

ANGELINA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

December 31, 2020

C O N T E N T S

INTRODUCTORY SECTION

Principal Officials.....	4
--------------------------	---

FINANCIAL SECTION

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

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position	13
Statement of Activities	14

Fund Financial Statements:

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

Required Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund.....	41
Schedule of Revenues, Expenditures, and Changes in Fun Balances - Budget and Actual - Road and Bridge Funds.....	42
Schedule of Changes in the Net Pension Liability and Related Ratios	46
Schedule of Employer Contributions	47

Supplementary Information:

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet - Nonmajor Governmental Funds	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	51
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	52
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	58
Combining Balance Sheet - Nonmajor Capital Projects Funds	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	65

Agency Funds:

Combining Statement of Fiduciary Assets and Liabilities - Agency Funds.....	67
---	----

Compliance Audit Section:

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

INTRODUCTORY SECTION

ANGELINA COUNTY, TEXAS
PRINCIPAL OFFICIALS
December 31, 2020

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
Janet Cassels.....District Attorney
Reba Squyres.....District Clerk
Amy Fincher.....County Clerk
Jill Brewer.....County Treasurer
Greg Sanches.....County Sheriff

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

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 and agency fund information of Angelina County, Texas as of and for the year ended December 31, 2020, 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 and agency fund information of Angelina County, Texas as of December 31, 2020, 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 27, 2021 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 27, 2021


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, 2020. 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 \$50,423,507 (*net position*). Of this amount, \$8,030,543 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$25,440,194 an increase of \$8,257,176 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,781,588.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$50,423,507 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (44 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 49 871	\$ 40 926	\$ 9 561	\$ 9 734	\$ 59 432	\$ 50 661
Capital assets	21 943	21 566	9 293	8 766	31 236	30 331
TOTAL ASSETS	71 814	62 492	18 853	18 500	90 667	80 992
Deferred outflows	5 611	7 973	143	201	5 754	8 184
Long-term liabilities	8 045	9 631	7 675	7 437	15 720	17 068
Other liabilities	4 943	5 096	284	520	5 227	5 616
TOTAL LIABILITIES	12 988	14 710	7 958	7 957	20 946	22 666
Deferred inflows	24 887	21 377	164	83	25 051	21 460
Net Position:						
Net invest in capital assets,	12 860	16 689	9 293	8 766	22 153	25 455
Restricted	11 944	5 064	8 296	7 769	20 240	12 833
Unrestricted	14 746	12 625	(6 715)	(5 873)	8 031	6 752
TOTAL NET POSITION	\$ 39 550	\$ 34 378	\$ 10 874	\$ 10 661	\$ 50 424	\$ 45 040

An additional portion of the County's net position (40 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$7,974,749 may be used to meet the government's ongoing obligations to citizens and creditors.

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

Governmental Activities. Governmental activities increased the County's net position by \$5,194,898. Key elements of this net decrease are as follows:

Angelina County's Changes in Net Position						
(in thousands)						
	GOVERNMENTAL		BUSINESS-TYPE		TOTALS	
	ACTIVITIES		ACTIVITIES			
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for service	\$ 20 806	\$ 23 527	\$ 4 047	\$ 4 162	\$ 24 853	\$ 27 688
Operating grants and contributions	4 461	4 099	-	-	4 461	4 099
Capital grants and contributions	-	28	-	-	-	28
General Revenues:						
Property taxes	20 388	17 956	-	-	20 388	17 956
Sales taxes	6 487	6 578	-	-	6 487	6 578
Investment earnings	280	590	8	60	289	650
Miscellaneous	424	560	321	398	745	958
TOTAL REVENUES	52 847	53 338	4 376	4 620	57 223	57 958
Expenses:						
Administrative	9 233	9 215	-	-	9 233	9 215
Judicial and law enforcement	21 539	21 668	-	-	21 539	21 668
Health, welfare and sanitation	13 505	18 747	-	-	13 505	18 747
Highways and streets	3 118	5 783	-	-	3 118	5 783
Extension service	165	186	-	-	165	186
Interest and fiscal charges	92	62	-	-	92	62
Landfill	-	-	2 698	2 743	2 698	2 743
Airport	-	-	1 466	1 815	1 466	1 815
TOTAL EXPENSES	47 652	55 661	4 164	4 558	51 816	60 219
CHANGE IN NET POSITION	5 195	(2 323)	329	62	5 407	(2 261)
Net position, beginning (restated)	34 355	36 701	10 662	10 600	45 016	47 301
NET POSITION, ENDING	\$ 39 550	\$ 34 378	\$ 10 874	\$ 10 662	\$ 50 424	\$ 45 040

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 \$25,440,194. The *unassigned fund balance* amounts to a surplus of \$12,781,588. The amount of fund balance that is restricted \$12,658,606 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 \$12,781,588. 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 54 percent of total general fund expenditures.

The fund balance of the County's general fund increased by \$1,353,066 during the current fiscal year. The increase is the result of general fund revenue exceeding expected projections.

The local provider participation fund is utilized by local healthcare agencies to provide service in the County. The fund has a restricted fund balance of \$3,976,286.

The road and bridge funds have a total fund balance of \$1,000,037, all of which is restricted for the maintenance and construction of roads and bridges. The net increase in fund balance during the current year in the road and bridge funds are \$241,436.

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

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

Unrestricted net position of the Landfill at the end of the year amounted to \$(7,098,659), and those for the Airport amounted to \$317,411. Net position restricted for future landfill closure of the Landfill at the end of the year amounted to \$8,295,791. The total change in net position for both funds was \$541,963 and \$(329,566), 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 were less than budgetary estimates by \$28,810. Expenditures were less than budgetary estimates by \$1,725,037.

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, 2020, amounts to \$31,236,307 (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	
	2020	2019	2020	2019	2020	2019
Land	\$ 685	\$ 685	\$ 2 181	\$ 2 181	\$ 2 866	\$ 2 866
Buildings	23 356	23 314	9 277	6 346	32 633	29 660
Machinery and equipment	17 046	15 784	6 624	6 433	23 670	22 217
Infrastructure	70 857	70 034	11 375	11 375	82 232	81 409
Construction in progress	873	459	168	1 924	1 041	2 383
Depreciation	(90 878)	(88 710)	(20 333)	(19 493)	(111 207)	(108 203)
TOTAL	\$ 21 943	\$ 21 566	\$ 9 293	\$ 8 766	\$ 31 236	\$ 30 332

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$1,455,000.

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2020	2019	2020	2019	2020	2019
Refunding bonds	\$ 1 455	\$ 2 130	\$ -	\$ -	\$ 1 455	\$ 2 130
Notes	6 246	624	-	-	6 246	624
Capital leases	1 098	1 410	-	-	1 098	1 410
Landfill closure and postclosure	-	-	7 649	7 274	7 649	7 274
Accrued compensated absences	285	262	-	-	285	262
TOTAL	\$ 9 083	\$ 4 426	\$ 7 649	\$ 7 274	\$ 16 732	\$ 11 700

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

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

Economic Factors and Next Years' Budgets and Rates

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

All other factors were considered in preparing the County's budget for the 2021 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, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and cash equivalent	\$ 4 319 932	\$ (447 753)	\$ 3 872 179
Investments	28 948 227	1 236 987	30 185 214
Receivables (Net Allowance):			
Taxes	13 842 101	-	13 842 101
Miscellaneous	65 048	-	65 048
Intergovernmental	1 726 942	-	1 726 942
Accounts	253 777	371 679	625 456
Due from others	-	37 169	37 169
Inventory	-	66 527	66 527
Prepaid expense	714 550	-	714 550
TOTAL CURRENT ASSETS	49 870 577	1 264 609	51 135 186
Noncurrent Assets:			
Restricted Assets:			
Investments	-	8 295 791	8 295 791
Capital assets (net of depreciation)	21 943 374	9 292 933	31 236 307
TOTAL NONCURRENT ASSETS	21 943 374	17 588 724	39 532 098
TOTAL ASSETS	71 813 951	18 853 333	90 667 284
DEFERRED OUTFLOWS			
Pension related deferred outflows	5 610 733	143 446	5 754 179
TOTAL DEFERRED OUTFLOWS	5 610 733	143 446	5 754 179
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 77 424 684	\$ 18 996 779	\$ 96 421 463
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 852 727	\$ 163 106	\$ 1 015 833
Accrued liabilities	1 933 387	120 674	2 054 061
Accrued interest	73 513	-	73 513
Due within one year	2 083 453	-	2 083 453
TOTAL CURRENT LIABILITIES	4 943 080	283 780	5 226 869
Noncurrent Liabilities:			
Bond premium	25 935	-	25 935
Due in more than one year	6 999 737	7 648 619	14 648 356
Net pension liability	1 019 490	26 065	1 045 555
TOTAL NONCURRENT LIABILITIES	8 045 162	7 674 684	15 719 846
TOTAL LIABILITIES	12 988 242	7 958 464	20 946 706
DEFERRED INFLOWS			
Deferred pension inflow	6 426 877	164 312	6 591 189
Unavailable revenues	18 460 061	-	18 460 061
TOTAL DEFERRED INFLOWS	24 886 938	164 312	25 051 250
NET POSITION			
Net investment in capital assets	12 860 184	9 292 933	22 153 117
Restricted:			
Construction	4 210 201	-	4 210 201
Debt service	334 801	-	334 801
Other	7 399 054	8 295 791	15 694 845
Unrestricted	14 745 264	(6 714 721)	8 030 543
TOTAL NET POSITION	39 549 504	10 874 003	50 423 507
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 77 424 684	\$ 18 996 779	\$ 96 421 463

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, 2020

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
Administrative	\$ 9 232 852	\$ 6 065 802	\$ 112 561	\$ -
Judicial and law enforcement	21 538 770	639 247	4 117 482	-
Health, welfare and sanitation	13 505 062	12 863 930	42 197	-
Highways and streets	3 118 147	1 237 041	188 883	-
Extension services	165 292	-	-	-
Interest and fiscal charges	91 588	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	47 651 711	20 806 020	4 461 123	-
Business-Type Activities:				
Landfill	2 697 994	3 007 652	-	-
Airport	1 465 809	1 039 460	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	4 163 803	4 047 112	-	-
TOTAL GOVERNMENT	\$ 51 815 514	\$ 24 853 132	\$ 4 461 123	\$ -

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 (Restated) - Beginning of year

NET POSITION - ENDING

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

NET (EXPENSE) REVENUE AND CHANGE
IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (3 054 489)	\$ -	\$ (3 054 489)
(16 782 041)	-	(16 782 041)
(598 935)	-	(598 935)
(1 692 223)	-	(1 692 223)
(165 292)	-	(165 292)
(91 588)	-	(91 588)
<u>(22 384 568)</u>	<u>-</u>	<u>(22 384 568)</u>
-	309 658	309 658
-	(426 349)	(426 349)
<u>-</u>	<u>(116 691)</u>	<u>(116 691)</u>
<u>(22 384 568)</u>	<u>(116 691)</u>	<u>(22 501 259)</u>
20 387 745	-	20 387 745
6 487 001	-	6 487 001
280 284	8 447	288 731
<u>424 436</u>	<u>320 641</u>	<u>745 077</u>
<u>27 579 466</u>	<u>329 088</u>	<u>27 908 554</u>
5 194 898	212 397	5 407 295
34 378 400	10 661 606	45 040 006
<u>(23 794)</u>	<u>-</u>	<u>(23 794)</u>
<u>34 354 606</u>	<u>10 661 606</u>	<u>45 016 212</u>
<u>\$ 39 549 504</u>	<u>\$ 10 874 003</u>	<u>\$ 50 423 507</u>

ANGELINA COUNTY, TEXAS
COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	GENERAL FUND	LOCAL PROVIDER PARTICIPATION FUND	ROAD AND BRIDGE #1 FUND	ROAD AND BRIDGE #2 FUND
ASSETS				
Cash and cash equivalent	\$ (6 410 529)	\$ 3 976 286	\$ 172 536	\$ 306 102
Investments	26 557 977	-	-	-
Receivables:				
Taxes	13 842 101	-	-	-
Miscellaneous	-	-	-	-
Intergovernmental	1 294 178	-	-	-
Other	253 777	-	-	-
Due from other funds	3 000	-	654 527	290 128
TOTAL ASSETS	35 540 504	3 976 286	827 063	596 230
DEFERRED OUTFLOWS				
Prepaid expense	714 550	-	-	-
TOTAL DEFERRED OUTFLOWS	714 550	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 36 255 054	\$ 3 976 286	\$ 827 063	\$ 596 230
LIABILITIES				
Accounts payable	\$ 661 971	\$ -	\$ 6 746	\$ 4 232
Accrued liabilities	1 124 484	-	3 524	1 180
Accrued compensated absences	654 724	-	23 067	12 707
Due to other funds	3 570 315	-	-	-
TOTAL LIABILITIES	6 011 494	-	33 337	18 119
DEFERRED INFLOWS				
Unavailable revenues	16 747 422	-	666 800	292 535
TOTAL DEFERRED INFLOWS	16 747 422	-	666 800	292 535
FUND BALANCES				
Nonspendable	714 550	-	-	-
Restricted:				
Highways and streets	-	-	126 926	285 576
Construction	-	-	-	-
Health and welfare	-	3 976 286	-	-
Debt service	-	-	-	-
Other	-	-	-	-
Unassigned	12 781 588	-	-	-
TOTAL FUND BALANCES	13 496 138	3 976 286	126 926	285 576
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 36 255 054	\$ 3 976 286	\$ 827 063	\$ 596 230

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
\$ 296 519	\$ 447 965	\$ 7 160 562	\$ 5 949 441
-	-	308 507	26 866 484
-	-	-	13 842 101
-	3 800	61 248	65 048
-	-	432 764	1 726 942
-	-	-	253 777
<u>834 540</u>	<u>770 649</u>	<u>991 433</u>	<u>3 544 277</u>
<u>1 131 059</u>	<u>1 222 414</u>	<u>8 954 514</u>	<u>52 248 070</u>
-	-	-	714 550
-	-	-	714 550
\$ <u>1 131 059</u>	\$ <u>1 222 414</u>	\$ <u>8 954 514</u>	\$ <u>52 962 620</u>
\$ 9 144	\$ 29 754	\$ 140 755	\$ 852 602
6 127	14 772	43 123	1 193 210
35 175	33 254	46 651	805 578
-	-	18 802	3 589 117
<u>50 446</u>	<u>77 780</u>	<u>249 331</u>	<u>6 440 507</u>
<u>851 675</u>	<u>786 037</u>	<u>1 737 450</u>	<u>21 081 919</u>
<u>851 675</u>	<u>786 037</u>	<u>1 737 450</u>	<u>21 081 919</u>
-	-	-	714 550
228 938	358 597	-	1 000 037
-	-	4 210 201	4 210 201
-	-	-	3 976 286
-	-	334 801	334 801
-	-	2 422 731	2 422 731
-	-	-	12 781 588
<u>228 938</u>	<u>358 597</u>	<u>6 967 733</u>	<u>25 440 194</u>
\$ <u>1 131 059</u>	\$ <u>1 222 414</u>	\$ <u>8 954 514</u>	\$ <u>52 962 620</u>

ANGELINA COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
 December 31, 2020

Total fund balances - Governmental funds balance sheet	\$	25 440 194
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.		21 943 374
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		2 621 858
Payables for debt principal, interest, bond premium and accrued compensated absences which are not due in the current period are not reported in the funds.		(9 182 638)
Recognition of the County's net pension liability and related deferred outflows are not reported in the funds.		(1 835 634)
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>562 350</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION	\$	<u>39 549 504</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, 2020

	GENERAL FUND	LOCAL PROVIDER PARTICIPATION FUND	ROAD AND BRIDGE #1 FUND	ROAD AND BRIDGE #2 FUND
Revenues:				
Ad valorem taxes	\$ 15 760 515	\$ -	\$ 684 024	\$ 295 718
Sales tax	6 485 238	-	459	85
Other taxes	97 530	-	-	-
Intergovernmental	548 116	-	49 095	9 512
Charges for services	3 491	-	-	-
Fines and fees	2 622 460	12 725 741	321 773	59 643
Interest income	175 207	39 624	3 256	3 566
Contributions and donations	-	-	-	-
Other revenue	270 112	-	10 000	2 405
TOTAL REVENUES	<u>25 962 669</u>	<u>12 765 365</u>	<u>1 068 607</u>	<u>370 929</u>
Expenditures:				
Administrative	7 864 708	-	-	-
Judicial and law enforcement	13 992 173	-	-	-
Health, welfare and sanitation	1 368 786	10 861 395	-	-
Highways and streets	-	-	903 857	309 861
Extension services	142 833	-	-	-
Capital outlays	-	-	118 318	44 703
Debt Service:				
Principal	-	-	-	-
Interest and other fees	-	-	-	-
TOTAL EXPENDITURES	<u>23 368 500</u>	<u>10 861 395</u>	<u>1 022 175</u>	<u>354 564</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2 594 169</u>	<u>1 903 970</u>	<u>46 432</u>	<u>16 365</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	45 000	-
Operating transfers out	(1 293 490)	-	-	-
Debt proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1 293 490)</u>	<u>-</u>	<u>45 000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1 300 679	1 903 970	91 432	16 365
Fund balance - Beginning	12 143 072	2 072 316	35 494	269 211
Prior Period Adjustment	52 387	-	-	-
Fund balance (Restated) - Beginning	<u>12 195 459</u>	<u>2 072 316</u>	<u>35 494</u>	<u>269 211</u>
FUND BALANCE - ENDING	<u>\$ 13 496 138</u>	<u>\$ 3 976 286</u>	<u>\$ 126 926</u>	<u>\$ 285 576</u>

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
\$	875 460	\$ 807 682	\$ 800 150	\$ 19 223 549
	637	582	-	6 487 001
	-	-	-	97 530
	68 435	61 841	3 769 705	4 506 704
	-	-	-	3 491
	447 519	408 106	500 075	17 085 317
	6 294	6 198	36 256	270 401
	-	-	30 600	30 600
	746	-	40 152	323 415
	<u>1 399 091</u>	<u>1 284 409</u>	<u>5 176 938</u>	<u>48 028 008</u>
	-	-	247 507	8 112 215
	-	-	4 676 470	18 668 643
	-	-	125 738	12 355 919
	1 307 605	1 142 586	-	3 663 909
	-	-	-	142 833
	42 148	57 522	1 744 558	2 007 249
	-	-	675 000	675 000
	-	-	36 350	36 350
	<u>1 349 753</u>	<u>1 200 108</u>	<u>7 505 623</u>	<u>45 662 118</u>
	<u>49 338</u>	<u>84 301</u>	<u>(2 328 685)</u>	<u>2 365 890</u>
	-	-	1 248 490	1 293 490
	-	-	-	(1 293 490)
	-	-	5 891 286	5 891 286
	-	-	7 139 776	5 891 286
	49 338	84 301	4 811 091	8 257 176
	179 600	274 296	2 232 823	17 206 812
	-	-	(76 181)	(23 794)
	<u>179 600</u>	<u>274 296</u>	<u>2 156 642</u>	<u>17 183 018</u>
\$	<u>228 938</u>	\$ <u>358 597</u>	\$ <u>6 967 733</u>	\$ <u>25 440 194</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, 2020

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

Net change in fund balances - Total governmental funds	\$ 8 257 176
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.	377 798
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1 164 196
The issuance of long-term debt (e.g., bonds, notes, leases and compensated absences) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(4 644 383)
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.	82 921
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>(42 810)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 5 194 898</u>

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

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2020

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND GROUP HEALTH INSURANCE FUND
	LANDFILL	AIRPORT	TOTAL	
ASSETS				
Current Assets:				
Cash and cash equivalent	\$ (765 198)	\$ 317 445	\$ (447 753)	\$ (1 629 509)
Investments	1 236 987	-	1 236 987	2 081 743
Receivables (Net Allowance):				
Accounts	271 172	100 507	371 679	-
Due from others	436	36 733	37 169	-
Inventory	-	66 527	66 527	-
TOTAL CURRENT ASSETS	<u>743 397</u>	<u>521 212</u>	<u>1 264 609</u>	<u>452 234</u>
Noncurrent Assets:				
Restricted Assets:				
Investments	8 295 791	-	8 295 791	-
TOTAL RESTRICTED ASSETS	<u>8 295 791</u>	<u>-</u>	<u>8 295 791</u>	<u>-</u>
Capital assets (net of depreciation)	6 400 063	2 892 870	9 292 933	-
TOTAL NONCURRENT ASSETS	<u>14 695 854</u>	<u>2 892 870</u>	<u>17 588 724</u>	<u>-</u>
TOTAL ASSETS	<u>15 439 251</u>	<u>3 414 082</u>	<u>18 853 333</u>	<u>452 234</u>
Deferred outflows	<u>31 558</u>	<u>111 888</u>	<u>143 446</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 15 470 809</u>	<u>\$ 3 525 970</u>	<u>\$ 18 996 779</u>	<u>\$ 452 234</u>
LIABILITIES				
Current Liabilities:				
Accounts/claims payable	\$ 90 660	\$ 72 446	\$ 163 106	\$ 125
Accrued liabilities	92 452	28 222	120 674	151 421
TOTAL CURRENT LIABILITIES	<u>183 112</u>	<u>100 668</u>	<u>283 780</u>	<u>151 546</u>
Noncurrent Liabilities:				
Pension liability	5 734	20 331	26 065	-
Landfill post closure cost - Noncurrent	7 648 619	-	7 648 619	-
TOTAL NONCURRENT LIABILITIES	<u>7 654 353</u>	<u>20 331</u>	<u>7 674 684</u>	<u>-</u>
TOTAL LIABILITIES	<u>7 837 465</u>	<u>120 999</u>	<u>7 958 464</u>	<u>151 546</u>
Deferred inflows	<u>36 149</u>	<u>128 163</u>	<u>164 312</u>	<u>-</u>
NET POSITION				
Non-spendable	-	66 527	66 527	-
Net investment in capital assets	6 400 063	2 892 870	9 292 933	-
Restricted for post closure liability	8 295 791	-	8 295 791	-
Unrestricted	<u>(7 098 659)</u>	<u>317 411</u>	<u>(6 781 248)</u>	<u>300 688</u>
TOTAL NET POSITION	<u>7 597 195</u>	<u>3 276 808</u>	<u>10 874 003</u>	<u>300 688</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 15 470 809</u>	<u>\$ 3 525 970</u>	<u>\$ 18 996 779</u>	<u>\$ 452 234</u>

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, 2020

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	LANDFILL	AIRPORT	TOTAL	GROUP HEALTH INSURANCE FUND
Operating Revenues:				
Charges for services	\$ 3 007 652	\$ 125 894	\$ 3 133 546	\$ -
Fuel and oil sales	-	784 641	784 641	-
Café sales	-	128 925	128 925	-
Employee premiums	-	-	-	459 492
Employer premiums	-	-	-	3 019 700
Other revenue	37 641	94 208	131 849	165 330
TOTAL OPERATING REVENUES	3 045 293	1 133 668	4 178 961	3 644 522
Operating Expenses:				
Salaries	927 200	510 369	1 437 569	-
Fuel	-	421 514	421 514	-
Café cost	-	79 769	79 769	-
Repairs and supplies	469 470	35 863	505 333	-
Depreciation and amortization	665 762	291 490	957 252	-
Professional fees	85 856	-	85 856	-
Insurance claims and related expenses	-	-	-	3 571 484
Closure and post closure expense	374 891	-	374 891	-
Capital outlay	44 542	8 573	53 115	-
Other expenses	130 273	118 231	248 504	-
TOTAL OPERATING EXPENSES	2 697 994	1 465 809	4 163 803	3 571 484
OPERATING INCOME (LOSS)	347 299	(332 141)	15 158	73 038
Non-Operating Revenues:				
Interest earned	5 872	2 575	8 447	9 883
Trust income	188 792	-	188 792	-
TOTAL NON-OPERATING REVENUES	194 664	2 575	197 239	9 883
NET CHANGE IN NET POSITION	541 963	(329 566)	212 397	82 921
Net position - Beginning	7 055 232	3 606 374	10 661 606	217 767
NET POSITION - ENDING	\$ 7 597 195	\$ 3 276 808	\$ 10 874 003	\$ 300 688

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, 2020

	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	\$ 3 025 655	\$ 1 112 730	\$ 4 138 385	\$ -
Receipts from interfund services provided	-	-	-	3 645 322
Payments for interfund services used	-	-	-	(3 835 987)
Payments to suppliers	(913 646)	(669 463)	(1 583 109)	-
Payments to employees	(979 573)	(499 632)	(1 479 205)	-
NET CASH USED BY OPERATING ACTIVITIES	1 132 436	(56 365)	1 076 071	(190 665)
Cash Flows From Non-Capital Financing Activities:				
Borrowing (to) from other funds	668	34 763	35 431	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	668	34 763	35 431	-
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(1 288 212)	(7 522)	(1 295 734)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1 288 212)	(7 522)	(1 295 734)	-
Cash Flows From Investing Activities:				
Purchase of investments	(532 650)	-	(532 650)	(9 882)
Interest received	5 872	2 575	8 447	9 883
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(526 778)	2 575	(524 203)	1
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(681 886)	(26 549)	(708 435)	(190 664)
Cash and cash equivalents - Beginning of year	(83 312)	343 994	260 682	(1 438 845)
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ (765 198)	\$ 317 445	\$ (447 753)	\$ (1 629 509)
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 347 299	\$ (332 141)	\$ 15 158	\$ 73 038
Adjustments:				
Depreciation	665 762	291 490	957 252	-
Decrease (increase) in accounts receivable	(19 638)	(20 938)	(40 576)	800
Decrease (increase) in inventory	-	(9 610)	(9 610)	-
Decrease (increase) in prepaid expense	13 201	-	13 201	-
Decrease (increase) in deferred outflows	123 134	(65 681)	57 453	-
Increase (decrease) in accounts/claims payable	(196 706)	4 097	(192 609)	125
Increase (decrease) in accrued liabilities	(27 913)	(15 478)	(43 391)	(264 628)
Increase (decrease) in deferred inflows	(27 806)	109 059	81 253	-
Increase (decrease) in pension liabilities	(119 788)	(17 163)	(136 951)	-
Increase (decrease) in landfill closure and post closure cost	374 891	-	374 891	-
TOTAL ADJUSTMENTS	785 137	275 776	1 060 913	(263 703)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1 132 436	\$ (56 365)	\$ 1 076 071	\$ (190 665)

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, 2020

	TOTAL AGENCY FUNDS
ASSETS	
Cash and cash equivalents	\$ 11 272 829
Investments	360 396
TOTAL ASSETS	\$ 11 633 225
LIABILITIES	
Due to others	\$ 11 633 225
TOTAL LIABILITIES	\$ 11 633 225

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The County reports the following major proprietary funds:

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

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

Additionally, the County reports the following fund type:

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

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

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

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

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

Fiduciary fund financial statements include fiduciary funds which are classified into private purpose trust and 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.

2. Receivables and Payables

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

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

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

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

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

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

6. Compensated Absences

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

7. Long-Term Obligations

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

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

8. Fund Equity

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

9. Estimates

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Process

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

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

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

B. Excess of Expenditures Over Appropriations in Individual Funds

For the year ended December 31, 2020, expenditures exceeded appropriations (by significant amounts) in the following funds and departments:

DEPARTMENT/FUND	AMOUNT
General - Information Technology	\$ 54 684
General - County Court at Law II	\$ 17 383

C. Deficit Fund Equity

SPECIAL REVENUE FUNDS	DEFICIT BALANCE
Juvenile Services	\$ 537 233
Grant Fund	\$ 10 763
Drug Court Grant Fund	\$ 1 266

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

At year end, the County's carrying amount of deposits was \$18,086,919 and the bank balance was \$18,183,496. Amounts over FDIC coverage were collateralized with securities held by the pledging financial institution's trust department or agent in the government's name.

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2020

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Investments are categorized into these three categories of credit risk:

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

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

	1	2	3	REPORTED AMOUNT/ FAIR VALUE
Waste Management Center Trust:				
U.S. Government Securities	\$ 7 097 304	\$ -	\$ -	\$ 7 097 304
Certificates of Deposits	1 198 487	-	-	1 198 487
Investment Pools:				
Tex Star	-	-	3 631 816	3 631 816
Tex CLASS	-	-	594 839	594 839
Investors Cash Trust	729 393	-	-	729 393
Certificates of Deposits	515 693	-	-	515 693
Tex Pool	-	-	4 991 379	4 991 379
Money Market Funds	19 413 587	-	-	19 413 587
TOTAL INVESTMENTS	<u>\$ 28 954 464</u>	<u>\$ -</u>	<u>\$ 9 218 034</u>	<u>\$ 38 172 498</u>

C. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	BEGINNING BALANCE	ADDITIONS	TRANSFERS	DELETIONS	ENDING BALANCE
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 685 014	\$ -	\$ -	\$ -	\$ 685 014
Construction in progress	459 104	413 434	-	-	872 538
TOTAL ASSETS NOT BEING DEPRECIATED	<u>1 144 118</u>	<u>413 434</u>	<u>-</u>	<u>-</u>	<u>1 557 552</u>
Capital Assets Being Depreciated:					
Buildings	23 314 421	42 036	-	-	23 356 457
Equipment	15 783 314	1 505 280	-	(242 461)	17 046 133
Infrastructure	70 033 841	823 310	-	-	70 857 151
TOTAL ASSETS BEING DEPRECIATED	<u>109 131 576</u>	<u>2 370 626</u>	<u>-</u>	<u>(242 461)</u>	<u>111 259 741</u>
Less Accumulated Depreciation For:					
Buildings	(12 856 290)	(584 288)	-	-	(13 440 578)
Equipment	(11 281 453)	(1 300 494)	-	229 259	(12 352 688)
Infrastructure	(64 572 375)	(508 278)	-	-	(65 080 653)
TOTAL ACCUMULATED DEPRECIATION	<u>(88 710 118)</u>	<u>(2 393 060)</u>	<u>-</u>	<u>229 259</u>	<u>(90 873 919)</u>
TOTAL ASSETS BEING DEPRECIATED, NET	<u>20 421 458</u>	<u>(22 434)</u>	<u>-</u>	<u>(13 202)</u>	<u>20 385 822</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 21 565 576</u>	<u>\$ 391 000</u>	<u>\$ -</u>	<u>\$ (13 202)</u>	<u>\$ 21 943 374</u>
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 2 180 720	\$ -	\$ -	\$ -	\$ 2 180 720
Construction in progress	1 923 818	1 274 394	(3 030 009)	-	168 203
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>4 104 538</u>	<u>1 274 394</u>	<u>(3 030 009)</u>	<u>-</u>	<u>2 348 923</u>
Capital Assets Being Depreciated:					
Buildings and improvements	6 346 664	3 048 370	(117 680)	-	9 277 354
Machinery and equipment	6 432 271	191 771	-	-	6 624 042
Infrastructure	11 375 179	-	-	-	11 375 179
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>24 154 114</u>	<u>3 240 141</u>	<u>(117 680)</u>	<u>-</u>	<u>27 276 575</u>
Less Accumulated Depreciation For:					
Buildings and improvements	(5 617 200)	(212 350)	117 680	-	(5 711 870)
Machinery and equipment	(4 550 502)	(501 351)	-	-	(5 051 853)
Infrastructure	(9 325 291)	(243 551)	-	-	(9 568 842)
TOTAL ACCUMULATED DEPRECIATION	<u>(19 492 993)</u>	<u>(957 252)</u>	<u>117 680</u>	<u>-</u>	<u>(20 332 565)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	<u>4 661 121</u>	<u>2 282 889</u>	<u>-</u>	<u>-</u>	<u>6 944 010</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 8 765 659</u>	<u>\$ 3 557 283</u>	<u>\$ (3 030 009)</u>	<u>\$ -</u>	<u>\$ 9 292 933</u>

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

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2020

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

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

Governmental Activities:		
Administration	\$	602 513
Judicial and law enforcement		1 377 229
Health, welfare and sanitation		110 255
Streets and highways		292 526
Extension service		10 537
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$	<u>2 393 060</u>
Business-Type Activities:		
Landfill	\$	665 762
Airport		291 490
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	\$	<u>957 252</u>

D. Long-Term Debt

Refunding Bond:

Refunding bonds payable at December 31, 2020 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>1 455 000</u>
---	----	------------------

The County expended \$35,850 for interest on Refunding Bonds for the year ended December 31, 2020.

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

YEAR ENDING DECEMBER 31,	GOVERNMENTAL ACTIVITIES		
	PRINCIPAL	INTEREST	TOTAL
2021	\$ 745 000	\$ 21 650	\$ 766 650
2022	710 000	7 100	717 100
TOTAL	<u>\$ 1 455 000</u>	<u>\$ 28 750</u>	<u>\$ 1 483 750</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, 2020 are comprised of the following individual issue:

\$814,382 maturing through 2021 with payments of \$280,102 to \$268,196 including interest at 0.99% for election equipment	\$	265 502
\$5,980,000 maturing through 2027 with payments of \$897,883 to \$896,186 including interest at 1.39%		5 980 000
	\$	<u>6 245 502</u>

YEAR ENDING DECEMBER 31,	GOVERNMENTAL ACTIVITIES		
	PRINCIPAL	INTEREST	TOTAL
2021	\$ 1 075 502	\$ 90 577	\$ 1 166 079
2022	830 000	66 095	896 095
2023	845 000	54 453	899 453
2024	850 000	42 638	892 638
2025	870 000	30 650	900 650
2026	880 000	18 487	898 487
2027	890 000	6 186	896 186
	<u>\$ 6 245 502</u>	<u>\$ 309 086</u>	<u>\$ 6 554 588</u>

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

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
2021	\$ 262 951	\$ 37 692	\$ 300 643
2022	288 183	28 125	316 308
2023	546 510	2 709	549 219
	<u>\$ 1 097 644</u>	<u>\$ 68 526</u>	<u>\$ 1 166 170</u>

ANGELINA COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2020

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Change in Long-Term Liabilities:

GOVERNMENTAL ACTIVITIES	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Notes payable	\$ 624 128	\$ 5 980 000	\$ 358 626	\$ 6 245 502	\$ 1 075 502
Refunding bond	2 130 000	-	675 000	1 455 000	745 000
Capital leases	1 410 051	65 245	377 652	1 097 644	262 951
Accrued compensated absences	261 662	23 382	-	285 044	-
GOVERNMENTAL ACTIVITY LONG- TERM LIABILITIES	<u>\$ 4 425 841</u>	<u>\$ 6 068 627</u>	<u>\$ 1 411 278</u>	<u>\$ 9 083 190</u>	<u>\$ 2 083 453</u>
BUSINESS-TYPE ACTIVITIES	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Landfill closure and post closure costs	\$ 7 273 728	\$ 374 891	-	\$ 7 648 619	-
BUSINESS-TYPE ACTIVITY LONG- TERM LIABILITIES	<u>\$ 7 273 728</u>	<u>\$ 374 891</u>	<u>\$ -</u>	<u>\$ 7 648 619</u>	<u>\$ -</u>

Closure and Postclosure Costs:

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to the current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure costs is based upon the amount of the landfill used during the current year. The estimated liability for the landfill closure and postclosure costs had a balance of \$7,648,619 as of December 31, 2020, which was based on 53.4% usage (filled) of the landfill. It is estimated that an additional \$6,686,196 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 \$14,334,815 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, 2020. 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, 2020, the balance in the landfill trust account was \$8,295,791. 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, 2020, the County abated property taxes totaling \$85,884 under this program, the amount of property valuation abated in the current and future years is as follows:

2021	\$ 15 134 239
2022	10 015 304
2023	5 569 729
2024	3 669 642
2025	2 103 555
Thereafter	3 786 399
TOTAL	<u>\$ 40 278 868</u>

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

F. Tax Rebates

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

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2020

Subsequent to the fiscal year end, December 31, 2020, the County rebated \$372,482 through these grants.

NOTE 4 - OTHER INFORMATION

Pension Plan

A. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 641 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

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

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

B. Actuarial Assumptions

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

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal ⁽¹⁾
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.75%
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, 2019 actuarial valuation analysis for the Angelina County. This information may also be found in the Angelina County December 31, 2019 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, 2020

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.

Demographic Assumptions

TCDRS System-Wide Demographic Assumptions:

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

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

ANGELINA COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2020

NOTE 4 - OTHER INFORMATION - CONTINUED

**Table 2
 Annual Rates of Disability***

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

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

Mortality

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

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

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

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

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

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

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

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

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2020

NOTE 4 - OTHER INFORMATION - CONTINUED

**Table 4
Annual Rates of Termination**

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

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

**Table 5
Probability of Withdrawal**

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

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

C. Long-Term Expected Rate of Return

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

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2020

NOTE 4 - OTHER INFORMATION - CONTINUED

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	7.00%	5.20%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	(0.20)%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	3.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global Real Estate (net) Index	3.00%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	8.00%	2.30%

(1) Target asset allocation adopted at the June 2020 TCDRS Board meeting.

(2) Geometric real rates of return in addition to assumed inflation of 1.80%, per Cliffwater's 2020 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.
- 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.

- 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.
- Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
- 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.
- Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

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

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2020

NOTE 4 - OTHER INFORMATION - CONTINUED

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 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	\$ 82 888 888	\$ 73 265 262	\$ 65 219 903
Fiduciary net position	\$ 72 219 707	\$ 72 219 707	\$ 72 219 707
Net pension liability/(asset)	\$ 10 669 181	\$ 1 045 555	\$ (6 999 804)

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, 2018	\$ 69 743 133	\$ 63 110 670	\$ 6 632 463
Changes for the Year:			
Service cost	1 913 125	-	1 913 125
Interest on total pension liability ⁽¹⁾	5 654 004	-	5 654 004
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(263 900)	-	(263 900)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(238 764)	(238 764)	-
Benefit payments	(3 542 335)	(3 542 335)	-
Administrative expenses	-	(55 034)	55 034
Member contributions	-	1 072 075	(1 072 075)
Net investment income	-	10 365 220	(10 365 220)
Employer contributions	-	1 537 618	(1 537 618)
Other ⁽²⁾	-	(29 742)	29 742
Balances as of December 31, 2019	<u>\$ 73 265 263</u>	<u>\$ 72 219 708</u>	<u>\$ 1 045 555</u>

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

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

G. Pension Expense and Deferred Inflows/Outflows

As of December 31, 2020, 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	\$ 843 645	\$ -
Change of assumptions	-	183 137
Net difference between projected and actual earnings	5 747 544	3 963 326
Contributions made subsequent to measurement date	-	1 607 716
	<u>\$ 6 591 189</u>	<u>\$ 5 754 179</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,	
2021	\$ (699 784)
2022	\$ (705 622)
2023	\$ 74 088
2024	\$ (1 113 408)
2025	\$ -
Thereafter	\$ -

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2020

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 \$452,234 at December 31, 2020. The claims liability of \$149,165 reported in the Fund at December 31, 2020 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
2020	\$	413 665	\$	3 306 984	\$	(3 571 484)	\$	149 165
2019	\$	623 670	\$	4 615 236	\$	(4 825 241)	\$	413 665
2018	\$	578 045	\$	4 918 375	\$	(4 872 750)	\$	623 670
2017	\$	424 529	\$	3 635 682	\$	(3 482 166)	\$	578 045
2016	\$	183 733	\$	2 921 396	\$	(2 680 600)	\$	424 529

I. Risk Management

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

J. Subsequent Event

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 27, 2021, the date the financial statements were available to be released.

K. Prior Period Adjustment

During the prior year, the general fund deferred revenues for the Pretrial Intervention Program of \$52,387 that should have been recognized as revenues for the program. A prior period adjustment was recognized in the current period and the \$52,387 was transferred to the new Pretrial Intervention Program Fund.

The Juvenile Services fund should have recognized revenues of \$76,181 in the prior year, the prior period adjustment corrected the fund balance in this fund.

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, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 15 697 899	\$ 15 697 899	\$ 15 760 515	\$ 62 616
Sales tax	6 200 000	6 200 000	6 485 238	285 238
Other taxes	110 000	110 000	97 530	(12 470)
Intergovernmental	662 280	662 280	548 116	(114 164)
Charges for services	9 350	9 350	3 491	(5 859)
Fines and fees	2 938 750	2 938 750	2 622 460	(316 290)
Interest income	300 000	300 000	175 207	(124 793)
Other revenues	73 200	73 200	270 112	196 912
TOTAL REVENUES	25 991 479	25 991 479	25 962 669	(28 810)
Expenditures:				
Administrative:				
County Commissioners	416 988	416 988	401 285	15 703
County Clerk	573 041	573 041	538 368	34 673
County Service Officer	11 784	11 784	-	11 784
County Judge	265 042	265 042	221 960	43 082
County Auditor	617 867	617 867	541 436	76 431
County Treasurer	194 016	194 016	190 766	3 250
County Tax Assessor-Collector	994 714	994 714	968 709	26 005
Election/Voter Registration	694 740	694 740	609 076	85 664
Emergency Management	107 358	107 358	99 085	8 273
Information Technology	916 654	916 654	971 338	(54 684)
Maintenance	728 571	728 571	679 465	49 106
General Administration	2 864 655	2 689 792	2 643 220	46 572
TOTAL ADMINISTRATIVE	8 385 430	8 210 567	7 864 708	345 859
Judicial and Law Enforcement:				
County Court-at-Law I	512 412	512 412	475 431	36 981
County Court-at-Law II	663 943	663 943	687 326	(23 383)
County Attorney	1 184 402	1 184 402	1 041 711	142 691
Constable Pct 1	98 933	98 933	95 883	3 050
Constable Pct 2	83 867	83 867	82 096	1 771
Constable Pct 3	80 783	80 783	75 717	5 066
Constable Pct 4	82 892	82 892	80 029	2 863
County Jail	4 043 461	4 043 461	3 883 978	159 483
County Sheriff	4 714 132	4 883 782	4 620 601	263 181
District Courts	972 276	988 276	748 095	240 181
District Clerk	614 565	614 565	525 043	89 522
District Attorney	1 206 686	1 220 580	936 042	284 538
Juvenile Judges	55 197	55 197	47 804	7 393
Justice of the Peace Pct 1	239 549	239 549	221 586	17 963
Justice of the Peace Pct 2	181 253	181 253	163 380	17 873
Justice of the Peace Pct 3	138 807	138 807	132 862	5 945
Justice of the Peace Pct 4	181 247	181 247	174 589	6 658
TOTAL JUDICIAL AND LAW ENFORCEMENT	15 054 405	15 253 949	13 992 173	1 261 776
Health, Welfare and Sanitation:				
County Public Health and Welfare	1 483 246	1 483 246	1 368 786	114 460
Extension Service:				
County Ag Extension Service	145 775	145 775	142 833	2 942
TOTAL EXPENDITURES	25 068 856	25 093 537	23 368 500	1 025 037
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	922 623	897 942	2 594 169	1 696 227
Other Financing Sources (Uses):				
Operating transfers out	(1 131 784)	(1 241 103)	(1 293 490)	(52 387)
TOTAL OTHER FINANCING SOURCES (USES)	(1 131 784)	(1 241 103)	(1 293 490)	(52 387)
NET CHANGE IN FUND BALANCES	(209 161)	(343 161)	1 300 679	1 643 840
Beginning fund balance	12 143 072	12 143 072	12 143 072	-
Prior period adjustment	52 387	52 387	52 387	-
FUND BALANCE (RESTATED) - BEGINNING	12 195 459	12 195 459	12 195 459	-
ENDING FUND BALANCE	\$ 11 986 298	\$ 11 852 298	\$ 13 496 138	\$ 1 643 840

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, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 684 024	\$ 684 024	\$ 684 024	\$ -
Sales tax	7 284	7 284	459	(6 825)
Intergovernmental	38 241	38 241	49 095	10 854
Fines and fees	325 176	325 176	321 773	(3 403)
Interest	10 000	10 000	3 256	(6 744)
Other revenues	-	10 000	10 000	-
TOTAL REVENUES	<u>1 064 725</u>	<u>1 074 725</u>	<u>1 068 607</u>	<u>(6 118)</u>
Expenditures:				
Highways and streets	924 233	1 014 728	903 857	110 871
Debt service	140 492	140 492	118 318	22 174
TOTAL EXPENDITURES	<u>1 064 725</u>	<u>1 155 220</u>	<u>1 022 175</u>	<u>133 045</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(80 495)</u>	<u>46 432</u>	<u>126 927</u>
Other Financing Sources (Uses):				
Operating transfers in	-	45 000	45 000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>45 000</u>	<u>45 000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(35 495)	91 432	126 927
Beginning fund balance	<u>35 494</u>	<u>35 494</u>	<u>35 494</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 35 494</u>	<u>\$ (1)</u>	<u>\$ 126 926</u>	<u>\$ 126 927</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, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 295 718	\$ 295 718	\$ 295 718	\$ -
Sales tax	1 345	1 345	85	(1 260)
Intergovernmental	7 060	7 060	9 512	2 452
Fines and fees	60 035	60 035	59 643	(392)
Interest	7 000	7 000	3 566	(3 434)
Other revenue	-	-	2 405	2 405
TOTAL REVENUES	<u>371 158</u>	<u>371 158</u>	<u>370 929</u>	<u>(229)</u>
Expenditures:				
Highways and streets	421 158	431 158	309 861	121 297
Debt service	-	45 000	44 703	297
TOTAL EXPENDITURES	<u>421 158</u>	<u>476 158</u>	<u>354 564</u>	<u>121 594</u>
NET CHANGE IN FUND BALANCES	(50 000)	(105 000)	16 365	121 365
Beginning fund balance	<u>269 211</u>	<u>269 211</u>	<u>269 211</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 219 211</u>	<u>\$ 164 211</u>	<u>\$ 285 576</u>	<u>\$ 121 365</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, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 875 460	\$ 875 460	\$ 875 460	\$ -
Sales tax	10 127	10 127	637	(9 490)
Intergovernmental	53 168	53 168	68 435	15 267
Fines and fees	452 112	452 112	447 519	(4 593)
Interest	15 000	15 000	6 294	(8 706)
Other revenue	-	-	746	746
TOTAL REVENUES	<u>1 405 867</u>	<u>1 405 867</u>	<u>1 399 091</u>	<u>(6 776)</u>
Expenditures:				
Highways and streets	1 405 867	1 355 867	1 307 605	48 262
Capital outlay	-	50 000	42 148	7 852
TOTAL EXPENDITURES	<u>1 405 867</u>	<u>1 405 867</u>	<u>1 349 753</u>	<u>56 114</u>
NET CHANGE IN FUND BALANCES	-	-	49 338	49 338
Beginning fund balance	<u>179 600</u>	<u>179 600</u>	<u>179 600</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 179 600</u>	<u>\$ 179 600</u>	<u>\$ 228 938</u>	<u>\$ 49 338</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, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 807 682	\$ 807 682	\$ 807 682	\$ -
Sales tax	9 244	9 244	582	(8 662)
Intergovernmental	48 531	48 531	61 841	13 310
Fines and fees	412 676	412 676	408 106	(4 570)
Interest income	10 000	10 000	6 198	(3 802)
TOTAL REVENUES	<u>1 288 133</u>	<u>1 288 133</u>	<u>1 284 409</u>	<u>(3 724)</u>
Expenditures:				
Highways and streets	1 320 088	1 257 088	1 142 586	114 502
Capital outlay	-	263 000	57 522	205 478
TOTAL EXPENDITURES	<u>1 320 088</u>	<u>1 520 088</u>	<u>1 200 108</u>	<u>319 980</u>
NET CHANGE IN FUND BALANCES	(31 955)	(231 955)	84 301	316 256
Beginning fund balance	<u>274 296</u>	<u>274 296</u>	<u>274 296</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 242 341</u>	<u>\$ 42 341</u>	<u>\$ 358 597</u>	<u>\$ 316 256</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
December 31, 2020

	2019	2018	2017	2016
Total Pension Liability:				
Service cost	\$ 1 913 125	\$ 1 985 314	\$ 1 947 950	\$ 2 000 000
Interest on the total pension liability	5 654 004	5 403 769	5 118 739	4 700 000
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	-	-	457 843	-
Effect of economic/demographic (gains) or losses	(263 900)	(542 520)	(593 800)	(300 000)
Benefit payments/refunds of contributions	(3 781 099)	(3 592 678)	(3 311 212)	(2 700 000)
NET CHANGE IN TOTAL PENSION LIABILITY	<u>3 522 130</u>	<u>3 253 885</u>	<u>3 619 520</u>	<u>3 600 000</u>
Total pension liability - Beginning	<u>69 743 133</u>	<u>66 489 248</u>	<u>62 869 728</u>	<u>59 100 000</u>
TOTAL PENSION LIABILITY - ENDING	<u>73 265 263</u>	<u>69 743 133</u>	<u>66 489 248</u>	<u>62 700 000</u>
Fiduciary Net Position:				
Employer contributions	1 537 618	1 542 976	1 562 130	1 500 000
Member contributions	1 072 075	1 125 475	1 088 055	1 000 000
Investment income net of investment expenses	10 365 220	(1 227 483)	8 403 432	3 900 000
Benefit payments/refunds of contributions	(3 781 099)	(3 592 678)	(3 311 213)	(2 700 000)
Administrative expenses	(55 034)	(50 691)	(43 449)	(40 000)
Other	(29 742)	(20 973)	(9 268)	(30 000)
NET CHANGE IN FIDUCIARY NET POSITION	<u>9 109 038</u>	<u>(2 223 374)</u>	<u>7 689 687</u>	<u>3 600 000</u>
Fiduciary net position - Beginning	<u>63 110 670</u>	<u>65 334 044</u>	<u>57 644 357</u>	<u>54 000 000</u>
FIDUCIARY NET POSITION, ENDING	<u>72 219 708</u>	<u>63 110 670</u>	<u>65 334 044</u>	<u>57 600 000</u>
NET PENSION LIABILITY/(ASSET), ENDING	<u>\$ 1 045 555</u>	<u>\$ 6 632 463</u>	<u>\$ 1 155 204</u>	<u>\$ 5 100 000</u>
Fiduciary net position as a percentage of total pension liability	98.57%	90.49%	98.26%	98.26%
Pensionable covered payroll	\$ 15 315 362	\$ 15 351 414	\$ 15 543 644	\$ 14 900 000
Net pension liability as a percentage of covered payroll	6.83%	43.20%	7.43%	34.23%

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, 2020

YEAR ENDING DECEMBER 31,	ACTUARIALLY DETERMINE CONTRIBUTION	ACTUAL EMPLOYER CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	PENSIONABLE COVERED PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL
2020	\$ 1 454 959	\$ 1 607 716	\$ (152 757)	\$ 15 315 362	10.0%
2019	\$ 1 482 947	\$ 1 542 976	\$ (60 029)	\$ 15 351 414	10.1%
2018	\$ 1 453 331	\$ 1 562 130	\$ (108 799)	\$ 15 543 644	10.0%
2017	\$ 1 448 920	\$ 1 502 752	\$ (53 832)	\$ 14 952 736	10.1%
2016	\$ 1 483 561	\$ 1 492 472	\$ (8 911)	\$ 14 850 464	10.1%
2015	\$ 1 404 794	\$ 1 404 794	\$ -	\$ 13 978 560	10.0%
2014	\$ 1 255 301	\$ 1 255 301	\$ -	\$ 13 170 155	9.5%
2013	\$ 1 260 623	\$ 1 260 623	\$ -	\$ 13 554 998	9.3%
2012	\$ 1 217 766	\$ 1 217 766	\$ -	\$ 13 560 838	9.0%
2011	\$ 1 203 406	\$ 1 203 406	\$ -	\$ 13 137 617	9.2%

See Note 4 for any changes in the plan.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Grant - To account for various grant funds and activity.

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

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

Abandoned Property - To account for sale of abandoned property.

CARES Act - To account for CARES Act grant.

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.

2020 Tax Notes - To account for expenditures financed by the 2020 Tax Notes.

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2020

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalent	\$ 2 615 560	\$ 334 801	\$ 4 210 201	\$ 7 160 562
Investments	308 507	-	-	308 507
Receivables:				
Miscellaneous	61 248	-	-	61 248
Intergovernmental	432 764	-	-	432 764
Due from other funds	93 550	897 883	-	991 433
TOTAL ASSETS	\$ 3 511 629	\$ 1 232 684	\$ 4 210 201	\$ 8 954 514
LIABILITIES				
Accounts payable	\$ 140 755	\$ -	\$ -	\$ 140 755
Accrued liabilities	43 123	-	-	43 123
Accrued compensated absences	46 651	-	-	46 651
Due to other funds	18 802	-	-	18 802
TOTAL LIABILITIES	249 331	-	-	249 331
DEFERRED INFLOWS				
Unavailable revenue	839 567	897 883	-	1 737 450
TOTAL DEFERRED INFLOWS	839 567	897 883	-	1 737 450
FUND BALANCES				
Restricted:				
Construction	-	-	4 210 201	4 210 201
Debt service	-	334 801	-	334 801
Other	2 422 731	-	-	2 422 731
TOTAL FUND BALANCES	2 422 731	334 801	4 210 201	6 967 733
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 3 511 629	\$ 1 232 684	\$ 4 210 201	\$ 8 954 514

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, 2020

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:				
Ad valorem tax	\$ 88 800	\$ 711 350	\$ -	\$ 800 150
Intergovernmental	3 769 705	-	-	3 769 705
Interest income	20 564	3 340	12 352	36 256
Fines and fees	500 075	-	-	500 075
Contributions and donations	30 600	-	-	30 600
Other revenue	40 152	-	-	40 152
TOTAL REVENUES	4 449 896	714 690	12 352	5 176 938
Expenditures:				
Administrative	247 507	-	-	247 507
Judicial and law enforcement	4 676 470	-	-	4 676 470
Health, welfare and sanitation	125 738	-	-	125 738
Capital outlay	38 648	-	1 705 910	1 744 558
Debt Service:				
Principal	-	675 000	-	675 000
Interest and other fees	-	36 350	-	36 350
TOTAL EXPENDITURES	5 088 363	711 350	1 705 910	7 505 623
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(638 467)	3 340	(1 693 558)	(2 328 685)
Other Financing Sources (Uses):				
Operating transfers in	1 248 490	-	-	1 248 490
Debt proceeds	-	-	5 891 286	5 891 286
TOTAL OTHER FINANCING SOURCES (USES)	1 248 490	-	5 891 286	7 139 776
NET CHANGE IN FUND BALANCES	610 023	3 340	4 197 728	4 811 091
Fund balances - Beginning	1 888 889	331 461	12 473	2 232 823
Prior Period Adjustment	(76 181)	-	-	(76 181)
Fund balance (Restated) - Beginning	1 812 708	331 461	12 473	2 156 642
FUND BALANCES - ENDING	\$ 2 422 731	\$ 334 801	\$ 4 210 201	\$ 6 967 733

See independent auditors' report.

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2020

	MENTAL HEALTH FUND	JURY FUND	ELECTION SERVICE CONTRACT	JUVENILE PROBATION FEES FUND	LAW LIBRARY FUND
ASSETS					
Cash and cash equivalent	\$ 72 075	\$ 233 491	\$ -	\$ 56 495	\$ 42 966
Investments	-	-	-	-	-
Receivables:					
Miscellaneous	-	-	29 038	-	-
Intergovernmental	-	-	-	-	-
Due from other funds	-	93 550	-	-	-
TOTAL ASSETS	\$ 72 075	\$ 327 041	\$ 29 038	\$ 56 495	\$ 42 966
LIABILITIES					
Accounts payable	\$ 2 475	\$ 3 184	\$ -	\$ -	\$ 4 015
Accrued liabilities	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	2 475	3 184	-	-	4 015
DEFERRED INFLOWS					
Unavailable revenue	-	93 550	-	-	-
TOTAL DEFERRED INFLOWS	-	93 550	-	-	-
FUND BALANCES					
Restricted:					
Other	69 600	230 307	29 038	56 495	38 951
TOTAL FUND BALANCES	69 600	230 307	29 038	56 495	38 951
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 72 075	\$ 327 041	\$ 29 038	\$ 56 495	\$ 42 966

See independent auditors' report.

CASSELS- BOYKIN PARK	ADULT PROBATION	JUVENILE SERVICES	COUNTY CLERK RECORDS MANAGEMENT	TEEN COURT	SECURITY FUND	DISTRICT CLERK RECORDS MANAGEMENT
\$ 169 409	\$ 344 259	\$ (307 037)	\$ 692 823	\$ 4 965	\$ 237 839	\$ 36 624
-	308 507	-	-	-	-	-
-	1 600	-	-	-	-	-
-	-	3 852	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 169 409</u>	<u>\$ 654 366</u>	<u>\$ (303 185)</u>	<u>\$ 692 823</u>	<u>\$ 4 965</u>	<u>\$ 237 839</u>	<u>\$ 36 624</u>
\$ 2 102	\$ 39 222	\$ 56 824	\$ 22 743	\$ -	\$ -	\$ -
206	26 314	13 249	697	-	-	-
911	-	43 871	1 434	-	-	-
-	-	-	-	-	-	-
<u>3 219</u>	<u>65 536</u>	<u>113 944</u>	<u>24 874</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	120 094	-	-	49 227	-
-	-	120 094	-	-	49 227	-
<u>166 190</u>	<u>588 830</u>	<u>(537 223)</u>	<u>667 949</u>	<u>4 965</u>	<u>188 612</u>	<u>36 624</u>
<u>166 190</u>	<u>588 830</u>	<u>(537 223)</u>	<u>667 949</u>	<u>4 965</u>	<u>188 612</u>	<u>36 624</u>
<u>\$ 169 409</u>	<u>\$ 654 366</u>	<u>\$ (303 185)</u>	<u>\$ 692 823</u>	<u>\$ 4 965</u>	<u>\$ 237 839</u>	<u>\$ 36 624</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2020

	<u>JUVENILE COMMUNITY SERVICE</u>	<u>DISTRICT CLERK TECH FUND</u>	<u>COUNTY RECORDS PRESERVATION</u>	<u>CARES ACT</u>
ASSETS				
Cash and cash equivalent	\$ 27 879	\$ 93 126	\$ 267 929	\$ 407 633
Investments	-	-	-	-
Receivables:				
Miscellaneous	-	-	-	-
Intergovernmental	-	-	-	-
Due from intergovernmental	-	-	-	-
TOTAL ASSETS	<u>\$ 27 879</u>	<u>\$ 93 126</u>	<u>\$ 267 929</u>	<u>\$ 407 633</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	-	15 802
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>15 802</u>
DEFERRED INFLOWS				
Unavailable revenue	-	-	-	391 831
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>	<u>391 831</u>
FUND BALANCES				
Restricted:				
Other	<u>27 879</u>	<u>93 126</u>	<u>267 929</u>	<u>-</u>
TOTAL FUND BALANCES	<u>27 879</u>	<u>93 126</u>	<u>267 929</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 27 879</u>	<u>\$ 93 126</u>	<u>\$ 267 929</u>	<u>\$ 407 633</u>

See independent auditors' report.

CONSTABLES RADIO COMMUNICATIONS GRANT FUND	SAPPF RE-ENTRY COURT	GRANTS FUND	DISTRICT ATTORNEY STATE GRANT	DRUG COURT GRANT	CONSTABLE #1 FORFEITURE	SHERIFF FEDERAL FORFEITURE
\$ 3 907	\$ 81 255	\$ (267 527)	\$ 8 696	\$ (19 030)	\$ 5 999	\$ 5 476
-	-	-	-	-	-	-
-	-	-	-	30 610	-	-
-	-	413 376	15 536	-	-	-
-	-	-	-	-	-	-
<u>\$ 3 907</u>	<u>\$ 81 255</u>	<u>\$ 145 849</u>	<u>\$ 24 232</u>	<u>\$ 11 580</u>	<u>\$ 5 999</u>	<u>\$ 5 476</u>
\$ -	\$ 1 751	\$ -	\$ -	\$ 7 189	\$ -	\$ -
-	72	-	2 042	543	-	-
-	398	-	-	-	-	-
-	-	3 000	-	-	-	-
<u>-</u>	<u>2 221</u>	<u>3 000</u>	<u>2 042</u>	<u>7 732</u>	<u>-</u>	<u>-</u>
<u>3 703</u>	<u>22 436</u>	<u>153 612</u>	<u>-</u>	<u>5 114</u>	<u>-</u>	<u>-</u>
<u>3 703</u>	<u>22 436</u>	<u>153 612</u>	<u>-</u>	<u>5 114</u>	<u>-</u>	<u>-</u>
<u>204</u>	<u>56 598</u>	<u>(10 763)</u>	<u>22 190</u>	<u>(1 266)</u>	<u>5 999</u>	<u>5 476</u>
<u>204</u>	<u>56 598</u>	<u>(10 763)</u>	<u>22 190</u>	<u>(1 266)</u>	<u>5 999</u>	<u>5 476</u>
<u>\$ 3 907</u>	<u>\$ 81 255</u>	<u>\$ 145 849</u>	<u>\$ 24 232</u>	<u>\$ 11 580</u>	<u>\$ 5 999</u>	<u>\$ 5 476</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2020

	SHERIFF FORFEITURE FUND	COUNTY ATTORNEY FORFEITURE	DISTRICT ATTORNEY FORFEITURE	PRETRIAL INTERVENTION PROGRAM
ASSETS				
Cash and cash equivalent	\$ 44 367	\$ 134 961	\$ 107 442	\$ 48 092
Investments	-	-	-	-
Receivables:				
Miscellaneous	-	-	-	-
Intergovernmental	-	-	-	-
Due from intergovernmental	-	-	-	-
TOTAL ASSETS	\$ 44 367	\$ 134 961	\$ 107 442	\$ 48 092
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 1 250	\$ -
Accrued liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	-	-	1 250	-
DEFERRED INFLOWS				
Unavailable revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-
FUND BALANCES				
Restricted:				
Other	44 367	134 961	106 192	48 092
TOTAL FUND BALANCES	44 367	134 961	106 192	48 092
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 44 367	\$ 134 961	\$ 107 442	\$ 48 092

See independent auditors' report.

DISTRICT ATTORNEY JUDICIARY APPORTIONMENT	ABANDONED PROPERTY FUND	CONSTABLE #4 FORFEITURE FUND	COUNTY ATTORNEY HOT CHECK	DISTRICT ATTORNEY FUND	TOTAL
\$ 7 500	\$ 44	\$ 765	\$ 72 887	\$ 250	\$ 2 615 560
-	-	-	-	-	308 507
-	-	-	-	-	61 248
-	-	-	-	-	432 764
-	-	-	-	-	93 550
<u>\$ 7 500</u>	<u>\$ 44</u>	<u>\$ 765</u>	<u>\$ 72 887</u>	<u>\$ 250</u>	<u>\$ 3 511 629</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140 755
-	-	-	-	-	43 123
-	-	-	37	-	46 651
-	-	-	-	-	18 802
<u>-</u>	<u>-</u>	<u>-</u>	<u>37</u>	<u>-</u>	<u>249 331</u>
-	-	-	-	-	839 567
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>839 567</u>
<u>7 500</u>	<u>44</u>	<u>765</u>	<u>72 850</u>	<u>250</u>	<u>2 422 731</u>
<u>7 500</u>	<u>44</u>	<u>765</u>	<u>72 850</u>	<u>250</u>	<u>2 422 731</u>
<u>\$ 7 500</u>	<u>\$ 44</u>	<u>\$ 765</u>	<u>\$ 72 887</u>	<u>\$ 250</u>	<u>\$ 3 511 629</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2020

	MENTAL HEALTH FUND	JURY FUND	ELECTION SERVICE CONTRACT	JUVENILE PROBATION FEES FUND	LAW LIBRARY FUND
Revenues:					
Ad valorem tax	\$ -	\$ 88 800	\$ -	\$ -	\$ -
Intergovernmental	-	18 294	29 038	-	-
Interest income	505	1 720	-	416	283
Fines and fees	38 660	-	-	855	27 734
Contributions and donations	-	-	-	-	-
Other revenues	-	-	-	-	-
TOTAL REVENUES	<u>39 165</u>	<u>108 814</u>	<u>29 038</u>	<u>1 271</u>	<u>28 017</u>
Expenditures:					
Administrative	-	-	-	-	-
Judicial and law enforcement	-	30 221	-	-	22 046
Health, welfare and sanitation	32 113	-	-	-	-
Capital outlays	-	-	-	-	-
TOTAL EXPENDITURES	<u>32 113</u>	<u>30 221</u>	<u>-</u>	<u>-</u>	<u>22 046</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7 052</u>	<u>78 593</u>	<u>29 038</u>	<u>1 271</u>	<u>5 971</u>
Other Financing Sources (Uses):					
Operating transfers in	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	7 052	78 593	29 038	1 271	5 971
Fund balance - Beginning	62 548	151 714	-	55 224	32 980
Prior Period Adjustment	-	-	-	-	-
Fund balance (Restated) - Beginning	<u>62 548</u>	<u>151 714</u>	<u>-</u>	<u>55 224</u>	<u>32 980</u>
FUND BALANCE - ENDING	<u>\$ 69 600</u>	<u>\$ 230 307</u>	<u>\$ 29 038</u>	<u>\$ 56 495</u>	<u>\$ 38 951</u>

See independent auditors' report.

CASSELS- BOYKIN PARK	ADULT PROBATION	JUVENILE SERVICES	COUNTY CLERK RECORDS MANAGEMENT	TEEN COURT	SECURITY FUND	DISTRICT CLERK RECORDS MANAGEMENT
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1 956 017	885 710	-	-	32 880	-
1 373	2 644	1 104	5 116	37	1 618	205
79 529	-	23 200	282 304	-	-	14 838
-	-	-	-	-	-	-
-	318	8 595	-	-	-	-
<u>80 902</u>	<u>1 958 979</u>	<u>918 609</u>	<u>287 420</u>	<u>37</u>	<u>34 498</u>	<u>15 043</u>
-	-	-	245 524	-	-	583
-	1 931 178	1 833 545	-	-	1 554	-
93 625	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>93 625</u>	<u>1 931 178</u>	<u>1 833 545</u>	<u>245 524</u>	<u>-</u>	<u>1 554</u>	<u>583</u>
<u>(12 723)</u>	<u>27 801</u>	<u>(914 936)</u>	<u>41 896</u>	<u>37</u>	<u>32 944</u>	<u>14 460</u>
59 564	-	1 072 220	-	-	-	-
<u>59 564</u>	<u>-</u>	<u>1 072 220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
46 841	27 801	157 284	41 896	37	32 944	14 460
119 349	561 029	(618 326)	626 053	4 928	155 668	22 164
-	-	(76 181)	-	-	-	-
<u>119 349</u>	<u>561 029</u>	<u>(694 507)</u>	<u>626 053</u>	<u>4 928</u>	<u>155 668</u>	<u>22 164</u>
\$ <u>166 190</u>	\$ <u>588 830</u>	\$ <u>(537 223)</u>	\$ <u>667 949</u>	\$ <u>4 965</u>	\$ <u>188 612</u>	\$ <u>36 624</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2020

	JUVENILE COMMUNITY SERVICE	DISTRICT CLERK TECH FUND	COUNTY RECORDS PRESERVATION	CARES ACT
Revenues:				
Ad valorem tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	42 197
Interest income	208	653	1 949	76
Fines and fees	-	10 520	9 607	-
Contributions and donations	-	-	-	-
Other revenues	-	-	-	-
TOTAL REVENUES	<u>208</u>	<u>11 173</u>	<u>11 556</u>	<u>42 273</u>
Expenditures:				
Administrative	-	1 400	-	-
Judicial and law enforcement	-	-	-	5 625
Health, welfare and sanitation	-	-	-	-
Capital outlays	-	-	-	38 648
TOTAL EXPENDITURES	<u>-</u>	<u>1 400</u>	<u>-</u>	<u>44 273</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>208</u>	<u>9 773</u>	<u>11 556</u>	<u>(2 000)</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	2 000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2 000</u>
NET CHANGE IN FUND BALANCES	208	9 773	11 556	-
Fund balance - Beginning	27 671	83 353	256 373	-
Prior Period Adjustment	-	-	-	-
Fund balance (Restated) - Beginning	<u>27 671</u>	<u>83 353</u>	<u>256 373</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 27 879</u>	<u>\$ 93 126</u>	<u>\$ 267 929</u>	<u>\$ -</u>

See independent auditors' report.

CONSTABLES RADIO COMMUNICATIONS GRANT FUND	SAFPF RE-ENTRY COURT	GRANTS FUND	DISTRICT ATTORNEY STATE GRANT	DRUG COURT GRANT	CONSTABLE #1 FORFEITURE	SHERIFF FEDERAL FORFEITURE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	50 000	579 614	58 332	95 123	-	-
29	500	-	-	28	45	41
-	4 149	-	-	4 149	-	-
-	30 000	-	-	600	-	-
-	-	-	-	-	-	-
<u>29</u>	<u>84 649</u>	<u>579 614</u>	<u>58 332</u>	<u>99 900</u>	<u>45</u>	<u>41</u>
-	-	-	-	-	-	-
-	28 051	584 114	98 461	108 034	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>28 051</u>	<u>584 114</u>	<u>98 461</u>	<u>108 034</u>	<u>-</u>	<u>-</u>
<u>29</u>	<u>56 598</u>	<u>(4 500)</u>	<u>(40 129)</u>	<u>(8 134)</u>	<u>45</u>	<u>41</u>
-	-	-	62 319	-	-	-
-	-	-	62 319	-	-	-
29	56 598	(4 500)	22 190	(8 134)	45	41
175	-	(6 263)	-	6 868	5 954	5 435
-	-	-	-	-	-	-
<u>175</u>	<u>-</u>	<u>(6 263)</u>	<u>-</u>	<u>6 868</u>	<u>5 954</u>	<u>5 435</u>
\$ <u>204</u>	\$ <u>56 598</u>	\$ <u>(10 763)</u>	\$ <u>22 190</u>	\$ <u>(1 266)</u>	\$ <u>5 999</u>	\$ <u>5 476</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2020

	SHERIFF FORFEITURE FUND	COUNTY ATTORNEY FORFEITURE	DISTRICT ATTORNEY FORFEITURE	PRETRIAL INTERVENTION PROGRAM
Revenues:				
Ad valorem tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Interest income	287	1 003	718	-
Fines and fees	-	-	-	964
Contributions and donations	-	-	-	-
Other revenues	8 773	-	21 863	-
TOTAL REVENUES	9 060	1 003	22 581	964
Expenditures:				
Administrative	-	-	-	-
Judicial and law enforcement	2 001	-	7 959	5 259
Health, welfare and sanitation	-	-	-	-
Capital outlays	-	-	-	-
TOTAL EXPENDITURES	2 001	-	7 959	5 259
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7 059	1 003	14 622	(4 295)
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	52 387
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	52 387
NET CHANGE IN FUND BALANCES	7 059	1 003	14 622	48 092
Fund balance - Beginning	37 308	133 958	91 570	-
Prior Period Adjustment	-	-	-	-
Fund balance (Restated) - Beginning	37 308	133 958	91 570	-
FUND BALANCE - ENDING	\$ 44 367	\$ 134 961	\$ 106 192	\$ 48 092

See independent auditors' report.

DISTRICT ATTORNEY JUDICIARY APPORTIONMENT	ABANDONED PROPERTY FUND	CONSTABLE #4 FORFEITURE FUND	COUNTY ATTORNEY HOT CHECK	DISTRICT ATTORNEY FUND	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88 800
22 500	-	-	-	-	3 769 705
-	1	5	-	-	20 564
-	-	-	3 566	-	500 075
-	-	-	-	-	30 600
-	-	-	-	603	40 152
<u>22 500</u>	<u>1</u>	<u>5</u>	<u>3 566</u>	<u>603</u>	<u>4 449 896</u>
-	-	-	-	-	247 507
15 000	-	-	3 422	-	4 676 470
-	-	-	-	-	125 738
-	-	-	-	-	38 648
<u>15 000</u>	<u>-</u>	<u>-</u>	<u>3 422</u>	<u>-</u>	<u>5 088 363</u>
<u>7 500</u>	<u>1</u>	<u>5</u>	<u>144</u>	<u>603</u>	<u>(638 467)</u>
-	-	-	-	-	1 248 490
-	-	-	-	-	1 248 490
7 500	1	5	144	603	610 023
-	43	760	72 706	(353)	1 888 889
-	-	-	-	-	(76 181)
<u>-</u>	<u>43</u>	<u>760</u>	<u>72 706</u>	<u>(353)</u>	<u>1 812 708</u>
\$ <u>7 500</u>	\$ <u>44</u>	\$ <u>765</u>	\$ <u>72 850</u>	\$ <u>250</u>	\$ <u>2 422 731</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2020

	2014 TAX NOTE FUND	2020 TAX NOTE FUND	TOTAL
ASSETS			
Cash and cash equivalent	\$ 12 567	\$ 4 197 634	\$ 4 210 201
TOTAL ASSETS	\$ 12 567	\$ 4 197 634	\$ 4 210 201
FUND BALANCES			
Restricted:			
Construction	\$ 12 567	\$ 4 197 634	\$ 4 210 201
TOTAL FUND BALANCES	\$ 12 567	\$ 4 197 634	\$ 4 210 201

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, 2020

	<u>2014 TAX NOTE FUND</u>	<u>2020 TAX NOTE FUND</u>	<u>TOTAL</u>
Revenues:			
Interest income	\$ 94	\$ 12 258	\$ 12 352
TOTAL REVENUES	<u>94</u>	<u>12 258</u>	<u>12 352</u>
Expenditures:			
Capital outlays	<u>-</u>	<u>1 705 910</u>	<u>1 705 910</u>
TOTAL EXPENDITURES	<u>-</u>	<u>1 705 910</u>	<u>1 705 910</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>94</u>	<u>(1 693 652)</u>	<u>(1 693 558)</u>
Other Financing Sources (Uses):			
Debt proceeds	<u>-</u>	<u>5 891 286</u>	<u>5 891 286</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>5 891 286</u>	<u>5 891 286</u>
NET CHANGE IN FUND BALANCE	94	4 197 634	4 197 728
Fund balance - Beginning	<u>12 473</u>	<u>-</u>	<u>12 473</u>
FUND BALANCE - ENDING	<u>\$ 12 567</u>	<u>\$ 4 197 634</u>	<u>\$ 4 210 201</u>

See independent auditors' report.

AGENCY FUNDS

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2020

	<u>DISTRICT CLERK</u>	<u>COUNTY CLERK</u>	<u>SHERIFF</u>	<u>JUSTICES OF THE PEACE</u>	<u>TAX ASSESSOR COLLECTOR</u>	<u>DISTRICT ATTORNEY</u>
ASSETS						
Cash and cash equivalents	\$ 2 048 008	\$ 2 723 626	\$ 611 882	\$ 8 987	\$ 5 874 265	\$ 3 477
Investments	<u>93 812</u>	<u>266 584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 2 141 820</u>	<u>\$ 2 990 210</u>	<u>\$ 611 882</u>	<u>\$ 8 987</u>	<u>\$ 5 874 265</u>	<u>\$ 3 477</u>
LIABILITIES						
Due to others	<u>\$ 2 141 820</u>	<u>\$ 2 990 210</u>	<u>\$ 611 882</u>	<u>\$ 8 987</u>	<u>\$ 5 874 265</u>	<u>\$ 3 477</u>
TOTAL LIABILITIES	<u>\$ 2 141 820</u>	<u>\$ 2 990 210</u>	<u>\$ 611 882</u>	<u>\$ 8 987</u>	<u>\$ 5 874 265</u>	<u>\$ 3 477</u>

See independent auditors' report.

<u>COUNTY ATTORNEY</u>	<u>COUNTY EMPLOYEE FUND</u>	<u>EXTENSION OFFICE</u>	<u>TOTAL</u>
\$ 513	\$ 1 000	\$ 1 072	\$ 11 272 829
<u>-</u>	<u>-</u>	<u>-</u>	<u>360 396</u>
<u>\$ 513</u>	<u>\$ 1 000</u>	<u>\$ 1 072</u>	<u>\$ 11 633 225</u>
<u>\$ 513</u>	<u>\$ 1 000</u>	<u>\$ 1 072</u>	<u>\$ 11 633 225</u>
<u>\$ 513</u>	<u>\$ 1 000</u>	<u>\$ 1 072</u>	<u>\$ 11 633 225</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, 2020, 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 27, 2021.

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 27, 2021


CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

We have audited Angelina County, Texas' (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards, applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, Angelina County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
July 27, 2021

ANGELINA COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2020

A. Summary of the Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

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

Noncompliance material to financial statements noted? Yes No

2. Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.710	Public Safety Partnership and Community Policing Grant
21.019	Coronavirus Relief fund

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

Auditee qualified as low-risk auditee? Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

ANGELINA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	(2) FEDERAL CFDA NUMBER	(2A) PASS-THROUGH ENTITY IDENTIFYING NUMBER	(3) FEDERAL EXPENDITURES
U.S. Department of Justice: Public Safety Partnership and Community Policing Grant	16.710	N/A	\$ <u>413 376</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>413 376</u>
U.S. Department of Treasury: Coronavirus Relief Fund	21.019	N/A	<u>390 852</u>
TOTAL U.S. DEPARTMENT OF TREASURY			<u>390 852</u>
U.S. Election Assistance Commission: Helping America Vote	90.401	N/A	<u>50 000</u>
TOTAL U.S. ELECTION ASSISTANCE COMMISSION			<u>50 000</u>
U.S. Department of Agriculture: Schools and Roads - Grants to Counties	10.666	N/A	<u>141 617</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>141 617</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u><u>995 845</u></u>

* Indicates clustered program under OMB Compliance Supplement

ANGELINA COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

1. General

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

2. Basis of Accounting

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

3. Relationship to Financial Statements

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

4. Other Notes

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

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

ANGELINA COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2020

None

ANGELINA COUNTY, TEXAS
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2020

None