

ANGELINA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

December 31, 2019

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INTRODUCTORY SECTION

ANGELINA COUNTY, TEXAS
PRINCIPAL OFFICIALS
December 31, 2019

GOVERNING BODY

Honorable Don Lymbery.....County Judge
Greg Harrison.....Commissioner, Precinct 1
Kermit Kennedy.....Commissioner, Precinct 2
Terry Pitts.....Commissioner, Precinct 3
Bobby Cheshire.....Commissioner, Precinct 4

OTHER PRINCIPAL OFFICIALS

Billie Page.....Tax Assessor-Collector
Janice Cordray.....County Auditor
Cary Kirby.....County Attorney
Joe Martin.....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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Angelina County, Texas as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Angelina County, Texas as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining fund statements, and schedule of expenditures of federal awards as required by Uniform Guidance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 28, 2020 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 28, 2020


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, 2019. 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 \$45,040,006 (*net position*). Of this amount, \$6,752,430 (*unassigned 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 \$17,206,812, a decrease of \$276,193 in comparison with the prior year, before the prior period adjustments of \$2,596,722.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,515,509.

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.

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

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.

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 \$45,040,006 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (57 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	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 40 926	\$ 37 708	\$ 9 734	\$ 3 040	\$ 50 661	\$ 40 748
Capital assets	21 566	22 385	8 766	14 715	30 331	37 100
TOTAL ASSETS	<u>62 492</u>	<u>60 093</u>	<u>18 500</u>	<u>17 755</u>	<u>80 992</u>	<u>77 848</u>
Deferred outflows	7 973	5 149	201	-	8 184	5 149
Long-term liabilities	9 631	4 487	7 437	6 927	17 068	11 414
Other liabilities	5 096	5 423	520	209	5 616	5 632
TOTAL LIABILITIES	<u>14 710</u>	<u>9 911</u>	<u>7 957</u>	<u>7 135</u>	<u>22 666</u>	<u>17 046</u>
Deferred inflows	21 377	21 227	83	-	21 460	21 227
Net Position:						
Net invest in capital assets,	16 689	17 871	8 766	7 747	25 455	25 618
Restricted	5 064	2 824	7 769	6 968	12 833	9 792
Unrestricted	12 625	13 410	(5 873)	(4 095)	6 752	9 315
TOTAL NET POSITION	<u>\$ 34 378</u>	<u>\$ 34 105</u>	<u>\$ 10 661</u>	<u>\$ 10 620</u>	<u>\$ 45 040</u>	<u>\$ 44 725</u>

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

An additional portion of the County's net position (29 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$6,752,430 may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental Activities. Governmental activities decreased the County's net position by \$2,323,063. Key elements of this net decrease are as follows:

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for service	\$ 23 527	\$ 9 368	\$ 4 162	\$ 4 193	\$ 27 688	\$ 13 562
Operating grants and contributions	4 099	3 849	-	-	4 099	5 849
Capital grants and contributions	28	654	-	2 241	28	2 897
General Revenues:						
Property taxes	17 956	17 793	-	-	17 956	17 793
Sales taxes	6 578	6 483	-	-	6 578	6 483
Investment earnings	590	434	60	42	650	476
Miscellaneous	560	1 023	398	69	958	1 092
TOTAL REVENUES	<u>53 338</u>	<u>39 632</u>	<u>4 620</u>	<u>6 546</u>	<u>57 958</u>	<u>46 178</u>
Expenses:						
Administrative	9 215	9 225	-	-	9 215	9 225
Judicial and law enforcement	21 668	23 145	-	-	21 668	23 145
Health, welfare and sanitation	18 747	1 909	-	-	18 747	1 909
Highways and streets	5 783	4 322	-	-	5 783	4 322
Extension service	186	172	-	-	186	172
Interest and fiscal charges	62	66	-	-	62	66
Landfill	-	-	2 743	2 687	2 743	2 687
Airport	-	-	1 815	1 816	1 815	1 816
TOTAL EXPENSES	<u>55 661</u>	<u>38 839</u>	<u>4 558</u>	<u>4 503</u>	<u>60 219</u>	<u>43 342</u>
CHANGE IN NET POSITION	<u>(2 323)</u>	<u>765</u>	<u>62</u>	<u>2 044</u>	<u>(2 261)</u>	<u>2 809</u>
Net position, beginning (restated)	36 701	33 339	10 600	8 576	47 301	41 915
NET POSITION, ENDING	<u>\$ 34 378</u>	<u>\$ 34 105</u>	<u>\$ 10 662</u>	<u>\$ 10 620</u>	<u>\$ 45 040</u>	<u>\$ 44 725</u>

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 \$17,206,812. The *unassigned fund balance* amounts to a surplus of \$11,515,509. The amount of fund balance that is restricted \$5,063,740 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 \$11,515,509. 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 50 percent of total general fund expenditures.

The fund balance of the County's general fund increased by \$309,299 during the current fiscal year before the prior period adjustment. 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 \$2,072,316.

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

The road and bridge funds have a total fund balance of \$758,601, all of which is restricted for the maintenance and construction of roads and bridges. The net decrease in fund balance during the current year in the road and bridge funds are \$(213,074).

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

Unrestricted net position of the Landfill at the end of the year amounted to \$(6,315,804), and those for the Airport amounted to \$372,619. Net position restricted for future landfill closure of the Landfill at the end of the year amounted to \$7,769,014. The total change in net position for both funds was \$487,559 and \$(425,856), respectively before the prior period adjustment. 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 exceeded budgetary estimates by \$897,344. Expenditures were less than budgetary estimates by \$727,436.

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, 2019, amounts to \$30,331,235 (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	
	2019	2018	2019	2018	2019	2018
Land	\$ 685	\$ 700	\$ 2 181	\$ 2 181	\$ 2 866	\$ 2 881
Buildings	23 314	23 314	6 346	6 346	29 660	29 660
Machinery and equipment	15 784	16 018	6 433	6 299	22 217	22 317
Infrastructure	70 034	70 008	11 375	11 375	81 409	81 383
Construction in progress	459	168	1 924	4	2 383	172
Depreciation	(88 710)	(87 823)	(19 493)	(18 458)	(108 203)	(106 281)
TOTAL	\$ 21 566	\$ 22 385	\$ 8 766	\$ 7 747	\$ 30 332	\$ 30 132

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$2,130,000.

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2019	2018	2019	2018	2019	2018
Refunding bonds	\$ 2 130	\$ 2 835	\$ -	\$ -	\$ 2 130	\$ 2 835
Notes	624	68	-	-	624	68
Capital leases	1 410	1 610	-	-	1 410	1 610
Landfill closure and postclosure	-	-	7 274	6 927	7 274	6 927
Accrued compensated absences	262	244	-	-	262	244
TOTAL	\$ 4 426	\$ 4 757	\$ 7 274	\$ 6 927	\$ 11 700	\$ 11 684

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

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

Economic Factors and Next Years' Budgets and Rates

- The County's unemployment rate for the current fiscal year was 3.8 percent, which was 4.4 percent in the previous year. This compares unfavorably to the state's unemployment rate of 3.5 percent.
- Economic trends in the region compare favorably with state and national indices.

All other factors were considered in preparing the County's budget for the 2020 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, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and cash equivalent	\$ 2 426 017	\$ 260 682	\$ 2 686 699
Investments	23 455 329	1 231 114	24 686 443
Receivables (Net Allowance):			
Taxes	12 427 088	-	12 427 088
Miscellaneous	42 675	-	42 675
Intergovernmental	1 589 495	-	1 589 495
Accounts	358 443	331 103	689 546
Due from others	-	72 600	72 600
Inventory	-	56 917	56 917
Prepaid expense	627 563	13 201	640 764
TOTAL CURRENT ASSETS	40 926 610	1 965 617	42 892 227
Noncurrent Assets:			
Restricted Assets:			
Investments	-	7 769 014	7 769 014
Capital assets (net of depreciation)	21 565 576	8 765 659	30 331 235
TOTAL NONCURRENT ASSETS	21 565 576	16 534 673	38 100 249
TOTAL ASSETS	62 492 186	18 500 290	80 992 476
DEFERRED OUTFLOWS			
Pension related deferred outflows	7 972 898	200 899	8 173 797
TOTAL DEFERRED OUTFLOWS	7 972 898	200 899	8 173 797
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 70 465 084	\$ 18 701 189	\$ 89 166 273
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 1 027 538	\$ 355 715	\$ 1 383 253
Accrued liabilities	2 674 700	164 065	2 838 765
Accrued interest	63 421	-	63 421
Due within one year	1 330 833	-	1 330 833
TOTAL CURRENT LIABILITIES	5 096 492	519 780	5 616 272
Noncurrent Liabilities:			
Bond premium	48 993	-	48 993
Due in more than one year	3 095 008	7 273 728	10 368 736
Net pension liability	6 469 447	163 016	6 632 463
TOTAL NONCURRENT LIABILITIES	9 631 448	7 436 744	17 068 192
TOTAL LIABILITIES	14 709 940	7 956 524	22 666 464
DEFERRED INFLOWS			
Deferred pension inflow	3 296 275	83 059	3 379 334
Unavailable revenues	18 080 469	-	18 080 469
TOTAL DEFERRED INFLOWS	21 376 744	83 059	21 459 803
NET POSITION			
Net investment in capital assets	16 689 163	8 765 659	25 454 822
Restricted:			
Construction	12 473	-	12 473
Debt service	331 461	-	331 461
Other	4 719 806	7 769 014	12 488 820
Unrestricted	12 625 497	(5 873 067)	6 752 430
TOTAL NET POSITION	34 378 400	10 661 606	45 040 006
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 70 465 084	\$ 18 701 189	\$ 89 166 273

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, 2019

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
Administrative	\$ 9 214 518	\$ 5 960 287	\$ 51 260	\$ -
Judicial and law enforcement	21 667 845	1 587 042	3 515 003	-
Health, welfare and sanitation	18 747 193	14 587 192	116 389	27 986
Highways and streets	5 782 765	1 392 295	416 020	-
Extension services	186 254	-	-	-
Interest and fiscal charges	62 165	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	55 660 740	23 526 816	4 098 672	27 986
Business-Type Activities:				
Landfill	2 742 982	2 823 258	-	-
Airport	1 815 294	1 338 404	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	4 558 276	4 161 662	-	-
TOTAL GOVERNMENT	\$ 60 219 016	\$ 27 688 478	\$ 4 098 672	\$ 27 986

General Revenues:
Property taxes
Sales taxes
Unrestricted investment earnings
Miscellaneous revenues
TOTAL GENERAL REVENUES
CHANGE IN NET POSITION
Net position - Beginning of year
Prior period adjustment
Net position - Beginning (Restated)

NET POSITION - ENDING

NET (EXPENSE) REVENUE AND CHANGE
IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (3 202 971)	\$ -	\$ (3 202 971)
(16 565 800)	-	(16 565 800)
(4 015 626)	-	(4 015 626)
(3 974 450)	-	(3 974 450)
(186 254)	-	(186 254)
(62 165)	-	(62 165)
<u>(28 007 266)</u>	<u>-</u>	<u>(28 007 266)</u>
-	80 276	80 276
<u>-</u>	<u>(476 890)</u>	<u>(476 890)</u>
-	(396 614)	(396 614)
<u>(28 007 266)</u>	<u>(396 614)</u>	<u>(28 403 880)</u>
17 956 366	-	17 956 366
6 578 377	-	6 578 377
589 667	60 351	650 018
<u>559 793</u>	<u>398 006</u>	<u>957 799</u>
<u>25 684 203</u>	<u>458 357</u>	<u>26 142 560</u>
<u>(2 323 063)</u>	<u>61 743</u>	<u>(2 261 320)</u>
34 104 741	10 620 239	44 724 980
<u>2 596 722</u>	<u>(20 376)</u>	<u>2 576 346</u>
<u>36 701 463</u>	<u>10 599 863</u>	<u>47 301 326</u>
\$ <u>34 378 400</u>	\$ <u>10 661 606</u>	\$ <u>45 040 006</u>

ANGELINA COUNTY, TEXAS
COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	GENERAL FUND	LOCAL PROVIDER PARTICIPATION FUND	ROAD AND BRIDGE #1 FUND	ROAD AND BRIDGE #2 FUND
ASSETS				
Cash and cash equivalent	\$ (1 617 496)	\$ 2 072 316	\$ 132 500	\$ 291 556
Investments	21 076 117	-	-	-
Receivables:				
Taxes	12 427 088	-	-	-
Miscellaneous	-	-	-	-
Intergovernmental	1 221 991	-	-	-
Other	358 443	-	-	-
Due from other funds	3 000	-	684 024	295 718
TOTAL ASSETS	33 469 143	2 072 316	816 524	587 274
DEFERRED OUTFLOWS				
Prepaid expense	627 563	-	-	-
TOTAL DEFERRED OUTFLOWS	627 563	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 34 096 706	\$ 2 072 316	\$ 816 524	\$ 587 274
LIABILITIES				
Accounts payable	\$ 612 865	\$ -	\$ 31 304	\$ 1 333
Accrued liabilities	1 457 614	-	27 520	11 339
Accrued compensated absences	664 932	-	25 901	7 244
Due to other funds	3 463 034	-	-	-
TOTAL LIABILITIES	6 198 445	-	84 725	19 916
DEFERRED INFLOWS				
Unearned revenues	15 755 189	-	696 305	298 147
TOTAL DEFERRED INFLOWS	15 755 189	-	696 305	298 147
FUND BALANCES				
Nonspendable	627 563	-	-	-
Restricted:				
Highways and streets	-	-	35 494	269 211
Construction	-	-	-	-
Health and welfare	-	2 072 316	-	-
Debt service	-	-	-	-
Other	-	-	-	-
Unassigned	11 515 509	-	-	-
TOTAL FUND BALANCES	12 143 072	2 072 316	35 494	269 211
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 34 096 706	\$ 2 072 316	\$ 816 524	\$ 587 274

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

ROAD AND BRIDGE #3 FUND	ROAD AND BRIDGE #4 FUND	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 284 460	\$ 346 989	\$ 2 354 537	\$ 3 864 862
-	-	307 351	21 383 468
-	-	-	12 427 088
-	11 800	30 075	41 875
-	-	367 504	1 589 495
-	-	-	358 443
875 460	807 682	800 150	3 466 034
<u>1 159 920</u>	<u>1 166 471</u>	<u>3 859 617</u>	<u>43 131 265</u>
-	-	-	627 563
-	-	-	627 563
\$ <u>1 159 920</u>	\$ <u>1 166 471</u>	\$ <u>3 859 617</u>	\$ <u>43 758 828</u>
\$ 16 998	\$ 6 521	\$ 358 517	\$ 1 027 538
35 548	29 300	141 162	1 702 483
35 175	33 254	51 324	817 830
-	-	3 000	3 466 034
<u>87 721</u>	<u>69 075</u>	<u>554 003</u>	<u>7 013 885</u>
892 599	823 100	1 072 791	19 538 131
<u>892 599</u>	<u>823 100</u>	<u>1 072 791</u>	<u>19 538 131</u>
-	-	-	627 563
179 600	274 296	-	758 601
-	-	12 473	12 473
-	-	-	2 072 316
-	-	331 461	331 461
-	-	1 888 889	1 888 889
-	-	-	11 515 509
<u>179 600</u>	<u>274 296</u>	<u>2 232 823</u>	<u>17 206 812</u>
\$ <u>1 159 920</u>	\$ <u>1 166 471</u>	\$ <u>3 859 617</u>	\$ <u>43 758 828</u>

ANGELINA COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
 December 31, 2019

Total fund balances - Governmental funds balance sheet	\$	17 206 812
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.		21 565 576
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		1 457 662
Payables for debt principal, interest and bond premium which are not due in the current period are not reported in the funds.		(5 025 994)
Recognition of the County's net pension liability and related deferred outflows are not reported in the funds.		(1 043 423)
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>217 767</u>
 NET POSITION OF GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION	 \$	 <u><u>34 378 400</u></u>

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

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 December 31, 2019

	GENERAL FUND	LOCAL PROVIDER PARTICIPATION FUND	ROAD AND BRIDGE #1 FUND	ROAD AND BRIDGE #2 FUND
Revenues:				
Ad valorem taxes	\$ 14 571 538	\$ -	\$ 633 659	\$ 279 970
Sales tax	6 544 730	-	8 719	1 615
Other taxes	123 180	-	-	-
Intergovernmental	575 995	-	92 251	17 342
Charges for services	1 042	-	-	-
Fines and fees	3 022 895	14 464 491	329 848	60 965
Interest income	399 753	30 908	11 529	10 715
Contributions and donations	-	-	-	-
Other revenue	192 231	-	40 979	848
TOTAL REVENUES	25 431 364	14 495 399	1 116 985	371 455
Expenditures:				
Administrative	7 616 725	-	-	-
Judicial and law enforcement	13 880 486	-	-	-
Health, welfare and sanitation	1 573 634	15 027 063	-	-
Highways and streets	-	-	1 411 482	582 200
Extension services	138 501	-	-	-
Capital outlays	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other fees	-	-	-	-
TOTAL EXPENDITURES	23 209 346	15 027 063	1 411 482	582 200
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2 222 018	(531 664)	(294 497)	(210 745)
Other Financing Sources (Uses):				
Operating transfers in	39	-	200 000	100 000
Operating transfers out	(1 912 758)	-	-	-
Loss on disposal of asset	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1 912 719)	-	200 000	100 000
NET CHANGE IN FUND BALANCE	309 299	(531 664)	(94 497)	(110 745)
Fund balance - Beginning	11 863 224	-	129 991	379 956
Prior period adjustment	(29 451)	2 603 980	-	-
FUND BALANCE - BEGINNING (RESTATED)	11 833 773	2 603 980	129 991	379 956
FUND BALANCE - ENDING	\$ 12 143 072	\$ 2 072 316	\$ 35 494	\$ 269 211

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

	ROAD AND BRIDGE #3 FUND	ROAD AND BRIDGE #4 FUND	OTHER NON-MAJOR GOVERNMENT FUNDS	TOTAL GOVERNMENT FUNDS
\$	811 552	\$ 754 430	\$ 828 950	\$ 17 880 099
	12 104	11 209	-	6 578 377
	-	-	-	123 180
	128 342	116 954	3 825 316	4 756 200
	-	-	-	1 042
	464 768	421 346	523 780	19 288 093
	16 890	16 401	61 464	547 660
	-	-	54 974	54 974
	-	3 037	12 361	249 456
	<u>1 433 656</u>	<u>1 323 377</u>	<u>5 306 845</u>	<u>49 479 081</u>
	-	-	425 880	8 042 605
	-	-	4 860 456	18 740 942
	-	-	121 104	16 721 801
	1 628 207	1 400 116	4 750	5 026 755
	19 268	-	-	157 769
	60 114	41 867	192 978	294 959
	-	-	705 000	705 000
	-	-	50 150	50 150
	<u>1 707 589</u>	<u>1 441 983</u>	<u>6 360 318</u>	<u>49 739 981</u>
	<u>(273 933)</u>	<u>(118 606)</u>	<u>(1 053 473)</u>	<u>(260 900)</u>
	200 000	200 000	1 212 758	1 912 797
	-	-	(39)	(1 912 797)
	<u>(15 293)</u>	<u>-</u>	<u>-</u>	<u>(15 293)</u>
	<u>184 707</u>	<u>200 000</u>	<u>1 212 719</u>	<u>(15 293)</u>
	<u>(89 226)</u>	<u>81 394</u>	<u>159 246</u>	<u>(276 193)</u>
	268 826	192 902	2 051 384	14 886 283
	-	-	22 193	2 596 722
	<u>268 826</u>	<u>192 902</u>	<u>2 073 577</u>	<u>17 483 005</u>
\$	<u>179 600</u>	\$ <u>274 296</u>	\$ <u>2 232 823</u>	\$ <u>17 206 812</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, 2019

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

Net change in fund balances - Total governmental funds	\$	(276 193)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital depreciation exceeded outlays in the current period.		(819 278)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		76 267
The issuance of long-term debt (e.g., bonds, notes) 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.		469 684
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.		(817 614)
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>(955 929)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>(2 323 063)</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND GROUP HEALTH INSURANCE FUND
	LANDFILL	AIRPORT	TOTAL	
ASSETS				
Current Assets:				
Cash and cash equivalent	\$ (83 312)	\$ 343 994	\$ 260 682	\$ (1 438 845)
Investments	1 231 114	-	1 231 114	2 071 861
Receivables (Net Allowance):				
Accounts	251 534	79 569	331 103	800
Due from others	1 104	71 496	72 600	-
Inventory	-	56 917	56 917	-
Prepaid expense	13 201	-	13 201	-
TOTAL CURRENT ASSETS	1 413 641	551 976	1 965 617	633 816
Noncurrent Assets:				
Restricted Assets:				
Investments	7 769 014	-	7 769 014	-
TOTAL RESTRICTED ASSETS	7 769 014	-	7 769 014	-
Capital assets (net of depreciation)	5 588 821	3 176 838	8 765 659	-
TOTAL NONCURRENT ASSETS	13 357 835	3 176 838	16 534 673	-
TOTAL ASSETS	14 771 476	3 728 814	18 500 290	633 816
Deferred outflows	154 692	46 207	200 899	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 14 926 168	\$ 3 775 021	\$ 18 701 189	\$ 633 816
LIABILITIES				
Current Liabilities:				
Accounts/claims payable	\$ 287 366	\$ 68 349	\$ 355 715	\$ -
Accrued liabilities	120 365	43 700	164 065	416 049
TOTAL CURRENT LIABILITIES	407 731	112 049	519 780	416 049
Noncurrent Liabilities:				
Pension liability	125 522	37 494	163 016	-
Landfill post closure cost - Noncurrent	7 273 728	-	7 273 728	-
TOTAL NONCURRENT LIABILITIES	7 399 250	37 494	7 436 744	-
TOTAL LIABILITIES	7 806 981	149 543	7 956 524	416 049
Deferred inflows	63 955	19 104	83 059	-
NET POSITION				
Net investment in capital assets	5 588 821	3 176 838	8 765 659	-
Restricted for post closure liability	7 769 014	-	7 769 014	-
Unrestricted	(6 302 603)	429 536	(5 873 067)	217 767
TOTAL NET POSITION	7 055 232	3 606 374	10 661 606	217 767
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 14 926 168	\$ 3 775 021	\$ 18 701 189	\$ 633 816

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, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND GROUP HEALTH INSURANCE FUND
	LANDFILL	AIRPORT	TOTAL	
Operating Revenues:				
Charges for services	\$ 2 823 258	\$ 123 957	\$ 2 947 215	\$ -
Fuel and oil sales	-	1 056 752	1 056 752	-
Café sales	-	157 695	157 695	-
Employee premiums	-	-	-	485 157
Employer premiums	-	-	-	2 909 600
Stop-loss reimbursements	-	-	-	254 176
Other revenue	41 423	43 932	85 355	106 682
TOTAL OPERATING REVENUES	2 864 681	1 382 336	4 247 017	3 755 615
Operating Expenses:				
Salaries	953 293	363 594	1 316 887	-
Fuel	-	673 460	673 460	-
Café cost	-	210 394	210 394	-
Repairs and supplies	556 353	62 794	619 147	-
Depreciation and amortization	635 878	400 185	1 036 063	-
Professional fees	84 100	-	84 100	-
Insurance claims and related expenses	-	-	-	4 615 236
Closure and post closure expense	347 185	-	347 185	-
Capital outlay	65 590	7 493	73 083	-
Other expenses	100 583	97 374	197 957	-
TOTAL OPERATING EXPENSES	2 742 982	1 815 294	4 558 276	4 615 236
OPERATING INCOME (LOSS)	121 699	(432 958)	(311 259)	(859 621)
Non-Operating Revenues:				
Interest earned	53 249	7 102	60 351	42 007
Trust income	312 651	-	312 651	-
TOTAL NON-OPERATING REVENUES	365 900	7 102	373 002	42 007
NET CHANGE IN NET POSITION	487 599	(425 856)	61 743	(817 614)
Net position - Beginning	6 583 232	4 037 007	10 620 239	1 035 381
Prior period adjustment	(15 599)	(4 777)	(20 376)	-
NET POSITION - BEGINNING, RESTATED	6 567 633	4 032 230	10 599 863	1 035 381
NET POSITION - ENDING	\$ 7 055 232	\$ 3 606 374	\$ 10 661 606	\$ 217 767

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, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND GROUP HEALTH INSURANCE FUND
	LANDFILL	AIRPORT	TOTALS	
Cash Flows From Operating Activities:				
Receipts from customers	\$ 2 808 089	\$ 1 369 372	\$ 4 177 461	\$ -
Receipts from interfund services provided	-	-	-	3 754 815
Payments for interfund services used	-	-	-	(4 823 115)
Payments to suppliers	(590 548)	(890 657)	(1 481 205)	-
Payments to employees	(900 318)	(467 292)	(1 367 610)	-
NET CASH USED BY OPERATING ACTIVITIES	<u>1 317 223</u>	<u>11 423</u>	<u>1 328 646</u>	<u>(1 068 300)</u>
Cash Flows From Non-Capital Financing Activities:				
Borrowing (to) from other funds	-	23 860	23 860	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>23 860</u>	<u>23 860</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(1 710 400)	(115 113)	(1 825 513)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1 710 400)</u>	<u>(115 113)</u>	<u>(1 825 513)</u>	<u>-</u>
Cash Flows From Investing Activities:				
Purchase of investments	(338 183)	-	(338 183)	(841 202)
Interest received	53 249	7 102	60 351	42 007
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(284 934)</u>	<u>7 102</u>	<u>(277 832)</u>	<u>(799 195)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(678 111)	(72 728)	(750 839)	(1 867 495)
Cash and cash equivalents - Beginning of year	594 799	416 722	1 011 521	428 650
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ (83 312)</u>	<u>\$ 343 994</u>	<u>\$ 260 682</u>	<u>\$ (1 438 845)</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 121 699	\$ (432 958)	\$ (311 259)	\$ (859 621)
Adjustments:				
Depreciation	635 878	400 185	1 036 063	-
Decrease (increase) in accounts receivable	(56 592)	(12 964)	(69 556)	(800)
Decrease (increase) in inventory	-	(17 896)	(17 896)	-
Decrease (increase) in prepaid expense	(13 201)	-	(13 201)	-
Decrease (increase) in deferred outflows	(154 692)	(46 207)	(200 899)	-
Increase (decrease) in accounts/claims payable	229 279	61 412	290 691	(258)
Increase (decrease) in accrued liabilities	18 190	3 253	21 443	(207 621)
Increase (decrease) in deferred inflows	63 955	19 104	83 059	-
Increase (decrease) in pension liabilities	125 522	37 494	163 016	-
Increase (decrease) in landfill closure and post closure cost	347 185	-	347 185	-
TOTAL ADJUSTMENTS	<u>1 195 524</u>	<u>444 381</u>	<u>1 639 905</u>	<u>(208 679)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1 317 223</u>	<u>\$ 11 423</u>	<u>\$ 1 328 646</u>	<u>\$ (1 068 300)</u>

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

ANGELINA COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
December 31, 2019

	<u>TOTAL AGENCY FUNDS</u>
ASSETS	
Cash and cash equivalents	\$ 10 656 980
Investments	<u>890 437</u>
TOTAL ASSETS	\$ <u>11 547 417</u>
LIABILITIES	
Due to others	\$ <u>11 547 417</u>
TOTAL LIABILITIES	\$ <u>11 547 417</u>

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 *road and bridge - special revenue funds* account for the resources and expenses related to roads and bridges.

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 agency funds. The County has only agency funds which are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Receivables and Payables

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

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

Property taxes are levied by October 1 and are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure payment of all taxes, penalties, and interest ultimately imposed.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.
- 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.

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2019

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, 2019, expenditures exceeded appropriations (by significant amounts) in the following funds and departments:

DEPARTMENT/FUND	AMOUNT
General - Information Technology	\$ 39 575
General - County Public Health and Welfare	\$ 248 312

C. Deficit Fund Equity

SPECIAL REVENUE FUNDS	DEFICIT BALANCE
Juvenile Services	\$ 618 326
District Attorney	\$ 353
Grant Fund	\$ 6 263

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

At year end, the County's carrying amount of deposits was \$10,922,238 and the bank balance was \$10,679,781. Amounts over FDIC coverage were collateralized with securities held by the pledging financial institution's trust department or agent in the government's name.

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:

	1	2	3	REPORTED AMOUNT/ FAIR VALUE
Waste Management Center Trust:				
U.S. Government Securities	\$ 2 833 014	\$ -	\$ -	\$ 2 833 014
Certificates of Deposits	4 936 000	-	-	4 936 000
				7 769 014
Investment Pools:				
Tex Star	-	-	6 353 406	6 353 406
Tex CLASS	-	-	2 898 184	2 898 184
Investors Cash Trust	-	-	-	-
Certificates of Deposits	4 028 322	-	-	4 028 322
Tex Pool	-	-	7 748 089	7 748 089
Money Market Funds	1 002 727	-	-	1 002 727
TOTAL INVESTMENTS	\$ 12 800 063	\$ -	\$ 16 999 679	\$ 29 799 742

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

C. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	BEGINNING BALANCE	ADDITIONS	TRANSFERS	DELETIONS	ENDING BALANCE
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 699 863	\$ -	\$ -	\$ (14 849)	\$ 685 014
Construction in progress	168 459	290 645	-	-	459 104
TOTAL ASSETS NOT BEING DEPRECIATED	868 322	290 645	-	(14 849)	1 144 118
Capital Assets Being Depreciated:					
Buildings	23 314 421	-	-	-	23 314 421
Equipment	16 017 385	2 310 524	(8 000)	(2 536 595)	15 783 314
Infrastructure	70 008 073	25 768	-	-	70 033 841
TOTAL ASSETS BEING DEPRECIATED	109 339 879	2 336 292	(8 000)	(2 536 595)	109 131 576
Less Accumulated Depreciation For:					
Buildings	(12 262 040)	(594 250)	-	-	(12 856 290)
Equipment	(11 485 978)	(1 134 564)	8 000	1 331 089	(11 281 453)
Infrastructure	(64 075 329)	(497 046)	-	-	(64 572 375)
TOTAL ACCUMULATED DEPRECIATION	(87 823 347)	(2 225 860)	8 000	1 331 089	(88 710 118)
TOTAL ASSETS BEING DEPRECIATED, NET	21 516 532	110 432	-	(1 205 506)	20 421 458
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 22 384 854	\$ 401 077	\$ -	\$ (1 220 355)	\$ 21 565 576
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 2 180 720	\$ -	\$ -	\$ -	\$ 2 180 720
Construction in progress	4 000	1 919 818	-	-	1 923 818
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	2 184 720	1 919 818	-	-	4 104 538
Capital Assets Being Depreciated:					
Buildings and improvements	6 346 664	-	-	-	6 346 664
Machinery and equipment	6 298 750	134 662	8 000	(9 141)	6 432 271
Infrastructure	11 375 179	-	-	-	11 375 179
TOTAL CAPITAL ASSETS BEING DEPRECIATED	24 020 593	134 662	8 000	(9 141)	24 154 114
Less Accumulated Depreciation For:					
Buildings and improvements	(5 414 690)	(202 510)	-	-	(5 617 200)
Machinery and equipment	(4 070 465)	(481 178)	(8 000)	9 141	(4 550 502)
Infrastructure	(8 972 916)	(352 375)	-	-	(9 325 291)
TOTAL ACCUMULATED DEPRECIATION	(18 458 071)	(1 036 063)	(8 000)	9 141	(19 492 993)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	5 562 522	(901 401)	-	-	4 661 121
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 7 747 242	\$ 1 018 417	\$ -	\$ -	\$ 8 765 659

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.

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

Governmental Activities:	
Administration	\$ 531 795
Judicial and law enforcement	1 239 193
Health, welfare and sanitation	112 060
Streets and highways	332 380
Extension service	10 432
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 2 225 860
Business-Type Activities:	
Landfill	\$ 635 878
Airport	400 185
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	\$ 1 036 063

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

D. Long-Term Debt

Refunding Bond:

Refunding bonds payable at December 31, 2019 are comprised of the following individual issues:

\$8,195,000 Series 2012 Unlimited Tax Refunding Bond, maturing serially through 2022 with principal payments from \$135,000 to \$745,000 and interest at 2%	\$ <u>2 130 000</u>
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The County expended \$49,650 for interest on Refunding Bonds for the year ended December 31, 2019.

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

YEAR ENDING DECEMBER 31,	GOVERNMENTAL ACTIVITIES		
	PRINCIPAL	INTEREST	TOTAL
2020	\$ 675 000	\$ 35 850	\$ 710 850
2021	745 000	21 650	766 650
2022	710 000	7 100	717 100
TOTAL	\$ <u>2 130 000</u>	\$ <u>64 600</u>	\$ <u>2 194 600</u>

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

Notes:

Notes payable at December 31, 2019 are comprised of the following individual issue:

\$51,515 maturing through 2020, with principal payments from \$16,838 to \$17,520 with interest at 2.75% for a GMC Sierra K35	\$ 17 158
\$42,000 maturing in 2020 with interest at 5.75% for a 2007 Mack Dump Truck	42 000
\$24,727 maturing through 2022 with payments of \$8,753 including interest at 4.05% for a 2018 GMC Pickup	24 727
\$814,382 maturing through 2021 with payments of \$280,102 to \$268,196 including interest at 0.99% for election equipment	<u>540 243</u>
	\$ <u>624 128</u>

YEAR ENDING DECEMBER 31,	GOVERNMENTAL ACTIVITIES		
	PRINCIPAL	INTEREST	TOTAL
2020	\$ 342 143	\$ 1 987	\$ 344 130
2021	273 578	677	274 255
2022	8 407	345	8 752
	\$ <u>624 128</u>	\$ <u>3 009</u>	\$ <u>627 137</u>

Leases:

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

	PRINCIPAL	INTEREST	TOTAL
2020	\$ 313 690	\$ 48 229	\$ 361 919
2021	327 416	38 237	365 653
2022	222 933	28 125	251 058
2023	546 012	2 709	548 721
	\$ <u>1 410 051</u>	\$ <u>117 300</u>	\$ <u>1 527 351</u>

Change in Long-Term Liabilities:

GOVERNMENTAL ACTIVITIES	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Notes payable	\$ 68 230	\$ 881 109	\$ 325 211	\$ 624 128	\$ 342 143
Refunding bond	2 835 000	-	705 000	2 130 000	675 000
Capital leases	1 610 668	1 190 264	1 390 881	1 410 051	313 690
Accrued compensated absences	224 495	37 167	-	261 662	-
GOVERNMENTAL ACTIVITY LONG- TERM LIABILITIES	\$ <u>4 738 393</u>	\$ <u>2 108 540</u>	\$ <u>2 421 092</u>	\$ <u>4 425 841</u>	\$ <u>1 330 833</u>

ANGELINA COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

BUSINESS-TYPE ACTIVITIES	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Landfill closure and post closure costs	\$ 6 926 543	\$ 347 185	\$ -	\$ 7 273 728	\$ -
BUSINESS-TYPE ACTIVITY LONG- TERM LIABILITIES	\$ 6 926 543	\$ 347 185	\$ -	\$ 7 273 728	\$ -

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 \$7,273,728 as of December 31, 2019, which was based on 51% usage (filled) of the landfill. It is estimated that an additional \$6,891,109 will be recognized as closure and postclosure expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2042). The estimated total current cost of the landfill closure and postclosure of \$14,164,837 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, 2019. 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, 2019, the balance in the landfill trust account was \$7,769,014. The future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers or both.

E. Tax Abatements

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

For the fiscal year ended December 31, 2019, the County abated property taxes totaling \$165,182 under this program, the amount of property valuation abated in the current and future years is as follows:

2019	\$ 37 788 758
2020	27 772 481
2021	19 772 002
2022	12 606 636
2023	5 757 395
Thereafter	3 092 806
TOTAL	\$ 106 790 078

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.

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.

NOTE 4 - OTHER INFORMATION - CONTINUED

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	2.75%
Salary Increases	Varies by age and service, 4.9% average over career including inflation.
Investment Rate of Return	8.00%, 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, 2018 actuarial valuation analysis for the Angelina County. This information may also be found in the Angelina County December 31, 2018 Summary Valuation Report.

Economic Assumptions:

TCDRS System-Wide Economic Assumptions:

Real rate of return	5.25%
Inflation	2.75%
Long-term investment return	8.00%

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, 2019

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	3.25%

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

**Table 1
Merit Salary Increases***

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

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

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2019

NOTE 4 - OTHER INFORMATION - CONTINUED

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

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

Mortality

Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, projected with 110% of the MP-14 Ultimate scale after 2014.
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

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

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

ANGELINA COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2019

NOTE 4 - OTHER INFORMATION - CONTINUED

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

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

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

- a) age 60
- b) earliest retirement eligibility.

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

**Table 4
 Annual Rates of Termination**

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

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

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2019

NOTE 4 - OTHER INFORMATION - CONTINUED

Table 5
Probability of Withdrawal

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

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

C. Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2019 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 30-year time horizon; the most recent analysis was performed in 2017. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2013 - December 31, 2016 for more details.

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	10.50%	5.40%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	18.00%	8.40%
Global Equities	MSCI World (net) Index	2.50%	5.70%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	10.00%	5.40%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	7.00%	5.90%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	1.60%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	4.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.95%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	2.00%	7.20%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global Real Estate (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.35%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	6.30%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	13.00%	3.90%

- (1) Target asset allocation adopted at the April 2019 TCDRS Board meeting.
(2) Geometric real rates of return in addition to assumed inflation of 1.7%, per Cliffwater's 2019 capital market assumptions.
(3) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.
(4) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.
(5) Includes vintage years 2007-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:

- 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.

ANGELINA COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2019

NOTE 4 - OTHER INFORMATION - CONTINUED

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.

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 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, 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 8.10%, 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 (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$ 78 921 616	\$ 69 743 133	\$ 62 068 635
Fiduciary net position	\$ 63 110 670	\$ 63 110 670	\$ 63 110 670
Net pension liability/(asset)	\$ 15 810 946	\$ 6 632 463	\$ (1 042 035)

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2019

NOTE 4 - OTHER INFORMATION - CONTINUED

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, 2017	\$ 66 489 248	\$ 65 334 044	\$ 1 155 204
Changes for the Year:			
Service cost	1 985 314	-	1 985 314
Interest on total pension liability ⁽¹⁾	5 403 769	-	5 403 769
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(542 520)	-	(542 520)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(435 210)	(435 210)	-
Benefit payments	(3 157 468)	(3 157 468)	-
Administrative expenses	-	(50 691)	50 691
Member contributions	-	1 125 475	(1 125 475)
Net investment income	-	(1 227 483)	1 227 483
Employer contributions	-	1 542 976	(1 542 976)
Other ⁽²⁾	-	(20 973)	20 973
Balances as of December 31, 2018	<u>\$ 69 743 133</u>	<u>\$ 63 110 670</u>	<u>\$ 6 632 463</u>

(1) Reflects the change in the liability due to the time value of money. TCERS 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, 2019, 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	\$ 1 121 785	\$ 1
Change of assumptions	-	395 622
Net difference between projected and actual earnings	2 257 549	6 240 557
Contributions made subsequent to measurement date	-	1 537 617
	<u>\$ 3 379 334</u>	<u>\$ 8 173 797</u>

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,	
2019	\$ 1 247 940
2020	\$ 413 623
2021	\$ 407 786
2022	\$ 1 187 497
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 \$633,016 at December 31, 2019. The claims liability of \$413,665 reported in the Fund at December 31, 2019 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
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
2015	\$ 152 473	\$ 3 078 672	\$ (3 047 412)	\$ 183 733

I. Risk Management

The County is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Angelina County maintains commercial insurance coverage covering each of those risks of loss, except for workers' compensation insurance. The County has joined other governmental entities in the region to form the Deep East Texas Workers Compensation Insurance Fund (DETWCIF). 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. Prior Period Adjustment

During the year, the County closed several funds, changed the local participation fund to a government fund from a trust fund, and recognized the portion of pension liability related to each proprietary fund. These resulted in prior period adjustments of \$2,596,722 in government wide, \$2,596,722 in governmental funds, and \$(20,376) in proprietary fund balances and net positions.

K. Subsequent Event

After the end of the fiscal year, the United States economy was significantly impacted by the Covid-19 pandemic. As of the release of these financial statements, the economic impact to the County is unknown.

Management has evaluated subsequent events through July 28, 2020, the date the financial statements were available to be released.

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, 2019

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 14 576 970	\$ 14 576 970	\$ 14 571 538	\$ (5 432)
Sales tax	6 000 000	6 000 000	6 544 730	544 730
Other taxes	100 000	100 000	123 180	23 180
Intergovernmental	589 000	589 000	575 995	(13 005)
Charges for services	-	-	1 042	1 042
Fines and fees	2 983 500	2 983 500	3 022 895	39 395
Interest income	130 000	130 000	399 753	269 753
Other revenues	154 550	154 550	192 231	37 681
TOTAL REVENUES	24 534 020	24 534 020	25 431 364	897 344
Expenditures:				
Administrative:				
County Commissioners	412 005	412 005	413 980	(1 975)
County Clerk	571 414	571 414	549 947	21 467
County Service Officer	11 784	11 784	-	11 784
County Judge	234 326	234 326	194 570	39 756
County Auditor	617 434	617 434	548 668	68 766
County Treasurer	195 058	195 058	195 395	(337)
County Tax Assessor-Collector	997 471	997 471	975 501	21 970
Election/Voter Registration	643 591	643 591	629 293	14 298
Emergency Management	102 304	102 304	102 483	(179)
Collections	116 168	116 168	91 403	24 765
Information Technology	884 122	884 122	923 697	(39 575)
Maintenance	718 563	718 563	681 015	37 548
General Administration	2 555 606	2 555 606	2 310 773	244 833
TOTAL ADMINISTRATIVE	8 059 846	8 059 846	7 616 725	443 121
Judicial and Law Enforcement:				
County Court-at-Law I	520 393	520 393	466 338	54 055
County Court-at-Law II	640 023	640 023	632 267	7 756
County Attorney	1 019 491	1 019 491	1 000 864	18 627
Constable Pct 1	98 246	98 246	97 744	502
Constable Pct 2	79 473	79 473	78 947	526
Constable Pct 3	78 588	78 588	76 801	1 787
Constable Pct 4	80 700	80 700	77 629	3 071
County Jail	3 969 462	3 969 462	3 854 293	115 169
County Sheriff	4 595 261	4 595 261	4 491 389	103 872
District Courts	957 143	957 143	880 305	76 838
District Clerk	613 891	613 891	533 998	79 893
District Attorney	965 155	965 155	940 970	24 185
Juvenile Judges	55 197	55 197	48 657	6 540
Justice of the Peace Pct 1	237 047	237 047	223 586	13 461
Justice of the Peace Pct 2	181 308	181 308	160 121	21 187
Justice of the Peace Pct 3	134 215	134 215	137 033	(2 818)
Justice of the Peace Pct 4	183 454	183 454	179 544	3 910
TOTAL JUDICIAL AND LAW ENFORCEMENT	14 409 047	14 409 047	13 880 486	528 561
Health, Welfare and Sanitation:				
County Public Health and Welfare	1 325 322	1 325 322	1 573 634	(248 312)
Extension Service:				
County Ag Extension Service	142 567	142 567	138 501	4 066
TOTAL EXPENDITURES	23 936 782	23 936 782	23 209 346	727 436
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	597 238	597 238	2 222 018	1 624 780
Other Financing Sources (Uses):				
Operating transfers in	700 000	700 000	39	(699 961)
Operating transfers out	(1 889 627)	(2 009 627)	(1 912 758)	96 869
TOTAL OTHER FINANCING SOURCES (USES)	(1 189 627)	(1 309 627)	(1 912 719)	(603 092)
NET CHANGE IN FUND BALANCES	(592 389)	(712 389)	309 299	1 021 688
Beginning fund balance	11 863 224	11 863 224	11 863 224	-
Prior period adjustment	(29 451)	(29 451)	(29 451)	-
BEGINNING FUND BALANCE (RESTATED)	11 833 773	11 833 773	11 833 773	-
ENDING FUND BALANCE	\$ 11 241 384	\$ 11 121 384	\$ 12 143 072	\$ 1 021 688

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ROAD AND BRIDGE FUND #1
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 633 659	\$ 633 659	\$ 633 659	\$ -
Sales tax	7 256	7 256	8 719	1 463
Intergovernmental	31 499	31 499	92 251	60 752
Fines and fees	327 901	327 901	329 848	1 947
Interest	3 000	3 000	11 529	8 529
Other revenues	-	40 000	40 979	979
TOTAL REVENUES	<u>1 003 315</u>	<u>1 043 315</u>	<u>1 116 985</u>	<u>73 670</u>
Expenditures:				
Highways and streets	1 217 218	1 457 218	1 411 482	45 736
TOTAL EXPENDITURES	<u>1 217 218</u>	<u>1 457 218</u>	<u>1 411 482</u>	<u>45 736</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(213 903)</u>	<u>(413 903)</u>	<u>(294 497)</u>	<u>119 406</u>
Other Financing Sources (Uses):				
Operating transfers in	200 000	320 000	200 000	(120 000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>200 000</u>	<u>320 000</u>	<u>200 000</u>	<u>(120 000)</u>
NET CHANGE IN FUND BALANCES	(13 903)	(93 903)	(94 497)	(594)
Beginning fund balance	<u>129 991</u>	<u>129 991</u>	<u>129 991</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 116 088</u>	<u>\$ 36 088</u>	<u>\$ 35 494</u>	<u>\$ (594)</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ROAD AND BRIDGE FUND #2
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 279 970	\$ 279 970	\$ 279 970	\$ -
Sales tax	1 345	1 345	1 615	270
Intergovernmental	5 809	5 809	17 342	11 533
Fines and fees	60 467	60 467	60 965	498
Interest	3 500	3 500	10 715	7 215
Other revenue	-	-	848	848
TOTAL REVENUES	<u>351 091</u>	<u>351 091</u>	<u>371 455</u>	<u>20 364</u>
Expenditures:				
Highways and streets	535 568	540 568	582 200	(41 632)
Capital outlay	5 000	183 557	-	183 557
TOTAL EXPENDITURES	<u>540 568</u>	<u>724 125</u>	<u>582 200</u>	<u>141 925</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(189 477)</u>	<u>(373 034)</u>	<u>(210 745)</u>	<u>162 289</u>
Other Financing Sources (Uses):				
Operating transfers in	100 000	100 000	100 000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>100 000</u>	<u>100 000</u>	<u>100 000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(89 477)	(273 034)	(110 745)	162 289
Beginning fund balance	<u>379 956</u>	<u>379 956</u>	<u>379 956</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 290 479</u>	<u>\$ 106 922</u>	<u>\$ 269 211</u>	<u>\$ 162 289</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ROAD AND BRIDGE FUND #3
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 811 552	\$ 811 552	\$ 811 552	\$ -
Sales tax	10 072	10 072	12 104	2 032
Intergovernmental	44 421	44 421	128 342	83 921
Fines and fees	462 411	462 411	464 768	2 357
Interest	5 700	5 700	16 890	11 190
TOTAL REVENUES	<u>1 334 156</u>	<u>1 334 156</u>	<u>1 433 656</u>	<u>99 500</u>
Expenditures:				
Highways and streets	1 572 560	1 707 560	1 628 207	79 353
Debt service	31 538	31 538	19 268	12 270
Capital outlay	10 998	10 998	60 114	(49 116)
TOTAL EXPENDITURES	<u>1 615 096</u>	<u>1 750 096</u>	<u>1 707 589</u>	<u>42 507</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(280 940)</u>	<u>(415 940)</u>	<u>(273 933)</u>	<u>142 007</u>
Other Financing Sources (Uses):				
Operating transfers in	200 000	200 000	200 000	-
Loss on disposal of asset	-	-	(15 293)	(15 293)
TOTAL OTHER FINANCING SOURCES (USES)	<u>200 000</u>	<u>200 000</u>	<u>184 707</u>	<u>(15 293)</u>
NET CHANGE IN FUND BALANCES	(80 940)	(215 940)	(89 226)	126 714
Beginning fund balance	<u>268 826</u>	<u>268 826</u>	<u>268 826</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 187 886</u>	<u>\$ 52 886</u>	<u>\$ 179 600</u>	<u>\$ 126 714</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ROAD AND BRIDGE FUND #4
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 754 430	\$ 754 430	\$ 754 430	\$ -
Sales tax	9 327	9 327	11 209	1 882
Intergovernmental	40 271	40 271	116 954	76 683
Fines and fees	419 220	419 220	421 346	2 126
Interest income	4 000	4 000	16 401	12 401
Other revenues	-	-	3 037	3 037
TOTAL REVENUES	<u>1 227 248</u>	<u>1 227 248</u>	<u>1 323 377</u>	<u>96 129</u>
Expenditures:				
Highways and streets	1 440 470	1 488 721	1 400 116	88 605
Capital outlay	-	55 000	41 867	13 133
TOTAL EXPENDITURES	<u>1 440 470</u>	<u>1 543 721</u>	<u>1 441 983</u>	<u>101 738</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(213 222)</u>	<u>(316 473)</u>	<u>(118 606)</u>	<u>197 867</u>
Other Financing Sources (Uses):				
Operating transfers in	200 000	200 000	200 000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(13 222)	(116 473)	81 394	197 867
Beginning fund balance	<u>192 902</u>	<u>192 902</u>	<u>192 902</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 179 680</u>	<u>\$ 76 429</u>	<u>\$ 274 296</u>	<u>\$ 197 867</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
December 31, 2019

	2018	2017	2016	2015	2014
Total Pension Liability:					
Service cost	\$ 1 985 314	\$ 1 947 950	\$ 2 044 993	\$ 1 850 583	\$ 1 701 333
Interest on the total pension liability	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	-	457 843	-	604 581	-
Effect of economic/demographic (gains) or losses	(542 520)	(593 800)	(347 464)	(962 516)	316 422
Benefit payments/refunds of contributions	(3 592 678)	(3 311 212)	(2 793 113)	(2 655 316)	(2 455 039)
NET CHANGE IN TOTAL PENSION LIABILITY	<u>3 253 885</u>	<u>3 619 520</u>	<u>3 669 894</u>	<u>3 019 386</u>	<u>3 777 430</u>
Total pension liability - Beginning	66 489 248	62 869 728	59 199 834	56 180 448	52 403 018
TOTAL PENSION LIABILITY - ENDING	<u>69 743 133</u>	<u>66 489 248</u>	<u>62 869 728</u>	<u>59 199 834</u>	<u>56 180 448</u>
Fiduciary Net Position:					
Employer contributions	1 542 976	1 562 130	1 502 752	1 492 472	1 404 794
Member contributions	1 125 475	1 088 055	1 060 101	1 059 228	978 499
Investment income net of investment expenses	(1 227 483)	8 403 432	3 984 127	(99 681)	3 490 567
Benefit payments/refunds of contributions	(3 592 678)	(3 311 213)	(2 793 111)	(2 655 317)	(2 455 039)
Administrative expenses	(50 691)	(43 449)	(43 425)	(38 961)	(40 538)
Other	(20 973)	(9 268)	(72 601)	(57 812)	(13 537)
NET CHANGE IN FIDUCIARY NET POSITION	<u>(2 223 374)</u>	<u>7 689 687</u>	<u>3 637 843</u>	<u>(300 071)</u>	<u>3 364 746</u>
Fiduciary net position - Beginning	65 334 044	57 644 357	54 006 514	54 306 585	50 941 839
FIDUCIARY NET POSITION, ENDING	<u>63 110 670</u>	<u>65 334 044</u>	<u>57 644 357</u>	<u>54 006 514</u>	<u>54 306 585</u>
NET PENSION LIABILITY/(ASSET), ENDING	<u>\$ 6 632 463</u>	<u>\$ 1 155 204</u>	<u>\$ 5 225 371</u>	<u>\$ 5 193 320</u>	<u>\$ 1 873 863</u>
Fiduciary net position as a percentage of total pension liability	90.49%	98.26%	91.69%	91.23%	96.66%
Pensionable covered payroll	\$ 15 351 414	\$ 15 543 644	\$ 14 952 736	\$ 14 850 464	\$ 13 978 560
Net pension liability as a percentage of covered payroll	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, 2019

YEAR ENDING DECEMBER 31,	ACTUARIALLY DETERMINE CONTRIBUTION	ACTUAL EMPLOYER CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	PENSIONABLE COVERED PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL
2018	\$ 1 482 947	\$ 1 542 976	\$ (60 029)	\$ 15 351 414	10.1%
2017	\$ 1 453 331	\$ 1 562 130	\$ (108 799)	\$ 15 543 644	10.0%
2016	\$ 1 448 920	\$ 1 502 752	\$ (53 832)	\$ 14 952 736	10.1%
2015	\$ 1 483 561	\$ 1 492 472	\$ (8 911)	\$ 14 850 464	10.1%
2014	\$ 1 404 794	\$ 1 404 794	\$ -	\$ 13 978 560	10.0%
2013	\$ 1 255 301	\$ 1 255 301	\$ -	\$ 13 170 155	9.5%
2012	\$ 1 260 623	\$ 1 260 623	\$ -	\$ 13 554 998	9.3%
2011	\$ 1 217 766	\$ 1 217 766	\$ -	\$ 13 560 838	9.0%
2010	\$ 1 203 406	\$ 1 203 406	\$ -	\$ 13 137 617	9.2%
2009	\$ 1 114 751	\$ 1 114 751	\$ -	\$ 13 114 719	8.5%

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Grant - To account for various grant funds and activity.

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

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

Abandoned Property - To account for sale of abandoned property.

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.

Construction Fund - To account for various construction projects.

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2019

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalent	\$ 2 010 603	\$ 331 461	\$ 12 473	\$ 2 354 537
Investments	307 351	-	-	307 351
Receivables:				
Miscellaneous	30 075	-	-	30 075
Intergovernmental	367 504	-	-	367 504
Due from other funds	88 800	711 350	-	800 150
TOTAL ASSETS	\$ 2 804 333	\$ 1 042 811	\$ 12 473	\$ 3 859 617
 LIABILITIES				
Accounts payable	\$ 358 517	\$ -	\$ -	\$ 358 517
Accrued liabilities	141 162	-	-	141 162
Accrued compensated absences	51 324	-	-	51 324
Due to other funds	3 000	-	-	3 000
TOTAL LIABILITIES	554 003	-	-	554 003
 DEFERRED INFLOWS				
Unearned revenue	361 441	711 350	-	1 072 791
TOTAL DEFERRED INFLOWS	361 441	711 350	-	1 072 791
 FUND BALANCES				
Restricted:				
Construction	-	-	12 473	12 473
Debt service	-	331 461	-	331 461
Other	1 888 889	-	-	1 888 889
TOTAL FUND BALANCES	1 888 889	331 461	12 473	2 232 823
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 2 804 333	\$ 1 042 811	\$ 12 473	\$ 3 859 617

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, 2019

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:				
Ad valorem tax	\$ 76 800	\$ 752 150	\$ -	\$ 828 950
Intergovernmental	3 825 316	-	-	3 825 316
Interest income	52 631	8 582	251	61 464
Fines and fees	523 780	-	-	523 780
Contributions and donations	26 988	-	27 986	54 974
Other revenue	12 361	-	-	12 361
TOTAL REVENUES	<u>4 517 876</u>	<u>760 732</u>	<u>28 237</u>	<u>5 306 845</u>
Expenditures:				
Administrative	425 880	-	-	425 880
Judicial and law enforcement	4 860 456	-	-	4 860 456
Health, welfare and sanitation	121 104	-	-	121 104
Highways and streets	4 750	-	-	4 750
Capital outlay	-	-	192 978	192 978
Debt Service:				
Principal	-	705 000	-	705 000
Interest and other fees	-	50 150	-	50 150
TOTAL EXPENDITURES	<u>5 412 190</u>	<u>755 150</u>	<u>192 978</u>	<u>6 360 318</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(894 314)</u>	<u>5 582</u>	<u>(164 741)</u>	<u>(1 053 473)</u>
Other Financing Sources (Uses):				
Operating transfers in	1 189 627	-	23 131	1 212 758
Operating transfers out	(39)	-	-	(39)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1 189 588</u>	<u>-</u>	<u>23 131</u>	<u>1 212 719</u>
NET CHANGE IN FUND BALANCES	<u>295 274</u>	<u>5 582</u>	<u>(141 610)</u>	<u>159 246</u>
Fund balances - Beginning	1 571 422	325 879	154 083	2 051 384
Prior period adjustment	22 193	-	-	22 193
FUND BALANCES - BEGINNING (RESTATED)	<u>1 593 615</u>	<u>325 879</u>	<u>154 083</u>	<u>2 073 577</u>
FUND BALANCES - ENDING	<u>\$ 1 888 889</u>	<u>\$ 331 461</u>	<u>\$ 12 473</u>	<u>\$ 2 232 823</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2019

	MENTAL HEALTH FUND	JURY FUND	JUVENILE PROBATION FEES FUND	LAW LIBRARY FUND
ASSETS				
Cash and cash equivalent	\$ 63 685	\$ 164 532	\$ 55 224	\$ 33 514
Investments	-	-	-	-
Receivables:				
Miscellaneous	-	-	-	-
Intergovernmental	-	-	-	-
Due from other funds	-	88 800	-	-
TOTAL ASSETS	\$ 63 685	\$ 253 332	\$ 55 224	\$ 33 514
 LIABILITIES				
Accounts payable	\$ 1 137	\$ 12 818	\$ -	\$ 534
Accrued liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	1 137	12 818	-	534
 DEFERRED INFLOWS				
Unavailable revenue	-	88 800	-	-
TOTAL DEFERRED INFLOWS	-	88 800	-	-
 FUND BALANCES				
Restricted:				
Other	62 548	151 714	55 224	32 980
TOTAL FUND BALANCES	62 548	151 714	55 224	32 980
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 63 685	\$ 253 332	\$ 55 224	\$ 33 514

See independent auditors' report.

CASELS- BOYKIN PARK	ADULT PROBATION FUND	JUVENILE SERVICE FUND	COUNTY CLERK RECORDS MANAGEMENT	TEEN COURT FUND	SECURITY FUND
\$ 124 889	\$ 347 726	\$ (417 975)	\$ 634 264	\$ 4 928	\$ 204 101
-	307 351	-	-	-	-
-	5 196	-	-	-	-
-	-	77 995	-	-	-
-	-	-	-	-	-
<u>\$ 124 889</u>	<u>\$ 660 273</u>	<u>\$ (339 980)</u>	<u>\$ 634 264</u>	<u>\$ 4 928</u>	<u>\$ 204 101</u>
\$ 1 911	\$ 39 315	\$ 100 149	\$ 3 859	\$ -	\$ -
2 206	59 929	68 917	2 921	-	355
1 423	-	48 393	1 431	-	-
-	-	-	-	-	-
<u>5 540</u>	<u>99 244</u>	<u>217 459</u>	<u>8 211</u>	<u>-</u>	<u>355</u>
-	-	60 887	-	-	48 078
-	-	60 887	-	-	48 078
<u>119 349</u>	<u>561 029</u>	<u>(618 326)</u>	<u>626 053</u>	<u>4 928</u>	<u>155 668</u>
<u>119 349</u>	<u>561 029</u>	<u>(618 326)</u>	<u>626 053</u>	<u>4 928</u>	<u>155 668</u>
<u>\$ 124 889</u>	<u>\$ 660 273</u>	<u>\$ (339 980)</u>	<u>\$ 634 264</u>	<u>\$ 4 928</u>	<u>\$ 204 101</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2019

	<u>DISTRICT CLERK RECORDS MANAGEMENT</u>	<u>JUVENILE COMMUNITY SERVICE</u>	<u>DISTRICT CLERK TECH FUND</u>	<u>COUNTY RECORDS PRESERVATION</u>
ASSETS				
Cash and cash equivalent	\$ 22 423	\$ 27 671	\$ 83 353	\$ 256 373
Investments	-	-	-	-
Receivables:				
Miscellaneous	-	-	-	-
Intergovernmental	-	-	-	-
Due from intergovernmental	-	-	-	-
TOTAL ASSETS	\$ <u>22 423</u>	\$ <u>27 671</u>	\$ <u>83 353</u>	\$ <u>256 373</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	259	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>259</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS				
Unavailable revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted:				
Other	<u>22 164</u>	<u>27 671</u>	<u>83 353</u>	<u>256 373</u>
TOTAL FUND BALANCES	<u>22 164</u>	<u>27 671</u>	<u>83 353</u>	<u>256 373</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ <u><u>22 423</u></u>	\$ <u><u>27 671</u></u>	\$ <u><u>83 353</u></u>	\$ <u><u>256 373</u></u>

See independent auditors' report.

CONSTABLES RADIO COMMUNICATIONS GRANT FUND	SAFPF RE-ENTRY COURT	FAMILY CRISIS COURT	GRANTS FUND	DRUG COURT GRANT	CONSTABLE #1 FORFEITURE FUND
\$ 3 878	\$ 73 610	\$ -	\$ (13 617)	\$ (5 712)	\$ 6 201
-	-	-	-	-	-
-	-	-	-	24 879	-
-	-	-	289 509	-	-
-	-	-	-	-	-
<u>\$ 3 878</u>	<u>\$ 73 610</u>	<u>\$ -</u>	<u>\$ 275 892</u>	<u>\$ 19 167</u>	<u>\$ 6 201</u>
\$ -	\$ 884	\$ -	\$ 192 077	\$ 5 555	\$ 247
-	290	-	4 655	1 630	-
-	-	-	-	-	-
-	-	-	3 000	-	-
<u>-</u>	<u>1 174</u>	<u>-</u>	<u>199 732</u>	<u>7 185</u>	<u>247</u>
3 703	72 436	-	82 423	5 114	-
<u>3 703</u>	<u>72 436</u>	<u>-</u>	<u>82 423</u>	<u>5 114</u>	<u>-</u>
175	-	-	(6 263)	6 868	5 954
<u>175</u>	<u>-</u>	<u>-</u>	<u>(6 263)</u>	<u>6 868</u>	<u>5 954</u>
<u>\$ 3 878</u>	<u>\$ 73 610</u>	<u>\$ -</u>	<u>\$ 275 892</u>	<u>\$ 19 167</u>	<u>\$ 6 201</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2019

	<u>SHERIFF FEDERAL FORFEITURE</u>	<u>SHERIFF FORFEITURE FUND</u>	<u>COUNTY ATTORNEY FORFEITURE</u>
ASSETS			
Cash and cash equivalent	\$ 5 435	\$ 37 308	\$ 133 958
Investments	-	-	-
Receivables:			
Miscellaneous	-	-	-
Intergovernmental	-	-	-
Due from intergovernmental	-	-	-
TOTAL ASSETS	\$ <u>5 435</u>	\$ <u>37 308</u>	\$ <u>133 958</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	5 435	37 308	133 958
TOTAL FUND BALANCES	<u>5 435</u>	<u>37 308</u>	<u>133 958</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ <u><u>5 435</u></u>	\$ <u><u>37 308</u></u>	\$ <u><u>133 958</u></u>

See independent auditors' report.

<u>DISTRICT ATTORNEY FORFEITURE</u>	<u>ABANDONED PROPERTY FUND</u>	<u>CONSTABLE #4 FORFEITURE FUND</u>	<u>COUNTY ATTORNEY HOT CHECK</u>	<u>DISTRICT ATTORNEY FUND</u>	<u>TOTAL</u>
\$ 91 570	\$ 43	\$ 760	\$ 72 814	\$ (353)	\$ 2 010 603
-	-	-	-	-	307 351
-	-	-	-	-	30 075
-	-	-	-	-	367 504
-	-	-	-	-	88 800
<u>\$ 91 570</u>	<u>\$ 43</u>	<u>\$ 760</u>	<u>\$ 72 814</u>	<u>\$ (353)</u>	<u>\$ 2 804 333</u>
\$ -	\$ -	\$ -	\$ 31	\$ -	\$ 358 517
-	-	-	-	-	141 162
-	-	-	77	-	51 324
-	-	-	-	-	3 000
<u>-</u>	<u>-</u>	<u>-</u>	<u>108</u>	<u>-</u>	<u>554 003</u>
-	-	-	-	-	361 441
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361 441</u>
<u>91 570</u>	<u>43</u>	<u>760</u>	<u>72 706</u>	<u>(353)</u>	<u>1 888 889</u>
<u>91 570</u>	<u>43</u>	<u>760</u>	<u>72 706</u>	<u>(353)</u>	<u>1 888 889</u>
<u>\$ 91 570</u>	<u>\$ 43</u>	<u>\$ 760</u>	<u>\$ 72 814</u>	<u>\$ (353)</u>	<u>\$ 2 804 333</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2019

	MENTAL HEALTH FUND	JURY FUND	JUVENILE PROBATION FEES FUND	LAW LIBRARY FUND
Revenues:				
Ad valorem tax	\$ -	\$ 76 800	\$ -	\$ -
Intergovernmental	-	25 476	-	-
Interest income	1 199	3 819	1 042	510
Fines and fees	19 420	-	1 895	32 102
Contributions and donations	-	-	-	-
Other revenues	-	-	-	-
	<u>20 619</u>	<u>106 095</u>	<u>2 937</u>	<u>32 612</u>
TOTAL REVENUES				
Expenditures:				
Administrative	-	-	-	-
Judicial and law enforcement	-	112 240	-	20 955
Health, welfare and sanitation	16 773	-	-	-
Highways and streets	-	-	-	-
	<u>16 773</u>	<u>112 240</u>	<u>-</u>	<u>20 955</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3 846</u>	<u>(6 145)</u>	<u>2 937</u>	<u>11 657</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCES	<u>3 846</u>	<u>(6 145)</u>	<u>2 937</u>	<u>11 657</u>
Fund balance - Beginning	58 702	157 859	52 287	21 323
Prior period adjustment	-	-	-	-
FUND BALANCE - BEGINNING (RESTATED)	<u>58 702</u>	<u>157 859</u>	<u>52 287</u>	<u>21 323</u>
FUND BALANCE - ENDING	<u>\$ 62 548</u>	<u>\$ 151 714</u>	<u>\$ 55 224</u>	<u>\$ 32 980</u>

See independent auditors' report.

CASELS- BOYKIN PARK	ADULT PROBATION FUND	JUVENILE SERVICE FUND	COUNTY CLERK RECORDS MANAGEMENT	TEEN COURT FUND	SECURITY FUND
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	2 120 092	910 433	-	-	36 633
2 618	11 445	1 295	12 044	95	3 671
75 663	-	21 500	322 679	-	-
-	-	-	-	-	-
8 183	1 572	1 500	-	-	-
<u>86 464</u>	<u>2 133 109</u>	<u>934 728</u>	<u>334 723</u>	<u>95</u>	<u>40 304</u>
-	-	-	214 012	-	-
-	2 090 973	2 042 160	-	-	9 397
104 331	-	-	-	-	-
-	-	-	-	-	-
<u>104 331</u>	<u>2 090 973</u>	<u>2 042 160</u>	<u>214 012</u>	<u>-</u>	<u>9 397</u>
<u>(17 867)</u>	<u>42 136</u>	<u>(1 107 432)</u>	<u>120 711</u>	<u>95</u>	<u>30 907</u>
84 227	-	1 105 400	-	-	-
-	-	-	-	-	-
<u>84 227</u>	<u>-</u>	<u>1 105 400</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>66 360</u>	<u>42 136</u>	<u>(2 032)</u>	<u>120 711</u>	<u>95</u>	<u>30 907</u>
52 989	518 893	(616 294)	505 342	4 833	124 761
-	-	-	-	-	-
<u>52 989</u>	<u>518 893</u>	<u>(616 294)</u>	<u>505 342</u>	<u>4 833</u>	<u>124 761</u>
\$ <u>119 349</u>	\$ <u>561 029</u>	\$ <u>(618 326)</u>	\$ <u>626 053</u>	\$ <u>4 928</u>	\$ <u>155 668</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2019

	DISTRICT CLERK RECORDS MANAGEMENT	JUVENILE COMMUNITY SERVICE	DISTRICT CLERK TECH FUND	COUNTY RECORDS PRESERVATION
Revenues:				
Ad valorem tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Interest income	366	534	1 514	4 847
Fines and fees	17 325	-	10 154	10 811
Contributions and donations	-	-	-	-
Other revenues	-	-	-	-
TOTAL REVENUES	17 691	534	11 668	15 658
Expenditures:				
Administrative	9 351	-	-	-
Judicial and law enforcement	-	-	-	-
Health, welfare and sanitation	-	-	-	-
Highways and streets	-	-	-	-
TOTAL EXPENDITURES	9 351	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8 340	534	11 668	15 658
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	8 340	534	11 668	15 658
Fund balance - Beginning	13 824	27 137	71 685	240 715
Prior period adjustment	-	-	-	-
FUND BALANCE - BEGINNING (RESTATE)	13 824	27 137	71 685	240 715
FUND BALANCE - ENDING	\$ 22 164	\$ 27 671	\$ 83 353	\$ 256 373

See independent auditors' report.

	CONSTABLES RADIO COMMUNICATIONS GRANT	SAFPF RE-ENTRY COURT	FAMILY CRISIS COURT	GRANTS FUND	DRUG COURT GRANT	CONSTABLE #1 FORFEITURE FUND
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	633 327	99 355	-
	75	1 140	-	-	108	626
	-	3 311	-	-	3 311	-
	-	22 821	-	-	4 167	-
	-	-	-	-	-	-
	<u>75</u>	<u>27 272</u>	<u>-</u>	<u>633 327</u>	<u>106 941</u>	<u>626</u>
	-	-	-	202 517	-	-
	-	27 272	-	430 810	106 942	247
	-	-	-	-	-	-
	-	-	-	4 750	-	-
	<u>-</u>	<u>27 272</u>	<u>-</u>	<u>638 077</u>	<u>106 942</u>	<u>247</u>
	75	-	-	(4 750)	(1)	379
	-	-	-	-	-	-
	-	-	(39)	-	-	-
	-	-	(39)	-	-	-
	<u>75</u>	<u>-</u>	<u>(39)</u>	<u>(4 750)</u>	<u>(1)</u>	<u>379</u>
	100	(22 193)	39	(1 513)	6 869	5 575
	-	22 193	-	-	-	-
	<u>100</u>	<u>-</u>	<u>39</u>	<u>(1 513)</u>	<u>6 869</u>	<u>5 575</u>
\$	<u>175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6 263)</u>	<u>\$ 6 868</u>	<u>\$ 5 954</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2019

	<u>SHERIFF FEDERAL FORFEITURE</u>	<u>SHERIFF FORFEITURE FUND</u>	<u>COUNTY ATTORNEY FORFEITURE</u>
Revenues:			
Ad valorem tax	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest income	105	734	2 601
Fines and fees	-	-	-
Contributions and donations	-	-	-
Other revenues	-	3	-
	<u>105</u>	<u>737</u>	<u>2 601</u>
TOTAL REVENUES			
Expenditures:			
Administrative	-	-	-
Judicial and law enforcement	-	3 199	999
Health, welfare and sanitation	-	-	-
Highway and streets	-	-	-
	<u>-</u>	<u>3 199</u>	<u>999</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>105</u>	<u>(2 462)</u>	<u>1 602</u>
Other Financing Sources (Uses):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)			
	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>105</u>	<u>(2 462)</u>	<u>1 602</u>
Fund balance - Beginning	5 330	39 770	132 356
Prior period adjustment	-	-	-
FUND BALANCE - BEGINNING (RESTATED)	<u>5 330</u>	<u>39 770</u>	<u>132 356</u>
FUND BALANCE - ENDING	<u>\$ 5 435</u>	<u>\$ 37 308</u>	<u>\$ 133 958</u>

See independent auditors' report.

<u>DISTRICT ATTORNEY FORFEITURE</u>	<u>ABANDONED PROPERTY FUND</u>	<u>CONSTABLE #4 FORFEITURE FUND</u>	<u>COUNTY ATTORNEY HOT CHECK</u>	<u>DISTRICT ATTORNEY FUND</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76 800
-	-	-	-	-	3 825 316
1 823	-	15	405	-	52 631
-	-	-	5 459	150	523 780
-	-	-	-	-	26 988
<u>1 103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12 361</u>
<u>2 926</u>	<u>-</u>	<u>15</u>	<u>5 864</u>	<u>150</u>	<u>4 517 876</u>
-	-	-	-	-	425 880
5 032	-	-	10 230	-	4 860 456
-	-	-	-	-	121 104
-	-	-	-	-	4 750
<u>5 032</u>	<u>-</u>	<u>-</u>	<u>10 230</u>	<u>-</u>	<u>5 412 190</u>
<u>(2 106)</u>	<u>-</u>	<u>15</u>	<u>(4 366)</u>	<u>150</u>	<u>(894 314)</u>
-	-	-	-	-	1 189 627
-	-	-	-	-	(39)
-	-	-	-	-	1 189 588
<u>(2 106)</u>	<u>-</u>	<u>15</u>	<u>(4 366)</u>	<u>150</u>	<u>295 274</u>
93 676	43	745	77 072	(503)	1 571 422
-	-	-	-	-	22 193
<u>93 676</u>	<u>43</u>	<u>745</u>	<u>77 072</u>	<u>(503)</u>	<u>1 593 615</u>
\$ <u>91 570</u>	\$ <u>43</u>	\$ <u>760</u>	\$ <u>72 706</u>	\$ <u>(353)</u>	\$ <u>1 888 889</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2019

	<u>2014 TAX NOTE FUND</u>	<u>CONSTRUCTION FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalent	\$ 12 473	\$ -	\$ 12 473
Receivables:			
Intergovernmental	-	-	-
TOTAL ASSETS	<u>\$ 12 473</u>	<u>\$ -</u>	<u>\$ 12 473</u>
LIABILITIES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted:			
Construction	<u>12 473</u>	<u>-</u>	<u>12 473</u>
TOTAL FUND BALANCES	<u>12 473</u>	<u>-</u>	<u>12 473</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12 473</u>	<u>\$ -</u>	<u>\$ 12 473</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, 2019

	<u>2014 TAX NOTE FUND</u>	<u>CONSTRUCTION FUND</u>	<u>TOTAL</u>
Revenues:			
Interest income	\$ 251	\$ -	\$ 251
Contributions and donations	-	27 986	27 986
TOTAL REVENUES	<u>251</u>	<u>27 986</u>	<u>28 237</u>
Expenditures:			
Capital outlays	<u>192 978</u>	-	<u>192 978</u>
TOTAL EXPENDITURES	<u>192 978</u>	<u>-</u>	<u>192 978</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(192 727)</u>	<u>27 986</u>	<u>(164 741)</u>
Other Financing Sources (Uses):			
Operating transfers in	-	23 131	23 131
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>23 131</u>	<u>23 131</u>
NET CHANGE IN FUND BALANCE	(192 727)	51 117	(141 610)
Fund balance - Beginning	<u>205 200</u>	<u>(51 117)</u>	<u>154 083</u>
FUND BALANCE - ENDING	<u>\$ 12 473</u>	<u>\$ -</u>	<u>\$ 12 473</u>

See independent auditors' report.

AGENCY FUNDS

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2019

	<u>DISTRICT CLERK</u>	<u>COUNTY CLERK</u>	<u>SHERIFF</u>	<u>JUSTICES OF THE PEACE</u>	<u>TAX ASSESSOR COLLECTOR</u>
ASSETS					
Cash and cash equivalents	\$ 1 755 207	\$ 1 253 667	\$ 500 954	\$ 16 005	\$ 7 115 409
Investments	<u>529 662</u>	<u>360 775</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 2 284 869</u>	<u>\$ 1 614 442</u>	<u>\$ 500 954</u>	<u>\$ 16 005</u>	<u>\$ 7 115 409</u>
LIABILITIES					
Due to others	<u>\$ 2 284 869</u>	<u>\$ 1 614 442</u>	<u>\$ 500 954</u>	<u>\$ 16 005</u>	<u>\$ 7 115 409</u>
TOTAL LIABILITIES	<u>\$ 2 284 869</u>	<u>\$ 1 614 442</u>	<u>\$ 500 954</u>	<u>\$ 16 005</u>	<u>\$ 7 115 409</u>

See independent auditors' report.

<u>DISTRICT ATTORNEY</u>	<u>COUNTY ATTORNEY</u>	<u>COUNTY EMPLOYEE FUND</u>	<u>EXTENSION OFFICE</u>	<u>TOTAL</u>
\$ 4 977	\$ 1 750	\$ 7 939	\$ 1 072	\$ 10 656 980
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>890 437</u>
<u>\$ 4 977</u>	<u>\$ 1 750</u>	<u>\$ 7 939</u>	<u>\$ 1 072</u>	<u>\$ 11 547 417</u>
<u>\$ 4 977</u>	<u>\$ 1 750</u>	<u>\$ 7 939</u>	<u>\$ 1 072</u>	<u>\$ 11 547 417</u>
<u>\$ 4 977</u>	<u>\$ 1 750</u>	<u>\$ 7 939</u>	<u>\$ 1 072</u>	<u>\$ 11 547 417</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, 2019, 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 28, 2020.

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.

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 28, 2020


CERTIFIED PUBLIC ACCOUNTANTS

ANGELINA COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2019

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

B. Financial Statement Findings

NONE

ANGELINA COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2019

None

ANGELINA COUNTY, TEXAS
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2019

None