

Angelina County, Texas

ANNUAL FINANCIAL REPORT

December 31, 2025



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Angelina County, Texas
Principal Officials

GOVERNING BODY

Honorable Keith Wright County Judge
Tim Sprinkle Commissioner, Precinct 1
Kermit Kennedy..... Commissioner, Precinct 2
Tom Berry Commissioner, Precinct 3
Kenneth Jeffrey Commissioner, Precinct 4

OTHER PRINCIPAL OFFICIALS

Terri Collier..... Tax Assessor-Collector
Janice Cordray County Auditor
James Yakovsky County Attorney
Amy Wren District Attorney
Meagan Moore District Clerk
Amy Fincher County Clerk
Jill Brewer..... County Treasurer
Tom Selman County Sheriff



Carr, Riggs & Ingram, L.L.C.
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Lufkin, TX 75901

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business type activities, the fiduciary activities, each major fund, and the aggregate remaining fund information of Angelina County, as of and for the year ended December 31, 2025, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the fiduciary activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2025, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

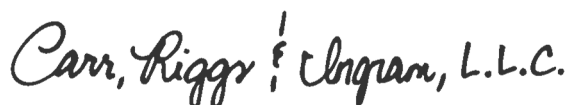
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and schedule of contributions be presented to supplement the basic financial statements. Such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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Angelina County, Texas' basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 October 13, 2026 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.



CARR, RIGGS & INGRAM, L.L.C.

Lufkin, Texas
October 13, 2026

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, 2025. 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 \$104,449,658 (*net position*). Of this amount, \$30,539,372 (*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 \$30,285,817 a decrease of \$14,447,651 in comparison with the prior year due to significant capital expenditures.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$15,485,648.

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.

Angelina County, Texas Management's Discussion and Analysis (Continued)

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.

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 \$104,449,658 at the close of the most recent fiscal year.

Angelina County, Texas

Management's Discussion and Analysis (Continued)

By far the largest portion of the County's net position (52 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				Total			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
Current and other assets	\$ 68,195	\$ 81,579	\$ (13,384)	-16%	\$ 12,850	\$ 18,217	\$ (5,367)	-29%	\$ 81,045	\$ 99,796	\$ (18,751)	-19%
Noncurrent assets	54,033	44,128	9,905	22%	22,083	10,131	11,952	118%	76,116	54,259	21,857	40%
Total assets	122,228	125,707	(3,479)	-3%	34,933	28,348	6,585	23%	157,161	154,055	3,106	2%
Deferred outflows	7,445	9,791	(2,346)	-24%	191	240	(49)	-20%	7,636	10,031	(2,395)	-24%
Long-term liabilities	7,143	7,939	(796)	-10%	9,847	9,404	443	5%	16,990	17,343	(353)	-2%
Other liabilities	10,375	8,508	1,867	22%	324	563	(239)	-42%	10,699	9,071	1,628	18%
Total liabilities	17,518	16,447	1,071	7%	10,171	9,967	204	2%	27,689	26,414	1,275	5%
Deferred inflows	31,877	29,928	1,949	7%	782	864	(82)	-9%	32,659	30,792	1,867	6%
Net investment in capital assets	43,237	35,697	7,540	21%	11,772	10,131	1,641	16%	55,009	45,828	9,181	20%
Restricted net position	8,665	16,317	(7,652)	-47%	10,236	9,145	1,091	12%	18,901	25,462	(6,561)	-26%
Unrestricted net position	28,377	37,110	(8,733)	-24%	2,162	(1,519)	3,681	-242%	30,539	35,591	(5,052)	-14%
Total net position	\$ 80,279	\$ 89,124	\$ (8,845)	-10%	\$ 24,170	\$ 17,757	\$ 6,413	36%	\$ 104,449	\$ 106,881	\$ (2,432)	-2%

An additional portion of the County's net position (23 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$30,539,372 may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental Activities. Current and other assets decreased due to decreases in cash with capital projects. Capital assets increased with the jail expansion and other construction projects. Both deferred outflows and deferred inflows changed due to changes in pension and OPEB. Long-term liabilities decreased due to decreases in the pension liability. Other liabilities increased due to accounts payable related to construction.

Business-type Activities. Current assets decreased due to decreases in cash due to ongoing construction. Long-term liabilities increased due to changes in the landfill post closure liability.

Angelina County, Texas

Management's Discussion and Analysis (Continued)

Governmental activities decreased the County's net position by \$8,844,207. Key elements of this net increase are as follows:

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

	Governmental Activities				Business-Type Activities				Total			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
Revenues												
Program Revenues:												
Charges for services	\$ 29,442	\$ 26,819	\$ 2,623	10%	\$ 6,079	\$ 5,290	\$ 789	15%	\$ 35,521	\$ 32,109	\$ 3,412	11%
Operating Grants and contributions	5,277	6,980	(1,703)	-24%	-	-	-	0%	5,277	6,980	(1,703)	-24%
Capital Grants and contributions	-	546	(546)	-100%	-	-	-	0%	-	546	(546)	-100%
General Revenues:												
Property taxes	25,462	27,604	(2,142)	-8%	-	-	-	0%	25,462	27,604	(2,142)	-8%
Sales taxes	9,045	8,971	74	1%	-	-	-	0%	9,045	8,971	74	1%
Investment earnings	2,303	3,115	(812)	-26%	470	347	123	35%	2,773	3,462	(689)	-20%
Other	987	905	82	9%	467	482	(15)	-3%	1,454	1,387	67	5%
Total revenues	72,516	74,940	(2,424)	-3%	7,016	6,119	897	15%	79,532	81,059	(1,527)	-2%
Expenses												
Administrative	11,025	8,216	2,809	34%	-	-	-	0%	11,025	8,216	2,809	34%
Judicial and law enforcement	30,690	21,218	9,472	45%	-	-	-	0%	30,690	21,218	9,472	45%
Health, welfare and sanitation	26,859	20,477	6,382	31%	-	-	-	0%	26,859	20,477	6,382	31%
Highways and streets	7,268	5,403	1,865	35%	-	-	-	0%	7,268	5,403	1,865	35%
Extension services	182	185	(3)	-2%	-	-	-	0%	182	185	(3)	-2%
Interest and fiscal charges	471	220	251	114%	-	-	-	0%	471	220	251	114%
Landfill	-	-	-	0%	3,489	3,368	121	4%	3,489	3,368	121	4%
Airport	-	-	-	0%	1,983	2,046	(63)	-3%	1,983	2,046	(63)	-3%
Total expenses	76,495	55,719	20,776	37%	5,472	5,414	58	1%	81,967	61,133	20,834	34%
Transfers	(4,869)	(1,452)	(3,417)	235%	4,869	1,452	3,417	235%	-	-	-	100%
Change in net position	\$ (8,848)	\$ 17,769	\$ (26,617)	-150%	\$ 6,413	\$ 2,157	\$ 4,256	197%	\$ (2,435)	\$ 19,926	\$ (22,361)	-112%

Governmental Activities. Charges for services increased due to increased activity across most fee activities within the county. Operating grants decreased due to ending of several federal and changes in state programs. Property taxes decreased due to lower collections in the 2025 taxes due to software changes causing delays in collections. The expenditures related to administration and judicial and law enforcement increased expenditures with expansion of activities. Health and welfare expenditures increased due to higher transfer of local provider participation funds to the hospitals.

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 \$30,285,817. The *unassigned fund balance* amounts to a surplus of \$14,956,602. The amount of fund balance that is restricted \$13,722,149 to indicate that it is not available for new spending because it has already been committed to other expenses.

Angelina County, Texas

Management's Discussion and Analysis (Continued)

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$15,485,648. 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 49.5 percent of total general fund expenditures.

The fund balance of the County's general fund increased by \$45,942 during the current fiscal year.

The local provider participation fund is utilized by local healthcare agencies to provide service in the County. The fund has a fund balance of \$(529,046).

The unit road system fund has a total fund balance of \$3,415,656, all of which is restricted for the maintenance and construction of roads and bridges. The net decrease in fund balance during the current year in the fund is \$239,668.

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

Unrestricted net position of the Landfill at the end of the year amounted to \$1,029,190, and those for the Airport amounted to \$1,133,232. Net position restricted for future landfill closure of the Landfill at the end of the year amounted to \$10,235,589. The total change in net position for both funds was \$3,733,137 and \$2,679,846, respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

During the year revenues were more than budgetary estimates by \$294,618 due to increases in sales tax, grants, interest and other revenues. Expenditures were less than budgetary estimates by \$3,408,398 due to delays in expenditures related to various capital projects.

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 amounts to \$62,879,873 (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				Total			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
Land	\$ 3,822	\$ 3,843	\$ (21)	-1%	\$ 2,181	\$ 2,181	\$ -	0%	\$ 6,003	\$ 6,024	\$ (21)	0%
Building	34,293	36,214	(1,921)	-5%	12,549	12,055	494	4%	46,842	48,269	(1,427)	-3%
Machinery and equipment	18,254	18,107	147	1%	9,308	9,436	(128)	-1%	27,562	27,543	19	0%
Infrastructure	75,216	75,200	16	0%	11,813	11,796	17	0%	87,029	86,996	33	0%
Construction in progress	17,486	9,765	7,721	79%	1,977	18	1,959	10883%	19,463	9,783	9,680	99%
Accumulated depreciation	(97,964)	(99,001)	1,037	-1%	(26,056)	(25,354)	(702)	3%	(124,020)	(124,355)	335	0%
Total capital assets	\$ 51,107	\$ 44,128	\$ 6,979	16%	\$ 11,772	\$ 10,132	\$ 1,640	16%	\$ 62,879	\$ 54,260	\$ 8,619	16%

Angelina County, Texas

Management's Discussion and Analysis (Continued)

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

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

	Governmental Activities				Business-Type Activities				Total			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
Notes payable	\$ 7,195	\$ 8,220	\$ (1,025)	-12%	\$ -	\$ -	\$ -	0%	\$ 7,195	\$ 8,220	\$ (1,025)	-12%
Leases payable	198	72	126	175%	42	58	(16)	-28%	240	130	110	85%
Subscription based IT arrangements	-	139	(139)	-100%	-	-	-	0%	-	139	(139)	-100%
Landfill closure and postclosure	-	-	-	0%	9,822	9,358	464	5%	9,822	9,358	464	5%
Accrued compensated absences	981	867	114	13%	71	58	13	0%	1,052	925	127	14%
Total long-term liabilities	\$ 8,374	\$ 9,298	\$ (924)	-10%	\$ 9,935	\$ 9,474	\$ 461	5%	\$ 18,309	\$ 18,772	\$ (463)	-2%

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

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

Economic Factors and Next Years' Budgets and Rates

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

All other factors were considered in preparing the County's budget for the 2026 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.

Angelina County, Texas
Statement of Net Position
As of December 31, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalent	\$ (8,127,306)	\$ 10,215,081	\$ 2,087,775
Investments	50,255,888	1,448,317	51,704,205
Receivables:			
Taxes	22,302,006	-	22,302,006
Miscellaneous	52,560	-	52,560
Intergovernmental	1,711,437	-	1,711,437
Accounts	393,469	486,452	879,921
Leases	-	623,970	623,970
Inventory	884	58,462	59,346
Prepaid expense	1,606,182	17,512	1,623,694
Total current assets	68,195,120	12,849,794	81,044,914
Noncurrent Assets:			
Restricted Assets:			
Investments	-	10,235,589	10,235,589
Net pension asset	2,925,368	74,992	3,000,360
Capital assets (net of depreciation)	51,107,687	11,772,186	62,879,873
Total noncurrent assets	54,033,055	22,082,767	76,115,822
Total assets	122,228,175	34,932,561	157,160,736
Deferred Outflows			
Pension related deferred outflows	7,445,333	190,862	7,636,195
Total deferred outflows	7,445,333	190,862	7,636,195
Total assets and deferred outflows	\$ 129,673,508	\$ 35,123,423	\$ 164,796,931
Liabilities			
Current Liabilities:			
Accounts payable	\$ 5,027,139	\$ 167,631	\$ 5,194,770
Accrued liabilities	3,040,106	81,581	3,121,687
Accrued compensated absences	980,803	57,932	1,038,735
Accrued interest	121,264	-	121,264
Due within one year	1,205,577	16,810	1,222,387
Total current liabilities	10,374,889	323,954	10,698,843
Noncurrent Liabilities:			
Due in more than one year	6,664,845	24,843	6,689,688
Debt premium payable	477,783	-	477,783
Post closure landfill liability	-	9,822,488	9,822,488
Total noncurrent liabilities	7,142,628	9,847,331	16,989,959
Total liabilities	17,517,517	10,171,285	27,688,802
Deferred Inflows			
Deferred pension inflow	6,162,292	157,971	6,320,263
Unearned revenues	25,714,238	623,970	26,338,208
Total deferred inflows	31,876,530	781,941	32,658,471
Net Position			
Net investment in capital assets	43,237,265	11,772,186	55,009,451
Restricted:			
Construction	1,228,343	-	1,228,343
Debt service	82,196	-	82,196
Other	7,354,707	10,235,589	17,590,296
Unrestricted	28,376,950	2,162,422	30,539,372
Total net position	80,279,461	24,170,197	104,449,658
Total liabilities, deferred inflows and net position	\$ 129,673,508	\$ 35,123,423	\$ 164,796,931

The accompanying notes are an integral part of these financial statements.

Angelina County, Texas
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Positions		Total
		Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	
Governmental Activities						
Administrative	\$ 11,025,377	\$ 8,266,471	\$ 301,774	\$ (2,457,132)	\$ -	\$ (2,457,132)
Judicial and law enforcement	30,690,460	2,138,451	4,934,694	(23,617,315)	-	(23,617,315)
Health, welfare and sanitation	26,859,152	17,629,249	40,859	(9,189,044)	-	(9,189,044)
Highways and streets	7,267,542	1,408,211	-	(5,859,331)	-	(5,859,331)
Extension services	181,506	-	-	(181,506)	-	(181,506)
Interest and fiscal charges	470,572	-	-	(470,572)	-	(470,572)
Total governmental activities	76,494,610	29,442,382	5,277,327	(41,774,901)	-	(41,774,901)
Business-type Activities						
Landfill	3,489,368	4,558,291	-	-	1,068,923	1,068,923
Airport	1,982,643	1,521,208	-	-	(461,435)	(461,435)
Total business-type activities	5,472,011	6,079,499	-	-	607,488	607,488
Total primary government	\$ 81,966,621	\$ 35,521,881	\$ 5,277,327	(41,774,901)	607,488	(41,167,413)
General Revenues						
Property taxes				25,462,456	-	25,462,456
Sales taxes				9,045,226	-	9,045,226
Other taxes				246,962	-	246,962
Unrestricted investment earnings				2,302,503	469,655	2,772,158
Miscellaneous revenues				742,092	467,295	1,209,387
Transfers				(4,868,545)	4,868,545	-
Total general revenues				32,930,694	5,805,495	38,736,189
Change in net position				(8,844,207)	6,412,983	(2,431,224)
Net position - beginning				89,123,668	17,757,214	106,880,882
Net position - ending				\$ 80,279,461	\$ 24,170,197	\$ 104,449,658

The accompanying notes are an integral part of these financial statements.

Angelina County, Texas
Combining Balance Sheet - Governmental Funds
As of December 31, 2025

	General Fund	Local Provider Participation Fund	Unit Road System Fund	American Rescue Plan Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalent	\$ (21,257,355)	\$ 2,373,993	\$ 3,593,166	\$ 2,078,747	\$ 8,105,041	\$ (5,106,408)
Investments	45,695,333	-	-	-	2,123,265	47,818,598
Receivables:						
Taxes	22,302,006	-	-	-	-	22,302,006
Miscellaneous	-	-	-	-	52,560	52,560
Intergovernmental	1,543,693	-	-	-	167,744	1,711,437
Other	392,633	-	836	-	-	393,469
Prepaid expenses	1,593,907	-	-	-	12,275	1,606,182
Due from other funds	3,000	-	4,000,000	-	1,360,162	5,363,162
Inventory	884	-	-	-	-	884
Total assets	\$ 50,274,101	\$ 2,373,993	\$ 7,594,002	\$ 2,078,747	\$ 11,821,047	\$ 74,141,890
Liabilities						
Accounts payable	\$ 1,020,365	\$ 2,903,039	\$ 43,772	\$ 437,500	\$ 622,463	\$ 5,027,139
Accrued liabilities	2,115,608	-	60,250	-	264,604	2,440,462
Accrued compensated absences	717,264	-	74,324	-	86,767	878,355
Due to other funds	5,360,162	-	-	-	3,000	5,363,162
Total liabilities	9,213,399	2,903,039	178,346	437,500	976,834	13,709,118
Deferred Inflows						
Unearned revenues	23,980,263	-	4,000,000	-	2,166,692	30,146,955
Total deferred inflows	23,980,263	-	4,000,000	-	2,166,692	30,146,955
Fund Balances						
Nonspendable - prepaid	1,593,907	-	-	-	12,275	1,606,182
Nonspendable - inventory	884	-	-	-	-	884
Restricted:						
Highways and streets	-	-	3,415,656	1,641,247	-	5,056,903
Construction	-	-	-	-	1,228,343	1,228,343
Debt service	-	-	-	-	82,196	82,196
Other	-	-	-	-	7,354,707	7,354,707
Unassigned	15,485,648	(529,046)	-	-	-	14,956,602
Total fund balances	17,080,439	(529,046)	3,415,656	1,641,247	8,677,521	30,285,817
Total liabilities, deferred inflows, and fund balances	\$ 50,274,101	\$ 2,373,993	\$ 7,594,002	\$ 2,078,747	\$ 11,821,047	\$ 74,141,890

The accompanying notes are an integral part of these financial statements.

Angelina County, Texas
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
As of December 31, 2025

Total Fund Balances - Governmental Funds	\$ 30,285,817
Capital assets are not recorded in funds, but are included in the Statement of Net Position	51,107,687
Property taxes deferred revenues are not recorded in the Statement of Net Position	4,432,717
The Internal service fund is not recorded in the governmental funds but is included in the government wide funds	(1,183,252)
Long term liabilities and accrued interest payable are not recorded in the funds, but are in the Statement of Net Position	(8,469,469)
Accrued compensated absences that are not included in the funds, but are in the Statement of Net Position	(102,448)
Pension (liability) asset are not included in the funds, but are in the Statement of Net Position	2,925,368
Pension deferred outflows are not included in the funds, but are in the Statement of Net Position	7,445,333
Pension deferred inflows are not included in the funds, but are in the Statement of Net Position	(6,162,292)
Total net position of governmentsl activities	\$ 80,279,461

The accompanying notes are an integral part of these financial statements.

Angelina County, Texas
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the Year Ended December 31, 2025

	General Fund	Local Provider Participation Fund	Unit Road System Fund	American Rescue Plan Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Ad valorem tax	\$ 22,077,859	\$ -	\$ 4,000,000	\$ -	\$ 1,330,775	\$ 27,408,634
Sales tax	9,045,226	-	-	-	-	9,045,226
Other taxes	170,327	-	-	-	76,635	246,962
Intergovernmental	840,377	-	187,075	-	5,854,099	6,881,551
Charges for services	688	-	-	-	-	688
Fines and fees	3,109,424	17,270,554	1,408,911	-	989,640	22,778,529
Interest income	1,113,187	184,200	214,421	97,045	592,990	2,201,843
Contributions and donations	-	-	-	-	32,292	32,292
Other revenue	322,091	-	151,949	-	268,052	742,092
Total revenue	36,679,179	17,454,754	5,962,356	97,045	9,144,483	69,337,817
Expenditures						
Administrative	9,569,390	-	-	136,655	128,085	9,834,130
Judicial and law enforcement	20,197,121	-	-	-	8,694,996	28,892,117
Health, welfare and sanitation	1,357,026	21,547,260	-	-	1,052,844	23,957,130
Highways and streets	-	-	6,482,313	-	-	6,482,313
Extension services	161,895	-	-	-	-	161,895
Capital outlays	-	-	-	2,482,554	5,775,877	8,258,431
Debt Service:						
Principal	-	-	-	-	870,000	870,000
Interest and other fees	-	-	-	-	460,907	460,907
Total expenditures	31,285,432	21,547,260	6,482,313	2,619,209	16,982,709	78,916,923
Excess (deficiency) of revenues over expenditures	5,393,747	(4,092,506)	(519,957)	(2,522,164)	(7,838,226)	(9,579,106)
Other Financing Sources (Uses)						
Operating transfers in	1,431	-	281,720	-	2,762,852	3,046,003
Operating transfers out	(5,349,236)	-	(1,431)	-	(2,563,881)	(7,914,548)
Total other financing sources (uses)	(5,347,805)	-	280,289	-	198,971	(4,868,545)
Net change in fund balance	45,942	(4,092,506)	(239,668)	(2,522,164)	(7,639,255)	(14,447,651)
Fund balance, beginning	17,034,497	3,563,460	3,655,324	4,163,411	16,316,776	44,733,468
Fund balance, ending	\$ 17,080,439	\$ (529,046)	\$ 3,415,656	\$ 1,641,247	\$ 8,677,521	\$ 30,285,817

The accompanying notes are an integral part of these financial statements.

Angelina County, Texas

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Government Funds to the Statement of Activities
For the Year Ended December 31, 2025**

**Amounts reported for Governmental Activities in the Statement of Activities are
different because**

Net change in fund balances - Total governmental funds	\$ (14,447,651)
Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciated expense. This is the amount capital outlay exceeded depreciation expenditures.	6,979,932
Governmental funds recognize property tax when billed while government wide statements recognize the revenue when received.	(1,946,178)
Government funds do not include the activities fo the internal service fund that is included in the Government wide statements	(1,805,670)
Governmental funds report principal payments on debt as expenditures; however in the government wide statements, such payments are a reduction of the liability.	860,335
Governmental funds expense accrued compensated absences as the payments are made, while government wide statements record the future liabilities.	(102,448)
Governmental funds expense pension expense as the payments are made, while government wide statements record the future liabilities.	1,617,473
Change in net position of governmental activities	\$ (8,844,207)

The accompanying notes are an integral part of these financial statements.

Angelina County, Texas
Combining Statement of Net Position - Proprietary Funds
As of December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Landfill	Airport	Total	Group Health Insurance Fund
Assets				
Cash and Cash Equivalent	\$ 9,021,878	\$ 1,193,203	\$ 10,215,081	\$ (3,020,898)
Investments	1,448,317	-	1,448,317	2,437,290
Receivables:				
Accounts	383,436	103,016	486,452	-
Leases	-	623,970	623,970	-
Inventory	-	58,462	58,462	-
Prepaid expense	17,512	-	17,512	-
Total current assets	10,871,143	1,978,651	12,849,794	(583,608)
Noncurrent Assets:				
Restricted Assets:				
Investments	10,235,589	-	10,235,589	-
Total restricted assets	10,235,589	-	10,235,589	-
Pension asset	58,350	16,642	74,992	-
Capital assets (net of depreciation)	6,523,142	5,249,044	11,772,186	-
Total noncurrent assets	16,817,081	5,265,686	22,082,767	-
Total assets	27,688,224	7,244,337	34,932,561	(583,608)
Deferred outflows	154,675	36,187	190,862	-
Total assets and deferred outflows	27,842,899	7,280,524	35,123,423	(583,608)
Liabilities				
Accounts payable	109,813	57,818	167,631	-
Accrued Compensated absences	20,132	37,800	57,932	-
Lease payable - current	-	16,810	16,810	-
Accrued liabilities	66,235	15,346	81,581	599,644
Total current liabilities	196,180	127,774	323,954	599,644
Noncurrent Liabilities:				
Lease payable - long term	-	24,843	24,843	-
Landfill post closure cost	9,822,488	-	9,822,488	-
Total noncurrent liabilities	9,822,488	24,843	9,847,331	-
Total liabilities	10,018,668	152,617	10,171,285	599,644
Deferred Inflows				
Deferred inflow - pension	36,310	121,661	157,971	-
Unearned lease revenue	-	623,970	623,970	-
Total deferred inflows	36,310	745,631	781,941	-
Net Position				
Net investment in capital assets	6,523,142	5,249,044	11,772,186	-
Restricted for post closure liability	10,235,589	-	10,235,589	-
Unrestricted	1,029,190	1,133,232	2,162,422	(1,183,252)
Total net position	17,787,921	6,382,276	24,170,197	(1,183,252)
Total liabilities, deferred inflows and net position	\$ 27,842,899	\$ 7,280,524	\$ 35,123,423	\$ (583,608)

The accompanying notes are an integral part of these financial statements.

Angelina County, Texas
Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position - Proprietary Funds
For the Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Landfill	Airport	Total	Group Health Insurance Fund
Operating Revenues				
Charges for services	\$ 4,081,589	\$ 158,425	\$ 4,240,014	\$ -
Fuel and oil sales	-	1,063,970	1,063,970	-
Café sales	-	208,834	208,834	-
Employee premiums	-	-	-	499,975
Employer premiums	-	-	-	3,886,000
Stop-loss reimbursements	-	-	-	170,849
Other revenue	476,702	89,979	566,681	469,825
Total operating revenue	4,558,291	1,521,208	6,079,499	5,026,649
Operating Expenses				
Salaries and benefits	1,081,872	561,792	1,643,664	-
Fuel	-	610,836	610,836	-
Café cost	-	126,796	126,796	-
Repair and supplies	598,772	56,990	655,762	-
Depreciation	962,333	442,363	1,404,696	-
Professional fees	92,737	66,643	159,380	-
Insurance claims and related expense	-	-	-	6,932,979
Closure and post closure expense	464,367	-	464,367	-
Capital outlays	118,572	7,113	125,685	-
Other expenses	170,715	110,110	280,825	-
Total operating expenditures	3,489,368	1,982,643	5,472,011	6,932,979
Operating income (loss)	1,068,923	(461,435)	607,488	(1,906,330)
Nonoperating Revenues (Expenses)				
Interest earned	419,442	50,213	469,655	100,660
Transfer in	1,777,477	3,101,392	4,878,869	-
Transfer out	-	(10,324)	(10,324)	-
Trust income (loss)	467,295	-	467,295	-
Total nonoperating revenue (expenses)	2,664,214	3,141,281	5,805,495	100,660
Net change in net position	3,733,137	2,679,846	6,412,983	(1,805,670)
Net position, beginning	14,054,784	3,702,430	17,757,214	622,418
Net position, ending	\$ 17,787,921	\$ 6,382,276	\$ 24,170,197	\$ (1,183,252)

The accompanying notes are an integral part of these financial statements.

Angelina County, Texas
Combining Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Landfill	Airport	Total	Group Health Insurance Fund
Cash Flows From Operating Activities				
Receipts from customers	\$ 4,572,786	\$ 1,544,242	\$ 6,117,028	\$ -
Receipts from interfund services provided	-	-	-	5,026,649
Payments for interfund services used	-	-	-	(6,905,520)
Payments to supplies	(771,880)	(980,780)	(1,752,660)	-
Payments to employees	(1,012,641)	(521,164)	(1,533,805)	-
Net cash used by operating activities	2,788,265	42,298	2,830,563	(1,878,871)
Cash Flows from Non-Capital Financing Activities				
Transfer between funds	1,777,477	3,091,068	4,868,545	-
Borrowing (to) from other funds	-	32,318	32,318	-
Net cash provided by non-capital financing activities	1,777,477	3,123,386	4,900,863	-
Cash Flows from Capital and Related Financing Activities				
Change in lease receivable	-	67,487	67,487	-
Acquisition of capital assets	(1,158,494)	(2,212,403)	(3,370,897)	-
Net cash used by capital and related financing activities	(1,158,494)	(2,144,916)	(3,303,410)	-
Cash Flows from Investing Activities				
Sale (purchase) of Investments	(1,130,804)	-	(1,130,804)	-
Interest received	419,442	50,213	469,655	100,660
Net cash provided (used) by investing activities	(711,362)	50,213	(661,149)	100,660
Net increase (decrease) in cash and cash equivalents	2,695,886	1,070,981	3,766,867	(1,778,211)
Cash and cash equivalent - beginning	6,325,992	122,222	6,448,214	1,194,603
Cash and cash equivalent - ending	\$ 9,021,878	\$ 1,193,203	\$ 10,215,081	\$ (583,608)
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 1,068,923	\$ (461,435)	\$ 607,488	\$ (1,906,330)
Adjustments:				
Depreciation	962,333	442,363	1,404,696	-
Decrease (increase) in accounts receivable	14,495	23,034	37,529	-
Decrease (increase) in inventory	-	(6,829)	(6,829)	-
Decrease (increase) in prepaid expense	(16,717)	-	(16,717)	-
Decrease (increase) in deferred outflows	36,857	12,157	49,014	-
Increase (decrease) in accounts/claims payable	225,633	4,537	230,170	-
Increase (decrease) in accrued liabilities	(14,076)	12,497	(1,579)	27,459
Increase (decrease) in deferred inflows	(10,909)	(3,598)	(14,507)	-
Increase (decrease) in pension liability	57,359	19,572	76,931	-
Increase (decrease) in landfill closure and post closure cost	464,367	-	464,367	-
Total adjustments	1,719,342	503,733	2,223,075	27,459
Net cash provided (used) by operating activities	\$ 2,788,265	\$ 42,298	\$ 2,830,563	\$ (1,878,871)

The accompanying notes are an integral part of these financial statements.

Angelina County, Texas
Statement of Fiduciary Net Position
As of December 31, 2025

	Total
Assets	
Cash and cash equivalent	\$ 9,000,306
Total assets	9,000,306
Restricted net position	\$ 9,000,306

The accompanying notes are an integral part of these financial statements.

Angelina County, Texas
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2025

	Total
Additions	
Fees	\$ 151,593,068
Interest	7,712
Total inflows	151,600,780
Deductions	
Distributions to others	152,788,456
Total outflows	152,788,456
Change in net position	(1,187,676)
Beginning net position	10,187,982
Ending net position	\$ 9,000,306

The accompanying notes are an integral part of these financial statements.

Angelina County, Texas

Notes to Financial Statements

Note 1: 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The County reports the following major governmental funds:

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

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

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

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

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.

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Assets, Liabilities, and Net Position or Equity

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.

Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 2 percent of assessed property taxes at October 1.

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

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Restricted Assets

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

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

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.

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Deferred Outflows and Inflows of Resources

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

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resource, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Leases

Lease contracts that provide the County with control of a non-financial asset, such as land, buildings, or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The leased asset is recorded for the same amount as the related lease liability plus prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Right to Use Assets/SBITA

The County has recorded right to use lease assets as a result of the implementation of GASB 87, and right to use SBITA assets as a result of the implementation of GASB 96. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease/SBITA liability plus any lease/SBITA payments made prior to the lease/subscription term, less incentives, and plus ancillary charges necessary to place the lease/SBITA into service. The right to use assets are amortized on a straight-line basis over the life of the related lease/SBITA.

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

The fiduciary net position of the Texas Counties and District Retirement System (TCDRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCERS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Equity

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

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

Restricted Fund Balance - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance - Amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority (i.e., Commissioners Court). To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - Amounts the County intends to use for a specific purpose. Intent can be expressed by the Commissioners Court or by an official or body to which the Court delegates the authority.

Unassigned Fund Balance - Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Commissioners Court establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Court through adoption or amendment of the budget as intended for specific purposes.

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 13, 2026, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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.

Excess of Expenditures Over Appropriations in Individual Funds

For the year ended December 31, 2025, expenditures exceeded appropriations (by significant amounts) in the following funds and departments:

Department/Fund	Amount
None significant	\$ NA

Deficit Fund Equity

Special Revenue Funds	Deficit Balance
Chapter 19 Voter Registration Fund	\$ 4,227

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 4: DETAILED NOTES ON ALL FUNDS

Cash Deposits and Investments

	1	2	3	Reported Amount/ Fair Value
Waste Management Center Trust				
U.S. Government Securities	\$ 4,961,190	\$ -	\$ -	\$ 4,961,190
Certificates of Deposits	5,234,400	-	-	5,234,400
Investment Pools				
Tex Star	-	-	3,933,941	3,933,941
Tex CLASS	-	-	3,957,361	3,957,361
Tex Pool	-	-	21,060,773	21,060,773
Money Market Funds	2,884,638	-	-	2,884,638
Certificates of Deposit	19,907,491	-	-	19,907,491
Total Investments	\$ 32,987,719	\$ -	\$ 28,952,075	\$ 61,939,794

At year end, the County's carrying amount of deposits was \$11,087,045 and the bank balance was \$11,515,014. Amounts over FDIC coverage were collateralized with securities held by the pledging financial institution's trust department or agent in the government's name.

Investments are categorized into these three categories of credit risk:

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

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

Interest Rate Risk

In accordance with its investment policy, the County manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit Risk

The County's investment policy limits investments in public fund investment pools rated as to investment quality not less than 'AAA' or 'AAAm', or at an equivalent rating by at least one nationally recognized investment rating service. As of December 31, 2025, the County's investments in the investment pools were rated "AAAm" by Standard & Poor's.

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 4: DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of December 31, 2025, the combined balances of FDIC insurance and collateral pledged exceeded the County's bank balances.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy requires that it will seek to safekeep securities at the financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the County's safekeeping account prior to the release of funds.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust – Texas (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS' website at www.texasclass.com.

TexSTAR is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity and competitive yield. The fund is rated AAAm by Standard and Poor's and maintains a maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The fund seeks to maintain a constant dollar objective and fulfills all requirements of the Texas PFIA for local government investment pools.

TexPool

The State Comptroller of Public Accounts oversees TexPool. Federated Hermes is the full service provider to the pools managing the assets, providing Participant Services, and arranging for all custody and other functions in support of the pools operations under a contract with the Comptroller.

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 4: DETAILED NOTES ON ALL FUNDS (Continued)

TexPool and TexPool *Prime* are managed conservatively to provide a safe, efficient, and liquid investment alternative to Texas governments. The pools seek to maintain a \$1.00 value per share as required by the Texas Public Fund Investment Act. TexPool investments consist exclusively of US Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. TexPool *Prime* invests in the above plus, commercial paper and certificates of deposits. TexPool and TexPool *Prime* are each rated AAAM by Standard & Poor's, the highest rating a local government investment pool can achieve. The weighted average maturities of the pools cannot exceed 60 days, with the maximum maturity of any investment limited to 13 months. TexPool and TexPool *Prime*, like its participants, are governed by the Texas Public Funds Investment Act, and are in full compliance with the Act.

Capital Assets

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

Governmental Activities	Balance 12/31/24	Additions	Deletions	Balance 12/31/25
Capital Assets Not Being Depreciated				
Land	\$ 3,842,794	\$ -	\$ (21,000)	\$ 3,821,794
Construction progress	9,765,125	8,822,836	(1,101,480)	17,486,481
Total capital assets not being depreciated	13,607,919	8,822,836	(1,122,480)	21,308,275
Depreciable Assets				
Building and improvements	36,213,973	1,486,430	(3,407,481)	34,292,922
Equipment	18,107,062	1,323,168	(1,176,402)	18,253,828
Infrastructure	75,199,788	16,423	-	75,216,211
Total depreciable assets	129,520,823	2,826,021	(4,583,883)	127,762,961
Less Accumulated Depreciation for				
Building and improvements	(16,421,747)	(1,187,612)	3,046,051	(14,563,308)
Equipment	(14,596,596)	(966,667)	1,073,808	(14,489,455)
Infrastructure	(67,982,644)	(928,142)		(68,910,786)
Total accumulated depreciation	(99,000,987)	(3,082,421)	4,119,859	(97,963,549)
Total capital assets being depreciated, net	30,519,836	(256,400)	(464,024)	29,799,412
Governmental activities capital assets, net	\$ 44,127,755	\$ 8,566,436	\$ (1,586,504)	\$ 51,107,687

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 4: DETAILED NOTES ON ALL FUNDS (Continued)

Business-type Activities	Balance 12/31/24	Additions	Deletions	Balance 12/31/25
Capital Assets Not Being Depreciated				
Land	\$ 2,180,720	\$ -	\$ -	\$ 2,180,720
Construction progress	17,737	1,959,511	-	1,977,248
Total capital assets not being depreciated	2,198,457	1,959,511	-	4,157,968
Depreciable Assets				
Building and improvements	12,055,261	493,815	-	12,549,076
Equipment	9,435,534	669,657	(797,102)	9,308,089
Infrastructure	11,795,620	17,506	-	11,813,126
Total depreciable assets	33,286,415	1,180,978	(797,102)	33,670,291
Less Accumulated Depreciation for				
Building and improvements	(7,903,885)	(686,904)	-	(8,590,789)
Equipment	(6,808,681)	(524,142)	797,102	(6,535,721)
Infrastructure	(10,641,103)	(288,460)	-	(10,929,563)
Total accumulated depreciation	(25,353,669)	(1,499,506)	797,102	(26,056,073)
Total capital assets being depreciated, net	7,932,746	(318,528)	-	7,614,218
Business-type activities capital assets, net	\$ 10,131,203	\$ 1,640,983	\$ -	\$ 11,772,186
Landfill				\$ 962,333
Airport				537,173
Total depreciation expense - business-type				\$ 1,499,506

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

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

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 4: DETAILED NOTES ON ALL FUNDS (Continued)

Hangar and Ground Leases

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

	Future Revenue
2026	\$ 56,346
2027	49,705
2028	42,240
2029	40,409
2030	25,412
Thereafter	409,858
Total	\$ 623,970

Long-Term Debt

Change in Long-Term Liabilities:

Long-Term Debt	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Notes payable	\$ 8,220,000	\$ -	\$ (1,025,000)	\$ 7,195,000	\$ 1,075,000
Premium	557,414	-	(79,631)	477,783	79,631
Leases payable	72,077	155,182	(33,774)	193,485	52,065
Subscription based IT arrangements	139,032	-	(139,032)	-	-
Accrued compensated absences	868,719	95,089	-	963,808	-
Governmental activity long-term liabilities	\$ 9,857,242	\$ 250,271	\$ (1,277,437)	\$ 8,830,076	\$ 1,206,696
Business-Type Activities					
Landfill closure and post closure costs	\$ 9,358,121	\$ 464,367	\$ -	\$ 9,822,488	\$ -
Leases payable	57,885	-	(16,232)	41,653	16,810
Accrued compensated absences	73,139	-	(15,197)	57,942	-
Business-type activity long-term liabilities	\$ 9,489,145	\$ 464,367	\$ (31,429)	\$ 9,922,083	\$ 16,810

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 4: DETAILED NOTES ON ALL FUNDS (Continued)

Notes:

Notes payables at December 31, 2025 are comprised of the following individual issue:

\$5,980,000 maturing through 2027 with payments of \$896,186 to \$900,650 including interest at 1.39%.

On January 23, 2024, the County approved the Tax Note, Series 2024 for \$5,580,000 for upgrades and improvements of the county jail and cost of debt issuance with agent fee of \$300 annually.

\$5,580,000 maturing through 2031 with payments of \$430,125 to \$1,378,625 including interest at 5.00%.

Notes Payable	Principal	Interest	Total
2026	\$ 1,075,000	\$ 284,862	\$ 1,359,862
2027	1,120,000	261,936	1,381,936
2028	1,160,000	221,000	1,381,000
2029	1,215,000	161,625	1,376,625
2030	1,280,000	99,250	1,379,250
Thereafter	1,345,000	33,625	1,378,625
Total	\$ 7,195,000	\$ 1,062,298	\$ 8,257,298

Leases and Subscription based IT arrangements (SBITA):

The County has leased fuel trucks, office equipment and software for various periods at 2.55% to 3.99%.

Leases Payable	Principal	Interest	Total
2026	\$ 68,875	\$ 10,280	\$ 79,155
2027	57,775	8,016	65,791
2028	40,741	5,453	46,194
2029	31,692	3,400	35,092
2030	33,194	1,386	34,580
Thereafter	2,861	21	2,882
Total	\$ 235,138	\$ 28,556	\$ 263,694

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 4: DETAILED NOTES ON ALL FUNDS (Continued)

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 \$9,822,488 as of December 31, 2025, which was based on 56% usage (filled) of the landfill. It is estimated that an additional \$7,590,744 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 \$17,413,232 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, 2025. 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

2026	\$ 10,904,954
2027	9,547,318
2028	8,189,682
2029	5,645,910
2030	5,474,410
Thereafter	11,513,140
Total	<u>\$ 51,275,414</u>

has established a landfill trust account to finance closure and postclosure. At December 31, 2025, the balance in the landfill trust account was \$10,235,589. 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.

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, 2025, the County abated property taxes totaling \$68,940 under this program, the amount of property valuation abated in the current and future years is as follows:

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 4: DETAILED NOTES ON ALL FUNDS (Continued)

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.

Tax Rebates

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

During the fiscal year end, December 31, 2025, the County rebated \$537,755 through these grants.

Note 5: OTHER INFORMATION

Pension Plan

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 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.

Angelina County, Texas

Notes to Financial Statements (Continued)

Note 5: OTHER INFORMATION (Continued)

Actuarial Assumptions

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

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal ⁽¹⁾
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	Varies by age and service, 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administration and investment expense, including inflation.
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, 2024 actuarial valuation analysis for the Angelina County. This information may also be found in the Angelina County December 31, 2024 Summary Valuation Report.

Economic Assumptions:

TCDRS System-Wide Economic Assumptions:

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

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.

Angelina County, Texas

Notes to Financial Statements (Continued)

Note 5: OTHER INFORMATION (Continued)

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee. (See Table 1 for Merit Salary Increases.)

Employer-Specific Economic Assumptions:

Growth in membership	0.00%
Payroll growth	3.00%

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

Table 1
Merit Salary Increases*

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

* These rates do not include the wage inflation rate of 3.00% per year. For example, a member who entered the system at age 20 and is in the first year of service is assumed to receive an 8.41% total annual increase in his salary. The 8.41% is a combination of the 5.25% merit increase and the 3.00% wage inflation. Note that the two components are compounded, so it is a slightly different result than just adding the two percentages.

Demographic Assumptions

TCDRS System-Wide Demographic Assumptions:

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

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

Angelina County, Texas

Notes to Financial Statements (Continued)

Note 5: OTHER INFORMATION (Continued)

Table 2
Annual Rates of Disability*

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

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

Mortality

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

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

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

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 5: OTHER INFORMATION (Continued)

Table 3
Annual Rates of Service Retirement*

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

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

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 5: OTHER INFORMATION (Continued)

Table 4
Annual Rates of Termination

Years of Service	Entry Age 20		Entry Age 30		Entry Age 40		Entry Age 50	
	Male	Female	Male	Female	Male	Female	Male	Female
0	36.3%	36.3%	29.7%	29.7%	26.4%	26.4%	24.2%	24.2%
1	27.5%	27.5%	23.1%	23.1%	19.8%	19.8%	17.6%	17.6%
2	23.1%	23.1%	29.8%	29.8%	15.4%	15.4%	14.3%	14.3%
3	19.8%	19.8%	16.5%	16.5%	13.2%	13.2%	12.1%	12.1%
4	16.5%	16.5%	14.3%	14.3%	11.0%	11.0%	9.9%	9.9%
5	14.3%	14.3%	12.1%	12.1%	9.9%	9.9%	8.8%	8.8%
6	12.1%	12.1%	11.0%	11.0%	8.8%	8.8%	7.7%	7.7%
7	11.0%	11.0%	9.9%	9.9%	7.7%	7.7%	6.6%	6.6%
8	9.9%	9.9%	8.8%	8.8%	6.6%	6.6%	6.1%	6.1%
9	8.8%	8.8%	7.7%	7.7%	6.1%	6.1%	5.5%	5.5%
10	7.7%	7.7%	7.2%	7.2%	5.6%	5.6%	0.0%	0.0%
11	7.2%	7.2%	6.6%	6.6%	5.3%	5.3%	0.0%	0.0%
12	6.6%	6.6%	6.1%	6.1%	5.0%	5.0%	0.0%	0.0%
13	6.1%	6.1%	5.5%	5.5%	4.6%	4.6%	0.0%	0.0%
14	5.5%	5.5%	5.2%	5.2%	4.2%	4.2%	0.0%	0.0%
15	4.8%	4.8%	4.8%	4.8%	3.7%	3.7%	0.0%	0.0%
16	4.4%	4.4%	4.4%	4.4%	3.3%	3.3%	0.0%	0.0%
17	4.0%	4.0%	4.0%	4.0%	2.9%	2.9%	0.0%	0.0%
18	3.6%	3.6%	3.6%	3.6%	2.4%	2.4%	0.0%	0.0%
19	3.3%	3.3%	3.3%	3.3%	2.0%	2.0%	0.0%	0.0%
20	3.0%	3.0%	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%
21	2.8%	2.8%	2.8%	2.8%	0.0%	0.0%	0.0%	0.0%
22	2.5%	2.5%	2.5%	2.5%	0.0%	0.0%	0.0%	0.0%
23	2.3%	2.3%	2.3%	2.3%	0.0%	0.0%	0.0%	0.0%
24	2.1%	2.1%	2.1%	2.1%	0.0%	0.0%	0.0%	0.0%
25	1.9%	1.9%	1.9%	1.9%	0.0%	0.0%	0.0%	0.0%
26	1.7%	1.7%	1.7%	1.7%	0.0%	0.0%	0.0%	0.0%
27	1.4%	1.4%	1.4%	1.4%	0.0%	0.0%	0.0%	0.0%
28	1.2%	1.2%	1.2%	1.2%	0.0%	0.0%	0.0%	0.0%
29	1.1%	1.1%	1.1%	1.1%	0.0%	0.0%	0.0%	0.0%
30 & Later	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 5: OTHER INFORMATION (Continued)

Table 5
Probability of Withdrawal

Years of Service	Probability	Years of Service	Probability
0	100%	15	26%
1	100%	16	25%
2	100%	17	24%
3	100%	18	23%
4	100%	19	22%
5	100%	20	21%
6	100%	21	20%
7	100%	22	19%
8	34%	23	19%
9	33%	24	18%
10	32%	25	18%
11	31%	26	17%
12	30%	27	17%
13	29%	28	16%
14	27%	29*	16%

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

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 2024 information for a 10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.75%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.65%
Direct Lending	Morningstar LST US Leveraged Loan TR USD Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%

⁽¹⁾ Target asset allocation adopted at the March 2023 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.2%, per Cliffwater's 2024 capital market assumptions.

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

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

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

Note 5: OTHER INFORMATION (Continued)

Depletion of Plan Assets / GASB Discount Rate

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

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

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

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

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

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

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

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 5: OTHER INFORMATION (Continued)

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at beginning of year	\$ 94,980,261	\$ 94,816,275	\$ 163,986
Changes for the Year			
Service cost	2,294,392	-	2,294,392
Interest	7,191,790	-	7,191,790
Plan changes	846,357	-	846,357
Economic/demographic gains/losses	(378,487)	-	(378,487)
Changes of assumptions	-	-	-
Refunds of contributions	(612,752)	(612,752)	-
Benefit payments	(4,777,617)	(4,777,617)	-
Administrative expenses	-	(55,821)	55,821
Member contributions	-	1,406,411	(1,406,411)
Net Investment income	-	9,627,298	(9,627,298)
Employer contributions	-	2,210,068	(2,210,068)
Other changes	-	(69,558)	69,558
Net changes	4,563,683	7,728,029	(3,164,346)
Balance at end of year	\$ 99,543,944	\$ 102,544,304	\$ (3,000,360)

Sensitivity Analysis

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

Discount Rate Sensitivity

Net Pension Liability:

1% Decrease in Discount Rate (6.6%)	\$ 10,305,680
Discount Rate (7.6%)	\$ (3,000,360)
1% Increase in Discount Rate (8.6%)	\$ (14,047,370)

Changes in Net Pension Liability (Asset)

- (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.

Angelina County, Texas
Notes to Financial Statements (Continued)

			Deferred Out	Deferred In
Difference between expenses and actual			\$ 212,195	\$ 283,864
Changes in actuarial assumptions			-	-
Difference between projected and actual	Year Ended December 31,	Amortization		
Subsequent contributions	2025	\$ (822,516)	4,998,446	6,036,399
	2026	1,405,844	2,425,554	-
Total	2027	(1,194,526)	7,636,195	\$ 6,320,263
	2028	(498,424)		
	2029	-		
	Thereafter	-		
	Total	\$ (1,109,622)		

Note 5: OTHER INFORMATION (Continued)

Pension Expense and Deferred Inflows/Outflows

As of December 31, 2025, the deferred inflows and outflows of resources are as follows:
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:

Employee Benefit Fund

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2021	\$ 149,165	\$ 4,842,468	\$ (4,612,258)	\$ 379,375
2022	\$ 379,375	\$ 4,103,062	\$ (4,176,053)	\$ 306,384
2023	\$ 306,384	\$ 5,407,439	\$ (5,104,047)	\$ 609,776
2024	\$ 609,776	\$ 5,620,097	\$ (5,658,688)	\$ 571,185
2025	\$ 571,185	\$ 6,961,072	\$ (6,932,979)	\$ 599,278

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 \$(583,608) at December 31, 2025. The claims liability of \$599,278 reported in the Fund at December 31, 2025 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:

Angelina County, Texas
Notes to Financial Statements (Continued)

Note 5: OTHER INFORMATION (Continued)

Risk Management

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

Angelina County, Texas

**Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - General Fund
For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues				
Ad valorem tax	\$ 22,354,309	\$ 22,354,309	\$ 22,077,859	\$ (276,450)
Sales tax	8,550,000	8,550,000	9,045,226	495,226
Other taxes	180,000	180,000	170,327	(9,673)
Intergovernmental	571,402	571,402	840,377	268,975
Charges for services	1,000	1,000	688	(312)
Fines and Fees	3,431,700	3,431,700	3,109,424	(322,276)
Interest Income	1,000,000	1,000,000	1,113,187	113,187
Other revenue	283,025	296,150	322,091	25,941
Total revenue	36,371,436	36,384,561	36,679,179	294,618
Expenditures				
Administrative:				
County Commissioners	537,240	537,240	507,932	29,308
County Clerk	685,827	685,827	646,585	39,242
County Service Officer	17,900	17,900	16,253	1,647
County Judge	279,021	281,609	281,769	(160)
County Auditor	639,234	639,234	532,900	106,334
County Treasurer	237,256	237,256	231,444	5,812
County Tax Assessor - Collector	1,286,792	1,286,792	1,172,155	114,637
Election/Voter Registration	718,676	718,676	553,301	165,375
Emergency Management	12,600	12,600	9,192	3,408
Human Resources	188,670	188,670	174,046	14,624
Information Technology	1,395,816	1,395,816	1,371,707	24,109
Maintenance	962,427	963,427	864,251	99,176
General Administration	3,834,853	3,758,750	3,207,855	550,895
Total administrative	10,796,312	10,723,797	9,569,390	1,154,407
Judicial and Law Enforcement:				
County Court-at-law I	622,784	638,986	598,254	40,732
County Court-at-law II	975,170	991,566	940,486	51,080
County Attorney	1,415,502	1,429,727	1,310,494	119,233
Constable Pct 1	110,799	110,799	102,404	8,395
Constable Pct 2	111,667	111,667	110,290	1,377
Constable Pct 3	108,817	108,817	104,059	4,758
Constable Pct 4	109,034	109,034	90,513	18,521
County Jail	6,938,519	6,938,519	5,678,723	1,259,796
County Sheriff	7,288,778	7,301,903	7,147,878	154,025
District Courts	1,189,843	1,195,382	1,027,449	167,933
District Clerk	706,039	706,039	627,256	78,783
District Attorney	1,555,241	1,555,241	1,430,786	124,455
Juvenile Judges	50,151	50,151	50,222	(71)
Justice of the Peace Pct 1	350,223	370,226	346,062	24,164
Justice of the Peace Pct 2	253,772	253,772	214,693	39,079
Justice of the Peace Pct 3	233,657	233,657	197,159	36,498
Justice of the Peace Pct 4	223,892	223,892	220,393	3,499
Total judicial and law enforcement	22,243,888	22,329,378	20,197,121	2,132,257

Angelina County, Texas

**Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - General Fund (Continued)
For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget - Positive (Negative)
Health, Welfare and Sanitation:				
County Public Health and Welfare	1,466,937	1,466,937	1,357,026	109,911
Extension Service:				
County Ag Extension Services	173,718	173,718	161,895	11,823
Total expenditures	34,680,855	34,693,830	31,285,432	3,408,398
Excess (deficiency) of revenues over expenditures	1,690,581	1,690,731	5,393,747	3,703,016
Other Financing Sources (Uses)				
Operating transfers in	-	-	1,431	1,431
Operating transfers out	(4,999,236)	(4,999,236)	(5,349,236)	(350,000)
Total other financing sources (uses)	(4,999,236)	(4,999,236)	(5,347,805)	(348,569)
Net change in fund balance	(3,308,655)	(3,308,505)	45,942	3,354,447
Fund balance, beginning	17,034,497	17,034,497	17,034,497	-
Fund balance, ending	\$ 13,725,842	\$ 13,725,992	\$ 17,080,439	\$ 3,354,447

Angelina County, Texas

**Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Unit Road System Fund Budget
For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget - Positive (Negative)
Revenues				
Ad valorem tax	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ -
Intergovernmental	210,000	210,000	218,225	8,225
Fines and Fees	1,265,000	1,265,000	1,375,636	110,636
Interest Income	150,000	150,000	214,421	64,421
Other revenue	425	130,951	154,074	23,123
Total revenue	5,625,425	5,755,951	5,962,356	206,405
Expenditures				
Highways and streets	6,842,432	7,254,678	6,482,313	772,365
Total expenditures	6,842,432	7,254,678	6,482,313	772,365
Excess (deficiency) of revenues over expenditures	(1,217,007)	(1,498,727)	(519,957)	978,770
Other Financing Sources (Uses)				
Operating transfers in	1,217,007	1,217,007	281,720	(935,287)
Operating transfers out	-	-	(1,431)	(1,431)
Total other financing sources (uses)	1,217,007	1,217,007	280,289	(936,718)
Net change in fund balance	-	(281,720)	(239,668)	42,052
Fund balance, beginning	3,655,324	3,655,324	3,655,324	-
Fund balance, ending	\$ 3,655,324	\$ 3,373,604	\$ 3,415,656	\$ 42,052

Angelina County, Texas

Schedule of Changes in Net Pension Liability and Related Ratios

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service cost	\$ 1,850,583	\$ 2,044,993	\$ 1,947,950	\$ 1,985,314	\$ 1,913,125	\$ 1,945,861	\$ 2,113,007	\$ 1,914,169	\$ 1,983,181	\$ 2,294,392
Interest on total pension liability	4,528,894	4,765,478	5,118,739	5,403,769	5,654,004	5,945,282	6,236,896	6,486,189	6,775,904	7,191,790
Effect of plan changes	(346,840)	-	-	-	-	-	-	-	1,157,740	846,357
Effect of assumption changes or inputs	604,581	-	457,843	-	-	4,647,497	(52,482)	-	-	-
Effect of economic/demographic (gains) or losses	(962,516)	(347,464)	(593,800)	(542,520)	(263,900)	(217,404)	(617,194)	39,582	404,601	(378,487)
Benefit payments/refunds of contributions	(2,655,316)	(2,793,113)	(3,311,212)	(3,592,678)	(3,781,100)	(3,697,149)	(3,948,161)	(4,463,725)	(4,938,795)	(5,390,369)
Net change in total pension liability	3,019,386	3,669,894	3,619,520	3,253,885	3,522,129	8,624,087	3,732,066	3,976,215	5,382,631	4,563,683
Total pension liability, beginning	56,180,448	59,199,834	62,869,728	66,489,248	69,743,133	73,265,262	81,889,349	85,621,415	89,597,630	94,980,261
Total pension liability, ending (a)	59,199,834	62,869,728	66,489,248	69,743,133	73,265,262	81,889,349	85,621,415	89,597,630	94,980,261	99,543,944
Fiduciary Net Position										
Employer contributions	1,492,472	1,502,752	1,562,130	1,542,976	1,537,618	1,607,716	1,518,248	1,757,103	1,924,597	2,210,068
Member contributions	1,059,228	1,060,101	1,088,055	1,125,475	1,072,075	1,119,807	1,057,489	1,141,931	1,224,368	1,406,411
Investment income net of investment expenses	(99,681)	3,984,127	8,403,432	(1,227,483)	10,365,220	7,458,799	17,113,391	(5,394,681)	9,560,176	9,627,298
Benefit payments/refunds of contributions	(2,655,316)	(2,793,113)	(3,311,212)	(3,592,678)	(3,781,100)	(3,697,148)	(3,948,161)	(4,463,725)	(4,938,795)	(5,390,369)
Administrative expenses	(38,961)	(43,425)	(43,449)	(50,691)	(55,034)	(57,535)	(51,019)	(51,072)	(49,510)	(55,821)
Other	(57,812)	(72,601)	(9,268)	(20,973)	(29,742)	(21,467)	(17,073)	(142,227)	(54,645)	(69,558)
Net change in fiduciary net position	(300,070)	3,637,841	7,689,688	(2,223,374)	9,109,037	6,410,172	15,672,875	(7,152,671)	7,666,191	7,728,029
Fiduciary net position, beginning	54,306,585	54,006,515	57,644,357	65,334,045	63,110,671	72,219,708	78,629,880	94,302,755	87,150,084	94,816,275
Fiduciary net position, ending (b)	54,006,515	57,644,357	65,334,045	63,110,671	72,219,708	78,629,880	94,302,755	87,150,084	94,816,275	102,544,304
Net pension liability / (asset), ending = (a) - (b)	\$ 5,193,320	\$ 5,225,371	\$ 1,155,203	\$ 6,632,462	\$ 1,045,554	\$ 3,259,469	\$ (8,681,340)	\$ 2,447,546	\$ 163,986	\$ (3,000,360)
Fiduciary net position as a % of total pension liability	91.23%	91.69%	98.26%	90.49%	98.57%	96.02%	110.14%	97.27%	99.83%	103.01%
Pensionable covered payroll	\$ 14,850,464	\$ 14,952,736	\$ 15,543,644	\$ 15,351,414	\$ 15,315,362	\$ 15,997,237	\$ 15,106,986	\$ 15,973,694	\$ 17,490,967	\$ 20,091,586
Net pension liability as a % of covered payroll	34.97%	34.95%	7.43%	43.20%	6.83%	20.38%	-57.47%	15.32%	0.94%	-14.93%

See Note 5 for any changes in plan assumptions.

Angelina County, Texas
Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 1,483,561	\$ 1,492,472	\$ (8,911)	\$ 14,850,464	10.1%
2016	\$ 1,448,920	\$ 1,502,752	\$ (53,832)	\$ 14,952,736	10.1%
2017	\$ 1,453,331	\$ 1,562,130	\$ (108,799)	\$ 15,543,644	10.0%
2018	\$ 1,482,947	\$ 1,542,976	\$ (60,029)	\$ 15,351,414	10.1%
2019	\$ 1,454,959	\$ 1,537,618	\$ (82,659)	\$ 15,315,362	10.0%
2020	\$ 1,590,125	\$ 1,607,716	\$ (17,591)	\$ 15,997,237	10.0%
2021	\$ 1,474,442	\$ 1,518,248	\$ (43,806)	\$ 15,106,986	10.0%
2022	\$ 1,721,964	\$ 1,757,103	\$ (35,139)	\$ 15,973,694	11.0%
2023	\$ 1,666,889	\$ 1,924,597	\$ (257,708)	\$ 17,490,967	11.0%
2024	\$ 2,075,461	\$ 2,210,068	\$ (134,607)	\$ 20,091,586	11.0%

See Note 5 for any changes in the plan.

Angelina County, Texas
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.

Adult and Juvenile Probation Funds - To account for adult and 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.

Hotel/Motel Tax Fund - To account for county hotel/motel tax usage.

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 SAFP program.

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

Expo Fund - To account for activity of the county exposition center.

Grant - To account for various grant funds and activity.

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

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

Abandoned Property - To account for sale of abandoned property.

CARES Act - To account for CARES Act grant.

Pretrial Intervention - To account for pretrial intervention program activity.

Debt Service Funds

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

Capital Projects Funds

Construction Fund - To account for expenditures related to American Rescue Plan construction projects.

2024 Tax Notes - To account for expenditures financed by the 2024 Tax Notes.

Angelina County, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2025

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total
Assets				
Cash and cash equivalent	\$ 8,184,313	\$ 82,196	\$ (161,468)	\$ 8,105,041
Investments	360,454	-	1,762,811	2,123,265
Receivables:				
Miscellaneous	52,560	-	-	52,560
Intergovernmental	167,744	-	-	167,744
Prepaid expenditures	12,275	-	-	12,275
Due from other funds	-	1,360,162	-	1,360,162
Total assets	\$ 8,777,346	\$ 1,442,358	\$ 1,601,343	\$ 11,821,047
Liabilities				
Accounts payable	\$ 249,463	\$ -	\$ 373,000	\$ 622,463
Accrued liabilities	264,604	-	-	264,604
Accrued compensated absences	86,767	-	-	86,767
Due to other funds	3,000	-	-	3,000
Total liabilities	603,834	-	373,000	976,834
Deferred Inflows				
Unearned revenues	806,530	1,360,162	-	2,166,692
Total deferred inflows	806,530	1,360,162	-	2,166,692
Fund Balances				
NonSpendable - Prepaid	12,275	-	-	12,275
Restricted:				
Construction	-	-	1,228,343	1,228,343
Debt service	-	82,196	-	82,196
Other	7,354,707	-	-	7,354,707
Total fund balances	7,366,982	82,196	1,228,343	8,677,521
Total liabilities, deferred inflow and fund balances	\$ 8,777,346	\$ 1,442,358	\$ 1,601,343	\$ 11,821,047

Angelina County, Texas

**Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2025**

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total
Revenues				
Ad valorem taxes	\$ -	\$ 1,330,775	\$ -	\$ 1,330,775
Other taxes	76,635	-	-	76,635
Intergovernmental	5,854,099	-	-	5,854,099
Interest income	321,957	9,350	261,683	592,990
Fines and fees	989,640	-	-	989,640
Contributions and donations	32,292	-	-	32,292
Other revenue	268,052	-	-	268,052
Total revenues	7,542,675	1,340,125	261,683	9,144,483
Expenditures				
Administrative	128,085	-	-	128,085
Judicial and law enforcement	8,694,996	-	-	8,694,996
Health, welfare and sanitation	1,052,844	-	-	1,052,844
Capital outlays	373,528	-	5,402,349	5,775,877
Debt Service:				
Principal	-	870,000	-	870,000
Interest and other fees	-	460,907	-	460,907
Total expenditures	10,249,453	1,330,907	5,402,349	16,982,709
Excess (deficiency) of revenues over expenditures	(2,706,778)	9,218	(5,140,666)	(7,838,226)
Other Financing Sources (Uses)				
Operating transfers in	2,762,852	-	-	2,762,852
Operating transfers out	(765,408)	-	(1,798,473)	(2,563,881)
Total other financing sources (uses)	1,997,444	-	(1,798,473)	198,971
Net change in fund balance	(709,334)	9,218	(6,939,139)	(7,639,255)
Fund balance, beginning	8,076,316	72,978	8,167,482	16,316,776
Fund balance, ending	\$ 7,366,982	\$ 82,196	\$ 1,228,343	\$ 8,677,521

Angelina County, Texas
Combining Balance Sheet - Nonmajor Special
Revenue Funds
As of December 31, 2025

	Mental Health Fund	Jury Fund	Election Service Contract Fund	Chapter 19 Voter Registration Fund	Probate Guardianship Self Insurance Fund	Juvenile Probation Fees Fund	Law Library Fund	Cassels- Boykin Park Fund
Assets								
Cash and cash equivalent	\$ 22,571	\$ 322,221	\$ 57,282	\$ (4,227)	\$ 350,000	\$ 1,805	\$ 141,568	\$ 25,286
Investments	-	-	-	-	-	-	-	-
Receivables:								
Miscellaneous	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-
Total assets	\$ 22,571	\$ 322,221	\$ 57,282	\$ (4,227)	\$ 350,000	\$ 1,805	\$ 141,568	\$ 25,286
Liabilities								
Accounts payable	\$ 8,375	\$ 13,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,891
Accrued liabilities	-	-	-	-	-	-	-	2,399
Accrued compensated absences	-	-	-	-	-	-	-	3,342
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	8,375	13,763	-	-	-	-	-	8,632
Deferred Inflows								
Deferred revenue	-	-	-	-	-	-	-	-
Total deferred inflows	-	-	-	-	-	-	-	-
Fund Balances								
NonSpendable - Prepaid	-	-	-	-	-	-	-	-
Restricted:								
Other	14,196	308,458	57,282	(4,227)	350,000	1,805	141,568	16,654
Total fund balances	14,196	308,458	57,282	(4,227)	350,000	1,805	141,568	16,654
Total liabilities, deferred inflows and fund balances	\$ 22,571	\$ 322,221	\$ 57,282	\$ (4,227)	\$ 350,000	\$ 1,805	\$ 141,568	\$ 25,286

Angelina County, Texas
Combining Balance Sheet - Nonmajor Special
Revenue Funds (Continued)
As of December 31, 2025

	Adult Probation Fund	Juvenile Services Fund	County Clerk Records Management Fund	Security Fund	District Clerk Records Management Fund	Hotel/ Motel Tax Fund	JP Security Fund	CARES Act Fund
Assets								
Cash and cash equivalent	\$ 728,961	\$ 1,407,613	\$ 1,779,366	\$ 458,539	\$ 392,841	\$ 41,288	\$ 54,253	\$ 839,925
Investments	360,454	-	-	-	-	-	-	-
Receivables:								
Miscellaneous	1,077	-	-	-	-	13,275	-	-
Intergovernmental	-	42,101	-	-	-	-	-	-
Prepaid expenditures	7,813	530	-	-	-	-	-	-
Total assets	\$ 1,098,305	\$ 1,450,244	\$ 1,779,366	\$ 458,539	\$ 392,841	\$ 54,563	\$ 54,253	\$ 839,925
Liabilities								
Accounts payable	\$ 48,544	\$ 64,037	\$ 14,760	\$ -	\$ -	\$ -	\$ -	\$ 8,541
Accrued liabilities	46,315	53,292	-	-	-	-	-	-
Accrued compensated absences	-	66,266	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	94,859	183,595	14,760	-	-	-	-	8,541
Deferred Inflows								
Deferred revenue	-	641,060	-	-	-	-	-	-
Total deferred inflows	-	641,060	-	-	-	-	-	-
Fund Balances								
NonSpendable - Prepaid	7,813	530	-	-	-	-	-	-
Restricted:								
Other	995,633	625,059	1,764,606	458,539	392,841	54,563	54,253	831,384
Total fund balances	1,003,446	625,589	1,764,606	458,539	392,841	54,563	54,253	831,384
Total liabilities, deferred inflows and fund balances	\$ 1,098,305	\$ 1,450,244	\$ 1,779,366	\$ 458,539	\$ 392,841	\$ 54,563	\$ 54,253	\$ 839,925

Angelina County, Texas
Combining Balance Sheet - Nonmajor Special
Revenue Funds (Continued)
As of December 31, 2025

	SAFPF Re-Entry Court Fund	Grants Fund	District Attorney State Grant Fund	Drug Court Grant Fund	Constable #1 Forfeiture Fund	Sheriff Federal Forfeiture Fund	Sheriff Forfeiture Fund	County Attorney Forfeiture Fund
Assets								
Cash and cash equivalent	\$ 244,671	\$ 225,176	\$ 100,295	\$ 147,857	\$ 3,380	\$ 824	\$ 226,704	\$ 139,457
Investments	-	-	-	-	-	-	-	-
Receivables:								
Miscellaneous	1,039	-	-	14,910	-	-	-	-
Intergovernmental	-	125,643	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	587	-
Total assets	\$ 245,710	\$ 350,819	\$ 100,295	\$ 162,767	\$ 3,380	\$ 824	\$ 227,291	\$ 139,457
Liabilities								
Accounts payable	\$ 4,679	\$ 54,053	\$ -	\$ 7,783	\$ -	\$ -	\$ -	\$ 100
Accrued liabilities	219	144,663	-	958	-	-	-	-
Accrued compensated absences	164	-	-	-	-	-	-	-
Due to other funds	-	3,000	-	-	-	-	-	-
Total liabilities	5,062	201,716	-	8,741	-	-	-	100
Deferred Inflows								
Deferred revenue	22,436	70,175	-	72,859	-	-	-	-
Total deferred inflows	22,436	70,175	-	72,859	-	-	-	-
Fund Balances								
NonSpendable - Prepaid	-	-	-	-	-	-	587	-
Restricted:								
Other	218,212	78,928	100,295	81,167	3,380	824	226,704	139,357
Total fund balances	218,212	78,928	100,295	81,167	3,380	824	227,291	139,357
Total liabilities, deferred inflows and fund balances	\$ 245,710	\$ 350,819	\$ 100,295	\$ 162,767	\$ 3,380	\$ 824	\$ 227,291	\$ 139,457

Angelina County, Texas
Combining Balance Sheet - Nonmajor Special
Revenue Funds (Continued)
As of December 31, 2025

	District Attorney Forfeiture Fund	Pretrial Intervention Program Fund	District Attorney Judiciary Apportionment Fund	Expo Fund	Abandoned Property Fund	County Attorney Hot Check Fund	District Attorney Fund	Total
Assets								
Cash and cash equivalent	\$ 177,221	\$ 55,516	\$ 1,002	\$ 177,972	1,036	\$ 63,585	\$ 325	\$ 8,184,313
Investments	-	-	-	-	-	-	-	360,454
Receivables:								
Miscellaneous	6,944	-	-	15,315	-	-	-	52,560
Intergovernmental	-	-	-	-	-	-	-	167,744
Prepaid expenditures	-	-	-	3,345	-	-	-	12,275
Total assets	\$ 184,165	\$ 55,516	\$ 1,002	\$ 196,632	\$ 1,036	\$ 63,585	\$ 325	\$ 8,777,346
Liabilities								
Accounts payable	\$ 1,000	\$ -	\$ -	\$ 20,838	\$ -	\$ 99	\$ -	\$ 249,463
Accrued liabilities	-	-	-	16,758	-	-	-	264,604
Accrued compensated absences	-	-	-	16,995	-	-	-	86,767
Due to other funds	-	-	-	-	-	-	-	3,000
Total liabilities	1,000	-	-	54,591	-	99	-	603,834
Deferred Inflows								
Deferred revenue	-	-	-	-	-	-	-	806,530
Total deferred inflows	-	-	-	-	-	-	-	806,530
Fund Balances								
NonSpendable - Prepaid	-	-	-	3,345	-	-	-	12,275
Restricted:								
Other	183,165	55,516	1,002	138,696	1,036	63,486	325	7,354,707
Total fund balances	183,165	55,516	1,002	142,041	1,036	63,486	325	7,366,982
Total liabilities, deferred inflows and fund balances	\$ 184,165	\$ 55,516	\$ 1,002	\$ 196,632	\$ 1,036	\$ 63,585	\$ 325	\$ 8,777,346

Angelina County, Texas
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

	Mental Health Fund	Jury Fund	Election Service Contract Fund	Chapter 19 Voter Registration Fund	Probate Guardianship Self Insurance Fund	Juvenile Probation Fees Fund	Law Library Fund	Cassels- Boykin Park Fund
Revenues								
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	12,805	-	-	-	-	-	-
Interest income	1,232	14,194	-	-	-	1,420	5,262	1,305
Fines and fees	31,950	-	4,425	-	-	254	50,920	61,954
Contributions and donations	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	33,182	26,999	4,425	-	-	1,674	56,182	63,259
Expenditures								
Administrative	-	-	-	4,227	-	-	-	-
Judicial and law enforcement	-	103,304	-	-	-	66,652	30,102	-
Health, welfare and sanitation	63,220	-	-	-	-	-	-	154,821
Capital outlays	-	-	-	-	-	-	-	-
Total expenditures	63,220	103,304	-	4,227	-	66,652	30,102	154,821
Excess (deficiency) of revenues over expenditures	(30,038)	(76,305)	4,425	(4,227)	-	(64,978)	26,080	(91,562)
Other Financing Sources (Uses)								
Operating transfers in	45,650	-	-	-	350,000	-	-	80,324
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	45,650	-	-	-	350,000	-	-	80,324
Net change in fund balance	15,612	(76,305)	4,425	(4,227)	350,000	(64,978)	26,080	(11,238)
Fund balance, beginning	(1,416)	384,763	52,857	-	-	66,783	115,488	27,892
Fund balance, ending	\$ 14,196	\$ 308,458	\$ 57,282	\$ (4,227)	\$ 350,000	\$ 1,805	\$ 141,568	\$ 16,654

Angelina County, Texas
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2025

	Adult Probation Fund	Juvenile Services Fund	County Clerk Records Management Fund	Security Fund	District Clerk Records Management Fund	Hotel/ Motel Tax Fund	JP Security Fund	CARES Act Fund
Revenues								
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,635	\$ -	\$ -
Intergovernmental	2,562,380	1,570,918	-	48,648	-	-	-	51,284
Interest income	53,802	86,559	84,812	17,911	15,163	-	-	-
Fines and fees	74,921	122,329	299,562	-	28,426	-	4,041	-
Contributions and donations	-	-	-	-	-	-	-	-
Other revenue	932	18,591	-	-	-	-	-	-
Total revenues	2,692,035	1,798,397	384,374	66,559	43,589	76,635	4,041	51,284
Expenditures								
Administrative	-	-	123,858	-	-	-	-	-
Judicial and law enforcement	2,981,718	3,953,250	-	20,232	-	-	500	-
Health, welfare and sanitation	-	-	-	-	-	4,042	-	-
Capital outlays	-	-	-	-	-	-	-	373,528
Total expenditures	2,981,718	3,953,250	123,858	20,232	-	4,042	500	373,528
Excess (deficiency) of revenues over expenditures	(289,683)	(2,154,853)	260,516	46,327	43,589	72,593	3,541	(322,244)
Other Financing Sources (Uses)								
Operating transfers in	249,504	1,509,973	-	-	-	-	-	-
Operating transfers out	(289,624)	-	-	-	-	(40,750)	-	(435,034)
Total other financing sources (uses)	(40,120)	1,509,973	-	-	-	(40,750)	-	(435,034)
Net change in fund balance	(329,803)	(644,880)	260,516	46,327	43,589	31,843	3,541	(757,278)
Fund balance, beginning	1,333,249	1,270,469	1,504,090	412,212	349,252	22,720	50,712	1,588,662
Fund balance, ending	\$ 1,003,446	\$ 625,589	\$ 1,764,606	\$ 458,539	\$ 392,841	\$ 54,563	\$ 54,253	\$ 831,384

Angelina County, Texas
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2025

	SAFPF Re-Entry Court Fund	Grants Fund	District Attorney State Grant Fund	Drug Court Grant Fund	Constable #1 Forfeiture Fund	Sheriff Federal Forfeiture Fund	Sheriff Forfeiture Fund	County Attorney Forfeiture Fund
Revenues								
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	44,037	1,316,575	-	125,288	-	-	-	-
Interest income	9,005	-	-	6,793	161	33	5,365	5,714
Fines and fees	12,245	-	-	12,245	-	-	-	-
Contributions and donations	6,292	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	158,164	-
Total revenues	71,579	1,316,575	-	144,326	161	33	163,529	5,714
Expenditures								
Administrative	-	-	-	-	-	-	-	-
Judicial and law enforcement	96,243	1,237,646	-	148,883	5,357	-	4,561	6,700
Health, welfare and sanitation	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-
Total expenditures	96,243	1,237,646	-	148,883	5,357	-	4,561	6,700
Excess (deficiency) of revenues over expenditures	(24,664)	78,929	-	(4,557)	(5,196)	33	158,968	(986)
Other Financing Sources (Uses)								
Operating transfers in	90,120	-	-	50,000	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	90,120	-	-	50,000	-	-	-	-
Net change in fund balance	65,456	78,929	-	45,443	(5,196)	33	158,968	(986)
Fund balance, beginning	152,756	(1)	100,295	35,724	8,576	791	68,323	140,343
Fund balance, ending	\$ 218,212	\$ 78,928	\$ 100,295	\$ 81,167	\$ 3,380	\$ 824	\$ 227,291	\$ 139,357

Angelina County, Texas
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2025

	District Attorney Forfeiture Fund	Pretrial Intervention Program Fund	District Attorney Judiciary Apportionment Fund	Expo Fund	Abandoned Property Fund	County Attorney Hot Check Fund	District Attorney Fund	Total
Revenues								
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,635
Intergovernmental	-	-	22,500	99,664	-	-	-	5,854,099
Interest income	5,835	-	-	7,391	-	-	-	321,957
Fines and fees	-	8,710	-	276,741	-	917	-	989,640
Contributions and donations	-	-	-	26,000	-	-	-	32,292
Other revenue	75,307	-	-	14,022	1,036	-	-	268,052
Total revenues	81,142	8,710	22,500	423,818	1,036	917	-	7,542,675
Expenditures								
Administrative	-	-	-	-	-	-	-	128,085
Judicial and law enforcement	6,638	2,371	26,631	-	-	4,208	-	8,694,996
Health, welfare and sanitation	-	-	-	830,761	-	-	-	1,052,844
Capital outlays	-	-	-	-	-	-	-	373,528
Total expenditures	6,638	2,371	26,631	830,761	-	4,208	-	10,249,453
Excess (deficiency) of revenues over expenditures	74,504	6,339	(4,131)	(406,943)	1,036	(3,291)	-	(2,706,778)
Other Financing Sources (Uses)								
Operating transfers in	-	-	-	387,281	-	-	-	2,762,852
Operating transfers out	-	-	-	-	-	-	-	(765,408)
Total other financing sources (uses)	-	-	-	387,281	-	-	-	1,997,444
Net change in fund balance	74,504	6,339	(4,131)	(19,662)	1,036	(3,291)	-	(709,334)
Fund balance, beginning	108,661	49,177	5,133	161,703	-	66,777	325	8,076,316
Fund balance, ending	\$ 183,165	\$ 55,516	\$ 1,002	\$ 142,041	\$ 1,036	\$ 63,486	\$ 325	\$ 7,366,982

Angelina County, Texas
Combining Balance Sheet - Nonmajor Capital Projects Funds
As of December 31, 2025

	Construction Fund	2024 Tax Note Fund	Total
Assets			
Cash and cash equivalent	\$ 886,522	\$ (1,047,990)	\$ (161,468)
Investments		1,762,811	1,762,811
Total assets	\$ 886,522	\$ 714,821	\$ 1,601,343
Liabilities			
Accounts payable	\$ 81,950	\$ 291,050	\$ 373,000
Total liabilities	81,950	291,050	373,000
Fund Balances			
Restricted:			
Construction	804,572	423,771	1,228,343
Total fund balances	804,572	423,771	1,228,343
Total liabilities and fund balances	\$ 886,522	\$ 714,821	\$ 1,601,343

Angelina County, Texas
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Capital Projects Funds
For the Year Ended December 31, 2025

	Construction Fund	2024 Tax Note Fund	Total
Revenues			
Interest income	\$ 112,979	\$ 148,704	\$ 261,683
Total revenue	112,979	148,704	261,683
Expenditures			
Capital outlays	673,396	4,728,953	5,402,349
Total expenditures	673,396	4,728,953	5,402,349
Excess (deficiency) of revenues over expenditures	(560,417)	(4,580,249)	(5,140,666)
Other Financing Sources (Uses)			
Transfer out	(1,798,473)	-	(1,798,473)
Total other financing sources (uses)	(1,798,473)	-	(1,798,473)
Net change in fund balance	(2,358,890)	(4,580,249)	(6,939,139)
Fund balance, beginning	3,163,462	5,004,020	8,167,482
Fund balance, ending	\$ 804,572	\$ 423,771	\$ 1,228,343

Angelina County, Texas
Combining Statement of Fiduciary Net Position
As of December 31, 2025

	District Clerk	County Clerk	Sheriff	Justices of the Peace	Tax Assessor Collector	District Attorney	County Attorney	County Employee Fund	Extension Office	For Kids Sake Fund	Total
Assets											
Cash and cash equivalent	\$ 2,063,547	\$ 1,055,748	\$ 719,299	\$ 29,108	\$ 5,115,627	\$ 3,477	\$ 7,599	\$ 1,000	\$ 1,215	\$ 3,686	\$ 9,000,306
Total assets	2,063,547	1,055,748	719,299	29,108	5,115,627	3,477	7,599	1,000	1,215	3,686	9,000,306
Restricted net position	\$ 2,063,547	\$ 1,055,748	\$ 719,299	\$ 29,108	\$ 5,115,627	\$ 3,477	\$ 7,599	\$ 1,000	\$ 1,215	\$ 3,686	\$ 9,000,306

Angelina County, Texas
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2025

	District Clerk	County Clerk	Sheriff	Justices of the Peace	Tax Assessor Collector	District Attorney	County Attorney	County Employee Fund	Extension Office	For Kids Sake Fund	Total
Additions											
Fees	\$ 1,200,897	\$ 3,837,954	\$ 1,063,102	\$284,549	\$ 138,904,498	\$ -	\$ 6,512	\$ 6,286,156	\$ -	\$ 9,400	\$ 151,593,068
Interest	191	-	460	-	7,061	-	-	-	-	-	7,712
Total inflows	1,201,088	3,837,954	1,063,562	284,549	138,911,559	-	6,512	6,286,156	-	9,400	151,600,780
Deductions											
Distributions to others	842,934	3,729,148	1,063,562	275,531	140,561,255	-	19,577	6,286,156	-	10,293	152,788,456
Total outflows	842,934	3,729,148	1,063,562	275,531	140,561,255	-	19,577	6,286,156	-	10,293	152,788,456
Change in net position	358,154	108,806	-	9,018	(1,649,696)	-	(13,065)	-	-	(893)	(1,187,676)
Beginning net position	1,705,393	946,942	719,299	20,090	6,765,323	3,477	20,664	1,000	1,215	4,579	10,187,982
Ending net position	\$ 2,063,547	\$ 1,055,748	\$ 719,299	\$ 29,108	\$ 5,115,627	\$ 3,477	\$ 7,599	\$ 1,000	\$ 1,215	\$ 3,686	\$ 9,000,306



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

Honorable County Judge and
Members of the Commissioners' Court
Angelina County

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, 2025, and the related notes to the financial statements, which collectively comprise Angelina County, Texas' basic financial statements and have issued our report thereon dated October 13, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of Angelina County, Texas' internal control.

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

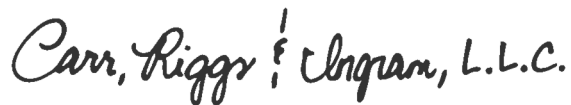
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Angelina County, Texas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, L.L.C.

Lufkin, Texas
October 13, 2026



CARR, RIGGS & INGRAM, L.L.C.

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INDEPENDENT AUDITOR'S 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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Angelina County, Texas' (County) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2025. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Angelina County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Lufkin, Texas
October 13, 2026

Angelina County, Texas
Schedule of Findings and Questioned Costs

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 X No

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

Noncompliance material to financial statements noted? ___ Yes X No

2. Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? ___ Yes X 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 X No

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs: \$1,000,000

Auditee qualified as low-risk auditee? X 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, 2025

	Federal ALN Number	Pass-Through Identification Number	Federal Expenditures	Subrecipients
United States Department of Agriculture				
School and Roads Cluster:				
School and Roads Grants to Counties	10.666	NA	\$ 40,859	\$ -
Total United States Department of Agriculture			40,859	-
United States Department of Interior				
Payment in Lieu of Taxes	15.226	NA	100,071	-
Total United States Department of Interior			100,071	-
United States Department of Treasury				
COVID 19 - Coronavirus State and Local Fiscal Recovery	21.027	NA	2,619,209	-
COVID 19 - Local Assistance and Tribal Consistency Fund	21.032	NA	808,562	-
Total United States Department of Treasury			3,427,771	-
Total Expenditures of Federal Awards			\$ 3,568,701	\$ -

* Indicates clustered program under OMB Compliance Supplement

Angelina County, Texas

Notes to the Schedule of Expenditures of Federal Awards

Note 1: Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards ("the Schedule") are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 2: Indirect Cost Rate

The County has elected not to use the de minimis indirect cost rate.

Note 3: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the County. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 4: Sub-recipients

During the year ended December 31, 2025, the County had no sub-recipients.

Note 5: Federal Loans and Loan Guarantees

During the year ended December 31, 2025, the County had no outstanding federal loans payable or loan guarantees.

Note 6: Federally Funded Insurance

During the year ended December 31, 2025, the County had no federally funded insurance.

Note 7: Noncash Awards

During the year ended December 31, 2025, the County received no non-cash assistance.

Note 8: Contingencies

Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the County does not believe that such disallowance, if any, would have a material effect on the financial position of the County.

Note 9: Federal Pass-Through Funds

The County is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

Angelina County, Texas
Summary Schedule of Prior Audit Findings

None

**Angelina County, Texas
Corrective Action Plan**

None