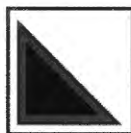


CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED DECEMBER 31, 2022

SCURRY COUNTY, TEXAS

GENERAL OBLIGATION DEBT



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

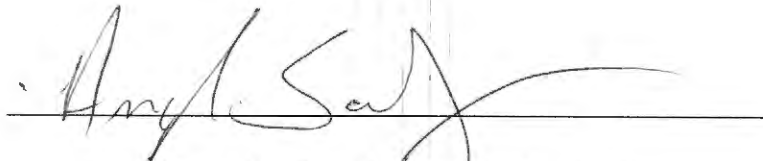
FINANCIAL STATEMENTS

The audited financial statements for the County for the fiscal year ended December 31, 2022 are being separately filed with the Nationally Recognized Municipal Securities Information Repository and any applicable State Information Depository, and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

SIGNATURE OF ISSUER

The information set forth herein has been obtained from the County and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the County or other matters described.

SCURRY COUNTY, TEXAS



County Auditor, Scurry County, Texas

Approved for Submission:

6/21/2023

Date

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

| | | |
|--|---------------|------------------|
| 2022/2023 Market Valuation Established by Scurry County Appraisal District (excludes exempt property) | | \$ 4,407,318,552 |
| Less Exemptions/Reductions at 100% Market Value | | |
| Residence Homestead Exemptions (Local Option) | \$ 92,845,179 | |
| Residence Homestead Exemptions (Over 65) | 17,476,071 | |
| Disabled Veterans Exemptions | 5,300,660 | |
| Productivity Loss | 443,605,992 | |
| Homestead Capped Value Loss | 11,757,924 | |
| Abatements | 553,646,970 | |
| Pollution Control | 10,302,281 | |
| Prorated Exemptions | 91,239 | |
| Other | 171,360 | |
| Freeze Loss | 117,632,653 | 1,252,830,329 |
| 2022/2023 Taxable Assessed Valuation | | \$ 3,154,488,223 |
| Net General Obligation Debt Payable from Ad Valorem Taxes as of 12/31/22 | | \$ 10,030,000 |
| I&S Fund Balance as of 12/31/22 | | \$ 431,784 |

2022 Estimated Population - 16,934
Per Capita Taxable Assessed Valuation \$186,281
Per Capita General Purpose Funded Debt Payable from Ad Valorem Taxes - \$592

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

| Category | Taxable Appraised Value for Fiscal Year Ended December 31, | | | | | |
|--|--|------------|-------------------------|------------|-------------------------|------------|
| | 2023 | | 2022 | | 2021 | |
| | Amount | % of Total | Amount | % of Total | Amount | % of Total |
| Real, Residential Single Family | \$ 485,848,423 | 11.02% | \$ 455,304,115 | 12.74% | \$ 441,410,290 | 11.76% |
| Real, Residential Multi-Family | 14,680,712 | 0.33% | 14,648,370 | 0.41% | 15,057,034 | 0.40% |
| Real, Vacant Lots/Tracts | 9,249,171 | 0.21% | 9,263,108 | 0.26% | 7,715,649 | 0.21% |
| Real, Agricultural Land | 511,712,356 | 11.61% | 515,383,337 | 14.42% | 508,866,722 | 13.56% |
| Real, Farm and Ranch Improvements | 137,643,996 | 3.12% | 120,561,962 | 3.37% | 114,810,120 | 3.06% |
| Real, Commercial and Industrial | 962,859,272 | 21.85% | 1,026,690,935 | 28.73% | 714,710,398 | 19.05% |
| Oil and Gas | 1,580,518,098 | 35.86% | 737,553,370 | 20.64% | 1,017,113,131 | 27.10% |
| Real and Tangible Personal, Utilities | 362,366,278 | 8.22% | 363,267,081 | 10.17% | 339,608,453 | 9.05% |
| Tangible Personal, Commercial and Industrial | 320,720,841 | 7.28% | 311,912,874 | 8.73% | 575,839,245 | 15.35% |
| Tangible Personal, Mobile Homes | 13,278,499 | 0.30% | 11,881,616 | 0.33% | 11,988,684 | 0.32% |
| Residential Inventory | 352,364 | 0.01% | 373,232 | 0.01% | 358,008 | 0.01% |
| Special Inventory | 8,088,542 | 0.18% | 6,637,579 | 0.19% | 5,067,879 | 0.14% |
| Total Appraised Value Before Exemptions | \$ 4,407,318,552 | 100.00% | \$ 3,573,477,579 | 100.00% | \$ 3,752,545,613 | 100.00% |
| Less: Total Exemptions/Reductions | <u>(1,252,830,329)</u> | | <u>(1,281,436,263)</u> | | <u>(1,056,101,054)</u> | |
| Taxable Assessed Value | <u>\$ 3,154,488,223</u> | | <u>\$ 2,292,041,316</u> | | <u>\$ 2,696,444,559</u> | |

| Category | Taxable Appraised Value for Fiscal Year Ended December 31, | | | |
|--|--|------------|-------------------------|------------|
| | 2020 | | 2019 | |
| | Amount | % of Total | Amount | % of Total |
| Real, Residential Single Family | \$ 443,632,990 | 10.70% | \$ 449,266,941 | 12.31% |
| Real, Residential Multi-Family | 13,423,531 | 0.32% | 13,595,915 | 0.37% |
| Real, Vacant Lots/Tracts | 7,907,361 | 0.19% | 8,012,835 | 0.22% |
| Real, Acreage (Land Only) | 508,277,101 | 12.26% | 511,267,509 | 14.01% |
| Real, Farm and Ranch Improvements | 111,999,620 | 2.70% | 110,591,399 | 3.03% |
| Real, Commercial and Industrial | 845,622,116 | 20.39% | 951,503,141 | 26.08% |
| Oil and Gas | 1,351,065,127 | 32.58% | 877,374,298 | 24.04% |
| Real and Tangible Personal, Utilities | 330,969,866 | 7.98% | 305,047,365 | 8.36% |
| Tangible Personal, Commercial and Industrial | 515,731,604 | 12.44% | 406,398,464 | 11.14% |
| Tangible Personal, Mobile Homes | 11,817,668 | 0.28% | 11,738,897 | 0.32% |
| Residential Inventory | 367,680 | 0.01% | 373,680 | 0.01% |
| Special Inventory | 6,406,141 | 0.15% | 3,853,776 | 0.11% |
| Total Appraised Value Before Exemptions | \$ 4,147,220,805 | 100.00% | \$ 3,649,024,220 | 100.00% |
| Less: Total Exemptions/Reductions | <u>(1,086,331,756)</u> | | <u>(1,208,334,339)</u> | |
| Taxable Assessed Value | <u>\$ 3,060,889,049</u> | | <u>\$ 2,440,689,881</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 |
|-------------------------|-------------------------------------|---|---------------------------------------|---|---------------------------------------|----------------------------|----------|
| 2019 | 16,655 | \$ 2,440,689,881 | \$ 146,544 | \$ 12,005,000 | 0.49% | \$ 721 | 2018 |
| 2020 | 16,932 | 3,060,889,049 | 180,775 | 11,390,000 | 0.37% | 673 | 2019 |
| 2021 | 16,824 | 2,696,444,559 | 160,274 | 10,720,000 | 0.40% | 637 | 2020 |
| 2022 | 16,934 | 2,292,041,316 | 135,351 | 10,030,000 | 0.44% | 592 | 2021 |
| 2023 | 16,934 | 3,154,488,223 | 186,281 | 9,320,000 ⁽³⁾ | 0.30% | 550 | 2022 |

(1) Source: Municipal Advisory Council of Texas

(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 | | | | |
| 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 | 83.62% | 98.07% | 2019 |
| 2021 | 0.449800 | 0.416900 | 0.032900 | 12,086,942 | 71.49% | 97.29% | 2020 |
| 2022 | 0.536100 | 0.492500 | 0.043600 | 15,052,176 | 78.34% | 91.39% | 2021 |
| 2023 | 0.480000 | 0.447500 | 0.032500 | 15,141,543 | In Process in Collection | | 2022 |

TABLE 5 – TAX RATE DISTRIBUTION ANALYSIS

| | Fiscal Years Ended December 31, | | | | |
|----------------------------------|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| General Fund | \$ 0.44750 | \$ 0.49250 | \$ 0.41690 | \$ 0.41690 | \$ 0.40900 |
| Interest and Sinking Fund | 0.03250 | 0.04360 | 0.03290 | 0.03290 | 0.04080 |
| Total Constitutional Tax Rate | \$ 0.48000 | \$ 0.53610 | \$ 0.44980 | \$ 0.44980 | \$ 0.44980 |
| Special Road and Bridge Tax Rate | \$ - | \$ - | \$ - | \$ - | \$ - |
| Farm-to-Market Tax Rate | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Tax Rate | <u>\$ 0.48000</u> | <u>\$ 0.53610</u> | <u>\$ 0.44980</u> | <u>\$ 0.44980</u> | <u>\$ 0.44980</u> |

TABLE 6 - TEN LARGEST TAXPAYERS

| Name of Taxpayer | 2022/2023 | % of Total |
|----------------------------|----------------------------------|----------------------------------|
| | Taxable Assessed Valuation | Taxable Assessed Valuation |
| Kinder Morgan Production | \$ 608,761,782 | 19.30% |
| Oncor Electric Delivery Co | 119,003,260 | 3.77% |
| Clear Fork Inc | 86,809,548 | 2.75% |
| Occidental Permian LTD | 82,204,052 | 2.61% |
| Three Span Oil & Gas Inc | 56,076,871 | 1.78% |
| Kinder Morgan Production | 52,725,560 | 1.67% |
| BNSF Railway | 40,818,460 | 1.29% |
| Peregrine Petroleum | 39,690,851 | 1.26% |
| Scurry Midstream | 38,710,970 | 1.23% |
| Electric Transmission | 33,361,120 | 1.06% |
| | <u>\$ 1,158,162,474</u> | <u>36.71%</u> |

TABLE 7 - TAX ADEQUACY

| | |
|---|------------|
| 2023 Net Tax Supported Principal and Interest Requirements | \$ 916,625 |
| \$0.0297 Tax Rate at 98% Collection Produces | \$ 918,145 |
| Average Annual Net Tax Supported Principal and Interest Requirements, 2023 - 2034 | \$ 945,229 |
| \$0.0306 Tax Rate at 98% Collection Produces | \$ 945,968 |
| Maximum Net Tax Supported Principal and Interest Requirements, 2028 | \$ 954,925 |
| \$0.0309 Tax Rate at 98% Collection Produces | \$ 955,242 |

TABLE 9 – GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

| Fiscal Year Ended 12/31 | Outstanding Debt | | | % of Principal Retired |
|----------------------------------|----------------------|---------------------|----------------------|------------------------------|
| | Principal | Interest | Total | |
| 2023 | \$ 710,000 | \$ 206,625 | \$ 916,625 | |
| 2024 | 730,000 | 188,300 | 918,300 | |
| 2025 | 780,000 | 172,350 | 952,350 | 22.13% |
| 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 | 63.61% |
| 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>\$ 10,030,000</u> | <u>\$ 1,312,750</u> | <u>\$ 11,342,750</u> | |

TABLE 10 - INTEREST AND SINKING FUND BUDGET PROJECTION

| | | |
|--|------------------|-------------------|
| Tax Supported Debt Service Requirements, Fiscal Year Ending 12-31-23 | | \$ 916,625 |
| Interest and Sinking Fund Balance, 12-31-22 | \$ 431,784 | |
| Interest and Sinking Fund Tax Levy | <u>1,025,209</u> | <u>1,456,993</u> |
| Estimated Balance Fiscal Year Ending 12-31-23 | | <u>\$ 540,368</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 2022, Note 6 (page 37).

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TABLE 13 – CHANGE IN NET POSITION

| | Fiscal Years Ended December 31, | | | | |
|------------------------------------|---------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 |
| REVENUES: | | | | | |
| Program Revenues: | | | | | |
| Charges for Services | \$ 2,063,668 | \$ 3,423,345 | \$ 2,237,161 | \$ 3,051,066 | \$ 2,243,726 |
| Operating Grants and Contributions | 1,121,081 | 1,564,198 | 974,640 | 1,089,694 | 871,526 |
| General Revenues: | | | | | |
| Property Taxes | \$ 9,918,640 | \$ 10,525,612 | \$ 11,196,992 | \$ 10,159,054 | \$ 8,012,671 |
| Tax Collector Fees | 537,485 | 469,137 | 451,810 | 562,301 | 538,844 |
| Sales and Use Taxes | 2,990,619 | 2,114,933 | 2,238,107 | 2,484,898 | 2,205,775 |
| Mixed Drink Tax | 46,968 | 21,477 | 17,854 | 32,821 | 27,754 |
| Gain on Extinguishment of Debt | - | - | - | - | 18,231 |
| Gain on sale of assets | - | (1,342) | (285,865) | 6,070 | - |
| Loss on Transfer of Assets | (414,928) | - | - | - | - |
| Investment Earnings | 281,730 | 16,694 | 117,392 | 305,108 | 209,847 |
| Miscellaneous | 810,896 | 1,667,952 | 185,303 | 326,568 | 479,954 |
| Total Revenues | \$ 17,356,159 | \$ 19,802,006 | \$ 17,133,394 | \$ 18,017,580 | \$ 14,608,328 |
| EXPENSES | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 2,993,608 | \$ 4,321,008 | \$ 3,046,265 | \$ 3,807,755 | \$ 3,481,707 |
| Health and Welfare | 1,302,400 | 1,680,870 | 1,440,740 | 1,747,337 | 1,562,855 |
| Judicial and Legal | 2,767,069 | 3,661,040 | 3,178,043 | 3,515,873 | 3,200,210 |
| Public Safety | 3,702,351 | 4,792,774 | 4,333,148 | 4,749,271 | 3,936,372 |
| Public Facilities | 423,347 | 539,722 | 458,046 | 640,873 | 553,159 |
| Culture and Recreation | 922,853 | 1,104,391 | 942,216 | 1,130,842 | 1,031,041 |
| Road Maintenance | 2,216,320 | 3,516,791 | 2,629,138 | 2,928,445 | 2,629,062 |
| Interest on Long-Term Debt | 201,870 | 198,150 | 322,663 | 359,548 | 373,798 |
| Total Expenses | \$ 14,529,818 | \$ 19,814,746 | \$ 16,350,259 | \$ 18,879,944 | \$ 16,768,204 |
| Transfers | \$ - | \$ - | \$ - | \$ - | \$ (11,750) |
| Increase (Decrease) in Net Assets | \$ 2,826,341 | \$ (12,740) | \$ 783,135 | \$ (862,364) | \$ (2,171,626) |
| Net Position - Beginning | \$ 10,010,783 | \$ 10,023,520 | \$ 9,240,385 | \$ 10,102,743 | \$ 12,274,369 |
| Adjustments | - | 3 | - | 6 | - |
| Net Position - Ending | \$ 12,837,124 | \$ 10,010,783 | \$ 10,023,520 | \$ 9,240,385 | \$ 10,102,743 |

TABLE 13-A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

| | Fiscal Year Ended December 31, | | | | |
|---|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 |
| REVENUES: | | | | | |
| Taxes | \$ 11,240,667 | \$ 10,424,116 | \$ 10,620,075 | \$ 9,900,636 | \$ 8,296,785 |
| State and Federal Grants | 141,952 | 372,578 | 220,069 | 175,808 | 147,475 |
| Fines and Fees | 1,236,362 | 1,600,957 | 1,545,728 | 2,093,086 | 1,601,733 |
| Interest | 186,165 | 12,944 | 93,037 | 225,997 | 156,530 |
| Other Revenues | 1,209,512 | 1,859,468 | 378,561 | 487,108 | 606,678 |
| Total Revenues | \$ 14,014,658 | \$ 14,270,063 | \$ 12,857,470 | \$ 12,882,635 | \$ 10,809,201 |
| EXPENDITURES: | | | | | |
| General Government | \$ 5,967,262 | \$ 4,230,401 | \$ 3,650,674 | \$ 3,106,421 | \$ 2,913,373 |
| Health and Welfare | 1,536,617 | 1,495,214 | 1,499,591 | 1,513,206 | 1,474,630 |
| Judicial and Legal | 2,527,506 | 2,453,789 | 2,544,220 | 2,217,574 | 2,270,406 |
| Public Safety | 4,027,320 | 4,005,467 | 3,979,121 | 3,980,274 | 3,432,218 |
| Public Facilities | 405,782 | 409,890 | 402,633 | 448,748 | 452,384 |
| Culture and Recreation | 1,014,938 | 920,387 | 919,060 | 905,559 | 958,198 |
| Total Expenditures | \$ 15,479,425 | \$ 13,515,148 | \$ 12,995,299 | \$ 12,171,782 | \$ 11,501,209 |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | \$ (1,464,767) | \$ 754,915 | \$ (137,829) | \$ 710,853 | \$ (692,008) |
| Other Financing Sources (Uses): | | | | | |
| Capital Lease Proceeds | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers In (Out) | 69,850 | - | 19,498 | - | (35,368) |
| Total Other Financing Sources (Uses) | \$ 69,850 | \$ - | \$ 19,498 | \$ - | \$ (35,368) |
| Net Change in Fund Balance | \$ (1,394,917) | \$ 754,915 | \$ (118,331) | \$ 710,853 | \$ (727,376) |
| Fund Balances - Beginning | \$ 1,719,665 | \$ 964,750 | \$ 1,083,081 | \$ 372,228 | \$ 1,099,604 |
| Fund Balances - Ending | \$ 324,748 | \$ 1,719,665 | \$ 964,750 | \$ 1,083,081 | \$ 372,228 |

TABLE 14 - CURRENT INVESTMENTS

As of December 31, 2022, the County's investable funds were invested in the following categories:

| Investments | Market Value | |
|-------------|------------------|----------------|
| TexPool | \$ 334,586 | 3.63% |
| TxClass | 7,831,549 | 84.98% |
| FICA | 1,050,018 | 11.39% |
| | 9,216,152 | 100.00% |