

ANGELINA COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
December 31, 2015

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INTRODUCTORY SECTION

ANGELINA COUNTY, TEXAS
PRINCIPAL OFFICIALS
December 31, 2015

GOVERNING BODY

Honorable Wes SuiterCounty Judge
Greg Harrison.....Commissioner, Precinct 1
Kenneth Timmons.Commissioner, Precinct 2
Robert LogginsCommissioner, Precinct 3
Bobby CheshireCommissioner, Precinct 4

OTHER PRINCIPAL OFFICIALS

Thelma Sherman Tax Assessor-Collector
Eddie L. Gray County Auditor
Ed Jones County Attorney
Art Bauereiss.....District Attorney
Reba Squyres District Clerk
Amy FincherCounty Clerk
Deborah Huffman..... County Treasurer
Greg SanchesCounty Sheriff

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Angelina County, Texas (County) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Angelina County, Texas as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, Schedule of changes in Net Pension Liability and Schedule of Contributions on pages 9 through 14 and 48 through 54 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 we obtain during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Angelina County, Texas' basic financial statements. The introductory section and combining fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The introductory section, combining fund statements, and the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the introductory section, combining fund 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 August 23, 2016 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 compliances.


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
August 23, 2016

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

As management of Angelina County (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, 2015. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$42,520,289 (*net position*). Of this amount, \$9,772,734 (*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 \$12,264,940, an increase of \$95,320 in comparison with the prior year. The increase is the result of the general fund revenue exceeding expected projections.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,372,060.
- A prior period adjustment for \$1,461,179 was recorded due to the implementation of GASB 68 related to the prior year pension liability.

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 and an airport.

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 on pages 48-54 of 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 on pages 57-74 of 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 exceeded liabilities by \$42,520,289 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 (59.0 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Angelina County's Net Position
(in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 33 956	\$ 32 371	\$ 9 400	\$ 11 217	\$ 43 356	\$ 43 589
Capital assets	24 904	24 741	6 679	5 866	31 583	30 606
TOTAL ASSETS	<u>58 860</u>	<u>57 112</u>	<u>16 079</u>	<u>17 083</u>	<u>74 939</u>	<u>74 195</u>
Deferred outflows	2 262	297	-	-	2 262	297
Long-term liabilities	8 333	4 079	6 015	275	14 347	4 354
Other liabilities	3 023	5 706	263	5 738	3 286	11 444
TOTAL LIABILITIES	<u>11 356</u>	<u>9 785</u>	<u>6 278</u>	<u>6 013</u>	<u>17 634</u>	<u>15 798</u>
Deferred inflows	17 047	16 844	-	-	17 047	16 844
Net Position:						
Invested in capital assets, net of related debt	18 425	17 656	6 679	5 865	25 104	23 522
Restricted	2 698	3 152	4 946	4 318	7 644	7 469
Unrestricted	11 598	9 972	(1 825)	887	9 773	10 859
TOTAL NET POSITION	\$ <u>32 720</u>	\$ <u>30 780</u>	\$ <u>9 800</u>	\$ <u>11 070</u>	\$ <u>42 520</u>	\$ <u>41 850</u>

An additional portion of the County's net position (17.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$9,772,734 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position.

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

Governmental Activities. Governmental activities increased the County's net position by \$3,401,280. Key elements of this net increase are as follows:

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for service	\$ 4 440	\$ 5 291	\$ 3 093	\$ 3 383	\$ 7 533	\$ 8 674
Operating grants and contributions	4 674	3 054	-	237	4 674	3 291
Capital grants and contributions	901	1 606	-	-	901	1 606
General Revenues:						
Property taxes	18 414	18 005	-	-	18 414	18 005
Sales taxes	5 889	5 754	-	-	5 889	5 754
Other taxes	105	105	-	-	105	105
Investment earnings	98	128	17	29	115	157
Miscellaneous	123	233	64	121	187	354
TOTAL REVENUES	<u>34 644</u>	<u>34 176</u>	<u>3 174</u>	<u>3 770</u>	<u>37 818</u>	<u>37 946</u>
Expenses:						
Administrative	7 619	7 832	-	-	7 619	7 832
Judicial and law enforcement	18 732	17 872	-	-	18 732	17 872
Health, welfare and sanitation	1 115	1 145	-	-	1 115	1 145
Highways and streets	3 526	3 976	-	-	3 526	3 976
Extension service	140	135	-	-	140	135
Interest and fiscal charges	111	153	-	-	111	153
Landfill	-	-	2 845	3 297	2 845	3 297
Airport	-	-	1 598	2 060	1 598	2 060
TOTAL EXPENSES	<u>31 244</u>	<u>31 113</u>	<u>4 444</u>	<u>5 357</u>	<u>35 688</u>	<u>36 470</u>
(DECREASE) IN NET POSITION	3 401	3 063	(1 271)	(1 587)	2 131	1 476
Net position, beginning	29 319	27 717	11 070	12 657	40 389	40 374
NET POSITION, ENDING	<u>\$ 32 720</u>	<u>\$ 30 780</u>	<u>\$ 9 800</u>	<u>\$ 11 070</u>	<u>\$ 42 520</u>	<u>\$ 41 850</u>

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$12,264,940. The *unassigned fund balance* amounts to a surplus of \$9,372,060. The amount of fund balance that is restricted \$2,697,219 to indicate that it is not available for new spending because it has already been committed to other expenses.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,372,060. 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. Unrestricted fund balance represents (43) percent of total general fund expenditures.

The fund balance of the County's general fund increased by \$549,365 during the current fiscal year. The increase is the result of general fund revenue exceeding expected projections.

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

The road and bridge funds have a total fund balance of \$1,329,203, all of which is restricted for the maintenance and construction of roads and bridges. The net increase in fund balance during the current year in the road and bridge funds are \$497,334.

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 \$(2,757,619), and those for the Airport amounted to \$873,453. Net position restricted for future landfill closure of the Landfill at the end of the year amounted to \$4,946,349. The total decrease in net position for both funds was \$(488,675) and \$(781,388), 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 exceeded budgetary estimates by \$825,552. Expenditures were less than budgetary estimates by \$477,796.

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, 2015, amounts to \$31,583,142 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, roads, and bridges.

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2015	2014	2015	2014	2015	2014
Land	\$ 700	\$ 700	\$ 2 169	\$ 2 169	\$ 2 869	\$ 2 869
Buildings	22 899	22 880	5 023	5 023	27 922	27 903
Machinery and equipment	14 621	12 973	5 676	5 242	20 297	18 215
Infrastructure	69 539	69 647	8 940	8 940	78 479	78 587
Construction in progress	175	14	1 295	-	1 470	14
Depreciation	(83 029)	(81 473)	(16 425)	(15 509)	(99 454)	(96 982)
TOTAL	\$ 24 904	\$ 24 741	\$ 6 679	\$ 5 865	\$ 31 583	\$ 30 606

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$4,865,000.

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2015	2014	2015	2014	2015	2014
Refunding bonds	\$ 4 865	\$ 5 470	\$ -	\$ -	\$ 4 865	\$ 5 470
Tax notes	700	1 450	-	-	700	1 450
Capital leases	894	-	-	-	894	-
Landfill closure and postclosure	-	-	6 015	5 738	6 015	5 738
TOTAL	\$ 6 459	\$ 6 920	\$ 6 015	\$ 5 738	\$ 12 474	\$ 12 658

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

The County's total debt decreased by \$184,426 (3.4 percent) during the current fiscal year. The key factor in this change was the repayment of \$1,355,000 and the addition of capital leases.

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

Additional information on the County's long-term debt can be found in Note 3.D on pages 34-36 of this report.

Economic Factors and Next Years' Budgets and Rates

- The County's unemployment rate for the current fiscal year was 5.6 percent, which was 5.2 percent in the previous year. This compares unfavorably to the state's unemployment rate of 4.5 percent.
- Economic trends in the region compare favorably with state and national indices.

All other factors were considered in preparing the County's budget for the 2016 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

ANGELINA COUNTY, TEXAS
STATEMENT OF NET POSITION
December 31, 2015

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and cash equivalent	\$ (2 452 029)	\$ 3 014 877	\$ 562 848
Investments	24 118 423	1 148 132	25 266 555
Receivables (Net Allowance):			
Taxes	9 731 635	-	9 731 635
Miscellaneous	441 524	-	441 524
Intergovernmental	2 111 209	-	2 111 209
Accounts	2 580	230 958	233 538
Inventory	2 734	59 327	62 061
Prepaid expenses	192 927	-	192 927
TOTAL CURRENT ASSETS	34 149 003	4 453 294	38 602 297
Noncurrent Assets:			
Restricted Assets:			
Investments	-	4 946 349	4 946 349
Capital assets (net of depreciation)	24 904 231	6 678 911	31 583 142
TOTAL NONCURRENT ASSETS	24 904 231	11 625 260	36 529 491
TOTAL ASSETS	58 860 307	16 078 554	74 938 861
DEFERRED OUTFLOWS			
Subsequent pension contributions	1 279 371	-	1 279 371
Pension related deferred outflows	790 148	-	790 148
TOTAL DEFERRED OUTFLOWS	2 069 519	-	2 069 519
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 61 122 753	\$ 16 078 554	\$ 77 201 307
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 752 694	\$ 121 985	\$ 874 679
Accrued liabilities	2 249 884	141 265	2 391 149
Accrued interest	20 526	-	20 526
TOTAL CURRENT LIABILITIES	3 023 104	263 250	3 286 354
Noncurrent Liabilities:			
Due within one year	1 459 110	-	1 459 110
Due in more than one year	4 999 519	6 014 883	11 014 402
Net pension liability	1 873 864	-	1 873 864
TOTAL NONCURRENT LIABILITIES	8 332 493	6 014 883	14 347 376
TOTAL LIABILITIES	11 355 597	6 278 133	17 633 730
DEFERRED INFLOWS			
Unearned revenues	17 047 288	-	17 047 288
TOTAL DEFERRED INFLOWS	17 047 288	-	17 047 288
NET POSITION			
Net investment in capital assets	18 425 076	6 678 911	25 103 987
Restricted:			
Construction	1 774 908	-	1 774 908
Debt service	332 615	-	332 615
Other	589 696	4 946 349	5 536 045
Unrestricted	11 597 573	(1 824 839)	9 772 734
TOTAL NET POSITION	32 719 868	9 800 421	42 520 289
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 61 122 753	\$ 16 078 554	\$ 77 201 307

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

ANGELINA COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
Administrative	\$ 7 619 491	\$ 2 033 341	\$ 196 528	\$ -
Judicial and law enforcement	18 731 738	915 739	4 477 520	-
Health, welfare and sanitation	1 115 416	75 803	-	-
Highways and streets	3 525 782	1 415 539	-	900 806
Extension services	140 000	-	-	-
Interest and fiscal charges	111 472	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	31 243 899	4 440 422	4 674 048	900 806
Business-Type Activities:				
Landfill	2 845 307	2 279 618	-	-
Airport	1 598 494	813 418	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	4 443 801	3 093 036	-	-
TOTAL GOVERNMENT	\$ 35 687 700	\$ 7 533 458	\$ 4 674 048	\$ 900 806

General Revenues:

Property taxes
Sales taxes
Other taxes
Unrestricted investment earnings
Miscellaneous revenues
TOTAL GENERAL REVENUES
CHANGE IN NET POSITION
Net position - Beginning of year
Prior period adjustment
NET POSITION - BEGINNING OF YEAR (RESTATED)
NET POSITION - ENDING

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

NET (EXPENSE) REVENUE AND CHANGE
IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (5 389 622)	\$ -	\$ (5 389 622)
(13 338 479)	-	(13 338 479)
(1 039 613)	-	(1 039 613)
(1 209 437)	-	(1 209 437)
(140 000)	-	(140 000)
<u>(111 472)</u>	<u>-</u>	<u>(111 472)</u>
<u>(21 228 623)</u>	<u>-</u>	<u>(21 228 623)</u>
-	(565 689)	(565 689)
<u>-</u>	<u>(785 076)</u>	<u>(785 076)</u>
-	(1 350 765)	(1 350 765)
<u>(21 228 623)</u>	<u>(1 350 765)</u>	<u>(22 579 388)</u>
18 413 902	-	18 413 902
5 889 408	-	5 889 408
105 327	-	105 327
97 872	16 653	114 525
<u>123 394</u>	<u>64 049</u>	<u>187 443</u>
<u>24 629 903</u>	<u>80 702</u>	<u>24 710 605</u>
<u>3 401 280</u>	<u>(1 270 063)</u>	<u>2 131 217</u>
30 779 767	11 070 484	41 850 251
<u>(1 461 179)</u>	<u>-</u>	<u>(1 461 179)</u>
<u>29 318 588</u>	<u>11 070 484</u>	<u>40 389 072</u>
\$ <u>32 719 868</u>	\$ <u>9 800 421</u>	\$ <u>42 520 289</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 December 31, 2015

	GENERAL FUND	ROAD AND BRIDGE #1 FUND	ROAD AND BRIDGE #2 FUND	ROAD AND BRIDGE #3 FUND	ROAD AND BRIDGE #4 FUND	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalent	\$ (5 604 251)	\$ 489 323	\$ 286 668	\$ 447 089	\$ 355 121	\$ 502 737	\$ (3 523 313)
Investments	23 825 820	-	-	-	-	292 603	24 118 423
Receivables:							
Taxes	9 731 635	-	-	-	-	-	9 731 635
Miscellaneous	-	-	-	-	-	13 136	13 136
Intergovernmental	941 562	-	-	-	-	1 169 647	2 111 209
Other	325 268	-	-	-	-	-	325 268
Due from other funds	3 000	504 770	256 203	630 445	589 647	1 548 100	3 532 165
Inventory	2 734	-	-	-	-	-	2 734
Prepaid expense	192 927	-	-	-	-	-	192 927
TOTAL ASSETS	\$ 29 418 695	\$ 994 093	\$ 542 871	\$ 1 077 534	\$ 944 768	\$ 3 526 223	\$ 36 504 184
LIABILITIES							
Accounts payable	\$ 493 838	\$ 22 038	\$ 1 677	\$ 4 300	\$ 6 709	\$ 221 093	\$ 749 655
Accrued liabilities	1 165 778	23 021	9 580	56 762	45 395	120 393	1 420 929
Accrued compensated absences	573 142	23 939	8 167	-	-	39 974	645 222
Due to other funds	3 529 165	-	-	-	-	3 000	3 532 165
TOTAL LIABILITIES	5 761 923	68 998	19 424	61 062	52 104	384 460	6 347 971
DEFERRED INFLOWS							
Unearned revenue	14 089 051	517 002	258 455	647 726	605 292	1 773 747	17 891 273
TOTAL DEFERRED INFLOWS	14 089 051	517 002	258 455	647 726	605 292	1 773 747	17 891 273
FUND BALANCES							
Nonspendable	195 661	-	-	-	-	-	195 661
Restricted:							
Highways and streets	-	408 093	264 992	368 746	287 372	-	1 329 203
Construction	-	-	-	-	-	445 705	445 705
Debt service	-	-	-	-	-	332 615	332 615
Other	-	-	-	-	-	589 696	589 696
Unassigned	9 372 060	-	-	-	-	-	9 372 060
TOTAL FUND BALANCES	9 567 721	408 093	264 992	368 746	287 372	1 368 016	12 264 940
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 29 418 695	\$ 994 093	\$ 542 871	\$ 1 077 534	\$ 944 768	\$ 3 526 223	\$ 36 504 184

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

ANGELINA COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2015

Total fund balances - Governmental funds balance sheet	\$ 12 264 940
Amounts Reported for Governmental Activities in the Statement of Net Position are Different because:	
Capital assets used in governmental activities are not reported in the funds.	24 904 231
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	843 985
Payables for debt principal and interest which are not due in the current period are not reported in the funds.	(6 479 155)
Recognition of the County's net pension liability and related deferred outflows are not reported in the funds.	195 655
An internal service fund is used to charge the cost to individual funds. The funds assets and liabilities are included in governmental activities in the Statement of Net Position.	<u>990 212</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION	<u>\$ 32 719 868</u>

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

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 December 31, 2015

	GENERAL FUND	ROAD AND BRIDGE #1 FUND	ROAD AND BRIDGE #2 FUND	ROAD AND BRIDGE #3 FUND	ROAD AND BRIDGE #4 FUND	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:							
Ad valorem taxes	\$ 14 749 360	\$ 503 475	\$ 256 297	\$ 631 817	\$ 589 476	\$ 1 567 650	\$ 18 298 075
Sales tax	5 844 007	11 657	2 168	16 606	14 970	-	5 889 408
Other taxes	105 327	-	-	-	-	-	105 327
Intergovernmental	519 254	44 564	7 965	61 060	55 189	4 884 311	5 572 343
Charges for services	1 860	-	-	-	-	-	1 860
Fines and fees	1 949 203	363 719	67 511	517 504	466 805	231 788	3 596 530
Interest income	75 171	1 829	1 393	2 061	1 971	12 580	95 005
Contributions and donations	-	-	-	-	-	2 511	2 511
Other revenue	176 320	1 771	-	2 731	660	22 178	203 660
TOTAL REVENUES	23 420 502	927 015	335 334	1 231 779	1 129 071	6 721 018	33 764 719
Expenditures:							
Administrative	7 249 907	-	-	-	-	224 005	7 473 912
Judicial and law enforcement	13 454 039	-	-	-	-	4 919 807	18 373 846
Health, welfare and sanitation	972 264	-	-	-	-	121 840	1 094 104
Highways and streets	-	1 143 625	325 287	1 113 389	1 101 093	-	3 683 394
Extension services	137 325	-	-	-	-	-	137 325
Capital outlays	-	51 487	-	19 151	28 409	1 341 299	1 440 346
Debt Service:							
Principal	-	-	-	-	-	1 355 000	1 355 000
Interest and other fees	-	-	-	-	-	111 472	111 472
TOTAL EXPENDITURES	21 813 535	1 195 112	325 287	1 132 540	1 129 502	8 073 423	33 669 399
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1 606 967	(268 097)	10 047	99 239	(431)	(1 352 405)	95 320
Other Financing Sources (Uses):							
Operating transfers in	8 498	350 396	42 949	175 955	87 276	1 066 100	1 731 174
Operating transfers out	(1 066 100)	-	-	-	-	(665 074)	(1 731 174)
TOTAL OTHER FINANCING SOURCES (USES)	(1 057 602)	350 396	42 949	175 955	87 276	401 026	-
NET CHANGE IN FUND BALANCE	549 365	82 299	52 996	275 194	86 845	(951 379)	95 320
Fund balance - Beginning	9 018 356	325 794	211 996	93 552	200 527	2 319 395	12 169 620
FUND BALANCE - ENDING	\$ 9 567 721	\$ 408 093	\$ 264 992	\$ 368 746	\$ 287 372	\$ 1 368 016	\$ 12 264 940

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

ANGELINA COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

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

Net change in fund balances - Total governmental funds	\$	95 320
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		163 544
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		115 827
The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		605 122
Internal service funds are used by management to charge the cost of group medical self-insurance individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.		764 633
The net pension liability and the related deferred outflows and deferred inflows are reported in the government wide statements, while the fund level statements only recognize the amounts paid during the period.		<u>1 656 834</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>3 401 280</u>

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

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND GROUP HEALTH INSURANCE FUND
	LANDFILL	AIRPORT	TOTAL	
ASSETS				
Current Assets:				
Cash and cash equivalent	\$ 2 090 717	\$ 924 160	\$ 3 014 877	\$ 1 071 284
Investments	1 148 132	-	1 148 132	-
Receivables (Net Allowance):				
Accounts	186 483	44 475	230 958	105 700
Inventory	-	59 327	59 327	-
TOTAL CURRENT ASSETS	3 425 332	1 027 962	4 453 294	1 176 984
Noncurrent Assets:				
Restricted Assets:				
Investments	4 946 349	-	4 946 349	-
TOTAL RESTRICTED ASSETS	4 946 349	-	4 946 349	-
Capital assets (net of depreciation)	4 330 984	2 347 927	6 678 911	-
TOTAL NONCURRENT ASSETS	9 277 333	2 347 927	11 625 260	-
TOTAL ASSETS	\$ 12 702 665	\$ 3 375 889	\$ 16 078 554	\$ 1 176 984
LIABILITIES				
Current Liabilities:				
Accounts/claims payable	\$ 54 137	\$ 67 848	\$ 121 985	\$ 3 039
Accrued liabilities	113 931	27 334	141 265	183 733
TOTAL CURRENT LIABILITIES	168 068	95 182	263 250	186 772
Noncurrent Liabilities:				
Landfill post closure cost - Noncurrent	6 014 883	-	6 014 883	-
TOTAL NONCURRENT LIABILITIES	6 014 883	-	6 014 883	-
TOTAL LIABILITIES	6 182 951	95 182	6 278 133	186 772
NET POSITION				
Non-spendable	-	59 327	59 327	-
Investment in capital assets, net of debt	4 330 984	2 347 927	6 678 911	-
Restricted for post closure liability	4 946 349	-	4 946 349	-
Unrestricted	(2 757 619)	873 453	(1 884 166)	990 212
TOTAL NET POSITION	6 519 714	3 280 707	9 800 421	990 212
TOTAL LIABILITIES AND NET POSITION	\$ 12 702 665	\$ 3 375 889	\$ 16 078 554	\$ 1 176 984

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

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL
	LANDFILL	AIRPORT	TOTAL	SERVICE FUND GROUP HEALTH INSURANCE FUND
Operating Revenues:				
Charges for services	\$ 2 271 359	\$ 120 443	\$ 2 391 802	\$ -
Fuel and oil sales	-	690 628	690 628	-
Employee premiums	-	-	-	362 285
Employer premiums	-	-	-	3 417 239
Stop-loss reimbursements	-	-	-	60 914
Contributions and donations	-	-	-	-
Other revenue	8 259	2 347	10 606	-
TOTAL OPERATING REVENUES	2 279 618	813 418	3 093 036	3 840 438
Operating Expenses:				
Salaries	897 324	415 301	1 312 625	-
Fuel	-	356 251	356 251	-
Repairs and supplies	468 310	119 994	588 304	-
Depreciation and amortization	284 332	634 653	918 985	-
Professional fees	115 454	-	115 454	-
Insurance claims and related expenses	-	-	-	3 078 672
Closure and post closure expense	926 720	-	926 720	-
Capital outlay	39 629	497	40 126	-
Other expenses	113 538	71 798	185 336	-
TOTAL OPERATING EXPENSES	2 845 307	1 598 494	4 443 801	3 078 672
OPERATING INCOME (LOSS)	(565 689)	(785 076)	(1 350 765)	761 766
Non-Operating Revenues:				
Interest earned	12 965	3 688	16 653	2 867
Trust income	64 049	-	64 049	-
TOTAL NON-OPERATING REVENUES	77 014	3 688	80 702	2 867
NET CHANGE IN NET POSITION	(488 675)	(781 388)	(1 270 063)	764 633
Net position - Beginning	7 008 389	4 062 095	11 070 484	225 579
NET POSITION - ENDING	\$ 6 519 714	\$ 3 280 707	\$ 9 800 421	\$ 990 212

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

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND GROUP HEALTH INSURANCE FUND</u>
	<u>LANDFILL</u>	<u>AIRPORT</u>	<u>TOTALS</u>	
Cash Flows From Operating Activities:				
Receipts from customers	\$ 2 256 999	\$ 829 635	\$ 3 086 634	\$ -
Receipts from interfund services provided	-	-	-	3 734 738
Payments for interfund services used	-	-	-	(3 044 373)
Payments to suppliers	(1 394 985)	(415 956)	(1 810 941)	-
Payments to employees	(893 870)	(532 715)	(1 426 585)	-
NET CASH USED BY OPERATING ACTIVITIES	<u>(31 856)</u>	<u>(119 036)</u>	<u>(150 892)</u>	<u>690 365</u>
Cash Flows From Non-Capital Financing Activities:				
Borrowing (to) from other funds	(1 043)	26 585	25 542	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>(1 043)</u>	<u>26 585</u>	<u>25 542</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(1 636 554)	-	(1 636 554)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1 636 554)</u>	<u>-</u>	<u>(1 636 554)</u>	<u>-</u>
Cash Flows From Investing Activities:				
Purchase of investments	(629 574)	-	(629 574)	-
Interest received	12 965	3 688	16 653	2 867
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(616 609)</u>	<u>3 688</u>	<u>(612 921)</u>	<u>2 867</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2 286 062)	(88 763)	(2 374 825)	693 232
Cash and cash equivalents - Beginning of year	4 376 779	1 012 923	5 389 702	378 052
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2 090 717</u>	<u>\$ 924 160</u>	<u>\$ 3 014 877</u>	<u>\$ 1 071 284</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (565 689)	\$ (785 076)	\$ (1 350 765)	\$ 761 766
Adjustments:				
Depreciation	284 332	631 653	915 985	-
Decrease (increase) in accounts receivable	(14 360)	18 564	4 204	(105 700)
Decrease (increase) in inventory	-	14 451	14 451	-
Increase (decrease) in accounts/claims payable	(9 630)	717	(8 913)	3 039
Increase (decrease) in accrued liabilities	(3 454)	655	(2 799)	31 260
Increase (decrease) in landfill closure and post closure cost	276 945	-	276 945	-
TOTAL ADJUSTMENTS	<u>533 833</u>	<u>666 040</u>	<u>1 199 873</u>	<u>(71 401)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (31 856)</u>	<u>\$ (119 036)</u>	<u>\$ (150 892)</u>	<u>\$ 690 365</u>

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

ANGELINA COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
December 31, 2015

	<u>TOTAL AGENCY FUNDS</u>
ASSETS	
Cash and cash equivalents	\$ 6 848 659
Investments	<u>1 086 842</u>
TOTAL ASSETS	<u>\$ 7 935 501</u>
LIABILITIES	
Due to others	\$ <u>7 935 501</u>
TOTAL LIABILITIES	<u>\$ 7 935 501</u>

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 1 - 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 *road and bridge - special revenue fund* accounts for the resources and expenses related to roads and bridges.

The County reports the following major proprietary funds:

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

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

Additionally, the County reports the following fund type:

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

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

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

NOTE 1 - 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 enterprise fund, and the County's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

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

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

2. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 3 percent of assessed property taxes at October 1, 2014.

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
 December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

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

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

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

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

<u>ASSETS</u>	<u>YEARS</u>
Buildings	25 - 50
Equipment	10 - 15
Vehicles	3 - 6
Infrastructure	10 - 30

6. Compensated Absences

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Long-Term Obligations

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

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

8. Fund Equity

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

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

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

9. Estimates

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Process

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

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

The appropriated budget is prepared by fund, function and department. The County's department heads may request transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Commissioners' Court. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. During the year, the Commissioners' Court made no budgetary amendments to the General Fund or the Road and Bridge Fund. However, other budgetary transfers were made by the Budget Officer during the year.

B. Excess of Expenditures Over Appropriations in Individual Funds

For the year ended December 31, 2015, expenditures exceeded appropriations in the following departments of the general fund:

Department	AMOUNT
General Administration	\$ 292 180
County Court At Law II	69 084
County Attorney	5 314
District Courts	42 352
Justice of Peace #3	3 093

C. Deficit Fund Equity

SPECIAL REVENUE FUNDS	DEFICIT BALANCE
Juvenile Services	\$ 687 520
CAPITAL PROJECT FUNDS	
Construction	\$ 51 117

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

At year end, the County's carrying amount of deposits was \$562,848 and the bank balance was \$933,447. 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.

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

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

	<u>1</u>	<u>2</u>	<u>3</u>	<u>REPORTED AMOUNT/ FAIR VALUE</u>
Waste Management Center Trust:				
U.S. Government Securities	\$ 2 419 170	\$ -	\$ -	\$ 2 419 170
Tex Star	-	-	1 148 132	1 148 132
Certificates of Deposits	2 527 179	-	-	2 527 179
Investment Pools:				
Tex Star	-	-	3 658 716	3 658 716
Investors Cash Trust	-	-	2 116 409	2 116 409
Certificates of Deposits	3 000 000	-	-	3 000 000
Tex Pool	-	-	3 520 433	3 520 433
Money Market Funds	<u>11 530 262</u>	<u>-</u>	<u>-</u>	<u>11 530 262</u>
TOTAL INVESTMENTS	<u>\$ 19 476 611</u>	<u>\$ -</u>	<u>\$ 10 736 293</u>	<u>\$ 30 212 904</u>

C. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 699 863	\$ -	\$ -	\$ 699 863
Construction in progress	13 782	179 808	(18 830)	174 760
TOTAL ASSETS NOT BEING DEPRECIATED	<u>713 645</u>	<u>179 808</u>	<u>(18 830)</u>	<u>874 623</u>
Capital Assets Being Depreciated:				
Buildings	22 880 075	18 830	-	22 898 905
Equipment	12 972 915	2 118 687	(470 147)	14 621 455
Infrastructure	69 647 268	112 479	(221 216)	69 538 531
TOTAL ASSETS BEING DEPRECIATED	<u>105 500 258</u>	<u>2 249 996</u>	<u>(691 363)</u>	<u>107 058 891</u>
Less Accumulated Depreciation For:				
Buildings	(9 871 554)	(598 205)	-	(10 469 759)
Equipment	(9 298 648)	(1 117 666)	467 892	(9 948 422)
Infrastructure	(62 303 014)	(522 022)	213 934	(62 611 102)
TOTAL ACCUMULATED DEPRECIATION	<u>(81 473 216)</u>	<u>(2 237 893)</u>	<u>681 826</u>	<u>(83 029 283)</u>
TOTAL ASSETS BEING DEPRECIATED, NET	<u>24 027 042</u>	<u>12 103</u>	<u>(9 537)</u>	<u>24 029 608</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 24 740 687</u>	<u>\$ 191 911</u>	<u>\$ (28 367)</u>	<u>\$ 24 904 231</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 2 169 364	\$ -	\$ -	\$ 2 169 364
Construction in progress	-	1 295 455	-	1 295 455
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>2 169 364</u>	<u>1 295 455</u>	<u>-</u>	<u>3 464 819</u>
Capital Assets Being Depreciated:				
Buildings and improvements	5 022 982	-	-	5 022 982
Machinery and equipment	5 242 279	433 866	-	5 676 145
Infrastructure	8 939 669	-	-	8 939 669
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>19 204 930</u>	<u>433 866</u>	<u>-</u>	<u>19 638 796</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(4 439 894)	(125 587)	-	(4 565 481)
Machinery and equipment	(3 867 951)	(238 506)	-	(4 106 457)
Infrastructure	(7 200 874)	(551 892)	-	(7 752 766)
TOTAL ACCUMULATED DEPRECIATION	<u>(15 508 719)</u>	<u>(915 985)</u>	<u>-</u>	<u>(16 424 704)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	<u>3 696 211</u>	<u>(482 119)</u>	<u>-</u>	<u>3 214 092</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 5 865 575</u>	<u>\$ 813 336</u>	<u>\$ -</u>	<u>\$ 6 678 911</u>

ANGELINA COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB Statement No. 34, depreciation policies were adopted to include useful lives and classifications by function.

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

Governmental Activities:	
Administration	\$ 560 685
Judicial and law enforcement	1 378 388
Health, welfare and sanitation	82 079
Streets and highways	206 439
Extension service	<u>10 302</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 2 237 893</u>
Business-Type Activities:	
Landfill	\$ 284 332
Airport	<u>631 653</u>
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	<u>\$ 915 985</u>

D. Long-Term Debt

Refunding Bond:

Refunding bonds payable at December 31, 2015 are comprised of the following individual issues:

\$8,195,000 Series 2012 Unlimited Tax Refunding Bond,
 maturing serially through 2022 with principal payments
 from \$135,000 to \$605,000 and interest at 2%.

\$ 4 865 000

The County expended \$103,350 for interest on Refunding Bonds for the year ended December 31, 2015.

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

YEAR ENDING DECEMBER 31,	GOVERNMENTAL ACTIVITIES		
	PRINCIPAL	INTEREST	TOTAL
2016	\$ 685 000	\$ 90 450	\$ 775 450
2017	660 000	77 000	737 000
2018	685 000	63 550	748 550
2019	705 000	49 650	754 650
2020	675 000	35 850	710 850
2021-2024	<u>1 455 000</u>	<u>28 750</u>	<u>1 483 750</u>
TOTAL	<u>\$ 4 865 000</u>	<u>\$ 345 250</u>	<u>\$ 5 210 250</u>

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

ANGELINA COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Tax Notes:

Tax notes payable at December 31, 2015 are comprised of the following individual issue:

\$1,450,000 Series 2015 Tax Notes, maturing serially through 2016 with principal payments from \$700,000 to \$750,000 and interest ranging from 0.55% to 0.75% \$ 700 000

The County expended \$11,250 for interest on tax notes for the year ended December 31, 2015.

The principal and interest requirements for the tax notes are as follows:

YEAR ENDING DECEMBER 31,	GOVERNMENTAL ACTIVITIES		
2016	PRINCIPAL	INTEREST	TOTAL
	\$ 700 000	\$ 5 250	\$ 705 250

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

Leases:

During the year, the County leased one tandem axel truck, four single axel trucks, and two motorgraders for four and five years at 2.25 to 2.5%.

PRINCIPAL	INTEREST	TOTAL
\$ 74 110	\$ 8 926	\$ 83 036
63 424	19 610	83 034
67 763	15 271	83 034
338 332	9 276	347 608
350 000	-	350 000
\$ 893 629	\$ 53 083	\$ 946 712

Change in Long-Term Liabilities:

GOVERNMENTAL ACTIVITIES	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Tax notes payable	\$ 1 450 000	\$ -	\$ 750 000	\$ 700 000	\$ 700 000
Refunding bond	5 470 000	-	605 000	4 865 000	685 000
Capital lease	-	893 629	-	893 629	74 110
GOVERNMENTAL ACTIVITY LONG- TERM LIABILITIES	\$ 6 920 000	\$ 893 629	\$ 1 355 000	\$ 6 458 629	\$ 1 459 110
BUSINESS-TYPE ACTIVITIES	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Landfill closure and post closure costs	\$ 5 737 938	\$ 276 945	\$ -	\$ 6 014 883	\$ -
BUSINESS-TYPE ACTIVITY LONG- TERM LIABILITIES	\$ 5 737 938	\$ 276 945	\$ -	\$ 6 014 883	\$ -

NOTE 3 - 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 \$6,014,883 as of December 31, 2015, which was based on 45% usage (filled) of the landfill. It is estimated that an additional \$7,174,696 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 \$13,189,579 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, 2015. However, the actual cost of closure and postclosure may be higher due to inflation, change in technology or changes in landfill laws and regulations.

The County was not required by state and federal laws and regulations to make annual contributions to finance closure and postclosure due to meeting the local government financial test and government guarantee. The County is in compliance with these requirements; however, the County has established a landfill trust account to finance closure and postclosure. At December 31, 2015, the balance in the landfill trust account was \$4,946,349. 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.

NOTE 4 - OTHER INFORMATION

Pension Plan

A. Plan Description

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

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

NOTE 4 - OTHER INFORMATION - CONTINUED

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

B. Actuarial Assumptions

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

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal ⁽¹⁾
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	Same as funding valuation
Salary Increases	Same as funding valuation
Investment Rate of Return	8.10%
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, 2014 actuarial valuation analysis for the Angelina County. This information may also be found in the Angelina County December 31, 2014 Summary Valuation Report.

Economic Assumptions:

TCDRS System-Wide Economic Assumptions:

Real rate of return	5.0%
Inflation	3.0%
Long-term investment return	8.0%

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2015

NOTE 4 - OTHER INFORMATION - CONTINUED

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

Subdivision Accumulation Fund	9%
Employees Saving Fund	7%
Current Service Annuity Reserve Fund	7%

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

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

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

Employer-Specific Economic Assumptions:

Growth in membership	0.0%
Payroll growth	3.5%

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

ANGELINA COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2015

NOTE 4 - OTHER INFORMATION - CONTINUED

**Table 1
 Merit Salary Increases***

Years of Service	Entry Age			
	Before 30	Ages 30-39	Ages 40-49	50 and Later
0	5.25%	4.75%	4.25%	3.75%
1	4.50%	4.00%	3.50%	3.00%
2	4.00%	3.50%	3.00%	2.50%
3	3.50%	3.00%	2.50%	2.00%
4	3.00%	2.50%	2.00%	1.50%
5	2.65%	2.15%	1.65%	1.15%
6	2.40%	1.90%	1.40%	0.90%
7	2.20%	1.70%	1.20%	0.70%
8	2.05%	1.55%	1.05%	0.55%
9	1.95%	1.45%	0.95%	0.45%
10	1.85%	1.35%	0.85%	0.40%
11	1.75%	1.25%	0.75%	0.40%
12	1.65%	1.15%	0.65%	0.40%
13	1.55%	1.05%	0.55%	0.40%
14	1.56%	0.95%	0.45%	0.40%
15	1.35%	0.90%	0.40%	0.40%
16	1.25%	0.85%	0.40%	0.40%
17	1.15%	0.80%	0.40%	0.40%
18	1.10%	0.75%	0.40%	0.40%
19	1.05%	0.70%	0.40%	0.40%
20	1.00%	0.65%	0.40%	0.40%
21	0.95%	0.60%	0.40%	0.40%
22	0.90%	0.55%	0.40%	0.40%
23	0.85%	0.50%	0.40%	0.40%
24	0.80%	0.45%	0.40%	0.40%
25	0.75%	0.40%	0.40%	0.40%
26	0.70%	0.40%	0.40%	0.40%
27	0.65%	0.40%	0.40%	0.40%
28	0.60%	0.40%	0.40%	0.40%
29	0.55%	0.40%	0.40%	0.40%
30 & Up	0.50%	0.40%	0.40%	0.40%

* These rates do not include the wage inflation rate of 3.5% 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 8.93% total annual increase in his salary. The 8.93% is a combination of the 5.25% merit increase and the 3.5% wage inflation. Note that the two components are compounded, so it is a slightly different result than just adding the two percentages.

Demographic Assumptions

TCDRS System-Wide Demographic Assumptions:

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

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

ANGELINA COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2015

NOTE 4 - OTHER INFORMATION - CONTINUED

**Table 2
 Annual Rates of Disability***

Age	Work Related Male and Female	All Other Causes Male and Female	Age	Work Related Male and Female	All Other Causes Male and Female
less than 25	0.000%	0.000%	43	0.005%	0.072%
25	0.000%	0.000%	44	0.005%	0.079%
26	0.000%	0.000%	45	0.006%	0.086%
27	0.000%	0.000%	46	0.006%	0.095%
28	0.000%	0.010%	47	0.007%	0.105%
29	0.000%	0.010%	48	0.007%	0.119%
30	0.000%	0.011%	49	0.008%	0.136%
31	0.000%	0.012%	50	0.009%	0.156%
32	0.000%	0.012%	51	0.009%	0.178%
33	0.000%	0.014%	52	0.010%	0.203%
34	0.000%	0.018%	53	0.011%	0.229%
35	0.001%	0.023%	54	0.012%	0.254%
36	0.001%	0.028%	55	0.014%	0.278%
37	0.001%	0.035%	56	0.016%	0.297%
38	0.002%	0.041%	57	0.018%	0.312%
39	0.002%	0.047%	58	0.022%	0.325%
40	0.003%	0.053%	59	0.024%	0.337%
41	0.004%	0.059%	60 & Above	0.000%	0.000%
42	0.004%	0.066%			

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

Mortality

Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

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

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

ANGELINA COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2015

NOTE 4 - OTHER INFORMATION - CONTINUED

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

Age	Male	Female	Age	Male	Female
40-44	4.5%	4.5%	62	25.0%	25.0%
45-40	9.0%	9.0%	63	16.0%	16.0%
50	10.0%	10.0%	64	16.0%	16.0%
51	10.0%	10.0%	65	30.0%	30.0%
52	10.5%	10.5%	66	25.0%	25.0%
53	10.5%	10.5%	67	24.0%	24.0%
54	10.5%	10.5%	68	22.0%	22.0%
55	11.0%	11.0%	69	22.0%	22.0%
56	11.0%	11.0%	70	22.0%	22.0%
57	11.0%	11.0%	71	22.0%	22.0%
58	12.0%	12.0%	72	22.0%	22.0%
59	12.0%	12.0%	73	22.0%	22.0%
60	14.0%	14.0%	74**	22.0%	22.0%
61	12.0%	12.0%			

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

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

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

**Table 4
 Annual Rates of Termination**

Years of Service	Entry Age 20		Entry Age 30		Entry Age 40		Entry Age 50	
	Male	Female	Male	Female	Male	Female	Male	Female
0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
12	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
22	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
26	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	0.0%	0.0%	0.0%	0.0%	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%

ANGELINA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2015

NOTE 4 - OTHER INFORMATION - CONTINUED

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

**Table 5
Probability of Withdrawal**

Years of Service	Probability	Years of Service	Probability
0	100%	15	40%
1	100%	16	38%
2	100%	17	36%
3	100%	18	34%
4	100%	19	32%
5	100%	20	30%
6	100%	21	28%
7	100%	22	26%
8	100%	23	24%
9	100%	24	22%
10	48%	25	20%
11	47%	26	15%
12	46%	27	10%
13	44%	28*	5%
14	42%		

** Members with more than 28 years of service are not assumed to refund.*

C. Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2015 information for a 7-10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2009 - December 31, 2013 for more details.

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity Capital Index ⁽³⁾	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities - Developed	50% MSCI World Ex USA (net) + 50% MSCI USA 100% Hedged to USD (net) Index	11.00%	5.35%
International Equities - Emerging	50% MSCI EM Standard (net) Index + 50% EM 100% Hedged to USD (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	(0.20)%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

(1) Target asset allocation adopted at the April 2015 TCDRS Board meeting.

(2) Geometric real rates of return in addition to assumed inflation of 1.7%, per Cliffwater's 2015 capital market assumptions.

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

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

NOTE 4 - OTHER INFORMATION - CONTINUED

D. Depletion of Plan Assets / GASB Discount Rate

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

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

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

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

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

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

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

ANGELINA COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2015

NOTE 4 - OTHER INFORMATION - CONTINUED

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

E. Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.10%, as well as what the County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$ 63 499 014	\$ 56 180 448	\$ 50 166 752
Fiduciary net position	\$ 54 306 584	\$ 54 306 584	\$ 54 306 584
Net pension liability/(asset)	\$ 9 192 430	\$ 1 873 864	\$ (4 139 832)

F. Changes in Net Pension Liability

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2013	\$ 52 403 018	\$ 50 941 839	\$ 1 461 179
Changes for the Year:			
Service cost	1 701 333	-	1 701 333
Interest on total pension liability ⁽¹⁾	4 214 714	-	4 214 714
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	316 422	-	316 422
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(234 248)	(234 248)	-
Benefit payments	(2 220 790)	(2 220 790)	-
Administrative expenses	-	(40 538)	40 538
Member contributions	-	978 499	(978 499)
Net investment income	-	3 490 567	(3 490 567)
Employer contributions	-	1 404 794	(1 404 794)
Other ⁽²⁾	-	(13 537)	13 537
Balances as of December 31, 2014	\$ 56 180 450	\$ 54 306 586	\$ 1 873 864

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

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

G. Pension Expense and Deferred Inflows/Outflows

As of December 31, 2014, the deferred inflows and outflows of resources are as follows:

DEFERRED INFLOWS/ OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES	DEFERRED OUTFLOWS OF RESOURCES
Differences between expected and actual experience	\$ -	\$ 253 137
Change of assumptions	-	-
Net difference between projected and actual earnings	-	537 011
Contributions made subsequent to measurement date	-	1 279 371
	\$ -	\$ 2 069 519

ANGELINA COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2015

NOTE 4 - OTHER INFORMATION - CONTINUED

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

YEAR ENDED DECEMBER 31,		
2015	\$	197 537
2016	\$	197 537
2017	\$	197 537
2018	\$	197 537
2019	\$	-
Thereafter	\$	-

H. Employee Benefit Fund

All funds participate in the County's health insurance program and make payments to the Employee Benefit Fund based on estimates of the amounts needed to pay prior and current claim-year claims and to establish a reserve for losses. That reserve was \$1,071,284 at December 31, 2015. The claims liability of \$183,733 reported in the Fund at December 31, 2015 is based on the requirements of Governmental Accounting Standards Board, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicate that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amounts were as follows:

	BEGINNING OF FISCAL YEAR LIABILITY	CURRENT-YEAR CLAIMS AND CHANGES IN ESTIMATES	CLAIM PAYMENTS	BALANCE AT FISCAL YEAR-END
2015	\$ 152 473	\$ 3 078 672	\$ (3 047 412)	\$ 183 733
2014	\$ 253 517	\$ 4 054 463	\$ (4 155 507)	\$ 152 473
2013	\$ 1 176 297	\$ 2 871 458	\$ (3 794 238)	\$ 253 517
2012	\$ 215 207	\$ 6 716 227	\$ (5 755 137)	\$ 1 176 297

I. Prior Period Adjustment

With the required implementation of GASB 68, the County recorded a prior period adjustment of \$1,461,179 related to the beginning of year net pension liability.

J. Risk Management

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

OTHER FINANCIAL INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

ANGELINA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 14 126 450	\$ 14 126 450	\$ 14 749 360	\$ 622 910
Sales tax	5 700 000	5 700 000	5 844 007	144 007
Other taxes	90 000	90 000	105 327	15 327
Intergovernmental	533 300	533 300	519 254	(14 046)
Charges for services	-	-	1 860	1 860
Fines and fees	1 933 000	1 933 000	1 949 203	16 203
Interest	35 000	35 000	75 171	40 171
Other revenues	171 700	177 200	176 320	(880)
TOTAL REVENUES	22 589 450	22 594 950	23 420 502	825 552
Expenditures:				
Administrative:				
County Commissioners	403 054	403 054	399 110	3 944
County Clerk	571 148	571 148	555 639	15 509
County Service Officer	11 783	11 783	-	11 783
County Judge	218 883	218 883	203 445	15 438
County Auditor	610 248	613 773	592 155	21 618
County Treasurer	203 742	203 742	188 131	15 611
County Tax Assessor-Collector	1 011 943	1 011 943	949 118	62 825
Election/Voter Registration	262 471	262 471	254 427	8 044
Emergency Management	96 857	96 857	87 848	9 009
Collections	115 556	115 556	112 506	3 050
Information Technology	848 910	848 910	825 320	23 590
Maintenance	695 155	695 155	642 426	52 729
General Administration	2 147 602	2 147 602	2 439 782	(292 180)
TOTAL ADMINISTRATIVE	7 197 352	7 200 877	7 249 907	(49 030)
Judicial and Law Enforcement:				
County Court-at-Law I	491 051	491 351	454 822	36 529
County Court-at-Law II	561 191	561 191	630 275	(69 084)
County Attorney	1 006 494	1 006 494	1 011 808	(5 314)
Constable Pct 1	96 714	96 714	95 108	1 606
Constable Pct 2	78 259	78 259	78 166	93
Constable Pct 3	76 389	76 864	74 637	2 227
Constable Pct 4	79 376	79 876	79 119	757
County Jail	3 876 368	3 868 368	3 859 858	8 510
County Sheriff	4 224 336	4 233 336	4 143 644	89 692
District Courts	891 991	891 991	934 343	(42 352)
District Clerk	610 753	610 753	523 601	87 152
District Attorney	864 034	864 034	846 075	17 959
Juvenile Judges	53 382	53 382	48 174	5 208
Justice of the Peace Pct 1	232 897	232 897	219 446	13 451
Justice of the Peace Pct 2	179 895	179 895	162 875	17 020
Justice of the Peace Pct 3	126 113	117 113	120 206	(3 093)
Justice of the Peace Pct 4	181 955	181 955	171 882	10 073
TOTAL JUDICIAL AND LAW ENFORCEMENT	13 631 198	13 624 473	13 454 039	170 434
Health, Welfare and Sanitation:				
County Public Health and Welfare	1 322 706	1 322 706	972 264	350 442
Extension Service:				
County Ag Extension Service	143 275	143 275	137 325	5 950
TOTAL EXPENDITURES	22 294 531	22 291 331	21 813 535	477 796
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	294 919	303 619	1 606 967	1 303 348
Other Financing Sources (Uses):				
Operating transfers in	-	-	8 498	8 498
Operating transfers (out)	(1 066 100)	(1 066 100)	(1 066 100)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1 066 100)	(1 066 100)	(1 057 602)	8 498
NET CHANGE IN FUND BALANCES	(771 181)	(762 481)	549 365	1 311 846
Beginning fund balance	9 018 356	9 018 356	9 018 356	-
ENDING FUND BALANCE	\$ 8 247 175	\$ 8 255 875	\$ 9 567 721	\$ 1 311 846

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ROAD AND BRIDGE FUND #1
For the Year Ended December 31, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 503 473	\$ 503 473	\$ 503 475	\$ 2
Sales tax	18 750	18 750	11 657	(7 093)
Intergovernmental	30 800	30 800	44 564	13 764
Fines and fees	371 250	371 250	363 719	(7 531)
Interest	2 400	2 400	1 829	(571)
Other revenues	-	-	1 771	1 771
TOTAL REVENUES	<u>926 673</u>	<u>926 673</u>	<u>927 015</u>	<u>342</u>
Expenditures:				
Highways and streets	1 126 173	1 183 773	1 143 625	40 148
Capital outlay	-	52 000	51 487	513
TOTAL EXPENDITURES	<u>1 126 173</u>	<u>1 235 773</u>	<u>1 195 112</u>	<u>40 661</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(199 500)</u>	<u>(309 100)</u>	<u>(268 097)</u>	<u>41 003</u>
Other Financing Sources (Uses):				
Operating transfers in	199 500	309 100	350 396	41 296
TOTAL FINANCING SOURCES (USES)	<u>199 500</u>	<u>309 100</u>	<u>350 396</u>	<u>41 296</u>
NET CHANGE IN FUND BALANCES	-	-	82 299	82 299
Beginning fund balance	<u>325 794</u>	<u>325 794</u>	<u>325 794</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 325 794</u>	<u>\$ 325 794</u>	<u>\$ 408 093</u>	<u>\$ 82 299</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ROAD AND BRIDGE FUND #2
For the Year Ended December 31, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 256 296	\$ 256 296	\$ 256 297	\$ 1
Sales tax	3 500	3 500	2 168	(1 332)
Intergovernmental	5 700	5 700	7 965	2 265
Fines and fees	68 900	68 900	67 511	(1 389)
Interest	2 000	2 000	1 393	(607)
TOTAL REVENUES	<u>336 396</u>	<u>336 396</u>	<u>335 334</u>	<u>(1 062)</u>
Expenditures:				
Highways and streets	437 363	437 363	325 287	112 076
Capital outlay	8 000	8 000	-	8 000
TOTAL EXPENDITURES	<u>445 363</u>	<u>445 363</u>	<u>325 287</u>	<u>120 076</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(108 967)</u>	<u>(108 967)</u>	<u>10 047</u>	<u>119 014</u>
Other Financing Sources (Uses):				
Operating transfers in	108 967	108 967	42 949	(66 018)
TOTAL FINANCING SOURCES (USES)	<u>108 967</u>	<u>108 967</u>	<u>42 949</u>	<u>(66 018)</u>
NET CHANGE IN FUND BALANCES	-	-	52 996	52 996
Beginning fund balance	<u>211 996</u>	<u>211 996</u>	<u>211 996</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 211 996</u>	<u>\$ 211 996</u>	<u>\$ 264 992</u>	<u>\$ 52 996</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ROAD AND BRIDGE FUND #3
For the Year Ended December 31, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 631 820	\$ 631 820	\$ 631 817	\$ (3)
Sales tax	26 700	26 700	16 606	(10 094)
Intergovernmental	43 900	43 900	61 060	17 160
Fines and fees	528 300	528 300	517 504	(10 796)
Interest	2 350	2 350	2 061	(289)
Other revenues	-	-	2 731	2 731
TOTAL REVENUES	<u>1 233 070</u>	<u>1 233 070</u>	<u>1 231 779</u>	<u>(1 291)</u>
Expenditures:				
Highways and streets	1 252 070	1 272 070	1 113 389	158 681
Capital outlay	-	20 000	19 151	849
TOTAL EXPENDITURES	<u>1 252 070</u>	<u>1 292 070</u>	<u>1 132 540</u>	<u>159 530</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(19 000)</u>	<u>(59 000)</u>	<u>99 239</u>	<u>158 239</u>
Other Financing Sources (Uses):				
Operating transfers in	19 000	59 000	175 955	116 955
TOTAL FINANCING SOURCES (USES)	<u>19 000</u>	<u>- 59 000</u>	<u>175 955</u>	<u>116 955</u>
NET CHANGE IN FUND BALANCES	-	-	275 194	275 194
Beginning fund balance	<u>93 552</u>	<u>93 552</u>	<u>93 552</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 93 552</u>	<u>\$ 93 552</u>	<u>\$ 368 746</u>	<u>\$ 275 194</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ROAD AND BRIDGE FUND #4
For the Year Ended December 31, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Ad valorem tax	\$ 589 476	\$ 589 476	\$ 589 476	\$ -
Sales tax	24 100	24 100	14 970	(9 130)
Intergovernmental	39 600	39 600	55 189	15 589
Fines and fees	476 500	476 500	466 805	(9 695)
Interest	3 000	3 000	1 971	(1 029)
Other revenues	-	-	660	660
TOTAL REVENUES	<u>1 132 676</u>	<u>1 132 676</u>	<u>1 129 071</u>	<u>(3 605)</u>
Expenditures:				
Highways and streets	1 087 076	1 171 396	1 101 093	70 303
Capital outlay	45 600	31 280	28 409	2 871
TOTAL EXPENDITURES	<u>1 132 676</u>	<u>1 202 676</u>	<u>1 129 502</u>	<u>72 574</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(70 000)</u>	<u>(431)</u>	<u>69 569</u>
Other Financing Sources (Uses):				
Operating transfers in	-	70 000	87 276	17 276
TOTAL FINANCING SOURCES (USES)	<u>-</u>	<u>70 000</u>	<u>87 276</u>	<u>17 276</u>
NET CHANGE IN FUND BALANCES	-	-	86 845	86 845
Beginning fund balance	<u>200 527</u>	<u>200 527</u>	<u>200 527</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 200 527</u>	<u>\$ 200 527</u>	<u>\$ 287 372</u>	<u>\$ 86 845</u>

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
December 31, 2015

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Pension Liability:				
Service cost	\$ 1 701 333	\$ -	\$ -	\$ -
Interest on the total pension liability	4 214 714	-	-	-
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	-	-	-	-
Effect of economic/demographic (gains) or losses	316 422	-	-	-
Benefit payments/refunds of contributions	<u>(2 455 039)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN TOTAL PENSION LIABILITY	3 777 430	-	-	-
Total pension liability - Beginning	<u>52 403 018</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PENSION LIABILITY - ENDING	<u>56 180 448</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fiduciary Net Position:				
Employer contributions	1 404 794	-	-	-
Member contributions	978 499	-	-	-
Investment income net of investment expenses	3 490 567	-	-	-
Benefit payments/refunds of contributions	(2 455 039)	-	-	-
Administrative expenses	(40 538)	-	-	-
Other	<u>(13 537)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FIDUCIARY NET POSITION	3 364 746	-	-	-
Fiduciary net position - Beginning	<u>50 941 839</u>	<u>-</u>	<u>-</u>	<u>-</u>
FIDUCIARY NET POSITION, ENDING	<u>54 306 585</u>	<u>-</u>	<u>-</u>	<u>-</u>
 NET PENSION LIABILITY/(ASSET), ENDING	<u>\$ 1 873 863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Fiduciary net position as a percentage of total pension liability	96.66%	- %	- %	- %
Pensionable covered payroll	\$ 13 978 560	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	13.41%	- %	- %	- %

See independent auditors' report.

ANGELINA COUNTY, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
December 31, 2015

YEAR ENDING DECEMBER 31,	ACTUARIALLY DETERMINE CONTRIBUTION	ACTUAL EMPLOYER CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	PENSIONABLE COVERED PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL
2014	\$ 1 404 794	\$ 1 404 794	\$ -	\$ 13 978 560	10.0%
2013	\$ 1 255 301	\$ 1 255 301	\$ -	\$ 13 170 155	9.5%
2012	\$ 1 260 623	\$ 1 260 623	\$ -	\$ 13 554 998	9.3%
2011	\$ 1 217 766	\$ 1 217 766	\$ -	\$ 13 560 838	9.0%
2010	\$ 1 203 406	\$ 1 203 406	\$ -	\$ 13 137 617	9.2%
2009	\$ 1 114 751	\$ 1 114 751	\$ -	\$ 13 114 719	8.5%
2008	\$ 1 089 927	\$ 1 089 927	\$ -	\$ 12 837 772	8.5%
2007	\$ 1 012 374	\$ 1 012 374	\$ -	\$ 11 349 487	8.9%
2006	\$ 942 550	\$ 942 550	\$ -	\$ 10 662 328	8.8%
2005	\$ N/A	\$ N/A	\$ N/A	\$ N/A	N/A

See independent auditors' report.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Grant - To account for various grant funds and activity.

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

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

Capital Projects Funds

Capital Projects - To account for various capital projects.

2015 Tax Notes - To account for expenditures financed by the 2014 Tax Notes.

Construction Fund - To account for various construction projects.

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2015

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENT FUNDS
ASSETS				
Cash and cash equivalent	\$ 217 417	\$ 332 615	\$ (47 295)	\$ 502 737
Investments	292 603	-	-	292 603
Receivables:				
Miscellaneous	13 136	-	-	13 136
Intergovernmental	676 647	-	493 000	1 169 647
Due from other funds	68 400	1 479 700	-	1 548 100
TOTAL ASSETS	\$ 1 268 203	\$ 1 812 315	\$ 445 705	\$ 3 526 223
 LIABILITIES				
Accounts payable	\$ 221 093	\$ -	\$ -	\$ 221 093
Accrued liabilities	120 393	-	-	120 393
Accrued compensated absences	39 974	-	-	39 974
Due to other funds	3 000	-	-	3 000
TOTAL LIABILITIES	384 460	-	-	384 460
 DEFERRED INFLOWS				
Unearned revenue	294 047	1 479 700	-	1 773 747
TOTAL DEFERRED INFLOWS	294 047	1 479 700	-	1 773 747
 FUND BALANCES				
Restricted:				
Construction	-	-	445 705	445 705
Debt service	-	332 615	-	332 615
Other	589 696	-	-	589 696
TOTAL FUND BALANCES	589 696	332 615	445 705	1 368 016
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 1 268 203	\$ 1 812 315	\$ 445 705	\$ 3 526 223

See independent auditors' report.

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2015

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:				
Ad valorem tax	\$ 72 900	\$ 1 494 750	\$ -	\$ 1 567 650
Intergovernmental	4 884 311	-	-	4 884 311
Interest income	6 270	3 080	3 230	12 580
Fines and fees	231 788	-	-	231 788
Contributions and donations	2 511	-	-	2 511
Other revenue	22 178	-	-	22 178
TOTAL REVENUES	5 219 958	1 497 830	3 230	6 721 018
Expenditures:				
Administrative	224 005	-	-	224 005
Judicial and law enforcement	4 919 807	-	-	4 919 807
Health, welfare and sanitation	121 840	-	-	121 840
Capital outlay	426 658	-	914 641	1 341 299
Debt Service:				
Principal	-	1 355 000	-	1 355 000
Interest and other fees	-	111 472	-	111 472
TOTAL EXPENDITURES	5 692 310	1 466 472	914 641	8 073 423
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(472 332)	31 358	(911 411)	(1 352 405)
Other Financing Sources (Uses):				
Transfers in	1 066 100	-	-	1 066 100
Transfer (out)	(665 074)	-	-	(665 074)
TOTAL OTHER FINANCING SOURCES (USES)	401 026	-	-	401 026
NET CHANGE IN FUND BALANCES	(71 326)	31 358	(911 411)	(951 379)
Fund balances - Beginning	661 022	301 257	1 357 116	2 319 395
FUND BALANCES - ENDING	\$ 589 696	\$ 332 615	\$ 445 705	\$ 1 368 016

See independent auditors' report.

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2015

	MENTAL HEALTH FUND	JURY FUND	JUVENILE PROBATION FEES FUND	LAW LIBRARY FUND
ASSETS				
Cash and cash equivalent	\$ 86 182	\$ 109 873	\$ 49 889	\$ 25 964
Investments	-	-	-	-
Receivables:				
Miscellaneous	-	9 078	-	-
Intergovernmental	-	-	-	-
Due from other funds	-	68 400	-	-
TOTAL ASSETS	\$ 86 182	\$ 187 351	\$ 49 889	\$ 25 964
 LIABILITIES				
Accounts payable	\$ 1 630	\$ 4 820	\$ -	\$ 2 845
Accrued liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	1 630	4 820	-	2 845
 DEFERRED INFLOWS				
Deferred revenue	-	68 400	-	-
TOTAL DEFERRED INFLOWS	-	68 400	-	-
 FUND BALANCES				
Restricted:				
Other	84 552	114 131	49 889	23 119
TOTAL FUND BALANCES	84 552	114 131	49 889	23 119
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 86 182	\$ 187 351	\$ 49 889	\$ 25 964

See independent auditors' report.

CASSELS- BOYKIN PARK	ADULT PROBATION FUND	JUVENILE SERVICE FUND	COUNTY CLERK RECORDS MANAGEMENT	TEEN COURT FUND	SECURITY FUND	DISTRICT CLERK RECORDS MANAGEMENT
\$ 7 523	\$ 93 941	\$ (491 631)	\$ 116 628	\$ 5 475	\$ 108 968	\$ 72 674
-	292 603	-	-	-	-	-
825	1 502	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 8 348</u>	<u>\$ 388 046</u>	<u>\$ (491 631)</u>	<u>\$ 116 628</u>	<u>\$ 5 475</u>	<u>\$ 108 968</u>	<u>\$ 72 674</u>
\$ 2 440	\$ 110 381	\$ 48 617	\$ 3 754	\$ -	\$ 450	\$ 27 050
1 528	56 452	55 849	2 367	-	1 219	350
2 735	-	32 541	1 614	-	2 609	165
-	-	-	-	-	-	-
<u>6 703</u>	<u>166 833</u>	<u>137 007</u>	<u>7 735</u>	<u>-</u>	<u>4 278</u>	<u>27 565</u>
-	-	58 882	-	-	-	-
-	-	58 882	-	-	-	-
1 645	221 213	(687 520)	108 893	5 475	104 690	45 109
1 645	221 213	(687 520)	108 893	5 475	104 690	45 109
<u>\$ 8 348</u>	<u>\$ 388 046</u>	<u>\$ (491 631)</u>	<u>\$ 116 628</u>	<u>\$ 5 475</u>	<u>\$ 108 968</u>	<u>\$ 72 674</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2015

	JUVENILE COMMUNITY SERVICE	DISTRICT CLERK TECH FUND	COUNTY RECORDS PRESERVATION
ASSETS			
Cash and cash equivalent	\$ 26 426	\$ 37 638	\$ 228 739
Investments	-	-	-
Receivables:			
Miscellaneous	-	-	-
Intergovernmental	-	-	-
Due from intergovernmental	-	-	-
TOTAL ASSETS	\$ 26 426	\$ 37 638	\$ 228 739
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 3 500
Accrued liabilities	-	-	-
Accrued compensated absences	-	-	-
Due to other funds	-	-	-
TOTAL LIABILITIES	-	-	3 500
DEFERRED INFLOWS			
Unearned revenue	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-
FUND BALANCES			
Restricted:			
Other	26 426	37 638	225 239
TOTAL FUND BALANCES	26 426	37 638	225 239
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 26 426	\$ 37 638	\$ 228 739

See independent auditors' report.

CONSTABLES RADIO COMMUNICATIONS GRANT	SAFPF RE-ENTRY COURT	FAMILY CRISIS COURT	GRANTS FUND	DRUG COURT GRANT	CONSTABLE #1 FORFEITURE FUND
\$ 3 703	\$ 57 813	\$ 1 732	\$ (578 775)	\$ 24 388	\$ 4 822
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	676 647	-	-
-	-	-	-	-	-
<u>\$ 3 703</u>	<u>\$ 57 813</u>	<u>\$ 1 732</u>	<u>\$ 97 872</u>	<u>\$ 24 388</u>	<u>\$ 4 822</u>
\$ -	\$ 465	\$ -	\$ 6 648	\$ 7 604	\$ -
-	242	-	-	1 490	-
-	285	-	-	-	-
-	-	-	3 000	-	-
<u>-</u>	<u>992</u>	<u>-</u>	<u>9 648</u>	<u>9 094</u>	<u>-</u>
<u>3 703</u>	<u>56 822</u>	<u>1 732</u>	<u>88 224</u>	<u>15 293</u>	<u>-</u>
<u>3 703</u>	<u>56 822</u>	<u>1 732</u>	<u>88 224</u>	<u>15 293</u>	<u>-</u>
<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>4 822</u>
<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>4 822</u>
<u>\$ 3 703</u>	<u>\$ 57 813</u>	<u>\$ 1 732</u>	<u>\$ 97 872</u>	<u>\$ 24 388</u>	<u>\$ 4 822</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2015

	CONSTABLE #3 FORFEITURE FUND	SHERIFF FEDERAL FORFEITURE	SHERIFF FORFEITURE FUND	COUNTY ATTORNEY FORFEITURE
ASSETS				
Cash and cash equivalent	\$ -	\$ 1 010	\$ 32 729	\$ 59 924
Investments	-	-	-	-
Receivables:				
Miscellaneous	-	-	-	-
Intergovernmental	-	-	-	-
Due from intergovernmental	-	-	-	-
TOTAL ASSETS	\$ -	\$ 1 010	\$ 32 729	\$ 59 924
 LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
 DEFERRED INFLOWS				
Unearned revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-
 FUND BALANCES				
Restricted:				
Other	-	1 010	32 729	59 924
TOTAL FUND BALANCES	-	1 010	32 729	59 924
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ -	\$ 1 010	\$ 32 729	\$ 59 924

See independent auditors' report.

DISTRICT ATTORNEY FORFEITURE	CONSTABLE #1 FEDERAL FORFIETURE	CONSTABLE #4 FORFEITURE FUND	COUNTY ATTORNEY HOT CHECK	DISTRICT ATTORNEY FUND	TOTAL
\$ 31 323	\$ 1 018	\$ 2 200	\$ 94 011	\$ 3 230	\$ 217 417
-	-	-	-	-	292 603
-	-	-	1 731	-	13 136
-	-	-	-	-	676 647
-	-	-	-	-	68 400
<u>\$ 31 323</u>	<u>\$ 1 018</u>	<u>\$ 2 200</u>	<u>\$ 95 742</u>	<u>\$ 3 230</u>	<u>\$ 1 268 203</u>
\$ -	\$ -	\$ -	\$ 801	\$ 88	\$ 221 093
-	-	-	896	-	120 393
-	-	-	25	-	39 974
-	-	-	-	-	3 000
-	-	-	1 722	88	384 460
-	-	-	-	991	294 047
-	-	-	-	991	294 047
<u>31 323</u>	<u>1 018</u>	<u>2 200</u>	<u>94 020</u>	<u>2 151</u>	<u>589 696</u>
<u>31 323</u>	<u>1 018</u>	<u>2 200</u>	<u>94 020</u>	<u>2 151</u>	<u>589 696</u>
<u>\$ 31 323</u>	<u>\$ 1 018</u>	<u>\$ 2 200</u>	<u>\$ 95 742</u>	<u>\$ 3 230</u>	<u>\$ 1 268 203</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2015

	MENTAL HEALTH FUND	JURY FUND	JUVENILE PROBATION FEES FUND	LAW LIBRARY FUND
Revenues:				
Ad valorem tax	\$ -	\$ 72 900	\$ -	\$ -
Intergovernmental	-	28 832	-	15 190
Interest income	366	547	197	118
Fines and fees	4 652	-	345	-
Contributions and donations	-	-	-	-
Other revenues	-	-	-	-
	5 018	102 279	542	15 308
TOTAL REVENUES				
Expenditures:				
Administrative	-	-	-	-
Judicial and law enforcement	-	102 487	-	25 732
Health, welfare and sanitation	24 689	-	-	-
Capital outlays	-	-	-	-
	24 689	102 487	-	25 732
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(19 671)	(208)	542	(10 424)
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCES	(19 671)	(208)	542	(10 424)
Fund balance - Beginning	104 223	114 339	49 347	33 543
FUND BALANCE - ENDING	\$ 84 552	\$ 114 131	\$ 49 889	\$ 23 119

See independent auditors' report.

CASSELS- BOYKIN PARK	ADULT PROBATION FUND	JUVENILE SERVICE FUND	COUNTY CLERK RECORDS MANAGEMENT	TEEN COURT FUND	SECURITY FUND	DISTRICT CLERK RECORDS MANAGEMENT
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	2 528 967	856 369	-	-	43 140	20 444
110	630	633	441	22	445	283
46 448	-	23 400	120 765	-	-	-
-	-	-	-	1 125	-	-
-	1 078	-	-	-	-	-
<u>46 558</u>	<u>2 530 675</u>	<u>880 402</u>	<u>121 206</u>	<u>1 147</u>	<u>43 585</u>	<u>20 727</u>
-	-	-	117 416	-	-	58 751
-	2 608 712	1 880 402	-	1 488	33 774	-
96 151	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>96 151</u>	<u>2 608 712</u>	<u>1 880 402</u>	<u>117 416</u>	<u>1 488</u>	<u>33 774</u>	<u>58 751</u>
<u>(49 593)</u>	<u>(78 037)</u>	<u>(1 000 000)</u>	<u>3 790</u>	<u>(341)</u>	<u>9 811</u>	<u>(38 024)</u>
66 100	-	1 000 000	-	-	-	-
-	-	-	-	-	-	-
<u>66 100</u>	<u>-</u>	<u>1 000 000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
16 507	(78 037)	-	3 790	(341)	9 811	(38 024)
<u>(14 862)</u>	<u>299 250</u>	<u>(687 520)</u>	<u>105 103</u>	<u>5 816</u>	<u>94 879</u>	<u>83 133</u>
<u>\$ 1 645</u>	<u>\$ 221 213</u>	<u>\$ (687 520)</u>	<u>\$ 108 893</u>	<u>\$ 5 475</u>	<u>\$ 104 690</u>	<u>\$ 45 109</u>

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2015

	<u>JUVENILE COMMUNITY SERVICE</u>	<u>DISTRICT CLERK TECH FUND</u>	<u>COUNTY RECORDS PRESERVATION</u>
Revenues:			
Ad valorem tax	\$ -	\$ -	\$ -
Intergovernmental	-	-	59 769
Interest income	105	132	864
Fines and fees	-	12 253	-
Contributions and donations	-	-	-
Other revenues	-	-	-
	<u>105</u>	<u>12 385</u>	<u>60 633</u>
 TOTAL REVENUES			
Expenditures:			
Administrative	-	4 783	5 097
Judicial and law enforcement	-	-	-
Health, welfare and sanitation	-	-	-
Capital outlays	-	-	-
	<u>-</u>	<u>4 783</u>	<u>5 097</u>
 TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>105</u>	<u>7 602</u>	<u>55 536</u>
Other Financing Sources (Uses):			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	105	7 602	55 536
Fund balance - Beginning	<u>26 321</u>	<u>30 036</u>	<u>169 703</u>
 FUND BALANCE - ENDING	<u>\$ 26 426</u>	<u>\$ 37 638</u>	<u>\$ 225 239</u>

See independent auditors' report.

CONSTABLES RADIO COMMUNICATIONS GRANT	SAFPF RE-ENTRY COURT	FAMILY CRISIS COURT	GRANTS FUND	DRUG COURT GRANT	CONSTABLE #1 FORFEITURE FUND
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	33 261	-	1 156 559	117 850	-
-	289	-	-	114	19
-	3 535	-	-	3 535	-
-	1 200	-	-	186	-
-	-	-	-	-	905
-	38 285	-	1 156 559	121 685	924
-	-	-	37 958	-	-
-	38 286	-	31 674	121 684	686
-	-	-	-	-	-
-	-	-	421 852	-	-
-	38 286	-	491 484	121 684	686
-	(1)	-	665 075	1	238
-	-	-	-	-	-
-	-	-	(665 074)	-	-
-	-	-	(665 074)	-	-
-	(1)	-	1	1	238
-	-	-	(1)	-	4 584
\$ -	\$ (1)	\$ -	\$ -	\$ 1	\$ 4 822

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - CONTINUED
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2015

	CONSTABLE #3 FORFEITURE FUND	SHERIFF FEDERAL FORFEITURE	SHERIFF FORFEITURE FUND	COUNTY ATTORNEY FORFEITURE
Revenues:				
Ad valorem tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Interest income	4	4	113	239
Fines and fees	-	-	-	-
Contributions and donations	-	-	-	-
Other revenues	-	-	8 222	-
	4	4	8 335	239
TOTAL REVENUES	4	4	8 335	239
Expenditures:				
Administrative	-	-	-	-
Judicial and law enforcement	2 956	-	1 687	-
Health, welfare and sanitation	-	-	-	1 000
Capital outlays	-	-	-	-
	2 956	-	1 687	1 000
TOTAL EXPENDITURES	2 956	-	1 687	1 000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2 952)	4	6 648	(761)
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	(2 952)	4	6 648	(761)
Fund balance - Beginning	2 952	1 006	26 081	60 685
FUND BALANCE - ENDING	\$ -	\$ 1 010	\$ 32 729	\$ 59 924

See independent auditors' report.

<u>DISTRICT ATTORNEY FORFEITURE</u>	<u>CONSTABLE #1 FEDERAL FORFIETURE</u>	<u>CONSTABLE #4 FORFEITURE FUND</u>	<u>COUNTY ATTORNEY HOT CHECK</u>	<u>DISTRICT ATTORNEY FUND</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72 900
-	-	-	-	23 930	4 884 311
113	3	9	460	10	6 270
-	-	-	16 405	450	231 788
-	-	-	-	-	2 511
<u>4 673</u>	<u>1 300</u>	<u>-</u>	<u>6 000</u>	<u>-</u>	<u>22 178</u>
<u>4 786</u>	<u>1 303</u>	<u>9</u>	<u>22 865</u>	<u>24 390</u>	<u>5 219 958</u>
-	-	-	-	-	224 005
-	285	-	53 135	16 819	4 919 807
-	-	-	-	-	121 840
<u>-</u>	<u>-</u>	<u>-</u>	<u>3 340</u>	<u>1 466</u>	<u>426 658</u>
<u>-</u>	<u>285</u>	<u>-</u>	<u>56 475</u>	<u>18 285</u>	<u>5 692 310</u>
<u>4 786</u>	<u>1 018</u>	<u>9</u>	<u>(33 610)</u>	<u>6 105</u>	<u>(472 352)</u>
-	-	-	-	-	1 066 100
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(665 074)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>401 026</u>
<u>4 786</u>	<u>1 018</u>	<u>9</u>	<u>(33 610)</u>	<u>6 105</u>	<u>(71 326)</u>
<u>26 537</u>	<u>-</u>	<u>2 191</u>	<u>127 630</u>	<u>(3 954)</u>	<u>661 022</u>
<u>\$ 31 323</u>	<u>\$ 1 018</u>	<u>\$ 2 200</u>	<u>\$ 94 020</u>	<u>\$ 2 151</u>	<u>\$ 589 696</u>

ANGELINA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2015

	2014 TAX NOTE FUND	CAPITAL PROJECTS FUND	CONSTRUCTION FUND	TOTAL
ASSETS				
Cash and cash equivalent	\$ 496 822	\$ -	\$ (544 117)	\$ (47 295)
Receivables:				
Intergovernmental	-	-	493 000	493 000
TOTAL ASSETS	\$ 496 822	\$ -	\$ (51 117)	\$ 445 705
 LIABILITIES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
 FUND BALANCES				
Restricted:				
Construction	496 822	-	(51 117)	445 705
TOTAL FUND BALANCES	496 822	-	(51 117)	445 705
TOTAL LIABILITIES AND FUND BALANCES	\$ 496 822	\$ -	\$ (51 117)	\$ 445 705

See independent auditors' report.

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 For the Year Ended December 31, 2015

	2015 TAX NOTE FUND	CAPITAL PROJECTS FUND	CONSTRUCTION FUND	TOTAL
Revenues:				
Interest income	\$ 3 263	\$ (33)	\$ -	\$ 3 230
TOTAL REVENUES	3 263	(33)	-	3 230
Expenditures:				
Capital outlays	914 641	-	-	914 641
TOTAL EXPENDITURES	914 641	-	-	914 641
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(911 378)	(33)	-	(911 411)
Fund balance - Beginning	1 408 200	33	(51 117)	1 357 116
FUND BALANCE - ENDING	\$ 496 822	\$ -	\$ (51 117)	\$ 445 705

See independent auditors' report.

AGENCY FUNDS

ANGELINA COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2015

	DISTRICT CLERK	COUNTY CLERK	SHERIFF	JUSTICES OF THE PEACE
ASSETS				
Cash and cash equivalents	\$ 180 508	\$ 289 940	\$ 50 943	\$ (988)
Investments	690 115	396 727	-	-
TOTAL ASSETS	\$ 870 623	\$ 686 667	\$ 50 943	\$ (988)
LIABILITIES				
Due to others	\$ 870 623	\$ 686 667	\$ 50 943	\$ (988)
TOTAL LIABILITIES	\$ 870 623	\$ 686 667	\$ 50 943	\$ (988)

See independent auditors' report.

<u>TAX ASSESSOR COLLECTOR</u>	<u>DISTRICT ATTORNEY</u>	<u>COUNTY EMPLOYEE FUND</u>	<u>EXTENSION OFFICE</u>	<u>TOTAL</u>
\$ 6 312 020	\$ 9 206	\$ 5 737	\$ 1 293	\$ 6 848 659
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1 086 842</u>
<u>\$ 6 312 020</u>	<u>\$ 9 206</u>	<u>\$ 5 737</u>	<u>\$ 1 293</u>	<u>\$ 7 935 501</u>
\$ 6 312 020	\$ 9 206	\$ 5 737	\$ 1 293	\$ 7 935 501
<u>\$ 6 312 020</u>	<u>\$ 9 206</u>	<u>\$ 5 737</u>	<u>\$ 1 293</u>	<u>\$ 7 935 501</u>

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Angelina County, Texas (County) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Angelina County, Texas' basic financial statements and have issued our report thereon dated August 23, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
August 23, 2016

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

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

Report on Compliance for Each Major Federal Program

We have audited Angelina County, Texas' (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Angelina County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

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

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

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

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


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
August 23, 2016

ANGELINA COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2015

A. Summary of the Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

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

Noncompliance material to financial statements noted? Yes No

2. Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.111	Joint Law Enforcement Operations
97.036	Disaster Grant - Public Assistance

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

Auditee qualified as low-risk auditee? Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

ANGELINA COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2015

None

ANGELINA COUNTY, TEXAS
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2015

None

ANGELINA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	(2) FEDERAL CFDA NUMBER	(2A) PASS-THROUGH ENTITY IDENTIFYING NUMBER	(3) FEDERAL EXPENDITURES
U.S. Department of Justice:			
State Criminal Alien Assistance Program Direct	16.606	2015-AP-BX-0814	\$ 4 333
Bulletproof Vest Partnership Program	16.607	N/A	4 236
Joint Law Enforcement Operations	16.611	N/A	<u>439 116</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>447 685</u>
U.S. Department of Health and Human Services:			
Foster Care - Title IV-E:			
Passed through the Texas Juvenile Justice Department	93.658	E-2015-003	<u>13 564</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>13 564</u>
U.S. Department of Homeland Security:			
Emergency Management Performance Grant:			
Passed through Texas Department of Public Safety - Division of Emergency Management	97.042	14TX-EMPG-0422	38 726
Disaster Grants - Public Assistance	97.036	N/A	<u>671 174</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>709 900</u>
U.S. Department of Agriculture:			
Schools and Roads - Grants to Counties	10.666	N/A	<u>121 356</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>121 356</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>1 292 505</u>

* Indicates clustered program under OMB Compliance Supplement

See independent auditors report and the accompanying notes are integral part of this schedule.

ANGELINA COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015

1. General

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

2. Basis of Accounting

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

3. Relationship to Financial Statements

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