NEW ISSUE BOOK-ENTRY-ONLY

Rating: Moody's: "Aa2"
(See "OTHER PERTINENT INFORMATION – Ratings" herein)

OFFICIAL STATEMENT
Dated: April 26, 2021

In the opinion of Bond Counsel (named below), assuming continuing compliance by the County (defined below) after the date of initial delivery of the Certificates (defined below) to the Purchaser (defined below) with certain covenants contained in the Order (defined below) and subject to the matters set forth under "TAX MATTERS" herein, interest on the Certificates for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Certificates, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. See "TAX MATTERS".

The Issuer has designated the Certificates as "Qualified Tax-Exempt Obligations" for financial institutions.

$4,120,000
LAMAR COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021

Dated Date: May 1, 2021 **Due: March 1, as shown on page ii**

The $4,120,000 Lamar County, Texas (the "County" or the "Issuer") Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2021 (the "Certificates") are being issued pursuant to the Constitution and the general laws of the State of Texas (the "State"), including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Local Government Code, Section 1473.002, as amended, Texas Local Government Code, Chapter 323, as amended and an order (the "Order") adopted by the Commissioners Court on April 26, 2021. (See "THE CERTIFICATES - Authority for Issuance" herein.)

The Certificates constitute direct obligations of the Issuer payable from an annual ad valorem tax levied against all taxable property in the County, within the limits prescribed by law and are additionally payable from a lien on and limited pledge of the net revenues (the "Net Revenues") derived from the operation of the County's library system (the "System"); such pledge being limited to $1,000 and being inferior and subordinate to the lien on and pledge of the Net Revenues securing the payment of obligations senior thereto, if any, hereafter issued by the County. In the Order the County reserves and retains the right to issue Prior Lien Bonds, Junior Lien Bonds, and Additional Parity Obligations (all as identified and defined in the Order), while the Certificates are Outstanding, without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise. (See "THE CERTIFICATES - Security for Payment" herein.)

Interest on the Certificates will accrue from May 1, 2021 (the "Dated Date") as shown above and will be payable on March 1, 2022, and on each September 1 and March 1 thereafter, until the earlier of stated maturity or prior redemption, and will be calculated on the basis of a 360-day year of twelve 30-day months. The definitive Certificates will be issued as fully registered obligations in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository (the "Securities Depository"). Book-entry interests in the Certificates will be made available for purchase in the principal amount of $5,000 or any integral multiple thereof. Purchasers of the Certificates ("Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Certificates purchased. So long as DTC or its nominee is the registered owner of the Certificates, the principal of and interest on the Certificates will be payable by BOKF, NA, Dallas, Texas, as Paying Agent/Registrar, to DTC, which will in turn remit such principal and interest to its Participants, which will in turn remit such principal and interest to the Beneficial Owners of the Certificates. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

Proceeds from the sale of the Certificates will be for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (2) acquiring, designing, constructing, renovating, repairing, and improving the Lamar County Jail, including the electronic locking system; (3) designing, renovating, repairing, and improving various County facilities, including roof and air conditioning and heating repairs and replacements; (4) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (5) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects. (See "THE CERTIFICATES - Use of Certificate Proceeds" herein.)

The Issuer reserves the right to redeem the Certificates maturing on and after March 1, 2031, on March 1, 2030, or any date thereafter, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest as further described herein. (See "THE CERTIFICATES - Redemption Provisions" herein.)

STATED MATURITY SCHEDULE
(On Page ii)

The Certificates are offered for delivery, when, as and if issued and received by FHN Financial Capital Markets (the "Purchaser") and subject to the approving opinion of the Attorney General of the State of Texas and the approval of certain legal matters by Norton Rose Fulbright US LLP, Austin and San Antonio, Texas, Bond Counsel. (See Appendix C – Form of Legal Opinion of Bond Counsel and "OTHER PERTINENT INFORMATION - Legal Opinions and No-Litigation Certificate" herein). It is expected that the Certificates will be available for delivery through DTC on or about May 20, 2021.

STATED MATURITY SCHEDULE
(Due March 1)
Base CUSIP – 513030 [(a)]

Stated Maturity March 1	Principal Amount	Interest Rate (%)	Initial Yield (%)	CUSIP Suffix[(a)]
2022	$555,000	3.000	0.150	FE1
2023	285,000	3.000	0.200	FF8
2024	100,000	3.000	0.300	FG6
2025	100,000	3.000	0.400	FH4
2026	105,000	3.000	0.500	FJ0
2027	110,000	3.000	0.650	FK7
2028	685,000	3.000	0.750	FL5
2029	705,000	3.000	0.850	FM3
2030	730,000	3.000	0.950	FN1
2031	745,000	2.000	1.050 [(b)]	FP6

(Interest to accrue from the Dated Date)

The Issuer reserves the right to redeem the Certificates maturing on and after March 1, 2031, on March 1, 2030, or any date thereafter, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest as further described herein. (See "THE CERTIFICATES - Redemption Provisions" herein.)

(a) CUSIP numbers are included solely for the convenience of the owners of the Certificates. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Global Market Intelligence on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the services provided by CGS. None of the County, the Financial Advisor, or the Purchaser is responsible for the selection or the correctness of the CUSIP numbers set forth herein.

(b) Yield is calculated to the first call date, March 1, 2030.

LAMAR COUNTY, TEXAS
119 N. Main, Rm. B05
Paris, Texas 75460
903-737-2411

ELECTED OFFICIALS

Name	Title	Date First Elected	Term Expires
Brandon Bell	County Judge	01/01/19	12/31/2023
Alan Skidmore	Commissioner, Precinct 1	01/01/21	12/31/2024
Lonnie Layton	Commissioner, Precinct 2	01/01/07	12/31/2023
Ronnie Bass	Commissioner, Precinct 3	01/01/17	12/31/2024
Kevin Anderson	Commissioner, Precinct 4	01/01/19	12/31/2023

ADMINISTRATION

Name	Position	Years With The County
Kayla Hall	County Auditor	5
Ruth Sisson	County Clerk	4
Nicki Bridgers	County Treasurer	18
Shawntel Golden	District Clerk	27
Haskell Maroney	Tax Assessor Collector	10

CONSULTANTS AND ADVISORS

Bond Counsel	Norton Rose Fulbright US LLP Austin and San Antonio, Texas
Certified Public Accountants	Malnorey, McNeal & Company, PC Paris, Texas
Financial Advisor	SAMCO Capital Markets, Inc. San Antonio, Texas

For Additional Information Please Contact:

The Honorable Randy Moore
County Judge
Lamar County
119 N. Main, Rm. B05
Paris, Texas 75460
903-737-2411 (Phone)
judgebell@co.lamar.tx.us

Mr. Mark McLiney
Senior Managing Director
SAMCO Capital Markets, Inc.
1020 NE Loop 410, Suite 640
San Antonio, Texas 78209
(210) 832-9760 (Phone)
mmcliney@samcocapital.com

Mr. Andrew Friedman
Managing Director
SAMCO Capital Markets, Inc.
1020 NE Loop 410, Suite 640
San Antonio, Texas 78209
(210) 832-9760 (Phone)
afriedman@samcocapital.com

USE OF INFORMATION IN THE OFFICIAL STATEMENT

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information must not be relied upon.

Certain information set forth herein has been provided by sources other than the County that the County believes to be reliable, but the County makes no representation as to the accuracy of such information. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the County's undertaking to provide certain information on a continuing basis.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with its responsibilities to the Issuer and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

The agreements of the County and others related to the Certificates are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Certificates is to be construed as constituting an agreement with a purchaser of the Certificates. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

None of the County, its Financial Advisor, or the Purchaser makes any representation or warranty with respect to the information contained in this Official Statement regarding the Depository Trust Company or its book-entry-only system, as such information has been provided by DTC. THE CERTIFICATES ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE CERTIFICATES IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

TABLE OF CONTENTS

The cover page, subsequent pages hereof and appendices attached hereto, are part of this Official Statement.

SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Certificates to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this page from this Official Statement or to otherwise use it without the entire Official Statement.

The Issuer	Lamar County, Texas (the "County" or "Issuer") is a political subdivision of the State of Texas and operates under the statutes and the Constitution of the State of Texas. The 2010 census for the County was 49,793. The 2021 estimated population is 50,000. (See "APPENDIX B - General Information Regarding Lamar County and the City of Paris, Texas" herein.)
The Certificates	The Certificates are being issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Local Government Code, Section 1473.002, as amended, Texas Local Government Code, Chapter 323, as amended, and an order (the "Order") adopted by the Commissioners Court on April 26, 2021. (See "THE CERTIFICATES - Authority for Issuance" herein.)
Paying Agent/Registrar	The initial Paying Agent/Registrar for the Certificates is BOKF, NA, Dallas, Texas.
Security	The Certificates constitute direct obligations of the Issuer payable from an annual ad valorem tax levied against all taxable property in the County, within the limits prescribed by law and are additionally payable from a lien on and limited pledge of the net revenues (the "Net Revenues") derived from the operation of the County's library system (the "System"); such pledge being limited to $1,000 and being inferior and subordinate to the lien on and pledge of the Net Revenues securing the payment of obligations senior thereto, if any, hereafter issued by the County. In the Order the County reserves and retains the right to issue Prior Lien Bonds, Junior Lien Bonds, and Additional Parity Obligations (all as identified and defined in the Order), while the Certificates are Outstanding, without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise. (See "THE CERTIFICATES - Security for Payment" herein.)
Redemption Provisions	The Issuer reserves the right, at its sole option, to redeem the Certificates stated to mature on and after March 1, 2031, on March 1, 2030 or any date thereafter, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, at the price of par plus accrued interest to the date fixed for redemption (See "THE CERTIFICATES - Redemption Provisions" herein.)
Tax Matters	In the opinion of Bond Counsel, the interest on the Certificates will be excludable from gross income for federal tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described herein under "TAX MATTERS" and will not be included in computing the alternative minimum taxable income of the owners thereof. (See "TAX MATTERS" for a discussion of the Opinion of Bond Counsel and "APPENDIX C - Form of Legal Opinion of Bond Counsel" herein.)
Qualified Tax-Exempt Obligations	The County has designated the Certificates as "Qualified Tax-Exempt Obligations" for financial institutions. (See "TAX MATTERS - Qualified Tax-Exempt Obligations" herein.)
Use of Certificate Proceeds	Proceeds from the sale of the Certificates will be used for the purpose or purposes of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (2) acquiring, designing, constructing, renovating, repairing, and improving the Lamar County Jail, including the electronic locking system; (3) designing, renovating, repairing, and improving various County facilities, including roof and air conditioning and heating repairs and replacements; (4) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (5) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects. (See "THE CERTIFICATES - Use of Certificate Proceeds" herein.)
Book-Entry-Only System	The Issuer intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York described herein. No physical delivery of the Certificates will be made to the beneficial owners of the Certificates. Such Book-Entry-Only System may affect the method and timing of payments on the Certificates and the manner in which the Certificates may be transferred. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

Ratings	Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa2" to the Certificates.. An explanation of the significance of such rating may be obtained from S&P. (See "OTHER PERTINENT INFORMATION - Ratings" herein.)
Issuance of Additional Debt	The Issuer does not anticipate the issuance of any additional ad valorem tax debt in 2021.
Payment Record	The County has never defaulted on the payment of its tax-supported indebtedness.
Delivery	When issued, anticipated on or about May 20, 2021.
Legality	Delivery of the Certificates is subject to the approval by the Attorney General of the State of Texas and the rendering of an opinion as to legality by Norton Rose Fulbright US LLP, Austin and San Antonio, Texas, Bond Counsel.

OFFICIAL STATEMENT
relating to
$4,120,000
LAMAR COUNTY, TEXAS
(A political subdivision of the State of Texas)
COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021

INTRODUCTORY STATEMENT

This Official Statement provides certain information in connection with the issuance by Lamar County, Texas (the "County" or the "Issuer") of its $4,120,000 Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2021 (the "Certificates") identified on the cover page hereof.

The Issuer is a political subdivision of the State of Texas (the "State") and operates under the statutes and the Constitution of the State. The Certificates are being issued pursuant to the Constitution and general laws of the State, including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Section 1473.002, as amended, Texas Local Government Code, Chapter 323, as amended, and an order (the "Order") adopted by the Commissioners Court of the County on April 26, 2021. (See "THE CERTIFICATES - Authority for Issuance" herein.)

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Order. Included in this Official Statement are descriptions of the Certificates and certain information about the Issuer and its finances. ***ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT***. Copies of such documents may be obtained from the Issuer or the Financial Advisor noted on page iii hereof by email or upon payment of reasonable copying, handling, and delivery charges.

All financial and other information presented in this Official Statement has been provided by the County from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in financial position or other affairs of the County. No representation is made that past experience, as is shown by financial and other information, will necessarily continue or be repeated in the future.

This Official Statement speaks only as to its date, and the information contained herein is subject to change. A copy of the Official Statement pertaining to the Certificates will be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE OF INFORMATION" herein for a description of the County's undertaking to provide certain information on a continuing basis.

Infectious Disease Outbreak – COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of Texas (the "State"). On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID- 19 in the United States.

On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in Texas in response to the Pandemic which has been subsequently extended and is still in effect. In addition, certain local officials, including the County, have also declared a local state of disaster. Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation. However, on March 2, 2021, the Governor issued Executive Order GA-34, which supersedes most of the executive orders relating to COVID-19 and provides, generally, for the reopening of the State to 100%, ends the COVID-19 mask mandate, and supersedes any conflicting order issued by local officials in response to COVID-19, among other things and subject to certain limitations. Executive Order GA-34 took effect on March 10, 2021. Executive Order GA-34 remains in place until amended, rescinded, or superseded by the Governor. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at https://gov.texas.gov/. Neither the information on (nor accessed through) such website of the Governor is incorporated by reference, either expressly or by implication, into this Official Statement.

The County collects a sales and use tax on all taxable transactions within the County's boundaries and other excise taxes and fees that depend on business activity. Actions taken to slow the Pandemic are expected to continue to reduce economic activity within the County on which the County collects taxes, charges, and fees. A reduction in the collection of sales or other excise taxes, utility system revenue, and utility franchise and other fees and charges may negatively impact the County's operating budget and overall financial condition. In addition, the Pandemic has resulted in volatility of the value of investments in pension funds. Any prolonged continuation of the Pandemic could further weaken asset values or slow or prevent their recovery, which could require increased County contributions to fund or pay retirement and other post-employment benefits in the future.

The full extent of the ongoing impact of COVID-19 on the County's longer-term operational and financial performance will depend on future developments, many of which are outside of its control, including the effectiveness of the mitigation strategies discussed above, the duration and spread of COVID-19, and future governmental actions, all of which are highly uncertain and cannot be predicted. The County continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the County. While the potential impact of the Pandemic on County cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the County's operations and financial condition.

The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the County. The financial and operating data contained herein are the latest available but are for the dates and the periods stated herein, which are for periods prior to the economic impact of the Pandemic and efforts to slow it. It is unclear at this time what effect, if any, COVID-19 and resulting economic disruption may have on future assessed values or the collection of taxes, either because of delinquencies or collection and valuation relief resulting from the declared emergency.

THE CERTIFICATES

General

The Certificates will be dated May 1, 2021 (the "Dated Date"). The Certificates are stated to mature on March 1 in the years and in the principal amounts set forth on page ii hereof. The Certificates shall bear interest from their Dated Date on the unpaid principal amounts, and the amount of interest to be paid with respect to each payment period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Certificates will be payable on March 1, 2022, and on each September 1 and March 1 (each, an "Interest Payment Date") thereafter until the earlier of stated maturity or prior redemption. Principal is payable at the designated offices of the "Paying Agent/Registrar" for the Certificates, initially BOKF, NA, Dallas, Texas. Interest on the Certificates shall be paid to the registered owners whose names appear on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (as hereinafter defined) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to be closed, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

Initially, the Certificates will be registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described below. No physical delivery of the Certificates will be made to the Beneficial Owners. Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will distribute the amounts received to the appropriate DTC Participants, who shall in turn make payment to the Beneficial Owners of the Certificates. Such Book-Entry-Only System may change the method and timing of payment for the Certificates and the method of transfer. See "BOOK-ENTRY-ONLY SYSTEM" below for a more complete description of such System.

Authority for Issuance

The Certificates are being issued pursuant to the Constitution and general laws of the State, including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Section 1473.002, as amended, Texas Local Government Code, Chapter 323, as amended, and the Order adopted by the Commissioners Court on April 26, 2021.

Security for Payment

The Certificates constitute direct obligations of the County payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the County and from a lien on and pledge of certain of the net revenues (the "Net Revenues") derived from the operation of the County's library system (the "System"), such pledge being limited to $1,000 and being inferior and subordinate to the lien on and pledge of the Net Revenues securing the payment of obligations senior thereto, if any, hereafter issued by the County. In the Order the County reserves and retains the right to issue Prior Lien Bonds, Junior Lien Bonds, and Additional Parity Obligations (all as identified and defined in the Order), while the Certificates are Outstanding, without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise.

Use of Certificate Proceeds

Proceeds from the sale of the Certificates will be for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (2) acquiring, designing, constructing, renovating, repairing, and improving the Lamar County Jail, including the electronic locking system; (3) designing, renovating, repairing, and improving various County facilities, including roof and air conditioning and heating repairs and replacements; (4) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (5) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects.

Sources and Uses

Sources	
Par Amount of the Certificates	$ 4,120,000.00
Accrued Interest on the Certificates	6,130.14
Net Reoffering Premium	471,312.60
Total Sources of Funds	4,597,442.74
Uses	
Project Fund Deposit	$ 4,500,000.00
Purchaser's Discount	15,468.28
Certificate Fund Deposit	6,130.14
Costs of Issuance	75,844.32
Total Uses	$ 4,597,442.74

Redemption Provisions

The Issuer reserves the right, at its option, to redeem the Certificates maturing on and after March 1, 2031 on March 1, 2030, or any date thereafter, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof (and, if within a stated maturity, selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date fixed for redemption.

Selection of Certificates for Redemption

The years of maturity of the Certificates called for redemption will be selected by the County. If less than all of the Certificates are redeemed within a stated maturity at any time, the Certificates to be redeemed will be selected by the Paying Agent/Registrar at random and by lot or other customary method in multiples of $5,000 within any stated maturity.

Notice of Redemption

At least 30 days prior to the date fixed for any redemption of any Certificates or portions thereof prior to stated maturity, the Issuer shall cause notice of such redemption to be sent by United States mail, first-class postage prepaid, to the registered owner of each Certificate or a portion thereof to be redeemed at its address as it appeared on the registration books of the Paying Agent/Registrar on the day such notice of redemption is mailed. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof which are to be so redeemed. If such notice of redemption is given and if due provision for such payment is made, all as provided above, the Certificates or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

ANY NOTICE OF REDEMPTION SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN IRRESPECTIVE OF WHETHER ONE OR MORE CERTIFICATEHOLDERS FAILED TO RECEIVE SUCH NOTICE, AND, PROVIDED THAT PROVISION FOR PAYMENT OF THE REDEMPTION PRICE IS MADE AND ANY OTHER CONDITIONS TO REDEMPTION ARE SATISFIED, INTEREST ON THE REDEEMED CERTIFICATES SHALL CEASE TO ACCRUE FROM AND AFTER SUCH REDEMPTION DATE NOTWITHSTANDING THAT A CERTIFICATE HAS NOT BEEN PRESENTED FOR PAYMENT.

Certificates of a denomination larger than $5,000 may be redeemed in part ($5,000 or any integral multiple thereof). Any Certificate to be partially redeemed must be surrendered in exchange for one or more new Certificates of the same stated maturity and interest rate for the unredeemed portion of the principal. In the event of redemption of less than all of the Certificates of a particular stated maturity, the Paying Agent/Registrar is required to select the Certificates of such stated maturity to be redeemed by such random method as it deems fair and appropriate and which may provide for the selection for redemption of portions (equal to any authorized denomination) of the Certificates of a denomination larger than $5,000.

The Paying Agent/Registrar and the Issuer, so long as a Book-Entry-Only System is used for the Certificates, will send any notice of redemption, notice of proposed amendment to the Order or other notices with respect to the Certificates only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the Beneficial Owner, will not affect the validity of the redemption of the Certificates called for redemption or any other action premised on any such notice. Redemption of portions of the Certificates by the Issuer will reduce the outstanding principal amount of such Certificates held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Certificates held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Certificates from the Beneficial Owners. Any such selection of Certificates to be redeemed will not be governed by the Order and will not be conducted by the Issuer or the Paying Agent/Registrar. Neither the Issuer or the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on Certificates or the providing of notice to DTC participants, indirect participants, or Beneficial Owners of the selection of portions of the Certificates for redemption. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

Payment Record

The County has never defaulted on the payment of its tax-supported indebtedness.

Legality

The Certificates are offered when, as and if issued, subject to the approval by the Attorney General of the State of Texas and the rendering of opinions as to certain legal matters by Norton Rose Fulbright US LLP, Austin and San Antonio, Texas ("Bond Counsel"). The legal opinion of Bond Counsel will accompany the Certificates to be deposited with DTC or will be printed on the Certificates should the Book-Entry-Only System be discontinued. A form of the legal opinion of Bond Counsel appears in APPENDIX C attached hereto.

Defeasance

The Order provides for the defeasance of the Certificates when payment of the principal amount of the Certificates plus interest accrued on the Certificates to their due date (whether such due date be by reason of stated maturity, redemption, or otherwise), is provided by irrevocably depositing with a paying agent, or other authorized escrow agent, in trust (1) money in an amount sufficient to make such payment, and/or (2) Government Securities (defined below), to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Certificates. The foregoing deposits shall be certified as to sufficiency by an independent accounting firm, the County's Financial Advisor, the Paying Agent/Registrar, or such other qualified financial institution (as provided in the Order). The County has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the County moneys in excess of the amount required for such defeasance. The Order provides that "Government Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Certificates. Current State law permits defeasance with the following types of securities: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that on the date the governing body of the County adopts or approves the proceedings authorizing the financial arrangements have been refunded and are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (d) any additional securities and obligations hereafter authorized by State law as eligible for use to accomplish the discharge of obligations such as the Certificates. There is no assurance that the ratings for U.S. Treasury securities acquired to defease any Certificates, or those for any other Government Securities, will be maintained at any particular rating category. Further, there is no assurance that current State law will not be amended in a manner that expands or contracts the list of permissible defeasance securities (such list consisting of these securities identified in clauses (a) through (c) above), or any rating requirement thereon, that may be purchased with defeasance proceeds relating to the Certificates ("Defeasance Proceeds"), though the County has reserved the right to utilize any additional securities for such purpose in the event the aforementioned list is expanded. Because the Order does not contractually limit such permissible defeasance securities and expressly recognizes the ability of the County to use lawfully available Defeasance Proceeds to defease all or any portion of the Certificates, registered owners of Certificates are deemed to have consented to the use of Defeasance Proceeds to purchase such other defeasance securities, notwithstanding the fact that such defeasance securities may not be of the same investment quality as those currently identified under State law as permissible defeasance securities.

Upon such deposit as described above, such Certificates shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment of the Certificates have been made as described above, all rights of the County to initiate proceedings to call the Certificates for redemption or take any other action amending the terms of the Certificates are extinguished; provided, however, the County has the option, to be exercised at the time of the defeasance of the Certificates, to call for redemption at an earlier date those Certificates which have been defeased to their maturity date, if the County (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption, (ii) gives notice of the reservation of that right to the owners of the Certificates immediately following the making of the firm banking and financial arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

Amendments

The Issuer may amend the Order without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the Issuer may, with the written consent of the holders of a majority in aggregate principal amount of the Certificates then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Order; except that, without the consent of the registered owners of all of the Certificates affected, no such amendment, addition, or rescission may (1) change the date specified as the date on which the principal of or any installment of interest on any Certificate is due and payable, reduce the principal amount thereof, or the rate of interest thereon, change the place or places at or the coin or currency in which any Certificate or interest thereon is payable, change the redemption price or amount, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required for consent to any amendment, addition, or waiver.

Default and Remedies

The Order does not specify events of default with respect to the Certificates. If the County defaults in the payment of principal, interest, or redemption price on the Certificates when due, or if it fails to make payments into any fund or funds created in the Order, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Order, the registered owners may seek a writ of mandamus to compel County officials to carry out their legally imposed duties with respect to the Certificates if there is no other available remedy at law to compel performance of the Certificates or Order and the County's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Certificates in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Order does not provide for the appointment of a trustee to represent the interest of the Certificateholders upon any failure of the County to perform in accordance with the terms of the Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners.

On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia* 197 S.W.3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas Legislature has effectively waived the County's sovereign immunity from a suit for money damages, Certificateholders may not be able to bring such a suit against the County for breach of the Certificates or Order covenants. Even if a judgment against the County could be obtained, it could not be enforced by direct levy and execution against the County's property. Further, the registered owners cannot themselves foreclose on property within the County or sell property within the County to enforce the tax lien on taxable property to pay the principal of and interest on the Certificates. Furthermore, the County is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9 and the pledge of a specific source of revenues, such as Net Revenues, is subject to judicial discretion. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or certificateholders of an entity which has sought protection under Chapter 9. Therefore, should the County avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court), and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Order and the Certificates are qualified with respect to the customary rights of debtors relative to their creditors and general principles of equity that permit the exercise of judicial discretion.

REGISTRATION, TRANSFER AND EXCHANGE

Paying Agent/Registrar

The initial Paying Agent/Registrar for the Certificates is BOKF, NA, Dallas, Texas. In the Order, the Issuer retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the Issuer, the new Paying Agent/Registrar shall accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar, selected at the sole discretion of the Issuer, shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon a change in the Paying Agent/Registrar for the Certificates, the Issuer agrees to promptly cause written notice thereof to be sent to each registered owner of the Certificates by United States mail, first-class, postage prepaid.

The Certificates will be issued in fully registered form in multiples of $5,000 for any one stated maturity, and principal and semiannual interest will be paid by the Paying Agent/Registrar. Interest will be paid by check or draft mailed on each interest payment date by the Paying Agent/Registrar to the registered owner at the last known address as it appears on the Paying Agent/Registrar's books or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner. Principal will be paid to the registered owner at stated maturity or prior redemption upon presentation to the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Certificates, all payments will be made as described under “Book-Entry-Only System” herein. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

Record Date

The record date (“Record Date”) for determining the party to whom interest is payable on a Certificate on any Interest Payment Date means the fifteenth day of the month next preceding such Interest Payment Date.

In the event of a non-payment of interest on an Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date”, which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Future Registration

In the event the Certificates are not in the Book-Entry-Only System, the Certificates will be printed and delivered to the registered owners thereof, and thereafter the Certificates may be transferred, registered, and assigned on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Certificate may be assigned by the execution of an assignment form on the Certificate or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Certificate or Certificates will be delivered by the Paying Agent/Registrar in lieu of the Certificates being transferred or exchanged at the corporate trust office of the Paying Agent/Registrar, or sent by United States mail, first class postage prepaid, to the new registered owner at the registered owner’s request, risk, and expense. New Certificates issued in an exchange or transfer of Certificates will be delivered to the registered owner or assignee of the registered owner in not more than three (3) business days after the receipt of the Certificates to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Certificates registered and delivered in an exchange or transfer shall be in denominations of $5,000 for any one stated maturity or any integral multiple thereof and for a like aggregate principal amount and rate of interest as the Certificate or Certificates surrendered for exchange or transfer. (See “BOOK-ENTRY-ONLY SYSTEM” herein for a description of the system initially to be utilized in regard to ownership and transferability of the Certificates.)

Limitation on Transferability

Neither the County nor the Paying Agent/Registrar shall be required to make any such transfer, conversion or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, that such limitation shall not apply to uncalled portions of a Certificate redeemed in part.

Replacement Certificates

The Issuer has agreed to replace mutilated, destroyed, lost, or stolen Certificates upon surrender of the mutilated Certificates to the Paying Agent/Registrar, or receipt of satisfactory evidence of authenticity of ownership thereof and of such destruction, loss, or theft, and receipt by the Issuer and Paying Agent/Registrar of security or indemnity as may be required by either of them to hold them harmless. The Issuer may require payment of taxes, governmental charges, and other expenses in connection with any such replacement. The person requesting the authentication of and delivery of a replacement Certificate must comply with such other reasonable regulations as the Paying Agent/Registrar may prescribe and pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Certificates is to be transferred and how the principal of, premium, if any, and interest on the Certificates are to be paid to and credited by DTC while the Certificates are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The County and the Financial Advisor believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The County cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Certificates, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Certificates), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered Certificates registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificate will be issued for each maturity of the Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are jointly referred to as "Participants". DTC has a S&P Global Ratings rating of "AA+". The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive physical certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in Beneficial Ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Certificates within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to Issuer or Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to the holder of such Certificates and will be subject to transfer, exchange and registration provisions as set forth in the Ordinance and summarized under "REGISTRATION, TRANSFER AND EXCHANGE" hereinabove.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County, the Financial Advisor, and the Purchaser believe to be reliable, but none of the County, the Financial Advisor, or the Purchaser take responsibility for the accuracy thereof.

So long as Cede & Co. is the registered owner of the Certificates, the Issuer will have no obligation or responsibility to the DTC. Participants or Indirect Participants, or the persons for which they act as nominees, with respect to payment to or providing of notice to such Participants, or the persons for which they act as nominees.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Certificates are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Certificates, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Order will be given only to DTC.

Effect of Termination of Book-Entry-Only System

In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the County, printed certificates representing the Certificates will be issued to the holders and the Certificates will be subject to transfer, exchange and registration provisions as set forth in the Order and summarized under "REGISTRATION, TRANSFER AND EXCHANGE" herein.

INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE ISSUER

The County invests its investable funds in investments authorized by State law and in accordance with investment policies approved and reviewed annually by the Commissioners Court of the County. Both State law and the County's investment policies are subject to change.

Legal Investments

Under State law and subject to certain limitations, the County is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations issued and secured by a federal agency or instrumentality of the United States; (4) other obligations unconditionally guaranteed or insured by the State of Texas or the United States or their respective agencies and instrumentalities; (5) "A" or better rated obligations of states, agencies, counties, cities, and other political subdivisions of any state; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) federally insured interest-bearing bank deposits, brokered pools of such deposits, and collateralized certificates of deposit and share certificates; (8) fully collateralized United States government securities repurchase agreements; (9) one-year or shorter securities lending agreements secured by obligations described in clauses (1) through (7) above or (11) through (14) below or an irrevocable letter of credit issued by an "A" or better rated state or national bank; (10) 270-day or shorter bankers' acceptances, if the short-term obligations of the accepting bank or its holding company are rated at least "A-1" or "P-1"; (11) commercial paper rated at least "A-1" or "P-1"; (12) SEC-registered no-load money market mutual funds that are subject to SEC Rule 2a-7; (13) SEC-registered no-load mutual funds that have an average weighted maturity of less than two years; (14) "AAA" or "AAAm"-rated investment pools that invest solely in investments described above; and (15) in the case of bond proceeds, guaranteed investment contracts that are secured by obligations described in clauses (1) through (7) above and, except for debt service funds and reserves, have a term of 5 years or less.

The County may not, however, invest in (1) interest only obligations, or non-interest bearing principal obligations, stripped from mortgage-backed securities; (2) collateralized mortgage obligations that have a remaining term that exceeds 10 years; and (3) collateralized mortgage obligations that bear interest at an index rate that adjusts opposite to the changes in a market index. In addition, the County may not invest more than 15% of its monthly average fund balance (excluding bond proceeds and debt service funds and reserves) in mutual funds described in clause (13) above or make an investment in any mutual fund that exceeds 10% of the fund's total assets.

Except as stated above or inconsistent with its investment policy, the County may invest in obligations of any duration without regard to their credit rating, if any. If an obligation ceases to qualify as an eligible investment after it has been purchased, the County is not required to liquidate the investment unless it no longer carries a required rating, in which case the County is required to take prudent measures to liquidate the investment that are consistent with its investment policy.

Investment Policies

Under State law, the County is required to adopt and annually review written investment policies and must invest its funds in accordance with its policies. The policies must identify eligible investments and address investment diversification, yield, maturity, and the quality and capability of investment management. For investments whose eligibility is rating dependent, the policies must adopt procedures to monitor ratings and liquidate investments if and when required. The policies must require that all investment transactions settle on a delivery versus payment basis. The County is required to adopt a written investment strategy for each fund group to achieve investment objectives in the following order of priority: (1) suitability, (2) preservation and safety of principal, (3) liquidity, (4) marketability, (5) diversification, and (6) yield.

State law requires the County's investments be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." The County is required to perform an annual audit of the management controls on investments and compliance with its investment policies and provide regular training for its investment officers.

Current Investments

State law does not require the Issuer to periodically mark its investments to market price, and the Issuer does not do so, other than annually upon the conclusion of each fiscal year, for the purpose of compliance with applicable accounting policies concerning the contents of the Issuer's audited financial statements. Given the nature of its investments, the Issuer does not believe that the market value of its investments differs materially from book value.

As of March 9, 2021 (unaudited), the Issuer's investable funds were invested as shown below.

Fund and Investment Type	Governmental Operating Fund	Percentage of Total Portfolio
Certificates of Deposit	$ 13,500,000	99.71%
TexPool/TexStar	38,741	.29%
Total Investments	**$ 13,538,741**	**100.00%**

As of such date, the market value of such investments (as determined by the County by reference to published quotations, dealer bids, and comparable information) was approximately 100% of their book value. No funds of the County are invested in derivative securities, i.e., securities whose rate of return is determined by reference to some other instrument, index, or commodity.

The Texas State Comptroller of Public Accounts exercises oversight responsibility over the Texas Local Government Investment Pool ("TexPool"). Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and of the other persons who do not have a business relationship with TexPool. The advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAA by S&P. TexPool operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. As such, TexPool uses amortized cost to report net assets and share prices since that amount approximates fair value.

EMPLOYMENT BENEFITS

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas, 78768- 20343.

The plan provisions are adopted by the County Commissioners' Court, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

Benefit amounts 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 County Commissioners' Court within the 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 contribution and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

For more information see the 2019 CAFR, Note H, Page 31.

AD VALOREM PROPERTY TAXATION

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes. On January 12, 2021, the 87th Texas Legislature convened in general session which is scheduled to adjourn on May 31, 2021. Thereafter, the Texas Governor may call one or more additional special sessions. During this time, the Texas Legislature may enact laws that materially change current law as it relates to the County and its finances. The County makes no representation regarding any actions the Texas Legislature may take but intends to monitor proposed legislation for any developments applicable to the County.

Valuation of Taxable Property

The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the County is the responsibility of the Lamar Central Appraisal District (the "Appraisal District"). Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three (3) years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the County, in establishing their tax rolls and tax rates (see "AD VALOREM PROPERTY TAXATION – County and Taxpayer Remedies").

State Mandated Homestead Exemptions

State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty.

Local Option Homestead Exemptions

The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than $5,000) and (2) an additional exemption of at least $3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may also be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit.

Local Option Freeze for the Elderly and Disabled

The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded.

Personal Property

Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the “production of income” is taxed based on the property’s market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

Freeport and Goods-In-Transit Exemptions

Certain goods that are acquired in or imported into the State to be forwarded outside the State, and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication (“Freeport Property”) are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue taxing Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods, that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or without the State within 175 days (“Goods-in-Transit”), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit, on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action, after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer’s motor vehicle, boat, or heavy equipment inventory.

A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

Other Exempt Property

Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

Tax Increment Reinvestment Zones

A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones (“TIRZ”) within its boundaries. At the time of the creation of the TIRZ, a “base value” for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the “tax increment”. During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

Tax Abatement Agreements

Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

For a discussion of how the various exemptions described above are applied by the County, see “COUNTY APPLICATION OF THE PROPERTY TAX CODE” herein.

County and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the County, may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the County may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value in excess of the current year “minimum eligibility amount”, as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at $50 million for the 2020 tax year, and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda that could result in the repeal of certain tax increases (see “AD VALOREM PROPERTY TAXATION – Public Hearing and Maintenance and Operations Tax Rate Limitations”). The Property Tax Code also establishes a procedure for providing notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

The County is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the County. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the County may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances.

County’s Rights in the Event of Tax Delinquencies

Taxes levied by the County are a personal obligation of the owner of the property. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the County, having power to tax the property. The County’s tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the County is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the County may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the County must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of a taxpayer’s debt.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Public Hearing and Maintenance and Operations Tax Rate Limitations

The following terms as used in this section have the meanings provided below:

“adjusted” means lost values are not included in the calculation of the prior year’s taxes and new values are not included in the current year’s taxable values.

“de minimis rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted), plus the rate that produces an additional $500,000 in tax revenue when applied to the current year’s taxable value, plus the debt service tax rate.

“no-new-revenue tax rate” means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year’s total tax levy (adjusted) from the current year’s total taxable values (adjusted). Certain counties for which certain expenditures for indigent legal defense or certain hospital expenditures exceed the amount for such expenditures for the preceding tax year, may increase their no-new-revenue tax rate proportionately with such expenditures in the manner provided by the Property Tax Code.

“special taxing unit” means a county for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per $100 of taxable value.

“unused increment rate” means the cumulative difference between a county’s voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a county’s tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

“voter-approval tax rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the unused increment rate.

The County’s tax rate consists of two components: (1) rates for funding of maintenance and operations expenditures in the current year, which may additionally include the Road and Bridge Maintenance Tax and the Farm-to-Market Road and Flood Control Tax, if levied (collectively, the “maintenance and operations tax rate”), and (2) a rate for funding debt service in the current year (the “debt service tax rate”). Under State law, the assessor for the County must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the County to the Commissioners Court by August 1 or as soon as practicable thereafter.

A county must annually calculate its voter-approval tax rate and no-new-revenue tax rate in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the county and the county tax assessor-collector. A county must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a county fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the county for the preceding tax year.

As described below, the Property Tax Code provides that if a county adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its de minimis rate, an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A county may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until the county appraisal district has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the county has held a public hearing on the proposed tax increase.

If a county’s adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the county must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a county does not qualify as a special taxing unit, if a county’s adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the county’s voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the county would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any county located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its voter-approval tax rate using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such county’s total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the County's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the County's tax-supported debt obligations, including the Certificates. See "AD VALOREM PROPERTY TAXATION – Debt Tax Rate Limitations" for a description of the debt service tax rate limitations applicable to the Certificates.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

Debt Tax Rate Limitations

Article VIII, Section 9 of the Texas Constitution imposes a limit of $0.80 per $100 assessed valuation for all purposes of a county's General Fund, Permanent Improvement Fund, Road and Bridge Fund and Jury Fund, including debt service on bonds or other debt issued against such funds. Administratively, the Attorney General of Texas will not approve limited tax obligations in an amount which produces debt service requirements exceeding that which can be paid from $0.40 of the foregoing $0.80 maximum tax rate, as calculated at the time of issuance.

Article III, Section 52 of the Texas Constitution authorizes the County to levy a direct, continuing ad valorem tax on all taxable property within the County, without limit as to rate or amount to pay the principal of and interest on the County's road bonds if approved by the voters in the County. The principal amount of unlimited tax road bonds issued by the County and outstanding at any point in time, aggregated with outstanding unlimited tax debt of certain road districts located within the County cannot exceed 25% of the assessed valuation of all real property located in the County.

Article VIII, Section 9 of the Texas Constitution and State statute authorize the County to levy a special Road and Bridge Fund Tax (the "Road and Bridge Maintenance Tax") in an amount not to exceed $0.15 per $100 assessed valuation, no part of which may be used for debt service, if approved by the voters.

Article VIII, Section 1-a of the Texas Constitution and State statute permit the County to levy a tax for Farm-to-Market Road and Flood Control purposes (the "Farm-to-Market Road and Flood Control Tax") in an amount not to exceed $0.30 per $100 assessed valuation after the mandatory $3,000 homestead exemption, if approved by the voters. There is no allocation prescribed by statutes between debt service and maintenance.

Section 1301.003, Texas Government Code, as amended, limits the amount of limited tax obligations of counties issue pursuant to such authority for those certain purposes as follows:

Courthouse	2% of Taxable Assessed Valuation
Jail	1 1/2% of Taxable Assessed Valuation
Courthouse and Jail	3 1/2% of Taxable Assessed Valuation
Bridge	1 1/2% of Taxable Assessed Valuation

However, courthouse, jail, and certain other types of bonds may be issued under the authority of Section 1431.101, Texas Government Code, as amended, which removes the above limitations.

COUNTY APPLICATION OF THE PROPERTY TAX CODE

The County grants an exemption of $14,000 to the market value of the residence homestead of persons 65 years of age or older.

The County does not grant an additional exemption of up to 20% of the market value of residence homesteads (minimum exemption of $5,000).

The County does tax nonbusiness personal property.

The County does not permit split payments or discounts.

The County does not grant the freeport exemption under Texas Constitution, Article VIII, Section 1-j.

The County has not taken action to tax goods-in-transit.

The County does not grant a local exemption of $25,000 to the market value of the residence homestead of persons 65 years of age or older and $3,000 for the disabled.

The County does not participate in the Tax Increment Reinvestment Zones.

The County does grant tax abatements. The County has entered into seventeen tax abatement agreements with various corporations with operations in the County including seven solar energy developers. Such agreements generally run for periods of 10 years after completion of the projects, and abate all or a portion of County taxes on any improvements installed as part of the projects in exchange for payments in lieu of taxes based upon various agreed upon benchmarks. Each of the solar agreements is in the construction phase and the abatement period under each has not yet begun. Therefore, County has abated $0 in ad valorem taxes to date due to the 7 abatements. The balance of the agreements are outstanding and will expire between 2022 and 2028. It is estimated that the total current abatement for 2020 is $927,670.

TAX MATTERS

Tax Exemption

The delivery of the Certificates is subject to the opinion of Norton Rose Fulbright US LLP, Austin and San Antonio, Texas, Bond Counsel, to the effect that interest on the Certificates for federal income tax purposes (1) is excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), of the owners thereof pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The statute, regulations, rulings, and court decisions on which such opinion is based are subject to change. A form of Bond Counsel’s opinion appears in Appendix C hereto.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the County made in a certificate dated the date of delivery of the Certificates pertaining to the use, expenditure, and investment of the proceeds of the Certificates and will assume continuing compliance by the County with the provisions of the Order subsequent to the issuance of the Certificates. The Order contains covenants by the County with respect to, among other matters, the use of the proceeds of the Certificates and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Certificates are to be invested if required, the calculation and payment to the United States Treasury of any arbitrage “profits”, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Certificates to be includable in the gross income of the owners thereof from the date of the issuance of the Certificates.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the County described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Certificates is commenced, under current procedures the IRS is likely to treat the County as the “taxpayer,” and the owners of the Certificates would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Certificates, the County may have different or conflicting interests from the owners of the Certificates. Public awareness of any future audit of the Certificates could adversely affect the value and liquidity of the Certificates during the pendency of the audit, regardless of its ultimate outcome.

Tax Changes

Existing law may change to reduce or eliminate the benefit to Registered Owners of the exclusion of interest on the Certificates from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Certificates. Prospective purchasers of the Certificates should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Ancillary Tax Consequences

Prospective purchasers of the Certificates should be aware that the ownership of tax-exempt obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions (see “Qualified Tax-Exempt Obligations” herein), property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust (FASIT), individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Tax Accounting Treatment of Discount Certificates

The initial public offering price to be paid for certain Certificates may be less than the amount payable on such Certificates at maturity (the "Discount Certificates"). An amount equal to the difference between the initial public offering price of a Discount Certificate (assuming that a substantial amount of the Discount Certificates of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Certificates. A portion of such original issue discount, allocable to the holding period of a Discount Certificate by the initial purchaser, will be treated as interest for federal income tax purposes, excludable from gross income on the same terms and conditions as those for other interest on the Certificates. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Certificate, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Certificate and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during his taxable year.

However, such accrued interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions (see "Qualified Tax-Exempt Obligations" herein), property and casualty insurance companies, life insurance companies, S corporations with subchapter C earnings and profits, owners of an interest in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

In the event of the redemption, sale or other taxable disposition of a Discount Certificate by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Certificate in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Certificate was held) is includable in gross income.

Owners of Discount Certificates should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued interest upon disposition of Discount Certificates and with respect to the state and local tax consequences of owning Discount Certificates. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on the Discount Certificates may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

Tax Accounting Treatment of Premium Certificates

The initial public offering price to be paid for certain Certificates may be greater than the stated redemption price on such Certificates at maturity (the "Premium Certificates"). An amount equal to the difference between the initial public offering price of a Premium Certificate (assuming that a substantial amount of the Premium Certificates of that maturity are sold to the public at such price) and its stated redemption price at maturity constitutes premium to the initial purchaser of such Premium Certificates. The basis for federal income tax purposes of a Premium Certificate in the hands of such initial purchaser must be reduced each year by the amortizable Certificate premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable Certificate premium with respect to the Premium Certificates. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Certificate. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of Premium Certificates should consult with their own tax advisors with respect to the determination of amortizable Certificate premium on Premium Certificates for federal income tax purposes and with respect to the State and local tax consequences of owning and disposing of Premium Certificates.

Qualified Tax-Exempt Obligations

Section 265 of the Code provides, in general, that interest expense to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner of such obligations. In addition, section 265 of the Code completely disallows 100% of any deduction for interest expense which is incurred by "financial institutions" described in such section and is allocable, as computed in such section, to tax-exempt interest on obligations acquired after August 7, 1986. Section 265(b) of the Code provides an exception to this interest disallowance rule for financial institutions, stating that such disallowance does not apply to interest expense allocable to tax-exempt obligations (other than private activity Certificates that are not qualified 501(c)(3) obligations) which are properly designated by an issuer as "qualified tax-exempt obligations." An issuer may designate obligations as "qualified tax-exempt obligations" only if the amount of the issue of which they are a part, when added to the amount of all other tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) obligations and other than certain current refunding Certificates) issued or reasonably anticipated to be issued by the issuer during the same calendar year, does not exceed $10,000,000.

The County has designated the Certificates as "qualified tax-exempt obligations" and has certified its expectation that the above described $10,000,000 ceiling will not be exceeded. Accordingly, it is anticipated that financial institutions which purchase the Certificates will not be subject to the 100% disallowance of interest expense allocable to interest on the Certificates under section 265(b) of the Code. However, the deduction for interest expense incurred by a financial institution which is allocable to the interest on the Certificates will be reduced by 20% pursuant to section 291 of the Code.

CONTINUING DISCLOSURE OF INFORMATION

The offering of the Certificates qualifies for the Rule 15c2-12(d)(2) exemption from Rule 15c2-12(b)(5) regarding the County's continuing disclosure obligations because the County does not have more than $10,000,000 in aggregate amount of outstanding debt that offered pursuant to Rule 15c2-12 and no person is committed by contract or other arrangement with respect to payment of the Certificates. Pursuant to the exemption, the County in the Order has made the following agreement for the benefit of the holders and beneficial owners of the Certificates. The County is required to observe the agreement for so long as it remains obligated to advance funds to pay the Certificates. Under the agreement, the County will be obligated to provide certain updated financial information and operating data and timely notice of specified events to the MSRB through its EMMA system.

Annual Reports

The County will provide certain updated financial information and operating data, which is customarily prepared by the County and is publicly available, to the MSRB on an annual basis. Such information to be provided consists of the County's financial statements of the type attached hereto as APPENDIX D. The County will update and provide this information within 12 months after the end of each fiscal year, commencing with the fiscal year ending September 30, 2020. The financial statements of the County will be audited, if the County commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the County shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such financial statements becomes available. The County may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by Rule 15c2-12. All financial information, operating data, financial statements and notices required to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

The County's current fiscal year end is September 30. Accordingly, the County must provide audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) as described above by the last day of September in each year. If the County changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the County otherwise would be required to provide financial information and operating data as set forth above.

Notice of Certain Events

The County will also provide timely notices of certain events to the MSRB. The County will provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner (but not in excess of ten Business Days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates; (7) modifications to rights of holders of the Certificates, if material; (8) Certificate calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the County, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such Financial Obligation of the County, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such Financial Obligation of the County, any of which reflect financial difficulties. Neither the Certificates nor the Order make any provision for debt service reserves, liquidity enhancement, or credit enhancement. In the Order, the County will adopt policies and procedures to ensure timely compliance of its continuing disclosure obligations. In addition, the County will provide timely notice of any failure by the County to provide annual financial information in accordance with their agreement described above under "Annual Reports".

For these purposes, (a) any event described in clause (12) of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County and (b) the County intends the words used in the immediately preceding clauses (15) and (16) to have the meanings as when they are used in the Rule, as ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

Availability of Information from MSRB

The Issuer has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

The Issuer has agreed to update information and to provide notices of specified events only as described above. The Issuer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Issuer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Certificates at any future date. The Issuer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Certificates may seek a writ of mandamus to compel the Issuer to comply with its agreement.

The Issuer may amend its agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, if the agreement, as amended, would have permitted an underwriter to purchase or sell Certificates in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Certificates consent or any person unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Certificates. The Issuer may also repeal or amend its agreement if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Issuer amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

Compliance with Prior Agreements

During the past five years, the County has substantially complied with all previous disclosure agreements in accordance with SEC Rule 15c2-12.

OTHER PERTINENT INFORMATION

Authenticity of Financial Data and Other Information

The financial data and other information contained herein have been obtained from the County's records, audited financial statements and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Registration and Qualification of Certificates for Sale

The sale of the Certificates has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Certificates have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Certificates been qualified under the securities acts of any jurisdiction. The Issuer assumes no responsibility for qualification of the Certificates under the securities laws of any jurisdiction in which the Certificates may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Certificates shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

It is the obligation of the Purchaser to register or qualify the sale of the Certificates under the securities laws of any jurisdiction which so requires. The County agrees to cooperate, at the Purchaser's written request and sole expense, in registering or qualifying the Certificates or in obtaining an exemption from registration or qualification in any state where such action is necessary; provided, however, that the County shall not be required to qualify as a foreign corporation or to execute a general or special consent to service of process in any jurisdiction.

Litigation

On the date of delivery of the Certificates to the Purchaser, the County will execute and deliver to the Purchaser a certificate to the effect that, except as disclosed in this Official Statement, no litigation of any nature has been filed or is pending, as of that date, to restrain or enjoin the issuance or delivery of the Certificates or which would affect the provisions made for their payment or security or in any manner question the validity of the Certificates.

In the opinion of various officials of the County, there is no litigation or other proceeding pending against or, to their knowledge, threatened against the County in any court, agency, or administrative body (either state or federal) wherein an adverse decision would materially adversely affect the financial condition of the County.

Future Debt Issuance

The Issuer does not anticipate the issuance of any additional ad valorem tax debt in 2021.

Legal Investments and Eligibility to Secure Public Funds in Texas

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Certificates are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are real and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Certificates by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Certificates be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency. See "OTHER PERTINENT INFORMATION - Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Certificates are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Certificates are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivision, and are legal security for those deposits to the extent of their fair market value. No review by the County has been made of the laws in other states to determine whether the Certificates are legal investments for various institutions in those states.

No representation is made that the Certificates will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes. The County has made no investigation of other laws, rules, regulations or investment criteria which might apply to any such persons or entities or which might otherwise limit the suitability of the Certificates for any of the foregoing purposes or limit the authority of such persons or entities to purchase or invest in the Certificates for such purposes.

Additionally, with respect to the Certificates, Section 271.051 of the Texas Local Government Code expressly provides that certificates of obligation approved by the Attorney General of Texas are legal authorized investments for banks, savings banks, trust companies, and savings and loan associations, insurance companies, fiduciaries, trustees, and guardians, and sinking funds of municipalities, counties, school districts, or other political corporations or subdivisions of the State. The Certificates are eligible to secure deposits of any public funds of the State, municipalities, school and other political subdivisions of the State, and are legal security for those deposits to the extent of the market value.

Legal Opinions and No-Litigation Certificate

The Issuer will furnish the Purchaser with a complete transcript of proceedings incident to the authorization and issuance of the Certificates, including the unqualified approving legal opinion of the Attorney General of the State of Texas to the effect that the Certificates are valid and legally binding obligations of the Issuer, and based upon examination of such transcript of proceedings, the approval of certain legal matters by Bond Counsel, to the effect that the Certificates are valid and legally binding obligations of the Issuer and, subject to the qualifications set forth herein under “TAX MATTERS,” the interest on the Certificates is excludable from the gross income of the owners thereof for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions existing on the date thereof. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Certificates, or which would affect the provision made for their payment or security, or in any manner questioning the validity of the Certificates will also be furnished. In its capacity as Bond Counsel, Norton Rose Fulbright US LLP, Austin and San Antonio, Texas has reviewed the information under the captions “THE CERTIFICATES” (except for the information contained in the subcaptions “Use of Certificate Proceeds”, “Sources and Uses”, “Payment Record” and “Default and Remedies”, as to which no opinion is expressed), “REGISTRATION TRANSFER AND EXCHANGE”, “TAX MATTERS”, “CONTINUING DISCLOSURE OF INFORMATION” (except under the subheading “Compliance with Prior Agreements”, as to which no opinion is expressed), “OTHER PERTINENT INFORMATION–Registration and Qualification of Certificates For Sale”, “OTHER PERTINENT INFORMATION–Legal Investments and Eligibility to Secure Public Funds in Texas”, and “OTHER PERTINENT INFORMATION–Legal Opinions and No-Litigation Certificate” in the Official Statement and such firm is of the opinion that the information relating to the Certificates and the Order contained under such captions is a fair and accurate summary of the information purported to be shown and that the information and descriptions contained under such captions relating to the provisions of applicable state and federal laws are correct as to matters of law. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Notice of Sale, the Official Bid Form and the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Certificates in the Official Statement to verify that such description conforms to the provisions of the Order. Such firm has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the Issuer for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm’s limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to the accuracy or completeness of any of the information contained herein. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Certificates are contingent on the sale and delivery of the Certificates. Though it represents the Financial Advisor and certain entities that may bid on the Certificates from time to time in matters unrelated to the issuance of the Certificates, Bond Counsel has been engaged by and only represents the County in connection with the issuance of the Certificates.

The various legal opinions to be delivered concurrently with the delivery of the Certificates express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise from the transaction.

Ratings

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa2" to the Certificates. A rating by a rating agency reflects only the view of such company at the time the rating is given, and the Issuer makes no representations as to the appropriateness of the rating. There is no assurance that such a rating will continue for any given period of time, or that it will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Certificates.

Financial Advisor

SAMCO Capital Markets, Inc. is employed as the Financial Advisor to the Issuer in connection with the issuance of the Certificates. In this capacity, the Financial Advisor has compiled certain data relating to the Certificates and has assisted in drafting this Official Statement. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the Issuer to determine the accuracy or completeness of this Official Statement. Because of its limited participation, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The fees for the Financial Advisor are contingent upon the issuance, sale and delivery of the Certificates.

In the normal course of business, the Financial Advisor may also from time to time sell investment securities to the County for the investment of debt proceeds or other funds of the County upon the request of the County.

Winning Bidder

On April 26, 2021, the Certificates were awarded to an underwriter or group of underwriters managed by FHN Financial Capital Markets (the "Purchaser") through a competitive bid process. The initial reoffering yields shown on page ii of the Official Statement will produce compensation to the Purchaser of approximately $15,468.28. The County can give no assurance that any trading market will be developed for the County after their sale by the County to the Purchaser. The County has no control over the price at which the Certificates are subsequently sold and the initial yield at which the Certificates will be priced and reoffered will be established by and will be the responsibility of the Purchaser.

Certification of the Official Statement

At the time of payment for and delivery of the Certificates, the Purchaser will be furnished a certificate executed by the proper officials of the County acting in their official capacity, to the effect that: (a) the descriptions and statements of or pertaining to the County contained in its Official Statement relating to the Certificates, and any addenda, supplement or amendment thereto, on the date of such Official Statement, on the date of the sale of said Certificates, and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the County and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statement therein, in the light of the circumstances under which they were made, not misleading; (c) to the best of their knowledge, insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the County and its activities, contained in such Official Statement are concerned, such statements and data have been obtained from sources which the County believes to be reliable and the County has no reason to believe that they are untrue in any material respect; and (d) except as disclosed in this Official Statement, there has been no material adverse change in the financial condition of the County since September 30, 2019, the date of the last audited financial statements of the Issuer, portions of which appear in the Official Statement.

The Official Statement will be approved as to form and content and the use thereof in the offering of the Certificates will be authorized, ratified and approved by the Commissioners Court on the date of sale, and the Purchaser will be furnished, upon request, at the time of payment for and the delivery of the Certificates, a certified copy of such approval, duly executed by the proper officials of the Issuer.

Forward-Looking Statements Disclaimer

The statements contained in this Official Statement, and in any other information provided by the County, that are not purely historical, are forward-looking statements, including statements regarding the County's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the County on the date hereof, and the County assumes no obligation to update any such forward-looking statements. The County's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the County. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Concluding Statement

The financial data and other information contained in this Official Statement have been obtained from the County's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and Order contained in this Official Statement are made subject to all of the provisions of such statues, documents and Order. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

No person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

The Order authorized the issuance of the Certificates and approved the form and content of this Official Statement and any addenda, supplement or amendment thereto and authorized its further use in the reoffering of the Certificates by the Purchaser.

This Official Statement was approved by the Commissioners Court of the Issuer for distribution in accordance with the provisions of the Rule.

LAMAR COUNTY, TEXAS

ATTEST:

Brandon Bell
County Judge
Lamar County, Texas

Ruth Sisson
County Clerk
Lamar County, Texas

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APPENDIX A

FINANCIAL INFORMATION OF THE ISSUER

(This appendix contains quantitative financial information and operating data with respect to the Issuer. The information is only a partial representation and does not purport to be complete. For further and more complete information, reference should be made to the original documents, which can be obtained from various sources, as noted.)

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FINANCIAL INFORMATION OF THE ISSUER

ASSESSED VALUATION — TABLE 1

2020 Actual Market Value of Taxable Property (100% of Actual)		$ 6,132,609,707
Less Exemptions:		
Abatements	$ 213,878,886	
Veterans Exemptions	34,373,474	
Over-65/Disabled	71,950,146	
Productivity Value Loss	963,180,031	
Homestead Cap Loss	217,515,292	
HB 366	24,042	
Pollution Control	100,356,050	
Freeze Value	121,974,503	
Exempt Values/Other	484,752,551	2,208,004,975
2020 Certified Net Taxable Assessed Valuation		$ 3,924,604,732

Source: Lamar County Appraisal District

GENERAL OBLIGATION BONDED DEBT — TABLE 2

General Obligation Debt Principal Outstanding: (As of April 1, 2021)	
Limited Tax Refunding Bonds, Series 2012	$ 85,000
Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2017	2,510,000
Total General Obligation Debt Principal Outstanding:	$ 2,595,000
Current Issue General Obligation Debt Principal	
Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2021 (the "Certificates")	$ 4,120,000
Total General Obligation Debt Principal Outstanding Following Issuance of the Certificates:	$ 6,715,000
General Obligation Interest and Sinking Fund Balance as of March 9, 2021 (Unaudited).	$ 58,331
Ratio of General Obligation Debt Principal to 2020 Freeze Adjusted Net Taxable Assessed Valuation	0.17%
2020 Freeze Adjusted Net Taxable Assessed Valuation[(a)]	$ 3,924,604,732
Population: 1980 - 24,285; 1990 -24,817; 2000 - 31,242; 2010 - 49,793; Current Estimate -	50,000
Per Capita 2020 Freeze Adjusted Net Taxable Assessed Valuation -	$78,492
Per Capita General Obligation Debt Principal -	$134

(a) See "AD VALOREM PROPERTY TAXATION" and "COUNTY APPLICATION OF THE PROPERTY TAX CODE" in the body of the Official Statement for a description of the Issuer's taxation procedures.

Sources: Texas Municipal Reports, U.S. Census, and information received from the Issuer.

GENERAL OBLIGATION BONDS AUTHORIZED BUT UNISSUED

None

OTHER OBLIGATIONS

Capital Leases Payable:

None

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS **TABLE 3**

Fiscal Year 30-Sep	Currently Outstanding Debt Service	The Certificates			Combined Debt Service
		Principal	Interest	Total	
2021	$ 76,806.00	$ -	$ -	$ -	$ 76,806.00
2022	76,550.00	555,000.00	146,541.67	701,541.67	778,091.67
2023	401,294.00	285,000.00	95,225.00	380,225.00	781,519.00
2024	597,344.00	100,000.00	89,450.00	189,450.00	786,794.00
2025	598,520.00	100,000.00	86,450.00	186,450.00	784,970.00
2026	594,312.00	105,000.00	83,375.00	188,375.00	782,687.00
2027	594,848.00	110,000.00	80,150.00	190,150.00	784,998.00
2028	-	685,000.00	68,225.00	753,225.00	753,225.00
2029	-	705,000.00	47,375.00	752,375.00	752,375.00
2030	-	730,000.00	25,850.00	755,850.00	755,850.00
2031	-	745,000.00	7,450.00	752,450.00	752,450.00
	$ 2,939,674.00	$ 4,120,000.00	$ 730,091.67	$ 4,850,091.67	$ 7,789,765.67

TAX ADEQUACY **TABLE 4**

2020 Freeze Adjusted Net Taxable Assessed Valuation	$ 3,924,604,732
Maximum Annual Debt Service Requirements (Fiscal Year Ending September 30, 2024)	$ 786,794.00
Indicated Maximum Interest and Sinking Fund Tax Rate at 98% Collections	$ 0.02046

Note: Above computation is exclusive of investment earnings, delinquent tax collections and penalties and interest on delinquent tax collections.

GENERAL OBLIGATION PRINCIPAL REPAYMENT SCHEDULE

TABLE 5

	Principal Repayment Schedule			Obligations	Percent of
Fiscal Year Ending 9/30	Principal Outstanding	The Certificates	Total	Unpaid at End of Year	Principal Retired (%)
2021	$ 10,000	$ -	$ 10,000	6,705,000	0.15%
2022	10,000	555,000	565,000	6,140,000	8.56%
2023	335,000	285,000	620,000	5,520,000	17.80%
2024	540,000	100,000	640,000	4,880,000	27.33%
2025	555,000	100,000	655,000	4,225,000	37.08%
2026	565,000	105,000	670,000	3,555,000	47.06%
2027	580,000	110,000	690,000	2,865,000	57.33%
2028	-	685,000	685,000	2,180,000	67.54%
2029	-	705,000	705,000	1,475,000	78.03%
2030	-	730,000	730,000	745,000	88.91%
2031	-	745,000	745,000	-	100.00%
	$ 2,595,000	$ 4,120,000	$ 6,715,000		

OVERLAPPING DEBT DATA AND INFORMATION **TABLE 6**

Expenditures of the various taxing bodies within the territory of the County are paid out of ad valorem taxes levied by these taxing bodies on their respective properties within the County. These political taxing bodies are independent of the County and may incur borrowings to finance their expenditures. The following statement of direct and estimated overlapping ad valorem tax debt was developed from information contained in "*Texas Municipal Reports*" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the County, the County has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional debt since the date stated in the table, and such entities may have programs requiring the issuance of substantial amounts of additional debt, the amount of which cannot be determined. The following table reflects the County's estimated share of overlapping gross debt of these various taxing bodies:

Taxing Body	Gross Debt Principal	As of	% Overlapping	Amount Overlapping
Blossom, City of	$ 735,000	2/28/2021	100.00%	$ 735,000
Chisum ISD	27,579,111	2/28/2021	97.68%	26,939,276
Honey Grove ISD	7,515,000	2/28/2021	3.22%	241,983
North Lamar ISD	-	2/28/2021	99.89%	-
Paris ISD	50,650,000	2/28/2021	100.00%	50,650,000
Paris, City of	50,390,000	2/28/2021	100.00%	50,390,000
Prariland ISD	6,846,000	2/28/2021	95.11%	6,511,231
Reno, City of	1,732,000	2/28/2021	100.00%	1,732,000
Roxton ISD	-	2/28/2021	100.00%	-
Roxton, City of	445,000	2/28/2021	100.00%	445,000
Total Gross Overlapping Debt Principal	$ 145,892,111			$ 137,644,489
Lamar County	$ 6,715,000 [(a)]		100.00%	6,715,000 [(a)]
Total Direct and Overlapping Debt Principal				$ 144,359,489 [(a)]

Ratio of Direct and Overlapping Debt to 2020 Adjusted Net Taxable Assessed Valuation	3.68% [(a)]
Ratio of Direct and Overlapping Debt to 2020 Actual Market Value	2.35% [(a)]
Per Capita Direct and Overlapping Debt	$2,887.19 [(a)]

[(a)] *Includes the Certificates. (See "Table 2 - General Obligation Bonded Debt" herein.)*
Source: Municipal Advisory Council of Texas

Name	Type of Property	2020 Net Taxable Assessed Valuation	% of Total 2020 Net Taxable Assessed Valuation
LA Frontera Holdings LLC	Real & Personal	$ 360,309,430	9.18%
Campbell Soup Company	Real & Personal	124,842,568	3.18%
Kimberly-Clark Corp	Real & Personal	98,257,169	2.50%
Oncor Electric	Real & Personal	65,893,460	1.68%
Gulf Crossing Pipeline	Real & Personal	62,322,963	1.59%
Midcontinent Express	Real & Personal	57,126,560	1.46%
Transcanada Keystone Pipeline	Real & Personal	50,505,833	1.29%
Daisy Farms	Real & Personal	27,496,110	0.70%
Essent PRMC LP	Real & Personal	27,338,612	0.70%
Load Trail LLC	Real & Personal	22,785,409	0.58%
	Total	$ 896,878,114	22.85%

Based on a 2020 Net Taxable Assessed Valuation of $3,924,604,732

Name	Type of Property	2019 Net Taxable Assessed Valuation	% of Total 2019 Net Taxable Assessed Valuation
LA Frontera Holdings LLC	Real & Personal	$ 349,817,630	9.60%
Kimberly-Clark Corp	Real & Personal	97,282,834	2.67%
Campbell Soup Company	Real & Personal	90,590,891	2.48%
Daisy Farms	Real & Personal	90,226,290	2.47%
Gulf Crossing Pipeline	Real & Personal	68,483,226	1.88%
Midcontinent Express	Real & Personal	67,444,010	1.85%
Oncor Electric	Real & Personal	54,687,630	1.50%
Transcanada Keystone Pipeline	Real & Personal	53,912,715	1.48%
Essent PRMC LP	Real & Personal	33,303,311	0.91%
Load Trail LLC	Real & Personal	30,171,330	0.83%
	Total	$ 935,919,867	25.67%

Based on a 2019 Net Taxable Assessed Valuation of $3,645,817,355

Name	Type of Property	2018 Net Taxable Assessed Valuation	% of Total 2018 Net Taxable Assessed Valuation
LA Frontera Holdings LLC	Real & Personal	$ 336,669,350	9.89%
Campbell Soup Company	Real & Personal	97,815,034	2.87%
Kimberly-Clark Corp	Real & Personal	96,931,715	2.85%
Daisy Farms	Real & Personal	94,844,070	2.79%
Gulf Crossing Pipeline	Real & Personal	69,181,368	2.03%
Midcontinent Express	Real & Personal	66,046,110	1.94%
Transcanada Keystone Pipeline	Real & Personal	51,178,730	1.50%
Oncor Electric	Real & Personal	46,016,930	1.35%
Essent PRMC LP	Real & Personal	23,067,180	0.68%
Load Trail LLC	Real & Personal	20,141,572	0.59%
	Total	$ 901,892,059	26.50%

Based on a 2018 Net Taxable Assessed Valuation of $3,402,880,528

Source: Lamar County Appraisal District and the Issuer.

CLASSIFICATION OF ASSESSED VALUATION **TABLE 8**

Category	2020	% of Total	2019	% of Total	2018	% of Total
Real, Residential, Single Family	$ 1,422,295,342	23.19%	$ 1,127,053,712	19.85%	$ 1,060,314,077	20.01%
Real, Residential, Multi-Family	118,057,425	1.93%	77,619,607	1.37%	67,306,357	1.27%
Real, Vacant Lots/Tract	48,800,400	0.80%	48,816,241	0.86%	43,872,413	0.83%
Qualified/Improvements Open-Space Land	1,018,509,159	16.61%	1,023,902,756	18.04%	959,300,490	18.11%
Rural Land, Non Qualified Open-Space	26,759,790	0.44%	658,644,491	11.60%	558,424,723	10.54%
Real, Commercial	765,347,421	12.48%	357,579,558	6.30%	348,884,650	6.59%
Real, Industrial	384,798,247	6.27%	755,756,030	13.31%	751,265,690	14.18%
Oil, Gas & Other Minerals	697,630,020	11.38%	24,692	0.00%	24,692	0.00%
Utilities	281,093,732	4.58%	275,483,540	4.85%	254,761,480	4.81%
Tangible Personal, Commercial	194,275,130	3.17%	188,473,530	3.32%	192,566,670	3.63%
Tangible Personal, Industrial	659,378,030	10.75%	656,790,560	11.57%	589,192,360	11.12%
Tangible Personal, Mobile Homes	7,550,110	0.12%	7,100,720	0.13%	5,995,240	0.11%
Real Residential, Inventory	1,336,910	0.02%	1,647,920	0.03%	1,788,360	0.03%
Special Inventory	19,492,950	0.32%	17,574,760	0.31%	17,990,350	0.34%
Totally Exempt Property/Other	487,285,041	7.95%	480,325,734	8.46%	446,054,193	8.42%
Total Appraised Value	$ 6,132,609,707	100.00%	$ 5,676,793,851	100.00%	$ 5,297,741,745	100.00%
Less Exemptions:						
Abatements	$ 213,878,886		$ 248,591,956		$ 267,770,111	
Veterans Exemptions	34,373,474		29,637,225		26,019,013	
Over-65/Disabled	71,950,146		67,277,286		65,792,713	
Productivity Value Loss	963,180,031		940,623,112		882,946,446	
Homestead Cap Loss	217,515,292		40,597,378		21,333,188	
HB 366	24,042		23,370		23,660	
Pollution Control	100,356,050		103,331,137		82,304,404	
Freeze Value	121,974,503		120,592,668		102,641,149	
Exempt Values/Other	484,752,551		480,302,364		446,030,533	
Total Exemptions	$ 2,208,004,975		$ 2,030,976,496		$ 1,894,861,217	
Net Taxable Assessed Valuation	$ 3,924,604,732		$ 3,645,817,355		$ 3,402,880,528	

Source: Lamar County Appraisal District and the Issuer

Note: Taxable Assessed Valuations are subject to change during the year due to various supplements and protests. Valuations shown in other tables of the Official Statement may not match these certified valuations.

PROPERTY TAX RATES AND COLLECTIONS **TABLE 9**

Tax Year	Certified Net Taxable Assessed Valuation [(a)]	Tax Rate	Total Tax Levy	% Collections Current	% Collections Total	Fiscal Year Ending	
2012	$ 2,767,639,734	$ 0.43870	$ 12,141,636	97.48%	98.86%	9/30/2013	
2013	2,878,781,015	0.42510	12,237,698	97.56%	99.01%	9/30/2014	
2014	2,933,284,905	0.42640	12,438,038	96.39%	97.77%	9/30/2015	
2015	3,021,233,642	0.42750	12,914,593	97.26%	99.45%	9/30/2016	
2016	3,208,518,760	0.40660	13,045,915	97.49%	99.14%	9/30/2017	
2017	3,316,319,678	0.39430	13,055,182	97.48%	98.68%	9/30/2018	
2018	3,402,880,528	0.39400	13,395,400	96.66%	98.16%	9/30/2019	
2019	3,645,817,355	0.39400	14,117,076	95.91%	97.23%	9/30/2020	
2020	3,924,604,732	0.38390	13,833,260	91.33%	92.54%	9/30/2021	*

[(a)] *Figures represent Net Taxable Assessed Valuation less Freeze adjustment.*
Sources: Texas Municipal Reports, Lamar County Appraisal District and the Issuer.
* As of February 28, 2021.

COUNTY SALES TAX COLLECTIONS **TABLE 10**

The County has adopted the provisions of Chapter 323, as amended, Texas Tax Code. In addition, some issuers are subject to a property tax relief and/or an economic and industrial development tax. The County approved a 1/2 cent sales tax for property relief to be effective January 1, 1988. Net collections on calendar year basis are as follows:

Calendar Year	½% Sales Tax Collections	Percent of Ad Valorem Tax Levy	Equivalent Ad Valorem Tax Rate
2011	$ 2,485,709	21.78%	0.09131
2012	2,593,399	21.36%	0.09370
2013	3,033,154	24.79%	0.10536
2014	3,217,604	25.87%	0.11031
2015	3,014,438	23.34%	0.09978
2016	3,250,321	24.91%	0.10130
2017	3,230,863	24.75%	0.09758
2018	3,319,686	24.78%	0.09764
2019	3,405,465	24.12%	0.09504
2020	4,053,811	29.30%	0.11250

Source: Texas Comptroller of Public Accounts and the Issuer.

STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE **TABLE 11**

	Fiscal Year Ended September 30				
	2019	**2018**	**2017**	**2016**	**2015**
REVENUES:					
Property taxes	$ 8,970,488	$ 8,984,334	$ 9,089,985	$ 9,012,840	$ 8,569,916
Other Taxes	3,380,653	3,304,345	3,218,879	3,237,077	3,350,273
Intergovernmental Receipts	648,672	425,745	421,157	410,203	376,884
Fees of office	1,287,012	1,315,615	1,354,808	1,290,884	1,249,811
Fines	241,239	247,704	221,852	202,128	220,383
Interest	392,893	239,259	112,015	80,234	91,699
Miscellaneous	448,265	296,399	303,644	263,980	177,495
Total Revenues	$ 15,369,222	$ 14,813,401	$ 14,722,340	$ 14,497,346	$ 14,036,461
EXPENDITURES:					
General administration	$ 2,186,751	$ 2,163,487	$ 2,159,851	$ 2,177,671	$ 2,021,845
Financial administration	1,215,591	1,143,941	1,172,181	1,100,216	1,057,379
Judicial	1,754,202	1,702,603	1,661,468	1,587,904	1,548,249
Legal	710,868	686,938	682,261	662,915	817,539
Elections	204,721	214,741	217,972	209,806	-
Public safety	6,040,362	5,673,905	5,514,117	5,317,376	5,070,436
Public welfare	1,381,306	1,309,038	1,250,365	1,404,717	1,340,874
Public Transportation	-	-	-	-	-
Conservation and Agriculture	103,856	115,013	114,084	104,651	102,071
Public facilities	704,955	696,961	687,914	705,897	668,514
Emergency Management	83,833	76,712	72,995	59,061	44,257
Capital Outlay	17,060	60,175	112,164	261,412	223,204
Principal	-	-	-	-	-
Interest and fees	-	-	-	-	-
Total Expenditures	$ 14,403,505	$ 13,843,514	$ 13,645,372	$ 13,591,626	$ 12,894,368
Excess (deficiency) of revenues (under) expenditures	$ 965,717	$ 969,887	$ 1,076,968	$ 905,720	$ 1,142,093
Other Financing Sources (uses):					
Transfers In	$ -	$ 4,242	$ -	$ -	$ -
Transfers Out	(518,063)	(541,999)	(167,945)	(299,821)	(140,195)
Proceeds for the sale of capital assets	-	19,000	-	-	23,546
Total other financing sources (uses)	(518,063)	(518,757)	(167,945)	(299,821)	(116,649)
Net Change in Fund Balance	447,654	451,130	909,023	605,899	1,025,444
Fund Balances, October 1	12,456,663	12,005,533	11,096,510	10,490,611	9,465,167
Fund Balances, September 30	$ 12,904,317 [1]	$ 12,456,663	$ 12,005,533	$ 11,096,510	$ 10,490,611

[1] The Estimated General Fund Balance for Fiscal Year Ending September 30, 2020 (Unaudited), was $12,273,141.
The draw down is attributable to the defeasance of the Series 2011 Certificates of Obligation in the amount of $1,700,000.

Source: The Issuer's Annual Financial Reports.

APPENDIX B

GENERAL INFORMATION REGARDING LAMAR COUNTY, TEXAS AND THE CITY OF PARIS, TEXAS

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GENERAL INFORMATION REGARDING LAMAR COUNTY AND THE CITY OF PARIS, TEXAS

Location and Economy

Lamar County is situated between the Red River and the Sulphur River in northeast Texas bordering the State of Oklahoma.

The City of Paris, Texas (the "City"), located approximately 105 miles northeast of Dallas, is the county seat and commercial center of Lamar County (the "County"). It is in the center of an eleven-county area and is the hub of retail trade, manufacturing, farming, medical care, and other economic segments in this part of Texas. The City's location on U.S. Highways 271 and 82, Texas State Highways 19 and 24, and Interstate Highway 30 (only 38 miles away) makes it conveniently accessible to all parts of the State as well as the Southwest market.

Map of Texas Counties showing location of Lamar County

Population

Census Report	**City of Paris**	**Lamar County**
Current Estimate	25,450	50,000
2010	25,171	49,793
2000	25,898	48,499
1990	24,699	43,949
1980	25,498	42,156

____

Sources: United States Bureau of the Census, and the County.

Major Employers in the City of Paris – 2019

Employer	Principal Line of Business/Product	Estimated Number of Employees (2019)
Paris Regional Medical Center	Hospital / Health Care Services	900
Campbell Soup Company	Soups / Juices / Sauces Production	700
Kimberly-Clark Corporation	Disposable Diapers	678
Paris Independent School District	Public Education	630
Turner Industries	Pipe Manufacturing	500
North Lamar Independent School District	Public Education	453
The Results Company	Telemarketing	450
We Pack Logistics, Inc.	Custom Packaging	382
City of Paris	Municipal Government	333
J Skinner Baking Company	Food Production	236

Source: City of Paris 2019 Comprehensive Annual Financial Report (CAFR)

Labor Force Statistics

	City of Paris		Lamar County	
	December 2020	December 2019	December 2020	December 2019
Civilian Labor Force	11,727	11,635	24,283	24,216
Total Employed	10,884	11,246	22,712	23,469
Total Unemployed	843	389	1,571	747
% Unemployed	7.2%	3.3%	6.5%	3.1%
% Unemployed (Texas)	7.1%	3.3%		
% Unemployed (US)	6.5%	3.4%		

Source: Texas Workforce Commission, Labor Market Information.

APPENDIX C

FORM OF LEGAL OPINION OF BOND COUNSEL

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NORTON ROSE FULBRIGHT

Norton Rose Fulbright US LLP
98 San Jacinto Boulevard, Suite 1100
Austin, Texas 78701

and

Frost Tow er
111 W. Houston Street, Suite 1800
San Antonio, Texas 78205
United States

Tel +1 512 474 5201 / 210 224 5575
Fax +1 512 536 4598 / 210 270 7205
nortonrosefulbright.com

May 20, 2021

FINAL

IN REGARD to the authorization and issuance of the "Lamar County, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2021" (the *Certificates*), dated May 1, 2021 in the aggregate principal amount of $4,120,000 we have reviewed the legality and validity of the issuance thereof by the Commissioners Court of Lamar County, Texas (the *Issuer*). The Certificates are issuable in fully registered form only, in denominations of $5,000 or any integral multiple thereof (within a Stated Maturity), and have Stated Maturities of March 1 in each of the years 2022 through 2031, unless redeemed prior to Stated Maturity in accordance with the terms stated on the face of the Certificates. Interest on the Certificates accrues from the dates, at the rates, in the manner, and is payable on the dates, all as provided in the order (the *Order*) authorizing the issuance of the Certificates. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Order.

WE HAVE SERVED AS BOND COUNSEL for the Issuer solely to pass upon the legality and validity of the issuance of the Certificates under the laws of the State of Texas and with respect to the exclusion of the interest on the Certificates from the gross income of the owners thereof for federal income tax purposes and for no other purpose. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer or the Issuer's library system (the *Library System*) and have not assumed any responsibility with respect to the financial condition or capabilities of the Issuer or the disclosure thereof in connection with the sale of the Certificates. We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the Certificates. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Certificates has been limited as described therein.

WE HAVE EXAMINED, the applicable and pertinent laws of the State of Texas and the United States of America. In rendering the opinions herein we rely upon (1) original or certified copies of the proceedings of the Commissioners Court of the Issuer in connection with the issuance of the Certificates, including the Order; (2) customary certifications and opinions of officials of the Issuer; (3) certificates executed by officers of the Issuer relating to the expected use and investment of proceeds of the Certificates and certain other funds of the Issuer and to certain other facts solely within the knowledge and control of the Issuer; and (4) such other documentation, including an examination of the Certificate executed and delivered initially by the Issuer and such matters of law as we deem relevant to the matters discussed below. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements and information contained in such certificates. We express no opinion concerning any effect on the following opinions which may result from changes in law effected after the date hereof.

BASED ON OUR EXAMINATION, IT IS OUR OPINION that the Certificates have been duly authorized and issued in conformity with the laws of the State of Texas now in force and that the Certificates are valid and legally binding obligations of the Issuer enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. The Certificates are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property within the Issuer and are further payable from and secured by a lien on and pledge of the Pledged Revenues, being a limited amount of the Net Revenues derived from the operation of the Library System, such lien on and pledge of the limited amount of Net Revenues, being subordinate and inferior to the lien on and pledge of such Net Revenues securing the payment of any Prior Lien Bonds or Junior Lien Bonds hereafter issued by the Issuer. In the Order, the Issuer retains the right to issue Prior Lien Bonds, Junior Lien Bonds, and Parity Obligations without limitation as to principal amount but subject to any terms, conditions, or restrictions as may be applicable thereto under law or otherwise.

BASED ON OUR EXAMINATION, IT IS FURTHER OUR OPINION that, assuming continuing compliance after the date hereof by the Issuer with the provisions of the Order and in reliance upon the representations and certifications of the Issuer made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Certificates, under existing statutes, regulations, published rulings, and court decisions (1) interest on the Certificates will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date hereof (the *Code*), of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code, and (2) interest on the Certificates will not be included in computing the alternative minimum taxable income of the owners thereof.

WE EXPRESS NO OTHER OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Ownership of tax-exempt obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Legal Opinion of Norton Rose Fulbright US LLP, Austin and San Antonio, Texas, in connection with the authorization and issuance of "LAMAR COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021"

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Norton Rose Fulbright US LLP

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APPENDIX D

EXCERPTS FROM LAMAR COUNTY'S AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

(Independent Auditor's Report, Management Discussion and Analysis, General Financial Statements and Notes to the Financial Statements - not intended to be a complete statement of the Issuer's financial condition. Reference is made to the complete Annual Financial Report for further information.)

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Lamar County, Texas

Annual Financial Report

For the Year Ended
September 30, 2019

Malnory, McNeal & Company, PC

Certified Public Accountants

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LAMAR COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2019

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Introductory Section

Lamar County, Texas
Annual Financial Report
For The Year Ended September 30, 2019

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Financial Section

Malnory, McNeal & Company, PC

Certified Public Accountants

Mark W. Malnory, CPA
Johnna W. McNeal, CPA
Beverly Smith, CPA

Members of
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
AICPA Governmental Audit Quality Center

Elizabeth Hamm, CPA
E. J. Musharbash, CPA
Les S. Malnory, CPA

Independent Auditor's Report

To the Commissioners
Lamar County, Texas
119 North Main
Paris, 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 the Lamar County, Texas ("the County") 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 County'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 County'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 Lamar County, Texas as of September 30, 2019, and

5016 McKinney Avenue, Suite 100 Dallas, Texas 75205 Telephone: 214-559-0784 Facsimile: 214-623-5915
1711 Clarksville Street Paris, Texas 75460 Telephone: 903-784-6700 Facsimile: 903-784-6934
www.malnorymcneal.com

the respective changes in financial position, 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, and budgetary comparison information and schedule of changes in net pension liability and schedule of pension contributions, and schedule of changes in total OPEB liability and related ratios identified as Required Supplementary Information in the table of contents 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 the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 23, 2020 on our consideration of Lamar County, Texas's 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 solely 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 the effectiveness of the County's 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 Lamar County, Texas's internal control over financial reporting and compliance.

Malnory, McNeal & Company, PC

Certified Public Accountants

March 23, 2020
Paris, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Lamar County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended September 30, 2019. Please read it in conjunction with the County's financial statements, which follow this section.

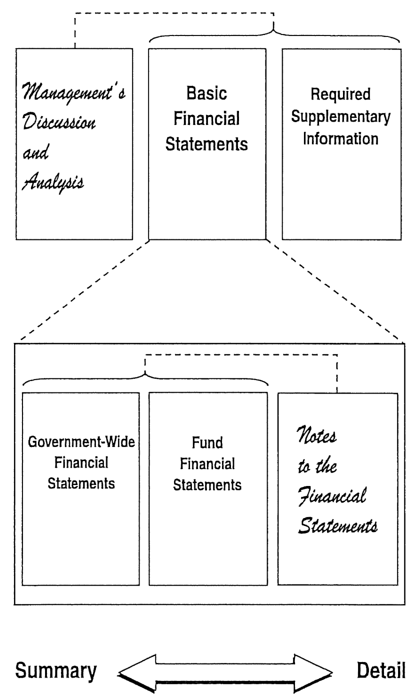
FINANCIAL HIGHLIGHTS

- The County's total combined Net Position was $31,426,188 at September 30, 2019.
- During the year, the County's expenses were $305,498 more than the $22,918,204 generated in taxes and other revenues for governmental activities.
- The total cost of the County's programs was 4% higher than last year.
- The unassigned fund balance of the general fund was $8,323,832 or 58% of total general fund expenditures, which is lower than last year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, *and required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

Figure A-1F, Required Components of the County's Annual Financial Report



- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*.
- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2. Major Features of the County's Government-wide and Fund Financial Statements

Type of Statements	Government-wide	Fund Statements: Governmental Funds	Fund Statements: Proprietary Funds	Fund Statements: Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the county that are not proprietary or fiduciary	Activities the county operates similar to private businesses: self insurance	Instances in which the county is the trustee or agent for someone else's resources
Required financial statements	• Statement of net assets • Statement of activities	• Balance sheet • Statement of revenues, expenditures & changes in fund balances	• Statement of net assets • Statement of revenues, expenses and changes in fund net assets • Statement of cash flows	• Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's Net Position and how they have changed. Net Position—the difference between the County's assets and liabilities—is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's Net Position are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County's tax base.

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general government, public safety, legal, public transportation, culture and recreation, and interest on long-term debt. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

- The Commissioners Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

- *Proprietary funds*—Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- We use *internal service funds* to report activities that provide supplies and services for the County's other programs and activities.
- *Fiduciary funds*—The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary Net Position and a statement of changes in fiduciary Net Position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position: The County's combined Net Position was $31,426,188 at September 30, 2019. (See Table A-1).

Table A-1
County's Net Position

	Governmental Activities	
	2019	2018
Assets:		
Cash and cash equivalents	$2,721,303	$16,219,468
Investments	13,714,975	37,508
Receivables (net of allowances for uncollectibles):		
Interest	51,039	28,921
Taxes	1,571,536	1,420,881
Accounts	2,166,044	2,099,829
Due from other governments	1,017,378	1,339,217
Inventories	155,680	194,448
Prepaid Insurance	--	34,051
Capital assets (net, where applicable, of accumulated depreciation)	25,278,938	25,410,492
Total Assets and Other Debits	46,676,893	46,784,815
Deferred Outflows of Resources	3,834,176	1,475,521
Liabilities:		
Accounts payable and Accrued expenditures	840,227	1,115,930
Unearned Revenue	42,974	5,971
Due to Other Agencies	--	30,245
Noncurrent Liabilities:		
Due Within One Year	509,391	551,906
Due in More than One Year	3,920,361	4,364,787
Compensated Absences Payable	439,815	391,882
Unamortized Premium on Bonds	69,561	86,951
Net Pension Liability	6,429,375	2,578,019
Total OPEB Liability	4,914,913	--
Total Liabilities	17,166,617	9,125,691
Deferred Inflows of Resources	1,918,258	849,036
Net Position:		
Invested in Capital Assets, Net of Related Debt	21,432,106	21,382,750
Restricted For:		
Federal and State Programs	66,159	74,507
Debt Service	6,756	112,932
Capital Projects	1,019,863	563,230
Indigent Care	45,626	117,549
Records Management	1,257,868	1,088,628
Judicial	230,804	227,199
Road and Bridge	1,154,066	--
Other Purposes	728,771	1,988,718
Unrestricted	5,484,169	6,176,173
Total Net Position	$31,426,188	$31,731,686

Approximately 0.15% of the County's restricted Net Position represents debt service funds. These funds, when spent, are restricted for the payment of the County's outstanding Certificates of Obligation. The $5,484,169 of unrestricted net asset represents resources available to fund the programs of the County next year.

Changes in Net Position. The County's total revenues were $22,918,204. A significant portion, 58.7%, of the County's revenue comes from property taxes. (See Figure A-3) 12.7% came from charges for services, 14.8% came from sales tax and 3.5% from operating grants and contributions.

The total cost of all programs and services was $23,223,702; 30% of these costs are for law enforcement services.

Governmental Activities

- Property tax rates decreased by 0.1% and valuations increased 2.7%. The increase in values created an increase of tax revenues to $13,454,447.

- The County sold capital bonds of $2,500,000 in 2003. These bonds were authorized for use to the courthouse restoration project. They were refunded in 2012 and gave the county a total interest savings of $174,302. This project was completed during the fiscal year 2006. Bonds were also issued in 2011 for $2,000,000 towards capital projects performed on several county buildings and in 2017 for $2,550,000 towards capital projects and capital assets.

Figure A-3 County Sources of Revenue for Fiscal Year 2018-2019

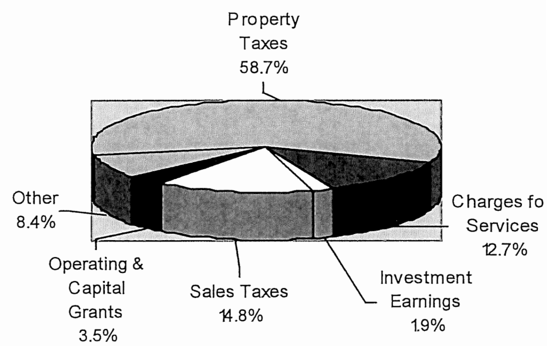


Table A-2
Changes in County's Net Position

	Governmental Activities 2019	2018
Revenues :		
Program Revenues :		
Charges for Services	$2,918,023	$3,854,783
Operating Grants and Contributions	805,929	1,242,046
Capital Grants and Contributions	--	--
General Revenues:		
Taxes	16,835,100	16,424,146
Grants and Contributions Not Restricted to Specific Program	678,175	287,384
Unrestricted Investment Earnings	437,965	275,898
Gain on Sale of Capitalized Assets	--	24,388
Miscellaneous	1,243,012	569,068
Total Revenues	22,918,204	22,677,713
Program Expenses:		
General Administration	2,883,213	2,810,487
Financial Administration	1,315,629	1,227,613
Judicial	1,968,482	1,831,899
Legal	912,198	845,079
Election	214,920	220,033
Public Safety	7,087,509	6,450,801
Emergency Mgt.	96,017	86,689
Public Welfare	2,693,107	2,652,926
Public Transportation	4,818,635	4,875,650
Conservation and Agriculture	108,378	117,285
Public Facilities	1,008,986	984,703
Interest on Long-Term Debt	116,628	135,115
Total Expenses	23,223,702	22,238,279
Special and Extraordinary Items:		
Special Item Outflow	--	--
Change in Net Position	(305,498)	439,434
Net Position, October 1	31,731,686	32,237,041

Prior Period Adjustment	--	(944,789)
Adjusted Net Position, October 1	31,731,686	31,292,252
Net Position, September 30	$31,426,188	$31,731,686

The Table A-3 presents the cost of each of the County's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was $23,223,702.
- However, the amount that our taxpayers paid for these activities through property taxes was only $13,454,447.
- Some of the cost was paid by those who directly benefited from the programs $2,918,023, or
- By grants and contributions of $1,484,104.

Table A-3
Net Cost of Selected County Functions

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
General administration	2,883,213	2,810,487	(2,262,389)	(1,278,376)
Public safety	7,087,509	6,450,801	(6,974,738)	(6,308,083)
Public welfare	2,693,107	2,652,926	(2,612,839)	(2,556,190)
Public transportation	4,818,635	4,875,650	(3,676,680)	(3,260,398)

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

Lamar County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Key factors that enable the County to maintain a stable level of fund balance are as follows:

- Total revenues from property taxes, increased over prior year amounts by $334,646. The increase was due to adopting a tax rate greater than the effective rate. Sales tax revenues also increased slight while fees, fines, and intergovernmental revenue remained mostly unchanged. Miscellaneous revenue increased and interest revenue increased as well due to an increase in CD interest rates. Overall, these changes lead total revenues this year to be higher than that of the prior year.
- Expenditures in governmental funds decreased $610,248 (2.6%) from prior year totals. The primary area of decreased expenditures was in capital outlay and public transportation.

General Fund. The general fund is the chief operating fund of Lamar County. At the end of the current fiscal year, unassigned fund balance of the general fund was $8,323,832, while total fund balance reached $12,904,317. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 58% of total general fund expenditures and total fund balance represents 90% of the same amount. The County has adopted a policy of maintaining a minimum fund balance to be used for unanticipated needs. A Fund Balance Policy adopted by the Commissioner's Court in 2011 states that the minimum level shall be approximately 25% of budgeted expenditures. The County considers a balance of less than 20% as a cause of concern and an unassigned fund balance of more than 35% as surplus for one-time expenditures that are nonrecurring in nature, capital projects, and/or to reduce the tax levy requirements.

The fund balance of Lamar County's general fund has increased by $447,654 during the current fiscal year. The main reason for this increase was that expenditures were significantly less than budgeted amounts. Conservative spending across many departments, including public safety, resulted in lower than budgeted operational costs.

Road and Bridge Fund. The Road and Bridge fund balance totaled $1,154,066, an increase of $97,912. The main factor is the decrease in capital outlay expense.

Debt Service Fund. The debt service fund had a fund balance of $6,756 as of September 30, 2019

General Fund Budgetary Highlights

Over the course of the year, the County revised its budget twenty-five times due to the receipt of unexpected revenues. Differences between original budget and the final amended budget in the general fund for expenses were minimal (a $155,555 increase in appropriations), and were primarily the following:

- Appropriations for public safety
- Appropriations for general administration
- Appropriations for public facilities

Even with these adjustments, actual expenditures were $1,405,710 below final budget amounts. The most significant positive variance resulted from operating costs in public safety, general administration, and public facilities. Public safety savings came mainly from personnel cost remaining down in both the Sheriff's Department and criminal detention due to high turnover rate, along with a lower fuel costs which resulted in a lower cost of operating public safety related vehicles. Electricity and gas utility savings as well as a decrease in the necessary building repairs expenses for the year resulted in a large portion of the positive variance in the public facilities category, and spending less than budgeted form permanent improvement projects caused the main variance in the general administration category.

On the other hand, resources available were $619,937 above the final budgeted amount. Due mostly to the following:

- Sales tax revenues increased above budgeted amounts due to collections remaining stable and the conservative approach the County uses to estimate revenue.
- Interest revenues increased substantially above budgeted amounts due to an increase in CD interest rates.
- Fees of office and miscellaneous revenues also contributed to this increase over the budgeted revenue amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the County had invested $57,094,574 in a broad range of capital assets, including land, equipment, buildings, vehicles, and infrastructure (See Table A-4). This amount represents a net increase (including additions and deductions) of $2,558,593 or 4.7% percent from last year. This was mainly due to the replacement of older equipment with new equipment and the addition of building improvements.

Table A-4
County's Capital Assets

	Governmental Activities 2019	Governmental Activities 2018
Land	$ 732,602	$ 732,602
Construction in Progress	85,624	1,192,337
Infrastructure	21,116,805	21,116,805
Vehicles and equipment	12,447,698	11,444,884
Buildings and improvements	23,530,071	21,974,292
Totals at historical cost	57,912,8004	56,460,920
Total accumulated depreciation	(32,633,862)	(31,050,428)
Net capital assets	$ 25,278,938	$ 25,410,492

The County's fiscal year 2019-20 capital budget projects spending $1,200,000 for capital projects, principally to do upgrades and large-scale repair on county buildings, along with the purchase of additional. More detailed information about the County's capital assets is presented in Note D of the notes to the financial statements.

Long Term Debt

At year-end the County had $3,974,459 in bonds and notes outstanding as shown in Table A-5. More detailed information about the County's debt is presented in Note G in the notes to the financial statements.

Table A-5
County's Long Term Debt

	Governmental Activities	
	2019	2018
Bonds payable	$ 3,974,459	$ 4,526,365
Compensated absences	439,815	391,882
OPEB Obligation	3,660,169	--
Total long-term debt	$ 8,074,443	$ 4,918,247

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2019-20 budget preparation is up $183,166,703, or 5.4%.
- General operating fund spending increases in the 2018-19 budget from $15,499,133 to $16,651,082. This is a 7.4% increase.

These indicators were taken into account when adopting the general fund budget for 2019-20. During the current fiscal year, unassigned fund balance in the general fund decreased to $8,323,832. Lamar County appropriated $1,812,108 of this amount for spending in the 2019-20 fiscal year budget. The County will use this balance to fund the rising costs in the general fund.

In the general fund, expenditures are budgeted to rise 7.4% to $16,651,082. The increase is primarily due to increased operating costs and equipment. The majority of employees received a $1,000 pay raise for the 2019-20 fiscal year, while a few received a larger increase.

If these estimates are realized, the County's budgetary general fund balance is expected to see a decrease by the close of 2020.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Lamar County Auditor's Office.

Basic Financial Statements

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EXHIBIT A-1

LAMAR COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Governmental Activities
ASSETS	
Assets:	
Cash and cash equivalents	$ 2,721,303
Investments	13,714,975
Receivables (net of allowances for uncollectibles):	
Interest	51,039
Taxes	1,571,536
Accounts	2,166,044
Due from other governments	1,017,378
Inventories	155,680
Capital assets (net, where applicable, of accumulated depreciation)	
Land	732,602
Construction in progress	85,624
Buildings	11,909,321
Equipment	4,738,442
Infrastructure - Roads and Bridges	7,812,949
Total Assets	46,676,893
Deferred Outflows of Resources:	
Deferred Outflows of Resources--Pension	3,454,740
Deferred Outflows of Resources--OPEB	379,436
Total Deferred Outflows of Resources	3,834,176
LIABILITIES	
Liabilities:	
Accounts payable & Accrued expenditures	840,227
Unearned Revenue	42,974
Noncurrent Liabilities:	
Due Within One Year	509,391
Due in More than One Year	3,920,361
Compensated Absences Payable	439,815
Unamortized Premium on Bonds	69,561
Net Pension Liability	6,429,375
Total OPEB Liability	4,914,913
Total Liabilities	17,166,617
Deferred Inflows of Resources:	
Deferred Inflows of Resources--Pension	151,394
Deferred Inflows of Resources--OPEB	1,766,864
Total Deferred Inflows of Resources	1,918,258
NET POSITION:	
Net Investment in Capital Assets	21,432,106
Restricted For:	
State and Federal Programs	66,159
Debt Service	6,756
Capital Projects	1,019,863
Indigent Care	45,626
Records Management	1,257,868
Judicial	230,804
Road and Bridge	1,154,066
Other Purposes	728,771
Unrestricted	5,484,169
Total Net Position	$ 31,426,188

The accompanying notes are an integral part of this statement.

EXHIBIT A-2

LAMAR COUNTY, TEXAS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Functions/Program Activities				
Governmental Activities:				
General Administration	$ 2,883,213	$ 594,089	$ 26,735	$ (2,262,389)
Financial Administration	1,315,629	737,344	--	(578,285)
Judicial	1,968,482	459,758	107,256	(1,401,468)
Legal	912,198	32,031	155,738	(724,429)
Elections	214,920	--	220,729	5,809
Public Safety	7,087,509	92,878	19,893	(6,974,738)
Emergency Management	96,017	--	55,278	(40,739)
Public Welfare	2,693,107	--	80,268	(2,612,839)
Public Transportation	4,818,635	1,001,923	140,032	(3,676,680)
Conservation and Agriculture	108,378	--	--	(108,378)
Public Facilities	1,008,986	--	--	(1,008,986)
Interest on Long-Term Debt	116,628	--	--	(116,628)
Total Primary Government	$ 23,223,702	$ 2,918,023	$ 805,929	(19,499,750)

General Revenues:	
Taxes	
Property Taxes	13,454,447
Sales Taxes	3,380,653
Grants and Contributions Not Restricted to Specific Programs	678,175
Unrestricted Investment Earnings	437,965
Miscellaneous	1,243,012
Total General Revenues and Transfers	19,194,252
Change in Net Assets	(305,498)
Net Position - Beginning	31,731,686
Net Assets - Ending	$ 31,426,188

The accompanying notes are an integral part of this statement.

EXHIBIT A-3

LAMAR COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General Fund	Road & Bridge Fund	Other Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Cash and cash equivalents	$ 12,584,225	$ 1,298,403	$ 2,515,264	$ 16,397,892
Investments	34,278	911	3,196	38,385
Receivables (net of allowances for uncollectibles):				
Interest	48,151	2,888	--	51,039
Taxes	1,059,791	293,566	218,179	1,571,536
Accounts	1,492,192	673,852	--	2,166,044
Due from other governments	573,157	438,819	5,402	1,017,378
Inventories	--	148,324	7,356	155,680
Total Assets	15,791,794	2,856,763	2,749,397	21,397,954
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable & Accrued Expenditures	$ 376,935	$ 302,331	$ 153,142	$ 832,408
Deferred Revenue	--	--	42,974	42,974
Total Liabilities	376,935	302,331	196,116	875,382
Deferred Inflows of Resources:				
Deferred Inflows of Resources--Fines	1,450,751	667,981	--	2,118,732
Deferred Inflows of Resources--Property Taxes	1,059,791	293,566	218,181	1,571,538
Deferred Inflow of Resources - Grant Funding	--	438,819	--	438,819
Total Deferred Inflows of Resources	2,510,542	1,400,366	218,181	4,129,089
Fund Balances:				
Nonspendable Fund Balances:				
Inventories	--	148,324	7,356	155,680
Restricted Fund Balances:				
Federal/State Funds Grant Restrictions	--	--	92,488	92,488
Other Restrictions of Fund Balance	--	1,005,742	2,196,861	3,202,603
Committed Fund Balances:				
SURRMA Interlocal Coop Agreement	441,597	--	--	441,597
Other Committed Fund Balance	--	--	38,395	38,395
Assigned	4,138,888	--	--	4,138,888
Unassigned	8,323,832	--	--	8,323,832
Total Fund Balances	12,904,317	1,154,066	2,335,100	16,393,483
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 15,791,794	$ 2,856,763	$ 2,749,397	$ 21,397,954

EXHIBIT A-4

LAMAR COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

Total fund balances - governmental funds balance sheet	$ 16,393,483
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	25,278,938
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,571,537
Payables for bond principal which are not due in the current period are not reported in the funds.	(3,906,719)
Payables for bond interest which are not due in the current period are not reported in the funds.	(7,819)
Payables for notes which are not due in the current period are not reported in the funds.	(67,740)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(439,815)
FEMA Grant Funds earned but not yet received.	438,819
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	2,118,728
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	(6,429,375)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(151,394)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	3,454,740
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(455,293)
Bond premiums are amortized in the SNA but not in the funds.	(69,561)
Recognition of the County's proportionate share of the net OPEB liability is not reported in the funds.	(4,914,913)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(1,766,864)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	379,436
Net position of governmental activities - Statement of Net Position	$ 31,426,188

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

LAMAR COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Road & Bridge Fund	Other Governmental Funds	Total Governmental Funds
Revenue:				
Property Taxes	$ 8,970,488	$ 2,484,861	$ 1,848,446	$ 13,303,795
Other Taxes	3,380,653	--	--	3,380,653
Intergovernmental Receipts	648,672	411,245	626,397	1,686,314
Fees of Office	1,287,012	872,920	321,505	2,481,437
Fines	241,239	129,003	--	370,242
Interest	392,893	23,916	21,156	437,965
Miscellaneous	448,265	529,116	330,270	1,307,651
Total revenues	15,369,222	4,451,061	3,147,774	22,968,057
Expenditures:				
Current:				
General Administration	2,186,751	--	482,683	2,669,434
Financial Administration	1,215,591	--	--	1,215,591
Judicial	1,754,202	--	81,137	1,835,339
Legal	710,868	--	133,543	844,411
Elections	204,721	--	--	204,721
Public Safety	6,040,362	--	382,254	6,422,616
Public Welfare	1,381,306	--	1,291,981	2,673,287
Public Transportation	--	3,664,897	39,853	3,704,750
Conservation and Agriculture	103,856	--	--	103,856
Public Facilities	704,955	--	--	704,955
Emergency Management	83,833	--	--	83,833
Capital outlay	17,060	598,252	836,569	1,451,881
Principal	--	84,361	467,545	551,906
Interest and fees	--	5,639	160,273	165,912
Total expenditures	14,403,505	4,353,149	3,875,838	22,632,492
Excess (deficiency) of revenues (under) expenditures	965,717	97,912	(728,064)	335,565
Other financing sources (uses):				
Transfers in	--	25,000	518,063	543,063
Transfers out	(518,063)	(25,000)	--	(543,063)
Total other financing sources (uses)	(518,063)	--	518,063	--
Net change in fund balances	447,654	97,912	(210,001)	335,565
Fund balances/equity, October 1	12,456,663	1,056,154	2,545,097	16,057,914
Fund balances/equity, September 30	$ 12,904,317	$ 1,154,066	$ 2,335,096	$ 16,393,479

The accompanying notes are an integral part of this statement.

LAMAR COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Net change in fund balances - total governmental funds	$ 335,565
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,451,881
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,583,435)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	150,655
FEMA Grant Funds received but previously recorded as revenue in the fund when earned.	(271,213)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	551,906
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(47,933)
Revenues in the SOA for court fines not providing current financial resources are not reported in the funds.	70,706
Bond premiums are reported in the funds but not in the SOA.	(40,716)
The County's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.	(668,316)
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	(254,598)
Change in net position of governmental activities - Statement of Activities	$ (305,498)

The accompanying notes are an integral part of this statement.

LAMAR COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019

	Agency Funds
ASSETS	
Assets:	
Cash and cash equivalents	$ 1,570,836
Investments	398,779
Total Assets	$ 1,969,615
LIABILITIES	
Liabilities:	
Due to Other Agencies	$ 1,008,118
Due to Beneficiaries	961,497
Total Liabilities	$ 1,969,615

A. Summary of Significant Accounting Policies

The combined financial statements of Lamar County, Texas (the "County") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB statement No. 14, "The Financial Reporting Entity," include whether:

- The organization is legally separate (can sue and be sued in its name)
- The County holds the corporate powers of the organization
- The County appoints a voting majority of the organization's board
- The County is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the County
- There is fiscal dependency by the organization on the County
- The exclusion of the organization would result in misleading or incomplete financial statements
- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the County
- The County or the component unit, is entitled to, or has ability to otherwise access, a majority of the economic resources received or held by the component unit.
- The economic resources received or held by component unit are significant to the County

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County, its component units or its constituents; and 2) The County or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the County.

Based on these criteria, the County has one component unit, Lamar County Child Welfare Board (LCCWB). The LCCWB is reported in the operations and activities of the County as a blended component unit.

Certain significant governmental and other entities providing services within the County are administered by separate boards or commissioners, are not financially accountable to the Commissioners' Court, and are responsible for their own fiscal matters. Consequently, financial information for the following entities is not included within the scope of these financial statements:

Paris Junior College	City of Paris, Texas
Paris Independent School District	City of Deport, Texas
Prairiland Independent School District	City of Reno, Texas
Roxton Independent School District	City of Blossom, Texas
North Lamar Independent School District	Lamar County Appraisal District
Chisum Independent School District	City of Roxton, Texas

Based on these criteria, the County has no component units. Additionally, the County is not a component unit of any other reporting entity as defined by the GASB Statement.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The County reports the following governmental funds:

General Fund-- This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

Special Revenue Funds-- to account for the proceeds of specific revenue sources (other than trusts for individual, private organizations, or other governments or for major capital projects) that are legally restricted to expenditure for specified purposes.

Capital Projects Funds-- to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals other than governments).

Debt Service Funds-- to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The County reports the following major governmental funds:

General Fund-- This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

Road and Bridge Fund-- This fund is used to account for monies designated for use in road and bridge work of the County. Primary sources of revenues for these special revenue funds included ad valorem taxes, automobile registration fees, County and District court fines, and state allotments of road funds. Revenues are used for public transportation maintenance and construction purposes.

In addition, the County reports the following fund types:

Fiduciary Funds: The county uses fiduciary funds to account for assets held in a trustee or agency capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. Trust funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Agency funds report only assets and liabilities and therefore do not have a measurement focus; however, agency funds use the accrual basis of accounting to recognize receivables and payables.

The fiduciary funds of the County consist only of agency funds.

Agency Funds-- The Court acts in a custodial capacity for individuals, firms, and State and Local governments. In its custodial capacity, agency funds have been created and include monies placed into the registry of the county and district courts on behalf of minors or other parties involved in litigation. Also, included are child support, restitution, forfeiture accounts, court costs, and auto registration fees collected on behalf of the State and Local governments.

b. Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity date of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

c. Inventories and Prepaid Items

Inventories on the balance sheet are stated at cost using the first in/ first out (FIFO) method. Inventory items are recorded as expenditures when they are consumed. The county records purchase of supplies as expenditures, utilizing the purchases method of accounting for inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of $5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

e. Receivable and Payable Balances

The County believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

	General Fund	Road and Bridge Fund	Other Governmental	Total
Interest Receivable	$ 48,151	$ 2,888	$ --	$ 51,039
Delinquent Tax Receivable	1,115,569	309,017	229,663	1,654,249
Less: Allowance for Uncollectible	(55,778)	(15,451)	(11,483)	(82,712)
Net Delinquent Tax Receivable	1,059,791	293,566	218,180	1,571,537
Accounts Receivable	2,797,665	1,583,746	--	4,381,411
Less: Allowance for Uncollectible	(1,305,473)	(909,894)	--	(2,215,367)
Net Fines Receivable	1,492,192	673,852	--	2,166,044
Total Net Receivables	$ 2,600,134	$ 970,306	$ 218,180	$ 3,788,620

There are no significant receivables which are not scheduled for collection within one year of year end.

f. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County District Retirement System (TCDRS) and additions to or deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At September 30, 2019, the County reported the following:

Net Pension Asset	$	--
Net Pension Liability	$	6,429,375

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

h. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Restricted for Federal and State Programs	$	66,159
Restricted for Indigent Care		45,626
Restricted for Capital Projects		1,019,863
Restricted for Records Management		1,257,868
Restricted for Judicial		230,804
Restricted for Debt Service		1,019,863
Road and Bridge		1,154,066
Restricted for Other Purposes		728,771
Total	$	5,523,020

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the County's Commissioners. Committed amounts cannot be used for any other purpose unless the Commissioners removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Commissioners. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Commissioners or by an official or body to which the Commissioners delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Minimum Fund Balance: Lamar County generally aims to maintain the following minimum fund balances:

General fund's unassigned fund balance of approximately twenty-five percent (25%) of budgeted expenditures for the fiscal year, to be used for unanticipated needs. The county considers a balance of less than twenty percent (20%) to be a cause of concern, barring unusual or deliberated circumstances. An unassigned fund balance of more than thirty-five percent (35%) will be considered as surplus for one-time expenditures that are nonrecurring in nature, capital projects, and for to reduce the tax levy requirements.

Road and Bridge Fund: A fund balance between five (5%) to ten percent (10%) of budgeted expenditures to meet sufficient cash flow needs.

Debt Service Fund: A fund balance of no more than ten percent (10%) of the current period payments.

Replenishment of Minimum Fund Balance: At the completion of any fiscal year in which the fund balance is less than the minimum established by fund balance policy, the Commissioners' Court will establish a plan to restore this balance to the target level within a specified period of time. When developing this plan, the following items should be considered in establishing the appropriate time horizon:

* The budgetary reasons behind the fund balance targets
* Recovery from an extreme event
* Financial planning time horizon
* Long-term forecasts and economic conditions
* Milestones for gradual replacement
* External financing options

Implementation and Review: Upon adoption of this policy the Commissioner Court authorizes the County Auditor to establish standards and procedures which may be necessary for its implementation. The County Auditor shall review this policy at least annually and make any recommendations for change to the Commissioners Court.

i. Compensated Absences

General leave for the County includes both vacation and sick pay. General leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon termination, employees are paid full value for any accrued general leave earned not to exceed forty hours of vacation or forty hours of sick leave converted as set forth by personnel policy.

j. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

k. Debt Related Intangibles

Premiums and discounts are amortized over the life of the related bond using the interest method or the straight-line method if the straight-line method does not materially differ from the interest method.

I. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report 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 one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

In the fiscal year ending September 30, 2019 Lamar County reported a deferred inflow of resources in grant funding for $438,819 in the Road and Bridge Funds. This inflow represents FEMA grant funds earned by the County but not yet received.

5. Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at September 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

The County had no outstanding end-of-year encumbrances.

6. Implementation of New Standards

In the current fiscal year, the County implemented the following new standards. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB 88 - Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements

The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the 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 subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

GASB Statement No. 83, Certain Asset Retirement Obligations

This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement.

The County does not currently have any AROs and does not expect that implementation of the pronouncement will have an impact on the financial statements.

GASB Statement No. 90, Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement also establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

The County does not currently have any interest in any separate organizations and does not expect that implementation of the pronouncement will have an impact on the financial statements

GASB Statement No. 84, Fiduciary Activities

This statement establishes standards of accounting and financial reporting 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. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

B. <u>Compliance and Accountability</u>

1. Finance-Related Legal and Contractual Provisions

   In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Violation	Action Taken
Capital Outlay exceeded budget by $5,660	Under consideration

2. Deficit Fund Balance or Fund Net Position of Individual Funds

   Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

Fund Name	Deficit Amount	Remarks
None reported	Not applicable	Not applicable

C. Deposits and Investments

The County's funds are required to be deposited and invested under the terms or a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Cash Deposits:

At September 30, 2019, the carrying amount of the County's deposits (cash, and interest-bearing savings accounts included in short-term investments) was $4,292,138.26 and the bank balance was $4,344,656. The County's cash deposits at September 30, 2019 and during the year ended September 30, 2019, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

In addition to cash and cash equivalents the County holds $14,075,36 in Certificates of Deposits with Green Bank. All of the Certificates were purchased for twelve months with varying maturity dates. Since these Certificate are held for more than three months, they are considered short-term investments according to the County's definition of cash and cash equivalents.

Investments:

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general-purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

The County's investments at September 30,2019 are shown below.

Investment or Investment Type	Maturity		Fair Value
Tex Pool	N/A	$	38,385
Green Bank – Certificate of Deposits	Varying, 12 months		14,075,369
Total Investments		$	14,113,754

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

At September 30, 2019, the County's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows: AAA-m

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

At year end, the County was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not *vary* with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas *Government* Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have 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; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The County's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in *a:* manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

TexPool

The County invests in the Texas Local Government Investment Pool (TexPool), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas *Government* Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAm by Standard & Poor's and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which usually approximates the market value of the securities. The stated objective of TexPool is to maintain a stable average $1.00 per unit net asset value; however, the $1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from from the Texas Trust Safekeeping Trust Company website at www.ttstc.org.

D. Capital Assets

Capital asset activity for the year ended September 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 732,602	$ --	$ --	$ 732,602
Construction in Progress	1,192,337	85,624	1,192,337	85,624
Total capital assets not being depreciated	1,924,939	85,624	1,192,337	818,226
Capital assets being depreciated:				
Road Network	21,116,805	--	--	21,116,805
Building and Improvements	21,974,292	1,555,779	--	23,530,071
Equipment	11,444,884	1,002,814	--	12,447,698
Total capital assets being depreciated	54,535,981	2,558,593	--	57,094,574

Less accumulated depreciation for:				
Road Network	(12,831,842)	(472,014)	--	(13,303,856)
Buildings and Improvements	(11,229,494)	(391,256)	--	(11,620,750)
Equipment	(6,989,092)	(720,164)	--	(7,709,256)
Total accumulated depreciation	(31,050,428)	(1,583,434)	--	(32,633,862)
Total capital assets being depreciated, net	23,485,553	975,159	--	24,460,712
Governmental activities capital assets, net	$ 25,410,492	$ 1,060,783	$1,192,337	$25,278,938

Depreciation was charged to functions as follows:

General Government	$ 82,649
Judicial	2,782
Legal	8,363
Election	882
Finance	32,513
Facilities	286,371
Safety	251,325
Transportation	918,549
	$ 1,583,434

E. Interfund Balances and Activity

Transfers To and From Other Funds

Transfers From	Transfers To	Amount	Reason
General Fund	Court House Security Fund	$ 4,099.97	Supplement other funds sources
General Fund	Lamar Co. Child Welfare Fund	51,000.00	Supplement other funds sources
General Fund	Victims Coordinator Grant Fund	14,478.81	Supplement other funds sources
General Fund	Perm Improvement Fund	448,483.75	Supplement other funds sources
	Total	$ 518,062.53	

F. Short-Term Debt Activity

The County accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources. There were no short-term loans.

G. Long-Term Obligations

The County has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the County.

1. Long-term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2019, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
2011 Certificate of Obligation					
Capital Apprec. Bonds	$ 1,689,248	$ --	$ 457,545	$ 1,231,703	$431,651
Premium Capital Apprec. Bonds	70,016	--	--	70,016	--
2012 Tax Refunding Bonds	85,000	--	--	85,000	--
2017 Certificate of Obligation	2,530,000	--	10,000	2,520,000	10,000
Excavator Note	152,101	--	84,361	67,740	67,740
Total	4,526,365	--	551,906	3,974,459	509,391
Accum Accretion CAB '11	354,087	58,821	--	412,908	--
Accum Accretion Prem CAB '11	36,241	6,144	--	42,385	--
Premium CAB Series 2011	29,509	--	5,901	23,608	--
Premium 2012 Refunding Bonds	57,442	--	11,489	45,953	--
Total	477,279	64,965	17,390	524,854	--
Amount Payable Under Capital Lease	--	--	--	--	--
Compensated Absences *	391,882	595,420	547,487	439,815	391,882
OPEB Obligations	3,660,169	--	--	3,660,169	--
Total	4,052,051	595,420	547,487	4,099,984	391,882
Total Governmental Activities	$ 9,055,695	$660,385	$1,116,783	$ 8,599,297	$901,273

2. Debt Service Requirements

	Certificate of Obligations 2011		
Year Ending September 30,	Principal	Interest	Total
2020	$ 431,651	$ 118,349	$ 550,000
2021	410,278	139,722	550,000
2022	389,774	160,226	550,000
2023	70,016	139,984	210,000
Totals	$ 1,301,719	$ 558,281	$ 1,860,000

On November 15, 2011, the County issued Lamar County, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011, they were issued in part as Current Interest Certificates of $240,000 and Capital Appreciation Certificates of $1,759,264. Interest on the Current Interest Certificates will be payable on March 1 and September 1 of each year. Proceeds from the sale of the certificates will be used for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements for the County's Criminal Justice System, County roads, equipment for the Sheriff's Department, and improving and equipping the County courthouse and Courthouse Annex facilities. Interest on Series 2011 bonds is paid on current interest bonds at a rate of 2% and the interest on the capital appreciation certificates at a variable rate of 2.4% to 3.44%.

	Tax Refunding Bonds 2012		
Year Ending September 30,	Principal	Interest	Total
2020	$ --	$ 2,550	$ 2,550
2021	--	2,550	2,550
2022	--	2,550	2,550
2023	85,000	2,550	87,550
Totals	$ 85,000	$ 10,200	$ 95,200

	Certificate of Obligations 2017		
Year Ending September 30,	Principal	Interest	Total
2020	$ 10,000	$ 64,512	$ 74,512
2021	10,000	64,256	74,256
2022	10,000	64,000	74,000
2023	250,000	63,744	313,744
2024	540,000	57,344	597,344
2025	555,000	43,520	598,520
2026	565,000	29,312	594,312
2027	580,000	14,848	594,848
Totals	$ 2,520,000	$ 401,536	$ 2,921,536

	Note Payable 2018		
Year Ending September 30,	Principal	Interest	Total
2020	$ 67,740	$ 2,636	$ 70,376
Totals	$ 67,740	$ 2,636	$ 70,376

H. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2019, the County obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The County· pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The County continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

Pension Plan

1. Plan Description: The District provides pension, disability, and death benefits for all of its full-time employees through a statewide, agent multiple- employer, public-employee retirement system through the Texas County District Retirement System (the "TCDRS"). The system serves 738 actively participating counties and districts throughout Texas. Each employer has its own defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered qualified under Section 401 (a) of the Internal Revenue Code. All employees (except

temporary staff) of a participating employer must be enrolled in the plan. The TCDRS issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

2. Benefits Terms

   a. All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

   b. The plan provides retirement, disability and survivor benefits.

   c. TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 220%) and is then converted to an annuity.

   d. There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.

   e. Benefit terms are established under the TCDRS Act. They may be amended as of January 1 each year but must remain in conformity with the Act.

3. Contributions

The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Lamar County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2017 and 2018 are as follows:

Contribution Rates	2018	2019
Employee	7%	7%
Employer	12.70%	12.63%
Fiscal year contributions:		
Employer	$ 1,052,307	$ 1,093,776

The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

Membership Information

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

Inactive employees or beneficiaries currently receiving benefits	133
Inactive employees entitled to but not yet receiving benefits	140
Active Employees	196
Total covered employees	469

4. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The following are the key assumptions and methods used in this GASB analysis.

Actuarial assumptions:	
Valuation Timing	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.
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smooth Period	5 Years
Recognition Method	Non-asymptotic
Corridor	None
Inflation	3.0% per year
Salary Increases	4.9% Payroll growth for funding calculations (The payroll growth assumption is for the aggregate covered payroll of an employer.) 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 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.
Investment Rate of Return	8.00%, net of investment expenses, including inflation
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Lamar County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Members who are eligible for service retirement are assumed to retire at the rates shown in the chart below:

Age	Male	Female
40-44	4.5%	4.5%
50	10.0%	10.0%
55	10.0%	10.0%
60	12.0%	12.0%
65	25.0%	25.0%
70	22.0%	22.0%

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.
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.
Disabled 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.

Discount Rate

The discount rate used to measure the total pension liability was 8.10%. The discount rate was determined using an alternative method of determining the sufficiency of the fiduciary net position in all future years. The alternative method reflects the following requirements:

a. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.

b. Under the TCDRS Act, the County is legally required to make the contribution specified in the funding policy.

c. The County's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the County is still required to contribute at least the normal cost.

d. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future year.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefits in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability is equal to the long- term assumed rate of return on investments, and the municipal bond rate does not apply. This long-term assumed rate should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. A discount rate of 8.10% was used, which reflects the long- term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, and increases by 0.10% in order to be gross of administrative expenses. This rate of return on investments was determined by adding expected inflation to expected long-term real returns and reflects expected volatility and correlation. The capital market assumptions and

information shown below are provided by TCDRS' investment consultant, Cliffwater LLC and are based on January 2017 information for a 7-10-year time horizon.
The long-term rate of return on pension plan investments is 8.00%. The long-term expected rate of return 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 below are based on January 2017 information for a 7-10-year time horizon.

Note that 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. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2009 - December 31, 2016 for more details.

Asset Class	Target Allocation	Geometric Real Rate of Return
Domestic Equity	10.50%	5.40%
Private Equity	18.00%	8.40%
Global Equities	2.50%	5.70%
International Equities-Developed Markets	10.00%	5.40%
International Equities - Emerging Markets	7.00%	5.90%
Investment - Grade Bonds	3.00%	1.60%
Strategic Credit	12.00%	4.39%
Direct Lending	11.00%	7.95%
Distressed Debt	2.00%	7.20%
REIT Equities	2.00%	4.15%
Master Limited Partnerships	3.00%	5.35%
Private Real Estate Partnerships	6.00%	6.30%
Hedge Funds	13.00%	3.90%

Changes in Net Pension Liability / (Asset)	Increase (Decrease) $ Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2017	$ 42,417,581	$ 39,839,563	$ 2,578,018
Changes for the year			
Service cost	1,100,424	--	1,100,424
Interest	3,442,075	--	3,442,075
Effect of plan changes	--	--	--
Effect of economic/demographic gains or losses	178,518	--	178,518
Changes of assumptions	--	--	--
Contributions - employer	--	1,067,907	(1,067,907)
Contributions - employee	--	588,614	(588,614)
Net investment income	--	(747,013)	747,013
Benefit payments	(1,966,836)	(1,966,836)	--
Refund of contributions	(120,301)	(120,301)	--
Administrative expense	--	(31,021)	31,021
Other changes	--	(8,827)	8,827

Net changes	$	2,633,880	$	(1,217,477)	$	3,851,357
Balance at 12/31/2018	$	45,051,461	$	38,622,086	$	6,429,375

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate 8.10%, as well as what the County's 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		Discount Rate		1 % Increase in Discount Rate
Total pension liability	$	50,750,658	$	45,051,461	$	40,240,704
Fiduciary net position	$	38,622,085	$	38,622,085	$	38,622,085
County's net pension liability	$	12,128,573	$	6,429,375	$	1,618,619)

5. 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 $1,762,091.

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	$	133,888	$	151,394
Changes in actuarial assumptions		62,293		--
Difference between projected and actual investment earnings		2,456,715		--
Contributions subsequent to the measurement date		801,844		
Total	$	3,454,740	$	151,394

The $801,844 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Dec. 31:	$	
2019	$	930,401
2020	$	403,746
2021	$	376,288
2022	$	791,067
2023		--
Thereafter	$	--

J. Health Care Coverage

Beginning October 1, 2013, the County has health care coverage with Blue Cross Blue Shield of Texas. The Lamar County Employee Health Plan participants are fully insured. The County contributed up to $749 per month per employee and dependents to the Plan. The County paid up to $1,215 for retirees and their dependents. A total of $1,75,676 was the County's portion of cost of the health insurance for the fiscal year September 30, 2019. Employees at their option, authorized payroll with holdings for contributions for dependents. All contributions were paid to the administrator of the Plan. The contract between the County and the Plan is renewable October 1st, of each year, and the annual financial statements have been filed with the Texas State Board of Insurance. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by Contractual agreement.

K. Commitments and Contingencies

1. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the County at September 30,2019.

L. Subsequent Events

The COVID-19 pandemic sweeping across the country has resulted in mandatory closure of many businesses resulting in layoffs of much of the workforce. The economic effects of those closures is not yet known but could potentially affect future revenues of the County due to the significant economic impact on unemployment of the region.

Management has evaluated subsequent events through April 13, 2020, the date the financials were available to be distributed and noted no events to be disclosed.

M. Sulphur River Region Mobility Interlocal Cooperative Agreement

Lamar County, Texas entered into an Interlocal Cooperative Agreement with the Sulphur River Region Mobility Authority (the "Authority") effective October 10,2012, and with other governmental entities in the area for upgrading and widening State Highway 24. The Authority has secured a State Infrastructure Bank Loan (SIB) for the project with Lamar County's share of the local participation being $1,426,813. The County's payment obligations pursuant to the SIB Loans shall become due and payable not later than March 29 each year in accordance with the schedule below at a rate of 3.68% per annum. Agreement such as this are not reported as debt in the financials, but appropriately disclosed in the notes to the financial statements in accordance with Governmental Accounting Standards.

Years of Stated Maturity	Principal Amounts ($)	Interest Amounts ($)	Interest Rates (%)
2020	$ 83,880	$ 16,251	3.68%
2021	86,968	13,164	3.68%
2022	90,168	9,964	3.68%
2023	93,486	6,645	3.68%
2024	87,095	3,205	3.68%
	441,597	49,229	

N. Other Postemployment Benefits

Plan Description: The County sponsors and administers Lamar County Retiree Health Care Plan. It is a single employer defined benefit health care plan. The County Commissioners have the authority to establish and amend benefit provisions of the Plan. The Plan does not issue a separate, publicly available report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The Plan pays a portion of the health care insurance premiums for eligible retired employees. Retirement eligibility is determined based on the Texas County and District Retirement System (TCDRS) definition. Employees are eligible to retire at age 60 and above with 8 years of service in TCDRS, with 30 years service in TCDRS at any age, or when the sum of his or her age and years of service in TCDRS equals 75. Spouses and dependents are eligible for coverage. Coverage ceases upon reaching Medicare eligibility. There are no automatic post-employment benefit changes, including automatic COLAs.

Contributions

Employees and dependents continue to pay the employee or dependent share of the premiums charged to active members. Spouses/dependents are eligible for coverage. Any spouse already covered on the plan when the retiree reaches the age of 65 or surviving spouses of retirees may continue coverage by continuing to pay the retiree and spouse premium less the amount for the retiree. Only dependents covered by the employee on the county's insurance plan at the time of retirement are eligible. Members who retired before October 1, 2016, can receive coverage for their spouse by paying half the dependent Premium.

The premium rates for the health care insurance for 2018- 2019 fiscal year for retirees is as follows:

	Monthly Health Care Plan Premium Rates			
	Base Plan 1500		Buy UP Plan 1200	
	Employer	Retiree	Employer	Retiree
Retiree	$ 620	$ 37	$ 714	$ 37
Retiree and Spouse	714	362	714	468
Retiree and Children	714	248	714	337
Retiree and Family	714	687	714	843

Employees covered by benefit terms, at September 30, 2019, the following employees were covered by the benefit terms:

Membership*		
Number of:		
Retirees and Beneficiaries	20	
Inactive, Nonretired Members	--	
Active Members	170	
Total	190	
Covered Payroll		$ 7,333,173
Total OPEB Liability		$ 4,914,913
Total OPEB Liability as a Percentage of Covered Payroll		67.02%
Development of the Single Discount Rate		
Long-Term Municipal Bond Rate**		2.75%
Total OPEB Expense		$ 264,627

* The membership counts provided above are as of the valuation date September 30, 2019
** Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in the Fidelity "20-Year Municipal GO AA Index" as of December 31, 2017.

Actuarial Assumptions and Other Inputs:

Actuarial Assumptions:
The demographic assumptions are based on the assumptions that were developed for the defined benefit plan in which the County participates (TCDRS). The assumptions are based on the experience study covering the four year period ending December 31, 2016 as conducted for the Texas County and District Retirement System (TCDRS).

Valuation Date:	September 30, 2019
Measurement Date of the Total OPEB Liability	September 30, 2019
Methods and Assumptions:	
Actuarial Cost Method	Entry Age
Discount Rate	2.75% as of September 30, 2019
Inflation	3.00%
Salary Increases	0.50% to 5.00%, not including wage inflation of 3.50%
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2017 as conducted for the TCDRS.
Mortality	For healthy retirees, the gender-distinct RP-2014 Healthy Annuitant Mortality Tables are used with

	male rates multiplied by 130% and female rates multiplied by 110%. Those rates are projected on a fully generational basis based on 110% of the ultimate rates of Scale MP-2014.
Health Care Trend Rates	Level 5.00% for medical and level 1.50% for dental/vision.
Participation Rates	100% of retirees assumed to choose to receive retiree health care benefits through the County.

Discount Rate
For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 2.75 % (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-year Municipal GO AA Index").

Changes in the Total OPEB Liability		
Total OPEB liability		
Service Cost	$	337,130
Interest on the total OPEB liability		212,461
Difference between expected and actual experience		(2,141,614)
Changes of assumptions		223,335
Benefit payments		(270,322)
Net change in total OPEB liability		(1,639,010)
Total OPEB liability--beginning		6,553,923
Total OPEB liability--ending	$	4,914,913

Changes of assumptions reflect a change in the discount rate from 3.31% as of December 31, 2017 to 2.75% as of September 30, 2019.

No changes in benefit terms from previous actuarial valuation.

The benefit payments during the measurement period were determined as follows:

a.	Explicit benefit payments	$	191,015
b.	Implicit benefit payments	$	79,307*
c.	Total benefit payments	$	270,.322

*The .415 factor equals the ratio of the expected implicit subsidy to the expected explicit costs.

Sensitivity of Total OPEB Liability to the Discount Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 2.75 %, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1 % Decrease		Current Discount Rate Assumption		1 % Increase
	1.75%		2.75%		3.75%
$	5,340,757	$	4,914,913	$	4,453,805

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

			Current Healthcare Cost		
	1% Decrease		Trend Rate Assumption		1% Increase
$	4,360,572	$	4,914,913	$	5,584,223

Deferred outflows and Deferred Inflows Related to OPEB

		Deferred Outflows Of Resources		Deferred Inflows Of Resources
Differences between expected and actual experience	$	379,436	$	--
Changes in assumptions		--		1,766,864
Contributions subsequent to the measurement date		--		--
Total	$	379,436	$	1,766,864

Year Ending September 30		Net Deferred Outflows/Inflows
2020	$	(284,965)
2021		(284,965)
2022		(284,965)
2023		(284,965)
2024		(284,965)
Thereafter		37,397
Total	$	(1,387,428)

O. Tax Abatements

The County enters into property tax abatement agreements with local businesses under the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code. Under the Act, localities may grant property tax abatements of up to 100 percent of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the County.

For the fiscal year ended September 30, 2019, the County abated property taxes totaling $979,452. under this program, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

*A 100 percent property tax abatement to a local manufacturing facility to purchase additional machinery to enhance production capabilities. The abatement amounted to $410,016.

*A 100 percent property tax abatement for a local manufacturing facility to purchase additional machinery to enhance production capabilities. The abatement amounted to $327,280.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

LAMAR COUNTY, TEXAS

EXHIBIT B-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenue:				
Property Taxes	$ 8,962,393	$ 8,962,393	$ 8,970,488	$ 8,095
Other Taxes	3,225,000	3,225,000	3,380,653	155,653
Intergovernmental Receipts	662,000	662,000	648,672	(13,328)
Fees of Office	1,209,750	1,209,750	1,287,012	77,262
Fines	215,300	215,300	241,239	25,939
Interest	70,000	70,000	392,893	322,893
Miscellaneous	179,400	404,842	448,265	43,423
Total revenues	14,523,843	14,749,285	15,369,222	619,937
Expenditures:				
Current:				
General Administration	2,435,625	2,511,267	2,186,751	324,516
Financial Administration	1,331,514	1,331,514	1,215,591	115,923
Judicial	1,825,057	1,824,123	1,754,202	69,921
Legal	773,119	773,801	710,868	62,933
Elections	231,680	232,896	204,721	28,175
Public Safety	6,283,558	6,313,901	6,040,362	273,539
Public Welfare	1,560,361	1,562,236	1,381,306	180,930
Conservation and Agriculture	127,963	127,963	103,856	24,107
Public Facilities	931,789	1,028,520	704,955	323,565
Emergency Management	90,960	90,960	83,833	7,127
Capital outlay	61,400	11,400	17,060	(5,660)
Total expenditures	15,653,026	15,808,581	14,403,505	1,405,076
Excess (deficiency) of revenues (under) expenditures	(1,129,183)	(1,059,296)	965,717	2,025,013
Other financing sources (uses):				
Transfers out	(1,376,754)	(1,376,754)	(518,063)	(858,691)
Total other financing sources (uses)	(1,376,754)	(1,376,754)	(518,063)	(858,691)
Net change in fund balances	(2,505,937)	(2,436,050)	447,654	2,883,704
Fund balances/equity, October 1	12,456,663	12,456,663	12,456,663	--
Fund balances/equity, September 30	$ 9,950,726	$ 10,020,613	$ 12,904,317	$ 2,883,704

LAMAR COUNTY, TEXAS **EXHIBIT B-2**

ROAD & BRIDGE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenue:				
Property Taxes	$ 2,239,880	$ 2,239,880	$ 2,484,861	$ 244,981
Intergovernmental Receipts	640,000	918,338	411,245	(507,093)
Fees of Office	832,000	833,000	872,920	39,920
Fines	120,000	120,000	129,003	9,003
Interest	4,000	4,000	23,916	19,916
Miscellaneous	--	494,986	529,116	34,130
Total revenues	3,835,880	4,610,204	4,451,061	(159,143)
Expenditures:				
Current:				
Public Transportation	4,183,541	4,733,628	3,664,897	1,068,731
Capital outlay	568,000	791,236	598,252	192,984
Principal	84,131	84,361	84,361	--
Interest and fees	5,869	5,639	5,639	--
Total expenditures	4,841,541	5,614,864	4,353,149	1,261,715
Excess (deficiency) of revenues (under) expenditures	(1,005,661)	(1,004,660)	97,912	1,102,572
Other financing sources (uses):				
Transfers in	40,000	40,000	25,000	(15,000)
Transfers out	--	--	(25,000)	25,000
Total other financing sources (uses)	40,000	40,000	--	40,000
Net change in fund balances	(965,661)	(964,660)	97,912	1,062,572
Fund balances/equity, October 1	1,056,154	1,056,154	1,056,154	--
Fund balances/equity, September 30	$ 90,493	$ 91,494	$ 1,154,066	$ 1,062,572

Lamar County, Texas
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Plan Year Ended December 31,				
	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	$ 1,100,424	$ 1,140,140	$ 1,170,681	$ 1,062,160	$ 1,027,821
Interest (on the total pension liability)	3,442,075	3,259,731	3,045,080	2,896,381	2,706,809
Changes of benefit terms	-	-	-	(198,814)	-
Difference between expected and actual experience	178,518	(188,689)	(228,202)	(560,951)	19,162
Change of assumputions	-	124,585	-	384,372	-
Benefit payments, including refunds of employee contributions	(2,087,137)	(2,004,256)	(1,807,060)	(1,615,856)	(1,430,157)
Net Change in Total Pension Liability	2,633,880	2,331,511	2,180,499	1,967,292	2,323,635
Total Pension Liability - Beginning	42,417,581	40,086,070	37,905,571	35,938,279	33,614,644
Total Pension Liability - Ending (a)	$ 45,051,461	$ 42,417,581	$ 40,086,070	$ 37,905,571	$ 35,938,279
Plan Fiduciary Net Position					
Contributions - employer	$ 1,067,907	$ 1,000,311	$ 972,762	$ 954,993	$ 902,168
Contributions - employee	588,614	568,363	560,589	540,420	511,356
Net investment income	(747,013)	5,128,005	2,446,067	(193,371)	2,132,136
Benefit payments, including refunds of employee contributions	(2,087,137)	(2,004,256)	(1,807,060)	(1,615,856)	(1,430,157)
Administrative expense	(31,021)	(26,495)	(26,560)	(23,928)	(24,985)
Other	(8,827)	(6,087)	8,375	(109,588)	4,777
Net Change in Plan Fiduciary Net Position	(1,217,477)	4,659,841	2,154,173	(447,330)	2,095,295
Plan Fiduciary Net Position - Beginning	39,839,563	35,179,721	33,025,548	33,472,878	31,377,582
Plan Fiduciary Net Position - Ending (b)	$ 38,622,086	$ 39,839,562	$ 35,179,721	$ 33,025,548	$ 33,472,877
Net Pension Liability - Ending (a) - (b)	$ 6,429,375	$ 2,578,019	$ 4,906,349	$ 4,880,023	$ 2,465,402
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.73%	93.92%	87.76%	87.13%	93.14%
Covered Payroll	$ 8,408,765	$ 8,119,472	$ 7,966,912	$ 7,720,291	$ 7,305,090
Net Pension Liability as a Percentage of Covered Payroll	76.46%	31.75%	61.58%	63.21%	33.75%

EXHIBIT B-4

Lamar County, Texas
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Fiscal Year Ended September 30,				
	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 1,093,776	$ 1,052,307	$ 989,377	$ 969,753	$ 905,629
Contributions in relation to actuarially determined contribution	(1,093,776)	(1,052,307)	(989,377)	(969,753)	(905,629)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 8,647,402	$ 8,352,998	$ 8,050,965	$ 7,914,579	$ 7,323,963
Contributions as a percentage of covered payroll	12.65%	12.60%	12.29%	12.25%	12.37%

Lamar County, Texas

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Plan Year Ended December 31,	
	2018	2017
Total OPEB Liability		
Service cost	$ 337,130	$ 337,130
Interest (on the total OPEB liability)	212,461	229,662
Changes of benefit terms	-	-
Difference between expected and actual experience	(2,141,614)	26,352
Change of assumptions	223,335	252,165
Benefit payments, including refunds of employee contributions	(270,322)	(301,400)
Net Change in Total OPEB Liability	(1,639,010)	543,909
Total OPEB Liability - Beginning	6,553,923	6,010,014
Total OPEB Liability - Ending (a)	$ 4,914,913	$ 6,553,923
Covered Payroll	$ 7,333,173	$ 7,765,303
Total OPEB Liability as a Percentage of Covered Payroll	67.02%	84.40%

Budgetary Data

The official budget was prepared for adoption for the General Fund and the Road and Bridge Fund, which is included within the Special Revenue Funds. The following procedures are followed in establishing the budgetary data reflected in financial statements.

a. Prior to beginning of the fiscal year, the County prepares a budget for the next succeeding fiscal year beginning. The operating budget includes proposed expenditures and the means of financing them. b. A meeting of the Commissioners' Court is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must have been given.

c. Prior to start of the fiscal year, the budget is legally enacted through passage of a resolution by the Commissioner's Court.

Once a budget is approved, it can be amended only by approval of a majority of the Commissioners' Court. Amendments are presented to the Commissioners' Court at its regular meetings. Each amendment must have the Commissioners' Court approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Commissioners' Court and are not made after fiscal year end. During the year, the budget was amended as necessary. There were no significant amendments passed during the fiscal year. The budget is prepared on the modified accrual basis.

The legal *level* of budgetary control *(level* at which the governing body must approve any *over* expenditure) is at the category *level.* Categories are defined as: Personal Services, Supplies & Materials, Other Services & Charges, and Capital Outlay. Budget to actual comparisons are presented in the financial statements at the function *level;* however, a budget to actual comparison by category is available from the Lamar County Auditor's office at 119 North Main Street, Room 202, Paris, Texas 75462.

Excess of Expenditures *Over* Appropriations in Major Governmental Funds: The County expenditures did exceed appropriations in capital outlay by $5,660. Management is aware and it is under consideration. The overage was due to a reclassification of a three-ton air conditioning unit at the Jail that had been incorrectly coded to office supplies.

The following funds had legally adopted budgets:

General
Road and Bridge
Estray and Jury
State Aid Grant
Lateral Road
Law Library
County Clerk Records Management
Indigent Health Care
Court House Security
County Records Management
County Clerk Records Archive
District Clerk Records Technology
Court Records Preservation
Mental Health Services Grant
TXDOT TAP Lamar Chaparral Trail Fund
Flexible Spending Fund
Alternative Dispute Resolution
District Clerk Records Management
Victims Coordinator Grant
State Homeland Security Grant
Juvenile Probation Title IV
Justice Court Technology
Justice Assistance Grant
Juvenile Delinquency Prevention
Permanent Improvement
Commitment Reduction Grant
Texas Parks & Wildlife Trails Fund Grant
Judicial District Fund
County and District Court Technology
Certificates of Obligation 2011
Certificates of Obligation 2012

Budgets for the funds listed *above* are adopted on a basis consistent with generally accepted accounting principles (GAAP) on the modified accrual basis of accounting.

Lamar County, Texas

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Valuation Date:	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Remaining Amortization Period	12.9 years (based on contribution rate calculated in 12/31/2018)
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.25%
Salary Increases	3.25% Payroll growth for funding calculations (The payroll growth assumption is for the aggregate covered payroll of an employer.) 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 compnint of 3.5% (made up of 2.75% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.
Investment Rate of Return	8.0%, net of investment expenses, including inflation.
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Lamar County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Members who are eligible for service retirement are assumed to retire at the rates shown

Age	Male	Female
40-44	4.5%	4.5%
50	9.0%	9.0%
55	10.0%	10.0%
60	12.0%	12.0%
65	25.0%	25.0%
70	22.0%	22.0%

Mortality	
Depositing members	90% of the RP-2014 Active Empoyee 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.
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitnat Mortality Table for males and 110% of the RP-2014 Healty Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Disabled 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:	There were no benefit changes during the year.

Lamar County, Texas

NOTES TO THE SCHEDULE OF OPEB CONTRIBUTIONS
SEPTEMBER 30, 2019

Actuarial Assumptions and Other Inputs:

Actuarial Assumptions:
The demographic data was provided by the County as of Dececmber 2019. Appropriate adjustments in this data were made for the actuarial valuation. There is not assumption for future hires.

Valuation Date:	September 30, 2019
Measurement Date of the Total OPEB Liability	September 30, 2019

Methods and Assumptions:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	2.75% as of September 30, 2019
Inflation	3.00%
Salary Increases	0.50% to 5.00%, not including wage inflation of 3.50%
Dempgraphic Assumptions	Based on the data provided by the County as of December 2019
Mortality	RPH-2014 Total Table with Projection MP-2019
Participation Rates	100% of retirees assumbed to choose to receive retiree health care benefites through the County.

Notes: The discount rate changed from 3.31% as of December 31, 2017 to 2.75% as of September 30, 2019.

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Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

Malnory, McNeal & Company, PC
Certified Public Accountants

Mark W. Malnory, CPA
Johnna W. McNeal, CPA
Beverly Smith, CPA

Members of
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
AICPA Governmental Audit Quality Center

Elizabeth Hamm, CPA
E. J. Musharbash, CPA
Les S. Malnory, CPA

Independent Auditor's 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

Commissioners
Lamar County, Texas
119 North Main
Paris, Texas 75460

Members of the Commissioners:

We have audited, in accordance with the 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 Lamar County, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Lamar County, Texas's basic financial statements, and have issued our report thereon dated March 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lamar 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 the Lamar County, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lamar 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be a material weakness.

5016 McKinney Avenue, Suite 100 Dallas, Texas 75205 Telephone: 214-559-0784 Facsimile: 214-623-5915
1711 Clarksville Street Paris, Texas 75460 Telephone: 903-784-6700 Facsimile: 903-784-6934
www.malnorymcneal.com

Finding: 2019-001

Criteria:

Ongoing monitoring of the general ledger, its adjustments, balances, and the relationships between the many funds and offices of the County are crucial to proper financial reporting as well as the effort to prevent, detect, deter, and correct errors in the financial reporting.

Condition:

We noted a deficiency in internal control procedures related financial processes as well as to the month end and year-end financial statement close within the Jail Commissary.

Cause:

The cause of the deficiency appears to be a lack of overall internal control procedures along with insufficient month and year end financial general ledger monitoring and close. The bank reconciliation for the Jail Commissary are not being performed in a timely manner. In addition, financial activity is only being posted to the general ledger at year end.

Effect:

Internal controls over general ledger adjusting entries, bank reconciliations, general ledger review were not effectively designed or implemented. Bank reconciliations which are the cornerstone of financial management and internal control were not preformed timely during the year for the Jail Commissary.

Recommendation:

We recommend the following:

1. Bank Reconciliations: Bank reconciliations should be performed monthly on each account for which the County is responsible, and all activity should be posted monthly to the general ledger. All items on the bank reconciliation should be investigated and verified.
2. The County Treasurer's office should perform the bank reconciliation for the Jail Commissary. For this to occur in a timely manner the Jail Commissary must send the bank statements along with all needed reconciling items to the Treasure within fifteen days of the month close.
3. The Auditor's office should review the bank reconciliation as is currently being done with all other bank reconciliations prepared by the Treasurer and post the activity to the general ledger.
4. The County Treasurer should request a duplicate copy of the Jail Commissary and Inmate Trust accounts to be mailed to her on a monthly basis at the cost of $5.00 per month per statement. This should help expedite the County's ability to reconcile those accounts in a timely manner.
5. All vendor charge accounts (i.e. Walmart card) held by the Jail Commissary should be received by the County Treasurer in the month they are received along with copies of all invoices.
6. All price changes to inventory should be reviewed and signed off on by the Sheriff.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lamar 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Malnory, McNeal & Company PC
Certified Public Accountants

March 23, 2020
Paris, Texas

Kayla Hall
(903) 737-2417

119 N Main, Room B05
Paris, Texas 75460

COUNTY AUDITOR
OF
LAMAR COUNTY

Summary Schedule of Prior Audit Findings

As a result of the material weaknesses in internal control which were identified during our previous external audit for the year ended September 30, 2019, the following corrective actions have implemented by Lamar County.

Finding 2018-001

Internal Audits of County Offices – corrective actions have been taken

Finding 2018-002

Federal Funding – corrective actions have been taken

Kayla Hall
Lamar County Auditor

Kayla Hall
903-737-2417

119 N Main, Room B05
Paris,Texas 75460

COUNTY AUDITOR
OF
LAMAR COUNTY

Lamar County

Corrective Action Plan

For the Year End September 30, 2019

As a result of the material weaknesses in internal control which were identified during our most recent external audit for the year ended September 30, 2019, the following corrective actions will be taken by Lamar County henceforth.

Finding 2019-001

Jail Commissary Internal Controls

Recommendations: It has been recommended that the County take several steps with regards to jail commissary at the end of each month. These include making sure bank reconciliations are performed timely each month and all activity being posted to the general ledger, having all vendor invoices provided to the treasurer each month, and having all price changes to inventory items reviewed and signed off on by the Sheriff.

Action Taken or Planned: The auditor will create a month end process of ensuring each of these actions has been taken and will input activity into the general ledger at that time.

Responsible Party: Kayla Hall, County Auditor

Anticipated Completion Date: May 31, 2020

Kayla Hall
Lamar County Auditor

Financial Advisory Services
Provided By:

SAMCO Capital