

ANGELINA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

December 31, 2021

C O N T E N T S

INTRODUCTORY SECTION

Principal Officials.....	4
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FINANCIAL SECTION

Independent Auditors' Report.....	6
Management's Discussion and Analysis	8

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position	13
Statement of Activities	14

Fund Financial Statements:

Combining Balance Sheet - Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	18
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Combining Statement of Net Position - Proprietary Funds.....	22
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	23
Combining Statement of Cash Flows - Proprietary Funds.....	24
Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position	26
Notes to Financial Statements	27

Required Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund.....	42
Schedule of Revenues, Expenditures, and Changes in Fun Balances - Budget and Actual - Unit Road Fund.....	43
Schedule of Changes in the Net Pension Liability and Related Ratios	44
Schedule of Employer Contributions	45

Supplementary Information:

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet - Nonmajor Governmental Funds	48
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	49
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	56
Combining Balance Sheet - Nonmajor Capital Projects Funds	62
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	63

Fiduciary Funds:

Combining Statement of Fiduciary Net Position	65
Combining Statement of Changes in Fiduciary Net Position.....	67

Compliance Audit Section:

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	70
Independent Auditors' Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	71
Schedule of Findings and Questioned Costs	73
Schedule of Expenditures of Federal Awards	74
Notes to the Schedule of Expenditures of Federal Awards.....	75
Summary Schedule of Prior Audit Findings	76
Corrective Action Plan	77

INTRODUCTORY SECTION

ANGELINA COUNTY, TEXAS
PRINCIPAL OFFICIALS
December 31, 2021

GOVERNING BODY

Honorable Don Lymbery.....County Judge
Rodney PauletteCommissioner, Precinct 1
Kermit Kennedy.....Commissioner, Precinct 2
Terry PittsCommissioner, Precinct 3
Steve Smith.....Commissioner, Precinct 4

OTHER PRINCIPAL OFFICIALS

Billie PageTax Assessor-Collector
Janice Cordray.....County Auditor
Cary KirbyCounty Attorney
Janet Cassels.....District Attorney
Reba Squyres District Clerk
Amy Fincher County Clerk
Jill Brewer County Treasurer
Greg Sanches County Sheriff

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable County Judge and
Members of the Commissioners' Court
Angelina County
Lufkin, Texas

Opinion

We have audited the accompanying financial statements of the governmental activities, the business type activities, the fiduciary activities, each major fund, and the aggregate remaining fund information of Angelina County, as of and for the year ended December 31, 2021, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the fiduciary activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and schedule of contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements, that collectively comprise Angelina County, Texas' basic financial statements. The introductory section, combining fund statements and schedule of expenditures of federal awards as required by Uniform Guidance are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund statements and schedule of expenditures of federal awards as required by Uniform Guidance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund statements and schedule of expenditures of federal awards as required by Uniform Guidance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2022 on our consideration of Angelina County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Angelina County's internal control over financial reporting and compliance.

Lufkin, Texas
July 26, 2022


CERTIFIED PUBLIC ACCOUNTANTS

**ANGELINA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Angelina County, we offer readers of the Angelina County's financial statements this narrative overview and analysis of the financial activities of Angelina County for the fiscal year ended December 31, 2021. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$61,946,698 (*net position*). Of this amount, \$11,795,944 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$32,680,857 an increase of \$7,240,663 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$14,242,942.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Angelina County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets, liabilities and deferred items, with the difference between reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the government-wide financial statements distinguish functions of the County's that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, judicial, public safety, and roads and bridges. The business-type activities of the County include a landfill, an airport and an internal service fund.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its Landfill and for its Airport. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insured group health insurance plan. This service benefits both governmental and business-type functions, which result in an allocation, based on participants, between the governmental and business-type activities in the government-wide financial statements.

**ANGELINA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Landfill and the Airport, both of which are considered to be major funds of the County. The internal service fund is presented in the proprietary fund financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees. Budget and required supplementary information can be found in this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found in this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$61,946,698 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (40 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Angelina County's Net Position
(in thousands)**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 59 612	\$ 49 871	\$ 9 465	\$ 9 561	\$ 69 077	\$ 59 432
Capital assets	20 638	21 943	10 137	9 293	30 755	31 236
TOTAL ASSETS	80 250	71 814	19 602	18 853	99 852	90 667
Deferred outflows	7 466	5 611	222	143	7 687	5 754
Long-term liabilities	7 798	8 045	8 146	7 675	15 944	15 720
Other liabilities	4 863	4 943	575	284	5 438	5 227
TOTAL LIABILITIES	12 606	12 988	8 721	7 958	21 382	20 946
Deferred inflows	24 040	24 887	170	164	24 211	25 051
Net Position:						
Net invest in capital assets,	14 005	12 860	10 137	9 293	24 142	22 153
Restricted	17 796	11 944	8 212	8 296	26 009	20 240
Unrestricted	19 214	14 746	(7 418)	(6 715)	11 796	8 031
TOTAL NET POSITION	\$ 51 015	\$ 39 550	\$ 10 931	\$ 10 874	\$ 61 947	\$ 50 424

An additional portion of the County's net position (42 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$11,795,944 may be used to meet the government's ongoing obligations to citizens and creditors.

**ANGELINA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

Governmental Activities. Governmental activities increased the County's net position by \$11,465,781. Key elements of this net increase are as follows:

**Angelina County's Changes in Net Position
(in thousands)**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for service	\$ 13 412	\$ 20 806	\$ 4 475	\$ 4 047	\$ 17 887	\$ 24 853
Operating grants and contributions	13 812	4 461	-	-	13 812	4 461
Capital grants and contributions	200	-	-	-	200	-
General Revenues:						
Property taxes	22 095	20 388	-	-	22 095	20 388
Sales taxes	7 280	6 487	-	-	7 280	6 487
Investment earnings	246	280	4	8	250	289
Miscellaneous	426	424	255	321	681	745
TOTAL REVENUES	57 471	52 847	4 735	4 376	62 206	57 223
Expenses:						
Administrative	9 220	9 233	-	-	9 220	9 233
Judicial and law enforcement	20 838	21 539	-	-	20 838	21 539
Health, welfare and sanitation	11 746	13 505	-	-	11 746	13 505
Highways and streets	3 910	3 118	-	-	3 910	3 118
Extension service	157	165	-	-	157	165
Interest and fiscal charges	135	92	-	-	135	92
Landfill	-	-	3 042	2 698	3 042	2 698
Airport	-	-	1 635	1 466	1 635	1 466
TOTAL EXPENSES	46 005	47 652	4 677	4 164	50 683	51 816
CHANGE IN NET POSITION	11 466	5 195	57	329	11 465	5 407
Net position, beginning (restated)	39 550	34 355	10 874	10 662	50 424	45 016
NET POSITION, ENDING	\$ 51 015	\$ 39 550	\$ 10 931	\$ 10 874	\$ 61 947	\$ 50 424

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financial requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$32,680,857. The *unassigned fund balance* amounts to a surplus of \$14,242,942. The amount of fund balance that is restricted \$17,798,319 to indicate that it is not available for new spending because it has already been committed to other expenses.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$14,884,561. As a measure of the general fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 64 percent of total general fund expenditures.

The fund balance of the County's general fund increased by \$1,388,423 during the current fiscal year. The increase is the result of general fund revenue exceeding expected projections.

The local provider participation fund is utilized by local healthcare agencies to provide service in the County. The fund has a restricted fund balance of \$273,606.

The unit road system fund has a total fund balance of \$1,416,124, all of which is restricted for the maintenance and construction of roads and bridges. The net increase in fund balance during the current year in the fund is \$1,416,124.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**ANGELINA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

Unrestricted net position of the Landfill at the end of the year amounted to \$(7,661,141), and those for the Airport amounted to \$150,696. Net position restricted for future landfill closure of the Landfill at the end of the year amounted to \$8,212,447. The total change in net position for both funds was \$173,733 and \$(116,323), respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

During the year revenues were more than budgetary estimates by \$1,717,085. Expenditures were less than budgetary estimates by \$1,458,598.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business type activities as of December 31, 2021, amounts to \$30,774,966 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, roads, and bridges.

**Angelina County's Capital Assets
(net of depreciation)
(in thousands)**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2021	2020	2021	2020	2021	2020
Land	\$ 669	\$ 685	\$ 2 182	\$ 2 182	\$ 2 851	\$ 2 867
Buildings	23 478	23 356	9 446	9 277	32 924	32 633
Machinery and equipment	17 270	17 056	6 992	6 624	24 262	23 670
Infrastructure	72 162	70 857	11 651	11 375	83 813	82 232
Construction in progress	15	873	1 380	168	1 395	1 041
Depreciation	(92 656)	(90 878)	(21 514)	(20 333)	(114 170)	(111 207)
TOTAL	\$ 20 638	\$ 21 943	\$ 10 137	\$ 9 293	\$ 30 775	\$ 31 236

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$710,000.

**Angelina County's Outstanding Debt
Long Term Liabilities
(in thousands)**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2021	2020	2021	2020	2021	2020
Refunding bonds	\$ 710	\$ 1 455	\$ -	\$ -	\$ 710	\$ 1 455
Notes	5 170	6 246	-	-	5 170	6 246
Capital leases	803	1 098	-	-	803	1 098
Landfill closure and postclosure	-	-	8 052	7 649	8 052	7 649
Accrued compensated absences	199	285	-	-	199	285
TOTAL	\$ 6 882	\$ 9 083	\$ 8 052	\$ 7 649	\$ 14 934	\$ 16 732

The County maintains an "Aaa" rating from Moody's for its debt issuances.

Additional information on the County's long-term debt can be found in Note 3.D of this report.

Economic Factors and Next Years' Budgets and Rates

- Economic trends in the region compare favorably with state and regional indices.

All other factors were considered in preparing the County's budget for the 2022 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, P. O. Box 727, Lufkin, Texas 75902-0727.

BASIC FINANCIAL STATEMENTS

ANGELINA COUNTY, TEXAS
STATEMENT OF NET POSITION
December 31, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and cash equivalent	\$ 1 880 519	\$ 511 680	\$ 2 392 199
Investments	40 651 363	100 016	40 751 379
Receivables (Net Allowance):			
Taxes	15 533 503	-	15 533 503
Miscellaneous	48 433	-	48 433
Intergovernmental	628 826	-	628 826
Accounts	221 643	504 315	725 958
Due from others	-	43 703	43 703
Inventory	-	78 650	78 650
Prepaid expense	647 889	13 942	661 831
TOTAL CURRENT ASSETS	59 612 176	1 252 306	60 864 482
Noncurrent Assets:			
Restricted Assets:			
Investments	-	8 212 447	8 212 447
Capital assets (net of depreciation)	20 638 147	10 136 819	30 774 966
TOTAL NONCURRENT ASSETS	20 638 147	18 349 266	38 987 413
TOTAL ASSETS	80 250 323	19 601 572	99 851 895
DEFERRED OUTFLOWS			
Pension related deferred outflows	7 465 664	221 652	7 687 316
TOTAL DEFERRED OUTFLOWS	7 465 664	221 652	7 687 316
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 87 715 987	\$ 19 823 224	\$ 107 539 211
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 822 612	\$ 459 182	\$ 1 281 794
Accrued liabilities	1 738 816	116 266	1 855 082
Accrued interest	48 693	-	48 693
Due within one year	2 252 504	-	2 252 504
TOTAL CURRENT LIABILITIES	4 862 625	575 448	5 438 073
Noncurrent Liabilities:			
Bond premium	2 878	-	2 878
Due in more than one year	4 629 463	8 051 915	12 681 378
Net pension liability	3 165 488	93 982	3 259 470
TOTAL NONCURRENT LIABILITIES	7 797 829	8 145 897	15 943 726
TOTAL LIABILITIES	12 660 454	8 721 345	21 381 799
DEFERRED INFLOWS			
Deferred pension inflow	5 741 610	170 466	5 912 076
Unavailable revenues	18 298 638	-	18 298 638
TOTAL DEFERRED INFLOWS	24 040 248	170 466	24 210 714
NET POSITION			
Net investment in capital assets	14 005 192	10 136 819	24 142 011
Restricted:			
Construction	2 753 131	-	2 753 131
Debt service	337 571	-	337 571
Other	14 705 594	8 212 447	22 918 041
Unrestricted	19 213 797	(7 417 853)	11 795 944
TOTAL NET POSITION	51 015 285	10 931 413	61 946 698
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 87 715 987	\$ 19 823 224	\$ 107 539 211

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

ANGELINA COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

FUNCTIONS/PROGRAMS	<u>EXPENSES</u>	PROGRAM REVENUES		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
Governmental Activities:				
Administrative	\$ 9 220 691	\$ 6 375 138	\$ 69 757	\$ -
Judicial and law enforcement	20 837 523	762 250	3 700 194	-
Health, welfare and sanitation	11 745 942	4 887 149	10 041 975	-
Highways and streets	3 909 932	1 387 325	-	200 413
Extension services	156 710	-	-	-
Interest and fiscal charges	134 696	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>46 005 493</u>	<u>13 411 862</u>	<u>13 811 926</u>	<u>200 413</u>
Business-Type Activities:				
Landfill	3 042 481	3 239 406	-	-
Airport	1 634 736	1 235 661	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>4 677 217</u>	<u>4 475 067</u>	<u>-</u>	<u>-</u>
TOTAL GOVERNMENT	<u>\$ 50 682 710</u>	<u>\$ 17 886 929</u>	<u>\$ 13 811 926</u>	<u>\$ 200 413</u>
General Revenues:				
Property taxes				
Sales taxes				
Unrestricted investment earnings				
Miscellaneous revenues				
TOTAL GENERAL REVENUES				
CHANGE IN NET POSITION				
Net position - Beginning of year				
NET POSITION - ENDING				

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

NET (EXPENSE) REVENUE AND CHANGE
IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (2 775 796)	\$ -	\$ (2 775 796)
(16 375 079)	-	(16 375 079)
3 183 182	-	3 183 182
(2 322 194)	-	(2 322 194)
(156 710)	-	(156 710)
(134 696)	-	(134 696)
(18 581 292)	-	(18 581 292)
-	196 925	196 925
-	(399 075)	(399 075)
-	(202 150)	(202 150)
(18 581 292)	(202 150)	(18 783 442)
22 094 931	-	22 094 931
7 280 023	-	7 280 023
246 056	4 329	250 385
426 063	255 231	681 294
30 047 073	259 560	30 306 633
11 465 781	57 410	11 523 191
39 549 504	10 874 003	50 423 507
\$ 51 015 285	\$ 10 931 413	\$ 61 946 698

ANGELINA COUNTY, TEXAS
COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	GENERAL FUND	LOCAL PROVIDER PARTICIPATION FUND	ROAD AND BRIDGE #1 FUND	ROAD AND BRIDGE #2 FUND
ASSETS				
Cash and cash equivalent	\$ (17 871 074)	\$ 273 606	\$ -	\$ -
Investments	40 242 721	-	-	-
Receivables:				
Taxes	15 533 503	-	-	-
Miscellaneous	-	-	-	-
Intergovernmental	560 752	-	-	-
Other	220 843	-	-	-
Prepaid expenses	641 619	-	-	-
Due from other funds	3 000	-	-	-
TOTAL ASSETS	\$ 39 331 364	\$ 273 606	\$ -	\$ -
LIABILITIES				
Accounts payable	\$ 581 148	\$ -	\$ -	\$ -
Accrued liabilities	1 285 024	-	-	-
Accrued compensated absences	541 521	-	-	-
Due to other funds	3 770 946	-	-	-
TOTAL LIABILITIES	6 178 639	-	-	-
DEFERRED INFLOWS				
Unavailable revenues	18 268 164	-	-	-
TOTAL DEFERRED INFLOWS	18 268 164	-	-	-
FUND BALANCES				
Nonspendable - Prepaid expenses	641 619	-	-	-
Restricted:				
Highways and streets	-	-	-	-
Construction	-	-	-	-
Health and welfare	-	273 606	-	-
Debt service	-	-	-	-
Other	-	-	-	-
Unassigned	14 242 942	-	-	-
TOTAL FUND BALANCES	14 884 561	273 606	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 39 331 364	\$ 273 606	\$ -	\$ -

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

ROAD AND BRIDGE #3 FUND	ROAD AND BRIDGE #4 FUND	UNIT ROAD SYSTEM FUND	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 1 701 235	\$ 16 785 485	\$ 889 252
-	-	-	308 619	40 551 340
-	-	-	-	15 533 503
-	-	-	48 433	48 433
-	-	-	68 074	628 826
-	-	800	-	221 643
-	-	-	6 270	647 889
-	-	2 779 201	991 745	3 773 946
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4 481 236</u>	<u>\$ 18 208 626</u>	<u>\$ 62 294 832</u>
\$ -	\$ -	\$ 115 829	\$ 125 635	\$ 822 612
-	-	30 707	41 526	1 357 257
-	-	92 224	48 765	682 510
-	-	-	3 000	3 773 946
<u>-</u>	<u>-</u>	<u>238 760</u>	<u>218 926</u>	<u>6 636 325</u>
-	-	2 826 352	1 883 134	22 977 650
<u>-</u>	<u>-</u>	<u>2 826 352</u>	<u>1 883 134</u>	<u>22 977 650</u>
-	-	-	6 270	647 889
-	-	1 416 124	-	1 416 124
-	-	-	2 753 131	2 753 131
-	-	-	-	273 606
-	-	-	337 571	337 571
-	-	-	13 009 594	13 009 594
-	-	-	-	14 242 942
<u>-</u>	<u>-</u>	<u>1 416 124</u>	<u>16 106 566</u>	<u>32 680 857</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4 481 236</u>	<u>\$ 18 208 626</u>	<u>\$ 62 294 832</u>

ANGELINA COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
 December 31, 2021

Total fund balances - Governmental funds balance sheet	\$ 32 680 857
Amounts Reported for Governmental Activities in the Statement of Net Position are Different because:	
Capital assets used in governmental activities are not reported in the funds.	20 638 147
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	4 679 012
Payables for debt principal, interest, bond premium and accrued compensated absences which are not due in the current period are not reported in the funds.	(6 251 028)
Recognition of the County's net pension liability and related deferred outflows are not reported in the funds.	(1 441 434)
An internal service fund is used to charge the cost to individual funds. The funds assets and liabilities are included in governmental activities in the Statement of Net Position.	<u>709 731</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION	\$ <u><u>51 015 285</u></u>

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

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 December 31, 2021

	GENERAL FUND	LOCAL PROVIDER PARTICIPATION FUND	ROAD AND BRIDGE #1 FUND	ROAD AND BRIDGE #2 FUND
Revenues:				
Ad valorem taxes	\$ 16 758 163	\$ -	\$ 654 527	\$ 290 128
Sales tax	7 280 023	-	-	-
Other taxes	158 705	-	-	-
Intergovernmental	467 688	-	12 273	2 408
Charges for services	520	-	-	-
Fines and fees	2 745 610	4 756 780	-	-
Interest income	139 523	17 101	-	-
Contributions and donations	-	-	-	-
Other revenue	156 036	-	-	-
TOTAL REVENUES	27 706 268	4 773 881	666 800	292 536
Expenditures:				
Administrative	7 752 456	-	-	-
Judicial and law enforcement	14 018 865	-	-	-
Health, welfare and sanitation	1 423 303	8 476 561	-	-
Highways and streets	-	-	-	-
Extension services	134 360	-	-	-
Capital outlays	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other fees	-	-	-	-
TOTAL EXPENDITURES	23 328 984	8 476 561	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4 377 284	(3 702 680)	666 800	292 536
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(2 988 861)	-	(793 726)	(578 112)
TOTAL OTHER FINANCING SOURCES (USES)	(2 988 861)	-	(793 726)	(578 112)
NET CHANGE IN FUND BALANCE	1 388 423	(3 702 680)	(126 926)	(285 576)
Fund balance - Beginning	13 496 138	3 976 286	126 926	285 576
FUND BALANCE - ENDING	\$ 14 884 561	\$ 273 606	\$ -	\$ -

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

ROAD AND BRIDGE #3 FUND	ROAD AND BRIDGE #4 FUND	UNIT ROAD SYSTEM FUND	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 834 540	\$ 770 648	\$ -	\$ 991 433	\$ 20 299 439
-	-	-	-	7 280 023
-	-	-	-	158 705
17 135	15 388	153 209	13 225 056	13 893 157
-	-	-	-	520
-	-	1 273 173	618 892	9 394 455
-	-	15 240	69 778	241 642
-	-	-	119 702	119 702
-	-	90 292	20 510	266 838
<u>851 675</u>	<u>786 036</u>	<u>1 531 914</u>	<u>15 045 371</u>	<u>51 654 481</u>
-	-	-	156 832	7 909 288
-	-	-	4 290 318	18 309 183
-	-	-	175 991	10 075 855
-	-	3 378 361	-	3 378 361
-	-	-	-	134 360
-	-	-	1 607 382	1 607 382
-	-	334 513	1 555 000	1 889 513
-	-	-	109 876	109 876
<u>-</u>	<u>-</u>	<u>3 712 874</u>	<u>7 895 399</u>	<u>43 413 818</u>
<u>851 675</u>	<u>786 036</u>	<u>(2 180 960)</u>	<u>7 149 972</u>	<u>8 240 663</u>
-	-	3 597 084	1 988 861	5 585 945
<u>(1 080 613)</u>	<u>(1 144 633)</u>	<u>-</u>	<u>-</u>	<u>(6 585 945)</u>
<u>(1 080 613)</u>	<u>(1 144 633)</u>	<u>3 597 084</u>	<u>1 988 861</u>	<u>(1 000 000)</u>
(228 938)	(358 597)	1 416 124	9 138 833	7 240 663
<u>228 938</u>	<u>358 597</u>	<u>-</u>	<u>6 967 733</u>	<u>25 440 194</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>1 416 124</u>	\$ <u>16 106 566</u>	\$ <u>32 680 857</u>

ANGELINA 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 December 31, 2021

Amounts Reported for Governmental Activities in the Statement of Activities are Different because:

Net change in fund balances - Total governmental funds	\$ 7 240 663
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital depreciation exceeded outlays in the current period.	(1 305 227)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1 795 492
The issuance of long-term debt (e.g., bonds, notes, leases and compensated absences) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2 931 610
Internal service funds are used by management to charge the cost of group medical self-insurance individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	409 043
The net pension liability and the related deferred outflows and deferred inflows are reported in the government wide statements, while the fund level statements only recognize the amounts paid during the period.	<u>394 200</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 11 465 781</u>

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

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND GROUP HEALTH INSURANCE FUND
	LANDFILL	AIRPORT	TOTAL	
ASSETS				
Current Assets:				
Cash and cash equivalent	\$ 308 396	\$ 203 284	\$ 511 680	\$ 991 267
Investments	100 016	-	100 016	100 023
Receivables (Net Allowance):				
Accounts	281 388	222 927	504 315	-
Due from others	4 311	39 392	43 703	-
Inventory	-	78 650	78 650	-
Prepaid expense	13 942	-	13 942	-
TOTAL CURRENT ASSETS	708 053	544 253	1 252 306	1 091 290
Noncurrent Assets:				
Restricted Assets:				
Investments	8 212 447	-	8 212 447	-
TOTAL RESTRICTED ASSETS	8 212 447	-	8 212 447	-
Capital assets (net of depreciation)	7 205 680	2 931 139	10 136 819	-
TOTAL NONCURRENT ASSETS	15 418 127	2 931 139	18 349 266	-
TOTAL ASSETS	16 126 180	3 475 392	19 601 572	1 091 290
Deferred outflows	53 196	168 456	221 652	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 16 179 376	\$ 3 643 848	\$ 19 823 224	\$ 1 091 290
LIABILITIES				
Current Liabilities:				
Accounts/claims payable	\$ 209 949	\$ 249 233	\$ 459 182	\$ -
Accrued liabilities	83 116	33 150	116 266	381 559
TOTAL CURRENT LIABILITIES	293 065	282 383	575 448	381 559
Noncurrent Liabilities:				
Pension liability	22 556	71 426	93 982	-
Landfill post closure cost - Noncurrent	8 051 915	-	8 051 915	-
TOTAL NONCURRENT LIABILITIES	8 074 471	71 426	8 145 897	-
TOTAL LIABILITIES	8 367 536	353 809	8 721 345	381 559
Deferred inflows	40 912	129 554	170 466	-
NET POSITION				
Net investment in capital assets	7 205 680	2 931 139	10 136 819	-
Restricted for post closure liability	8 212 447	-	8 212 447	-
Unrestricted	(7 647 199)	229 346	(7 417 853)	709 731
TOTAL NET POSITION	7 770 928	3 160 485	10 931 413	709 731
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 16 179 376	\$ 3 643 848	\$ 19 823 224	\$ 1 091 290

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

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND GROUP HEALTH INSURANCE FUND
	LANDFILL	AIRPORT	TOTAL	
Operating Revenues:				
Charges for services	\$ 3 239 406	\$ 139 744	\$ 3 379 150	\$ -
Fuel and oil sales	-	892 974	892 974	-
Café sales	-	202 943	202 943	-
Employee premiums	-	-	-	467 664
Employer premiums	-	-	-	3 066 300
Stop-loss reimbursements	-	-	-	339 938
Other revenue	44 757	281 570	326 327	142 985
TOTAL OPERATING REVENUES	3 284 163	1 517 231	4 801 394	4 016 887
Operating Expenses:				
Salaries	947 355	515 084	1 462 439	-
Fuel	-	567 708	567 708	-
Café cost	-	105 825	105 825	-
Repairs and supplies	457 640	55 307	512 947	-
Depreciation and amortization	906 675	274 445	1 181 120	-
Professional fees	123 294	65 854	189 148	-
Insurance claims and related expenses	-	-	-	4 612 258
Closure and post closure expense	403 296	-	403 296	-
Capital outlay	49 756	300	50 056	-
Other expenses	154 465	50 213	204 678	-
TOTAL OPERATING EXPENSES	3 042 481	1 634 736	4 677 217	4 612 258
OPERATING INCOME (LOSS)	241 682	(117 505)	124 177	(595 371)
Non-Operating Revenues:				
Interest earned	3 147	1 182	4 329	4 414
Transfer in	-	-	-	1 000 000
Trust income (loss)	(71 096)	-	(71 096)	-
TOTAL NON-OPERATING REVENUES	(67 949)	1 182	(66 767)	1 004 414
NET CHANGE IN NET POSITION	173 733	(116 323)	57 410	409 043
Net position - Beginning	7 597 195	3 276 808	10 874 003	300 688
NET POSITION - ENDING	\$ 7 770 928	\$ 3 160 485	\$ 10 931 413	\$ 709 731

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

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2021

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND GROUP HEALTH INSURANCE FUND</u>
	<u>LANDFILL</u>	<u>AIRPORT</u>	<u>TOTALS</u>	
Cash Flows From Operating Activities:				
Receipts from customers	\$ 3 273 947	\$ 1 394 811	\$ 4 668 758	\$ -
Receipts from interfund services provided	-	-	-	4 016 887
Payments for interfund services used	-	-	-	(4 382 245)
Payments to suppliers	(685 542)	(680 543)	(1 366 085)	-
Payments to employees	(956 744)	(514 238)	(1 470 982)	-
NET CASH USED BY OPERATING ACTIVITIES	<u>1 631 661</u>	<u>200 030</u>	<u>1 831 691</u>	<u>(365 358)</u>
Cash Flows From Non-Capital Financing Activities:				
Transfer between funds	-	-	-	1 000 000
Borrowing (to) from other funds	(3 875)	2 659	(1 216)	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>(3 875)</u>	<u>2 659</u>	<u>(1 216)</u>	<u>1 000 000</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(1 777 654)	(344 581)	(2 122 235)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1 777 654)</u>	<u>(344 581)</u>	<u>(2 122 235)</u>	<u>-</u>
Cash Flows From Investing Activities:				
Sale (purchase) of investments	1 220 315	-	1 220 315	1 981 720
Interest received	3 147	1 182	4 329	4 414
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1 223 462</u>	<u>1 182</u>	<u>1 224 644</u>	<u>1 986 134</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1 073 594	(140 710)	932 884	2 620 776
Cash and cash equivalents - Beginning of year	(765 198)	343 994	(421 204)	(1 629 509)
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 308 396</u>	<u>\$ 203 284</u>	<u>\$ 511 680</u>	<u>\$ 991 267</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 241 682	\$ (117 505)	\$ 124 177	\$ (595 371)
Adjustments:				
Depreciation	906 675	274 445	1 181 120	-
Decrease (increase) in accounts receivable	(10 216)	(122 420)	(132 636)	-
Decrease (increase) in inventory	-	(12 123)	(12 123)	-
Decrease (increase) in prepaid expense	(13 942)	-	(13 942)	-
Decrease (increase) in deferred outflows	(21 638)	(56 568)	(78 206)	-
Increase (decrease) in accounts/claims payable	119 289	176 787	296 076	(125)
Increase (decrease) in accrued liabilities	(9 336)	4 928	(4 408)	230 138
Increase (decrease) in deferred inflows	4 763	1 391	6 154	-
Increase (decrease) in pension liabilities	16 822	51 095	67 917	-
Increase (decrease) in landfill closure and post closure cost	397 562	-	397 562	-
TOTAL ADJUSTMENTS	<u>1 389 979</u>	<u>317 535</u>	<u>1 707 514</u>	<u>230 013</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1 631 661</u>	<u>\$ 200 030</u>	<u>\$ 1 831 691</u>	<u>\$ (365 358)</u>

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

ANGELINA COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2021

	<u>TOTAL FUNDS</u>
ASSETS	
Cash and cash equivalents	\$ 6 680 699
Investments	<u>357 072</u>
TOTAL ASSETS	<u>\$ 7 037 771</u>
NET POSITION	
Net position	\$ 7 037 771
TOTAL NET POSITION	<u>\$ 7 037 771</u>

The accompanying notes are an integral part of this financial statement.

ANGELINA COUNTY, TEXAS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 December 31, 2021

	TOTAL FUNDS
Inflows:	
Fees	\$ 155 835 888
Interest	4 543
TOTAL INFLOWS	155 840 431
Outflows:	
Distribution to others	160 435 886
TOTAL OUTFLOWS	160 435 886
CHANGE IN NET POSITION	(4 595 454)
Beginning net position	11 633 225
ENDING NET POSITION	\$ 7 037 771

The accompanying notes are an integral part of this financial statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Angelina County is an independent governmental entity created under the laws of the State of Texas. The County is governed by a Commissioners' Court. The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate for the County.

Blended Component Unit. The County did not have any blended component units for the year ended December 31.

Discretely Presented Units. The County did not have any discretely presented units for the year ended December 31.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The *general fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *local provider participation fund* assists local hospitals with operational costs for public health

The *unit road system fund* accounts for the resources and expenses related to roads and bridges.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The County reports the following major proprietary funds:

The *landfill fund* accounts for the activities of the County's landfill operations.

The *airport fund* accounts for the activities of the County's airport.

Additionally, the County reports the following fund type:

The *internal service fund* accounts for the activities of the employee health benefit plan. The activities include the accounting for premiums provided for and the payments of eligible claims and related costs.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the landfill and airport enterprise funds, and the County's internal service funds are charges to customers and the County departments for sales and services. Operating expenses for the enterprise funds and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Fiduciary fund financial statements include fiduciary funds which are classified into private purpose trust and custodial funds. The County has only custodial funds which are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. Custodial funds do not involve a formal trust agreement.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. State statutes and the County's official investment policy authorize the County to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements, banker's acceptances, money market mutual funds and direct obligations of the State of Texas.

Investments for the County are reported at fair value. Investors Cash Trust and TexStar operate in accordance with appropriate state laws and regulations. The reported value of the pools are the same as the fair value of the pool shares.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 3 percent of assessed property taxes at October 1.

Property taxes are levied by October 1 and 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 payment of all taxes, penalties, and interest ultimately imposed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Restricted assets include cash and investments or the proprietary funds that are restricted as to a specific use.

5. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

ASSETS	YEARS
Buildings	25 - 50
Equipment	10 - 15
Vehicles	3 - 6
Infrastructure	10 - 30

6. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" clearly defines fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable Fund Balance - Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- Restricted Fund Balance - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed Fund Balance - Amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority (i.e., Commissioners Court). To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.
- Assigned Fund Balance - Amounts the County intends to use for a specific purpose. Intent can be expressed by the Commissioners Court or by an official or body to which the Court delegates the authority.
- Unassigned Fund Balance - Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Commissioners Court establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Court through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

9. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Process

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

The County Judge, assisted by the County Auditor, annually submits a proposed operating budget for the fiscal year ending December 31. After a public hearing on the proposed budget, the official budget is approved by the Commissioners' Court in September preceding the applicable fiscal year. The budget and any amendments approved by the Commissioners' Court are filed in the office of the County Clerk.

The appropriated budget is prepared by fund, function and department. The County's department heads may request transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Commissioners' Court. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

B. Excess of Expenditures Over Appropriations in Individual Funds

For the year ended December 31, 2021, expenditures exceeded appropriations (by significant amounts) in the following funds and departments:

DEPARTMENT/FUND	AMOUNT
General - Information Technology	\$ 49 104
General - County Court at Law II	\$ 84 870

C. Deficit Fund Equity

SPECIAL REVENUE FUNDS	DEFICIT BALANCE
Juvenile Services	\$ 199 692

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

At year end, the County's carrying amount of deposits was \$9,072,898 and the bank balance was \$8,691,648. Amounts over FDIC coverage were collateralized with securities held by the pledging financial institution's trust department or agent in the government's name.

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Investments are categorized into these three categories of credit risk:

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

At year end, the County's investment balances were as follows:

	<u>1</u>	<u>2</u>	<u>3</u>	REPORTED AMOUNT/ FAIR VALUE
Waste Management Center Trust:				
U.S. Government Securities	\$ 4 295 788	\$ -	\$ -	\$ 4 295 788
Certificates of Deposits	3 916 659	-	-	3 916 659
Investment Pools:				
Tex Star	-	-	300 048	300 048
Tex CLASS	-	-	101 206	101 206
Investors Cash Trust	507 959	-	-	507 959
Tex Pool	-	-	735 256	735 256
Money Market Funds	38 798 291	-	-	38 798 291
TOTAL INVESTMENTS	<u>\$ 47 518 697</u>	<u>\$ -</u>	<u>\$ 1 136 510</u>	<u>\$ 48 655 207</u>

C. Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	BEGINNING BALANCE	ADDITIONS	DELETIONS	TRANSFERS	ENDING BALANCE
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 685 014	\$ -	\$ (16 000)	\$ -	\$ 669 014
Construction in progress	872 538	15 000	(872 538)	-	15 000
TOTAL ASSETS NOT BEING DEPRECIATED	<u>1 557 552</u>	<u>15 000</u>	<u>(888 538)</u>	<u>-</u>	<u>684 014</u>
Capital Assets Being Depreciated:					
Buildings	23 356 457	127 781	(5 980)	-	23 478 258
Equipment	17 056 547	358 911	(145 789)	-	17 269 669
Infrastructure	70 857 151	1 304 581	-	-	72 161 732
TOTAL ASSETS BEING DEPRECIATED	<u>111 270 155</u>	<u>1 791 273</u>	<u>(151 769)</u>	<u>-</u>	<u>112 909 659</u>
Less Accumulated Depreciation For:					
Buildings	(13 440 578)	(586 576)	7 594	-	(14 019 560)
Equipment	(12 353 432)	(1 189 742)	292 065	-	(13 251 109)
Infrastructure	(65 080 653)	(604 204)	-	-	(65 684 857)
TOTAL ACCUMULATED DEPRECIATION	<u>(90 874 663)</u>	<u>(2 380 522)</u>	<u>299 659</u>	<u>-</u>	<u>(92 955 526)</u>
TOTAL ASSETS BEING DEPRECIATED, NET	<u>20 395 492</u>	<u>(589 249)</u>	<u>147 890</u>	<u>-</u>	<u>19 954 133</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 21 953 044</u>	<u>\$ (574 249)</u>	<u>\$ (740 648)</u>	<u>\$ -</u>	<u>\$ 20 638 147</u>
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 2 180 720	\$ -	\$ -	\$ -	\$ 2 180 720
Construction in progress	168 203	1 381 207	-	(168 915)	1 380 495
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>2 348 923</u>	<u>1 381 207</u>	<u>-</u>	<u>(168 915)</u>	<u>3 561 215</u>
Capital Assets Being Depreciated:					
Buildings and improvements	9 277 354	-	-	168 915	9 446 269
Machinery and equipment	6 624 042	368 034	-	-	6 992 076
Infrastructure	11 375 179	275 765	-	-	11 650 944
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>27 276 575</u>	<u>643 799</u>	<u>-</u>	<u>168 915</u>	<u>28 089 289</u>
Less Accumulated Depreciation For:					
Buildings and improvements	(5 711 870)	(495 600)	-	-	(6 207 470)
Machinery and equipment	(5 051 853)	(441 969)	-	-	(5 493 822)
Infrastructure	(9 568 842)	(243 551)	-	-	(9 812 393)
TOTAL ACCUMULATED DEPRECIATION	<u>(20 332 565)</u>	<u>(1 181 120)</u>	<u>-</u>	<u>-</u>	<u>(21 513 685)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	<u>6 944 010</u>	<u>(368 406)</u>	<u>-</u>	<u>-</u>	<u>6 575 604</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 9 292 933</u>	<u>\$ 1 012 801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10 136 819</u>

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. Depreciation policies were adopted to include useful lives and classifications by function.

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

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

Governmental Activities:	
Administration	\$ 473 314
Judicial and law enforcement	1 094 684
Health, welfare and sanitation	602 423
Streets and highways	201 988
Extension service	8 113
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 2 380 522
Business-Type Activities:	
Landfill	\$ 906 675
Airport	274 445
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	\$ 1 181 120

D. Long-Term Debt

Change in Long-Term Liabilities:

GOVERNMENTAL ACTIVITIES	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Notes payable	\$ 6 245 502	\$ -	\$ 1 075 502	\$ 5 170 000	\$ 830 000
Refunding bond	1 455 000	-	745 000	710 000	710 000
Capital leases	1 097 644	-	295 136	802 508	712 504
Accrued compensated absences	285 044	-	85 585	199 459	-
GOVERNMENTAL ACTIVITY LONG- TERM LIABILITIES	\$ 9 083 190	\$ -	\$ 2 201 225	\$ 6 881 967	\$ 2 252 504
BUSINESS-TYPE ACTIVITIES	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Landfill closure and post closure costs	\$ 7 648 619	\$ 403 296	\$ -	\$ 8 051 915	\$ -
BUSINESS-TYPE ACTIVITY LONG- TERM LIABILITIES	\$ 7 648 619	\$ 403 296	\$ -	\$ 8 051 915	\$ -

Refunding Bond:

Refunding bonds payable at December 31, 2021 are comprised of the following individual issues:

\$8,195,000 Series 2012 Unlimited Tax Refunding Bond, maturing serially through 2022 with principal payments from \$135,000 to \$745,000 and interest at 2%	\$ <u>710 000</u>
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The County expended \$21,650 for interest on Refunding Bonds for the year ended December 31, 2021.

The principal and interest requirements for Refunding Bonds are as follows:

YEAR ENDING DECEMBER 31,	GOVERNMENTAL ACTIVITIES		
	PRINCIPAL	INTEREST	TOTAL
2022	\$ 710 000	\$ 7 100	\$ 717 100
TOTAL	\$ 710 000	\$ 7 100	\$ 717 100

The principal and interest requirements for the above refunding bonds are payable from property taxes levied on taxable property within the County.

Notes:

Notes payable at December 31, 2021 are comprised of the following individual issue:

\$5,980,000 maturing through 2027 with payments of \$897,883 to \$896,186 including interest at 1.39%	\$ <u>5 170 000</u>
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YEAR ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2022	\$ 830 000	\$ 66 095	\$ 896 095
2023	845 000	54 453	899 453
2024	855 000	42 638	897 638
2025	870 000	30 650	900 650
2026	880 000	18 487	898 487
2027	890 000	6 186	896 186
	\$ 5 170 000	\$ 218 509	\$ 5 388 509

On June 9, 2020, the County approved the Tax Note, Series 2020 for \$5,980,000 for construction of public works, purchase of items for County's purposes, professional fees, current expenses, and cumulative cash flow deficits.

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Leases:

The County has leased three motorgraders, two backhoes, tractor, a reclaimer, two dump trucks and COPSync software for four years at 2.55% to 3.99%.

		PRINCIPAL		INTEREST		TOTAL
2022	\$	712 504	\$	28 942	\$	741 446
2023		90 004		2 709		92 713
	\$	802 508	\$	31 651	\$	834 159

Closure and Postclosure Costs:

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to the current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure costs is based upon the amount of the landfill used during the current year. The estimated liability for the landfill closure and postclosure costs had a balance of \$8,051,915 as of December 31, 2021, which was based on 53.96% usage (filled) of the landfill. It is estimated that an additional \$6,870,624 will be recognized as closure and postclosure expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2042). The estimated total current cost of the landfill closure and postclosure of \$14,922,539 is based upon the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfill were acquired as of December 31, 2021. However, the actual cost of closure and postclosure may be higher due to inflation, change in technology or changes in landfill laws and regulations.

The County was not required by state and federal laws and regulations to make annual contributions to finance closure and postclosure due to meeting the local government financial test and government guarantee. The County is in compliance with these requirements; however, the County has established a landfill trust account to finance closure and postclosure. At December 31, 2021, the balance in the landfill trust account was \$8,212,447. The future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers or both.

E. Tax Abatements

The County individually negotiates property tax abatement agreements with local businesses under the authority of Chapter 312 of the Texas Tax Code and the County's local guidelines and criteria for tax abatement for reinvestment zones.

For the fiscal year ended December 31, 2021, the County abated property taxes totaling \$85,647 under this program, the amount of property valuation abated in the current and future years is as follows:

2022	\$	13 205 810
2023		7 797 299
2024		5 260 054
2025		2 733 485
2026		2 186 788
Thereafter		2 733 485
TOTAL	\$	33 916 921

A provision exists within each of these agreements that, should the recipient entities violate the conditions of the agreements or become delinquent in the payment of their property taxes, the County is entitled to recapture any property tax that has been abated as a result of the agreements within 30 days of the agreement's termination. Compliance with the agreements is monitored by the Lufkin Economic Development Corporation, a component unit of the City of Lufkin, Texas and reported to the County.

F. Tax Rebates

During July 2018, the County established an Economic Development Grant program to incentivize capital development and job creation in the County. The provision of the grant requires a minimum capital investment and creation and maintenance of a specific number of new jobs in the County. The participating companies sign an agreement with the County that is approved by the Commissioners Court and monitored by County officials. The companies are required to pay in full the property taxes due to all local taxing entities by the due date. The grant will be awarded within 30 days of year end if all taxes have been paid and a Certification of Compliance has been filed with the County Judge. Only the County portion of property taxes paid are rebated.

During the fiscal year end, December 31, 2021, the County rebated \$372,482 through these grants.

NOTE 4 - OTHER INFORMATION

Pension Plan

A. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 641 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 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service 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 governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

B. Actuarial Assumptions

Following are the key assumptions and methods used in this GASB analysis.

Valuation Timing	Actuarially determined contribution rates are calculated 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 ⁽¹⁾
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	Varies by age and service, 4.6% average over career including inflation.
Investment Rate of Return	7.50%, net of administration and investment expense
Cost-of-Living Adjustments	Cost-of-Living Adjustments for the 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	Same as funding valuation
Turnover	Same as funding valuation
Mortality	Same as funding valuation

(1) Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.

Actuarial Methods and Assumptions Used for Funding Valuation:

Following is a description of the assumptions used in the December 31, 2020 actuarial valuation analysis for the Angelina County. This information may also be found in the Angelina County December 31, 2020 Summary Valuation Report.

Economic Assumptions:

TCDRS System-Wide Economic Assumptions:

Real rate of return	5.00%
Inflation	2.50%
Long-term investment return	7.50%

The long-term investment return of 8% is net of investment expenses and is expected to enable the system to credit interest at the nominal annual rates shown below to the following major funds:

Subdivision Accumulation Fund	9.00%
Employees Saving Fund	7.00%
Current Service Annuity Reserve Fund	7.00%

ANGELINA COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2021

NOTE 4 - OTHER INFORMATION - CONTINUED

Assuming interest will be credited at these nominal annual rates to the various funds, we have then assumed the following:

- An annual rate of 9% for calculating the actuarial accrued liability and normal cost contributions rate for the retirement plan of each participating employer.
- An annual rate of 7% required under the TCDRS Act for: (1) accumulating current service credit and multiple matching credit after the valuation date; (2) accumulating prior service credit after the valuation date; (3) determining the amount of the monthly benefit at future dates of retirement or disability; and (4) calculating the actuarial accrued liability of the system-wide Current Service Annuity Reserve Fund.

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. (See Table 1 for Merit Salary Increases.)

Employer-Specific Economic Assumptions:

Growth in membership	0.00%
Payroll growth	3.00%

The payroll growth assumption is for the aggregate covered payroll of an employer.

**Table 1
 Merit Salary Increases***

Years of Service	Entry Age			
	Before 30	Ages 30-39	Ages 40-49	50 and Later
0	5.00%	4.50%	4.00%	3.50%
1	4.25%	3.75%	3.25%	2.75%
2	3.85%	3.35%	2.85%	2.35%
3	3.50%	3.00%	2.50%	2.00%
4	3.15%	2.65%	2.25%	1.85%
5	2.90%	2.55%	2.15%	1.70%
6	2.65%	2.30%	1.95%	1.55%
7	2.45%	2.10%	1.75%	1.40%
8	2.30%	1.95%	1.60%	1.25%
9	2.15%	1.80%	1.45%	1.10%
10	2.00%	1.70%	1.40%	1.05%
11	1.90%	1.60%	1.25%	1.00%
12	1.80%	1.50%	1.15%	0.95%
13	1.70%	1.40%	1.05%	0.90%
14	1.60%	1.30%	0.95%	0.85%
15	1.50%	1.23%	0.90%	0.80%
16	1.40%	1.15%	0.85%	0.75%
17	1.30%	1.05%	0.80%	0.70%
18	1.23%	0.97%	0.75%	0.65%
19	1.15%	0.90%	0.70%	0.60%
20	1.10%	0.85%	0.65%	0.55%
21	1.05%	0.80%	0.60%	0.50%
22	1.00%	0.75%	0.55%	0.50%
23	0.95%	0.70%	0.50%	0.50%
24	0.90%	0.65%	0.50%	0.50%
25	0.85%	0.60%	0.50%	0.50%
26	0.80%	0.60%	0.50%	0.50%
27	0.75%	0.60%	0.50%	0.50%
28	0.70%	0.60%	0.50%	0.50%
29	0.65%	0.60%	0.50%	0.50%
30 & Up	0.60%	0.60%	0.50%	0.50%

* These rates do not include the wage inflation rate of 3.25% per year. For example, a member who entered the system at age 20 and is in the first year of service is assumed to receive an 8.41% total annual increase in his salary. The 8.41% is a combination of the 5.00% merit increase and the 3.25% wage inflation. Note that the two components are compounded, so it is a slightly different result than just adding the two percentages.

Demographic Assumptions

TCDRS System-Wide Demographic Assumptions:

Replacement of Terminated Members - New employees are assumed to replace any terminated members and have similar entry ages.

Disability - The rates of disability used in this valuation are illustrated in Table 2. Members who become disabled are eligible to commence benefit payments regardless of age. Rates of disability are in a custom table based on TCDRS experience.

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021

NOTE 4 - OTHER INFORMATION - CONTINUED

**Table 2
Annual Rates of Disability***

Age	Work Related Male and Female	All Other Causes Male and Female	Age	Work Related Male and Female	All Other Causes Male and Female
less than 25	0.000%	0.000%	43	0.004%	0.058%
25	0.000%	0.000%	44	0.004%	0.063%
26	0.000%	0.000%	45	0.004%	0.069%
27	0.000%	0.000%	46	0.005%	0.076%
28	0.000%	0.008%	47	0.006%	0.084%
29	0.000%	0.008%	48	0.007%	0.095%
30	0.000%	0.009%	49	0.009%	0.109%
31	0.000%	0.010%	50	0.010%	0.125%
32	0.000%	0.010%	51	0.012%	0.142%
33	0.000%	0.011%	52	0.013%	0.162%
34	0.000%	0.014%	53	0.015%	0.183%
35	0.001%	0.018%	54	0.018%	0.203%
36	0.001%	0.022%	55	0.018%	0.222%
37	0.002%	0.028%	56	0.018%	0.238%
38	0.002%	0.033%	57	0.018%	0.250%
39	0.002%	0.038%	58	0.018%	0.259%
40	0.002%	0.042%	59	0.018%	0.270%
41	0.003%	0.047%	60 & Above	0.018%	0.000%
42	0.003%	0.053%			

* The probability of disablement from all other causes is applicable for members who are vested but not eligible for service retirement. Before a member is vested, only the work related disability provisions are applicable.

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, projected with 110% of the MP-14 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.

Family Composition - For current retirees, beneficiary information is supplied by TCDRS. For purposes of calculating the Survivor Benefit for current depositing and non-depositing members, male members are assumed to have a female beneficiary who is three years younger. Female members are assumed to have a male beneficiary who is three years older.

Service Retirement - Members eligible for service retirement are assumed to retire at the rates shown in Table 3.

**Table 3
Annual Rates of Service Retirement***

Age	Male	Female	Age	Male	Female
40-44	4.5%	4.5%	62	20.0%	20.0%
45-49	9.0%	9.0%	63	15.0%	15.0%
50	10.0%	10.0%	64	15.0%	15.0%
51	9.0%	9.0%	65	25.0%	25.0%
52	9.0%	9.0%	66	25.0%	25.0%
53	9.0%	9.0%	67	22.0%	22.0%
54	10.0%	10.0%	68	20.0%	20.0%
55	10.0%	10.0%	69	20.0%	20.0%
56	10.0%	10.0%	70	22.0%	22.0%
57	10.0%	10.0%	71	22.0%	22.0%
58	12.0%	12.0%	72	22.0%	22.0%
59	12.0%	12.0%	73	22.0%	22.0%
60	12.0%	12.0%	74**	22.0%	22.0%
61	12.0%	12.0%			

* Deferred members are assumed to retire (100% probability) at the later of:

a) age 60

b) earliest retirement eligibility.

** For all eligible members ages 75 and later, retirement is assumed to occur immediately.

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021

NOTE 4 - OTHER INFORMATION - CONTINUED

**Table 4
Annual Rates of Termination**

Years of Service	Entry Age 20		Entry Age 30		Entry Age 40		Entry Age 50	
	Male	Female	Male	Female	Male	Female	Male	Female
0	33.4%	36.2%	27.8%	30.2%	23.7%	25.6%	22.3%	24.1%
1	22.8%	24.8%	19.2%	20.8%	16.3%	17.7%	15.4%	16.6%
2	17.0%	18.4%	14.4%	15.6%	12.2%	13.3%	11.5%	12.5%
3	13.5%	14.6%	11.5%	12.5%	9.8%	10.6%	9.2%	10.0%
4	11.1%	12.1%	9.6%	10.4%	8.2%	8.8%	7.7%	8.3%
5	9.9%	10.8%	8.6%	9.4%	7.3%	8.0%	6.9%	7.5%
6	8.8%	9.5%	7.7%	8.3%	6.5%	7.1%	6.1%	6.7%
7	7.8%	8.5%	6.9%	7.5%	5.9%	6.4%	5.5%	6.0%
8	6.5%	7.0%	5.8%	6.2%	4.9%	5.3%	4.6%	5.0%
9	6.2%	6.7%	5.6%	6.0%	4.7%	5.1%	4.5%	4.8%
10	5.5%	5.9%	5.0%	5.4%	4.2%	4.6%	4.0%	4.3%
11	4.8%	5.2%	4.4%	4.8%	3.8%	4.1%	3.5%	3.8%
12	4.4%	4.7%	4.0%	4.4%	3.4%	3.7%	3.2%	3.5%
13	3.9%	4.2%	3.6%	4.0%	3.1%	3.4%	2.9%	3.2%
14	3.5%	3.7%	3.3%	3.5%	2.8%	3.0%	2.6%	2.8%
15	3.0%	3.3%	2.9%	3.1%	2.4%	2.7%	2.3%	2.5%
16	2.6%	2.8%	2.5%	2.7%	2.1%	2.3%	2.0%	2.2%
17	2.3%	2.5%	2.2%	2.4%	1.9%	2.0%	1.8%	1.9%
18	2.0%	2.1%	1.9%	2.1%	1.6%	1.8%	1.5%	1.7%
19	1.7%	1.9%	1.7%	1.9%	1.5%	1.6%	1.4%	1.5%
20	1.6%	1.8%	1.6%	1.8%	1.4%	1.5%	1.3%	1.4%
21	1.4%	1.6%	1.4%	1.6%	1.2%	1.3%	1.2%	1.3%
22	1.3%	1.5%	1.3%	1.5%	1.1%	1.2%	1.1%	1.2%
23	1.2%	1.4%	1.2%	1.4%	1.0%	1.1%	1.0%	1.1%
24	1.2%	1.3%	1.2%	1.3%	1.0%	1.1%	1.0%	1.0%
25	1.1%	1.2%	1.1%	1.2%	0.9%	1.0%	0.9%	1.0%
26	1.1%	1.1%	1.1%	1.1%	0.9%	1.0%	0.9%	0.9%
27	1.0%	1.0%	1.0%	1.0%	0.8%	0.9%	0.8%	0.8%
28	0.9%	0.9%	0.9%	0.9%	0.7%	0.8%	0.7%	0.7%
29	0.9%	0.8%	0.9%	0.8%	0.7%	0.8%	0.7%	0.6%
30 & Later	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Withdrawals - Members who terminate may either elect to leave their account with TCDRS or withdraw their funds. The probability that a member elects a withdrawal varies by length of service and vesting schedule. Rates applied to your plan are shown in Table 5. For non-depositing members who are not vested, 100% are assumed to elect a withdrawal.

**Table 5
Probability of Withdrawal**

Years of Service	Probability	Years of Service	Probability
0	100%	15	40%
1	100%	16	38%
2	100%	17	36%
3	100%	18	33%
4	100%	19	30%
5	100%	20	28%
6	100%	21	26%
7	100%	22	24%
8	47%	23	22%
9	46%	24	20%
10	45%	25	18%
11	44%	26	16%
12	43%	27	14%
13	42%	28	12%
14	41%	29*	10%

* Members with more than 29 years of service are not assumed to refund.

C. Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2021 information for a 10 year time horizon.

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 long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021

NOTE 4 - OTHER INFORMATION - CONTINUED

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.25%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	(0.85)%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	5.70%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global Real Estate (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalent	90-Day U.S. Treasury	2.00%	(0.70)%

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

(2) Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.0%, per Cliffwater's 2021 capital market assumptions.

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

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

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

D. Depletion of Plan Assets / GASB Discount Rate

The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

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

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 years.

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021

NOTE 4 - OTHER INFORMATION - CONTINUED

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.10%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

E. Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 7.60%, as well as what the County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 92 932 500	\$ 81 889 349	\$ 72 707 915
Fiduciary net position	\$ 78 629 879	\$ 78 629 879	\$ 78 629 879
Net pension liability/(asset)	\$ 14 302 621	\$ 3 259 470	\$ (5 921 964)

F. Changes in Net Pension Liability

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2019	\$ 73 265 262	\$ 72 219 707	\$ 1 045 555
Changes for the Year:			
Service cost	1 945 861	-	1 945 861
Interest on total pension liability ⁽¹⁾	5 945 282	-	5 945 282
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(217 404)	-	(217 404)
Effect of assumptions changes or inputs	4 647 497	-	4 647 497
Refund of contributions	(263 240)	(263 240)	-
Benefit payments	(3 433 909)	(3 433 909)	-
Administrative expenses	-	(57 535)	57 535
Member contributions	-	1 119 807	(1 119 807)
Net investment income	-	7 458 799	(7 458 799)
Employer contributions	-	1 607 716	(1 607 716)
Other ⁽²⁾	-	(21 466)	21 466
Balances as of December 31, 2020	\$ 81 889 349	\$ 78 629 879	\$ 3 259 470

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

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

G. Pension Expense and Deferred Inflows/Outflows

As of December 31, 2021, the deferred inflows and outflows of resources are as follows:

DEFERRED INFLOWS/ OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES	DEFERRED OUTFLOWS OF RESOURCES
Differences between expected and actual experience	\$ 657 161	\$ -
Change of assumptions	-	3 577 191
Net difference between projected and actual earnings	5 254 915	2 591 998
Contributions made subsequent to measurement date	-	1 518 127
	\$ 5 912 076	\$ 7 687 316

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

YEAR ENDED DECEMBER 31,	
2022	\$ 71 772
2023	\$ 851 382
2024	\$ (336 013)
2025	\$ (330 128)
2026	\$ -
Thereafter	\$ -

NOTE 4 - OTHER INFORMATION - CONTINUED

H. Employee Benefit Fund

All funds with employees participate in the County's health insurance program and make payments to the Employee Benefit Fund based on estimates of the amounts needed to pay prior and current claim-year claims and to establish a reserve for losses. That reserve was \$1,091,290 at December 31, 2021. The claims liability of \$379,375 reported in the Fund at December 31, 2021 is based on the requirements of Governmental Accounting Standards Board, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicate that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amounts were as follows:

	BEGINNING OF FISCAL YEAR LIABILITY	CURRENT-YEAR CLAIMS AND CHANGES IN ESTIMATES	CLAIM PAYMENTS	BALANCE AT FISCAL YEAR-END
2021	\$ 149 165	\$ 4 842 468	\$ (4 612 258)	\$ 379 375
2020	\$ 413 665	\$ 3 306 984	\$ (3 571 484)	\$ 149 165
2019	\$ 623 670	\$ 4 615 236	\$ (4 825 241)	\$ 413 665
2018	\$ 578 045	\$ 4 918 375	\$ (4 872 750)	\$ 623 670
2017	\$ 424 529	\$ 3 635 682	\$ (3 482 166)	\$ 578 045
2016	\$ 183 733	\$ 2 921 396	\$ (2 680 600)	\$ 424 529

I. Risk Management

The County is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Angelina County maintains commercial insurance coverage covering each of those risks of loss, except for workers' compensation insurance. The County has joined other governmental entities in the region to form the Deep East Texas Workers Compensation Insurance Fund (DETCIF). The County pays an annual premium to the pool for its insurance coverage. The Agreement for Formation of the pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a dollar amount for each insured.

J. Subsequent Event

Management has evaluated subsequent events through July 26, 2022, the date the financial statements were available to be released.

K. COVID-19 Impact

A novel strain of coronavirus (COVID-19) was spread to the United States of America in January and February 2020. The World Health Organization declared the outbreak to constitute a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our students, employees and vendors all of which are uncertain and cannot be predicted. As of the date these financial statements are issued, COVID-19 had not materially affected results of operations in 2021. However, the impact of response efforts on future operations cannot be predicted.

REQUIRED SUPPLEMENTARY INFORMATION

ANGELINA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 17 107 813	\$ 17 107 813	\$ 16 758 163	\$ (349 650)
Sales tax	5 750 000	5 750 000	7 280 023	1 530 023
Other taxes	110 000	110 000	158 705	48 705
Intergovernmental	548 220	548 220	467 688	(80 532)
Charges for services	1 000	1 000	520	(480)
Fines and fees	2 121 750	2 121 750	2 745 610	623 860
Interest income	250 000	250 000	139 523	(110 477)
Other revenues	100 400	100 400	156 036	55 636
TOTAL REVENUES	<u>25 989 183</u>	<u>25 989 183</u>	<u>27 706 268</u>	<u>1 717 085</u>
Expenditures:				
Administrative:				
County Commissioners	418 718	418 718	391 592	27 126
County Clerk	601 027	601 027	563 069	37 958
County Judge	226 559	226 559	224 304	2 255
County Auditor	620 129	620 129	516 528	103 601
County Treasurer	195 900	195 900	194 998	902
County Tax Assessor-Collector	1 010 668	1 010 668	988 913	21 755
Election/Voter Registration	703 763	691 263	651 665	39 598
Emergency Management	106 514	106 514	106 943	(429)
Information Technology	937 077	937 077	986 181	(49 104)
Maintenance	747 487	747 487	693 367	54 120
General Administration	2 438 741	2 464 144	2 434 896	29 248
TOTAL ADMINISTRATIVE	<u>8 006 583</u>	<u>8 019 486</u>	<u>7 752 456</u>	<u>267 030</u>
Judicial and Law Enforcement:				
County Court-at-Law I	520 064	520 064	470 567	49 497
County Court-at-Law II	669 887	669 887	754 757	(84 870)
County Attorney	1 144 136	1 144 136	1 107 417	36 719
Constable Pct 1	117 114	117 114	115 961	1 153
Constable Pct 2	99 447	99 447	98 133	1 314
Constable Pct 3	96 613	96 613	89 818	6 795
Constable Pct 4	93 963	93 963	90 149	3 814
County Jail	4 079 454	4 100 581	4 093 288	7 293
County Sheriff	4 708 748	4 708 748	4 156 975	551 773
District Courts	980 672	980 672	795 886	184 786
District Clerk	628 812	628 812	506 232	122 580
District Attorney	1 174 105	1 177 160	997 396	179 764
Juvenile Judges	52 485	52 485	48 442	4 043
Justice of the Peace Pct 1	242 718	242 718	226 642	16 076
Justice of the Peace Pct 2	185 181	185 181	165 893	19 288
Justice of the Peace Pct 3	141 424	141 424	123 514	17 910
Justice of the Peace Pct 4	187 839	187 839	177 795	10 044
TOTAL JUDICIAL AND LAW ENFORCEMENT	<u>15 122 662</u>	<u>15 146 844</u>	<u>14 018 865</u>	<u>1 127 979</u>
Health, Welfare and Sanitation:				
County Public Health and Welfare	1 490 175	1 477 200	1 423 303	53 897
Extension Service:				
County Ag Extension Service	144 052	144 052	134 360	9 692
TOTAL EXPENDITURES	<u>24 763 472</u>	<u>24 787 582</u>	<u>23 328 984</u>	<u>1 458 598</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1 225 711</u>	<u>1 201 601</u>	<u>4 377 284</u>	<u>3 175 683</u>
Other Financing Sources (Uses):				
Operating transfer in	1 767 150	1 767 150	-	(1 767 150)
Operating transfers out	(2 988 861)	(2 988 861)	(2 988 861)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1 221 711)</u>	<u>(1 221 711)</u>	<u>(2 988 861)</u>	<u>(1 767 150)</u>
NET CHANGE IN FUND BALANCES	4 000	(20 110)	1 388 423	1 408 533
Beginning fund balance	13 496 138	13 496 138	13 496 138	-
ENDING FUND BALANCE	<u>\$ 13 500 138</u>	<u>\$ 13 476 028</u>	<u>\$ 14 884 561</u>	<u>\$ 1 408 533</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
UNIT ROAD SYSTEM FUND BUDGET
For the Year Ended December 31, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenue:				
Ad valorem tax	\$ 2 549 844	\$ 2 549 844	\$ -	\$ (2 549 844)
Intergovernmental	147 001	147 001	153 209	6 208
Fines and fees	1 278 001	1 278 001	1 273 173	(4 828)
Interest income	30 000	30 000	15 240	(14 760)
Other revenue	-	41 047	90 292	49 245
TOTAL REVENUE	<u>4 004 846</u>	<u>4 045 893</u>	<u>1 531 914</u>	<u>(2 513 979)</u>
Expenditures:				
Highways and streets	3 766 711	3 792 008	3 378 361	413 647
Debt service	376 776	376 776	334 513	42 263
TOTAL EXPENDITURES	<u>4 143 487</u>	<u>4 168 784</u>	<u>3 712 874</u>	<u>455 910</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(138 641)</u>	<u>(122 891)</u>	<u>(2 180 960)</u>	<u>(2 058 069)</u>
Other Financing Sources (Uses):				
Operating transfers in	138 641	138 641	3 597 084	3 458 443
TOTAL OTHER FINANCING SOURCES (USES)	<u>138 641</u>	<u>138 641</u>	<u>3 597 084</u>	<u>3 458 443</u>
NET CHANGE IN FUND BALANCES	-	15 750	1 416 124	1 400 374
Beginning fund balance	-	-	-	-
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 15 750</u>	<u>\$ 1 416 124</u>	<u>\$ 1 400 374</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
December 31, 2021

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Service cost	\$ 1 945 861	\$ 1 913 125	\$ 1 985 314	\$ 1 947 950	\$ 2 044 993	\$ 1 850 583	\$ 1 701 333
Interest on the total pension liability	5 945 282	5 654 004	5 403 769	5 118 739	4 765 478	4 528 894	4 214 714
Effect of plan changes	-	-	-	-	-	(346 840)	-
Effect of assumption changes or inputs	4 647 497	-	-	457 843	-	604 581	-
Effect of economic/demographic (gains) or losses	(217 404)	(263 900)	(542 520)	(593 800)	(347 464)	(962 516)	316 422
Benefit payments/refunds of contributions	(3 697 149)	(3 781 100)	(3 592 678)	(3 311 212)	(2 793 113)	(2 655 316)	(2 455 039)
NET CHANGE IN TOTAL PENSION LIABILITY	8 624 087	3 522 129	3 253 885	3 619 520	3 669 894	3 019 386	3 777 430
Total pension liability - Beginning	73 265 262	69 743 133	66 489 248	62 869 728	59 199 834	56 180 448	52 403 018
TOTAL PENSION LIABILITY - ENDING	81 889 349	73 265 262	69 743 133	66 489 248	62 869 728	59 199 834	56 180 448
Fiduciary Net Position:							
Employer contributions	1 607 716	1 537 618	1 542 976	1 562 130	1 502 752	1 492 472	1 404 794
Member contributions	1 119 807	1 072 075	1 125 475	1 088 055	1 060 101	1 059 228	978 499
Investment income net of investment expenses	7 458 799	10 365 220	(1 227 483)	8 403 432	3 984 127	(99 681)	3 490 567
Benefit payments/refunds of contributions	(3 697 148)	(3 781 099)	(3 592 678)	(3 311 213)	(2 793 111)	(2 655 317)	(2 455 039)
Administrative expenses	(57 535)	(55 034)	(50 691)	(43 449)	(43 425)	(38 961)	(40 538)
Other	(21 467)	(29 743)	(20 973)	(9 268)	(72 601)	(57 812)	(13 537)
NET CHANGE IN FIDUCIARY NET POSITION	6 410 172	9 109 037	(2 223 374)	7 689 687	3 637 843	(300 071)	3 364 746
Fiduciary net position - Beginning	72 219 707	63 110 670	65 334 044	57 644 357	54 006 514	54 306 585	50 941 839
FIDUCIARY NET POSITION, ENDING	78 629 879	72 219 707	63 110 670	65 334 044	57 644 357	54 006 514	54 306 585
NET PENSION LIABILITY/(ASSET), ENDING	\$ 3 259 470	\$ 1 045 555	\$ 6 632 463	\$ 1 155 204	\$ 5 225 371	\$ 5 193 320	\$ 1 873 863
Fiduciary net position as a percentage of total pension liability	96.02%	98.57%	90.49%	98.26%	91.69%	91.23%	96.66%
Pensionable covered payroll	\$ 15 997 237	\$ 15 315 362	\$ 15 351 414	\$ 15 543 644	\$ 14 952 736	\$ 14 850 464	\$ 13 978 560
Net pension liability as a percentage of covered payroll	20.38%	6.83%	43.20%	7.43%	34.95%	34.97%	13.41%

10 years data will be presented as it becomes available.

See Note 4 for any changes in plan assumptions.

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
December 31, 2021

YEAR ENDING DECEMBER 31,	ACTUARIALLY DETERMINE CONTRIBUTION	ACTUAL EMPLOYER CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	PENSIONABLE COVERED PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL
2020	\$ 1 590 125	\$ 1 607 716	\$ (17 591)	\$ 15 997 237	\$ 10.0%
2019	\$ 1 454 959	\$ 1 537 618	\$ (82 659)	\$ 15 315 362	10.0%
2018	\$ 1 482 947	\$ 1 542 976	\$ (60 029)	\$ 15 351 414	10.1%
2017	\$ 1 453 331	\$ 1 562 130	\$ (108 799)	\$ 15 543 644	10.0%
2016	\$ 1 448 920	\$ 1 502 752	\$ (53 832)	\$ 14 952 736	10.1%
2015	\$ 1 483 561	\$ 1 492 472	\$ (8 911)	\$ 14 850 464	10.1%
2014	\$ 1 404 794	\$ 1 404 794	\$ -	\$ 13 978 560	10.0%
2013	\$ 1 255 301	\$ 1 255 301	\$ -	\$ 13 170 155	9.5%
2012	\$ 1 260 623	\$ 1 260 623	\$ -	\$ 13 554 998	9.3%
2011	\$ 1 217 766	\$ 1 217 766	\$ -	\$ 13 560 838	9.0%

See Note 4 for any changes in the plan.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Mental Health - To account for mental health commitment fees and their expenditures.

Jury - To account for jury costs for all of the county and district courts.

Election Service Contract - To assist with services to local elections.

Juvenile Probation Fee - To account for juvenile probation fees collected.

Law Library - To account for court costs received for law library and their expenditures.

Cassels-Boykin Park - To account for admission fees and costs of maintenance and upkeep of park.

Juvenile Service - To account for grant funds and fees for juvenile probation program and their expenditures.

County Clerk Records Management - To account for court costs received for record management and their expenditures.

Teen Court - To account for fees and expenditures of operating teen court.

Security Fees - To account for court costs received for courthouse security and their expenditures.

District Clerk Records Management - To account for court costs received for record management and their expenditures.

Various Constable Forfeiture - To account for forfeiture funds received and their expenditures.

County Attorney Forfeiture - To account for forfeiture funds received and their expenditures.

County Attorney Hot Check - To account for hot check fees and their expenditures.

District Attorney's Forfeiture - To account for forfeiture funds received and their expenditures.

Adult Probation - To account for fees for adult probation and their expenditures.

Juvenile Community Service - To account for community service fees and expenditures.

District Clerk Technology - To account for court technology fees and expenditures.

County Records Preservation - To account for fees and expenditures to preserve records.

Constables' Radio/Communications Grant - To account for grant activity.

SAFPF Reentry Court - To account for fees and expenditures of the SAFPF program.

Family Crisis Court - To account for fees and expenditures of the family crisis court.

Grant - To account for various grant funds and activity.

Drug Court Grants - To account for fees and expenditures of the drug court.

Various Sheriff Forfeiture - To account for forfeiture funds received and expended.

Abandoned Property - To account for sale of abandoned property.

CARES Act - To account for CARES Act grant.

American Rescue Plan - To account for ARP grant activity.

Debt Service Funds

Debt Service - To account for property taxes levied for debt payment.

Capital Projects Funds

2014 Tax Notes - To account for expenditures financed by the 2014 Tax Notes.

2021 Tax Notes - To account for expenditures financed by the 2021 Tax Notes.

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2021

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalent	\$ 13 694 783	\$ 337 571	\$ 2 753 131	\$ 16 785 485
Investments	308 619	-	-	308 619
Receivables:				
Miscellaneous	48 433	-	-	48 433
Intergovernmental	68 074	-	-	68 074
Prepaid expenditures	6 270	-	-	6 270
Due from other funds	95 650	896 095	-	991 745
TOTAL ASSETS	\$ 14 221 829	\$ 1 233 666	\$ 2 753 131	\$ 18 208 626
LIABILITIES				
Accounts payable	\$ 125 635	\$ -	\$ -	\$ 125 635
Accrued liabilities	41 526	-	-	41 526
Accrued compensated absences	48 765	-	-	48 765
Due to other funds	3 000	-	-	3 000
TOTAL LIABILITIES	218 926	-	-	218 926
DEFERRED INFLOWS				
Unavailable revenue	987 039	896 095	-	1 883 134
TOTAL DEFERRED INFLOWS	987 039	896 095	-	1 883 134
FUND BALANCES				
Nonspendable - Prepaid expenses	6 270	-	-	6 270
Restricted:				
Construction	-	-	2 753 131	2 753 131
Debt service	-	337 571	-	337 571
Other	13 009 594	-	-	13 009 594
TOTAL FUND BALANCES	13 015 864	337 571	2 753 131	16 106 566
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 14 221 829	\$ 1 233 666	\$ 2 753 131	\$ 18 208 626

See independent auditors' report.

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2021

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:				
Ad valorem tax	\$ 93 550	\$ 897 883	\$ -	\$ 991 433
Intergovernmental	13 225 056	-	-	13 225 056
Interest income	46 110	2 613	21 055	69 778
Fines and fees	618 892	-	-	618 892
Contributions and donations	119 702	-	-	119 702
Other revenue	20 510	-	-	20 510
TOTAL REVENUES	<u>14 123 820</u>	<u>900 496</u>	<u>21 055</u>	<u>15 045 371</u>
Expenditures:				
Administrative	156 832	-	-	156 832
Judicial and law enforcement	4 290 318	-	-	4 290 318
Health, welfare and sanitation	175 991	-	-	175 991
Capital outlay	129 257	-	1 478 125	1 607 382
Debt Service:				
Principal	-	1 555 000	-	1 555 000
Interest and other fees	-	109 876	-	109 876
TOTAL EXPENDITURES	<u>4 752 398</u>	<u>1 664 876</u>	<u>1 478 125</u>	<u>7 895 399</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>9 371 422</u>	<u>(764 380)</u>	<u>(1 457 070)</u>	<u>7 149 972</u>
Other Financing Sources (Uses):				
Operating transfers in	1 221 711	767 150	-	1 988 861
TOTAL OTHER FINANCING SOURCES (USES)	<u>1 221 711</u>	<u>767 150</u>	<u>-</u>	<u>1 988 861</u>
NET CHANGE IN FUND BALANCES	10 593 133	2 770	(1 457 070)	9 138 833
Fund balances - Beginning	<u>2 422 731</u>	<u>334 801</u>	<u>4 210 201</u>	<u>6 967 733</u>
FUND BALANCES - ENDING	<u>\$ 13 015 864</u>	<u>\$ 337 571</u>	<u>\$ 2 753 131</u>	<u>\$ 16 106 566</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2021

	MENTAL HEALTH FUND	JURY FUND	ELECTION SERVICE CONTRACT FUND	JUVENILE PROBATION FEES FUND	LAW LIBRARY FUND
ASSETS					
Cash and cash equivalent	\$ 78 113	\$ 306 353	\$ 34 267	\$ 58 217	\$ 47 740
Investments	-	-	-	-	-
Receivables:					
Miscellaneous	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Due from other funds	-	95 650	-	-	-
TOTAL ASSETS	\$ 78 134	\$ 402 003	\$ 34 267	\$ 58 217	\$ 47 740
LIABILITIES					
Accounts payable	\$ 750	\$ 2 571	\$ -	\$ -	\$ 2 070
Accrued liabilities	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	750	2 571	-	-	2 070
DEFERRED INFLOWS					
Unavailable revenue	-	95 650	-	-	-
TOTAL DEFERRED INFLOWS	-	95 650	-	-	-
FUND BALANCES					
Restricted:					
Other	77 384	303 782	34 267	58 217	45 670
TOTAL FUND BALANCES	77 384	303 782	34 267	58 217	45 670
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 78 134	\$ 402 003	\$ 34 267	\$ 58 217	\$ 47 740

See independent auditors' report.

CASSELS- BOYKIN PARK FUND	ADULT PROBATION FUND	JUVENILE SERVICES FUND	COUNTY CLERK RECORDS MANAGEMENT	TEEN COURT FUND	SECURITY FUND	DISTRICT CLERK RECORDS MANAGEMENT
\$ 186 713	\$ 369 080	\$ (251 840)	\$ 855 832	\$ 4 995	\$ 278 673	\$ 53 531
-	308 619	-	-	-	-	-
-	95	-	-	-	-	-
-	-	51 948	-	-	-	-
-	6 270	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 186 713</u>	<u>\$ 684 064</u>	<u>\$ (199 892)</u>	<u>\$ 855 832</u>	<u>\$ 4 995</u>	<u>\$ 278 673</u>	<u>\$ 53 531</u>
\$ 17 899	\$ 28 593	\$ 42 257	\$ 12 300	\$ -	\$ -	\$ -
260	20 659	19 149	909	-	-	-
1 181	-	46 377	810	-	-	-
-	-	-	-	-	-	-
<u>19 340</u>	<u>49 252</u>	<u>107 783</u>	<u>14 019</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	122 420	-	-	50 190	-
-	-	122 420	-	-	50 190	-
<u>167 373</u>	<u>634 812</u>	<u>(430 095)</u>	<u>841 813</u>	<u>4 995</u>	<u>228 483</u>	<u>53 531</u>
<u>167 373</u>	<u>634 812</u>	<u>(430 095)</u>	<u>841 813</u>	<u>4 995</u>	<u>228 483</u>	<u>53 531</u>
<u>\$ 186 713</u>	<u>\$ 684 064</u>	<u>\$ (199 892)</u>	<u>\$ 855 832</u>	<u>\$ 4 995</u>	<u>\$ 278 673</u>	<u>\$ 53 531</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2021

	<u>JUVENILE COMMUNITY SERVICE FUND</u>	<u>DISTRICT CLERK TECH FUND</u>	<u>COUNTY RECORDS PRESERVATION FUND</u>	<u>AMERICAN RESCUE PLAN FUND</u>
ASSETS				
Cash and cash equivalent	\$ 28 047	\$ 105 202	\$ 280 376	\$ 8 410 769
Investments	-	-	-	-
Receivables:				
Miscellaneous	-	-	-	-
Intergovernmental	-	-	-	-
Prepaid expenditures	-	-	-	-
Due from intergovernmental	-	-	-	-
TOTAL ASSETS	<u>\$ 28 047</u>	<u>\$ 105 202</u>	<u>\$ 280 376</u>	<u>\$ 8 410 769</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS				
Unavailable revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted:				
Other	<u>28 047</u>	<u>105 202</u>	<u>280 376</u>	<u>8 410 769</u>
TOTAL FUND BALANCES	<u>28 047</u>	<u>105 202</u>	<u>280 376</u>	<u>8 410 769</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 28 047</u>	<u>\$ 105 202</u>	<u>\$ 280 376</u>	<u>\$ 8 410 769</u>

See independent auditors' report.

CARES ACT FUND	CONSTABLES RADIO COMMUNICATIONS GRANT FUND	SAFPF RE-ENTRY COURT FUND	GRANTS FUND	DISTRICT ATTORNEY STATE GRANT	DRUG COURT GRANT FUND	CONSTABLE #1 FORFEITURE FUND	SHERIFF FEDERAL FORFEITURE FUND
\$ 1 982 368	\$ 1 464	\$ 91 477	\$ 179 112	\$ 90 482	\$ 72 747	\$ 7 689	\$ 5 509
-	-	-	-	-	-	-	-
48 338	-	-	-	-	-	-	-
-	-	-	16 126	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 2 030 706</u>	<u>\$ 1 464</u>	<u>\$ 91 477</u>	<u>\$ 195 238</u>	<u>\$ 90 482</u>	<u>\$ 72 747</u>	<u>\$ 7 689</u>	<u>\$ 5 509</u>
\$ 15 059	\$ 1 380	\$ -	\$ -	\$ -	\$ 2 594	\$ -	\$ -
-	-	93	-	-	456	-	-
-	-	372	-	-	-	-	-
-	-	-	3 000	-	-	-	-
<u>15 059</u>	<u>1 380</u>	<u>465</u>	<u>3 000</u>	<u>-</u>	<u>3 050</u>	<u>-</u>	<u>-</u>
<u>484 525</u>	<u>3 703</u>	<u>22 436</u>	<u>203 001</u>	<u>-</u>	<u>5 114</u>	<u>-</u>	<u>-</u>
<u>484 525</u>	<u>3 703</u>	<u>22 436</u>	<u>203 001</u>	<u>-</u>	<u>5 114</u>	<u>-</u>	<u>-</u>
<u>1 531 122</u>	<u>(3 619)</u>	<u>68 576</u>	<u>(10 763)</u>	<u>90 482</u>	<u>64 583</u>	<u>7 689</u>	<u>5 509</u>
<u>1 531 122</u>	<u>(3 619)</u>	<u>68 576</u>	<u>(10 763)</u>	<u>90 482</u>	<u>64 583</u>	<u>7 689</u>	<u>5 509</u>
<u>\$ 2 030 706</u>	<u>\$ 1 464</u>	<u>\$ 91 477</u>	<u>\$ 195 238</u>	<u>\$ 90 482</u>	<u>\$ 72 747</u>	<u>\$ 7 689</u>	<u>\$ 5 509</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2021

	SHERIFF FORFEITURE FUND	COUNTY ATTORNEY FORFEITURE FUND	DISTRICT ATTORNEY FORFEITURE FUND	PRETRIAL INTERVENTION PROGRAM FUND
ASSETS				
Cash and cash equivalent	\$ 44 205	\$ 135 512	\$ 116 337	\$ 46 735
Investments	-	-	-	-
Receivables:				
Miscellaneous	-	-	-	-
Intergovernmental	-	-	-	-
Prepaid expenditures	-	-	-	-
Due from intergovernmental	-	-	-	-
TOTAL ASSETS	\$ 44 205	\$ 135 512	\$ 116 337	\$ 46 735
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 129	\$ -
Accrued liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	-	-	129	-
DEFERRED INFLOWS				
Unavailable revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-
FUND BALANCES				
Restricted:				
Other	44 205	135 512	116 208	46 735
TOTAL FUND BALANCES	44 205	135 512	116 208	46 735
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 44 205	\$ 135 512	\$ 116 337	\$ 46 735

See independent auditors' report.

DISTRICT ATTORNEY JUDICIARY APPORTIONMENT	ABANDONED PROPERTY FUND	CONSTABLE #4 FORFEITURE FUND	COUNTY ATTORNEY HOT CHECK FUND	DISTRICT ATTORNEY FUND	TOTAL
\$ 2 593	\$ 44	\$ 167	\$ 72 003	\$ 250	\$ 13 694 783
-	-	-	-	-	308 619
-	-	-	-	-	48 433
-	-	-	-	-	68 074
-	-	-	-	-	6 270
-	-	-	-	-	95 650
<u>\$ 2 593</u>	<u>\$ 44</u>	<u>\$ 167</u>	<u>\$ 72 003</u>	<u>\$ 250</u>	<u>\$ 14 221 829</u>
\$ -	\$ -	\$ -	\$ 33	\$ -	\$ 125 635
-	-	-	-	-	41 526
-	-	-	25	-	48 765
-	-	-	-	-	3 000
-	-	-	58	-	218 926
-	-	-	-	-	987 039
-	-	-	-	-	987 039
<u>2 593</u>	<u>44</u>	<u>167</u>	<u>71 945</u>	<u>250</u>	<u>13 015 864</u>
<u>2 593</u>	<u>44</u>	<u>167</u>	<u>71 945</u>	<u>250</u>	<u>13 015 864</u>
<u>\$ 2 593</u>	<u>\$ 44</u>	<u>\$ 167</u>	<u>\$ 72 003</u>	<u>\$ 250</u>	<u>\$ 14 221 829</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2021

	MENTAL HEALTH FUND	JURY FUND	ELECTION SERVICE CONTRACT FUND	JUVENILE PROBATION FEES FUND	LAW LIBRARY FUND
Revenues:					
Ad valorem tax	\$ -	\$ 93 550	\$ -	\$ -	\$ -
Intergovernmental	-	7 451	5 229	-	-
Interest income	463	1 848	-	346	272
Fines and fees	40 995	-	-	1 376	30 844
Contributions and donations	-	-	-	-	-
Other revenues	-	-	-	-	-
TOTAL REVENUES	<u>41 458</u>	<u>102 849</u>	<u>5 229</u>	<u>1 722</u>	<u>31 116</u>
Expenditures:					
Administrative	-	-	-	-	-
Judicial and law enforcement	-	29 374	-	-	24 397
Health, welfare and sanitation	33 674	-	-	-	-
Capital outlays	-	-	-	-	-
TOTAL EXPENDITURES	<u>33 674</u>	<u>29 374</u>	<u>-</u>	<u>-</u>	<u>24 397</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7 784</u>	<u>73 475</u>	<u>5 229</u>	<u>1 722</u>	<u>6 719</u>
Other Financing Sources (Uses):					
Operating transfers in	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	7 784	73 475	5 229	1 722	6 719
Fund balance - Beginning	<u>69 600</u>	<u>230 307</u>	<u>29 038</u>	<u>56 495</u>	<u>38 951</u>
FUND BALANCE - ENDING	<u>\$ 77 384</u>	<u>\$ 303 782</u>	<u>\$ 34 267</u>	<u>\$ 58 217</u>	<u>\$ 45 670</u>

See independent auditors' report.

CASELS- BOYKIN PARK FUND	ADULT PROBATION FUND	JUVENILE SERVICES FUND	COUNTY CLERK RECORDS MANAGEMENT	TEEN COURT FUND	SECURITY FUND	DISTRICT CLERK RECORDS MANAGEMENT
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1 892 629	826 803	-	-	38 301	-
1 226	2 245	1 132	4 770	30	1 570	284
89 374	-	73 500	325 926	-	-	16 623
-	-	-	-	-	-	-
-	5 646	-	-	-	-	-
<u>90 600</u>	<u>1 900 520</u>	<u>901 435</u>	<u>330 696</u>	<u>30</u>	<u>39 871</u>	<u>16 907</u>
-	-	-	156 832	-	-	-
-	1 854 538	1 897 186	-	-	-	-
142 317	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>142 317</u>	<u>1 854 538</u>	<u>1 897 186</u>	<u>156 832</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(51 717)</u>	<u>45 982</u>	<u>(995 751)</u>	<u>173 864</u>	<u>30</u>	<u>39 871</u>	<u>16 907</u>
<u>52 900</u>	<u>-</u>	<u>1 102 879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>52 900</u>	<u>-</u>	<u>1 102 879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1 183	45 982	107 128	173 864	30	39 871	16 907
<u>166 190</u>	<u>588 830</u>	<u>(537 223)</u>	<u>667 949</u>	<u>4 965</u>	<u>188 612</u>	<u>36 624</u>
\$ <u>167 373</u>	\$ <u>634 812</u>	\$ <u>(430 095)</u>	\$ <u>841 813</u>	\$ <u>4 995</u>	\$ <u>228 483</u>	\$ <u>53 531</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2021

	JUVENILE COMMUNITY SERVICE FUND	DISTRICT CLERK TECH FUND	COUNTY RECORDS PRESERVATION FUND	AMERICAN RESCUE PLAN FUND
Revenues:				
Ad valorem tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	8 421 686
Interest income	168	604	1 655	25 333
Fines and fees	-	11 472	10 792	-
Contributions and donations	-	-	-	-
Other revenues	-	-	-	-
TOTAL REVENUES	<u>168</u>	<u>12 076</u>	<u>12 447</u>	<u>8 447 019</u>
Expenditures:				
Administrative	-	-	-	-
Judicial and law enforcement	-	-	-	-
Health, welfare and sanitation	-	-	-	-
Capital outlays	-	-	-	36 250
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>36 250</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>168</u>	<u>12 076</u>	<u>12 447</u>	<u>8 410 769</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	168	12 076	12 447	8 410 769
Fund balance - Beginning	<u>27 879</u>	<u>93 126</u>	<u>267 929</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 28 047</u>	<u>\$ 105 202</u>	<u>\$ 280 376</u>	<u>\$ 8 410 769</u>

See independent auditors' report.

CARES ACT FUND	CONSTABLES RADIO COMMUNICATIONS GRANT FUND	SAFPF RE-ENTRY COURT FUND	GRANTS FUND	DISTRICT ATTORNEY STATE GRANT	DRUG COURT GRANT FUND	CONSTABLE #1 FORFEITURE FUND	SHERIFF FEDERAL FORFEITURE FUND
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1 620 289	-	-	282 037	44 408	63 723	-	-
-	17	477	-	-	231	1 690	33
-	-	6 081	-	-	6 081	-	-
-	-	30 000	-	-	89 702	-	-
-	-	-	-	-	-	-	-
<u>1 620 289</u>	<u>17</u>	<u>36 558</u>	<u>282 037</u>	<u>44 408</u>	<u>159 737</u>	<u>1 690</u>	<u>33</u>
-	-	-	-	-	-	-	-
-	-	24 580	282 037	42 048	93 888	-	-
-	-	-	-	-	-	-	-
<u>89 167</u>	<u>3 840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>89 167</u>	<u>3 840</u>	<u>24 580</u>	<u>282 037</u>	<u>42 048</u>	<u>93 888</u>	<u>-</u>	<u>-</u>
<u>1 531 122</u>	<u>(3 823)</u>	<u>11 978</u>	<u>-</u>	<u>2 360</u>	<u>65 849</u>	<u>1 690</u>	<u>33</u>
-	-	-	-	65 932	-	-	-
-	-	-	-	65 932	-	-	-
1 531 122	(3 823)	11 978	-	68 292	65 849	1 690	33
-	204	56 598	(10 763)	22 190	(1 266)	5 999	5 476
<u>\$ 1 531 122</u>	<u>\$ (3 619)</u>	<u>\$ 68 576</u>	<u>\$ (10 763)</u>	<u>\$ 90 482</u>	<u>\$ 64 583</u>	<u>\$ 7 689</u>	<u>\$ 5 509</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2021

	SHERIFF FORFEITURE FUND	COUNTY ATTORNEY FORFEITURE FUND	DISTRICT ATTORNEY FORFEITURE FUND	PRETRIAL INTERVENTION PROGRAM FUND
Revenues:				
Ad valorem tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Interest income	264	813	637	-
Fines and fees	-	-	-	3 623
Contributions and donations	-	-	-	-
Other revenues	1 074	407	13 383	-
TOTAL REVENUES	<u>1 338</u>	<u>1 220</u>	<u>14 020</u>	<u>3 623</u>
Expenditures:				
Administrative	-	-	-	-
Judicial and law enforcement	1 500	669	4 004	4 980
Health, welfare and sanitation	-	-	-	-
Capital outlays	-	-	-	-
TOTAL EXPENDITURES	<u>1 500</u>	<u>669</u>	<u>4 004</u>	<u>4 980</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(162)</u>	<u>551</u>	<u>10 016</u>	<u>(1 357)</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(162)</u>	<u>551</u>	<u>10 016</u>	<u>(1 357)</u>
Fund balance - Beginning	<u>44 367</u>	<u>134 961</u>	<u>106 192</u>	<u>48 092</u>
FUND BALANCE - ENDING	<u>\$ 44 205</u>	<u>\$ 135 512</u>	<u>\$ 116 208</u>	<u>\$ 46 735</u>

See independent auditors' report.

DISTRICT ATTORNEY JUDICIARY APPORTIONMENT	ABANDONED PROPERTY FUND	CONSTABLE #4 FORFEITURE FUND	COUNTY ATTORNEY HOT CHECK FUND	DISTRICT ATTORNEY FUND	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93 550
22 500	-	-	-	-	13 225 056
-	-	2	-	-	46 110
-	-	-	2 205	-	618 892
-	-	-	-	-	119 702
-	-	-	-	-	20 510
<u>22 500</u>	<u>-</u>	<u>2</u>	<u>2 205</u>	<u>-</u>	<u>14 123 820</u>
-	-	-	-	-	156 832
27 407	-	600	3 110	-	4 290 318
-	-	-	-	-	175 991
-	-	-	-	-	129 257
<u>27 407</u>	<u>-</u>	<u>600</u>	<u>3 110</u>	<u>-</u>	<u>4 752 398</u>
<u>(4 907)</u>	<u>-</u>	<u>(598)</u>	<u>(905)</u>	<u>-</u>	<u>9 371 422</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1 221 711</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1 221 711</u>
(4 907)	-	(598)	(905)	-	10 593 133
<u>7 500</u>	<u>44</u>	<u>765</u>	<u>72 850</u>	<u>250</u>	<u>2 422 731</u>
<u>\$ 2 593</u>	<u>\$ 44</u>	<u>\$ 167</u>	<u>\$ 71 945</u>	<u>\$ 250</u>	<u>\$ 13 015 864</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2021

	<u>2014 TAX NOTE FUND</u>	<u>2021 TAX NOTE FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalent	\$ 12 642	\$ 2 740 489	\$ 2 753 131
TOTAL ASSETS	<u>\$ 12 642</u>	<u>\$ 2 740 489</u>	<u>\$ 2 753 131</u>
FUND BALANCES			
Restricted:			
Construction	\$ 12 642	\$ 2 740 489	\$ 2 753 131
TOTAL FUND BALANCES	<u>\$ 12 642</u>	<u>\$ 2 740 489</u>	<u>\$ 2 753 131</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 For the Year Ended December 31, 2021

	<u>2014 TAX NOTE FUND</u>	<u>2021 TAX NOTE FUND</u>	<u>TOTAL</u>
Revenues:			
Interest income	\$ 75	\$ 20 980	\$ 21 055
TOTAL REVENUES	<u>75</u>	<u>20 980</u>	<u>21 055</u>
Expenditures:			
Capital outlays	-	1 478 125	1 478 125
TOTAL EXPENDITURES	<u>-</u>	<u>1 478 125</u>	<u>1 478 125</u>
NET CHANGE IN FUND BALANCE	75	(1 457 145)	(1 457 070)
Fund balance - Beginning	<u>12 567</u>	<u>4 197 634</u>	<u>4 210 201</u>
FUND BALANCE - ENDING	<u>\$ 12 642</u>	<u>\$ 2 740 489</u>	<u>\$ 2 753 131</u>

See independent auditors' report.

FIDUCIARY FUNDS

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 December 31, 2021

	<u>DISTRICT CLERK</u>	<u>COUNTY CLERK</u>	<u>SHERIFF</u>	<u>JUSTICES OF THE PEACE</u>	<u>TAX ASSESSOR COLLECTOR</u>	<u>DISTRICT ATTORNEY</u>
ASSETS						
Cash and cash equivalents	\$ 411 531	\$ 1 715 391	\$ 699 352	\$ 14 629	\$ 3 818 227	\$ 3 477
Investments	<u>123 460</u>	<u>233 612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 534 990</u>	<u>\$ 1 949 003</u>	<u>\$ 699 352</u>	<u>\$ 14 629</u>	<u>\$ 3 818 227</u>	<u>\$ 3 477</u>
NET POSITION						
Net position	<u>\$ 534 990</u>	<u>\$ 1 949 003</u>	<u>\$ 699 352</u>	<u>\$ 14 629</u>	<u>\$ 3 818 227</u>	<u>\$ 3 477</u>
TOTAL NET POSITION	<u>\$ 534 990</u>	<u>\$ 1 949 003</u>	<u>\$ 699 352</u>	<u>\$ 14 629</u>	<u>\$ 3 818 227</u>	<u>\$ 3 477</u>

See independent auditors' report.

<u>COUNTY ATTORNEY</u>	<u>COUNTY EMPLOYEE FUND</u>	<u>EXTENSION OFFICE</u>	<u>TOTAL</u>
\$ 16 113	\$ 1 000	\$ 980	\$ 6 680 699
<u>-</u>	<u>-</u>	<u>-</u>	<u>357 072</u>
\$ <u>16 113</u>	\$ <u>1 000</u>	\$ <u>980</u>	\$ <u>7 037 771</u>
\$ <u>16 113</u>	\$ <u>1 000</u>	\$ <u>980</u>	\$ <u>7 037 771</u>
\$ <u>16 113</u>	\$ <u>1 000</u>	\$ <u>980</u>	\$ <u>7 037 771</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 December 31, 2021

	DISTRICT CLERK	COUNTY CLERK	SHERIFF	JUSTICES OF THE PEACE	TAX ASSESSOR COLLECTOR	DISTRICT ATTORNEY
Inflows:						
Fees	\$ 920 563	\$ 2 590 832	\$ 737 399	\$ 200 874	\$ 147 302 172	\$ -
Interest	3 277	-	-	-	1 266	-
TOTAL INFLOWS	<u>923 840</u>	<u>2 590 832</u>	<u>737 399</u>	<u>200 874</u>	<u>147 303 438</u>	<u>-</u>
Outflows:						
Distribution to others	2 530 670	3 632 039	649 929	195 232	149 359 475	-
TOTAL OUTFLOWS	<u>2 530 670</u>	<u>3 632 039</u>	<u>649 929</u>	<u>195 232</u>	<u>149 359 475</u>	<u>-</u>
CHANGE IN NET POSITION	(1 606 830)	(1 041 207)	87 470	5 642	(2 056 037)	-
Beginning net position	<u>2 141 820</u>	<u>2 990 210</u>	<u>611 882</u>	<u>8 987</u>	<u>5 874 264</u>	<u>3 477</u>
ENDING NET POSITION	<u>\$ 534 990</u>	<u>\$ 1 949 003</u>	<u>\$ 699 352</u>	<u>\$ 14 629</u>	<u>\$ 3 818 227</u>	<u>\$ 3 477</u>

See independent auditors' report.

<u>COUNTY ATTORNEY</u>	<u>COUNTY EMPLOYEE FUND</u>	<u>EXTENSION OFFICE</u>	<u>TOTAL</u>
\$ 15 600	\$ 4 068 364	\$ 85	\$ 155 835 888
-	-	-	4 543
<u>15 600</u>	<u>4 068 364</u>	<u>85</u>	<u>155 840 431</u>
-	4 068 364	177	160 435 886
-	<u>4 068 364</u>	<u>177</u>	<u>160 435 886</u>
15 600	-	(92)	(4 595 454)
<u>513</u>	<u>1 000</u>	<u>1 072</u>	<u>11 633 225</u>
\$ <u><u>16 113</u></u>	\$ <u><u>1 000</u></u>	\$ <u><u>980</u></u>	\$ <u><u>7 037 771</u></u>

COMPLIANCE AUDIT SECTION

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

Honorable County Judge and
Members of the Commissioners' Court
Angelina County
Lufkin, Texas

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, the business-type activities, each major fund, and the aggregate remaining fund information of Angelina County, Texas (County) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Angelina County, Texas' basic financial statements and have issued our report thereon dated July 26, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the auditing 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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of Angelina County, Texas' 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Angelina County, Texas' financial statements are free of 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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lufkin, Texas
July 26, 2022


CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable County Judge and
Members of the Commissioners' Court
Angelina County
Lufkin, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Angelina County, Texas' (County) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Angelina County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our Responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Angelina County, Texas and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Angelina County, Texas's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Angelina County, Texas's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Angelina County, Texas's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control. Noncompliance with compliance requirements referred to above is considered material if that is substantial likelihood that, individually or in aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Angelina County, Texas's compliance with the requirements of the major federal programs as whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgements and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Angelina County, Texas's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain and understanding of Angelina County, Texas's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on the internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Angelina County, Texas's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities of the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lufkin, Texas
July 26, 2022


CERTIFIED PUBLIC ACCOUNTANTS

ANGELINA COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2021

A. Summary of the Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

2. Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
21.019	Coronavirus Relief fund

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

Auditee qualified as low-risk auditee? Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

ANGELINA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	(2) FEDERAL CFDA NUMBER	(2A) PASS-THROUGH ENTITY IDENTIFYING NUMBER	(3) FEDERAL EXPENDITURES
U.S. Department of Agriculture: Schools and Roads - Grants to Counties TOTAL U.S. DEPARTMENT OF AGRICULTURE	10.666	N/A	\$ <u>68 989</u> <u>68 989</u>
U.S. Department of Justice: Coronavirus Emergency Supplemental Funding Program Public Safety Partnership and Community Policing Grants TOTAL U.S. DEPARTMENT OF JUSTICE	16.034 16.710	TX Office of the Governor N/A	<u>48 338</u> <u>186 798</u> <u>235 136</u>
U.S. Department of Transportation: Airport Improvement Program and COVID-19 Airports TOTAL U.S. DEPARTMENT OF TRANSPORTATION	20.106	TX Department of Transportation	<u>96 671</u> <u>96 671</u>
U.S. Department of Housing and Urban Development: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii TOTAL U.S. DEPARTMENT OF TREASURY	14.228		<u>46 096</u> <u>46 096</u>
U.S. Department of Treasury: Coronavirus Relief Fund Coronavirus Relief Fund Coronavirus Relief Fund TOTAL U.S. DEPARTMENT OF TREASURY	 21.019 21.019 21.019	 TX Department of Emergency Management TX Department of Emergency Management TX Department of Emergency Management	 1 563 408 59 000 23 000 <u>1 645 408</u>
U.S. Election Assistance Commission: HAVA Election Security Grants TOTAL U.S. ELECTION ASSISTANCE COMMISSION	90.404	TX Secretary of State	<u>27 305</u> <u>27 305</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>2 119 605</u>

* Indicates clustered program under OMB Compliance Supplement

ANGELINA COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal awards of Angelina County, Texas. The County's reporting entity is defined in Note (1)(A) of the basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting. The modified accrual basis of accounting is described in the notes to the basic financial statements. Federal grants considered to be earned to the extent of expenditures made under the provisions of the grant.

3. Relationship to Financial Statements

Federal award programs are reported in the County's basic financial statements in the General Fund, Road and Bridge Funds and Nonmajor Governmental Funds. Total federal awards per the accompanying Schedule of Expenditures of Federal Awards include all federal revenues.

4. Other Notes

The period of availability of federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the project period extended 30 days beyond the project period ending date, in accordance with provisions in *Section H, Period of Availability of Federal Funds, Part 3*, Uniform Guidance.

The County does not utilize an indirect cost rate on federal programs.

ANGELINA COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2021

None

ANGELINA COUNTY, TEXAS
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2021

None