenile delinquency prevention	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-
Law enforcement purposes	471	-	-	-	12,698	5,829	289,964
Drug court program	-	-	-	-	-	-	-
Adult probation	-	-	-	-	-	-	-
Juvenile services	-	-	-	-	-	-	-
Mental health	-	-	-	-	-	-	-
Tobacco law enforcement	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-
Law enforcement training	-	23,980	-	-	-	-	-
County judge training	-	-	12,351	-	-	-	-
Voting machines	-	-	-	-	-	-	-
Voter registration services	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Committed to:							
Community policing contracted services	-	-	-	44,984	-	-	-
Juvenile services	-	-	-	-	-	-	-
Workforce development	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Total fund balance	471	23,980	12,351	44,984	12,698	5,829	289,964
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 471	\$ 26,392	\$ 12,351	\$ 44,984	\$ 12,698	\$ 5,829	\$ 289,964

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

SPECIAL REVENUE FUNDS								
	WORKFORCE INVESTMENT	JAC MAINTENANCE	ELECTIONS VOTING MACHINE REPLACEMENT	ELECTION SERVICES CONTRACT	CHAPTER 19 VOTER REGISTRATION	DA FEDERAL ASSETS	COMMISSARY FUND	CAPITAL IMPROVEMENTS GRANTS
ASSETS								
Cash	\$ 8,418	\$ 164,046	\$ 7,557	\$ 47,179	\$ 37,913	\$ 95,426	\$ 353,703	\$ -
Investments	184,635	897,930	-	-	-	-	11,039	-
Taxes receivable-delinquent, net	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	3,828	-	-	88,986	67,198
Prepaid and other assets	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 193,053	\$ 1,061,976	\$ 7,557	\$ 51,007	\$ 37,913	\$ 95,426	\$ 453,728	\$ 67,198
LIABILITIES								
Vouchers payable	\$ 790	\$ -	\$ -	\$ -	\$ -	\$ 49,769	\$ 23,694	\$ 67,198
Salaries payable	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	31,000	-	-	-
Total Liabilities	790	-	-	-	31,000	49,769	23,694	67,198
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-property taxes	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCE								
Nonspendable:								
Prepays	-	-	-	-	-	-	-	-
Restricted for:								
District clerk	-	-	-	-	-	-	-	-
County law library	-	-	-	-	-	-	-	-
Records preservation	-	-	-	-	-	-	-	-
Juvenile delinquency prevention	-	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-	-
Law enforcement purposes	-	-	-	-	-	45,657	-	-
Drug court program	-	-	-	-	-	-	-	-
Adult probation	-	-	-	-	-	-	-	-
Juvenile services	-	-	-	-	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
Tobacco law enforcement	-	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-	-
Law enforcement training	-	-	-	-	-	-	-	-
County judge training	-	-	-	-	-	-	-	-
Voting machines	-	-	7,557	-	-	-	-	-
Voter registration services	-	-	-	-	6,913	-	-	-
Inmates	-	-	-	-	-	-	430,034	-
Capital projects	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Committed to:								
Community policing contracted services	-	-	-	-	-	-	-	-
Juvenile services	-	-	-	-	-	-	-	-
Workforce development	192,263	-	-	-	-	-	-	-
Major building repairs	-	1,061,976	-	-	-	-	-	-
Elections department	-	-	-	51,007	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Total fund balance	192,263	1,061,976	7,557	51,007	6,913	45,657	430,034	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 193,053	\$ 1,061,976	\$ 7,557	\$ 51,007	\$ 37,913	\$ 95,426	\$ 453,728	\$ 67,198

SMITH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS		DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TRANSPORTATION GRANTS	OTHER GRANTS	TOTAL	FACILITY IMPROVEMENT	INFRASTRUCTURE IMPROVEMENT SERIES 2018	DEBT SERVICE FUND	
ASSETS							
Cash	\$ 18,748	25,849	\$ 10,467,001	\$ 3,499,154	\$ 1,635,199	\$ 360,829	\$ 15,962,183
Investments	-	-	5,718,193	105,765	-	1,495,072	7,319,030
Taxes receivable-delinquent, net	-	-	-	87,817	-	342,064	429,881
Accounts receivable	31,431	-	456,700	3,544	-	12,750	472,994
Prepaid and other assets	-	-	7,503	-	-	-	7,503
TOTAL ASSETS	\$ 50,179	\$ 25,849	\$ 16,649,397	\$ 3,696,280	\$ 1,635,199	\$ 2,210,715	\$ 24,191,591
LIABILITIES							
Vouchers payable	\$ 16,179	-	\$ 534,039	\$ 426,010	\$ 101,157	\$ -	\$ 1,061,206
Salaries payable	-	-	317,607	-	-	-	317,607
Due to other funds	34,000	-	237,000	-	-	-	237,000
Total Liabilities	50,179	-	1,088,646	426,010	101,157	-	1,615,813
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	76,763	-	327,437	404,200
Total Deferred Inflows of Resources	-	-	-	76,763	-	327,437	404,200
FUND BALANCE							
Nonspendable:							
Prepays	-	-	7,503	-	-	-	7,503
Restricted for:							
District clerk	-	-	44,638	-	-	-	44,638
County law library	-	-	232,784	-	-	-	232,784
Records preservation	-	-	7,330,546	-	-	-	7,330,546
Juvenile delinquency prevention	-	-	4,300	-	-	-	4,300
Courthouse security	-	-	778,500	-	-	-	778,500
Law enforcement purposes	-	-	1,332,513	-	-	-	1,332,513
Drug court program	-	-	7,502	-	-	-	7,502
Adult probation	-	-	2,548,501	-	-	-	2,548,501
Juvenile services	-	-	367,986	-	-	-	367,986
Mental health	-	25,849	25,849	-	-	-	25,849
Tobacco law enforcement	-	-	15,075	-	-	-	15,075
Technology	-	-	346,346	-	-	-	346,346
Law enforcement training	-	-	23,980	-	-	-	23,980
County judge training	-	-	12,351	-	-	-	12,351
Voting machines	-	-	7,557	-	-	-	7,557
Voter registration services	-	-	6,913	-	-	-	6,913
Inmates	-	-	430,034	-	-	-	430,034
Capital projects	-	-	-	-	1,534,042	-	1,534,042
Debt service	-	-	-	-	-	1,883,278	1,883,278
Committed to:							
Community policing contracted services	-	-	44,984	-	-	-	44,984
Juvenile services	-	-	687,643	-	-	-	687,643
Workforce development	-	-	192,263	-	-	-	192,263
Major building repairs	-	-	1,061,976	-	-	-	1,061,976
Elections department	-	-	51,007	-	-	-	51,007
Capital projects	-	-	-	3,193,507	-	-	3,193,507
Total fund balance	-	25,849	15,560,751	3,193,507	1,534,042	1,883,278	22,171,578
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 50,179	\$ 25,849	\$ 16,649,397	\$ 3,696,280	\$ 1,635,199	\$ 2,210,715	24,191,591

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	SPECIAL REVENUE FUNDS							
	DISTRICT CLERK TITLE IV-D	COUNTY LAW LIBRARY	COUNTY CLERK RECORDS PRESERVATION	DISTRICT CLERK RECORDS PRESERVATION	JUVENILE DELINQUENCY PREVENTION	COURTHOUSE SECURITY	DISTRICT ATTORNEY	COURT IMPROVEMENT
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	190,095	944,893	18,414	13	123,219	12,087	-
Intergovernmental revenues	1,541	-	-	-	-	-	23,005	59,015
Other revenues and fees	1,081	5,680	171,958	3,834	106	19,626	24,217	1,647
Total Revenues	2,622	195,775	1,116,851	22,248	119	142,845	59,309	60,662
EXPENDITURES								
General government	-	-	819,575	3,759	-	-	-	-
Justice system	-	170,373	-	-	-	-	62,092	53,375
Public safety	-	-	-	-	-	99,651	-	-
Corrections and rehabilitation	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-	-
Total Expenditures	-	170,373	819,575	3,759	-	99,651	62,092	53,375
Excess of Revenue Over (Under) Expenditures	2,622	25,402	297,276	18,489	119	43,194	(2,783)	7,287
OTHER FINANCING SOURCES (USES)								
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	2,622	25,402	297,276	18,489	119	43,194	(2,783)	7,287
FUND BALANCE, SEPTEMBER 30, 2018	42,016	207,382	6,871,407	143,374	4,181	735,306	23,450	215
Equity Transfers	-	-	-	-	-	-	-	-
FUND BALANCE, SEPTEMBER 30, 2019	\$ 44,638	\$ 232,784	\$ 7,168,683	\$ 161,863	\$ 4,300	\$ 778,500	\$ 20,667	\$ 7,502

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	SPECIAL REVENUE FUNDS						
	LOCAL LAW ENFORCEMENT GRANTS	DISTRICT ATTORNEY DRUG FORFEITURE	DPS SEIZURES	DRUG FORFEITURE	LOCAL LAW ENFORCEMENT SEIZURES	DISTRICT ADULT PROBATION	EAST TEXAS AUTO CRUSHERS
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	-	-	-	3,271,937	-
Intergovernmental revenues	37,500	-	-	-	-	742,020	460,539
Other revenues and fees	-	80,211	1,782	99,966	291,635	185,411	11,199
Total Revenues	37,500	80,211	1,782	99,966	291,635	4,199,368	471,738
EXPENDITURES							
General government	-	-	-	-	-	-	-
Justice system	-	-	-	-	-	-	-
Public safety	-	27,371	151,635	57,173	75,292	-	509,952
Corrections and rehabilitation	-	-	-	-	-	4,001,404	-
Health and human services	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Capital outlay	37,500	-	-	97,302	-	29,160	-
Debt Service-principal retirement	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	37,500	27,371	151,635	154,475	75,292	4,030,564	509,952
Excess of Revenue Over (Under) Expenditures	-	52,840	(149,853)	(54,509)	216,343	168,804	(38,214)
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	52,708
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	52,708
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	52,840	(149,853)	(54,509)	216,343	168,804	14,494
FUND BALANCE, SEPTEMBER 30, 2018	-	187,971	192,949	153,687	122,384	2,382,583	2,207
Equity Transfers	-	-	-	-	-	-	-
FUND BALANCE, SEPTEMBER 30, 2019	\$ -	\$ 240,811	\$ 43,096	\$ 99,178	\$ 338,727	\$ 2,551,387	\$ 16,701

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	SPECIAL REVENUE FUNDS							
	JUVENILE GENERAL	TEXAS JUVENILE JUSTICE DEPARTMENT	CRIME VICTIM'S SERVICES	STEP TOBACCO GRANT	SHERIFF DEA TASK FORCE	JUSTICE COURT TECHNOLOGY FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND	JUVENILE JUSTICE ALTERNATIVE EDUCATION
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	16,813	-	-	-	-	41,876	-	-
Intergovernmental revenues	-	1,466,219	-	-	6,558	-	-	-
Other revenues and fees	322,432	7,614	12,298	373	3,976	8,001	10,544	1,211
Total Revenues	339,245	1,473,833	12,298	373	10,534	49,877	10,544	1,211
EXPENDITURES								
General government	-	-	-	-	-	-	54,488	-
Justice system	4,961,645	-	2,921	-	-	22,006	-	-
Public safety	-	-	-	-	23,490	-	-	-
Corrections and rehabilitation	-	1,457,048	-	-	-	-	-	-
Health and human services	-	23,258	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Capital outlay	16,766	-	-	-	34,625	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-	-
Total Expenditures	4,978,411	1,480,306	2,921	-	58,115	22,006	54,488	-
Excess of Revenue Over (Under) Expenditures	(4,639,166)	(6,473)	9,377	373	(47,581)	27,871	(43,944)	1,211
OTHER FINANCING SOURCES (USES)								
Sale of capital assets	-	-	-	-	16,535	-	-	-
Insurance proceeds	-	-	-	-	31,587	-	-	-
Transfers in	4,517,586	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	4,517,586	-	-	-	48,122	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(121,580)	(6,473)	9,377	373	541	27,871	(43,944)	1,211
FUND BALANCE, SEPTEMBER 30, 2018	-	325,533	109,698	14,702	101,911	307,995	54,424	47,715
Equity Transfers	811,027	-	-	-	-	-	-	-
FUND BALANCE, SEPTEMBER 30, 2019	\$ 689,447	\$ 319,060	\$ 119,075	\$ 15,075	\$ 102,452	\$ 335,866	\$ 10,480	\$ 48,926

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

SPECIAL REVENUE FUNDS							
	BODY WORN CAMERA PROGRAM	LEOSE FUND	JUDICIAL EDUCATION	COMMUNITY POLICING	HOMELAND SECURITY	DA CRIME PREVENTION	FORFEITURE INTEREST 10%
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	3,790	-	-	-	-
Other revenues and fees	-	28,618	283	1,116	308	144	16,812
Total Revenues	-	28,618	4,073	1,116	308	144	16,812
EXPENDITURES							
General government	-	-	-	-	-	-	-
Justice system	-	-	3,045	-	-	-	-
Public safety	-	35,548	-	-	-	-	-
Corrections and rehabilitation	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	19,000
Community and economic development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	-	35,548	3,045	-	-	-	19,000
Excess of Revenue Over (Under) Expenditures	-	(6,930)	1,028	1,116	308	144	(2,188)
OTHER FINANCING SOURCES (USES)							
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	-	(6,930)	1,028	1,116	308	144	(2,188)
FUND BALANCE, SEPTEMBER 30, 2018	471	30,910	11,323	43,868	12,390	5,685	292,152
Equity Transfers	-	-	-	-	-	-	-
FUND BALANCE, SEPTEMBER 30, 2019	\$ 471	\$ 23,980	\$ 12,351	\$ 44,984	\$ 12,698	\$ 5,829	\$ 289,964

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

SPECIAL REVENUE FUNDS								
	WORKFORCE INVESTMENT	JAC MAINTENANCE	ELECTIONS VOTING MACHINE REPLACEMENT	ELECTION SERVICES CONTRACT	CHAPTER 19 VOTER REGISTRATION	DA FEDERAL ASSETS	COMMISSARY FUND	CAPITAL IMPROVEMENTS GRANTS
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	-	12,537	-	-	-	-
Intergovernmental revenues	-	-	-	-	3,850	39,139	-	374,482
Other revenues and fees	4,675	24,385	-	1,817	-	3,338	307,673	409,200
Total Revenues	4,675	24,385	-	14,354	3,850	42,477	307,673	783,682
EXPENDITURES								
General government	23,472	22,888	-	58,006	3,600	-	-	-
Justice system	-	-	-	-	-	83,058	318,469	-
Public safety	-	-	-	-	-	-	-	-
Corrections and rehabilitation	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	783,682
Capital outlay	-	19,956	-	-	-	44,580	127,544	-
Debt Service-principal retirement	-	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-	-
Total Expenditures	23,472	42,844	-	58,006	3,600	127,638	446,013	783,682
Excess of Revenue Over (Under) Expenditures	(18,797)	(18,459)	-	(43,652)	250	(85,161)	(138,340)	-
OTHER FINANCING SOURCES (USES)								
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	(18,797)	31,541	-	(43,652)	250	(85,161)	(138,340)	-
FUND BALANCE, SEPTEMBER 30, 2018	-	1,030,435	7,557	94,659	6,663	130,818	568,374	-
Equity Transfers	211,060	-	-	-	-	-	-	-
FUND BALANCE, SEPTEMBER 30, 2019	\$ 192,263	\$ 1,061,976	\$ 7,557	\$ 51,007	\$ 6,913	\$ 45,657	\$ 430,034	\$ -

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS		DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TRANSPORTATION GRANTS	OTHER GRANTS	TOTAL	FACILITY IMPROVEMENT	INFRASTRUCTURE IMPROVEMENT SERIES 2018	DEBT SERVICE FUND	
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ 1,686,216	\$ -	\$ 5,661,657	\$ 7,347,873
Fees of office	-	-	4,631,884	-	-	-	4,631,884
Intergovernmental revenues	154,715	3,750	3,376,123	-	-	-	3,376,123
Other revenues and fees	-	-	2,063,171	104,871	156,680	126,873	2,451,595
Total Revenues	154,715	3,750	10,071,178	1,791,087	156,680	5,788,530	17,807,475
EXPENDITURES							
General government	-	15,423	1,001,211	1,150,818	-	-	2,152,029
Justice system	-	-	5,676,984	-	-	-	5,676,984
Public safety	-	-	980,112	-	-	-	980,112
Corrections and rehabilitation	-	-	5,458,452	-	-	-	5,458,452
Health and human services	-	-	42,258	-	-	-	42,258
Community and economic development	154,715	-	938,397	-	-	-	938,397
Capital outlay	-	-	407,433	1,350,102	8,485,473	-	10,243,008
Debt Service-principal retirement	-	-	-	-	-	4,655,000	4,655,000
Debt Service-interest and fiscal charges	-	-	-	-	-	1,044,743	1,044,743
Total Expenditures	154,715	15,423	14,504,847	2,500,920	8,485,473	5,699,743	31,190,983
Excess of Revenue Over (Under) Expenditures	-	(11,673)	(4,433,669)	(709,833)	(8,328,793)	88,787	(13,383,508)
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	-	-	16,535	-	-	-	16,535
Insurance proceeds	-	-	84,295	-	-	-	84,295
Transfers in	-	-	4,567,586	550,000	-	-	5,117,586
Transfers out	-	-	-	(50,000)	-	-	(50,000)
Total Other Financing Sources (Uses)	-	-	4,668,416	500,000	-	-	5,168,416
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(11,673)	234,747	(209,833)	(8,328,793)	88,787	(8,215,092)
FUND BALANCE, SEPTEMBER 30, 2018	-	37,522	14,303,917	3,403,340	9,862,835	1,794,491	29,364,583
Equity Transfers	-	-	1,022,087	-	-	-	1,022,087
FUND BALANCE, SEPTEMBER 30, 2019	\$ -	\$ 25,849	\$ 15,560,751	\$ 3,193,507	\$ 1,534,042	\$ 1,883,278	\$ 22,171,578



**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, 2019

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fees of Office:			
Law library fees	\$ 171,500	\$ 190,095	\$ 18,595
Total Fees of Office	<u>171,500</u>	<u>190,095</u>	<u>18,595</u>
Other Revenues and Fees:			
Interest	<u>3,000</u>	<u>5,680</u>	<u>2,680</u>
Total Other Revenues and Fees	<u>3,000</u>	<u>5,680</u>	<u>2,680</u>
Total Revenues	<u>174,500</u>	<u>195,775</u>	<u>21,275</u>
EXPENDITURES			
Justice System:			
Salaries and benefits	97,218	94,725	2,493
Supplies	48,000	44,564	3,436
Operating expenses	1,610	797	813
Contract Agreements	19,000	18,366	634
Miscellaneous	<u>13,000</u>	<u>11,921</u>	<u>1,079</u>
Total Justice System	<u>178,828</u>	<u>170,373</u>	<u>8,455</u>
Total Expenditures	<u>178,828</u>	<u>170,373</u>	<u>8,455</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (4,328)</u>	25,402	<u>\$ 29,730</u>
FUND BALANCE SEPTEMBER 30, 2018		<u>207,382</u>	
FUND BALANCE SEPTEMBER 30, 2019		<u>\$ 232,784</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, 2019

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Record preservation fees	\$ 17,300	\$ 18,414	\$ 1,114
Total Fees of Office	17,300	18,414	1,114
Other Revenues and Fees:			
Interest	2,000	3,834	1,834
Total Other Revenues and Fees	2,000	3,834	1,834
Total Revenues	19,300	22,248	2,948
EXPENDITURES			
General Government:			
Contract Agreements	10,000	-	10,000
Total General Government	10,000	-	10,000
Capital Outlay:			
Equipment	50,000	3,759	46,241
Total Capital Outlay	50,000	3,759	46,241
Total Expenditures	60,000	3,759	56,241
Excess of Revenues Over (Under) Expenditures	<u>\$ (40,700)</u>	18,489	<u>\$ 59,189</u>
FUND BALANCE SEPTEMBER 30, 2018		<u>143,374</u>	
FUND BALANCE SEPTEMBER 30, 2019		<u>\$ 161,863</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, 2019

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Record preservation fees	\$ 1,145,000	944,893	\$ (200,107)
Total Fees of Office	<u>1,145,000</u>	<u>944,893</u>	<u>(200,107)</u>
Other Revenues and Fees:			
Interest	95,000	171,958	76,958
Total Other Revenues and Fees	<u>95,000</u>	<u>171,958</u>	<u>76,958</u>
Total Revenues	<u>1,240,000</u>	<u>1,116,851</u>	<u>(123,149)</u>
EXPENDITURES			
General Government:			
Salaries and benefits	23,870	744	23,126
Supplies	10,000	-	10,000
Miscellaneous	283,500	248,655	34,845
Imaging / rebinding	786,500	570,176	216,324
Total General Government	<u>1,103,870</u>	<u>819,575</u>	<u>284,295</u>
Capital Outlay:			
Equipment	300,000	-	300,000
Total Capital Outlay	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Total Expenditures	<u>1,403,870</u>	<u>819,575</u>	<u>584,295</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (163,870)</u>	297,276	<u>\$ 461,146</u>
FUND BALANCE SEPTEMBER 29, 2018		<u>6,871,407</u>	
FUND BALANCE SEPTEMBER 30, 2019		<u>\$ 7,168,683</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, 2019

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fees of Office:			
Juvenile Delinquency Prevention	\$ -	13	\$ 13
Total Fees of Office	<u>-</u>	<u>13</u>	<u>13</u>
Other Revenues and Fees:			
Interest	50	106	56
Total Other Revenues and Fees	<u>50</u>	<u>106</u>	<u>56</u>
Total Revenues	<u>50</u>	<u>119</u>	<u>69</u>
EXPENDITURES			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 50</u>	119	<u>\$ 69</u>
FUND BALANCE SEPTEMBER 30, 2018		<u>4,181</u>	
FUND BALANCE SEPTEMBER 30, 2019		<u>\$ 4,300</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, 2019

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Courthouse security	\$ 87,500	\$ 81,400	\$ (6,100)
Courthouse security - Precinct #1	43,000	41,819	(1,181)
Total Fees of Office	<u>130,500</u>	<u>123,219</u>	<u>(7,281)</u>
Other Revenues and Fees:			
Interest	10,000	19,626	9,626
Total Other Revenues and Fees	<u>10,000</u>	<u>19,626</u>	<u>9,626</u>
Total Revenues	<u>140,500</u>	<u>142,845</u>	<u>2,345</u>
EXPENDITURES			
Public Safety:			
Training	2,000	-	2,000
Miscellaneous	78,368	68,019	10,349
Total Public Safety	<u>80,368</u>	<u>68,019</u>	<u>12,349</u>
Capital Outlay:			
Courthouse Renovations	150,000	-	150,000
Equipment	31,632	31,632	-
Total Capital Outlay	<u>181,632</u>	<u>31,632</u>	<u>150,000</u>
Total Expenditures	<u>262,000</u>	<u>99,651</u>	<u>162,349</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (121,500)</u>	43,194	<u>\$ 164,694</u>
FUND BALANCE SEPTEMBER 30, 2018		<u>735,306</u>	
FUND BALANCE SEPTEMBER 30, 2019		<u>\$ 778,500</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, 2019

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Fees of Office:			
Justice Court technology	\$ 42,000	41,876	\$ (124)
Total Fees of Office	<u>42,000</u>	<u>41,876</u>	<u>(124)</u>
Other Revenues and Fees:			
Interest	3,500	8,001	4,501
Total Other Revenues and Fees	<u>3,500</u>	<u>8,001</u>	<u>4,501</u>
Total Revenues	<u>45,500</u>	<u>49,877</u>	<u>4,377</u>
EXPENDITURES			
Justice System:			
Operating expenses	50,000	22,006	27,994
Total Justice System	<u>50,000</u>	<u>22,006</u>	<u>27,994</u>
Total Expenditures	<u>50,000</u>	<u>22,006</u>	<u>27,994</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (4,500)</u>	27,871	<u>\$ 32,371</u>
FUND BALANCE SEPTEMBER 30, 2018		<u>307,995</u>	
FUND BALANCE SEPTEMBER 30, 2019		<u>\$ 335,866</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, 2019

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ 500	\$ 1,037	\$ 537
Other revenue	7,500	9,507	2,007
Total Other Revenues and Fees	<u>8,000</u>	<u>10,544</u>	<u>2,544</u>
Total Revenues	<u>8,000</u>	<u>10,544</u>	<u>2,544</u>
EXPENDITURES			
Capital Outlay:			
Miscellaneous equipment	5,000	-	5,000
Computer equipment	69,963	54,488	15,475
Total Capital Outlay	<u>74,963</u>	<u>54,488</u>	<u>20,475</u>
Total Expenditures	<u>74,963</u>	<u>54,488</u>	<u>20,475</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (66,963)</u>	(43,944)	<u>\$ 23,019</u>
FUND BALANCE SEPTEMBER 30, 2018		<u>54,424</u>	
FUND BALANCE SEPTEMBER 30, 2019		<u>\$ 10,480</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, 2019

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Supervision and other fees	\$ 16,900	\$ 16,813	\$ (87)
Total Fees of Office	16,900	16,813	(87)
Other Revenues and Fees:			
Prisoner care	50,000	292,674	242,674
Interest	18,000	24,821	6,821
Other revenue	5,800	4,937	(863)
Total Other Revenues and Fees	73,800	322,432	248,632
Total Revenues	90,700	339,245	248,545
EXPENDITURES			
Justice System:			
Salaries and benefits	4,471,085	4,309,620	161,465
Supplies	65,500	54,322	11,178
Operating expenses	150,550	133,617	16,933
Contract agreements	69,250	63,359	5,891
Placement	204,187	204,543	(356)
Miscellaneous	249,880	187,772	62,108
Total Justice System	5,210,452	4,953,233	257,219
Capital Outlay:			
Vehicles	17,586	16,841	745
Improvements	25,000	8,337	16,663
Total Capital Outlay	42,586	25,178	17,408
Total Expenditures	5,253,038	4,978,411	274,627
Excess of Revenues Over (Under) Expenditures	(5,162,338)	(4,639,166)	523,172
OTHER FINANCING SOURCES (USES)			
Transfers in	4,517,586	4,517,586	-
Total Other Financing Sources (Uses)	4,517,586	4,517,586	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (644,752)	(121,580)	\$ 523,172
FUND BALANCE SEPTEMBER 29, 2018		-	
Equity transfer		811,027	
FUND BALANCE SEPTEMBER 30, 2019		\$ 689,447	

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, 2019

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ 3,000	\$ 7,309	\$ 4,309
Other revenue	10,000	9,503	(497)
Total Other Revenues and Fees	<u>13,000</u>	<u>16,812</u>	<u>3,812</u>
Total Revenues	<u>13,000</u>	<u>16,812</u>	<u>3,812</u>
EXPENDITURES			
Health and Human Services:			
Operating expenses	<u>19,000</u>	<u>19,000</u>	<u>-</u>
Total Health and Human Services	<u>19,000</u>	<u>19,000</u>	<u>-</u>
Total Expenditures	<u>19,000</u>	<u>19,000</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (6,000)</u>	<u>(2,188)</u>	<u>\$ 3,812</u>
FUND BALANCE SEPTEMBER 30, 2018		<u>292,152</u>	
FUND BALANCE SEPTEMBER 30, 2019		<u>\$ 289,964</u>	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - WORKFORCE INVESTMENT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ 2,000	4,675	\$ 2,675
Total Revenues	<u>2,000</u>	<u>4,675</u>	<u>2,675</u>
EXPENDITURES			
General Government:			
Travel and training	15,000	-	15,000
Operating expenses	<u>30,000</u>	<u>23,472</u>	<u>6,528</u>
Total General Government	<u>45,000</u>	<u>23,472</u>	<u>21,528</u>
Total Expenditures	<u>45,000</u>	<u>23,472</u>	<u>21,528</u>
Excess of Revenues Over (Under) Expenditures	<u>(43,000)</u>	<u>(18,797)</u>	<u>24,203</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (43,000)</u>	<u>(18,797)</u>	<u>\$ 24,203</u>
FUND BALANCE SEPTEMBER 29, 2018		-	
Equity transfer		<u>211,060</u>	
FUND BALANCE SEPTEMBER 30, 2019		<u>\$ 192,263</u>	

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - JAC MAINTENANCE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Other Revenues and Fees:			
Interest	\$ 12,000	\$ 24,385	\$ 12,385
Total Other Revenues and Fees	<u>12,000</u>	<u>24,385</u>	<u>12,385</u>
Total Revenues	<u>12,000</u>	<u>24,385</u>	<u>12,385</u>
EXPENDITURES			
General Government:			
Equipment	<u>50,000</u>	<u>42,844</u>	<u>7,156</u>
Total General Government	<u>50,000</u>	<u>42,844</u>	<u>7,156</u>
Total Expenditures	<u>50,000</u>	<u>42,844</u>	<u>7,156</u>
Excess of Revenues Over (Under) Expenditures	(38,000)	(18,459)	19,541
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>-</u>
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>\$ 12,000</u>	31,541	<u>\$ 19,541</u>
FUND BALANCE SEPTEMBER 30, 2018		<u>1,030,435</u>	
FUND BALANCE SEPTEMBER 30, 2019		<u>\$ 1,061,976</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, 2019

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Property Taxes:			
Taxes - current	\$ 1,664,491	1,665,453	\$ 962
Taxes - delinquent	20,000	20,763	763
Total Property Taxes	<u>1,684,491</u>	<u>1,686,216</u>	<u>1,725</u>
Other Revenues and Fees:			
Interest	40,000	104,871	64,871
Total Other Revenues and Fees	<u>40,000</u>	<u>104,871</u>	<u>64,871</u>
Total Revenues	<u>1,724,491</u>	<u>1,791,087</u>	<u>66,596</u>
EXPENDITURES			
General Government:			
Operating expenses	23,424	-	23,424
Professional fees	237,667	142,420	95,247
Total General Government	<u>261,091</u>	<u>142,420</u>	<u>118,671</u>
Capital Outlay:			
Jail renovations	575,000	323,558	251,442
Computer Equipment	1,259,705	1,226,705	33,000
Courthouse renovations	76,700	71,739	4,961
Improvements	863,300	736,498	126,802
Total Capital Outlay	<u>2,774,705</u>	<u>2,358,500</u>	<u>416,205</u>
Total Expenditures	<u>3,035,796</u>	<u>2,500,920</u>	<u>534,876</u>
Excess of Revenues Over (Under) Expenditures	(1,311,305)	(709,833)	601,472
OTHER FINANCING SOURCES (USES)			
Transfers in	550,000	550,000	-
Transfers out	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (811,305)</u>	<u>(209,833)</u>	<u>\$ 601,472</u>
FUND BALANCE SEPTEMBER 30, 2018		<u>3,403,340</u>	
FUND BALANCE SEPTEMBER 30, 2019		<u>\$ 3,193,507</u>	

SMITH COUNTY, TEXAS
CAPITAL PROJECTS FUND - INFRASTRUCTURE IMPROVEMENT FUND SERIES 2018
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Other Revenues and Fees:			
Interest	10,000	156,680	146,680
Total Other Revenues and Fees	<u>10,000</u>	<u>156,680</u>	<u>146,680</u>
Total Revenues	<u>10,000</u>	<u>156,680</u>	<u>146,680</u>
EXPENDITURES			
Capital Outlay:			
Special Road Projects	9,086,566	8,485,473	601,093
Total Capital Outlay	<u>9,086,566</u>	<u>8,485,473</u>	<u>601,093</u>
Total Expenditures	<u>9,086,566</u>	<u>8,485,473</u>	<u>601,093</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (9,076,566)</u>	(8,328,793)	<u>\$ 747,773</u>
FUND BALANCE SEPTEMBER 30, 2018		<u>9,862,835</u>	
FUND BALANCE SEPTEMBER 30, 2019		<u>\$ 1,534,042</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, 2019

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	\$ -	\$ 79,699	\$ 79,699
Total Other Revenues and Fees	-	79,699	79,699
Total Revenues	-	79,699	79,699
EXPENDITURES			
Capital Outlay:			
Special Road Projects	11,899,109	948,706	10,950,403
Total Capital Outlay	11,899,109	948,706	10,950,403
Debt Service:			
Bond issuance cost	100,891	104,587	(3,696)
Total Debt Service	100,891	104,587	(3,696)
Total Expenditures	12,000,000	1,053,293	10,946,707
Excess of Revenues Over (Under) Expenditures	(12,000,000)	(973,594)	11,026,406
OTHER FINANCING SOURCES (USES)			
Proceeds from Bonds	12,000,000	12,104,587	104,587
Total Other Financing Sources (Uses)	12,000,000	12,104,587	104,587
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	11,130,993	\$ 11,130,993
FUND BALANCE SEPTEMBER 30, 2018		-	
FUND BALANCE SEPTEMBER 30, 2019		\$ 11,130,993	

**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, 2019**

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Property Taxes:			
Taxes - current	\$ 5,586,128	\$ 5,585,929	\$ (199)
Taxes - delinquent	50,000	75,728	25,728
Total Property Taxes	<u>5,636,128</u>	<u>5,661,657</u>	<u>25,529</u>
Other Revenues and Fees:			
Interest	50,000	126,873	76,873
Total Other Revenues and Fees	<u>50,000</u>	<u>126,873</u>	<u>76,873</u>
Total Revenues	<u>5,686,128</u>	<u>5,788,530</u>	<u>102,402</u>
EXPENDITURES			
Debt Service:			
Principal	4,655,000	4,655,000	-
Interest	1,052,633	1,044,743	7,890
Total Debt Service	<u>5,707,633</u>	<u>5,699,743</u>	<u>7,890</u>
Total Expenditures	<u>5,707,633</u>	<u>5,699,743</u>	<u>7,890</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (21,505)</u>	88,787	<u>\$ 110,292</u>
FUND BALANCE SEPTEMBER 30, 2018		<u>1,794,491</u>	
FUND BALANCE SEPTEMBER 30, 2019		<u>\$ 1,883,278</u>	

INTERNAL SERVICE FUNDS

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2019

	Governmental Activities		
	Insurance Fund	Payroll Fund	Total
ASSETS			
Current Assets:			
Cash	\$ 3,166,272	\$ 116,511	\$ 3,282,783
Investments	612	-	612
Accounts receivable	950,899	625	951,524
Prepays	114,570	-	114,570
Total Current Assets	4,232,353	117,136	4,349,489
LIABILITIES			
Current Liabilities:			
Vouchers payable	713,438	43,531	756,969
Total Current Liabilities	713,438	43,531	756,969
NET POSITION			
Unrestricted	3,518,915	73,605	3,592,520
Total Net Position	\$ 3,518,915	\$ 73,605	\$ 3,592,520

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	<u>Governmental Activities</u>		
	<u>Insurance Fund</u>	<u>Payroll Fund</u>	<u>Total</u>
OPERATING REVENUES			
Premiums and reimbursements	\$ 11,339,969	\$ -	\$ 11,339,969
Total Operating Revenues	11,339,969	-	11,339,969
OPERATING EXPENSES			
Insurance claims and administrative fees	8,511,839	-	8,511,839
Total Operating Expenses	8,511,839	-	8,511,839
Operating income (loss)	2,828,130	-	2,828,130
NON-OPERATING REVENUES			
Interest income and other	67,317	4,395	71,712
Change in net position	2,895,447	4,395	2,899,842
NET POSITION - SEPTEMBER 30, 2018	623,468	69,210	692,678
NET POSITION - SEPTEMBER 30, 2019	<u>\$ 3,518,915</u>	<u>\$ 73,605</u>	<u>\$ 3,592,520</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	<u>Governmental Activities</u>		
	<u>Insurance Fund</u>	<u>Payroll Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received for premiums and payroll	\$ 11,536,780	\$ 58,694,388	\$ 70,231,168
Cash paid to customers and employees	(8,663,340)	(58,706,168)	(67,369,508)
Other operating revenues	(114,570)	-	(114,570)
Net cash provided by (used in) operating activities	<u>2,758,870</u>	<u>(11,780)</u>	<u>2,747,090</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	<u>67,317</u>	<u>4,395</u>	<u>71,712</u>
Net cash provided by investing activities	<u>67,317</u>	<u>4,395</u>	<u>71,712</u>
Net increase (decrease) in cash	2,826,187	(7,385)	2,818,802
Cash at beginning of year	<u>340,085</u>	<u>123,896</u>	<u>463,981</u>
CASH AT END OF YEAR	<u>\$ 3,166,272</u>	<u>\$ 116,511</u>	<u>\$ 3,282,783</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 2,828,130	\$ -	\$ 2,828,130
Adjustment to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in accounts receivable	196,811	(625)	196,186
(Increase) decrease in prepaids	(114,570)	-	(114,570)
Increase (decrease) in vouchers payable	(151,501)	(11,155)	(162,656)
Net cash provided by (used in) operating activities	<u>\$ 2,758,870</u>	<u>\$ (11,780)</u>	<u>\$ 2,747,090</u>

FIDUCIARY FUNDS

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
SEPTEMBER 30, 2019

	<u>Trust & Agency Fund</u>	<u>Evidence Fund</u>	<u>ACH Clearing Fund</u>	<u>Local Provider Fund</u>	<u>Tax Office Fee Account</u>	<u>District Clerk Fee Account</u>	<u>County Clerk Fee Account</u>
Assets							
Cash	\$ 999,959	\$ 5,966	\$ 2,542	\$ 22,341,103	\$ 2,907,524	\$ 1,491,291	\$ 3,987,796
Investments	-	-	207,600	-	-	1,505,798	1,422,514
Accounts receivable	80,634	-	-	5,203,440	-	-	-
Total assets	<u>\$ 1,080,593</u>	<u>\$ 5,966</u>	<u>\$ 210,142</u>	<u>\$ 27,544,543</u>	<u>\$ 2,907,524</u>	<u>\$ 2,997,089</u>	<u>\$ 5,410,310</u>
Liabilities							
Vouchers payable	\$ 608,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	472,386	-	-	-	-	-	-
Other liabilities	-	5,966	210,142	27,544,543	2,907,524	2,997,089	5,410,310
Total liabilities	<u>\$ 1,080,593</u>	<u>\$ 5,966</u>	<u>\$ 210,142</u>	<u>\$ 27,544,543</u>	<u>\$ 2,907,524</u>	<u>\$ 2,997,089</u>	<u>\$ 5,410,310</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
SEPTEMBER 30, 2019

	<u>Sheriff Fee Account</u>	<u>Justices of the Peace Fee Account</u>	<u>Adult Probation Fee Account</u>	<u>Juvenile Probation Fee Account</u>	<u>District Attorney Fee Account</u>	<u>Total Agency Funds</u>
Assets						
Cash	\$ 199,020	\$ -	\$ 54,338	\$ 15	\$ 13	\$ 31,989,567
Investments	-	-	-	-	-	3,135,912
Accounts receivable	-	5,964	-	-	-	5,290,038
Total assets	<u>\$ 199,020</u>	<u>\$ 5,964</u>	<u>\$ 54,338</u>	<u>\$ 15</u>	<u>\$ 13</u>	<u>\$ 40,415,517</u>
Liabilities						
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 608,207
Due to other governments	-	-	-	-	-	472,386
Other liabilities	199,020	5,964	54,338	15	13	39,334,924
Total liabilities	<u>\$ 199,020</u>	<u>\$ 5,964</u>	<u>\$ 54,338</u>	<u>\$ 15</u>	<u>\$ 13</u>	<u>\$ 40,415,517</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	September 30, 2018	Additions	Deductions	September 30, 2019
Trust & Agency Fund				
Assets				
Cash	\$ 981,846	\$ 2,630,663	\$ 2,612,550	\$ 999,959
Accounts receivable	93,905	80,634	93,905	80,634
Total assets	<u>\$ 1,075,751</u>	<u>\$ 2,711,297</u>	<u>\$ 2,706,455</u>	<u>\$ 1,080,593</u>
Liabilities				
Vouchers payable	\$ 622,642	\$ 955,594	\$ 970,029	\$ 608,207
Due to other governments	453,109	1,755,703	1,736,426	472,386
Total liabilities	<u>\$ 1,075,751</u>	<u>\$ 2,711,297</u>	<u>\$ 2,706,455</u>	<u>\$ 1,080,593</u>
Evidence Fund				
Assets				
Cash	\$ 5,818	\$ 148	\$ -	\$ 5,966
Total assets	<u>\$ 5,818</u>	<u>\$ 148</u>	<u>\$ -</u>	<u>\$ 5,966</u>
Liabilities				
Other liabilities	\$ 5,818	\$ 148	\$ -	\$ 5,966
Total liabilities	<u>\$ 5,818</u>	<u>\$ 148</u>	<u>\$ -</u>	<u>\$ 5,966</u>
ACH Clearing Fund				
Assets				
Cash	\$ 2,425	\$ 1,920,763	\$ 1,920,646	\$ 2,542
Investments	-	207,600	-	207,600
Total assets	<u>\$ 2,425</u>	<u>\$ 2,128,363</u>	<u>\$ 1,920,646</u>	<u>\$ 210,142</u>
Liabilities				
Other liabilities	\$ 2,425	\$ 2,128,363	\$ 1,920,646	\$ 210,142
Total liabilities	<u>\$ 2,425</u>	<u>\$ 2,128,363</u>	<u>\$ 1,920,646</u>	<u>\$ 210,142</u>
Local Provider Fund				
Assets				
Cash	\$ 24,588,175	\$ 56,039,747	\$ 58,286,819	\$ 22,341,103
Accounts receivable	-	14,586,571	9,383,131	5,203,440
Total assets	<u>\$ 24,588,175</u>	<u>\$ 70,626,318</u>	<u>\$ 67,669,950</u>	<u>\$ 27,544,543</u>
Liabilities				
Vouchers payable	\$ 20,000	\$ -	\$ 20,000	\$ -
Other liabilities	\$ 24,568,175	\$ 70,626,318	\$ 67,649,950	\$ 27,544,543
Total liabilities	<u>\$ 24,588,175</u>	<u>\$ 70,626,318</u>	<u>\$ 67,669,950</u>	<u>\$ 27,544,543</u>
Tax Office Fee Account				
Assets				
Cash	\$ 3,024,938	\$ 449,491,990	\$ 449,609,404	\$ 2,907,524
Total assets	<u>\$ 3,024,938</u>	<u>\$ 449,491,990</u>	<u>\$ 449,609,404</u>	<u>\$ 2,907,524</u>
Liabilities				
Other liabilities	\$ 3,024,938	\$ 449,491,990	\$ 449,609,404	\$ 2,907,524
Total liabilities	<u>\$ 3,024,938</u>	<u>\$ 449,491,990</u>	<u>\$ 449,609,404</u>	<u>\$ 2,907,524</u>
District Clerk Fee Account				
Assets				
Cash	\$ 1,515,711	\$ 3,488,742	\$ 3,513,162	\$ 1,491,291
Investments	1,519,041	-	13,243	1,505,798
Total assets	<u>\$ 3,034,752</u>	<u>\$ 3,488,742</u>	<u>\$ 3,526,405</u>	<u>\$ 2,997,089</u>
Liabilities				
Other liabilities	\$ 3,034,752	\$ 3,488,742	\$ 3,526,405	\$ 2,997,089
Total liabilities	<u>\$ 3,034,752</u>	<u>\$ 3,488,742</u>	<u>\$ 3,526,405</u>	<u>\$ 2,997,089</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	September 30, 2018	Additions	Deductions	September 30, 2019
County Clerk Fee Account				
Assets				
Cash	\$ 3,199,990	\$ 6,899,708	\$ 6,111,902	\$ 3,987,796
Investments	1,277,597	144,917	-	1,422,514
Total assets	<u>\$ 4,477,587</u>	<u>\$ 7,044,625</u>	<u>\$ 6,111,902</u>	<u>\$ 5,410,310</u>
Liabilities				
Other liabilities	\$ 4,477,587	\$ 7,044,625	\$ 6,111,902	\$ 5,410,310
Total liabilities	<u>\$ 4,477,587</u>	<u>\$ 7,044,625</u>	<u>\$ 6,111,902</u>	<u>\$ 5,410,310</u>
Sherriff Fee Account				
Assets				
Cash	\$ 256,294	\$ 2,644,826	\$ 2,702,100	\$ 199,020
Total assets	<u>\$ 256,294</u>	<u>\$ 2,644,826</u>	<u>\$ 2,702,100</u>	<u>\$ 199,020</u>
Liabilities				
Other liabilities	\$ 256,294	\$ 2,644,826	\$ 2,702,100	\$ 199,020
Total liabilities	<u>\$ 256,294</u>	<u>\$ 2,644,826</u>	<u>\$ 2,702,100</u>	<u>\$ 199,020</u>
Justices of the Peace Fee Account				
Assets				
Cash	\$ -	\$ 2,973,218	\$ 2,973,218	\$ -
Accounts receivable	3,586	5,964	3,586	5,964
Total assets	<u>\$ 3,586</u>	<u>\$ 2,979,182</u>	<u>\$ 2,976,804</u>	<u>\$ 5,964</u>
Liabilities				
Other liabilities	\$ 3,586	\$ 2,979,182	\$ 2,976,804	\$ 5,964
Total liabilities	<u>\$ 3,586</u>	<u>\$ 2,979,182</u>	<u>\$ 2,976,804</u>	<u>\$ 5,964</u>
Adult Probation Fee Account				
Assets				
Cash	\$ 55,010	\$ 1,608,232	\$ 1,608,904	\$ 54,338
Total assets	<u>\$ 55,010</u>	<u>\$ 1,608,232</u>	<u>\$ 1,608,904</u>	<u>\$ 54,338</u>
Liabilities				
Other liabilities	\$ 55,010	\$ 1,608,232	\$ 1,608,904	\$ 54,338
Total liabilities	<u>\$ 55,010</u>	<u>\$ 1,608,232</u>	<u>\$ 1,608,904</u>	<u>\$ 54,338</u>
Juvenile Probation Fee Account				
Assets				
Cash	\$ -	\$ 1,294	\$ 1,279	\$ 15
Total assets	<u>\$ -</u>	<u>\$ 1,294</u>	<u>\$ 1,279</u>	<u>\$ 15</u>
Liabilities				
Other liabilities	\$ -	\$ 1,294	\$ 1,279	\$ 15
Total liabilities	<u>\$ -</u>	<u>\$ 1,294</u>	<u>\$ 1,279</u>	<u>\$ 15</u>
District Attorney Fee Account				
Assets				
Cash	\$ 3	\$ 124,715	\$ 124,705	\$ 13
Total assets	<u>\$ 3</u>	<u>\$ 124,715</u>	<u>\$ 124,705</u>	<u>\$ 13</u>
Liabilities				
Other liabilities	\$ 3	\$ 124,715	\$ 124,705	\$ 13
Total liabilities	<u>\$ 3</u>	<u>\$ 124,715</u>	<u>\$ 124,705</u>	<u>\$ 13</u>

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	September 30, 2018	Additions	Deductions	September 30, 2019
Total - All Agency Funds				
Assets				
Cash	\$ 33,630,210	\$ 527,824,046	\$ 529,464,689	\$ 31,989,567
Investments	2,796,638	352,517	13,243	3,135,912
Accounts receivable	97,491	14,673,169	9,480,622	5,290,038
Total assets	<u>\$ 36,524,339</u>	<u>\$ 542,849,732</u>	<u>\$ 538,958,554</u>	<u>\$ 40,415,517</u>
Liabilities				
Vouchers payable	\$ 642,642	\$ 955,594	\$ 990,029	\$ 608,207
Due to other governments	453,109	1,755,703	1,736,426	472,386
Other liabilities	35,428,588	540,138,435	536,232,099	39,334,924
Total liabilities	<u>\$ 36,524,339</u>	<u>\$ 542,849,732</u>	<u>\$ 538,958,554</u>	<u>\$ 40,415,517</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.	118
Revenue Capacity	
These schedules contain information to help the reader assess the County’s most significant local revenue source, property taxes.	122
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.	128
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.	132
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the service the County provides and the activities it performs.	135

Table 1

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

	<i>Fiscal Year</i>									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 41,641,439	\$ 41,344,486	\$ 41,543,340	\$ 45,191,948	\$ 50,279,650	\$ 54,266,461	\$ 60,752,064	\$ 63,953,784	\$ 67,459,545	\$ 70,060,840
Restricted	1,178,862	10,939,989	11,457,212	11,273,480	12,046,080	13,034,397	12,948,762	14,113,845	14,923,205	15,398,654
Unrestricted	11,223,734	1,302,772	1,327,726	2,180,381	1,476,020	434,472	(3,066,221)	(11,195,972)	(17,252,314)	(17,975,770)
Total Governmental Activities Net Position	<u>\$ 54,044,035</u>	<u>\$ 53,587,247</u>	<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>

Source: Government-wide Statement of Net Position

Table 2

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<i>Expenses:</i>										
General government	\$ 15,296,017	\$ 14,371,733	\$ 13,728,952	\$ 12,834,578	\$ 13,288,738	\$ 12,424,974	\$ 15,586,973	\$ 15,563,810	\$ 16,537,343	\$ 18,333,708
Justice system	18,779,771	17,868,740	18,462,956	18,438,771	18,633,229	19,096,917	18,511,326	22,278,463	21,261,358	22,166,443
Public safety	13,898,214	13,361,846	14,129,032	13,205,896	14,250,079	14,075,256	14,940,548	16,649,574	16,136,780	17,026,261
Health & human services	3,594,974	1,980,055	2,311,701	1,825,570	1,733,055	1,569,689	1,361,441	1,536,858	1,226,655	1,111,532
Infrastructure	7,644,779	8,205,372	8,087,384	7,427,825	7,094,425	7,856,817	9,323,759	10,242,264	9,310,870	11,644,610
Corrections & rehabilitation	26,843,276	24,998,840	23,001,543	22,895,180	24,339,547	25,051,057	26,747,533	28,140,531	26,653,284	28,668,267
Community & economic development	-	-	65,628	705,190	437,030	115,116	114,992	488,972	948,051	938,397
Interest on long-term debt	459,575	564,727	1,091,290	1,062,624	948,025	974,079	951,346	848,318	991,728	1,282,171
Total Governmental Activities Expenses	\$ 86,516,606	\$ 81,351,313	\$ 80,878,486	\$ 78,395,634	\$ 80,724,128	\$ 81,163,905	\$ 87,537,918	\$ 95,748,790	\$ 93,066,069	\$ 101,171,389
<i>Revenues:</i>										
Net Program Revenues:										
Charges for Services:										
General government	\$ 3,429,289	\$ 4,137,746	\$ 4,536,536	\$ 5,131,826	\$ 5,640,093	\$ 5,096,512	\$ 6,352,983	\$ 4,579,801	\$ 4,533,785	\$ 4,580,214
Justice system	3,843,444	3,781,583	3,686,302	3,913,891	3,809,999	4,054,229	3,848,656	3,774,718	3,755,231	3,746,743
Public safety	1,029,899	984,690	1,007,656	1,024,531	1,043,872	1,127,719	981,852	1,035,860	1,047,658	1,035,028
Health & human services	-	-	-	-	-	-	-	-	-	-
Infrastructure	3,945,405	3,815,663	3,931,043	3,667,550	3,668,169	3,349,974	3,284,340	3,716,290	4,032,853	3,932,128
Corrections & rehabilitation	3,532,706	3,327,735	3,460,997	3,588,740	3,399,786	3,467,857	3,352,506	3,408,882	3,673,833	3,912,329
Community & economic development	156,010	157,458	154,630	143,060	142,161	-	-	-	-	-
Operating grants & contributions	8,060,048	6,327,076	5,661,016	4,333,248	5,589,457	5,048,437	5,848,269	5,473,483	6,421,932	5,930,987
Capital grants & contributions	582,100	328,008	134,023	709,537	346,022	537,923	127,628	586,314	971,599	865,864
Total Governmental Activities Program revenues	24,578,901	22,859,959	22,572,203	22,512,383	23,639,559	22,682,651	23,796,234	22,575,348	24,436,891	24,003,293
Net (Expense)/Revenue:	\$ (61,937,705)	\$ (58,491,354)	\$ (58,306,283)	\$ (55,883,251)	\$ (57,084,569)	\$ (58,481,254)	\$ (63,741,684)	\$ (73,173,442)	\$ (68,629,178)	\$ (77,168,096)
General Revenues:										
Property taxes	\$ 38,448,339	\$ 42,132,195	\$ 43,022,048	\$ 43,438,070	\$ 44,562,723	\$ 46,738,447	\$ 48,450,847	\$ 50,177,482	\$ 52,079,609	\$ 56,329,278
Sales & other taxes	13,966,432	15,284,372	15,367,369	16,098,612	17,368,276	17,989,224	17,447,908	17,987,171	19,233,755	20,613,031
Rentals & commissions	532,540	-	-	-	-	-	-	-	-	-
Reimbursements	272,652	-	-	-	-	-	-	-	-	-
Miscellaneous	353,141	79,016	87,088	105,134	217,938	563,264	276,661	523,981	310,433	520,479
State shared	-	-	-	-	-	-	-	-	-	-
Gain (Loss) in sale of assets	218,239	69,833	200,366	12,412	64,921	382,297	34,181	62,781	1,674,944	(51,425)
Loss on donation of assets	-	-	-	-	-	-	-	-	-	-
Interest	157,236	162,820	370,443	546,554	176,107	305,073	431,362	659,079	1,349,912	2,110,021
Total Governmental Activities	53,948,579	57,728,236	59,047,314	60,200,782	62,389,965	65,978,305	66,640,959	69,410,494	74,648,653	79,521,384
Change in Net Position	(7,989,126)	(763,118)	741,031	4,317,531	5,305,396	7,497,051	2,899,275	(3,762,948)	6,019,475	2,353,288
Net Position - Beginning	62,033,161	54,044,035	53,587,247	54,328,278	58,645,809	63,801,750	67,735,330	70,634,605	66,871,657	65,130,436
Other increases (decreases) in fund balance	-	306,330	-	-	(149,455)	(3,563,471)	-	-	(7,760,696)	-
Net Position - Ending	\$ 54,044,035	\$ 53,587,247	\$ 54,328,278	\$ 58,645,809	\$ 63,801,750	\$ 67,735,330	\$ 70,634,605	\$ 66,871,657	\$ 65,130,436	\$ 67,483,724

Source: Statement of Activities

Table 3

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Fund Balances										
Nonspendable	\$ -	\$ 304,894	\$ -	\$ 175,462	\$ 78,629	\$ 86,345	\$ 87,541	\$ 436,286	\$ 449,501	\$ 484,961
Assigned As:										
Indigent Health Care	300,017	343,265	139,271	183,975	221,719	53,234	-	-		
Juvenile Services	901,877	1,326,370	1,880,633	2,213,167	2,351,722	2,285,237	2,036,230	1,437,601	811,027	
Workforce Development	-	317,840	336,226	343,172	322,965	247,978	236,954	223,410	211,060	
Unassigned	9,490,351	12,395,091	17,052,444	21,642,832	23,639,616	27,232,940	30,765,250	30,461,111	31,563,404	32,919,475
Restricted As:										
Capital Projects				141,073						
Total General Fund	<u>\$ 10,692,245</u>	<u>\$ 14,687,460</u>	<u>\$ 19,408,574</u>	<u>\$ 24,699,681</u>	<u>\$ 26,614,651</u>	<u>\$ 29,905,734</u>	<u>\$ 33,125,975</u>	<u>\$ 32,558,408</u>	<u>\$ 33,034,992</u>	<u>\$ 33,404,436</u>
Road and Bridge Fund										
Nonspendable	\$ -	\$ 33,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	2,163,303	2,551,160	3,309,953	4,042,341	3,894,378	6,045,297	3,142,682	3,506,050	4,807,485	4,475,050
Total Road and Bridge Fund	<u>\$ 2,163,303</u>	<u>\$ 2,584,919</u>	<u>\$ 3,309,953</u>	<u>\$ 4,042,341</u>	<u>\$ 3,894,378</u>	<u>\$ 6,045,297</u>	<u>\$ 3,142,682</u>	<u>\$ 3,506,050</u>	<u>\$ 4,807,485</u>	<u>\$ 4,475,050</u>
Jail Expansion Fund										
Restricted	\$ -	\$ 34,292,057	\$ 29,534,832	\$ 17,519,362	\$ 2,890,469	\$ -	\$ -	\$ -	\$ -	\$ -
Total Jail Expansion Fund	<u>\$ -</u>	<u>\$ 34,292,057</u>	<u>\$ 29,534,832</u>	<u>\$ 17,519,362</u>	<u>\$ 2,890,469</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Infrastructure Improvement Funds										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,862,835	\$ 11,130,993
Total Infrastructure Improvement Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,862,835</u>	<u>\$ 11,130,993</u>
All Other Governmental Funds										
Debt Service Fund										
Restricted	\$ 1,111,647	\$ 1,472,562	\$ 1,505,354	\$ 1,560,558	\$ 1,587,380	\$ 1,622,772	\$ 1,647,844	\$ 1,707,149	\$ 1,794,491	\$ 1,883,278
Capital Project Funds										
Committed	67,215	96,097	1,301,174	1,295,994	3,267,782	2,801,768	2,053,099	1,723,624	4,433,775	3,193,507
Special Revenue Funds:										
Nonspendable	-	8,987	-	-				5,205	6,241	7,503
Committed	-	1,689,716	1,031,527	-	77,224	79,181	73,955	1,096,465	138,527	2,037,873
Restricted	10,269,047	9,424,092	9,951,858	9,571,849	10,458,700	11,413,702	11,303,230	12,406,696	13,128,714	15,049,417
Total All Other Governmental Funds	<u>\$ 11,447,909</u>	<u>\$ 12,691,454</u>	<u>\$ 13,789,913</u>	<u>\$ 12,428,401</u>	<u>\$ 15,391,086</u>	<u>\$ 15,917,423</u>	<u>\$ 15,078,128</u>	<u>\$ 16,939,139</u>	<u>\$ 19,501,748</u>	<u>\$ 22,171,578</u>

Source: Governmental Funds Balance Sheet

Table 4

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES										
Property taxes	\$ 38,448,342	\$ 41,014,854	\$ 42,852,403	\$ 43,491,921	\$ 44,447,153	\$ 46,696,153	\$ 48,407,317	\$ 50,155,353	\$ 52,107,892	\$ 56,349,786
Licenses and other taxes	14,999,514	15,289,486	15,373,326	16,112,734	17,375,869	17,989,224	17,447,908	17,987,171	19,233,755	20,613,031
Fees of office	13,116,896	13,297,716	13,485,803	13,894,901	14,567,863	14,843,542	14,391,642	14,548,480	15,038,922	15,364,384
Fines	1,680,268	1,579,776	1,578,666	1,494,520	1,492,331	1,222,979	1,064,895	1,111,907	1,278,003	1,211,487
Intergovernmental revenues	5,686,766	4,058,250	4,376,869	4,024,089	4,393,404	4,430,032	4,433,314	4,341,587	5,557,703	4,213,702
Other revenues and fees	5,504,479	4,389,536	3,694,866	3,837,093	3,652,503	2,908,504	4,439,096	3,133,831	3,888,185	5,222,869
Total Revenues	\$ 79,436,265	\$ 79,629,618	\$ 81,361,933	\$ 82,855,258	\$ 85,929,123	\$ 88,090,434	\$ 90,184,172	\$ 91,278,329	\$ 97,104,460	\$ 102,975,259
EXPENDITURES										
Current:										
General government	\$ 11,247,975	\$ 10,648,052	\$ 11,263,202	\$ 11,084,803	\$ 11,377,443	\$ 11,976,341	\$ 12,477,132	\$ 13,588,505	\$ 15,446,305	\$ 17,431,196
Justice system	16,995,214	15,981,625	16,533,591	17,151,120	17,022,271	18,162,995	18,215,587	18,820,952	19,681,928	20,709,745
Public safety	12,110,392	11,793,429	11,848,201	11,691,321	12,332,830	12,728,202	13,004,306	13,502,279	14,231,984	15,559,895
Corrections and rehabilitation	24,188,157	22,013,924	20,192,127	20,752,349	21,976,306	21,722,139	23,867,191	23,111,450	23,786,089	25,873,743
Health and human services	3,541,691	1,949,226	2,303,651	1,833,641	1,722,653	1,590,381	1,361,198	1,433,139	1,213,291	1,168,119
Conservation	-	-	-	-	-	-	-	-	-	-
Infrastructure & environmental	8,020,534	5,829,170	5,526,159	5,529,769	5,799,789	7,248,522	7,465,624	6,385,971	5,747,926	7,404,914
Community & Economic Development	-	-	65,628	705,190	437,030	115,116	114,992	488,972	948,051	938,397
Capital outlay	4,113,472	4,418,149	8,157,654	18,245,035	19,625,860	8,087,998	8,431,746	7,466,685	12,676,706	14,946,610
Debt Service:										
Principal retirement	2,730,716	2,859,119	4,164,856	4,275,406	4,631,457	4,874,229	4,828,556	4,197,036	5,326,622	6,220,183
Bond issuance costs	-	-	-	-	-	-	-	-	102,620	104,587
Interest & fiscal charges	533,122	526,294	1,262,842	1,115,291	1,065,246	998,436	973,690	865,690	795,897	1,166,053
Total Expenditures	\$ 83,481,273	\$ 76,018,988	\$ 81,317,911	\$ 92,383,925	\$ 95,990,885	\$ 87,504,359	\$ 90,740,022	\$ 89,860,679	\$ 99,957,419	\$ 111,523,442
Excess (deficiency) of revenues over (under expenditures)	\$ (4,045,008)	\$ 3,610,630	\$ 44,022	\$ (9,528,667)	\$ (10,061,762)	\$ 586,075	\$ (555,850)	\$ 1,417,650	\$ (2,852,959)	\$ (8,548,183)
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ 456,311	\$ 275,303	\$ 1,288,691	\$ 1,597,820	\$ 4,979,937	\$ 2,770,964	\$ 2,052,088	\$ 4,050,000	\$ 4,300,000	\$ 7,439,070
Transfers out	(456,311)	(275,303)	(1,288,691)	(1,597,820)	(4,979,937)	(2,770,964)	(2,052,088)	(4,050,000)	(4,300,000)	(7,439,070)
Premium on long-term debt	-	978,275	-	-	-	-	-	-	789,754	784,587
Payment to escrow agent for refunded bonds	-	(5,837,616)	-	-	-	-	-	-	-	-
Issuance of Debt	-	39,955,000	-	-	-	-	-	-	11,320,000	11,320,000
Sale of Equipment	-	-	-	-	-	382,297	34,181	62,781	1,763,659	40,745
Insurance proceeds	-	-	-	-	-	-	-	176,381	150,369	377,848
Capital lease proceeds	171,009	1,246,144	1,743,359	2,175,180	162,561	2,109,498	-	-	3,032,640	-
Total Other Financing Sources (Uses)	\$ 171,009	\$ 36,341,803	\$ 1,743,359	\$ 2,175,180	\$ 162,561	\$ 2,491,795	\$ 34,181	\$ 239,162	\$ 17,056,422	\$ 12,523,180
Net change in fund balances	(3,873,999)	39,952,433	1,787,381	(7,353,487)	(9,899,201)	3,077,870	(521,669)	1,656,812	14,203,463	3,974,997
Fund balances - Beginning of year	28,177,457	24,303,458	64,255,891	66,043,272	58,689,785	48,790,584	51,868,454	51,346,785	53,003,597	67,207,060
Other increases (decreases) to fund balance	-	-	-	-	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
Fund Balances - End of year	\$ 24,303,458	\$ 64,255,891	\$ 66,043,272	\$ 58,689,785	\$ 48,790,584	\$ 51,868,454	\$ 51,346,785	\$ 53,003,597	\$ 67,207,060	\$ 71,182,057
Debt Service as a Percentage of Noncapital Expenditures	4.1%	4.7%	7.4%	7.3%	7.5%	7.4%	7.0%	6.1%	7.0%	7.6%

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

Table 5

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Property taxes	\$ 38,448,339	\$ 42,132,195	\$ 43,022,048	\$ 43,438,070	\$ 44,562,723	\$ 46,738,447	\$ 48,450,847	\$ 50,177,482	\$ 52,079,609	\$ 56,329,278
Sales tax	13,536,414	14,827,226	14,952,458	15,650,035	16,827,874	17,359,451	16,798,877	17,375,397	18,563,538	19,875,943
Other taxes	430,018	457,146	414,911	448,577	540,402	629,773	649,031	611,774	670,217	737,088
Total Tax Revenue	<u>\$ 52,414,771</u>	<u>\$ 57,416,567</u>	<u>\$ 58,389,417</u>	<u>\$ 59,536,682</u>	<u>\$ 61,930,999</u>	<u>\$ 64,727,671</u>	<u>\$ 65,898,755</u>	<u>\$ 68,164,653</u>	<u>\$ 71,313,364</u>	<u>\$ 76,942,309</u>

Source: Government-wide Statement of Activities

Table 6
Page 1 of 2

SMITH COUNTY, TEXAS
TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	2019		2018		2017		2016		2015	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, residential, single-family	\$ 10,132,868,971	41.81%	\$ 9,488,107,960	41.88%	\$ 9,142,320,187	42.99%	\$ 8,681,489,488	42.35%	\$ 8,211,969,870	41.87%
Real, residential, multi-family	858,175,825	3.54%	818,479,176	3.61%	755,999,518	3.55%	719,802,667	3.51%	704,703,096	3.59%
Real, vacant lots/tracts	365,708,857	1.51%	367,305,663	1.62%	348,308,921	1.64%	344,830,133	1.68%	346,925,076	1.77%
Real, acreage (land only)	2,109,534,830	8.70%	2,026,456,506	8.95%	1,859,588,908	8.74%	1,833,612,767	8.95%	1,796,733,221	9.16%
Real, farm and ranch improvements	1,492,209,796	6.16%	1,393,061,482	6.15%	1,312,232,451	6.17%	1,250,657,098	6.10%	1,206,393,379	6.15%
Real, commercial	3,133,292,128	12.93%	2,891,792,453	12.76%	2,759,028,248	12.97%	2,638,676,404	12.87%	2,560,142,257	13.05%
Real, industrial	438,437,361	1.81%	310,945,225	1.37%	305,972,954	1.44%	339,082,642	1.65%	320,493,986	1.63%
Real, oil, gas and other mineral reserves	244,865,411	1.01%	193,792,601	0.86%	201,977,707	0.95%	177,884,912	0.87%	241,075,496	1.23%
Real and tangible personal, utilities	54,229,541	0.22%	52,461,997	0.23%	49,276,738	0.23%	47,055,651	0.23%	43,459,321	0.22%
Utilities tangible personal	475,079,030	1.96%	439,776,330	1.94%	404,735,296	1.90%	381,006,239	1.86%	380,209,713	1.94%
Utilities, tangible personal, business commercial	1,361,179,171	5.62%	1,295,860,232	5.72%	1,186,032,429	5.58%	1,161,921,155	5.67%	1,168,009,773	5.95%
Tangible personal, business industrial	652,035,737	2.69%	537,803,895	2.37%	528,472,795	2.48%	561,433,952	2.74%	542,623,178	2.77%
Tangible personal, other (mobile homes)	92,812,440	0.38%	91,527,369	0.40%	87,501,048	0.41%	84,854,130	0.41%	82,342,797	0.42%
Real property, inventory		0.00%		0.00%	-	0.00%	-	0.00%	40,342,651	0.21%
Real Inventory	69,981,920	0.29%	50,719,970	0.22%	48,272,913	0.23%	38,330,114	0.19%		0.00%
Special inventory	86,086,857	0.36%	81,543,385	0.36%	77,442,745	0.36%	78,826,633	0.38%	73,850,595	0.38%
Tax Exempt Property, Real	2,671,730,518	11.02%	2,614,778,874	11.54%	2,201,404,366	10.35%	2,157,611,427	10.53%	1,895,373,943	9.66%
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	<u>\$ 24,238,228,393</u>	100.00%	<u>\$ 22,654,413,118</u>	100.00%	<u>\$ 21,268,567,224</u>	100.00%	<u>\$ 20,497,075,412</u>	100.00%	<u>\$ 19,614,648,352</u>	100.00%
Less: total exemptions/reductions	5,708,306,903		5,434,007,579		4,824,246,094		4,771,121,331		4,448,277,107	
Add: Protested value not in dispute	0		201,384,198				11,841,538		1,396,274	
Taxable Assessed Value	<u>\$ 18,529,921,490</u>		<u>\$ 17,421,789,737</u>		<u>\$ 16,444,321,130</u>		<u>\$ 15,737,795,619</u>		<u>\$ 15,167,767,519</u>	
Total Direct Tax Rate	0.345000		0.337311		0.330000		0.330000		0.330000	
Estimated Actual Assessed Value	\$ 18,529,921,490		\$ 17,421,789,737		\$ 16,444,321,130		\$ 15,737,795,619		\$ 15,167,767,519	
Assessed Value as a Percentage of Actual Value	100.00%		100.00%		100.00%		100.00%		100.00%	

Table 6
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SMITH COUNTY, TEXAS
TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	2014		2013		2012		2011		2010	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, residential, single-family	\$ 7,795,086,556	41.56%	\$ 7,533,980,526	41.38%	\$ 7,368,844,402	41.49%	\$ 7,290,020,159	45.86%	\$ 7,164,015,965	45.81%
Real, residential, multi-family	626,057,924	3.34%	607,376,411	3.34%	585,563,445	3.30%	577,350,602	3.63%	564,340,930	3.61%
Real, vacant lots/tracts	339,528,899	1.81%	325,512,277	1.79%	316,418,359	1.78%	314,078,686	1.98%	305,741,812	1.96%
Real, acreage (land only)	1,682,731,970	8.97%	1,895,165,170	10.41%	1,895,257,020	10.67%	1,840,319,602	11.58%	1,698,804,910	10.86%
Real, farm and ranch improvements	1,116,705,827	5.95%	815,063,196	4.48%	787,102,513	4.43%	781,867,857	4.92%	789,419,478	5.05%
Real, commercial	2,431,625,948	12.96%	2,323,696,408	12.76%	2,254,448,661	12.69%	2,246,869,924	14.13%	2,222,316,521	14.21%
Real, industrial	310,696,749	1.66%	318,667,955	1.75%	315,657,235	1.78%	254,115,499	1.60%	241,268,859	1.54%
Real, oil, gas and other mineral reserves	359,472,416	1.92%	336,761,438	1.85%	342,643,958	1.93%	384,537,816	2.42%	441,822,220	2.83%
Real and tangible personal, utilities	40,028,545	0.21%	36,675,149	0.20%	34,292,498	0.19%	351,377,665	2.21%	357,593,692	2.29%
Utilities tangible personal	1,177,460,858	6.28%	1,147,221,057	6.30%	1,696,530,712	9.55%	1,650,488,060	10.38%	1,638,601,148	10.48%
Utilities, tangible personal, business commercial	334,120,491	1.78%	330,019,179	1.81%	310,695,729	1.75%	80,099,951	0.50%	80,480,293	0.51%
Tangible personal, business industrial	570,933,514	3.04%	553,111,984	3.04%						
Tangible personal, other (mobile homes)	82,458,876	0.44%	82,482,964	0.45%						
Real property, inventory	44,206,154	0.24%	55,254,705	0.30%	82,299,398	0.46%	74,545,208	0.47%	90,426,046	0.58%
Real Inventory		0.00%		0.00%	62,373,976	0.35%	-	0.00%	-	0.00%
Special inventory	65,620,473	0.35%	59,541,837	0.33%	53,880,681	0.30%	51,024,344	0.32%	42,955,198	0.27%
Tax Exempt Property, Real	1,780,419,237	9.49%	1,787,895,521	9.82%	1,626,478,355	9.16%	-	0.00%	-	0.00%
No SPTD Code	11,200	0.00%								
Tax Exempt Property, Personal		0.00%		0.00%	25,357,249	0.14%	-	0.00%	-	0.00%
Tax Exempt Property, Mineral		0.00%		0.00%	2,587,597	0.01%	-	0.00%	-	0.00%
Total Appraised Value Before Exemptions	\$ 18,757,165,637	100.00%	\$ 18,208,425,777	100.00%	\$ 17,760,431,788	100.00%	\$ 15,896,695,373	100.00%	\$ 15,637,787,072	100.00%
Less: total exemptions/reductions	4,213,115,602		4,091,181,762		3,974,179,812		2,267,135,381		2,120,377,484	
Add: Protested value not in dispute	3,868,778		12,117,194							
Taxable Assessed Value	\$ 14,547,918,813		\$ 14,129,361,209		\$ 13,786,251,976		\$ 13,629,559,992		\$ 13,517,409,588	
Total Direct Tax Rate	0.330000		0.323564		0.323564		0.32394		0.31394	
Estimated Actual Assessed Value	\$ 14,547,918,813		\$ 14,129,361,209		\$ 13,786,950,359		\$ 13,629,559,992		\$ 13,517,409,588	
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**

Fiscal Year Ended	Smith County			Overlapping Rates					Total Direct and Overlapping Rates
	Operating	Debt Service	Total	City of Tyler Total	Tyler ISD Total	Tyler Junior College Total	Chapel Hill ISD Total	Whitehouse ISD Total	
2010	0.275890	0.013050	0.28894	0.20400	1.37500	0.13695	1.27000	1.19300	4.46789
2011	0.291171	0.022769	0.31394	0.20887	1.37500	0.18218	1.26000	1.19300	4.53298
2012	0.287601	0.035963	0.32356	0.20771	1.37500	0.19993	1.24500	1.19300	4.54420
2013	0.288352	0.035212	0.32356	0.22000	1.37500	0.19993	1.25300	1.19300	4.56449
2014	0.295676	0.034324	0.33000	0.22000	1.37500	0.19993	1.24500	1.19300	4.56293
2015	0.296628	0.033372	0.33000	0.22000	1.37500	0.19993	1.24000	1.19300	4.55793
2016	0.297331	0.032669	0.33000	0.23000	1.37500	0.19993	1.24000	1.19300	4.56793
2017	0.298359	0.031641	0.33000	0.24000	1.40500	0.19993	1.23000	1.41300	4.81793
2018	0.298359	0.038952	0.33731	0.24445	1.40500	0.19993	1.23000	1.41300	4.82969
2019	0.305802	0.039198	0.34500	0.25990	1.33500	0.19993	1.14590	1.32500	4.61073

Source: Smith County Appraisal District

* Rates are per \$100 valuation.

Table 8

SMITH COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
September 30, 2019

Name of Taxpayer	Nature of Property	Rank	2019		Rank	2010	
			Tax Year Taxable Assessed Valuation	% of Net Taxable Assessed Valuation		Tax Year Taxable Assessed Valuation	% of Net Taxable Assessed Valuation
Delek Refining	Refinery	1	\$ 277,358,792	1.50%	1	\$ 165,062,341	1.22%
Tyler Regional Hospital, LLC	Medical	2	\$ 255,267,521				
Oncor Electric Delivery Co.	Utility	3	191,803,028	1.04%	2	133,638,189	0.99%
Brookshire Grocery Co	Grocery Retail	4	169,343,885	0.91%	3	132,411,791	0.98%
Dayton Hudson/Target	Retail	5	119,743,699	0.65%	6	98,640,215	0.73%
Sanderson Farms	Grocery Retail	6	106,663,660	0.58%			
Walmart/Sam's East	Wholesaler/Retailer	7	105,414,987	0.57%	7	85,685,111	0.63%
Genecov Investment Group	Financial				8	79,329,140	0.59%
Carrier/United Technologies	Manufacturer				9	50,020,318	0.37%
Trane-American Standard	Manufacturer	8	146,052,351	0.79%	5	108,889,319	0.81%
Tyler Broadway/Centennial	Retail	9	73,215,002	0.40%			
Transcanada Keystone Pipeline	Oil & Gas Production	10	70,663,041	0.38%			
Southwest Energy Production	Utility				4	114,039,160	0.84%
Southwestern Bell	Telephone Utility				10	48,498,734	0.36%
			<u>\$ 1,515,525,966</u>	<u>6.80%</u>		<u>\$ 1,016,214,318</u>	<u>7.52%</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
2008	2009	37,617,488	36,754,222	97.71%	599,533	\$ 37,353,755	99.30%
2009	2010	38,050,173	37,210,326	97.79%	717,424	\$ 37,927,750	99.68%
2010	2011	40,950,877	40,066,257	97.84%	704,922	\$ 40,771,179	99.56%
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	48,664,842	79.87%	259,559	\$ 48,924,401	80.29%

* Collections as of 1/31/2020
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
2010	201,277	8,010,000	3,425,941	11,435,941	0.15%	56.82
2011	212,765	39,955,000	3,489,944	43,444,944	0.53%	204.19
2012	214,941	36,825,000	4,248,709	41,073,709	0.48%	191.09
2013	216,670	33,585,000	5,386,926	38,971,926	0.44%	179.87
2014	218,842	30,280,000	3,627,671	33,907,671	0.37%	154.94
2015	222,936	26,905,000	4,824,776	31,729,776	0.34%	142.33
2016	225,000	23,780,155	3,436,220	27,216,375	0.24%	120.96
2017	225,290	20,149,746	2,784,184	22,933,930	0.20%	101.80
2018	227,727	35,753,039	4,135,201	39,888,240	0.37%	175.16
2019	230,221	34,260,000	2,570,020	36,830,020	0.29%	159.98

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	Certificates of Obligation	General Obligation Bonds	Capital Leases	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property	Per Capita	Population
2010	8,010,000			1,111,647	6,898,353	0.05%	34.27	201,277
2011		\$ 39,955,000		1,472,561	38,482,439	0.28%	180.87	212,765
2012		36,825,000		1,505,353	35,319,647	0.26%	164.32	214,941
2013		33,585,000		1,560,558	32,024,442	0.23%	147.80	216,670
2014		30,280,000		1,586,699	28,693,301	0.20%	131.11	218,842
2015		26,905,000		1,622,772	25,282,228	0.17%	113.41	222,936
2016		23,780,155		1,647,844	22,132,311	0.14%	98.37	225,000
2017		20,149,746		1,707,149	18,442,597	0.11%	81.86	225,290
2018		27,595,000	4,135,201	1,798,311	25,796,689	0.15%	113.28	227,727
2019		34,260,000	2,570,020	1,883,278	32,376,722	0.17%	140.63	230,221

Table 12

Smith County, Texas
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
As of September 30, 2019

<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	\$ 38,323,059	100.00%	\$ 38,323,059
<i>Total Direct Debt</i>	<u>\$ 38,323,059</u>		<u>\$ 38,323,059</u>
OVERLAPPING DEBT			
Arp ISD	\$ 18,565,000	100.00%	\$ 18,565,000
Arp, City of	1,877,000	100.00%	1,877,000
Bullard ISD	64,290,533	67.78%	43,576,123
Bullard, City of	4,704,000	82.53%	3,882,211
Chapel Hill ISD	15,934,000	100.00%	15,934,000
East Texas MUD of Smith County	4,920,000	100.00%	4,920,000
Gladewater ISD	31,040,000	20.50%	6,363,200
Lindale ISD	74,104,093	99.58%	73,792,856
Lindale, City of	15,694,652	100.00%	15,694,652
Overton, City of	715,000	8.15%	58,273
Troup ISD	6,015,000	56.80%	3,416,520
Troup, City of	994,000	95.43%	948,574
Tyler ISD	409,320,000	100.00%	409,320,000
Tyler Junior College	53,204,000	94.80%	50,437,392
Van ISD	41,845,000	15.69%	6,565,481
Whitehouse ISD	108,900,000	100.00%	108,900,000
Whitehouse, City of	17,978,000	100.00%	17,978,000
Winona ISD	25,374,999	100.00%	25,374,999
Winona, City of	-	100.00%	-
<i>Total Overlapping Debt</i>	<u>\$ 895,475,277</u>		<u>\$ 807,604,280</u>
TOTAL DIRECT & OVERLAPPING DEBT	<u><u>\$ 933,798,336</u></u>		<u><u>\$ 845,927,339</u></u>

(1) Source: Municipal Advisory Council of Texas

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

Table 13

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 3,468,938	\$ 3,528,771	\$ 3,089,012	\$ 3,115,064	\$ 3,241,431	\$ 3,394,216	\$ 3,468,870	\$ 3,633,325	\$ 3,731,906	\$ 4,039,398
Total Net Debt Applicable to Limit	9,122	41,428	38,330	35,146	31,867	28,528	25,428	\$ 21,627	\$ 29,393	\$ 36,143
Legal Debt Margin	\$ 3,459,816	\$ 3,487,343	\$ 3,050,682	\$ 3,079,919	\$ 3,209,564	\$ 3,365,688	\$ 3,443,442	\$ 3,611,698	\$ 3,702,513	\$ 4,003,255
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.26%	1.17%	1.24%	1.13%	0.98%	0.84%	0.73%	0.60%	0.79%	0.89%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed Value of Real Property	\$ 16,157,592
Debt Limit (25% of Total Real Property Value)	4,039,398
Debt Applicable to Limit	
General Obligation Bonds	\$ 34,260
Less: Amount Set Aside for Repayment of General Obligation Debt	1,883
Total Net Debt Application to Limit	\$ 36,143
Legal Debt Margin	\$ 4,003,255

Table 14

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

Fiscal Year	Estimated Population ¹	Estimated Personal Income ¹ (thousands of dollars)	Per Capita Personal Income	Median Age ¹	Education Level in Years of Formal Schooling ²	School Enrollment ²	Unemployment Rate ¹
2010	201,277	7,864,522	39,073	34.1	13.6	35,690	7.9%
2011	212,765	8,192,210	38,504	35.5	13.6	35,946	7.8%
2012	214,941	8,533,552	39,702	35.5	13.6	35,749	7.0%
2013	216,670	8,889,117	41,026	35.5	13.6	35,682	6.5%
2014	218,842	9,199,272	42,036	35.5	13.6	35,609	5.2%
2015	222,936	9,464,715	42,455	36.3	13.6	40,667	4.5%
2016	225,000	11,196,700	49,763	36.4	13.6	40,618	4.2%
2017	225,290	11,196,700	49,699	36.1	13.6	41,212	3.4%
2018	227,727	10,748,612	47,200	36.5	13.6	40,893	4.1%
2019	230,221	12,714,831	55,229	36.6	13.6	59,288	3.2%

Data sources:

¹Texas Association of Counties - County Information Project

²TEDC Community Profile & Resource Links

Table 15

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

Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment (1)	Employees	Rank	Percentage of Total County Employment (2)
UT Health East Texas *	4,439	1	4.2%	3,620	2	3.7%
Christus Trinity Mother Francis *	4,095	2	3.9%	3,652	1	3.8%
Tyler Independent School District	2,639	3	2.5%	2,501	3	2.6%
Brookshire Grocery Co *	1,620	4	1.5%	2,213	4	2.3%
UT Texas - Tyler	1,440	5	1.4%			
The Trane Company*	1,331	6	1.3%	1,520	6	1.6%
Walmart	1,241	7	1.2%	1,697	5	1.8%
Altice USA	1,150	8	1.1%	1,138	7	1.2%
UT Health Science Center	1,108	9	1.0%	840	10	0.9%
Sanderson Farms	1,000	10	0.9%			
City of Tyler				890	8	
CB&I Howe Baker				853	9	0.9%
Total	15,624		10.9%	15,304		18.6%

Source: Tyler Economic Development Council

* Headquarters located in Tyler.

(1) total county employment of 105,569

(2) total county employment of 96,729

Table 16

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

<i>Function</i>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	101	97	96	96	97	102	104	103	108	115
Judicial	145	141	141	141	141	140	141	143	143	147
Law Enforcement	166	163	163	164	163	164	165	168	172	182
Corrections	293	293	293	293	304	312	327	332	330	336
Roads & Transportation	93	76	76	76	77	77	77	83	83	83
Other	6	4	3	3	3	3	4	4	4	4
Totals	804	774	772	773	785	798	818	833	840	867

*Full Time Equivalent at the Beginning of Fiscal Year

Table 17

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function:										
General Government:										
County Clerk:										
Number of Criminal Cases Filed	5,985	4,376	4,397	4,629	4,177	3,455	3,450	3,260	4,101	3,803
Number of Civil Cases Filed	1,394	1,384	1,324	1,150	914	1,240	1,182	1,486	1,754	1,928
Human Resources:										
Issues Opened		2,246	1,506	1,325	1,263	1,324	1,389	1,636	1,466	1,204
Purchasing:										
Purchase Orders Issued	4,962	4,572	4,656	4,204	6,203	6,368	7,743	7,519	7,624	7,505
Annual Contracts Awarded/RFB	27	25	34	34	10	11	15	9	6	5
Information Technology:										
Help Desk Calls Processed	4,025	3,847	3,844	3,844	3,880	4,379	5,868	6,212	8,011	8,088
Number of Computers Supported	688	668	820	935	935	988	988	993	1,015	1,069
Elections Administration:										
Voter applications processed	4,309	4,785	4,785	15,355	19,590	21,865	34,994	32,462	36,008	29,049
Elections Held	12	12	11	6	10	6	14	11	12	9
County Auditor:										
Accounts Payable Checks Processed	24,604	25,416	23,872	22,386	13,629	13,767	14,220	14,820	14,463	15,037
Grants Administered	29	21	23	21	21	19	25	23	17	20
Tax Assessor/Collector										
Motor Vehicle Registrations	204,915	205,297	206,626	210,950	213,297	216,905	215,176	215,502	220,345	222,529
Titles	50,479	50,994	54,553	56,670	56,205	58,914	61,228	60,192	64,665	65,157
Judicial:										
District Courts:										
Criminal Cases Disposed	2,885	2,606	1,792	2,389	2,397	2,071	2,123	2,223	2,059	*
Civil Cases Disposed	3,506	1,393	874	1,214	1,145	904	1,073	943	1,190	*
County Courts										
Criminal Cases Disposed	7,190	5,895	5,142	5,992	5,282	4,246	3,778	3,610	3,958	*
Civil Cases Disposed	3,345	3,322	2,813	2,991	2,642	1,044	1,052	1,074	2,076	*
Juvenile Cases Disposed	469	295	274	331	357	317	342	125	238	*
Justices of the Peace										
Cases Filed	18,932	18,885	17,606	18,132	19,324	14,107	15,061	16,240	16,706	*
Law Enforcement:										
Sheriff - Calls for Service	45,998	30,601	31,159	32,004	30,675	30,720	32,251	35,640	30,804	31,049
Sheriff - Active CID cases	4,978	5,879		4,517	2,673	3,523	3,124	3,300	3,521	3,698
Corrections:										
Prisoners Booked	12,112	7,793	11,335	11,271	10,892	9,269	8,872	8,569	9,276	9,180
Roads & Transportation:										
Field Work Orders Completed	4,122	4,078	3,554	3,930	4,433	5,422	5,582	4,581	3,919	3,780

Table 18

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

<i>Function/Program</i>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<i>General Government</i>										
Buildings	4	4	4	7	7	6	6	5	5	5
Plazas	1	2	2	2	2	2	2	2	2	2
Vehicles	15	18	13	12	12	13	14	14	14	14
<i>Infrastructure</i>										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles/Dump Trucks	91	91	71	73	77	78	78	78	78	79
<i>Justice System</i>										
Buildings	4	4	4	4	4	5	5	5	5	5
Vehicles	10	11	9	8	8	9	9	8	10	13
<i>Public Safety</i>										
Buildings	4	5	5	5	5	6	6	6	6	6
Vehicles	151	159	163	164	161	174	170	173	168	174
<i>Corrections & Rehabilitation</i>										
Jails	2	2	2	2	2	2	2	2	2	2
Juvenile Detention Centers	1	1	1	1	1	1	1	1	1	1
Adult Probation Center	0	0	0	1	1	1	1	1	1	1
Vehicles - Jail	2	1	2	4	5	11	12	14	14	18
Vehicles - Juvenile Probation	5	5	6	6	8	8	7	7	7	8
Vehicles - Adult Probation	8	8	17	15	15	9	9	7	6	7





GOVERNMENTAL COMPLIANCE SECTION

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

The Honorable Commissioners' Court of Smith County
Tyler, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Smith County, Texas as of and for the year ended September 30, 2019, 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 11, 2020.

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 11, 2020

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

To Honorable Commissioners' Court of Smith County
Tyler, Texas

Report on Compliance for Each Major Federal Program

We have audited Smith County, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Smith County, Texas' major federal programs for the year ended September 30, 2019. Smith County, Texas' major federal 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 programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Smith County, Texas' major federal 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). Those standards and the Uniform Guidance 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 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 programs for the year ended September 30, 2019.

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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants

Tyler, Texas
March 11, 2020

SMITH COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor or Pass-through Grantor's Number</u>	<u>Program Expenditures</u>
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Texas Department of Agriculture:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	7217026	\$ 10,350
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	7217431	249,590
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	7216052	41,542
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	7218062	<u>73,000</u>
TOTAL U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>374,482</u>
U. S. DEPARTMENT OF JUSTICE			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	2019-H1389-TX-AP	90,896
Edward Bryne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0547	46,953
Edward Bryne Memorial Justice Assistance Grant Program	16.738	3633401	37,500
Federal Asset Forfeiture Account	16.922	N/A	<u>53,627</u>
TOTAL U. S. DEPARTMENT OF JUSTICE			<u>228,976</u>
U. S. DEPARTMENT OF TRANSPORTATION			
Passed Through Texas Department of Transportation:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51016031019	129,088
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51016041018	<u>19,897</u>
TOTAL U. S. DEPARTMENT OF TRANSPORTATION			<u>148,985</u>
U. S. DEPARTMENT OF TREASURY			
Direct Programs:			
Treasury Asset Forfeiture Program	21.016	N/A	<u>125,580</u>
TOTAL U. S. DEPARTMENT OF TREASURY			<u>125,580</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	23939009	11,350
Foster Care Title IV-E	93.658	23939008	<u>5,597</u>
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>16,947</u>
U. S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Texas Division of Emergency Management:			
Emergency Management Performance Grants	97.042	18TX-EMPG-0274	49,081
Assistance to Firefighters Grant	97.044	DR4269-407	<u>2,483</u>
TOTAL U. S. DEPARTMENT OF HOMELAND SECURITY			<u>51,564</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 946,534</u>

**SMITH COUNTY, TEXAS
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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, 2019 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, 2019. 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	\$143,695,000
Commerical General Liability	100K/300K/100K
Automobile	100K/300K/100K
Crime	250,000
Equipment	50,000,000
Public Officials Liability	2,000,000
Law Enforcement Liability	2,000,000
Law Enforcement Animals	30,000

NOTE 3 – INDIRECT COST RATES

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

**SMITH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) 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 Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? _____ 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)? _____ Yes X No

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
14.228	Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii

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

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

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

**SMITH COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2019**

None.