

CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED DECEMBER 31, 2019

SCURRY COUNTY, TEXAS

GENERAL OBLIGATION DEBT



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

CERTIFICATE OF SUBMISSION OF ANNUAL REPORT

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for Scurry County, Texas with respect to the issues listed on the report cover was submitted to the National Recognized Municipal Securities Information Repository (“NRMSIR”) and any applicable State Information Depository and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

Municipal Securities Rulemaking Board (“MSRB”)
via the Electronic Municipal Market Access (“EMMA”) System

Specialized Public Finance Inc.

Signed by:

/s/ Kristin Merz

**SCURRY COUNTY, TEXAS
GENERAL OBLIGATION DEBT REPORT**

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2019/2020 Market Valuation Established by Scurry County Appraisal District (excludes exempt property)	\$ 4,147,220,805
Less Exemptions/Reductions at 100% Market Value	
Residence Homestead Exemptions (Local Option)	\$ 86,197,292
Residence Homestead Exemptions (Over 65)	17,417,611
Disabled Veterans Exemptions	4,298,354
Productivity Loss	437,484,370
Homestead Capped Value Loss	5,195,945
Abatements	420,761,040
Pollution Control	5,546,680
Prorated Exemptions	51,805
Other	506,670
Freeze Loss	108,871,989
	<u>1,086,331,756</u>
2019/2020 Taxable Assessed Valuation	\$ 3,060,889,049
Net General Obligation Debt Payable from Ad Valorem Taxes as of 12/31/19	\$ 12,010,000 ⁽¹⁾
I&S Fund Balance as of 12/31/19	\$ 402,839

2018 Estimated Population - 16,866
Per Capita Taxable Assessed Valuation \$181,483
Per Capita General Purpose Funded Debt Payable from Ad Valorem Taxes - \$712

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended December 31,					
	2020		2019		2018	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	\$ 443,632,990	10.70%	\$ 449,266,941	12.31%	\$ 449,255,408	14.05%
Real, Residential Multi-Family	13,423,531	0.32%	13,595,915	0.37%	13,533,770	0.42%
Real, Vacant Lots/Tracts	7,907,361	0.19%	8,012,835	0.22%	8,177,973	0.26%
Real, Agricultural Land	508,277,101	12.26%	511,267,509	14.01%	499,541,547	15.63%
Real, Farm and Ranch Improvements	111,999,620	2.70%	110,591,399	3.03%	110,288,423	3.45%
Real, Commercial and Industrial	845,622,116	20.39%	951,503,141	26.08%	554,634,175	17.35%
Oil and Gas	1,351,065,127	32.58%	877,374,298	24.04%	855,642,648	26.76%
Real and Tangible Personal, Utilities	330,969,866	7.98%	305,047,365	8.36%	312,136,323	9.76%
Tangible Personal, Commercial and Industrial	515,731,604	12.44%	406,398,464	11.14%	378,369,493	11.84%
Tangible Personal, Mobile Homes	11,817,668	0.28%	11,738,897	0.32%	12,307,241	0.38%
Residential Inventory	367,680	0.01%	373,680	0.01%	853,188	0.03%
Special Inventory	6,406,141	0.15%	3,853,776	0.11%	2,275,625	0.07%
Total Appraised Value Before Exemptions	\$ 4,147,220,805	100.00%	\$ 3,649,024,220	100.00%	\$ 3,197,015,814	100.00%
Less: Total Exemptions/Reductions	(1,086,331,756)		(1,208,334,339)		(904,898,657)	
Taxable Assessed Value	<u>\$ 3,060,889,049</u>		<u>\$ 2,440,689,881</u>		<u>\$ 4,101,914,471</u>	

Category	Taxable Appraised Value for Fiscal Year Ended December 31,			
	2017		2016	
	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	\$ 450,114,843	13.86%	\$ 447,047,276	11.59%
Real, Residential Multi-Family	13,406,780	0.41%	13,413,425	0.35%
Real, Vacant Lots/Tracts	8,281,245	0.26%	8,391,273	0.22%
Real, Acreage (Land Only)	500,226,296	15.41%	489,941,844	12.70%
Real, Farm and Ranch Improvements	110,096,593	3.39%	106,432,551	2.76%
Real, Commercial and Industrial	579,656,840	17.85%	624,192,808	16.18%
Oil and Gas	804,962,796	24.79%	1,231,896,136	31.94%
Real and Tangible Personal, Utilities	311,666,991	9.60%	296,423,505	7.69%
Tangible Personal, Commercial and Industrial	451,198,276	13.90%	622,023,631	16.13%
Tangible Personal, Mobile Homes	12,922,245	0.40%	12,094,573	0.31%
Residential Inventory	582,200	0.02%	165,632	0.00%
Special Inventory	3,752,097	0.12%	4,954,684	0.13%
Total Appraised Value Before Exemptions	\$ 3,246,867,202	100.00%	\$ 3,856,977,338	100.00%
Less: Total Exemptions/Reductions	(933,560,697)		(974,361,417)	
Taxable Assessed Value	<u>\$ 2,313,306,505</u>		<u>\$ 2,882,615,921</u>	

NOTE: Valuation shown are certified taxable assessed values reported by the Scurry County Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 12/31	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	Net Tax Debt Outstanding at End of Year	Ratio of Tax Debt to Taxable Assessed	Funded Tax Debt Per Capita	Tax Year
2016	17,615	\$ 2,882,615,921	\$ 163,646	\$ 13,845,000	0.48%	\$ 786	2015
2017	17,238	2,313,306,505	134,198	13,195,000	0.57%	765	2016
2018	17,238	2,292,117,157	132,969	12,610,000	0.55%	732	2017
2019	16,866	2,440,689,881	144,711	12,005,000	0.49%	712	2018
2020	16,866	3,060,889,049	181,483	11,390,000 ⁽³⁾	0.37%	675	2019

(1) Source: County staff and US Census Bureau.

(2) As reported by the Scurry County Appraisal District on the County's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Projected.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 12/31	Tax Rate	Distribution		Tax Levy	% of Current Tax Collections to Tax Levy	% of Total Tax Collections to Tax Levy	Tax Year
		General Fund	Interest and Sinking Fund				
2016	\$ 0.32000	\$ 0.28432	\$ 0.03568	\$ 9,224,899	90.77%	107.55%	2015
2017	0.380000	0.380000	-	8,438,339	93.36%	108.82%	2016
2018	0.380000	0.369100	0.010900	8,676,097	90.24%	107.63%	2017
2019	0.449800	0.409000	0.040800	10,957,489	92.52%	103.92%	2018
2020	0.449800	0.416900	0.032900	12,883,258	In Process of Collection		2019

TABLE 5 – TAX RATE DISTRIBUTION ANALYSIS

	Fiscal Years Ended December 31,				
	2020	2019	2018	2017	2016
General Fund	\$ 0.41690	\$ 0.40900	\$ 0.36910	\$ 0.38000	\$ 0.28432
Interest and Sinking Fund	0.03290	0.04080	0.01090	-	0.03568
Total Constitutional Tax Rate	\$ 0.44980	\$ 0.44980	\$ 0.38000	\$ 0.38000	\$ 0.32000
Special Road and Bridge Tax Rate	\$ -	\$ -	\$ -	\$ -	\$ -
Farm-to-Market Tax Rate	\$ -	\$ -	\$ -	\$ -	\$ -
Total Tax Rate	<u>\$ 0.44980</u>	<u>\$ 0.44980</u>	<u>\$ 0.38000</u>	<u>\$ 0.38000</u>	<u>\$ 0.32000</u>

TABLE 6 - TEN LARGEST TAXPAYERS

Name of Taxpayer	2019/2020	% of Total
	Taxable Assessed Valuation	Taxable Assessed Valuation
Kinder Morgan Production	\$ 662,675,646	21.65%
Patterson UTI Drilling Co.	189,579,680	6.19%
Oncor Electric Delivery Co	103,402,300	3.38%
Occidental Permian LTD	97,818,605	3.20%
Kinder Morgan Production	55,740,410	1.82%
EON-Pyron Wind Farm	54,341,620	1.78%
Invenergy-Camp Springs	39,497,690	1.29%
Bridgetex Pipeline	33,887,110	1.11%
BNSF Railway	33,254,120	1.09%
Electric Transmission TX LLC	32,200,770	1.05%
	<u>\$ 1,302,397,951</u>	<u>42.55%</u>

TABLE 7 - TAX ADEQUACY

2020 Net Tax Supported Principal and Interest Requirements	\$ 883,494
\$0.0295 Tax Rate at 98% Collection Produces	\$ 884,903
Average Annual Net Tax Supported Principal and Interest Requirements, 2020 - 2034	\$ 937,276
\$0.0313 Tax Rate at 98% Collection Produces	\$ 938,897
Maximum Net Tax Supported Principal and Interest Requirements, 2028	\$ 954,925
\$0.0319 Tax Rate at 98% Collection Produces	\$ 956,895

TABLE 9 – GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 12/31	Outstanding Debt ⁽¹⁾			% of Principal Retired
	Principal	Interest	Total	
2020	\$ 620,000	\$ 263,494	\$ 883,494	5.16%
2021	670,000	246,200	916,200	
2022	690,000	226,700	916,700	
2023	710,000	206,625	916,625	
2024	730,000	188,300	918,300	
2025	780,000	172,350	952,350	34.97%
2026	795,000	156,600	951,600	
2027	810,000	140,550	950,550	
2028	835,000	119,925	954,925	
2029	850,000	98,900	948,900	
2030	870,000	81,700	951,700	69.61%
2031	885,000	64,150	949,150	
2032	905,000	46,250	951,250	
2033	920,000	28,000	948,000	
2034	940,000	9,400	949,400	
	<u>\$ 12,010,000</u>	<u>\$ 2,049,144</u>	<u>\$ 14,059,144</u>	

(1) Reflects General Obligation Refunding Bonds, Series 2020 that was delivered on 5/28/2020.

TABLE 10 - INTEREST AND SINKING FUND BUDGET PROJECTION

Tax Supported Debt Service Requirements, Fiscal Year Ending 12-31-20		\$ 883,494
Interest and Sinking Fund Balance, 12-31-19	\$ 402,839	
Interest and Sinking Fund Tax Levy	<u>1,007,032</u>	<u>1,409,871</u>
Estimated Balance Fiscal Year Ending 12-31-20		<u><u>\$ 526,378</u></u>

TABLE 11 – AUTHORIZED BUT UNISSUED UNLIMITED TAX BONDS

The County has no authorized but unissued general obligation bonds.

TABLE 12 - OTHER OBLIGATIONS: See Annual Financial Audit for Fiscal Year 2019, Note 6.

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TABLE 13 – CHANGE IN NET POSITION

	Fiscal Years Ended December 31,				
	2019	2018	2017	2016	2015
REVENUES:					
Program Revenues:					
Charges for Services	\$ 3,051,066	\$ 2,243,726	\$ 2,093,651	\$ 2,361,180	\$ 1,995,470
Operating Grants and Contributions	1,089,694	871,526	1,547,917	2,232,617	1,145,338
Capital Grants and Contributions	-	-	-	-	-
General Revenues:					
Property Taxes	\$ 10,159,054	\$ 8,012,671	\$ 7,829,373	\$ 8,607,455	\$ 11,047,359
Tax Collector Fees	562,301	538,844	434,670	457,010	996,825
Sales and Use Taxes	2,484,898	2,205,775	2,753,986	1,586,223	1,832,219
Mixed Drink Tax	32,821	27,754	17,844	13,767	12,726
Gain on Extinguishment of Debt	-	18,231	-	-	-
Gain on sale of assets	6,070	-	-	-	-
Loss on Transfer of Assets	-	-	-	-	-
Investment Earnings	305,108	209,847	116,402	56,692	19,162
Miscellaneous	326,568	479,954	696,838	822,616	224,063
Total Revenues	\$ 18,017,580	\$ 14,608,328	\$ 15,490,681	\$ 16,137,560	\$ 17,273,162
EXPENSES					
Governmental Activities:					
General Government	\$ 3,807,755	\$ 3,481,707	\$ 3,406,190	\$ 3,719,128	\$ 3,290,652
Health and Welfare	1,747,337	1,562,855	1,571,463	1,703,817	1,535,602
Judicial and Legal	3,515,873	3,200,210	3,345,296	3,480,450	3,155,620
Public Safety	4,749,271	3,936,372	3,953,492	4,272,659	4,061,050
Public Facilities	640,873	553,159	512,095	589,104	653,874
Culture and Recreation	1,130,842	1,031,041	1,068,983	1,187,264	1,165,496
Road Maintenance	2,928,445	2,629,062	2,868,823	2,830,646	3,391,673
Interest on Long-Term Debt	359,548	373,798	449,859	485,151	491,547
Total Expenses	\$ 18,879,944	\$ 16,768,204	\$ 17,176,201	\$ 18,268,219	\$ 17,745,514
Transfers	\$ -	\$ (11,750)	\$ (511,252)	\$ (5,703)	\$ (309,241)
Increase (Decrease) in Net Assets	\$ (862,364)	\$ (2,171,626)	\$ (2,196,772)	\$ (2,136,362)	\$ (781,593)
Net Position - Beginning	\$ 10,102,743	\$ 12,274,369	\$ 14,471,141	\$ 16,607,503	\$ 15,452,900
Adjustments	6	-	-	-	1,936,196
Net Position - Ending	\$ 9,240,385	\$ 10,102,743	\$ 12,274,369	\$ 14,471,141	\$ 16,607,503

TABLE 13-A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended December 31,				
	2019	2018	2017	2016	2015
REVENUES:					
Taxes	\$ 9,900,636	\$ 8,296,785	\$ 8,922,022	\$ 8,010,462	\$ 9,502,254
State and Federal Grants	175,808	147,475	206,255	265,938	441,260
Fines and Fees	2,093,086	1,601,733	1,391,887	1,269,586	1,753,108
Interest	225,997	156,530	91,594	43,092	14,416
Other Revenues	487,108	606,678	814,668	1,370,171	452,942
Total Revenues	\$ 12,882,635	\$ 10,809,201	\$ 11,426,426	\$ 10,959,249	\$ 12,163,980
EXPENDITURES:					
General Government	\$ 3,106,421	\$ 2,913,373	\$ 3,612,545	\$ 2,895,838	\$ 3,102,267
Health and Welfare	1,513,206	1,474,630	1,485,110	1,513,364	1,505,810
Judicial and Legal	2,217,574	2,270,406	2,277,469	2,356,622	2,382,156
Public Safety	3,980,274	3,432,218	3,475,149	3,515,418	3,644,059
Public Facilities	448,748	452,384	434,978	446,107	582,094
Culture and Recreation	905,559	958,198	874,487	966,759	1,161,001
Total Expenditures	\$ 12,171,782	\$ 11,501,209	\$ 12,159,738	\$ 11,694,108	\$ 12,377,387
Excess (Deficiency) of Revenue					
Over (Under) Expenditures	\$ 710,853	\$ (692,008)	\$ (733,312)	\$ (734,859)	\$ (213,407)
Other Financing Sources (Uses):					
Capital Lease Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In (Out)	-	(35,368)	(408,265)	(31,652)	(339,247)
Total Other Financing Sources (Uses)	\$ -	\$ (35,368)	\$ (408,265)	\$ (31,652)	\$ (339,247)
Net Change in Fund Balance	\$ 710,853	\$ (727,376)	\$ (1,141,577)	\$ (766,511)	\$ (552,654)
Fund Balances - Beginning	\$ 372,228	\$ 1,099,604	\$ 2,241,181	\$ 3,007,692	\$ 3,560,346
Fund Balances - Ending	\$ 1,083,081	\$ 372,228	\$ 1,099,604	\$ 2,241,181	\$ 3,007,692

TABLE 14 - CURRENT INVESTMENTS

As of December 31, 2019, the County's investable funds were invested in the following categories:

Investments	Market Value	
TexPool	\$ 459,828	4.08%
TxClass	9,770,365	86.76%
FICA	1,031,578	9.16%
	11,261,771	100.00%