

ANGELINA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

December 31, 2022

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INTRODUCTORY SECTION

ANGELINA COUNTY, TEXAS
PRINCIPAL OFFICIALS
December 31, 2022

GOVERNING BODY

Honorable Keith Wright.....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

Opinions

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, 2022, 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, 2022, 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 and *Government Auditing Standards* issued by the comptroller of the United States. 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 and *Government Auditing Standards* issued by the comptroller of the United States 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 and *Government 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.

Supplementary 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 25, 2023 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 25, 2023


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, 2022. 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 \$64,760,849 (*net position*). Of this amount, \$22,648,768 (*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 \$41,950,355 an increase of \$9,269,499 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$15,667,781.

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 \$76,785,377 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (35 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 70 729	\$ 59 612	\$ 11 073	\$ 9 465	\$ 81 802	\$ 69 077
Capital assets	21 218	20 638	9 894	10 137	31 111	30 755
TOTAL ASSETS	91 947	80 250	20 967	19 602	112 914	99 852
Deferred outflows	5 228	7 466	149	222	5 377	7 687
Long-term liabilities	(3 998)	7 798	8 241	8 146	4 241	15 944
Other liabilities	3 525	4 863	208	575	3 733	5 438
TOTAL LIABILITIES	(473)	12 606	8 449	8 721	7 974	21 382
Deferred inflows	32 886	24 040	643	170	33 529	24 211
Net Position:						
Net invest in capital assets	16 631	14 005	9 894	10 137	26 524	24 142
Restricted	25 482	17 796	8 097	8 212	33 579	26 009
Unrestricted	22 649	19 214	(5 966)	(7 418)	16 683	11 796
TOTAL NET POSITION	\$ 64 761	\$ 51 015	\$ 12 025	\$ 10 931	\$ 76 785	\$ 61 947

An additional portion of the County's net position (44 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$22,648.768 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 \$13,690,142. Key elements of this net increase are as follows:

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for service	\$ 25 751	\$ 13 412	\$ 4 890	\$ 4 475	\$ 30 641	\$ 17 887
Operating grants and contributions	12 682	13 812	-	-	12 682	13 812
Capital grants and contributions	229	200	-	-	229	200
General Revenues:						
Property taxes	21 199	22 095	-	-	21 199	22 095
Sales taxes	8 345	7 280	-	-	8 345	7 280
Investment earnings	604	246	29	4	633	250
Miscellaneous	762	426	552	255	1 314	681
TOTAL REVENUES	69 573	57 471	5 470	4 735	75 043	62 206
Expenses:						
Administrative	9 599	9 220	-	-	9 599	9 220
Judicial and law enforcement	21 367	20 838	-	-	21 367	20 838
Health, welfare and sanitation	19 554	11 746	-	-	19 554	11 746
Highways and streets	4 023	3 910	-	-	4 023	3 910
Extension service	153	157	-	-	153	157
Interest and fiscal charges	188	135	-	-	188	135
Landfill	-	-	3 257	3 042	3 257	3 042
Airport	-	-	2 120	1 635	2 120	1 635
TOTAL EXPENSES	54 883	46 005	5 377	4 677	60 260	50 683
Transfers	(1 000)	-	1 000	-	-	-
CHANGE IN NET POSITION	13 691	11 466	1 093	57	14 784	11 465
Net position, beginning (restated)	51 071	39 550	10 931	10 874	62 002	50 424
NET POSITION, ENDING	\$ 64 761	\$ 51 015	\$ 12 025	\$ 10 931	\$ 76 786	\$ 61 947

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 \$41,950,355. The *unassigned fund balance* amounts to a surplus of \$15,667,781. The amount of fund balance that is restricted \$25,481,232 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 \$15,667,781. 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 62 percent of total general fund expenditures.

The fund balance of the County's general fund increased by \$1,584,562 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 \$628,762.

The unit road system fund has a total fund balance of \$2,386,310, 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 \$970,186.

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 \$(6,057,424), and those for the Airport amounted to \$17,208. Net position restricted for future landfill closure of the Landfill at the end of the year amounted to \$8,097,223. The total change in net position for both funds was \$608,742 and \$484,377, 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 \$2,755,839. Expenditures were less than budgetary estimates by \$1,171,263.

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, 2022, amounts to \$31,111,176 (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	
	2022	2021	2022	2021	2022	2021
Land	\$ 669	\$ 669	\$ 2 181	\$ 2 182	\$ 2 850	\$ 2 851
Buildings	25 268	23 478	10 581	9 446	35 849	32 924
Machinery and equipment	17 477	17 270	8 001	6 992	25 477	24 262
Infrastructure	73 182	72 162	11 699	11 651	84 881	83 813
Construction in progress	22	15	-	1 380	22	1 395
Depreciation	(94 979)	(92 656)	(22 539)	(21 514)	(117 518)	(114 170)
TOTAL	\$ 21 218	\$ 20 638	\$ 9 894	\$ 10 137	\$ 31 111	\$ 30 775

Long-term debt. At the end of the current fiscal year, the County had no bonded debt outstanding.

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2022	2021	2022	2021	2022	2021
Refunding bonds	\$ -	\$ 710	\$ -	\$ -	\$ -	\$ 710
Notes	4 340	5 170	-	-	4 340	5 170
Capital leases	247	803	-	-	247	803
Landfill closure and postclosure	-	-	8 482	8 052	8 482	8 052
Accrued compensated absences	825	682	77	-	825	682
TOTAL	\$ 5 412	\$ 7 365	\$ 8 559	\$ 8 052	\$ 13 971	\$ 15 417

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.E 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 2023 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, 2022

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and cash equivalent	\$ (136 072)	\$ 994 783	\$ 857 711
Investments	55 556 769	1 254 610	56 811 379
Receivables (Net Allowance):			
Taxes	13 486 955	-	13 486 955
Miscellaneous	3 446	-	3 446
Intergovernmental	692 641	-	692 641
Accounts	323 943	371 943	695 886
Leases	-	280 840	280 840
Inventory	-	73 124	73 124
Prepaid expense	801 342	750	802 092
TOTAL CURRENT ASSETS	70 729 024	2 976 050	73 705 074
Noncurrent Assets:			
Restricted Assets:			
Investments	-	8 097 223	8 097 223
Capital assets (net of depreciation)	21 217 529	9 893 647	31 111 176
TOTAL NONCURRENT ASSETS	21 217 529	17 990 870	39 208 399
TOTAL ASSETS	91 946 553	20 966 920	112 913 473
DEFERRED OUTFLOWS			
Pension related deferred outflows	5 227 817	149 034	5 376 851
TOTAL DEFERRED OUTFLOWS	5 227 817	149 034	5 376 851
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 97 174 370	\$ 21 115 954	\$ 118 290 324
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 1 263 359	\$ 94 500	\$ 1 357 859
Accrued liabilities	1 269 180	113 095	1 382 275
Accrued interest	22 622	-	22 622
Due to other funds	791	-	791
Due within one year	969 282	-	969 282
TOTAL CURRENT LIABILITIES	3 525 234	207 595	3 732 829
Noncurrent Liabilities:			
Due in more than one year	4 442 893	8 481 812	12 924 705
Net pension liability (asset)	(8 440 713)	(240 627)	(8 681 340)
TOTAL NONCURRENT LIABILITIES	(3 997 820)	8 241 185	4 243 365
TOTAL LIABILITIES	(472 586)	8 448 780	7 976 194
DEFERRED INFLOWS			
Deferred pension inflow	12 478 138	361 806	12 839 944
Unavailable revenues	20 407 969	280 840	20 688 809
TOTAL DEFERRED INFLOWS	32 886 107	642 646	33 528 753
NET POSITION			
Net investment in capital assets	16 630 849	9 893 647	26 524 496
Restricted:			
Construction	1 881 640	-	1 881 640
Debt service	7 977	-	7 977
Other	23 591 615	8 097 223	31 688 838
Unrestricted	22 648 768	(5 966 342)	16 682 426
TOTAL NET POSITION	64 760 849	12 024 528	76 785 377
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 97 174 370	\$ 21 115 954	\$ 118 290 324

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, 2022

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
Administrative	\$ 9 598 662	\$ 7 099 877	\$ 8 886 822	\$ -
Judicial and law enforcement	21 366 714	121 070	3 372 108	-
Health, welfare and sanitation	19 553 568	17 243 051	423 218	-
Highways and streets	4 022 678	1 287 050	-	228 943
Extension services	153 210	-	-	-
Interest and fiscal charges	187 953	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	54 882 784	25 751 048	12 682 148	228 943
Business-Type Activities:				
Landfill	3 256 971	3 254 510	-	-
Airport	2 120 178	1 635 205	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	5 377 149	4 889 715	-	-
TOTAL GOVERNMENT	\$ 60 258 881	\$ 30 640 763	\$ 12 682 148	\$ 228 943

General Revenues:

Property taxes

Sales taxes

Unrestricted investment earnings

Miscellaneous revenues

Transfer

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET POSITION

Net position - Beginning of year

Prior period adjustment

NET POSITION - BEGINNING OF YEAR (RESTATED)

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
\$ 6 388 037	\$ -	\$ 6 388 037
(17 873 536)	-	(17 873 536)
(1 887 299)	-	(1 887 299)
(2 506 685)	-	(2 506 685)
(153 210)	-	(153 210)
(187 953)	-	(187 953)
(16 220 646)	-	(16 220 646)
-	(2 461)	(2 461)
-	(484 973)	(484 973)
-	(487 434)	(487 434)
(16 220 646)	(487 434)	(16 708 080)
21 199 480	-	21 199 480
8 345 013	-	8 345 013
604 156	28 584	632 740
762 139	551 969	1 314 108
(1 000 000)	1 000 000	-
29 910 788	1 580 553	31 491 341
13 690 142	1 093 119	14 783 261
51 015 285	10 931 409	61 946 694
55 421	-	55 421
51 070 706	10 931 409	62 002 115
\$ 64 760 849	\$ 12 024 528	\$ 76 785 377

ANGELINA COUNTY, TEXAS
COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

	<u>GENERAL FUND</u>	<u>LOCAL PROVIDER PARTICIPATION FUND</u>	<u>UNIT ROAD SYSTEM FUND</u>	<u>AMERICAN RESCUE PLAN FUND</u>
ASSETS				
Cash and cash equivalent	\$ (25 774 497)	\$ 628 762	\$ 2 592 134	\$ 15 168 567
Investments	53 132 462	-	-	-
Receivables:				
Taxes	13 486 955	-	-	-
Miscellaneous	-	-	-	3 201
Intergovernmental	678 189	-	-	-
Other	323 143	-	800	-
Prepaid expenses	801 342	-	-	-
Due from other funds	3 000	-	3 150 000	-
TOTAL ASSETS	<u>\$ 42 650 594</u>	<u>\$ 628 762</u>	<u>\$ 5 742 934</u>	<u>\$ 15 171 768</u>
LIABILITIES				
Accounts payable	\$ 1 050 172	\$ -	\$ 44 524	\$ 2 564
Accrued liabilities	882 694	-	36 633	-
Accrued compensated absences	523 582	-	78 412	-
Due to other funds	4 135 403	-	-	-
TOTAL LIABILITIES	<u>6 591 851</u>	<u>-</u>	<u>159 569</u>	<u>2 564</u>
DEFERRED INFLOWS				
Unavailable revenues	19 589 620	-	3 197 055	-
TOTAL DEFERRED INFLOWS	<u>19 589 620</u>	<u>-</u>	<u>3 197 055</u>	<u>-</u>
FUND BALANCES				
Nonspendable - Prepaid expenses	801 342	-	-	-
Restricted:				
Highways and streets	-	-	2 386 310	15 169 204
Construction	-	-	-	-
Health and welfare	-	628 762	-	-
Debt service	-	-	-	-
Other	-	-	-	-
Unassigned	15 667 781	-	-	-
TOTAL FUND BALANCES	<u>16 469 123</u>	<u>628 762</u>	<u>2 386 310</u>	<u>15 169 204</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 42 650 594</u>	<u>\$ 628 762</u>	<u>\$ 5 742 934</u>	<u>\$ 15 171 768</u>

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

OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 7 698 211	\$ 313 177
312 995	53 445 457
-	13 486 955
245	3 446
14 452	692 641
-	323 943
-	801 342
<u>985 403</u>	<u>4 138 403</u>
\$ <u>9 011 306</u>	\$ <u>73 205 364</u>
\$ 166 099	\$ 1 263 359
43 469	962 796
63 444	665 438
<u>3 791</u>	<u>4 139 194</u>
<u>276 803</u>	<u>7 030 787</u>
<u>1 437 547</u>	<u>24 224 222</u>
<u>1 437 547</u>	<u>24 224 222</u>
-	801 342
-	17 555 514
1 881 640	1 881 640
-	628 762
7 977	7 977
5 407 339	5 407 339
-	15 667 781
<u>7 296 956</u>	<u>41 950 355</u>
\$ <u>9 011 306</u>	\$ <u>73 205 364</u>

ANGELINA COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
 December 31, 2022

Total fund balances - Governmental funds balance sheet	\$ 41 950 355
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.	21 217 529
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	3 816 253
Payables for debt principal, interest and accrued compensated absences which are not due in the current period are not reported in the funds.	(6 737 806)
Recognition of the County's net pension liability and related deferred outflows are not reported in the funds.	1 190 392
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>1 662 063</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION	<u>\$ 64 760 849</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, 2022

	GENERAL FUND	LOCAL PROVIDER PARTICIPATION FUND	UNIT ROAD SYSTEM FUND	AMERICAN RESCUE PLAN FUND
Revenues:				
Ad valorem taxes	\$ 18 291 294	\$ -	\$ 2 779 201	\$ -
Sales tax	8 345 013	-	-	-
Other taxes	170 144	-	-	-
Intergovernmental	449 612	-	228 943	8 421 686
Charges for services	4 304	-	-	-
Fines and fees	2 896 262	17 155 786	1 287 050	-
Interest income	296 862	13 671	38 359	143 563
Contributions and donations	-	-	-	-
Other revenue	126 404	-	491 600	-
TOTAL REVENUES	30 579 895	17 169 457	4 825 153	8 565 249
Expenditures:				
Administrative	8 490 920	-	-	136 655
Judicial and law enforcement	15 132 132	-	-	-
Health, welfare and sanitation	1 407 648	16 814 301	-	-
Highways and streets	-	-	3 607 241	-
Extension services	140 716	-	-	-
Capital outlays	-	-	-	1 670 159
Debt Service:				
Principal	-	-	260 404	-
Interest and other fees	-	-	-	-
TOTAL EXPENDITURES	25 171 416	16 814 301	3 867 645	1 806 814
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5 408 479	355 156	957 508	6 758 435
Other Financing Sources (Uses):				
Operating transfers in	-	-	12 678	-
Operating transfers out	(3 823 917)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(3 823 917)	-	12 678	-
NET CHANGE IN FUND BALANCE	1 584 562	355 156	970 186	6 758 435
Fund balance - Beginning	14 884 561	273 606	1 416 124	8 410 769
FUND BALANCE - ENDING	\$ 16 469 123	\$ 628 762	\$ 2 386 310	\$ 15 169 204

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

OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 991 745	\$ 22 062 240
-	8 345 013
-	170 144
3 757 899	12 858 140
-	4 304
560 976	21 900 074
76 769	569 224
52 951	52 951
<u>(26 009)</u>	<u>591 995</u>
<u>5 414 331</u>	<u>66 554 086</u>
222 644	8 850 219
4 528 230	19 660 362
161 924	18 383 873
-	3 607 241
-	140 716
1 158 371	2 828 530
1 540 000	1 800 404
<u>72 842</u>	<u>72 842</u>
<u>7 684 011</u>	<u>55 344 187</u>
<u>(2 269 680)</u>	<u>11 209 899</u>
2 302 534	2 315 212
<u>(431 694)</u>	<u>(4 255 612)</u>
<u>1 870 840</u>	<u>(1 940 400)</u>
(398 840)	9 269 499
<u>7 695 796</u>	<u>32 680 856</u>
\$ <u>7 296 956</u>	\$ <u>41 950 355</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, 2022

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

Net change in fund balances - Total governmental funds	\$	9 269 499
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 outlays exceeded capital depreciation in the current period.		579 382
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(862 760)
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.		1 426 248
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.		645 948
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>2 631 826</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>13 690 142</u></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, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND GROUP HEALTH INSURANCE FUND
	LANDFILL	AIRPORT	TOTAL	
ASSETS				
Current Assets:				
Cash and cash equivalent	\$ 972 309	\$ 22 474	\$ 994 783	\$ (449 249)
Investments	1 254 610	-	1 254 610	2 111 312
Receivables (Net Allowance):				
Accounts	249 966	121 977	371 943	-
Leases	-	280 840	280 840	-
Inventory	-	73 124	73 124	-
Prepaid expense	750	-	750	-
TOTAL CURRENT ASSETS	2 477 635	498 415	2 976 050	1 662 063
Noncurrent Assets:				
Restricted Assets:				
Investments	8 097 223	-	8 097 223	-
TOTAL RESTRICTED ASSETS	8 097 223	-	8 097 223	-
Capital assets (net of depreciation)	6 339 119	3 554 528	9 893 647	-
TOTAL NONCURRENT ASSETS	14 436 342	3 554 528	17 990 870	-
TOTAL ASSETS	16 913 977	4 052 943	20 966 920	1 662 063
Deferred outflows	117 737	31 297	149 034	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 17 031 714	\$ 4 084 240	\$ 21 115 954	\$ 1 662 063
LIABILITIES				
Current Liabilities:				
Accounts/claims payable	\$ 81 740	\$ 12 760	\$ 94 500	\$ -
Accrued liabilities	85 454	27 641	113 095	306 384
TOTAL CURRENT LIABILITIES	167 194	40 401	207 595	306 384
Noncurrent Liabilities:				
Pension liability	(190 095)	(50 532)	(240 627)	-
Landfill post closure cost - Noncurrent	8 481 812	-	8 481 812	-
TOTAL NONCURRENT LIABILITIES	8 291 717	(50 532)	8 241 185	-
TOTAL LIABILITIES	8 458 911	(10 131)	8 448 780	306 384
Deferred inflows	193 135	168 671	361 806	-
Unearned lease revenue	-	280 840	280 840	-
TOTAL DEFERRED INFLOWS	193 135	449 511	642 646	-
NET POSITION				
Non-spendable	750	73 124	73 874	-
Investment in capital assets, net of debt	6 339 119	3 554 528	9 893 647	-
Restricted for post closure liability	8 097 223	-	8 097 223	-
Unrestricted	(6 057 424)	17 208	(6 040 216)	1 355 679
TOTAL NET POSITION	8 379 668	3 644 860	12 024 528	1 355 679
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 17 031 714	\$ 4 084 240	\$ 21 115 954	\$ 1 662 063

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, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND GROUP HEALTH INSURANCE FUND
	LANDFILL	AIRPORT	TOTAL	
Operating Revenues:				
Charges for services	\$ 3 254 510	\$ 148 446	\$ 3 402 956	\$ -
Fuel and oil sales	-	1 244 340	1 244 340	-
Café sales	-	242 419	242 419	-
Employee premiums	-	-	-	443 846
Employer premiums	-	-	-	3 146 200
Stop-loss reimbursements	-	-	-	56 852
Other revenue	(346 298)	968 891	622 593	199 772
TOTAL OPERATING REVENUES	2 908 212	2 604 096	5 512 308	3 846 670
Operating Expenses:				
Salaries	896 991	558 734	1 455 725	-
Fuel	-	893 133	893 133	-
Café cost	-	130 453	130 453	-
Repairs and supplies	537 880	34 113	571 993	-
Depreciation and amortization	963 823	369 250	1 333 073	-
Professional fees	125 628	68 495	194 123	-
Insurance claims and related expenses	-	-	-	4 176 053
Closure and post closure expense	429 897	-	429 897	-
Capital outlay	-	1 134	1 134	-
Other expenses	302 752	64 866	367 618	-
TOTAL OPERATING EXPENSES	3 256 971	2 120 178	5 377 149	4 176 053
OPERATING INCOME (LOSS)	(348 759)	483 918	135 159	(329 383)
Non-Operating Revenues:				
Interest earned	28 125	459	28 584	34 931
Transfer in	1 000 000	-	1 000 000	940 400
Trust income (loss)	(70 624)	-	(70 624)	-
TOTAL NON-OPERATING REVENUES	957 501	459	957 960	975 331
NET CHANGE IN NET POSITION	608 742	484 377	1 093 119	645 948
Net position - Beginning	7 770 926	3 160 483	10 931 409	709 731
NET POSITION - ENDING	\$ 8 379 668	\$ 3 644 860	\$ 12 024 528	\$ 1 355 679

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, 2022

	<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	\$ 2 876 790	\$ 2 705 046	\$ 5 581 836	\$ -
Receipts from interfund services provided	-	-	-	3 846 670
Payments for interfund services used	-	-	-	(4 251 228)
Payments to suppliers	(1 081 277)	(1 423 141)	(2 504 418)	-
Payments to employees	(1 025 702)	(509 925)	(1 535 627)	-
NET CASH USED BY OPERATING ACTIVITIES	<u>769 811</u>	<u>771 980</u>	<u>1 541 791</u>	<u>(404 558)</u>
Cash Flows From Non-Capital Financing Activities:				
Transfer between funds	1 000 000	-	1 000 000	940 400
Borrowing (to) from other funds	(4 311)	39 392	35 081	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>995 689</u>	<u>39 392</u>	<u>1 035 081</u>	<u>940 400</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(90 342)	(992 641)	(1 082 983)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(90 342)</u>	<u>(992 641)</u>	<u>(1 082 983)</u>	<u>-</u>
Cash Flows From Investing Activities:				
Sale (purchase) of investments	(1 039 370)	-	(1 039 370)	(2 011 289)
Interest received	28 125	459	28 584	34 931
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1 011 245)</u>	<u>459</u>	<u>(1 010 786)</u>	<u>(1 976 358)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	663 913	(180 810)	483 103	(1 440 516)
Cash and cash equivalents - Beginning of year	308 396	203 284	511 680	991 267
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 972 309</u>	<u>\$ 22 474</u>	<u>\$ 994 783</u>	<u>\$ (449 249)</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (348 759)	\$ 483 918	\$ 135 159	\$ (329 383)
Adjustments:				
Depreciation	963 823	369 250	1 333 073	-
Decrease (increase) in accounts receivable	(31 422)	100 950	69 528	-
Decrease (increase) in inventory	-	5 526	5 526	-
Decrease (increase) in prepaid expense	13 192	-	13 192	-
Decrease (increase) in deferred outflows	(64 541)	137 159	72 618	-
Increase (decrease) in accounts/claims payable	(128 209)	(236 473)	(364 682)	-
Increase (decrease) in accrued liabilities	2 338	(5 509)	(3 171)	(75 175)
Increase (decrease) in deferred inflows	146 143	39 117	185 260	-
Increase (decrease) in pension liabilities	(212 651)	(121 958)	(334 609)	-
Increase (decrease) in landfill closure and post closure cost	429 897	-	429 897	-
TOTAL ADJUSTMENTS	<u>1 118 570</u>	<u>288 062</u>	<u>1 406 632</u>	<u>(75 175)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 769 811</u>	<u>\$ 771 980</u>	<u>\$ 1 541 791</u>	<u>\$ (404 558)</u>

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

ANGELINA COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET POSITION
 December 31, 2022

	TOTAL FUNDS
ASSETS	
Cash and cash equivalents	\$ 7 457 285
Investments	279 503
TOTAL ASSETS	\$ 7 736 788
NET POSITION	
Net position	\$ 7 736 788
TOTAL NET POSITION	\$ 7 736 788

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

ANGELINA COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
December 31, 2022

	TOTAL FUNDS
Inflows:	
Fees	\$ 173 064 426
Interest	5 849
TOTAL INFLOWS	173 070 275
Outflows:	
Distribution to others	172 371 258
TOTAL OUTFLOWS	172 371 258
CHANGE IN NET POSITION	699 017
Beginning net position	7 037 771
ENDING NET POSITION	\$ 7 736 788

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.

The *American rescue plan fund* accounts for the federal COVID relief funds received.

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 2 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, 2022, expenditures exceeded appropriations (by significant amounts) in the following funds and departments:

DEPARTMENT/FUND	AMOUNT
General - Information Technology	\$ 98 933
General - County Court at Law II	\$ 99 268
County Service Officer	\$ 1 671
County Judge	\$ 8 300
General Administration	\$ 269 716

C. Deficit Fund Equity

SPECIAL REVENUE FUNDS	DEFICIT BALANCE
Juvenile Services	\$ 249 776
Constables Radio Communications Grant Fund	\$ 3 618
Grant Fund	\$ 10 763
Drug Court Grant Fund	\$ 22 698

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

At year end, the County's carrying amount of deposits was \$8,315,996 and the bank balance was \$8,271,217. 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, 2022

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>	<u>REPORTED AMOUNT/ FAIR VALUE</u>
Waste Management Center Trust:				
U.S. Government Securities	\$ 4 840 914	\$ -	\$ -	\$ 4 840 914
Certificates of Deposits	3 256 309	-	-	3 256 309
Investment Pools:				
Tex Star	-	-	3 467 458	3 467 458
Tex CLASS	-	-	483 178	483 178
U.S. Government Securities	1 719 966	-	-	1 719 966
Tex Pool	-	-	20 732 727	20 732 727
Money Market Funds	3 543 204	-	-	3 543 204
Certificates of Deposit	26 551 851	-	-	26 551 851
TOTAL INVESTMENTS	<u>\$ 39 912 244</u>	<u>\$ -</u>	<u>\$ 24 683 363</u>	<u>\$ 64 595 607</u>

C. Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	<u>BEGINNING BALANCE</u>	<u>PRIOR PERIOD ADJUSTMENTS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 669 014	\$ -	\$ -	\$ -	\$ 669 014
Construction in progress	15 000	-	38 540	(31 400)	22 140
TOTAL ASSETS NOT BEING DEPRECIATED	<u>684 014</u>	<u>-</u>	<u>38 540</u>	<u>(31 400)</u>	<u>691 154</u>
Capital Assets Being Depreciated:					
Buildings	23 478 258	-	1 789 455	-	25 267 713
Equipment	17 269 669	-	548 130	(762 292)	17 055 507
Infrastructure	72 161 732	-	1 020 502	-	73 182 234
Capital leases	-	351 756	68 772	-	420 528
TOTAL ASSETS BEING DEPRECIATED	<u>112 909 659</u>	<u>351 756</u>	<u>3 426 859</u>	<u>(762 292)</u>	<u>115 505 454</u>
Less Accumulated Depreciation For:					
Buildings	(14 019 560)	-	(612 453)	-	(14 632 013)
Equipment	(13 251 109)	-	(1 003 404)	309 742	(13 944 771)
Infrastructure	(65 684 857)	-	(717 438)	-	(66 402 295)
Capital leases	-	(92 711)	(73 690)	-	(166 401)
TOTAL ACCUMULATED DEPRECIATION	<u>(92 955 526)</u>	<u>(92 711)</u>	<u>(2 406 985)</u>	<u>309 742</u>	<u>(94 979 079)</u>
TOTAL ASSETS BEING DEPRECIATED, NET	<u>19 954 133</u>	<u>259 045</u>	<u>1 019 874</u>	<u>(452 550)</u>	<u>20 526 375</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 20 638 147</u>	<u>\$ 259 045</u>	<u>\$ 1 058 414</u>	<u>\$ (483 950)</u>	<u>\$ 21 217 529</u>
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 2 180 720	\$ -	\$ -	\$ -	\$ 2 180 720
Construction in progress	1 380 495	-	937 020	(2 317 515)	-
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>3 561 215</u>	<u>-</u>	<u>937 020</u>	<u>(2 317 515)</u>	<u>2 180 720</u>
Capital Assets Being Depreciated:					
Buildings and improvements	9 446 269	-	1 403 260	(268 261)	10 581 268
Machinery and equipment	6 992 076	-	1 048 700	(39 836)	8 000 940
Infrastructure	11 650 944	-	18 435	-	11 669 379
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>28 089 289</u>	<u>-</u>	<u>2 470 395</u>	<u>(308 097)</u>	<u>30 251 587</u>
Less Accumulated Depreciation For:					
Buildings and improvements	(6 207 470)	-	(635 786)	268 261	(6 574 995)
Machinery and equipment	(5 493 822)	-	(426 090)	39 836	(5 880 076)
Infrastructure	(9 812 393)	-	(271 196)	-	(10 083 589)
TOTAL ACCUMULATED DEPRECIATION	<u>(21 513 685)</u>	<u>-</u>	<u>(1 333 072)</u>	<u>308 097</u>	<u>(22 538 660)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	<u>6 575 604</u>	<u>-</u>	<u>1 137 323</u>	<u>-</u>	<u>7 712 927</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 10 136 819</u>	<u>\$ -</u>	<u>\$ 2 074 343</u>	<u>\$ (2 317 515)</u>	<u>\$ 9 893 647</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, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

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

Governmental Activities:	
Administration	\$ 478 575
Judicial and law enforcement	1 106 853
Health, welfare and sanitation	609 120
Streets and highways	204 234
Extension service	8 203
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 2 406 985
Business-Type Activities:	
Landfill	\$ 963 822
Airport	369 250
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	\$ 1 333 072

D. Hangar and Ground Leases

The Angelina County Airport has long term leases for hangars and ground rentals that extend through December 31, 2063. The leases have been recognized as a receivable and the revenue deferred in the Airport fund. The revenue will be recognized in the future as earned.

	FUTURE REVENUE
2023	\$ 14 044
2024	17 602
2025	17 706
2026	17 709
2027	17 712
Thereafter	196 067
	\$ 280 840

E. Long-Term Debt

Change in Long-Term Liabilities:

GOVERNMENTAL ACTIVITIES	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Notes payable	\$ 5 170 000	\$ -	\$ 830 000	\$ 4 340 000	\$ 845 000
Refunding bond	710 000	-	710 000	-	-
Leases	802 508	68 772	624 800	246 680	124 282
Accrued compensated absences	682 487	142 008	-	825 495	-
GOVERNMENTAL ACTIVITY LONG- TERM LIABILITIES	\$ 7 364 995	\$ 210 780	\$ 2 164 800	\$ 5 412 175	\$ 969 282
BUSINESS-TYPE ACTIVITIES	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Landfill closure and post closure costs	\$ 8 051 915	\$ 429 897	\$ -	\$ 8 481 812	\$ -
BUSINESS-TYPE ACTIVITY LONG- TERM LIABILITIES	\$ 8 051 915	\$ 429 897	\$ -	\$ 8 481 812	\$ -

Notes:

Notes payable at December 31, 2022 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% \$ 4 340 000

YEAR ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
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
	\$ 4 340 000	\$ 152 414	\$ 4 492 414

On June 9, 2021, the County approved the Tax Note, Series 2021 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, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Leases:

The County has leased a tractor, two fuel trucks, a dump truck and office equipment for various periods at 2.55% to 3.99%.

		<u>PRINCIPAL</u>		<u>INTEREST</u>		<u>TOTAL</u>
2023	\$	124 282	\$	5 841	\$	130 123
2024		66 929		2 316		69 245
2025		25 752		1 311		27 063
2026		21 065		669		21 734
2027		8 652		92		8 744
	\$	<u>246 680</u>	\$	<u>10 229</u>	\$	<u>256 909</u>

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 \$8,481,812 as of December 31, 2022, which was based on 54.53% 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 \$15,967,120 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, 2022. 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, 2022, the balance in the landfill trust account was \$8,097,223. 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.

F. 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, 2022, 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:

2023		\$	7 797 299
2024			5 260 054
2025			2 733 485
2026			2 186 788
2027			1 640 091
Thereafter			1 093 394
TOTAL		\$	<u>20 711 111</u>

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.

G. 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, 2022, the County rebated \$413,948 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, 2021 actuarial valuation analysis for the Angelina County. This information may also be found in the Angelina County December 31, 2021 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, 2022

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***

Entry Age									
Years of Service	Before 30	Ages 30-39	Ages 40-49	50 and Later	Years of Service	Before 30	Ages 30-39	Ages 40-49	50 and Later
0	5.25%	4.75%	4.25%	3.50%	16	1.50%	1.25%	0.85%	0.60%
1	4.50%	4.00%	3.50%	2.75%	17	1.40%	1.15%	0.75%	0.55%
2	4.10%	3.25%	2.85%	2.20%	18	1.30%	1.05%	0.70%	0.50%
3	3.70%	3.00%	2.50%	1.75%	19	1.25%	1.00%	0.65%	0.45%
4	3.35%	2.75%	2.25%	1.65%	20	1.20%	0.95%	0.60%	0.40%
5	3.10%	2.60%	2.15%	1.55%	21	1.15%	0.90%	0.55%	0.40%
6	2.85%	2.40%	2.05%	1.40%	22	1.10%	0.85%	0.50%	0.40%
7	2.65%	2.25%	1.90%	1.25%	23	1.00%	0.75%	0.45%	0.40%
8	2.50%	2.15%	1.80%	1.15%	24	0.94%	0.65%	0.40%	0.40%
9	2.35%	2.00%	1.65%	1.05%	25	0.88%	0.60%	0.40%	0.40%
10	2.20%	1.85%	1.50%	0.95%	26	0.82%	0.60%	0.40%	0.40%
11	2.10%	1.75%	1.35%	0.85%	27	0.76%	0.60%	0.40%	0.40%
12	1.95%	1.65%	1.25%	0.80%	28	0.70%	0.60%	0.40%	0.40%
13	1.85%	1.55%	1.10%	0.75%	29	0.65%	0.60%	0.40%	0.40%
14	1.75%	1.45%	1.00%	0.70%	30 & Up	0.60%	0.60%	0.40%	0.40%
15	1.65%	1.35%	0.90%	0.65%					

* These rates do not include the wage inflation rate of 3.00% 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 5.25% merit increase and the 3.00% 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.

**Table 2
Annual Rates of Disability***

Age	Work Related		All Other Causes	
	Male and Female	Female	Male and Female	Female
less than 25	0.001%	0.001%	0.000%	0.000%
25	0.001%	0.001%	0.003%	0.003%
26	0.001%	0.001%	0.006%	0.006%
27	0.001%	0.001%	0.009%	0.009%
28	0.001%	0.001%	0.011%	0.011%
29	0.001%	0.001%	0.013%	0.013%
30	0.001%	0.001%	0.014%	0.014%
31	0.001%	0.001%	0.016%	0.016%
32	0.001%	0.001%	0.018%	0.018%
33	0.001%	0.001%	0.020%	0.020%
34	0.001%	0.001%	0.023%	0.023%
35	0.001%	0.001%	0.025%	0.025%
36	0.001%	0.001%	0.028%	0.028%
37	0.001%	0.001%	0.030%	0.030%
38	0.001%	0.001%	0.034%	0.034%
39	0.001%	0.001%	0.038%	0.038%
40	0.001%	0.001%	0.042%	0.042%
41	0.001%	0.001%	0.046%	0.046%
42	0.001%	0.001%	0.050%	0.050%
43	0.001%	0.001%	0.058%	0.058%
44	0.001%	0.001%	0.066%	0.066%
45	0.001%	0.001%	0.074%	0.074%
46	0.001%	0.001%	0.082%	0.082%
47	0.001%	0.001%	0.090%	0.090%
48	0.001%	0.001%	0.099%	0.099%
49	0.001%	0.001%	0.108%	0.108%
50	0.001%	0.001%	0.117%	0.117%
51	0.001%	0.001%	0.126%	0.126%
52	0.001%	0.001%	0.135%	0.135%
53	0.001%	0.001%	0.144%	0.144%
54	0.001%	0.001%	0.153%	0.153%
55	0.001%	0.001%	0.162%	0.162%
56	0.001%	0.001%	0.171%	0.171%
57	0.001%	0.001%	0.180%	0.180%
58	0.001%	0.001%	0.189%	0.189%
59	0.001%	0.001%	0.198%	0.198%
60 & Above	0.000%	0.000%	0.000%	0.000%

* The probability of disablement from All Causes is applicable for members who are vested (satisfied service requirement for retirement at age 60). Before a member is vested, the Work-Related disability assumptions are applicable. No disability retirements are assumed to occur after a member becomes eligible for service retirement.

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2022

NOTE 4 - OTHER INFORMATION - CONTINUED

Mortality

Depositing members	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

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	Active Svc<15	Active Svc 15-24	Active Svc 25-29	Active Svc 30+	Deferred All Svc
40-49	5.3%	6.3%	7.7%	8.8%	0.0%
50	5.6%	6.8%	8.3%	9.4%	0.0%
51	5.6%	6.8%	8.3%	9.4%	0.0%
52	6.0%	7.2%	8.8%	10.0%	0.0%
53	6.0%	7.2%	8.8%	10.0%	0.0%
54	6.8%	8.1%	9.9%	11.3%	0.0%
55	6.8%	8.1%	9.9%	11.3%	0.0%
56	6.8%	8.1%	9.9%	11.3%	0.0%
57	7.5%	9.0%	11.0%	12.5%	0.0%
58	7.5%	9.0%	11.0%	12.5%	0.0%
59	7.5%	9.0%	11.0%	12.5%	0.0%
60	9.0%	10.8%	13.2%	15.0%	12.0%
61	9.0%	10.8%	13.2%	15.0%	12.0%
62	13.5%	16.2%	19.8%	22.5%	18.0%
63	11.3%	13.5%	16.5%	18.8%	15.0%
64	11.3%	13.5%	16.5%	18.8%	15.0%
65	22.5%	22.5%	27.5%	27.5%	25.0%
66	22.5%	22.5%	27.5%	27.5%	25.0%
67	21.6%	21.6%	26.4%	26.4%	24.0%
68	18.9%	18.9%	23.1%	23.1%	21.0%
69	18.9%	18.9%	23.1%	23.1%	21.0%
70	20.7%	20.7%	25.3%	25.3%	23.0%
71	20.7%	20.7%	25.3%	25.3%	23.0%
72	20.7%	20.7%	25.3%	25.3%	23.0%
73	20.7%	20.7%	25.3%	25.3%	23.0%
74	20.7%	20.7%	25.3%	25.3%	23.0%
75 & Above	100.0%	100.0%	100.0%	100.0%	100.0%

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

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2022

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	36.3%	36.3%	29.7%	29.7%	26.4%	26.4%	24.2%	24.2%
1	27.5%	27.5%	23.1%	23.1%	19.8%	19.8%	17.6%	17.6%
2	23.1%	23.1%	29.8%	29.8%	15.4%	15.4%	14.3%	14.3%
3	19.8%	19.8%	16.5%	16.5%	13.2%	13.2%	12.1%	12.1%
4	16.5%	16.5%	14.3%	14.3%	11.0%	11.0%	9.9%	9.9%
5	14.3%	14.3%	12.1%	12.1%	9.9%	9.9%	8.8%	8.8%
6	12.1%	12.1%	11.0%	11.0%	8.8%	8.8%	7.7%	7.7%
7	11.0%	11.0%	9.9%	9.9%	7.7%	7.7%	6.6%	6.6%
8	9.9%	9.9%	8.8%	8.8%	6.6%	6.6%	6.1%	6.1%
9	8.8%	8.8%	7.7%	7.7%	6.1%	6.1%	5.5%	5.5%
10	7.7%	7.7%	7.2%	7.2%	5.6%	5.6%	0.0%	0.0%
11	7.2%	7.2%	6.6%	6.6%	5.3%	5.3%	0.0%	0.0%
12	6.6%	6.6%	6.1%	6.1%	5.0%	5.0%	0.0%	0.0%
13	6.1%	6.1%	5.5%	5.5%	4.6%	4.6%	0.0%	0.0%
14	5.5%	5.5%	5.2%	5.2%	4.2%	4.2%	0.0%	0.0%
15	4.8%	4.8%	4.8%	4.8%	3.7%	3.7%	0.0%	0.0%
16	4.4%	4.4%	4.4%	4.4%	3.3%	3.3%	0.0%	0.0%
17	4.0%	4.0%	4.0%	4.0%	2.9%	2.9%	0.0%	0.0%
18	3.6%	3.6%	3.6%	3.6%	2.4%	2.4%	0.0%	0.0%
19	3.3%	3.3%	3.3%	3.3%	2.0%	2.0%	0.0%	0.0%
20	3.0%	3.0%	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%
21	2.8%	2.8%	2.8%	2.8%	0.0%	0.0%	0.0%	0.0%
22	2.5%	2.5%	2.5%	2.5%	0.0%	0.0%	0.0%	0.0%
23	2.3%	2.3%	2.3%	2.3%	0.0%	0.0%	0.0%	0.0%
24	2.1%	2.1%	2.1%	2.1%	0.0%	0.0%	0.0%	0.0%
25	1.9%	1.9%	1.9%	1.9%	0.0%	0.0%	0.0%	0.0%
26	1.7%	1.7%	1.7%	1.7%	0.0%	0.0%	0.0%	0.0%
27	1.4%	1.4%	1.4%	1.4%	0.0%	0.0%	0.0%	0.0%
28	1.2%	1.2%	1.2%	1.2%	0.0%	0.0%	0.0%	0.0%
29	1.1%	1.1%	1.1%	1.1%	0.0%	0.0%	0.0%	0.0%
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	26%
1	100%	16	25%
2	100%	17	24%
3	100%	18	23%
4	100%	19	22%
5	100%	20	21%
6	100%	21	20%
7	100%	22	19%
8	34%	23	19%
9	33%	24	18%
10	32%	25	18%
11	31%	26	17%
12	30%	27	17%
13	29%	28	16%
14	27%	29*	16%

* 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 2022 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 2022 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, 2022

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%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	3.80%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.30%
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%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	4.50%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	(1.05)%

(1) Target asset allocation adopted at the March 2022 TCDRS Board meeting.

(2) Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.6%, per Cliffwater's 2022 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, 2022

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	\$ 97 435 591	\$ 85 621 415	\$ 75 836 950
Fiduciary net position	\$ 94 302 755	\$ 94 302 755	\$ 94 302 755
Net pension liability/(asset)	\$ 3 132 836	\$ (8 681 340)	\$ (18 465 805)

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, 2020	\$ 81 889 349	\$ 78 629 879	\$ 3 259 470
Changes for the Year:			
Service cost	2 113 007	-	2 113 007
Interest on total pension liability ⁽¹⁾	6 236 896	-	6 236 896
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(617 194)	-	(617 194)
Effect of assumptions changes or inputs	(52 482)	-	(52 482)
Refund of contributions	(215 933)	(215 933)	-
Benefit payments	(3 732 228)	(3 732 228)	-
Administrative expenses	-	(51 019)	51 019
Member contributions	-	1 057 489	(1 057 489)
Net investment income	-	17 113 391	(17 113 391)
Employer contributions	-	1 518 248	(1 518 248)
Other ⁽²⁾	-	(17 072)	17 072
Balances as of December 31, 2021	\$ 85 621 415	\$ 94 302 755	\$ (8 681 340)

⁽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, 2022, 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	\$ 734 229	\$ -
Change of assumptions	34 988	2 323 748
Net difference between projected and actual earnings	12 070 727	1 296 000
Contributions made subsequent to measurement date	-	1 757 103
	\$ 12 839 944	\$ 5 376 851

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,		
2023	\$	(1 609 994)
2024	\$	(2 797 491)
2025	\$	(2 568 381)
2026	\$	(2 238 250)
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 \$2,560,561 at December 31, 2022. The claims liability of \$306,384 reported in the Fund at December 31, 2022 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
2023	\$ 379 375	\$ 4 103 062	\$ (4 176 053)	\$ 306 384
2022	\$ 149 165	\$ 4 842 468	\$ (4 612 258)	\$ 379 375
2021	\$ 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 Self Insurance Fund (DETSIF). 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 25, 2023, the date the financial statements were available to be released.

K. Prior Period Adjustment

The implementation of Government Accounting Standards Board Statement #87, Leases resulted in the recognition of prior period capital assets of \$259,045 and lease obligations of \$203,624 for a net prior period adjustment of \$55,421 in the Government Wide Statement of Net Position.

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, 2022

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 17 948 606	\$ 17 948 606	\$ 18 291 294	\$ 342 688
Sales tax	6 500 000	6 500 000	8 345 013	1 845 013
Other taxes	110 000	110 000	170 144	60 144
Intergovernmental	459 200	459 200	449 612	(9 588)
Charges for services	1 000	1 000	4 304	3 304
Fines and fees	2 536 000	2 536 000	2 896 262	360 262
Interest income	110 000	110 000	296 862	186 862
Other revenues	159 250	159 250	126 404	(32 846)
TOTAL REVENUES	<u>27 824 056</u>	<u>27 824 056</u>	<u>30 579 895</u>	<u>2 755 839</u>
Expenditures:				
Administrative:				
County Commissioners	433 896	433 896	375 208	58 688
County Clerk	631 879	631 879	592 636	39 243
County Service Officer	11 910	11 910	13 581	(1 671)
County Judge	234 587	234 587	242 887	(8 300)
County Auditor	642 656	642 656	496 651	146 005
County Treasurer	205 548	205 548	195 764	9 784
County Tax Assessor-Collector	1 065 390	1 065 390	1 034 937	30 453
Election/Voter Registration	647 038	647 038	591 519	55 519
Emergency Management	154 031	154 031	147 163	6 868
Human Resources	101 434	101 434	71 423	30 011
Information Technology	1 007 846	1 007 846	1 106 779	(98 933)
Maintenance	831 985	831 985	726 164	105 821
General Administration	2 626 492	2 626 492	2 896 208	(269 716)
TOTAL ADMINISTRATIVE	<u>8 594 692</u>	<u>8 594 692</u>	<u>8 490 920</u>	<u>103 772</u>
Judicial and Law Enforcement:				
County Court-at-Law I	538 710	538 710	522 000	16 710
County Court-at-Law II	747 025	747 025	846 293	(99 268)
County Attorney	1 202 587	1 202 587	1 134 112	68 475
Constable Pct 1	122 725	122 725	110 690	12 035
Constable Pct 2	100 194	100 194	98 980	1 214
Constable Pct 3	101 043	101 043	99 726	1 317
Constable Pct 4	94 903	94 903	91 021	3 882
County Jail	4 297 050	4 297 050	4 281 769	15 281
County Sheriff	5 168 834	5 168 834	4 797 971	370 863
District Courts	1 017 880	1 017 880	889 316	128 564
District Clerk	660 337	660 337	539 296	121 041
District Attorney	1 209 044	1 209 044	932 950	276 094
Juvenile Judges	52 992	52 992	48 950	4 042
Justice of the Peace Pct 1	255 079	255 079	239 543	15 536
Justice of the Peace Pct 2	194 611	194 611	176 238	18 373
Justice of the Peace Pct 3	136 891	136 891	132 052	4 839
Justice of the Peace Pct 4	194 539	194 539	191 225	3 314
TOTAL JUDICIAL AND LAW ENFORCEMENT	<u>16 094 444</u>	<u>16 094 444</u>	<u>15 132 132</u>	<u>962 312</u>
Health, Welfare and Sanitation:				
County Public Health and Welfare	1 499 481	1 499 481	1 407 648	91 833
Extension Service:				
County Ag Extension Service	154 062	154 062	140 716	13 346
TOTAL EXPENDITURES	<u>26 342 679</u>	<u>26 342 679</u>	<u>25 171 416</u>	<u>1 171 263</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1 481 377</u>	<u>1 481 377</u>	<u>5 408 479</u>	<u>3 927 102</u>
Other Financing Sources (Uses):				
Operating transfer in	2 326 539	2 326 539	-	(2 326 539)
Operating transfers out	(3 807 917)	(3 807 917)	(3 823 917)	16 000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1 481 378)</u>	<u>(1 481 378)</u>	<u>(3 823 917)</u>	<u>(2 310 539)</u>
NET CHANGE IN FUND BALANCES	(1)	(1)	1 584 562	1 616 563
Beginning fund balance	14 884 561	14 884 561	14 884 561	-
ENDING FUND BALANCE	<u>\$ 14 884 560</u>	<u>\$ 14 884 560</u>	<u>\$ 16 469 123</u>	<u>\$ 1 616 563</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, 2022

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenue:				
Ad valorem tax	\$ 2 779 201	\$ 2 779 201	\$ 2 779 201	\$ -
Intergovernmental	172 000	172 000	228 943	56 943
Fines and fees	1 245 000	1 245 000	1 287 050	42 050
Interest income	6 000	6 000	38 359	32 359
Other revenue	-	-	491 600	491 600
TOTAL REVENUE	<u>4 202 201</u>	<u>4 202 201</u>	<u>4 825 153</u>	<u>622 952</u>
Expenditures:				
Highways and streets	3 917 102	3 917 102	3 607 241	309 861
Debt service	285 100	285 100	260 404	24 696
TOTAL EXPENDITURES	<u>4 202 202</u>	<u>4 202 202</u>	<u>3 867 645</u>	<u>334 557</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1)</u>	<u>(1)</u>	<u>957 508</u>	<u>957 509</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	12 678	12 678
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>12 678</u>	<u>12 678</u>
NET CHANGE IN FUND BALANCES	(1)	(1)	970 186	970 187
Beginning fund balance	<u>1 416 124</u>	<u>1 416 124</u>	<u>1 416 124</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 1 416 123</u>	<u>\$ 1 416 123</u>	<u>\$ 2 386 310</u>	<u>\$ 970 187</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
December 31, 2022

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:								
Service cost	\$ 2 113 007	\$ 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	6 236 896	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	(52 482)	4 647 497	-	-	457 843	-	604 581	-
Effect of economic/demographic (gains) or losses	(617 194)	(217 404)	(263 900)	(542 520)	(593 800)	(347 464)	(962 516)	316 422
Benefit payments/refunds of contributions	(3 948 161)	(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	3 732 066	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	81 889 349	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	85 621 415	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	1 518 248	1 607 716	1 537 618	1 542 976	1 562 130	1 502 752	1 492 472	1 404 794
Member contributions	1 057 489	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	17 113 391	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	(3 948 161)	(3 697 148)	(3 781 099)	(3 592 678)	(3 311 213)	(2 793 111)	(2 655 317)	(2 455 039)
Administrative expenses	(51 019)	(57 535)	(55 034)	(50 691)	(43 449)	(43 425)	(38 961)	(40 538)
Other	(17 072)	(21 467)	(29 743)	(20 973)	(9 268)	(72 601)	(57 812)	(13 537)
NET CHANGE IN FIDUCIARY NET POSITION	15 672 876	6 410 172	9 109 037	(2 223 374)	7 689 687	3 637 843	(300 071)	3 364 746
Fiduciary net position - Beginning	78 629 879	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	94 302 755	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	\$ (8 681 340)	\$ 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	110.14%	96.02%	98.57%	90.49%	98.26%	91.69%	91.23%	96.66%
Pensionable covered payroll	\$ 15 106 986	\$ 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	(57.47)%	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, 2022

YEAR ENDING DECEMBER 31,	ACTUARIALLY DETERMINE CONTRIBUTION	ACTUAL EMPLOYER CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	PENSIONABLE COVERED PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL
2021	\$ 1 474 442	\$ 1 518 248	\$ (43 806)	\$ 15 106 986	10.0%
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%

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.

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 Probation Fee Fund - 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 Fee Fund - 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.

District Attorney Fund and District Attorney Judiciary Apportionment Fund - To account for fees and expenditures of the district attorney office grants and allocations.

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.

Pretrial Intervention - To account for pretrial intervention program 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.

2022 Tax Notes - To account for expenditures financed by the 2022 Tax Notes.

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2022

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalent	\$ 5 808 594	\$ 7 977	\$ 1 881 640	\$ 7 698 211
Investments	312 995	-	-	312 995
Receivables:				
Miscellaneous	245	-	-	245
Intergovernmental	14 452	-	-	14 452
Due from other funds	85 950	899 453	-	985 403
TOTAL ASSETS	\$ 6 222 236	\$ 907 430	\$ 1 881 640	\$ 9 011 306
 LIABILITIES				
Accounts payable	\$ 166 099	\$ -	\$ -	\$ 166 099
Accrued liabilities	43 469	-	-	43 469
Accrued compensated absences	63 444	-	-	63 444
Due to other funds	3 791	-	-	3 791
TOTAL LIABILITIES	276 803	-	-	276 803
 DEFERRED INFLOWS				
Unavailable revenue	538 094	899 453	-	1 437 547
TOTAL DEFERRED INFLOWS	538 094	899 453	-	1 437 547
 FUND BALANCES				
Restricted:				
Construction	-	-	1 881 640	1 881 640
Debt service	-	7 977	-	7 977
Other	5 407 339	-	-	5 407 339
TOTAL FUND BALANCES	5 407 339	7 977	1 881 640	7 296 956
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 6 222 236	\$ 907 430	\$ 1 881 640	\$ 9 011 306

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, 2022

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:				
Ad valorem tax	\$ 95 650	\$ 896 095	\$ -	\$ 991 745
Intergovernmental	3 757 899	-	-	3 757 899
Interest income	48 179	1 014	27 576	76 769
Fines and fees	560 976	-	-	560 976
Contributions and donations	52 951	-	-	52 951
Other revenue	(26 009)	-	-	(26 009)
TOTAL REVENUES	<u>4 489 646</u>	<u>897 109</u>	<u>27 576</u>	<u>5 414 331</u>
Expenditures:				
Administrative	222 644	-	-	222 644
Judicial and law enforcement	4 528 230	-	-	4 528 230
Health, welfare and sanitation	161 924	-	-	161 924
Capital outlay	271 982	-	886 389	1 158 371
Debt Service:				
Principal	-	1 540 000	-	1 540 000
Interest and other fees	-	72 842	-	72 842
TOTAL EXPENDITURES	<u>5 184 780</u>	<u>1 612 842</u>	<u>886 389</u>	<u>7 684 011</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(695 134)</u>	<u>(715 733)</u>	<u>(858 813)</u>	<u>(2 269 680)</u>
Other Financing Sources (Uses):				
Operating transfers in	1 916 395	386 139	-	2 302 534
Operating transfers out	(419 016)	-	(12 678)	(431 694)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1 497 379</u>	<u>386 139</u>	<u>(12 678)</u>	<u>1 870 840</u>
NET CHANGE IN FUND BALANCES	802 245	(329 594)	(871 491)	(398 840)
Fund balances - Beginning	<u>4 485 988</u>	<u>337 571</u>	<u>2 753 131</u>	<u>7 576 690</u>
FUND BALANCES - ENDING	<u>\$ 5 407 339</u>	<u>\$ 7 977</u>	<u>\$ 1 881 640</u>	<u>\$ 7 296 956</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2022

	MENTAL HEALTH FUND	JURY FUND	ELECTION SERVICE CONTRACT FUND	JUVENILE PROBATION FEES FUND	LAW LIBRARY FUND
ASSETS					
Cash and cash equivalent	\$ 62 095	\$ 348 742	\$ 41 481	\$ 59 869	\$ 69 661
Investments	-	-	-	-	-
Receivables:					
Miscellaneous	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Due from other funds	-	<u>85 950</u>	-	-	-
TOTAL ASSETS	<u>\$ 62 095</u>	<u>\$ 434 692</u>	<u>\$ 41 481</u>	<u>\$ 59 869</u>	<u>\$ 69 661</u>
LIABILITIES					
Accounts payable	\$ 1 650	\$ 165	\$ -	\$ -	\$ 2 137
Accrued liabilities	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>1 650</u>	<u>165</u>	<u>-</u>	<u>-</u>	<u>2 137</u>
DEFERRED INFLOWS					
Unavailable revenue	-	<u>85 950</u>	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>85 950</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted:					
Other	<u>60 445</u>	<u>348 577</u>	<u>41 481</u>	<u>59 869</u>	<u>67 524</u>
TOTAL FUND BALANCES	<u>60 445</u>	<u>348 577</u>	<u>41 481</u>	<u>59 869</u>	<u>67 524</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 62 095</u>	<u>\$ 434 692</u>	<u>\$ 41 481</u>	<u>\$ 59 869</u>	<u>\$ 69 661</u>

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
\$ 143 016	\$ 643 850	\$ (21 144)	\$ 1 207 794	\$ -	\$ 339 630	\$ 261 651
-	312 995	-	-	-	-	-
150	95	-	-	-	-	-
-	-	14 452	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 143 166</u>	<u>\$ 956 940</u>	<u>\$ (6 692)</u>	<u>\$ 1 207 794</u>	<u>\$ -</u>	<u>\$ 339 630</u>	<u>\$ 261 651</u>
\$ 9 077	\$ 32 722	\$ 31 693	\$ 39 268	\$ -	\$ -	\$ -
260	21 365	20 042	926	-	-	-
1 304	-	60 243	1 423	-	-	-
-	-	-	-	-	-	-
<u>10 641</u>	<u>54 087</u>	<u>111 978</u>	<u>41 617</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	131 106	-	-	50 378	-
-	-	131 106	-	-	50 378	-
<u>132 525</u>	<u>902 853</u>	<u>(249 776)</u>	<u>1 166 177</u>	<u>-</u>	<u>289 252</u>	<u>261 651</u>
<u>132 525</u>	<u>902 853</u>	<u>(249 776)</u>	<u>1 166 177</u>	<u>-</u>	<u>289 252</u>	<u>261 651</u>
<u>\$ 143 166</u>	<u>\$ 956 940</u>	<u>\$ (6 692)</u>	<u>\$ 1 207 794</u>	<u>\$ -</u>	<u>\$ 339 630</u>	<u>\$ 261 651</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2022

	<u>JUVENILE COMMUNITY SERVICE FUND</u>	<u>DISTRICT CLERK TECH FUND</u>	<u>COUNTY RECORDS PRESERVATION FUND</u>	<u>CARES ACT FUND</u>
ASSETS				
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ 1 747 521
Investments	-	-	-	-
Receivables:				
Miscellaneous	-	-	-	-
Intergovernmental	-	-	-	-
Due from intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1 747 521</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 40 063
Accrued liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>791</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>40 854</u>
DEFERRED INFLOWS				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted:				
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>1 706 667</u>
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>1 706 667</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1 747 521</u>

See independent auditors' report.

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	SHERIFF FORFEITURE FUND
\$ 85	\$ 121 753	\$ 163 899	\$ 162 727	\$ 57 527	\$ 7 781	\$ 3 598	\$ 37 737
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>85</u>	<u>121 753</u>	<u>163 899</u>	<u>162 727</u>	<u>57 527</u>	<u>7 781</u>	<u>3 598</u>	<u>37 737</u>
\$ -	\$ 2 656	\$ -	\$ -	\$ 6 585	\$ -	\$ -	\$ -
-	95	-	-	781	-	-	-
-	426	-	-	-	-	-	-
-	-	3 000	-	-	-	-	-
<u>-</u>	<u>3 177</u>	<u>3 000</u>	<u>-</u>	<u>7 366</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3 703</u>	<u>22 436</u>	<u>171 662</u>	<u>-</u>	<u>72 859</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3 703</u>	<u>22 436</u>	<u>171 662</u>	<u>-</u>	<u>72 859</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(3 618)</u>	<u>96 140</u>	<u>(10 763)</u>	<u>162 727</u>	<u>(22 698)</u>	<u>7 781</u>	<u>3 598</u>	<u>37 737</u>
<u>(3 618)</u>	<u>96 140</u>	<u>(10 763)</u>	<u>162 727</u>	<u>(22 698)</u>	<u>7 781</u>	<u>3 598</u>	<u>37 737</u>
<u>\$ 85</u>	<u>\$ 121 753</u>	<u>\$ 163 899</u>	<u>\$ 162 727</u>	<u>\$ 57 527</u>	<u>\$ 7 781</u>	<u>\$ 3 598</u>	<u>\$ 37 737</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2022

	COUNTY ATTORNEY FORFEITURE FUND	DISTRICT ATTORNEY FORFEITURE FUND	PRETRIAL INTERVENTION PROGRAM FUND
ASSETS			
Cash and cash equivalent	\$ 133 976	\$ 100 223	\$ 39 863
Investments	-	-	-
Receivables:			
Miscellaneous	-	-	-
Intergovernmental	-	-	-
Due from intergovernmental	-	-	-
TOTAL ASSETS	<u>\$ 133 976</u>	<u>\$ 100 223</u>	<u>\$ 39 863</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Accrued compensated absences	-	-	-
Due to other funds	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS			
Unavailable revenue	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted:			
Other	<u>133 976</u>	<u>100 223</u>	<u>39 863</u>
TOTAL FUND BALANCES	<u>133 976</u>	<u>100 223</u>	<u>39 863</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 133 976</u>	<u>\$ 100 223</u>	<u>\$ 39 863</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
\$ 5 332	\$ 45	\$ -	\$ 69 557	\$ 325	\$ 5 808 594
-	-	-	-	-	312 995
-	-	-	-	-	245
-	-	-	-	-	14 452
-	-	-	-	-	85 950
<u>\$ 5 332</u>	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ 69 557</u>	<u>\$ 325</u>	<u>\$ 6 222 236</u>
\$ -	\$ -	\$ -	\$ 83	\$ -	\$ 166 099
-	-	-	-	-	43 469
-	-	-	48	-	63 444
-	-	-	-	-	3 791
<u>-</u>	<u>-</u>	<u>-</u>	<u>131</u>	<u>-</u>	<u>276 803</u>
-	-	-	-	-	538 094
-	-	-	-	-	538 094
<u>5 332</u>	<u>45</u>	<u>-</u>	<u>69 426</u>	<u>325</u>	<u>5 407 339</u>
<u>5 332</u>	<u>45</u>	<u>-</u>	<u>69 426</u>	<u>325</u>	<u>5 407 339</u>
<u>\$ 5 332</u>	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ 69 557</u>	<u>\$ 325</u>	<u>\$ 6 222 236</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2022

	MENTAL HEALTH FUND	JURY FUND	ELECTION SERVICE CONTRACT FUND	JUVENILE PROBATION FEES FUND	LAW LIBRARY FUND
Revenues:					
Ad valorem tax	\$ -	\$ 95 650	\$ -	\$ -	\$ -
Intergovernmental	-	19 958	15 524	-	-
Interest income	811	4 232	-	707	723
Fines and fees	17 450	-	-	945	46 299
Contributions and donations	-	-	-	-	-
Other revenues	-	-	-	-	-
TOTAL REVENUES	18 261	119 840	15 524	1 652	47 022
Expenditures:					
Administrative	-	-	-	-	-
Judicial and law enforcement	-	75 046	-	-	25 168
Health, welfare and sanitation	35 200	-	-	-	-
Capital outlays	-	-	8 310	-	-
TOTAL EXPENDITURES	35 200	75 046	8 310	-	25 168
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(16 939)	44 794	7 214	1 652	21 854
Other Financing Sources (Uses):					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(16 939)	44 794	7 214	1 652	21 854
Fund balance - Beginning	77 384	303 783	34 267	58 217	45 670
FUND BALANCE - ENDING	\$ 60 445	\$ 348 577	\$ 41 481	\$ 59 869	\$ 67 524

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1 981 137	723 002	-	-	57 832	-
2 062	10 089	3 362	13 995	60	3 803	2 989
69 815	-	50 780	322 818	-	-	29 748
-	-	-	-	-	-	-
-	966	(27 084)	-	-	-	-
<u>71 877</u>	<u>1 992 192</u>	<u>750 060</u>	<u>336 813</u>	<u>60</u>	<u>61 635</u>	<u>32 737</u>
-	-	-	213 351	-	-	9 293
-	1 724 152	1 992 313	-	-	866	-
126 724	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>126 724</u>	<u>1 724 152</u>	<u>1 992 313</u>	<u>213 351</u>	<u>-</u>	<u>866</u>	<u>9 293</u>
(54 847)	268 040	(1 242 253)	123 462	60	60 769	23 444
20 000	-	1 422 572	200 902	-	-	184 676
-	1	-	-	(5 055)	-	-
<u>20 000</u>	<u>1</u>	<u>1 394 188</u>	<u>200 902</u>	<u>(5 055)</u>	<u>-</u>	<u>184 676</u>
(34 847)	268 041	180 319	324 364	(4 995)	60 769	208 120
<u>167 373</u>	<u>634 812</u>	<u>(537 223)</u>	<u>841 813</u>	<u>4 995</u>	<u>228 483</u>	<u>53 531</u>
\$ <u>132 525</u>	\$ <u>902 853</u>	\$ <u>(249 776)</u>	\$ <u>1 166 177</u>	\$ <u>-</u>	\$ <u>289 252</u>	\$ <u>261 651</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, 2022

	JUVENILE COMMUNITY SERVICE FUND	DISTRICT CLERK TECH FUND	COUNTY RECORDS PRESERVATION FUND	CARES ACT FUND
Revenues:				
Ad valorem tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	423 218
Interest income	337	-	-	-
Fines and fees	-	-	-	-
Contributions and donations	-	-	-	-
Other revenues	-	-	-	-
TOTAL REVENUES	337	-	-	423 218
Expenditures:				
Administrative	-	-	-	-
Judicial and law enforcement	-	-	-	-
Health, welfare and sanitation	-	-	-	-
Capital outlays	-	-	-	263 672
TOTAL EXPENDITURES	-	-	-	263 672
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	337	-	-	159 546
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	16 000
Operating transfers out	(28 384)	(105 202)	(280 376)	-
TOTAL OTHER FINANCING SOURCES (USES)	(28 384)	(105 202)	(280 376)	16 000
NET CHANGE IN FUND BALANCES	(28 047)	(105 202)	(280 376)	175 546
Fund balance - Beginning	28 047	105 202	280 376	1 531 121
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ 1 706 667

See independent auditors' report.

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	SHERIFF FORFEITURE FUND
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	514 728	-	-	-	-	-
1	1 110	-	-	442	92	54	456
-	8 442	-	-	8 442	-	-	-
-	50 000	-	-	2 951	-	-	-
-	-	-	-	-	-	-	76
<u>1</u>	<u>59 552</u>	<u>514 728</u>	<u>-</u>	<u>11 835</u>	<u>92</u>	<u>54</u>	<u>532</u>
-	-	-	-	-	-	-	-
-	31 988	514 728	-	99 116	-	1 965	7 000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>31 988</u>	<u>514 728</u>	<u>-</u>	<u>99 116</u>	<u>-</u>	<u>1 965</u>	<u>7 000</u>
<u>1</u>	<u>27 564</u>	<u>-</u>	<u>-</u>	<u>(87 281)</u>	<u>92</u>	<u>(1 911)</u>	<u>(6 468)</u>
-	-	-	72 245	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>72 245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1</u>	<u>27 564</u>	<u>-</u>	<u>72 245</u>	<u>(87 281)</u>	<u>92</u>	<u>(1 911)</u>	<u>(6 468)</u>
<u>(3 619)</u>	<u>56 598</u>	<u>(10 763)</u>	<u>90 482</u>	<u>64 583</u>	<u>7 689</u>	<u>5 509</u>	<u>44 205</u>
<u>\$ (3 618)</u>	<u>\$ 96 140</u>	<u>\$ (10 763)</u>	<u>\$ 162 727</u>	<u>\$ (22 698)</u>	<u>\$ 7 781</u>	<u>\$ 3 598</u>	<u>\$ 37 737</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, 2022

	COUNTY ATTORNEY FORFEITURE FUND	DISTRICT ATTORNEY FORFEITURE FUND	PRETRIAL INTERVENTION PROGRAM FUND
Revenues:			
Ad valorem tax	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest income	1 605	1 246	-
Fines and fees	-	-	5 262
Contributions and donations	-	-	-
Other revenues	-	33	-
TOTAL REVENUES	<u>1 605</u>	<u>1 279</u>	<u>5 262</u>
Expenditures:			
Administrative	-	-	-
Judicial and law enforcement	3 141	17 264	12 134
Health, welfare and sanitation	-	-	-
Capital outlays	-	-	-
TOTAL EXPENDITURES	<u>3 141</u>	<u>17 264</u>	<u>12 134</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1 536)</u>	<u>(15 985)</u>	<u>(6 872)</u>
Other Financing Sources (Uses):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1 536)	(15 985)	(6 872)
Fund balance - Beginning	<u>135 512</u>	<u>116 208</u>	<u>46 735</u>
FUND BALANCE - ENDING	<u>\$ 133 976</u>	<u>\$ 100 223</u>	<u>\$ 39 863</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95 650
22 500	-	-	-	-	3 757 899
-	1	2	-	-	48 179
-	-	-	900	75	560 976
-	-	-	-	-	52 951
-	-	-	-	-	(26 009)
<u>22 500</u>	<u>1</u>	<u>2</u>	<u>900</u>	<u>75</u>	<u>4 489 646</u>
-	-	-	-	-	222 644
19 761	-	169	3 419	-	4 528 230
-	-	-	-	-	161 924
-	-	-	-	-	271 982
<u>19 761</u>	<u>-</u>	<u>169</u>	<u>3 419</u>	<u>-</u>	<u>5 184 780</u>
<u>2 739</u>	<u>1</u>	<u>(167)</u>	<u>(2 519)</u>	<u>75</u>	<u>(695 134)</u>
-	-	-	-	-	1 916 395
-	-	-	-	-	(419 016)
-	-	-	-	-	1 497 379
2 739	1	(167)	(2 519)	75	802 245
<u>2 593</u>	<u>44</u>	<u>167</u>	<u>71 945</u>	<u>250</u>	<u>4 485 988</u>
<u>\$ 5 332</u>	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ 69 426</u>	<u>\$ 325</u>	<u>\$ 5 407 339</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2022

	<u>2014 TAX NOTE FUND</u>	<u>2022 TAX NOTE FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalent	\$ -	\$ 1 881 640	\$ 1 881 640
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 1 881 640</u>	<u>\$ 1 881 640</u>
FUND BALANCES			
Restricted:			
Construction	\$ -	\$ 1 881 640	\$ 1 881 640
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ 1 881 640</u>	<u>\$ 1 881 640</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, 2022

	<u>2014 TAX NOTE FUND</u>	<u>2022 TAX NOTE FUND</u>	<u>TOTAL</u>
Revenues:			
Interest income	\$ 36	\$ 27 540	\$ 27 576
TOTAL REVENUES	<u>36</u>	<u>27 540</u>	<u>27 576</u>
Expenditures:			
Capital outlays	-	886 389	886 389
TOTAL EXPENDITURES	<u>-</u>	<u>886 389</u>	<u>886 389</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>36</u>	<u>(858 849)</u>	<u>(858 813)</u>
Other Financing Sources (Uses):			
Transfer out	(12 678)	-	(12 678)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(12 678)</u>	<u>-</u>	<u>(12 678)</u>
NET CHANGE IN FUND BALANCE	(12 642)	(858 849)	(871 491)
Fund balance - Beginning	<u>12 642</u>	<u>2 740 489</u>	<u>2 753 131</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ 1 881 640</u>	<u>\$ 1 881 640</u>

FIDUCIARY FUNDS

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 December 31, 2022

	<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	\$ 720 693	\$ 1 674 349	\$ 748 767	\$ 16 696	\$ 4 271 367	\$ 3 477
Investments	<u>90 839</u>	<u>188 664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 811 532</u></u>	<u><u>\$ 1 863 013</u></u>	<u><u>\$ 748 767</u></u>	<u><u>\$ 16 696</u></u>	<u><u>\$ 4 271 367</u></u>	<u><u>\$ 3 477</u></u>
NET POSITION						
Held for others	<u>\$ 811 532</u>	<u>\$ 1 863 013</u>	<u>\$ 748 767</u>	<u>\$ 16 696</u>	<u>\$ 4 271 367</u>	<u>\$ 3 477</u>
TOTAL NET POSITION	<u><u>\$ 811 532</u></u>	<u><u>\$ 1 863 013</u></u>	<u><u>\$ 748 767</u></u>	<u><u>\$ 16 696</u></u>	<u><u>\$ 4 271 367</u></u>	<u><u>\$ 3 477</u></u>

See independent auditors' report.

<u>COUNTY ATTORNEY</u>	<u>COUNTY EMPLOYEE FUND</u>	<u>EXTENSION OFFICE</u>	<u>OTHER (FOR KIDS SAKE)</u>	<u>TOTAL</u>
\$ 16 932	\$ 1 000	\$ 1 030	\$ 2 974	\$ 7 457 285
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>279 503</u>
<u>\$ 16 932</u>	<u>\$ 1 000</u>	<u>\$ 1 030</u>	<u>\$ 2 974</u>	<u>\$ 7 736 788</u>
\$ 16 932	\$ 1 000	\$ 1 030	\$ 2 974	\$ 7 736 788
<u>\$ 16 932</u>	<u>\$ 1 000</u>	<u>\$ 1 030</u>	<u>\$ 2 974</u>	<u>\$ 7 736 788</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 December 31, 2022

	DISTRICT CLERK	COUNTY CLERK	SHERIFF	JUSTICES OF THE PEACE	TAX ASSESSOR COLLECTOR	DISTRICT ATTORNEY
Inflows:						
Fees	\$ 1 286 169	\$ 1 610 170	\$ 641 222	\$ 210 983	\$ 165 548 351	\$ -
Interest	190	-	-	-	5 659	-
TOTAL INFLOWS	<u>1 286 359</u>	<u>1 610 170</u>	<u>641 222</u>	<u>210 983</u>	<u>165 554 010</u>	<u>-</u>
Outflows:						
Distribution to others	1 009 817	1 696 160	591 807	208 916	165 100 870	-
TOTAL OUTFLOWS	<u>1 009 817</u>	<u>1 696 160</u>	<u>591 807</u>	<u>208 916</u>	<u>165 100 870</u>	<u>-</u>
CHANGE IN NET POSITION	276 542	(85 990)	49 415	2 067	453 140	-
Beginning 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>
ENDING NET POSITION	<u>\$ 811 532</u>	<u>\$ 1 863 013</u>	<u>\$ 748 767</u>	<u>\$ 16 696</u>	<u>\$ 4 271 367</u>	<u>\$ 3 477</u>

See independent auditors' report.

<u>COUNTY ATTORNEY</u>	<u>COUNTY EMPLOYEE FUND</u>	<u>EXTENSION OFFICE</u>	<u>OTHER (FOR KIDS SAKE)</u>	<u>TOTAL</u>
\$ 11 894	\$ 3 749 948	\$ 50	\$ 5 640	\$ 173 064 426
-	-	-	-	5 849
<u>11 894</u>	<u>3 749 948</u>	<u>50</u>	<u>5 640</u>	<u>173 070 275</u>
<u>11 075</u>	<u>3 749 948</u>	<u>-</u>	<u>2 666</u>	<u>172 371 258</u>
<u>11 075</u>	<u>3 749 948</u>	<u>-</u>	<u>2 666</u>	<u>172 371 258</u>
819	-	50	2 974	699 017
<u>16 113</u>	<u>1 000</u>	<u>980</u>	<u>-</u>	<u>7 037 771</u>
\$ <u>16 932</u>	\$ <u>1 000</u>	\$ <u>1 030</u>	\$ <u>2 974</u>	\$ <u>7 736 788</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, 2022, 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 25, 2023.

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 25, 2023


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, 2022. 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, 2022.

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 25, 2023


CERTIFIED PUBLIC ACCOUNTANTS

ANGELINA COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2022

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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Funds
21.027	Coronavirus State and Local Relief Funds

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, 2022

(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 Treasury: Coronavirus State and Local Fiscal Recovery Funds TOTAL CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		\$ <u>1 843 063</u> <u>1 843 063</u>
U.S. Department of Agriculture: Schools and Roads - Grants to Counties TOTAL U.S. DEPARTMENT OF AGRICULTURE	10.666		<u>92 064</u> <u>92 064</u>
U.S. Department of Justice: Coronavirus Emergency Supplemental Funding Program Bulletproof Vest Partnership Program Public Safety Partnership and Community Policing Grants TOTAL U.S. DEPARTMENT OF JUSTICE	16.034 16.607 16.710	TX Office of the Governor	9 670 5 272 <u>195 000</u> <u>209 942</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 HOUSING AND URBAN DEVELOPMENT	14.228		<u>225 704</u> <u>225 704</u>
U.S. Department of the Treasury: Coronavirus Relief Fund TOTAL U.S. DEPARTMENT OF THE TREASURY	21.019		<u>391 831</u> <u>391 831</u>
U.S. Election Assistance Commission: 2018 HAVA Election Security Grants TOTAL U.S. ELECTION ASSISTANCE COMMISSION	90.404	TX Secretary of State	<u>92 695</u> <u>92 695</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u><u>2 855 299</u></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, 2022

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, 2022

None

ANGELINA COUNTY, TEXAS
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2022

None