

**RUSK COUNTY, TEXAS**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**Prepared by:**  
**County Auditor**



**Rusk County, Texas**  
**Annual Comprehensive Financial Report**  
**For the Year Ended December 31, 2021**

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COUNTY AUDITOR:  
Rebekah Acres



RUSK COUNTY COURTHOUSE  
115 N. MAIN ST. SUITE 103  
HENDERSON, TEXAS 75652  
903-657-0304

June 17, 2022

Honorable County Judge Joel Hale  
Honorable County Commissioners,  
Taxpayers and Citizens of Rusk County  
Henderson, Texas

Conforming to statutory requirements of the duties of the County Auditor, submitted herewith is the Annual Comprehensive Financial Report (ACFR) for Rusk County for the year ended December 31, 2021. The report was prepared by the County Auditor's Office. This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Texas State law requires the County's financial statements be audited by a licensed independent certified public accountant. The Commissioners' Court selected Morgan LaGrone, CPA, PLLC to perform the audit for the current fiscal year. The auditors have issued an unmodified opinion on Rusk County's financial statements for the year ended December 31, 2021, and their report may be found on pages 7-10 in the Financial Section of this report.

In addition to meeting the requirement set forth by statute, the audit was also designed to meet the requirements of the standards set forth in the Government Accountability Office's *Government Auditing Standards*. The auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* is on pages 131-132 of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found on pages 11-21 immediately following the independent auditor's report.

### **Profile of the Government**

Rusk County, Texas, created in 1843, is located in the northeast part of the State. The County occupies a land area of 932 square miles and serves a population of 52,214. The County is empowered to levy a property tax on both real and personal property located within its boundaries.

The financial statements present information on the financial position and operations of County government as a single comprehensive reporting entity. The various agencies, departments and accounts of the County that

constitute the County reporting entity are included in this report in accordance with criteria established by the GASB. The reporting entity consists of all the funds of the primary government (Rusk County).

The County operates under the policy and legislative authority of the Commissioners' Court, consisting of a County Judge, elected at-large, and four (4) County Commissioners, each elected from a designated precinct. The Commissioners' Court's primary function is the administration of the affairs of the County, which includes the adopting of the County budget. The County Judge and the Commissioners all serve four-year terms.

The County provides the full range of County services contemplated by statute or charter. This includes general administration, judicial, legal, elections, financial administration, public facilities, public safety, environmental protection, conservation, public transportation, health and welfare care, and recreation.

The County Judge is by statute the Budget Officer of the County and is responsible for presenting a prepared County budget to the Commissioners' Court for approval.

The Commissioners' Court invites any interested citizen to appear for a budget hearing concerning the County's budget prior to adoption. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts as proposed in the budget. Final budgeted expenditures cannot exceed the estimated revenues and available fund balance. A tax rate is then set, which will generate the estimated ad valorem tax revenues in the budget.

When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budget appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts.

Funds are budgeted on an annual basis with no carryovers into the next year. If a fund(s) has or shows a balance at the end of the year, the balance is included in making computation of funds available for the next year's budget.

Budget to actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the General Fund, the Road Bridge Fund, and the American Rescue Plan Fund (the County's three (3) major funds), this comparison is on pages 35-37 as part of the Basic Financial Statements. For other governmental funds, this comparison is presented in the Combining and Individual Fund Financial Statements and Schedules section of this report, starting on page 79.

The Capital Projects Fund, the Permanent Funds, the Internal Service Fund, and the Fiduciary Funds (Custodial Funds) are not budgeted.

### **Local Economy**

The economy of the County is fairly well diversified with timber, oil and gas, mining, two (2) power plants, light industry, agriculture, medical (hospital, several nursing homes), two (2) state prisons, and an intermediate sanction facility. New industries in surrounding counties have created job opportunities for Rusk County residents.

All eight (8) of the school districts in the County have decreased average daily attendance (ADA).

The County has a civilian labor force of 22,210, which is down from the prior year.

## **Long-term Financial Planning**

The Commissioners' Court continues to be very active in budgeting financial resources to rehabilitate all County maintained infrastructure over a number of years in the most economical way. Various capital outlays for road and bridge equipment have been made and are planned to ensure that the department stays updated to meet future repair needs.

Tobacco funds received from the State are being accumulated to cover future health costs.

Various costs associated with increased health care premiums for active and retired employees had a significant effect on the financial statements in 2021. The County continues to participate in the insurance program provided through the Texas Association of Counties. This insurance pool allows the County to limit increases in premiums at an amount less than the national average.

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Rusk County for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This was the thirty-first (31<sup>st</sup>) consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of all County Departments. I would like to especially thank the entire staff of the County Auditor's office for their assistance and contribution to the preparation of this report.

In closing, without the leadership and support of the Honorable J. Clay Gossett, 4th Judicial District of Texas Judge and the County Judge and Commissioners' Court, preparation of this report would not have been possible.

Respectfully submitted,



Rebekah Acres  
Rusk County Auditor



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Rusk County  
Texas**

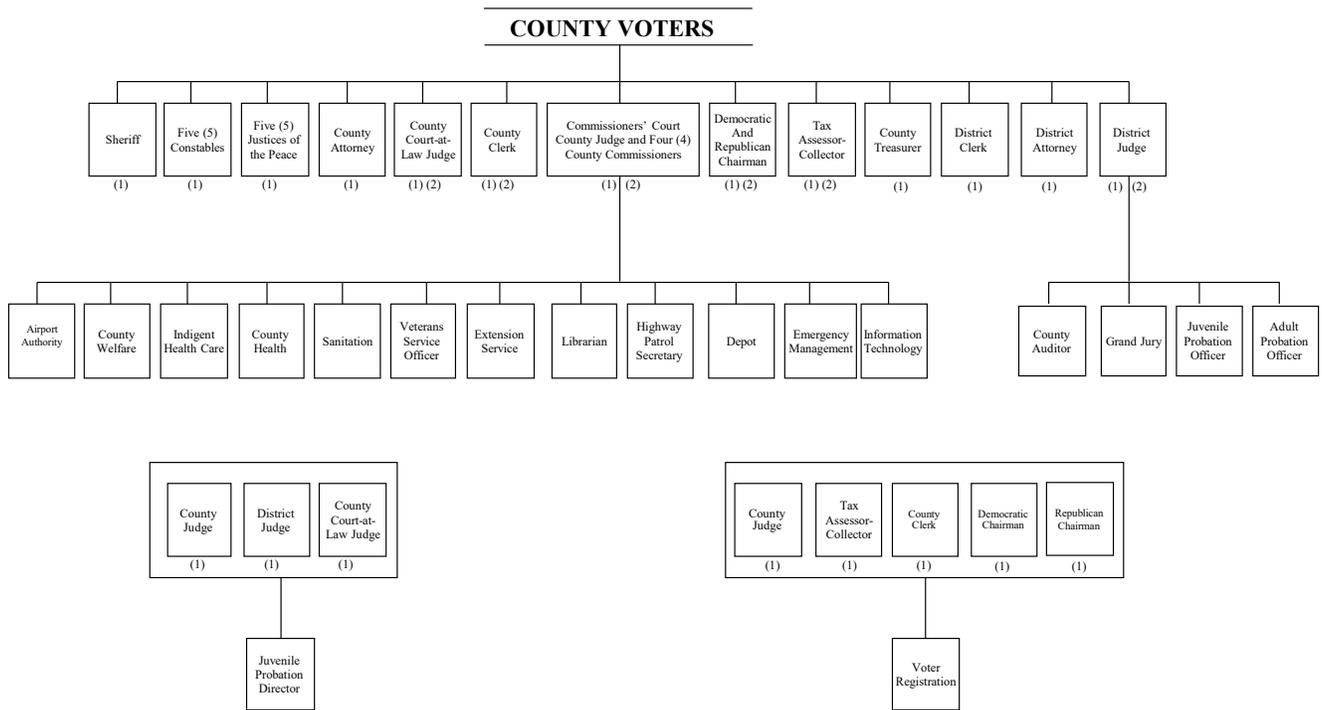
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

# RUSK COUNTY, TEXAS ORGANIZATIONAL CHART



(1) Denotes elected officials. All others are appointed.  
 (2) Denotes joint and overlapping responsibilities.

**Rusk County, Texas**  
**List of Elected and Appointed Officials**  
**December 31, 2021**

Elected Officials

4th Judicial District Judge	Honorable J. Clay Gossett
County Judge	Honorable Joel Hale
County Commissioner, Precinct #1	Honorable Randy Gaut
County Commissioner, Precinct #2	Honorable Robert Kuykendall
County Commissioner, Precinct #3	Honorable Greg Gibson
County Commissioner, Precinct #4	Honorable Bennie Whitworth
County Court-at-Law Judge	Honorable Chad Dean
County Attorney	Micheal Jimerson
County Clerk	Trudy McGill
County Sheriff	Johnwayne Valdez
County Tax Assessor-Collector	Nesha Partin
County Treasurer	Andy Vinson
District Clerk	Terri Willard
Constable, Precinct #1	Richard Stanley
Constable, Precinct #2	Matt Allison
Constable, Precinct #3	Kenneth Miley
Constable, Precinct #4	David Guy
Constable, Precinct #5	Trey Hacker
Justice of the Peace, Precinct #1	Pat McCrory
Justice of the Peace, Precinct #2	Cindy Redmon
Justice of the Peace, Precinct #3	Jackie Risinger
Justice of the Peace, Precinct #4	Darlene Childress
Justice of the Peace, Precinct #5	Jana Enloe

Appointed Officials

County Auditor	Rebekah Acres
Chief, Adult Probation Officer	Mark Hogberg
Chief, Juvenile Probation Officer	Fay Terry

# Morgan LaGrone, CPA, PLLC

## Certified Public Accountant

Telephone: 903.657.0240  
Fax: 903.655.1324

116 S Marshall  
Henderson TX 75654

### INDEPENDENT AUDITOR'S REPORT

Rusk County Commissioners' Court  
Rusk County, Texas

#### Report on the Audit of the Financial Statements

##### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rusk County, Texas, ("County") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the internal service fund type of Rusk County, Texas, as of and for the year ended December 31, 2021, as displayed in the County's basic financial statements. We also have audited the financial statements of each of the County's nonmajor governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2021, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Rusk County, Texas as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison schedules for the General Fund, the Road and Bridge Fund, and the American Rescue Plan (major special revenue funds) for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### Basis for Opinions

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

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rusk County, Texas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America required that the management's discussion and analysis on pages 11 - 21, the schedule of changes in net pension liability and schedule of

changes in net OPEB and schedule of contributions on pages 68 - 73 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the schedule of expenditures of federal and state awards, as required by the State of Texas *Uniform Grant Management Standards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

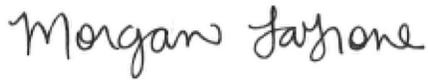
Management is responsible for the other information included in the annual report. The other information comprises the introductory section, the Budgetary Comparison for the General Fund, Road and Bridge Fund, Law Library Fund, Rusk County Officials' Fund, Human Services Fund, Airport Fund, Juvenile Services Fund, District Probation, Debt Service Fund, Water Supply Grant Fund, and the American Rescue Plan Fund; the Capital Assets Used in the Operation of Governmental Funds schedules; the statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or if the other information otherwise appears to be material misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2022, on our consideration of the Rusk County's 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Rusk County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rusk County's internal control over financial reporting and compliance.



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Morgan LaGrone, CPA, PLLC

Henderson, Texas  
June 16, 2022

## Management's Discussion and Analysis

As management of Rusk County, Texas, (the "County") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-3 of this report.

### Financial Highlights

- ◆ The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the year by \$40,748,979 (Net Position). Of this amount, \$17,030,130 (Unrestricted Net Position) may be used to meet the County's ongoing obligations to citizens and creditors.
- ◆ The County's total net position decreased by \$135,586.
- ◆ As of the close of the current year, the County's governmental funds reported combined ending fund balances of \$24,637,749, an increase of \$208,613 in comparison with the prior year. \$11,734,479 of this amount is available for spending at the County's discretion (Unassigned Fund Balance). The principal reason for the increase in fund balance is attributable to the sale of capital assets.
- ◆ At the end of the current year, Unassigned Fund Balance for the General Fund was \$11,734,479, or 71.43% of total General Fund expenditures.
- ◆ On August 8, 2016, the Commissioners' Court authorized the issuance of \$7,115,000 in general obligation refunding bonds to advance refund a portion of the County's Series 2008 certificates of obligation. The refunding resulted in an overall savings of \$816,462. The final bond payment will be made in January 2023.

### Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to the 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 private-sector business.

The Statement of Net Position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows/outflows of resources, with the difference 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 County'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 compensatory time).

Both of the Government-wide Financial Statements are designed to distinguish functions of the County that are principally supported by taxes, intergovernmental revenues, fees, and fines (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, legal, elections, financial administration, public facilities, public safety, public transportation, health and welfare, culture and recreation, and conservation. Rusk County has no business-type activities.

The Government-wide Financial Statements contain financial information only for the County. Rusk County has no component units as defined by generally accepted accounting principles (GAAP).

The Government-wide Financial Statements can be found on pages 27-28 of this report.

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

**Governmental Funds.** Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County'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 County's near-term financing decisions. 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 maintains fourteen (14) individual governmental funds. Each of the funds is described on pages 77-78 of this report. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Road and Bridge Fund, and the American Rescue Plan Fund, each of which are considered to be major funds. Data from the other eleven (11) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of Combining Statements elsewhere in this report.

The County adopts annual appropriated budgets for the General Fund, the Road and Bridge Fund, and the American Rescue Plan Fund, its three (3) major funds. A Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget (Budgetary Basis) and Actual is presented at the functional level of detail for each of these funds on pages 35-37 of this report. In addition, a Schedule of

Revenues, Expenditures, and Changes in Fund Balances-Budget (Budgetary Basis) and Actual is presented for the General Fund and the Road and Bridge Fund at the activity or departmental level to demonstrate legal compliance with the budget on pages 83-85 and page 86.

The County also adopts annual appropriated budgets for eight (8) of its eleven (11) nonmajor governmental funds (Law Library Fund, Rusk County Officials' Fund, Human Services Fund, Juvenile Services Fund, Water Supply Grant, District Probation, Airport Fund, and Debt Service Fund). A Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget (GAAP Basis) and Actual is presented for each of these funds to demonstrate compliance with their budgets starting on page 83 of this report.

The basic Governmental Fund Financial Statements can be found on pages 31-37 of this report.

**Proprietary Funds.** The County maintains an Internal Service Fund, which is an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses the Internal Service Fund to account for its health insurance activities (the collection of payments by the County and its employees for health insurance and the payment of premiums to the County's health insurance provider). This service benefits the governmental functions of the County, and therefore has been included within governmental 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 basic Proprietary Fund Financial Statements can be found on pages 38-40 of this report.

**Fiduciary Funds.** Fiduciary Funds are used to account for resources held for the benefit of parties outside the County. Fiduciary Funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support the County's programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

The County's basic Fiduciary Fund Financial Statement can be found on page 41 of this report.

**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. The Notes to the Financial Statements can be found on pages 43-65 of this report.

**Other Information.** In addition to the Basic Financial Statements and accompanying Notes, this report also presents Combining and Individual Fund Financial Statements and Schedules. These statements and schedules provide greater detail in connection with Governmental Funds, Fiduciary Funds, and Capital Assets Used in the Operation of Governmental Funds. The Combining and Individual Fund Financial Statements and Schedules may be found on pages 79-103 of this report.

### **Government-wide Financial Analysis.**

**Net Position.** As noted earlier, Net Position may serve over time as a useful indicator of the County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$40,748,979 at the close of the most recent fiscal year.

A large portion of the County's Net Position (53.50%) reflects its investment in capital assets (e.g., Land, Buildings, Machinery and Equipment, and Infrastructure), less the related outstanding debt to acquire

those assets. 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 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.

**Rusk County, Texas**  
**Net Position of Governmental Activities**  
 (Table 1)

	<u>2021</u>	<u>2020</u>
Current and Other Assets	\$ 55,370,670	\$ 48,357,387
Capital Assets	24,920,742	25,661,311
Total Assets	<u>\$ 80,291,412</u>	<u>\$ 74,018,698</u>
 Total Deferred Outflows of Resources	 <u>\$ 3,736,781</u>	 <u>\$ 1,494,793</u>
 Long-Term Liabilities Outstanding	 \$ 13,849,925	 \$ 12,382,875
Other Liabilities	6,026,987	644,224
Total Liabilities	<u>\$ 19,876,912</u>	<u>\$ 13,027,099</u>
 Total Deferred Inflows of Resources	 <u>\$ 23,402,298</u>	 <u>\$ 21,601,827</u>
 Net Position:		
Net Investment in Capital Assets	\$ 21,800,302	\$ 21,546,062
Restricted	1,918,547	1,686,923
Unrestricted	17,030,130	17,651,580
Total Net Position	<u>\$ 40,748,979</u>	<u>\$ 40,884,565</u>

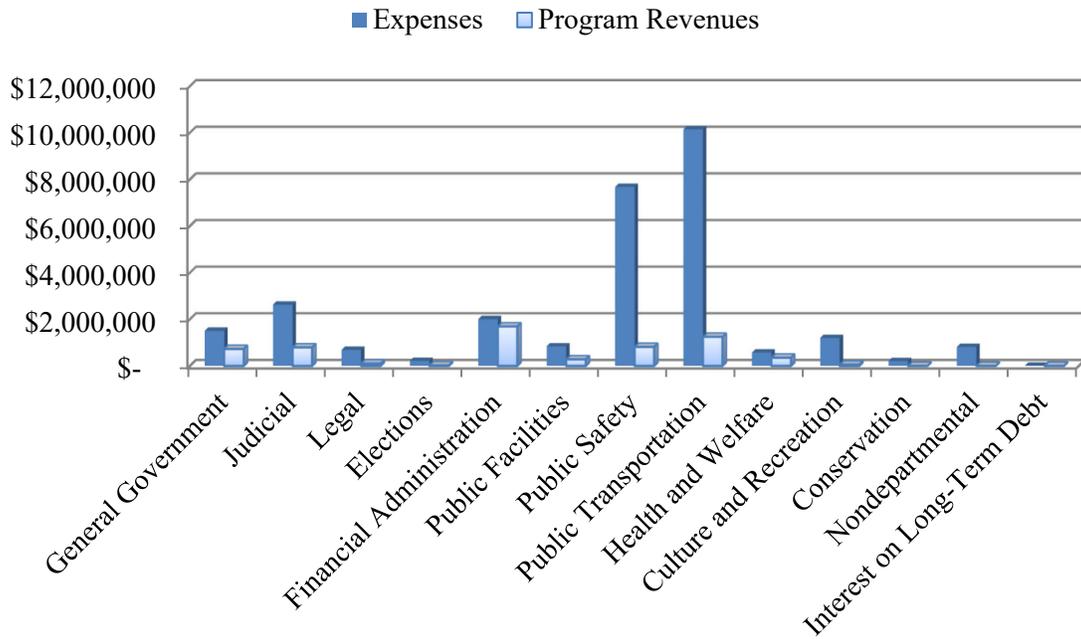
At the end of the current fiscal year, the County is able to report positive balances in all three (3) categories of Net Position. The same situation held true for the prior fiscal year.

**Changes in Net Position.** Net Position for the County decreased \$135,586 from the prior year. The most significant County revenue source is Ad Valorem Taxes, which represented 74.62% of total revenue in the most recently completed fiscal year. Tax revenue remained relatively constant from the prior year. There was not a significant increase in taxable values or a change in the tax rate. Fees and fines charged and collected by County Officials generated another 13.51% of revenue. Grants received from the State and Federal government constituted 7.81% of revenue. The County received a large CARES grant for the prior fiscal year. Overall, grant revenue decreased \$761,560. The County received funds for the American Rescue Plan but has not yet expended any money. The remaining balance of the County’s revenue, 4.06% came from other taxes, oil and gas royalties, interest, and other miscellaneous revenues.

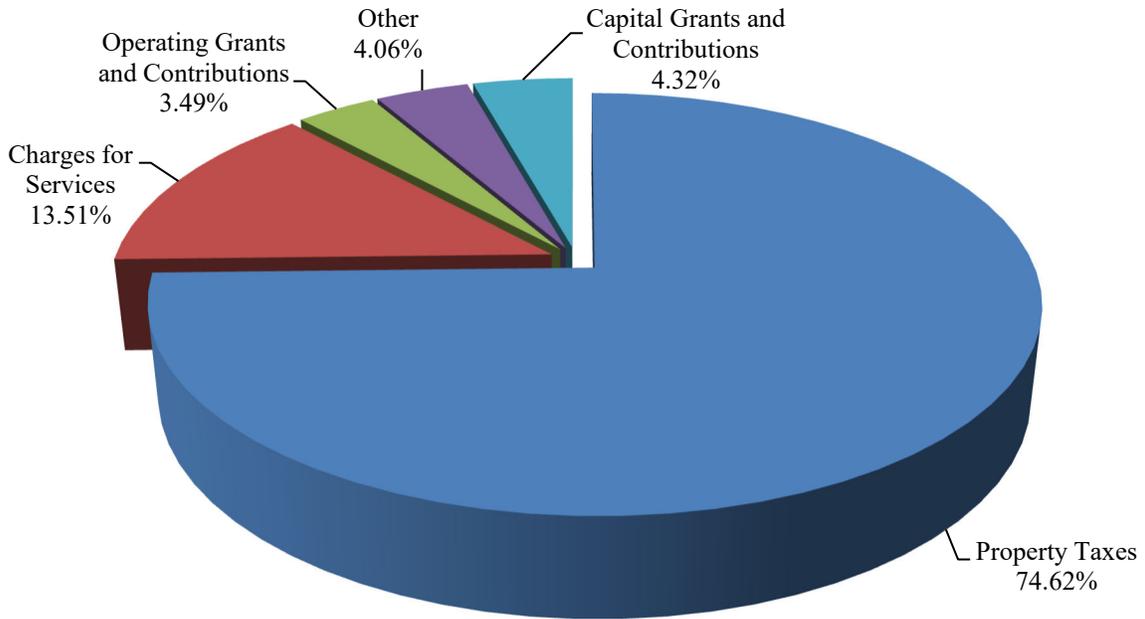
**Rusk County, Texas**  
**Changes in Net Position of Governmental Activities**  
(Table 2)

Revenues:	<u>2021</u>	<u>2020</u>
Program Revenues:		
Charges for Services	\$ 3,828,606	\$ 3,400,816
Operating Grants and Contributions	988,346	934,620
Capital Grants and Contributions	1,225,392	2,040,678
General Revenues:		
Property Taxes	21,143,130	21,207,257
Other	1,150,143	609,630
Total Revenues	<u>\$ 28,335,617</u>	<u>\$ 28,193,001</u>
Expenses:		
General Government	\$ 1,504,052	\$ 1,460,996
Judicial	2,622,843	2,634,316
Legal	685,262	651,022
Elections	210,658	314,672
Financial Administration	2,003,087	2,049,890
Public Facilities	833,321	592,737
Public Safety	7,673,745	7,355,782
Public Transportation	10,144,536	8,471,467
Health and Welfare	572,766	691,169
Culture and Recreation	1,195,170	1,203,003
Conservation	204,715	194,258
Nondepartmental	812,091	751,292
Interest on Long-Term Debt	8,958	66,399
Total Expenses	<u>\$ 28,471,204</u>	<u>\$ 26,437,004</u>
Increase/(Decrease) in Net Position	\$ (135,586)	\$ 1,755,997
Net Position - Beginning	40,884,565	37,953,383
Restatement - Fiduciary Activities	-	1,175,185
Net Position - Beginning, as restated	<u>40,884,565</u>	<u>39,128,568</u>
Net Position - Ending	<u>\$ 40,748,979</u>	<u>\$ 40,884,565</u>

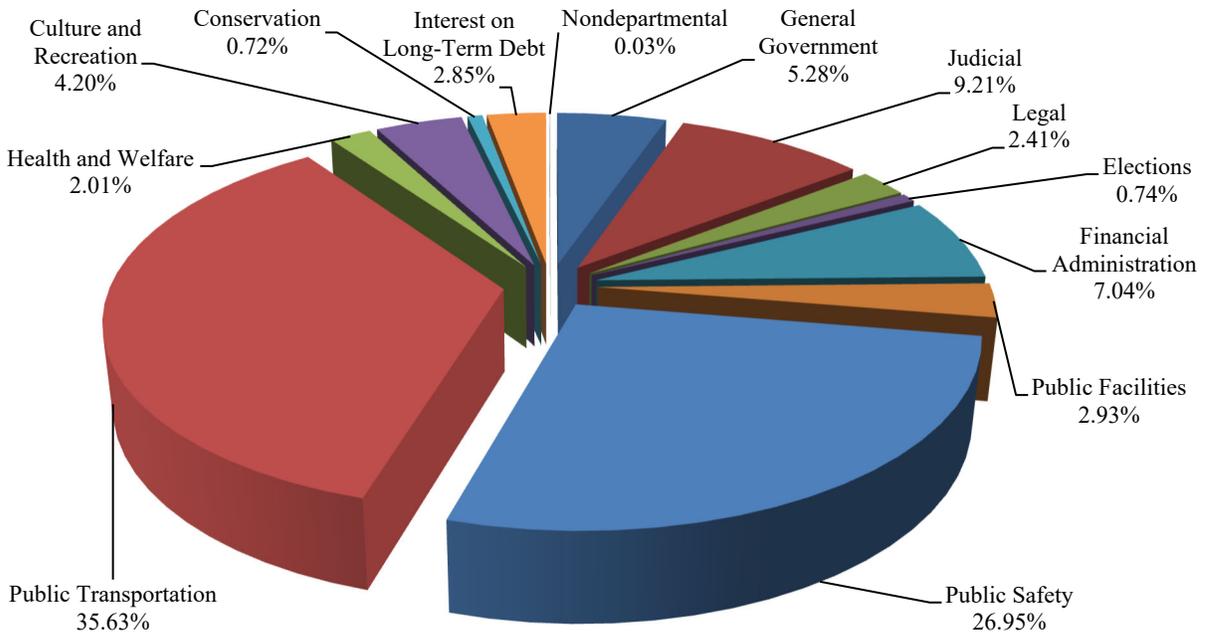
**Rusk County, Texas  
Governmental Activities  
Expenses and Program Revenues  
2021  
(Chart 1)**



**Rusk County, Texas  
Governmental Activities  
Revenues by Source  
2021  
(Chart 2)**



**Rusk County, Texas  
Governmental Activities  
Expenses by Function  
2021  
(Chart 3)**



## **Financial Analysis of the County'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 financing requirements. In particular, Unassigned Fund Balance may serve as a useful measure of the County'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 \$24,637,749, an increase of \$208,613 in comparison with the prior year. 47.63% of this (\$11,734,479) constitutes Unassigned Fund Balance, which is available for spending at the County's discretion. The remainder of Fund Balance is nonspendable, assigned or restricted to indicate that it is 1) not in spendable form (\$128,638), 2) assigned to particular departments (\$3,103,381) or 3) restricted for particular purposes (\$9,671,251).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, Unassigned Fund Balance of the General Fund was \$11,734,479, while total Fund Balance was \$24,637,749. As a measure of the General Fund's liquidity, it may be useful to compare Fund Balance to total fund expenditures. Unassigned Fund Balance represents 71.43% of total General Fund expenditures.

The Fund Balance of the County's General Fund remained relatively constant and only increased by \$53,385 or .36% during the current fiscal year.

The Road and Bridge Fund has a total Fund Balance of \$2,765,325 all of which is Restricted Fund Balance (for County roads and bridges) and nonspendable. The net increase in Fund Balance during the year was \$102,839. Some of the regularly budgeted capital expenditures in the Road and Bridge fund qualified for reimbursement grants. Those grants helped to prevent the fund balance from decreasing during the year, which occurred during the prior fiscal year.

**Proprietary Funds.** The County's Proprietary Funds provide the same type of information as the Government-wide Financial Statements, only in more detail. The County's only Proprietary Fund is the Insurance Internal Service Fund. Unrestricted Net Position at the end of the current year amounted to \$1,614,932. The County provides employees and retirees' health and life insurance through traditional insurance.

## **General Fund Budgetary Highlights.**

Differences between the original budget and the final amended budget were a net increase in appropriations of \$163,462. Significant among the increases were:

- ◆ *\$79,371 net increase in expenditures allocated to Judicial Services.*
- ◆ *\$255,551 increase in current expenditures allocated to the Health and Welfare Department.*

As a result of the favorable budget variances in expenditures, it was unnecessary to draw upon any Fund Balance as was originally anticipated. As indicated by the final budget, the County anticipated using \$2,069,653 of fund balance. However, none of fund balance was used.

Differences between the final amended budget and actual General Fund expenditures were a net positive variance of \$2,150,457. Significant among the net positive variances were:

- ◆ \$533,900 in positive budget variances in Judicial/All Courts, due to less than anticipated costs for capital murder trials.
- ◆ \$163,100 in positive budget variances in Nondepartmental due to less than expected costs for maintenance, supplies, insurance and other miscellaneous expenditures.
- ◆ \$70,000 in positive budget variances in Legal/District Attorney due to less than anticipated special trial expenditures.
- ◆ \$267,400 in positive budget variances in Public Safety/Jail due to savings in insurance, medical fees, and utilities.
- ◆ \$496,100 in positive budget variances in Capital Outlay due to less than anticipated major renovations and other capital improvements.
- ◆ The balance of the positive variance resulted from a general cost savings in all departments within the County.

**Governmental Activities Capital Asset and Debt Administration.**

**Governmental Activities Capital Assets.** The County’s investment in Governmental Activities Capital Assets as of December 31, 2021, amounts to \$24,920,741, net of accumulated depreciation. This investment in Governmental Activities Capital Assets includes Land, Buildings, Machinery and Equipment, and Infrastructure (e.g., roads and bridges).

**Rusk County, Texas**  
**Capital Assets Used in Governmental Activities**  
**(Net of Depreciation)**  
 (Table 3)

	<u>2021</u>	<u>2020</u>
Land	\$ 1,032,025	\$ 1,032,025
Construction in Progress	89,181	89,181
Buildings	16,624,712	17,149,759
Machinery and Equipment	5,294,570	5,248,940
Infrastructure	1,880,253	2,141,406
Total Capital Assets	<u>\$ 24,920,741</u>	<u>\$ 25,661,311</u>

Additional information on the County’s Capital Assets can be found in Note IV (C) on page 55 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the County had total debt of \$13,849,925.

**Rusk County, Texas**  
**Outstanding Long-Term Debt**  
 (Table 4)

	<u>2021</u>	<u>2020</u>
Certificates of Obligation:		
Principal Amount of Debt	\$ 2,656,000	\$ 3,775,000
Premium on Issuance of Debt	139,215	258,542
OPEB Liability	90,195	124,325
Net Pension Liability	10,484,968	7,955,088
Capital Leases	429,574	106,501
Compensated Absences	140,973	163,419
Total Long-Term Debt	<u>\$ 13,940,925</u>	<u>\$ 12,382,875</u>

The Texas State Constitution limits the amount of general obligation bonded debt the County may issue to 25% of the assessed value of the real property in the County. The current debt limit for the County is \$894,276,000. The County presently has \$2,565,000 in general obligation bonded debt.

Additional information on the County’s long-term debt can be found in Note IV (H) on pages 63-65 of this report.

**Economic Factors and Next Year’s Budgets and Rates.**

- ◆ The unemployment rate for the County as of the end of the fiscal year was 4.9%, compared with a rate of 7.4% a year ago.
- ◆ The County’s assessed valuation of property for the 2020 property tax year (2021 fiscal year) has increased \$4,082,344 to approximately \$3,713,951,555.
- ◆ The County’s property tax rate increased from \$0.592137 per \$100 of assessed valuation to \$0.631876 per \$100 assessed valuation for the 2022 budget year (2021 property tax year).

All of these factors were considered in preparing the County’s budget for the 2022 fiscal year.

During the current fiscal year, Unassigned Fund Balance in the General Fund decreased to \$14,842,605. That amount represents approximately ten and a half months of General Fund operations, and the County believes that to be a reasonable reserve.

**Requests for Information.**

This report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Rebekah Acres  
County Auditor  
Rusk County Courthouse  
115 N. Main Street Suite 103  
Henderson, TX 75652  
(903) 657-0306  
[racres@co.rusk.tx.us](mailto:racres@co.rusk.tx.us)

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# **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

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Rusk County, Texas  
Statement of Net Position  
December 31, 2021

	<u>Governmental Activities</u>
<b><u>Assets</u></b>	
Cash	\$ 37,664,222
Investments	1,348,507
Receivables (net of allowances for uncollectibles):	
Property Taxes	15,921,795
Due from Other Governments	38,328
Accounts	335,675
Prepays	62,144
Capital Assets (not being depreciated)	
Land	1,032,025
Construction in Progress	89,181
Capital Assets (net of accumulated depreciation):	
Buildings	16,624,713
Machinery & Equipment	5,294,570
Infrastructure	1,880,253
	\$ 80,291,412
<b>Total Assets</b>	<b>\$ 80,291,412</b>
<b><u>Deferred Outflows of Resources</u></b>	
Deferred Amount on Bond Refunding	\$ 13,350
Deferred Outflows - Pensions	3,723,431
	\$ 3,736,781
<b>Total Deferred Outflows of Resources</b>	<b>\$ 3,736,781</b>
<b><u>Liabilities</u></b>	
Accounts Payable and Accrued Expenses	\$ 5,883,775
Due to Other Governments	143,212
Long-term Debt:	
Portion due or payable within on year:	
Compensated Absences	27,231
Bonds Payable	1,255,000
Capital Leases	142,565
Portion due or payable after one year:	
Compensated Absences	113,742
Bonds Payable	1,449,215
Capital Leases	287,009
Net Pension Liability	10,484,968
Other Post-Employment Benefit Liability	90,195
	\$ 19,876,912
<b>Total Liabilities</b>	<b>\$ 19,876,912</b>
<b><u>Deferred Inflows of Resources</u></b>	
Deferred Revenue - Advance Tax Collections	\$ 7,222,586
Deferred Revenue	14,244,516
Deferred Inflows - Pensions	1,935,196
	\$ 23,402,298
<b>Total Deferred Inflows of Resources</b>	<b>\$ 23,402,298</b>
<b><u>Net Position</u></b>	
Net Investment in Capital Assets	\$ 21,800,302
Restricted for:	
Debt Service	1,851,892
Perpetual Care:	
Expendable	161
Nonexpendable	15,000
County Independent School Districts:	
Nonexpendable	51,494
Unrestricted	17,030,130
	\$ 40,748,979
<b>Total Net Position</b>	<b>\$ 40,748,979</b>

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

Rusk County, Texas  
Statement of Activities  
For the Year Ended December 31, 2021

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense)/ Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
<b><u>Functions/Programs:</u></b>					
General Government	\$ 1,504,052	\$ 694,467	\$ 8,526	\$ 20,000	\$ (781,059)
Judicial	2,622,843	786,702	1,163	-	(1,834,978)
Legal	685,262	31,300	67,266	-	(586,696)
Elections	210,658	19,231	-	-	(191,427)
Financial Administration	2,003,087	1,685,758	-	-	(317,329)
Public Facilities	833,321	28,351	-	246,575	(558,395)
Public Safety	7,673,745	83,473	727,912	-	(6,862,360)
Public Transportation	10,144,536	232,777	50,597	958,817	(8,902,345)
Health and Welfare	572,766	226,310	121,020	-	(225,435)
Culture and Recreation	1,195,170	40,237	11,862	-	(1,143,072)
Conservation	204,715	-	-	-	(204,715)
Nondepartmental	812,091	-	-	-	(812,091)
Interest on Long-Term Debt	8,958	-	-	-	(8,958)
Net (Expense)/Revenue	<u>\$ 28,471,204</u>	<u>\$ 3,828,606</u>	<u>\$ 988,346</u>	<u>\$ 1,225,392</u>	<u>\$ (22,428,859)</u>
General Revenues:					
Property Taxes					\$ 21,143,130
Other Taxes					20,230
Interest Earned					95,286
Gain on Sale of Capital Assets					520,580
Miscellaneous					514,047
Total General Revenues					<u>\$ 22,293,273</u>
Change in Net Position					\$ (135,586)
Net Position - Beginning					<u>40,884,565</u>
Net Position - Ending					<u><u>\$ 40,748,979</u></u>

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

## **FUND FINANCIAL STATEMENTS**

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Rusk County, Texas  
Balance Sheet  
Governmental Funds  
December 31, 2021

	General Fund	Road & Bridge Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
<b><u>Assets</u></b>					
Cash	\$ 18,616,849	\$ 4,422,920	\$ 5,290,780	\$ 7,713,976	\$ 36,044,525
Investments	1,348,507	-	-	-	1,348,507
Receivables (net of allowances for uncollectibles):					
Property Taxes	10,643,115	4,186,514	-	1,092,167	15,921,795
Due from Other Governments	38,328	-	-	-	38,328
Accounts	50,067	282,523	-	3,085	335,675
Prepays	4,745	57,399	-	-	62,144
Due from Other Funds	-	-	-	228	228
<b>Total Assets</b>	<b>\$ 30,701,610</b>	<b>\$ 8,949,355</b>	<b>\$ 5,290,780</b>	<b>\$ 8,809,456</b>	<b>\$ 53,751,202</b>
<b><u>Liabilities</u></b>					
Accounts Payable	\$ 278,124	\$ 88,181	\$ -	\$ 99,538	\$ 465,843
Due to Other Governments	143,212	-	-	-	143,212
Due to Other Funds	228	-	-	-	228
<b>Total Liabilities</b>	<b>\$ 421,564</b>	<b>\$ 88,181</b>	<b>\$ -</b>	<b>\$ 99,538</b>	<b>\$ 609,283</b>
<b><u>Deferred Inflows of Resources</u></b>					
Unavailable Revenue - Advance Tax Collections	\$ 4,794,337	\$ 1,909,340	\$ -	\$ 518,909	\$ 7,222,586
Unavailable Revenue - Other	-	-	5,283,864	75,938	5,359,802
Unavailable Revenue - Tax Revenue	10,643,104	4,186,509	-	1,092,167	15,921,780
<b>Total Deferred Inflows of Resources</b>	<b>\$ 15,437,441</b>	<b>\$ 6,095,849</b>	<b>\$ 5,283,864</b>	<b>\$ 1,687,015</b>	<b>\$ 28,504,169</b>
<b><u>Fund Balances</u></b>					
Nonspendable	\$ 4,745	\$ 57,399	\$ -	\$ 66,494	\$ 128,638
Restricted	-	2,707,926	6,916	6,956,409	9,671,251
Assigned	3,103,381	-	-	-	3,103,381
Unassigned	11,734,479	-	-	-	11,734,479
<b>Total Fund Balances</b>	<b>\$ 14,842,605</b>	<b>\$ 2,765,325</b>	<b>\$ 6,916</b>	<b>\$ 7,022,903</b>	<b>\$ 24,637,749</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 30,701,610</b>	<b>\$ 8,949,355</b>	<b>\$ 5,290,780</b>	<b>\$ 8,809,456</b>	<b>\$ 53,751,201</b>

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

Rusk County, Texas  
 Reconciliation of the Balance Sheet-Governmental Funds  
 to the Statement of Net Position  
 December 31, 2021

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

Total Fund Balances-Total Governmental Funds (Page 31)	\$ 24,637,749
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	24,920,741
The Internal Service Fund is used to charge the costs of health insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	1,614,931
Net Delinquent Property Taxes Receivable is a "long-term asset" and not available to pay for current period expenditures and therefore is deferred in the funds.	1,677,263
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (See Note II.A.)	(3,314,777)
Net Pension and OPEB Liability and the related deferred outflows and deferred inflows of resources are not reported in the funds. (See Note II.A.)	(8,786,928)
Net Position of Governmental Activites (page 27)	<u>\$ 40,748,979</u>

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

Rusk County, Texas  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2021

	General <u>Fund</u>	Road & Bridge <u>Fund</u>	American Rescue Plan <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>Revenues:</b>					
Ad Valorem Taxes	\$ 13,622,374	\$ 5,987,981	\$ -	\$ 1,655,619	\$ 21,265,974
Other Taxes	20,230	-	-	-	20,230
Intergovernmental	195,383	912,625	-	852,961	1,960,969
Fees	1,782,412	900,276	-	690,575	3,373,263
Fines and Forfeitures	439,672	208,500	-	3,793	651,965
Miscellaneous	525,156	14,759	6,916	121,660	668,491
Total Revenues	<u>\$ 16,585,227</u>	<u>\$ 8,024,141</u>	<u>\$ 6,916</u>	<u>\$ 3,324,608</u>	<u>\$ 27,940,892</u>
<b>Expenditures:</b>					
Current:					
General Government	\$ 1,429,323	\$ -	\$ -	\$ 129	\$ 1,429,452
Judicial	2,507,168	-	-	29,439	2,536,607
Legal	645,246	-	-	16,965	662,211
Elections	203,388	-	-	-	203,388
Financial Administration	1,959,112	-	-	-	1,959,112
Public Facilities	535,231	-	-	243,800	779,031
Public Safety	6,406,194	-	-	835,399	7,241,593
Public Transportation	-	7,143,980	-	632,533	7,776,513
Health and Welfare	549,534	-	-	16,429	565,963
Culture and Recreation	1,155,154	-	-	-	1,155,154
Conservation	194,963	-	-	-	194,963
Nondepartmental	668,341	143,750	-	-	812,091
Capital Outlay	173,187	1,566,979	-	286,005	2,026,171
Debt Service:		-			
Principal	-	92,506	-	1,210,000	1,302,506
Interest	-	6,161	-	128,437	134,598
Total Expenditures	<u>\$ 16,426,841</u>	<u>\$ 8,953,376</u>	<u>\$ -</u>	<u>\$ 3,399,136</u>	<u>\$ 28,779,353</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 158,385</u>	<u>\$ (929,235)</u>	<u>\$ 6,916</u>	<u>\$ (74,528)</u>	<u>\$ (838,461)</u>
<b>Other Financing Sources (Uses):</b>					
Proceeds of Long-Term Capital Related Debt	\$ -	\$ 415,579	\$ -	\$ -	\$ 415,579
Transfers in	15,000	-	-	120,000	135,000
Transfers out	(120,000)	(15,000)	-	-	(135,000)
Sale of Capital Assets	-	631,495	-	-	631,495
Total Other Financing Sources (Uses)	<u>\$ (105,000)</u>	<u>\$ 1,032,074</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 1,047,074</u>
Net Change in Fund Balances	\$ 53,385	\$ 102,839	\$ 6,916	\$ 45,472	\$ 208,613
Fund Balances - Beginning	14,789,219	2,662,485	-	6,977,431	24,429,135
Fund Balances - Ending	<u>\$ 14,842,605</u>	<u>\$ 2,765,325</u>	<u>\$ 6,916</u>	<u>\$ 7,022,903</u>	<u>\$ 24,637,749</u>

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

Rusk County, Texas  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances-Governmental Funds  
 To the Statement of Activities  
 For the Year Ended December 31, 2021

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

Net Change in Fund Balances-Total Governmental Funds (Page 33)	\$ 208,613
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these 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. (See Note II.B.)	(623,122)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(117,448)
The repayment of long-term debt (e.g. certificates of obligation and capital leases) consumes current financial resources of governmental funds, but the transaction has no effect on net position.	1,302,506
The issuance of long-term debt (capital leases) 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. Neither transaction, however, has any effect on net position. (See Note II.B)	(415,579)
Delinquent property tax collections provide current financial resources to the funds but has no effect on net position.	(1,043,666)
Delinquent property taxes receivable, which do not provide current financial resources, are not reported as revenue in the funds.	920,823
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (See Note II.B.)	148,085
Some expenses reported in the Statement of Activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds. This amount reflects the change in pension expense as a result of GASB 68.	(557,412)
Governmental funds report all payments to other post employment benefits as expenditures. However, in the government-wide statement of activities the actuarial annually required contribution is considered an expense. Any deficit amount is considered a liability. Change in net other post employment benefit obligation.	45,471
The Internal Service Fund is used to charge the costs of health insurance to individual funds. The net revenue (expense) of the activity of the Internal Service Fund is reported with governmental activities.	<u>(3,857)</u>
Changes in Net Position of Governmental Activities (Page 28)	<u>\$ (135,586)</u>

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

Rusk County, Texas  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances-  
 Budget and Actual (Budgetary Basis)-General Fund and Major Special Revenue Funds  
 For the Year Ended December 31, 2021

	General Fund			Variance with Final Budget Positive/ (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 13,821,841	\$ 13,821,841	\$ 13,622,374	\$ (199,467)
Other Taxes	10,500	10,500	20,230	9,730
Intergovernmental	86,320	86,320	195,383	109,063
Fees	1,548,384	1,548,384	1,782,412	234,028
Fines and Forfeitures	475,000	475,000	439,672	(35,328)
Miscellaneous	670,600	670,600	525,156	(145,444)
Total Revenues	<u>\$ 16,612,645</u>	<u>\$ 16,612,645</u>	<u>\$ 16,585,227</u>	<u>\$ (27,418)</u>
<b>Expenditures:</b>				
Current:				
General Government	\$ 1,579,922	\$ 1,594,872	\$ 1,429,323	\$ 165,549
Judicial	3,120,524	3,041,153	2,507,168	533,985
Legal	708,096	715,096	645,246	69,850
Elections	259,407	261,932	203,388	58,544
Financial Administration	2,064,835	2,083,485	1,959,112	124,373
Public Facilities	614,301	614,301	535,231	79,070
Public Safety	6,418,125	6,673,676	6,406,194	267,482
Health and Welfare	639,659	644,575	549,534	95,041
Culture and Recreation	1,233,862	1,250,985	1,155,154	95,831
Conservation	195,155	196,355	194,963	1,392
Nondepartmental	855,700	831,508	668,341	163,167
Capital Outlay	724,250	669,360	173,187	496,173
Total Expenditures	<u>\$ 18,413,836</u>	<u>\$ 18,577,298</u>	<u>\$ 16,426,841</u>	<u>\$ 2,150,457</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (1,801,191)</u>	<u>\$ (1,964,653)</u>	<u>\$ 158,386</u>	<u>\$ 2,123,039</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Transfers out	(115,000)	(120,000)	(120,000)	-
Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ (100,000)</u>	<u>\$ (105,000)</u>	<u>\$ (105,000)</u>	<u>\$ -</u>
Net Change in Fund Balances	\$ (1,901,191)	\$ (2,069,653)	\$ 53,386	\$ 2,123,038
Fund Balances - Beginning	14,789,219	14,789,219	14,789,219	-
Fund Balances - Ending	<u>\$ 12,888,028</u>	<u>\$ 12,719,566</u>	<u>\$ 14,842,605</u>	<u>\$ 2,123,038</u>

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

Rusk County, Texas  
Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Budget and Actual (Budgetary Basis)-General Fund and Major Special Revenue Funds  
For the Year Ended December 31, 2021

	<u>Major Special Revenue Funds</u>			Variance with Final Budget Positive/ (Negative)
	<u>Road &amp; Bridge Fund</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	
<u>Original</u>	<u>Final</u>	<u>Actual</u>		
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 5,868,655	\$ 5,868,655	\$ 5,987,981	\$ 119,326
Intergovernmental	-	-	912,625	912,625
Fees	890,000	890,000	900,276	10,276
Fines and Forfeitures	250,000	250,000	208,500	(41,500)
Miscellaneous	150,800	150,800	14,759	(136,041)
<b>Total Revenues</b>	<b>\$ 7,159,455</b>	<b>\$ 7,159,455</b>	<b>\$ 8,024,141</b>	<b>\$ 864,686</b>
<b>Expenditures:</b>				
Current:				
Public Transportation	\$ 5,992,336	\$ 7,454,609	\$ 7,143,980	\$ 310,629
Nondepartmental	1,882,957	1,880,167	143,750	1,736,417
Capital Outlay	2,527,681	2,808,422	1,566,979	1,241,443
Debt Service	98,667	98,667	98,667	-
<b>Total Expenditures</b>	<b>\$ 10,501,641</b>	<b>\$ 12,241,865</b>	<b>\$ 8,953,376</b>	<b>\$ 3,288,489</b>
Excess (Deficiency) of Revenues over Expenditures	\$ (3,342,186)	\$ (5,082,410)	\$ (929,235)	\$ 4,153,175
<b>Other Financing Sources (Uses):</b>				
Proceeds of Long-Term Capital Related Debt	-	-	415,579	415,579
Transfers out	(15,000)	(15,000)	(15,000)	-
Sale of Capital Assets	-	-	631,495	631,495
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (15,000)</b>	<b>\$ (15,000)</b>	<b>\$ 1,032,074</b>	<b>\$ 1,047,074</b>
<b>Net Change in Fund Balances</b>	<b>\$ (3,357,186)</b>	<b>\$ (5,097,410)</b>	<b>\$ 102,840</b>	<b>\$ 5,200,249</b>
Fund Balances - Beginning	2,662,485	2,662,485	2,662,485	-
<b>Fund Balances - Ending</b>	<b>\$ (694,701)</b>	<b>\$ (2,434,925)</b>	<b>\$ 2,765,325</b>	<b>\$ 5,200,249</b>

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

Rusk County, Texas  
Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Budget and Actual (Budgetary Basis)-General Fund and Major Special Revenue Funds  
For the Year Ended December 31, 2021

	<u>Major Special Revenue Funds</u>			Variance with Final Budget Positive/ (Negative)
	<u>American Rescue Plan Fund</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	
<u>Original</u>	<u>Final</u>			
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	6,916	6,916
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,916</b>	<b>\$ 6,916</b>
<b>Expenditures:</b>				
Current:				
Public Health	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 6,916	\$ 6,916
Net Change in Fund Balances	\$ -	\$ -	\$ 6,916	\$ 6,916
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ 6,916	\$ 6,916

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

Rusk County, Texas  
Statement of Net Position  
Proprietary Funds  
December 31, 2021

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	Governmental <u>Activities</u> Internal Service <u>Fund</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash	\$ 1,619,697
Total Current Assets	<u>\$ 1,619,697</u>
Total Assets	<u>\$ 1,619,697</u>
<b><u>Liabilities</u></b>	
Current Liabilities:	
Accounts Payable	<u>\$ 4,765</u>
Total Current Liabilities	<u>\$ 4,765</u>
Total Liabilities	<u>\$ 4,765</u>
<b><u>Net Position</u></b>	
Unrestricted	<u>\$ 1,614,932</u>
Total Net Position	<u><u>\$ 1,614,932</u></u>

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

Rusk County, Texas  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2021

	Governmental <u>Activities</u> Internal Service <u>Fund</u>
<b>Operating Revenues:</b>	
Charges for Services	\$ 3,118,329
Total Operating Revenues	\$ 3,118,329
<b>Operating Expenses:</b>	
Benefits, Insurance & Administrative Cost	\$ 3,125,708
Total Operating Expenses	\$ 3,125,708
Operating Income (Loss)	\$ (7,378)
<b>Nonoperating Revenues (Expenses):</b>	
Interest Income	\$ 3,522
Total Nonoperating Revenues (Expenses)	\$ 3,522
Change in Net Position	\$ (3,856)
Total Net Position - Beginning	1,618,788
Total Net Position - Ending	\$ 1,614,932

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

Rusk County, Texas  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2021

	<u>Governmental Activities</u> Internal Service <u>Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Receipts from Interfund Services Provided	\$ 3,118,329
Payments to Suppliers and Providers	<u>(3,120,707)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,377)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest Income	<u>\$ 3,522</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 3,522</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 1,145
Cash and Cash Equivalents, January 1	<u>1,618,552</u>
Cash and Cash Equivalents, December 31 (See below)	<u><u>\$ 1,619,697</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	<u>\$ (3,856)</u>
Adjustments to Reconcile Operating Income to Net Cash	
Provided (Used) by Operating Activities:	
(Increase)/Decrease in Receivables	\$ 716
Increase/(Decrease) in Payables	<u>4,285</u>
Total Adjustments	<u>\$ 5,001</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 1,145</u></u>
Exhibit #6 - Page 38:	
Cash	<u>\$ 1,619,697</u>
Total Cash and Cash Equivalents - Exhibit #6	<u><u>\$ 1,619,697</u></u>

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

Rusk County, Texas  
Statement of Fidiciary Net Position  
Fiduciary Funds  
December 31, 2021

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	<u>Custodial Funds</u>
<b><u>Assets</u></b>	
Cash	\$ 11,674,100
Investments	<u>724,961</u>
Total Assets	<u><u>\$ 12,399,061</u></u>
<b><u>Liabilities</u></b>	
Due to Other Governments	\$ 9,674,871
Due to Others	<u>2,447,016</u>
Total Liabilities	<u><u>\$ 12,121,887</u></u>
<b><u>Net Position</u></b>	
Individuals and Other Governments	<u>277,174</u>
Total Net Position	<u><u>\$ 277,174</u></u>

The accompanying notes are an integral part of this statement.

Rusk County, Texas  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2021

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	<u>Totals</u>
<b><u>Additions</u></b>	
Tax Collections for Other Governments	\$ 3,476,487
Held for Others	955,651
	4,432,138
Total Additions	\$ 4,432,138
<b><u>Deductions</u></b>	
Payments to Other Governments	\$ 3,476,487
Payments to Others	868,727
	4,345,214
Total Deductions	4,345,214
Net increase (decrease) in Fiduciary Net Position	86,924
Net Position - Beginning	\$ 190,250
Net Position - Ending	\$ 277,174

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

# RUSK COUNTY, TEXAS

Notes to the Financial Statements

December 31, 2021

## I. Summary of Significant Accounting Policies

The financial statements of Rusk County, Texas have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

### A. Reporting Entity

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial burden on the County. Additionally, the County is required to consider other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete.

Based upon the application of the above criteria, the County has no component units.

### 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 County. Governmental activities that are normally supported by taxes, intergovernmental, fee, and fine revenues, are to be reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Rusk County has no business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers, citizens, or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. 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 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 financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of 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. The County's only Fiduciary Funds are Custodial Funds, which have no measurement focus.

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 year. 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, intergovernmental revenue, and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current year. 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 Fund (a Special Revenue Fund)* is used to account for monies designated for use in road and bridge work of the County. Primary sources of revenues include ad valorem taxes, automobile registration fees, County and District Court Clerk fees, Justice of the Peace Court Fines, and State allotments of road funds. Revenues are used for public transportation maintenance and construction purposes.

The *American Rescue Plan Fund (a Special Revenue Fund)* is used to account for the American Rescue Plan recovery funds received from the U.S. Treasury. Revenues are to be used according to the U.S. Treasury Department's Final Rule defining acceptable uses.

Additionally, the County reports the following fund types:

The *Internal Service Fund* is used to account for the collection of payments by the County and its employees for health insurance premiums and the payment of health insurance claims of County employees.

*Custodial Funds* utilizes the economic resources measurement focus. Custodial Funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that County officials collect pending disbursement to the County Treasurer, as well as other governmental jurisdictions or individuals. The funds collected by the officials include ad valorem taxes, fines and fees, and court ordered trust funds and deposits.

As a general rule, the effect of interfund activity has been eliminated from the Government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

The Internal Service Fund provides services to other funds of the County. The financial statements of the Internal Service Fund are consolidated into the governmental activities column when presented at

the Government wide level. The cost benefit of these services is reflected in the appropriate functional activity.

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.

## **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

### ***1. Deposits and Investments***

Cash includes not only currency on hand, but also demand deposits with banks or other financial institutions. Cash equivalents are defined as short-term, certificates of deposit that are both readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

State statutes and the County's investment policy authorize the County to invest in certificates of deposit with the County's depository bank and the public funds investment pool "TexPool." TexPool is a "public funds investment pool" as defined by the Public Funds Investment Act ("Act") Section 2256.016-2256.019, and the portfolio normally consists of U.S. T-Bills, T-Notes, collateralized certificates of deposit, and repurchase agreements. The Comptroller of Public Accounts (the Comptroller) is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. The Comptroller maintains oversight of the services provided to TexPool by Federated Investors, Inc. The reported value of the pool is the same as the fair value of the pool shares.

Investments are stated at fair value.

### ***2. Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as either "Due to/from Other Funds" (i.e., the current portion of the interfund loan) or "Advances to/from Other Funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "Due to/from Other Funds."

Property Taxes Receivable are shown net of an allowance for uncollectibles. The allowance is equal to seven (7) percent of current property taxes receivable plus twenty (20) percent of delinquent taxes receivable at December 31, 2021.

By policy, any current taxes levied and collected between October 1 and December 31 are not available for use until January 1, the beginning of the next fiscal year. Therefore, all collections of current taxes during this period and all current taxes receivable as of December 31 are recorded as Unearned Revenue and Unearned Deferred Revenue, respectively.

### ***3. Inventories and Prepaid Items***

The County records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

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, utilizing the consumption

method of accounting.

#### **4. Capital Assets**

Capital assets include property, plant, equipment, and infrastructure assets (roads and bridges), and are reported in the governmental activities of the Government-wide financial statements.

In the case of initial capitalization of infrastructure, the County chose to include all general infrastructure assets that were acquired or significantly re-constructed in fiscal years ending after June 30, 1980. The County estimated the historical cost through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.)

Capital assets other than buildings and infrastructure 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 three years. Buildings are capitalized if their purchase or construction cost exceeds \$100,000. General Infrastructure Assets are capitalized if their construction cost exceeds \$500,000. Such assets are recorded at historical cost where records are available or at an estimated fair market value at date of acquisition where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

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

The County maintains many items and buildings of historical significance. The County does not capitalize historical treasures or works of art. The County has made this election because (1) the collection is held for reasons other than financial gain; (2) the collection is protected, kept unencumbered, cared for, and preserved; and (3) proceeds from the sale of collection items are used to acquire other items for collections.

Property, plant, and equipment of the County is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Public Domain Infrastructure	25-30
Machinery & Equipment	3-7

#### **5. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has deferred outflows of resources related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be

recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category. Unearned Revenue and Unearned Deferred Revenue are reported in the government-wide Statement of Net Position. Any current taxes levied and collected between October 1 and December 31 are not available for use until January 1, the beginning of the next fiscal year. Therefore, all collections of current taxes during this period and all current taxes receivable as of December 31 are recorded as Unearned Revenue and Unearned Deferred Revenue, respectively. These liabilities are reflected in the Government-wide financial statements since the tax revenue has not been earned as of December 31, 2021. The governmental funds report unavailable revenues for advance tax collections, property taxes receivable, and resources that have been received, but not earned for grant drawdowns and deposits. In addition, the County reports deferred inflows of resources related to pensions.

#### **6. *Net Position Flow Assumption***

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### **7. *Long-term Obligations***

In the Government-wide financial statements, long-term debt and other long-term obligations of the governmental funds are reported as liabilities in the governmental activities Statement of Net Position. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances 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 Balances – Governmental Funds***

Fund balances of the governmental funds are classified as follows:

**Nonspendable Fund Balance** - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

**Restricted Fund Balance** - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

**Committed Fund Balance** - represents amounts that can only be used for a specific purpose because of a formal action by the Commissioners’ Court. Committed amounts cannot be used for any other purpose unless the Commissioners’ Court removes those constraints by taking the same type of formal action. The Commissioners’ Court is the highest level of decision-making authority for the County that can, by adoption of an order prior to the end of the fiscal year, commit fund balance.

**Assigned Fund Balance** - represents amounts which the County intends to use for a specific purpose,

but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Commissioners' Court or by an official or body to which the Commissioners' Court delegates the authority. The Court, by order, has authorized the County Judge to assign fund balance. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the fund itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

### ***9. Statement of Cash Flows***

For the purposes of the Statement of Cash Flows, the proprietary fund considers all cash and certificates of deposit to be cash equivalents.

## **E. Revenues and Expenditures/Expenses**

### ***1. Program Revenues***

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

### ***2. Property Taxes***

The County's ad valorem taxes are levied on October 1 but do not become due until January 1 of the following year. Taxes become past due February 1 and become delinquent June 30. The County's taxes become a lien on real property on the due date of January 1. This lien is effective until the taxes are paid. Since delinquent taxes were due on January 1 of the fiscal and budget year, any unpaid taxes are recorded as a receivable, net of allowance for uncollectibles.

### ***3. Compensated Absences***

Compensated vacations are granted to all full-time permanent employees of the County. The number of days range from one (1) week to four (4) weeks, depending upon length of continuous service. Vacations do not accumulate from year to year. All days not used within the calendar year are forfeited at year-end. Therefore, no accrual has been provided for in the financial statements.

All permanent employees of the County are eligible to accrue up to a maximum of ninety (90) days of compensated sick leave at a rate of one (1) day per month. Employees are not entitled to payment for unused sick leave upon termination.

Compensatory time off is allowed in various departments of the County. Unused leave is paid upon termination of employment. Compensatory time pay is accrued when incurred in the Government-wide financial statements.

#### ***4. Proprietary Funds Operating and Nonoperating Revenues and Expenses***

The Health Insurance Internal Service Fund, the County's only proprietary fund, distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services in connection with the operation of the County's health insurance program.

### **F. Pensions**

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

### **G. New Accounting Standards Adopted**

No new accounting standards were adopted in the fiscal year ending December 31, 2021.

### **H. Future Implementation of New Standards**

GASB issued Statement No. 87, *Leases* in 2017, which requires recognition of certain leased assets and liabilities for leases that were previously classified as operating leases. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The statement is effective for fiscal years ending after June 30, 2022.

## **II. Reconciliation of Government-wide and Fund Financial Statements**

### **A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

Exhibit 3-A on page 32 is a reconciliation between Total Fund Balances-Total Governmental Funds and Net Position-Governmental Activities. One element of that reconciliation explains that "Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this \$3,314,777 difference are as follows:

Certificates of Obligation Payable	\$ (2,565,000)
Premium on Debt Issuance	(139,215)
Accrued Interest Payable	(53,365)
Capital Leases	(429,574)
Deferred Resource Outflows - Bond Refunding	13,350
Compensated Absences	<u>(140,973)</u>
Net Adjustment to Reduce Total Fund Balances-Total Governmental Funds to Arrive at Net Position - Governmental Activities	<u>\$ (3,314,777)</u>

Another element of that reconciliation states that “Net Pension/OPEB Liability and the related deferred outflows and deferred inflows of resources are not reported in the funds.” The details of this \$8,786,928 difference are as follows:

Net Pension Liability	\$ (10,484,968)
Net OPEB Liability	(90,195)
Deferred Resource Outflows - Related to Pensions	3,723,431
Deferred Resource Inflows - Related to Pensions	<u>(1,935,196)</u>
Net Adjustment to Reduce Total Fund Balances-Total Governmental Funds to Arrive at Net Position - Governmental Activities	<u>\$ (8,786,928)</u>

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**

Exhibit 4-A on page 34 is a reconciliation between Net Changes in Fund Balances-Total Governmental Funds and Changes in Net Position of Governmental Activities as reported in the Government-wide Statement of Activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$623,122 difference are as follows:

Capital Outlay	\$1,610,831
Depreciation Expense	<u>(2,233,953)</u>
Net Adjustment to Decrease Net Changes in Fund Balance- Total Governmental Funds to Arrive at Changes in Net Position- Governmental Activities	<u>(\$623,122)</u>

Another element of that reconciliation states that “The issuance of long-term debt (bonds) 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. Neither transaction, however, has any effect on net position.” The details of this \$415,579 difference are as follows:

Issuance of Capital Leases	\$ 415,579
Total Governmental Funds to Arrive at Changes in Net Position- Governmental Activities	<u>\$ 415,579</u>

Another element of that reconciliation states that “Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$148,085 difference are as follows:

Decrease in Compensated Absences	\$ 22,446
Decrease in Accrued Interest	17,755
Amortization of Deferred Amount on Refunding	(11,443)
Amortization of Premium on Certificates of Obligation	<u>119,327</u>
Net Adjustment to Decrease Net Changes in Fund Balance- Total Governmental Funds to Arrive at Changes in Net Position- Governmental Activities	<u>\$ 148,085</u>

### III. Stewardship, Compliance, and Accountability

#### Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects fund and the Election CARES Fund, which adopts a project-length budget. Additionally, the permanent funds are not budgeted. All annual appropriations lapse at fiscal year-end.

During the seventh month of the fiscal year, the County Judge prepares a budget to cover all proposed expenditures of the County government for the succeeding fiscal year. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. In preparing the budget, the Judge may require any County officer to furnish information necessary for the Judge to properly prepare the budget.

The Commissioners' Court shall hold a public hearing on the proposed budget. The Commissioners' Court shall set the hearing for a date after the 15th day of the eighth month of the fiscal year but before the date on which the Court levies taxes. At the conclusion of the public hearing, the Commissioners' Court shall take action on the proposed budget.

After final approval of the budget, the Commissioners' Court may spend County funds only in strict compliance with the budget, except in an emergency. The Commissioners' Court may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention. If the Court amends the original budget to meet an emergency, the Court shall file a copy of its order amending the budget with the County Clerk, and the Clerk shall attach the copy to the original budget. Management may not amend the budget without approval from the Commissioners' Court.

Expenditures may not legally exceed budgeted appropriations at the activity or departmental level (County Judge, County Clerk, District Clerk, County Auditor, etc.). The budget is amended only by approval of the Commissioners' Court. Proposed amendments are presented to the Commissioners' Court in a public meeting, and each amendment must have Commissioners' Court approval. As

required by law, such amendments are made before the fact, and are reflected in the minutes of the Commissioners' Court meetings. During the year the budget was amended as necessary.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are canceled, consequently there are none as of December 31, 2021.

#### IV. Detailed Notes on All Funds

##### A. Deposits and Investments

*Deposits.* The County's funds are required to be deposited and invested under the terms of a depository contract pursuant to Texas State Law. The depository bank deposits for safekeeping and trust with the County's agent bank, approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) Insurance. At December 31, 2021, and throughout the year ended December 31, 2021, the County's bank balances were fully covered by federal depository insurance or collateral held by the pledging financial institution's agent in the County's name.

*Investments.* The County is required by The Public Funds Investment Act ("Act") to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

During the year ended December 31, 2021, the County's only investments were in certificates of deposit with its depository bank. As of December 31, 2021, the County's investments were as indicated below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Certificates of Deposit - County Funds	\$ 1,348,507	N/A
Certificates of Deposit - Custodial Funds	724,961	N/A
Total Investments	<u>\$ 2,073,468</u>	

The amounts held by the Custodial Funds generally relate to pending lawsuits and probate cases, as well as funds held for minor children, and the Community Supervision and Corrections Department (4<sup>th</sup> Judicial District).

*Analysis of Specific Deposit and Investment Risks.* GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific deposit and investment risks at year end and if so, the reporting of certain related disclosures:

- *Interest rate risk.* This is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the County manages its exposure to interest rate risk by limiting the term of all certificates of deposit purchased to less than one year.
- *Credit risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. The County's investment policy limits its investments to certificates of deposit in its depository bank, banks domiciled in the State of Texas, or the public funds investment pool, "TexPool."

At December 31, 2021, the County's only investments were certificates of deposit and was not exposed to credit risk.

- *Concentration of credit risk.* This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As discussed above, the County's investment policy limits its investments to certificates of deposit in its depository bank, banks domiciled in the State of Texas, or the public funds investment pool "TexPool." The County was not exposed to concentration of credit risk.
- *Custodial credit risk.* Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the County's name, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

The County was not exposed to custodial credit risk.

- *Foreign currency risk.* This is the risk that exchange rates will adversely affect the fair value of an investment. The County does not engage in foreign currency transactions. The County was not exposed to foreign currency risk.

## **B. Receivables**

Receivables at December 31, 2021 for the County's individual major funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectibles, are as follows:

	General <u>Fund</u>	Road & Bridge <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	<u>Total</u>
Current Property Taxes	\$ 10,252,532	\$ 4,008,581	\$ 1,055,573	\$ 15,316,686
Delinquent Property Taxes	1,385,323	573,166	138,105	2,096,594
Due from Other Governments	38,328	-	-	38,328
Accounts	50,067	282,523	3,085	335,675
Total Gross Receivables	\$ 11,726,250	\$ 4,864,270	\$ 1,196,763	\$ 17,787,283
Less: Allowance for Uncollectible Taxes	(994,739)	(395,233)	(101,511)	(1,491,483)
Net Total Receivables	<u>\$ 10,731,511</u>	<u>\$ 4,469,037</u>	<u>\$ 1,095,252</u>	<u>\$ 16,295,800</u>

There are no significant receivables that are not scheduled for collection within one year of year-end.

Any current taxes levied and collected between October 1 and December 31 are not available for use until January 1, the beginning of the next fiscal year. Availability only affects the recognition of revenue in governmental funds. Therefore, all collections of current taxes during this period and all current taxes receivable as of December 31 are recorded as Unavailable Revenue and Deferred Revenue in the fund statements and the government-wide statements, respectively. Each of these reported amounts are listed in the Deferred Inflows section of their respective financial statements. Additionally, the County also reflects as deferred inflows of resources, monies that have been received, but not earned for grant drawdowns and deposits.

	General <u>Fund</u>	AR Plan <u>Fund</u>	Road & Bridge <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	<u>Total</u>
<u>Deferred Revenue</u>					
Advance Tax Collections	\$ 4,794,337	\$ -	\$ 1,909,340	\$ 518,909	\$ 7,222,586
Seized Funds	-	-	-	60,223	60,223
Grant Funds	-	5,283,864	-	10,591	5,294,455
Deposits	-	-	-	5,124	5,124
Total Unearned Revenue	<u>\$ 4,794,337</u>	<u>\$ 5,283,864</u>	<u>\$ 1,909,340</u>	<u>\$ 594,847</u>	<u>\$ 12,582,388</u>
<u>Unearned Deferred Revenue:</u>					
Current Property Taxes Receivable	\$ 10,252,532	\$ -	\$ 4,008,581	\$ 1,055,573	\$ 15,316,686
Less: Allowance for Uncollectible Taxes	(717,677)	-	(280,601)	(73,890)	(1,072,168)
Net Current Property Taxes Receivable	<u>\$ 9,534,855</u>	<u>\$ -</u>	<u>\$ 3,727,980</u>	<u>\$ 981,683</u>	<u>\$ 14,244,518</u>

### C. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2021, was as follows:

	Balance January 1, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2021</u>
Capital Assets Not Being Depreciated:				
Land	\$ 1,032,025	\$ -	\$ -	\$ 1,032,025
Construction in Progress	89,181	-	-	89,181
Total Capital Assets Not Being Depreciated	<u>\$ 1,121,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,121,206</u>
Capital Assets Being Depreciated:				
Buildings	\$ 27,288,226	\$ 270,135	\$ -	\$ 27,558,361
Machinery & Equipment	16,038,972	1,425,162	1,425,162	16,038,972
Infrastructure	5,175,745	-	-	5,175,745
Total Capital Assets Being Depreciated	<u>\$ 48,545,842</u>	<u>\$ 1,695,297</u>	<u>\$ 1,425,162</u>	<u>\$ 48,773,078</u>
Less Accumulated Depreciation for:				
Buildings	\$ 10,138,467	\$ 795,180	\$ -	\$ 10,933,647
Machinery & Equipment	10,832,931	1,177,619	1,307,713	10,744,405
Infrastructure	3,034,339	261,154	-	3,295,493
Total Accumulated Depreciation	<u>\$ 24,005,736</u>	<u>\$ 2,233,953</u>	<u>\$ 1,307,713</u>	<u>\$ 24,973,544</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 24,540,106</u>	<u>\$ (538,656)</u>	<u>\$ 117,449</u>	<u>\$ 23,799,534</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,661,313</u>	<u>\$ (538,656)</u>	<u>\$ 117,449</u>	<u>\$ 24,920,741</u>

Depreciation expense was charged to Functions/Programs as follows:

General Government	\$ 17,397
Judicial	17,887
Legal	2,117
Elections	1,584
Public Facilities	3,434
Public Transportation	1,908,621
Public Safety	275,403
Health and Welfare	1,457
Culture and Recreation	3,633
Conservation	2,419
Total Depreciation Expense	<u>\$ 2,233,953</u>

## D. Pension Plan

### Plan Description

The County provides retirement 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 is responsible for the administration of the statewide agent multi-employer public employee retirement system. TCDRS in the aggregate issues a comprehensive annual financial report ("CAFR") on a calendar year basis. The most recent CAFR is available at <https://www.tcdrs.org/globalassets/library/reports/2019-annual-report.pdf>.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the Fiduciary Net Position of TCDRS and additions to/deductions from TCDRS' Fiduciary Net Position have been determined on the same basis as they are reported to TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 80 or more. Members are vested after 8 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

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

### **Contributions**

Employees for the County were required to contribute 7.00% of their annual gross earnings during the fiscal year. The contribution rates for the County were 10.23% and 10.21% in calendar 2020 and 2021, respectively. The County's contributions to TCDRS for the year ended December 31, 2020 were \$1,171,498 and were equal to the required contributions.

### **Changes in Net Pension Liability**

At December 31, 2020 the County reported a net pension liability of \$10,484,969. The changes in net pension liability (asset) were as follows:

	Increase (Decrease)		
	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net Pension <u>Liability</u>
	(a)	(b)	(a) - (b)
Balance at 12/31/2019	\$ 58,958,274	\$ 51,003,185	7,955,089
Changes for the year:			
Service Cost	1,364,176	-	1,364,176
Interest	4,766,808	-	4,766,808
Change in benefit terms	-	-	-
Diff between expected/actual experience	4,238	-	4,238
Changes of assumptions	3,620,979	-	3,620,979
Contributions - employer	-	1,199,758	(1,199,758)
Contributions - employee	-	823,971	(823,971)
Net investment income	-	5,266,967	(5,266,967)
Benefit payments, including refunds of employee contributions	(3,004,443)	(3,004,443)	-
Administrative expenses	-	(40,409)	40,409
Other charges	-	(23,966)	23,966
Net changes	6,751,758	4,221,878	2,529,880
Balance at 12/31/2020	<u>\$ 65,710,032</u>	<u>\$ 55,225,063</u>	<u>\$ 10,484,969</u>

### Discount Rate Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.1%) or 1 percentage point higher (9.1%) than the current rate.

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	(7.1%)	(8.1%)	(9.1%)
Net pension liability / (asset)	\$18,846,811	\$10,484,969	\$3,505,846

### Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended December 31, 2021 the County recognized pension expenses in the amount of \$1,728,910

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Inflows/Outflows of Resources	Deferred Inflows Deferred Outflows	
	Of Resources	Of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ 30,243	\$ 137,947
Changes in actuarial assumptions	-	-
Differences between projected and actual investment earnings (net of current year amortization)	1,904,953	-
Contributions made subsequent to measurement date	-	1,171,498
Total	\$ 1,935,196	\$3,723,431

\$1,171,498 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be expense as follows:

Year ended December 31:	
2022	\$ 717,078
2023	1,125,263
2024	(990,161)
2025	(235,443)
2026	-
Thereafter	-

## E. Post-retirement Healthcare Benefits

### Plan Description

In addition to the pension benefits described in Note IV (D) above, the County provides post-retirement healthcare benefits, in accordance with County policy, to all employees hired prior to September 1, 2012 and retired on or before December 31, 2019. The plan is a single-employer plan. Employees must have eight (8) or more years of service and elect to begin receiving their annuity pension from TCDRS. Coverage terminates for both the employee and their covered dependents at age 65, when eligible for Medicare, or when covered by another group health insurance plan. Benefit provisions are established by the Commissioners' Court.

Cost to the retiree is the full amount of the current cost for dependents and 25% of the employee premium, if the individual retired prior to January 1, 2004. For individuals that retire on or after January 1, 2004, the cost is the full amount of the current cost for dependents and (a) 50% of the employee premium, if the individual retired with less than fifteen (15) years' service; (b) 35% of the employee premium, if the individual retired with fifteen (15) years but less than twenty (20) years of service; and (c) 25% of the employee premium, if the individual retired with twenty (20) years or more of service.

The retiree premium was \$607 per month for 2021.

Premiums must be paid by the 20<sup>th</sup> day of each month preceding the month of coverage, or coverage

is lost permanently. The plan does not issue a separate report. For financial reporting purposes, the retiree health plan is accounted for in the County's Health Insurance Internal Service Fund.

### Plan Membership

At the December 31, 2021 valuation date, the following employees were covered by the benefit terms:

	<u>12/31/2021</u>
Inactive employees currently receiving benefits:	4
Active employees	-
	<u>4</u>

### Funding Policy

The County is funding the plan on a "pay as you go" basis. During the year ended December 31, 2021, expenses of \$33,703, net of premiums received from retirees, were recognized for post-retirement healthcare.

### Total OPEB Liability

The following table shows the components of the County's annual OPEB liability and the changes for the year:

	Increase (Decrease) Total OPEB <u>Liability</u> (a)
Balance at 12/31/2020	\$ 124,325
Changes for the year:	
Service Cost	-
Interest	2,278
Change in benefit terms	-
Diff between expected/actual experience	(2,803)
Changes of assumptions	98
Contributions - employer	-
Net investment income	-
Benefit payments, including refunds of employee contributions	(33,703)
Administrative expenses	-
Other charges	-
Net changes	<u>(34,130)</u>
Balance at 12/31/2021	<u>\$ 90,195</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the County, calculated using the discount rate of 2.06%, as well as what the County’s total OPEB liability would have been if it were calculated using a discount rate that is 1 percentage point lower 1.06% or 1 percentage point higher 3.06% than the current rate.

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	(1.06%)	(2.06%)	(3.06%)
Net OPEB liability	\$91,720	\$90,195	\$88,719

**OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB**

For the year ended December 31, 2021, the County recognized OPEB expense in the amount of (\$427.)

<u>Total OPEB Expense</u>	<u>FY2021</u>
Service Cost	-
Interest	2,278
Change in benefit terms	-
Diff between expected/actual experience	(2,803)
Changes of assumptions	98
Administrative expenses	-
Other charges	-
Total OPEB Expense	<u>\$ (427)</u>

**Actuarial Valuation Information**

Actuarial valuation of the plan involves estimates of the value of reported amounts and assumptions of the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare costs trend. Amounts determined regarding the funded status of the program and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the latest actuarial valuation, as of December 31, 2021 the projected unit cost method was used. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability. If experience is in accordance with the assumptions used, ARC will increase at approximately the same rate as active member payroll, and the ARC as a percentage of payroll will remain basically level on a year-to-year basis. The actuarial assumptions include a 4% discount rate (1.00% real rate of return plus 3.00% inflation) and an annual healthcare cost trend of 7.50% initially, reduced by decrements to an ultimate rate of 5%. The investment rate of return was assumed to be 0%, because the plan has no assets. There are no planned post-retirement benefit increases. The remaining amortization period on an open basis at January 1, 2014, was 30 years.

## F. Risk Management

Rusk 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 for which the County carries commercial insurance. There have been no significant reductions in insurance coverages during the year ended December 31, 2020. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three (3) years.

Rusk County is a member of the Texas Association of Counties (TAC) Risk Management Pool, a public entity risk pool participating in Public Official and Law Enforcement Liability coverages. The pool is authorized by Chapter 119, Local Government Code, and provides coverage through an interlocal agreement (The Interlocal Cooperation Act - Chapter 791, Texas Government Code). The interlocal agreement provides that the TAC pool will be self-sustaining through member premiums and will reinsure through commercial insurance companies for claims in excess of \$500,000 for each insured event. Premiums paid to the pool during 2020 have been reported as expenditures in the general fund and special revenue funds.

During the year ended December 31, 2021, employees of the County were covered by a fully insured health insurance plan (the Plan). The County contributed \$925 per month per employee to the Plan, and employees, at their option, authorized payroll withholding to pay contributions for their dependents. All contributions were paid to an internal service fund maintained by the County. The internal service fund paid premiums to the Texas Association of Counties to provide for health insurance coverage for employees, dependents, and retirees.

## G. Leases

*Operating Leases.* Rusk County is obligated under certain leases for equipment accounted for as operating leases. General revenues of the General Fund will be used to pay these leases. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one (1) year as of December 31, 2021.

Year Ending December 31	Governmental Activities
2022	1,666
Total minimum lease payments	<u>\$ 1,666</u>

Total cost for these leases for the year ended December 31, 2021 was \$3,718.

## H. Long-term debt

### Certificates of Obligation

On August 8, 2016, the Commissioners’ Court authorized the issuance of \$7,115,000 in general obligation refunding bonds to advance refund a portion of the County’s Series 2008 certificates of obligation. The net proceeds of \$7,745,277 (including a premium of \$785,570 and after underwriting fees and other issuance costs of \$155,209) was deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2008 bonds. As a result, those bonds are considered to be defeased and the liability for those bonds has been removed from the County’s Government-wide Statement of Net Position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$75,331. This difference, reported in the accompanying financial statements as deferred outflows of resources as unamortized deferred amount on refunding is being charted to interest through the year 2023 on a straight-line basis. The County completed the advance refunding to reduce its total debt service payments through 2023 years by \$816,462 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$722,186.

Annual debt service requirements to maturity for the certificates of obligation are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2022	1,255,000	77,500	1,332,500
2023	1,310,000	26,200	1,336,200
<b>Total</b>	<b>\$ 2,565,000</b>	<b>\$ 103,700</b>	<b>\$ 2,668,700</b>

The Tax Reform Act of 1986 (“Act”) substantially revised the treatment to be afforded to earnings on the proceeds of tax-exempt debt. The County is required to calculate and remit any rebatable arbitrage earnings attributable to the 2008 certificates of obligation to the Internal Revenue Service. As of December 31, 2021, the County had no arbitrage rebate liability.

### Capital Leases

The County has entered into various lease agreements as the lessee for financing the acquisition of vehicles and equipment for the Road and Bridge Department. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The total amount of equipment capitalized from leases was \$630,172. Interest rates on the capital leases range from 2.4%-3.2%.

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities
Machinery & Equipment	\$ 297,190
Less: Accumulated Depreciation	(112,702)
Total	<u>\$ 184,488</u>

Depreciation expense on assets under capital lease for the year ended December 31, 2021 was \$49,516.

Annual debt service requirements to maturity for the capital leases are as follows:

Year Ending December 31	Principal	Interest	Total Requirements
2022	142,565	11,344	153,909
2023	107,866	7,131	114,997
2024	92,949	4,249	97,198
2025	86,193	2,112	88,305
Total	<u>\$ 429,574</u>	<u>\$ 24,835</u>	<u>\$ 454,409</u>

#### Changes in Long-Term Debt

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year
2016 Refunding Bonds	\$ 3,775,000	\$ -	\$ 1,210,000	\$ 2,565,000	\$ 1,255,000
Add: Premium on Issuance	258,542	-	119,327	139,215	-
Net Certificates of Obligation	\$ 4,033,542	-	\$ 1,329,327	\$ 2,704,215	\$ 1,255,000
OPEB Liability	124,325	-	34,130	90,195	-
Net Pension Liability	7,955,088	2,529,880	-	10,484,968	-
Capital Leases	106,501	415,579	92,506	429,574	142,565
Compensated Absences	163,419	1,219	23,665	140,973	27,231
Total Governmental Activity					
Long-Term Liabilities	<u>\$ 12,382,875</u>	<u>\$ 2,946,678</u>	<u>\$ 1,479,628</u>	<u>\$ 13,849,925</u>	<u>\$ 1,424,796</u>

Compensated absences, the OPEB liability, and net pension liability will be liquidated by the County's General Fund or Road and Bridge Fund, depending upon which fund records the employee's salary. The liability for capital assets will be liquidated by the Road and Bridge Fund.

## I. Governmental Fund Balances

Components of nonspendable fund balance and specific purposes for restricted fund balances as of December 31, 2021 are as follows:

	<u>Major Special Revenue</u>				<u>Total</u>
	<u>General</u>	<u>Road &amp; Bridge</u>	<u>AR Plan</u>	<u>Other</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	
Nonspendable:					
Prepaid Items	\$ 4,745	\$ 57,399	\$ -	\$ -	\$ 62,144
Permanent Fund Principal	-	-	-	66,494	66,494
Restricted:					
County Roads & Bridges	-	2,707,926	-	-	2,707,926
Airport Property	-	-	-	1,329,684	1,329,684
Law Library	-	-	-	68,325	68,325
County Officials' Offices	-	-	-	1,082,034	1,082,034
Indigent Health Care Services	-	-	-	2,508,473	2,508,473
Juvenile Services	-	-	-	35,475	35,475
General Obligation Debt	-	-	-	1,794,772	1,794,772
Cemetery Maintenance	-	-	-	161	161
District Probation	-	-	-	134,460	134,460
American Rescue Funds	-	-	6,916	-	6,916
Water Supply Grant	-	-	-	3,025	3,025
Assigned:	3,103,381	-	-	-	3,103,381
Unassigned	11,734,479	-	-	-	11,734,479
<b>Total Fund Balances</b>	<b>\$ 14,842,605</b>	<b>\$ 2,765,325</b>	<b>\$ 6,916</b>	<b>\$ 7,022,903</b>	<b>\$ 24,637,749</b>

## J. Interfund Balances and Activities

### 1. Transfers to and From Other Funds

	<u>Transfer In:</u>		
	<u>General</u>	<u>Nonmajor</u>	<u>Overall</u>
	<u>Fund</u>	<u>Governmental</u>	<u>Totals</u>
		<u>Funds</u>	
		(Juvenile)	
<u>Transfer Out:</u>			
General Fund	\$(135,000)	\$ 120,000	\$ (15,000)
Road & Bridge Fund	15,000	-	15,000
<b>Total</b>	<b>\$(120,000)</b>	<b>\$ 120,000</b>	<b>\$ -</b>

The purpose of these transfers was to supplement revenue.

2. Due To and From Other Funds

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
Officials Fund	General Fund	\$ 228	Supplement Funds

**K. Tax Abatements**

As of December 31, 2021, the County did not provide any tax abatements.

**L. Contingencies and Commitments**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial. The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

Rusk County, Texas  
Schedule of Changes in Net Pension Liability and Related Ratios  
For the Year Ended December 31, 2021

	Plan Year Ended December 31,						
	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 1,364,176	\$ 1,317,400	\$ 1,334,088	\$ 1,394,187	\$ 1,402,367	\$ 1,299,717	\$ 1,265,726
Interest (on the total pension liability)	4,766,808	4,532,375	4,257,598	4,128,704	3,865,500	3,639,457	3,446,888
Changes of benefit terms	-	-	-	-	-	(163,823)	-
Difference between expected and actual experience	4,238	(60,487)	540,491	(1,119,324)	(270,583)	671,526	-
Changes of assumptions	-	-	-	(164,034)	-	(160,279)	(332,432)
Benefit payments, including refunds of employee contributions	3,620,979	(3,004,442)	(2,570,801)	(2,604,843)	(2,309,912)	(2,285,289)	(2,252,086)
<b>Net Change in Total Pension Liability</b>	<b>6,751,759</b>	<b>2,907,674</b>	<b>3,561,376</b>	<b>1,634,690</b>	<b>2,687,372</b>	<b>3,001,309</b>	<b>2,128,097</b>
<b>Total Pension Liability - Beginning</b>	<b>58,958,274</b>	<b>56,050,600</b>	<b>52,489,224</b>	<b>50,854,534</b>	<b>48,167,162</b>	<b>45,165,853</b>	<b>43,037,756</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 65,710,033</b>	<b>\$ 58,958,274</b>	<b>\$ 56,050,600</b>	<b>\$ 52,489,224</b>	<b>\$ 50,854,534</b>	<b>\$ 48,167,162</b>	<b>\$ 45,165,853</b>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 1,199,756	\$ 1,018,925	\$ 986,284	\$ 935,394	\$ 990,136	\$ 973,204	\$ 929,203
Contributions - employee	823,971	788,112	769,670	756,960	754,395	722,961	719,526
Net investment income	5,266,967	7,356,107	(876,021)	6,036,414	2,892,978	256,853	2,562,436
Benefit payments, including refunds of employee contributions	(3,004,442)	(2,881,614)	(2,570,801)	(2,604,843)	(2,309,912)	(2,285,289)	(2,252,086)
Administrative expense	(40,409)	(38,866)	(35,974)	(30,947)	(31,484)	(28,253)	(29,640)
Other	(23,966)	(27,087)	(19,602)	(14,922)	2,147	128,486	(112,261)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>4,221,877</b>	<b>6,215,577</b>	<b>(1,746,444)</b>	<b>5,078,056</b>	<b>2,298,260</b>	<b>(232,038)</b>	<b>1,817,178</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>51,003,186</b>	<b>44,787,609</b>	<b>46,534,053</b>	<b>41,455,997</b>	<b>39,157,737</b>	<b>39,389,775</b>	<b>37,572,597</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 55,225,062</b>	<b>\$ 51,003,186</b>	<b>\$ 44,787,609</b>	<b>\$ 46,534,053</b>	<b>\$ 41,455,997</b>	<b>\$ 39,157,737</b>	<b>\$ 39,389,775</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 10,484,971</b>	<b>\$ 7,955,088</b>	<b>\$ 11,262,991</b>	<b>\$ 5,955,171</b>	<b>\$ 9,398,537</b>	<b>\$ 9,009,425</b>	<b>\$ 5,776,077</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>84.04%</b>	<b>86.51%</b>	<b>79.91%</b>	<b>88.65%</b>	<b>81.52%</b>	<b>81.30%</b>	<b>87.21%</b>
<b>Covered Payroll</b>	<b>\$ 11,727,871</b>	<b>\$ 10,995,282</b>	<b>\$ 10,813,720</b>	<b>\$ 10,777,075</b>	<b>\$ 10,328,011</b>	<b>\$ 9,927,337</b>	<b>\$ 9,948,462</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>89.40%</b>	<b>72.35%</b>	<b>104.15%</b>	<b>55.26%</b>	<b>91.00%</b>	<b>90.75%</b>	<b>58.06%</b>

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

Rusk County, Texas  
Schedule of Contributions  
For the Year Ended December 31, 2021

	Fiscal Year Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,171,498	\$ 1,199,759	\$ 1,018,925	\$ 986,284	\$ 935,394	\$ 990,136	\$ 972,899	
Contributions in relation to actuarially determined contribution	1,171,498	(1,199,759)	(1,018,925)	(986,284)	(935,394)	(990,136)	(972,899)	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 11,473,488	\$ 11,727,871	\$ 11,261,108	\$ 10,995,651	\$ 10,813,720	\$ 10,777,075	\$ 10,328,011	
Contributions as a percentage of covered payroll	10.21%	10.23%	9.08%	8.97%	8.65%	9.19%	9.42%	

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

Rusk County, Texas  
Notes to the Schedule of Contributions  
For the Year Ended December 31, 2021

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<b>Valuation Date:</b>	Actuarially determined contribution rates are calculated as of December 31 and become effective January 13 months later
<b>Methods and Assumptions Used to Determine Contribution Rates:</b>	
Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20.0 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset Valuation Method	5-yr smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment Rate of Return	7.5%, net of investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
<b>Other Information:</b>	There were no benefit changes during the year.

Rusk County, Texas  
 Schedule of Changes in Net Pension Liability and Related Ratios  
 For the Year Ended December 31, 2021

	Plan Year Ended December 31,		
	2021	2020	2019
<b>Total OPEB Liability</b>			
Service cost	\$ -	\$ -	\$ 75,750
Interest (on the total pension liability)	2,278	4,055	86,002
Changes of benefit terms	-		(1,840,404)
Difference between expected and actual experience	(2,803)	-	(139,345)
Change of assumptions	98	(11,341)	(20,061)
Benefit payments, including refunds of employee contributions	(33,703)	(32,733)	(38,907)
<b>Net Change in Total OPEB Liability</b>	<b>(34,130)</b>	<b>(40,019)</b>	<b>(1,876,965)</b>
<b>Total OPEB Liability - Beginning</b>	<b>124,325</b>	<b>164,344</b>	<b>2,041,309</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 90,195</b>	<b>\$ 124,325</b>	<b>\$ 164,344</b>
<b>Covered Payroll</b>	n/a	n/a	n/a
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	n/a	n/a	n/a

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

Rusk County, Texas  
 Schedule of Contributions  
 For the Year Ended December 31, 2021

	Fiscal Year Ended December 31,		
	2021	2020	2019
Actuarially determined contribution	\$ 33,703	\$ 37,862	\$ 38,907
Contributions in relation to actuarially determined contribution	<u>(33,703)</u>	<u>(37,862)</u>	<u>(38,907)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	n/a	n/a	n/a
Contributions as a percentage of covered payroll	n/a	n/a	n/a

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

Rusk County, Texas  
Notes to the Schedule of Contributions  
For the Year Ended December 31, 2021

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<b>Valuation Date:</b>	December 31, 2021
<b>Methods and Assumptions Used to Determine Contribution Rates:</b>	
Actuarial Cost Method	Entry age
Amortization Method	Individual Entry Age Normal Cost Method - Level Percentage of Projected Salary
Asset Valuation Method	The plan is not prefunded.
Discount Rate	2.06% (-.44% real rate of return plus 2.5% inflation)
Healthcare Cost Trend Rates	4.50%
Eligibility	The earlier of a) age 60 with 8 years of service or b) the sum of age plus service equals 75 with 8 years of service. Must be hired prior to September 1, 2012 and retired on or before December 31, 2019.
Mortality	RPH-2014 Total Table with Projection MP-2021
Other Information:	Dental benefits are provided with the medical plan on the same cost sharing basis.
Change in Plan Provisions:	None.

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**COMBINING AND INDIVIDUAL  
FUND FINANCIAL STATEMENTS  
AND SCHEDULES**

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## Governmental Funds

### General Fund

*General Fund*-This fund is used to account for resources traditionally associated with government, which are not required to be accounted for in another fund. **(Major Fund)**

### Special Revenue Funds

To account for specific revenues that are legally restricted to expenditures for particular purposes.

*Road and Bridge Fund*-This fund is used to account for monies designated for use in road and bridge work of the County. Primary sources of revenues include ad valorem taxes, automobile registration fees, County and District Court Clerk fees, Justice of the Peace Court Fines, and State allotments of road funds. Revenues are used for public transportation maintenance and construction purposes. **(Major Fund)**

*Airport Fund*-Revenues and operational expenditures of the Rusk County Airport property are accounted for in this fund.

*Law Library Fund*-A portion of fines levied by the courts are specifically designated for law library purchases. This fund is used to account for those revenues and expenditures.

*Rusk County Officials' Fund*- This fund is utilized to account for fees, fines, and seizures that are restricted as to their expenditure. Funds may only be used for certain specific expenditures in County Officials' offices.

*Human Services Fund*-Indigent health care revenue and expenditures are accounted for in this fund. State law requires up to 8% of a County's general revenue tax levy be made available for mandatory health care services for eligible, indigent County residents.

*Juvenile Services Fund*-4th Judicial District-This fund is used to account for the revenues and expenditures associated with the supervision and administration of juvenile probationers reportable to the 4th Judicial District jurisdiction. Financing is provided by the State. The County provides fiscal services.

*Water Supply Grant Fund*- This fund is used to account for the proceeds of U.S. Department of Housing and Urban Development grants passed through the Texas Department of Rural Community Affairs. The grant funds are utilized to drill new wells for County Water Supply Corporations.

*District Probation Fund*-This fund is used to account for the revenues and expenditures associated with the supervision and administration of adult probationers. Financing is provided by the State.

*American Rescue Plan Fund*-This fund is used to account for the American Rescue Plan recovery funds received from the U.S. Treasury. These funds are to be used according to the U.S. Treasury Department's Final Rule defining acceptable uses for American Rescue Plan Recovery Funds. **(Major Fund)**

*Election CARES Grant Fund*-This fund is used to account for the proceeds of the U.S. Treasury passed through the Texas Secretary of State. The 2020 HAVA CARES Act grant funds are used for expenses related to the election and COVID-19 pandemic.

## **Debt Service Fund**

*Debt Service Fund*-This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

## **Permanent Funds**

To report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's programs - that is, for the benefit of the County or its citizenry.

*Available School Fund*-This fund is used to account for investment earnings on a fixed investment. Expenditures are made periodically to County Independent School Districts on a per capita basis.

*Cemetery Trust Fund*-This fund is used to account for the investment earnings on a fixed investment. The fund was established by donations from private citizens. Expenditures are made to maintain the McNeil and Irwin Cemeteries in the County.

## **Proprietary Funds**

### **Internal Service Fund**

To account for the financing of services provided by one department to other departments of the County on a cost reimbursement basis.

*Health Insurance Fund*-This fund is used to account for the collection of payments by the County and its employees for health insurance premiums and the payment of premiums to the County's health insurance provider.

## **Fiduciary Funds**

### **Custodial Funds**

*Tax Assessor-Collector Fund*-This fund is used to account for assets held by the Tax Assessor-Collector related to ad valorem taxes. The portion of these collections designated for Rusk County flow through to the General or Special Revenue Funds as the character of the collections dictate. Collections for other local governments or the State are remitted to them.

*County Clerk Fund*-This fund is used to account for assets held by the County Clerk related to criminal bonds, probate, and guardianship cases. Court costs and probate assets are held pending final disposition by the Court.

*District Clerk Fund*-This fund is used to account for assets held by the District Clerk related to receiverships, bonds, and settlement funds. Once the owner of the funds is located or becomes of age, the funds are disbursed.

*Sheriff Fund*-The Sheriff collects monies for other County jurisdictions, other local governments, and fees of office. Fees of office are remitted to the General or Special Revenue Fund as appropriate. Monies collected for other jurisdictions or governments are remitted directly to those entities.

*Adult Probation Fund*-Restitution payments are accounted for in this fund. Monies collected for others are remitted directly to them as intended.

*Juvenile Probation Fund*-This fund is used to account for restitution payments by juvenile probationers and remits those collections to the damaged party.

Rusk County, Texas  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2021

	<u>Permanent Funds</u>					Total Nonmajor Governmental Funds
	Special Revenue Funds	Debt Service Fund	Available School Fund	Cemetery Trust Fund	Total Permanent Funds	
<b><u>Assets</u></b>						
Cash	\$ 5,330,362	\$ 2,316,958	\$ 51,494	\$ 15,161	\$ 66,655	\$ 7,713,976
Receivables: (net of allowances for uncollectibles):						
Property Taxes	-	1,092,167	-	-	-	1,092,167
Accounts	3,085	-	-	-	-	3,085
Due from Other Funds	228	-	-	-	-	228
Total Assets	<u>\$ 5,333,675</u>	<u>\$ 3,409,126</u>	<u>\$ 51,494</u>	<u>\$ 15,161</u>	<u>\$ 66,655</u>	<u>\$ 8,809,456</u>
<b><u>Liabilities</u></b>						
Accounts Payable	\$ 96,261	\$ 3,277	\$ -	\$ -	\$ -	\$ 99,538
Total Liabilities	<u>\$ 96,261</u>	<u>\$ 3,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,538</u>
<b><u>Deferred Inflows of Resources</u></b>						
Unavailable Revenue - Advance Tax	\$ -	\$ 518,909	\$ -	\$ -	\$ -	\$ 518,909
Unavailable Revenue - Other	75,938	-	-	-	-	75,938
Unavailable Revenue - Tax Revenue	-	1,092,167	-	-	-	1,092,167
Total Deferred Inflows of Resources	<u>\$ 75,938</u>	<u>\$ 1,611,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,687,014</u>
<b><u>Fund Balances</u></b>						
Nonspendable	\$ -	\$ -	\$ 51,494	\$ 15,000	\$ 66,494	\$ 66,494
Restricted	5,161,477	1,794,772	-	161	161	6,956,409
Total Fund Balances	<u>\$ 5,161,477</u>	<u>\$ 1,794,772</u>	<u>\$ 51,494</u>	<u>\$ 15,161</u>	<u>\$ 66,655</u>	<u>\$ 7,022,903</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,333,675</u>	<u>\$ 3,409,126</u>	<u>\$ 51,494</u>	<u>\$ 15,161</u>	<u>\$ 66,655</u>	<u>\$ 8,809,456</u>

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

Rusk County, Texas  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2021

	<u>Permanent Funds</u>					Total Nonmajor Governmental Funds
	Special Revenue Funds	Debt Service Fund	Available School Fund	Cemetery Trust Fund	Total Permanent Funds	
<b>Revenues:</b>						
Ad Valorem Taxes	\$ 100,000	\$ 1,555,619	\$ -	\$ -	\$ -	\$ 1,655,619
Intergovernmental	852,961	-	-	-	-	852,961
Fees	690,575	-	-	-	-	690,575
Fines and Forfeitures	3,793	-	-	-	-	3,793
Miscellaneous	117,334	4,159	129	38	167	121,660
<b>Total Revenues</b>	<b>\$ 1,764,663</b>	<b>\$ 1,559,778</b>	<b>\$ 129</b>	<b>\$ 38</b>	<b>\$ 167</b>	<b>\$ 3,324,608</b>
<b>Expenditures:</b>						
Current:						
General Government	\$ -	\$ -	\$ 129	\$ -	\$ 129	\$ 129
Judicial	29,439	-	-	-	-	29,439
Legal	16,965	-	-	-	-	16,965
Elections	-	-	-	-	-	-
Public Facilities	243,550	-	-	250	250	243,800
Public Safety	835,399	-	-	-	-	835,399
Public Transportation	632,533	-	-	-	-	632,533
Health and Welfare	16,429	-	-	-	-	16,429
Capital Outlay:						
Public Transportation	286,005	-	-	-	-	286,005
Debt Service:						
Principal	-	1,210,000	-	-	-	1,210,000
Interest	-	128,437	-	-	-	128,437
<b>Total Expenditures</b>	<b>\$ 2,060,321</b>	<b>\$ 1,338,437</b>	<b>\$ 129</b>	<b>\$ 250</b>	<b>\$ 379</b>	<b>\$ 3,399,137</b>
Excess (Deficiency) of Revenues over Expenditures	\$ (295,657)	\$ 221,341	\$ (0)	\$ (212)	\$ (212)	\$ (74,529)
<b>Other Financing Sources (Uses):</b>						
Transfers In	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ 120,000
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 120,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ (175,657)</b>	<b>\$ 221,341</b>	<b>\$ (0)</b>	<b>\$ (212)</b>	<b>\$ (212)</b>	<b>\$ 45,471</b>
Fund Balances - Beginning	5,337,133	1,573,431	51,494	15,373	66,867	6,977,431
<b>Fund Balances - Ending</b>	<b>\$ 5,161,476</b>	<b>\$ 1,794,772</b>	<b>\$ 51,494</b>	<b>\$ 15,161</b>	<b>\$ 66,655</b>	<b>\$ 7,022,903</b>

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

Rusk County, Texas  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021

	Law Library Fund	Rusk County Officials' Fund	Human Services Fund	Juvenile Services Fund	Airport Fund	District Probation Fund	Water Supply Grant Fund	Election CARES Fund	Total
<b><u>Assets</u></b>									
Cash	\$ 69,213	\$ 1,146,344	\$ 2,508,851	\$ 46,006	\$ 1,377,562	\$ 135,565	\$ -	\$ 46,822	\$ 5,330,362
Due from Other Funds	-	228	-	-	-	-	-	-	228
Receivables:									
Accounts	-	-	-	60	-	-	3,025	-	3,085
Total Assets	<u>\$ 69,213</u>	<u>\$ 1,146,572</u>	<u>\$ 2,508,851</u>	<u>\$ 46,066</u>	<u>\$ 1,377,562</u>	<u>\$ 135,565</u>	<u>\$ 3,025</u>	<u>\$ 46,822</u>	<u>\$ 5,333,675</u>
<b><u>Liabilities</u></b>									
Accounts Payable	\$ 888	\$ 4,315	\$ 377	\$ -	\$ 42,754	\$ 1,105	\$ -	\$ 46,822	\$ 96,261
Due to Other Funds	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>\$ 888</u>	<u>\$ 4,315</u>	<u>\$ 377</u>	<u>\$ -</u>	<u>\$ 42,754</u>	<u>\$ 1,105</u>	<u>\$ -</u>	<u>\$ 46,822</u>	<u>\$ 96,261</u>
<b><u>Deferred Inflows of Resources</u></b>									
Unavailable Revenue - Other	\$ -	\$ 60,223	\$ -	\$ 10,591	\$ 5,124	\$ -	\$ -	\$ -	75,938
Total Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ 60,223</u>	<u>\$ -</u>	<u>\$ 10,591</u>	<u>\$ 5,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>75,938</u>
<b><u>Fund Balances</u></b>									
Restricted	\$ 68,325	\$ 1,082,034	\$ 2,508,474	\$ 35,475	\$ 1,329,684	\$ 134,460	\$ 3,025	\$ -	\$ 5,161,477
Total Fund Balances	<u>\$ 68,325</u>	<u>\$ 1,082,034</u>	<u>\$ 2,508,474</u>	<u>\$ 35,475</u>	<u>\$ 1,329,684</u>	<u>\$ 134,460</u>	<u>\$ 3,025</u>	<u>\$ -</u>	<u>\$ 5,161,477</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 69,213</u>	<u>\$ 1,146,572</u>	<u>\$ 2,508,851</u>	<u>\$ 46,066</u>	<u>\$ 1,377,562</u>	<u>\$ 135,565</u>	<u>\$ 3,025</u>	<u>\$ 46,822</u>	<u>\$ 5,333,675</u>

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

Rusk County, Texas  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021

	Law Library Fund	Rusk County Officials' Fund	Human Services Fund	Juvenile Services Fund	Water Supply Grant Fund	Airport Fund	District Probation Fund	Totals
<b>Revenues:</b>								
Ad Valorem Taxes	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Intergovernmental	-	8,010	-	382,181	246,575	54,719	161,476	852,961
Fees	26,424	169,647	-	740	-	320,010	173,754	690,575
Fines and Forfeitures	-	3,793	-	-	-	-	-	3,793
Miscellaneous	151	3,449	6,194	154	-	107,262	126	117,334
<b>Total Revenues</b>	<b>\$ 26,574</b>	<b>\$ 184,900</b>	<b>\$ 106,194</b>	<b>\$ 383,075</b>	<b>\$ 246,575</b>	<b>\$ 481,991</b>	<b>\$ 335,355</b>	<b>\$ 1,764,664</b>
<b>Expenditures:</b>								
Current:								
Judicial	-	29,439	-	-	-	-	-	29,439
Legal	13,037	3,928	-	-	-	-	-	16,965
Public Facilities	-	-	-	-	243,550	-	-	243,550
Public Safety	-	17,526	-	502,433	-	-	315,441	835,399
Public Transportation	-	-	-	-	-	632,533	-	632,533
Health and Welfare	-	-	16,429	-	-	-	-	16,429
Capital Outlay:								
Public Transportation	-	-	-	-	-	286,005	-	286,005
<b>Total Expenditures</b>	<b>\$ 13,037</b>	<b>\$ 50,893</b>	<b>\$ 16,429</b>	<b>\$ 502,433</b>	<b>\$ 243,550</b>	<b>\$ 918,538</b>	<b>\$ 315,441</b>	<b>\$ 2,060,321</b>
Excess (Deficiency) of Revenues over Expenditures	\$ 13,537	\$ 134,007	\$ 89,764	\$ (119,357)	\$ 3,025	\$ (436,548)	\$ 19,915	\$ (295,657)
<b>Other Financing Sources (Uses):</b>								
Transfers In	\$ -	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,000</b>
Net Change in Fund Balances	\$ 13,537	\$ 134,007	\$ 89,764	\$ 643	\$ 3,025	\$ (436,548)	\$ 19,915	\$ (175,657)
Fund Balances - Beginning	54,787	948,027	2,418,710	34,832	-	1,766,231	114,545	5,337,133
<b>Fund Balances - Ending</b>	<b>\$ 68,325</b>	<b>\$ 1,082,034</b>	<b>\$ 2,508,474</b>	<b>\$ 35,475</b>	<b>\$ 3,025</b>	<b>\$ 1,329,684</b>	<b>\$ 134,460</b>	<b>\$ 5,161,476</b>

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

Rusk County, Texas  
General Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget (Budgetary Basis) and Actual  
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Ad Valorem Taxes:				
Current Taxes	\$ 13,271,841	\$ 13,271,841	\$ 12,768,671	\$ (503,170)
Delinquent Taxes	250,000	250,000	681,878	431,878
Interest and Penalty	200,000	200,000	171,825	(28,175)
Other Taxes:				
Liquor Drink Tax	10,500	10,500	20,230	9,730
Intergovernmental	86,320	86,320	195,383	109,063
Fees	1,548,384	1,549,384	1,782,412	233,028
Fines and Forfeitures	475,000	475,000	439,672	(35,328)
Miscellaneous:				
Interest	500,000	500,000	56,220	(443,780)
Other	170,600	170,600	468,936	298,336
<b>Total Revenues</b>	<b>\$ 16,512,645</b>	<b>\$ 16,513,645</b>	<b>\$ 16,585,227</b>	<b>\$ 71,582</b>
<b>Expenditures:</b>				
Current:				
General Government:				
County Judge	\$ 265,357	\$ 266,257	\$ 229,236	\$ 37,021
Commissioners' Court	348,253	348,253	345,042	3,211
County Clerk	679,321	686,821	638,011	48,810
Veterans' Service	98,351	98,401	86,613	11,788
Emergency Management	50,314	50,814	15,656	35,158
Information Technology	138,326	144,326	114,764	29,562
Judicial:				
County Court-at-Law	384,503	381,533	347,456	34,077
District Court	245,481	246,395	216,021	30,374
Justice of the Peace Court	101,600	101,600	93,582	8,018
District Clerk	580,110	585,110	572,842	12,268
Justices of the Peace	756,632	756,882	745,439	11,443
All Courts	1,052,198	969,633	531,828	437,805
Legal:				
District Attorney	708,096	715,096	645,246	69,850
Elections	259,407	261,932	203,388	58,544
Financial Administration:				
County Auditor	262,380	263,680	261,396	2,284
County Treasurer	202,167	205,506	205,256	250
Tax Assessor-Collector	1,600,288	1,614,299	1,492,459	121,840
Public Facilities:				
Maintenance	614,301	614,301	535,231	79,070

Rusk County, Texas  
General Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget (Budgetary Basis) and Actual  
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Safety:				
Jail	2,514,204	2,709,933	2,615,458	94,475
Constables	318,401	323,906	314,143	9,763
Sheriff	3,408,572	3,462,889	3,319,662	143,227
Juvenile Board	63,146	63,146	62,272	874
Highway Patrol	113,802	113,802	94,659	19,143
Health and Welfare:				
County Health	107,806	107,707	100,950	6,757
Public Health	125,000	125,099	88,969	36,130
County Welfare	6,825	6,825	4,915	1,910
Ambulance and Sanitation	340,028	344,944	317,488	27,456
Mental Health	18,000	18,000	-	18,000
Juvenile Room and Board	42,000	42,000	37,211	4,789
Culture and Recreation:				
Library Complex	1,034,864	1,048,990	971,920	77,070
Depot/Children's Discovery Center	198,998	201,996	183,235	18,761
Conservation:				
Agriculture and Home Demo	195,155	196,355	194,963	1,392
Nondepartmental	855,700	831,508	668,341	163,167
Capital Outlay:				
General Government:				
County Judge	2,000	1,100	-	1,100
County Clerk	7,500	7,500	-	7,500
Veterans' Service	24,300	24,250	-	24,250
Emergency Management	13,500	13,000	-	13,000
Information Technology	6,000	6,000	-	6,000
Judicial:				
County Court-at-Law	1,500	4,470	4,470	-
District Court	1,000	86	-	86
District Clerk	5,000	5,000	-	5,000
Legal:				
District Attorney	7,000	7,000	-	7,000
Elections	27,000	24,475	24,475	-
Financial Administration:				
County Auditor	6,000	4,700	-	4,700
County Treasurer	-	-	-	-
Tax Assessor-Collector	2,000	1,286	1,286	-
Public Facilities:				
Maintenance	43,250	43,250	4,800	38,450
Public Safety:				

Rusk County, Texas  
General Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget (Budgetary Basis) and Actual  
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
Jail	20,000	20,743	20,743	-
Sheriff	130,000	81,660	61,660	20,000
Highway Patrol	-	-	-	-
Health and Welfare:				
County Welfare	-	-	-	-
Ambulance and Sanitation	10,000	12,084	-	12,084
Culture and Recreation:				
Library Complex	10,000	7,554	6,765	788
Depot/Children's Discovery Center	7,000	4,002	-	4,002
Conservation:				
Agriculture and Home Demo	1,200	1,200	-	1,200
Nondepartmental	400,000	400,000	48,988	351,012
<b>Total Expenditures</b>	<b>\$ 18,413,836</b>	<b>\$ 18,577,298</b>	<b>\$ 16,426,841</b>	<b>\$ 2,150,457</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ (1,901,191)</b>	<b>\$ (2,063,653)</b>	<b>\$ 158,386</b>	<b>\$ 2,222,039</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Transfers out	(120,000)	(120,000)	(120,000)	-
Sale of Capital Assets	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (105,000)</b>	<b>\$ (105,000)</b>	<b>\$ (105,000)</b>	<b>\$ -</b>
<b>Net Change in Fund Balances</b>	<b>\$ (2,006,191)</b>	<b>\$ (2,168,653)</b>	<b>\$ 53,386</b>	<b>\$ 2,222,039</b>
<b>Fund Balances - Beginning</b>	<b>14,789,219</b>	<b>14,789,219</b>	<b>14,789,219</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 12,783,028</b>	<b>\$ 12,620,566</b>	<b>\$ 14,842,605</b>	<b>\$ 2,222,039</b>

Rusk County, Texas  
Road and Bridge Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Ad Valorem Taxes:				
Current Taxes	\$ 5,683,655	\$ 5,683,655	\$ 5,563,396	\$ (120,259)
Delinquent Taxes	105,000	105,000	289,972	184,972
Interest and Penalty	80,000	80,000	134,614	54,614
Intergovernmental	-	-	912,625	912,625
Fees	890,000	890,000	900,276	10,276
Fines and Forfeitures	250,000	250,000	208,500	(41,500)
Miscellaneous:				
Interest	150,000	150,000	13,879	(136,121)
Other	800	800	880	80
<b>Total Revenues</b>	<b>\$ 7,159,455</b>	<b>\$ 7,159,455</b>	<b>\$ 8,024,141</b>	<b>\$ 864,686</b>
<b>Expenditures:</b>				
Current:				
Public Transportation:				
Precinct #1	\$ 1,252,189	\$ 1,412,043	\$ 1,329,843	\$ 82,199
Precinct #2	1,139,118	1,334,551	1,201,816	132,735
Precinct #3	1,838,954	2,006,950	1,868,410	138,540
Precinct #4	1,681,087	2,619,524	2,667,614	(48,090)
Weight & License	80,988	81,541	76,297	5,244
Nondepartmental	1,882,957	1,880,167	143,750	1,736,417
Capital Outlay:				
Public Transportation:				
Precinct #1	280,031	241,877	95,619	146,258
Precinct #2	669,795	835,352	334,361	500,991
Precinct #3	962,604	1,584,834	805,170	779,664
Precinct #4	683,318	209,590	322,440	(112,850)
Weight & License	30,600	35,436	9,389	26,047
Debt Service:				
Principal	-	-	92,506	(92,506)
Interest	-	-	6,161	(6,161)
<b>Total Expenditures</b>	<b>\$ 10,501,641</b>	<b>\$ 12,241,865</b>	<b>\$ 8,953,376</b>	<b>\$ 3,288,489</b>
Excess (Deficiency) of Revenues over Expenditures	\$ (3,342,186)	\$ (5,082,410)	\$ (929,235)	\$ 4,153,175
<b>Other Financing Sources (Uses):</b>				
Proceeds of Long-Term Capital Related Debt	\$ -	\$ -	\$ 415,579	\$ 415,579
Transfers Out	(15,000)	(15,000)	(15,000)	-
Sale of Capital Assets	-	-	631,495	631,495
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (15,000)</b>	<b>\$ (15,000)</b>	<b>\$ 1,032,075</b>	<b>\$ 1,047,075</b>
<b>Net Change in Fund Balances</b>	<b>\$ (3,357,186)</b>	<b>\$ (5,097,410)</b>	<b>\$ 102,840</b>	<b>\$ 5,200,250</b>
Fund Balances - Beginning	2,662,485	2,662,485	2,662,485	-
<b>Fund Balances - Ending</b>	<b>\$ (694,701)</b>	<b>\$ (2,434,925)</b>	<b>\$ 2,765,325</b>	<b>\$ 5,200,250</b>

Rusk County, Texas  
 Law Library Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fees	\$ 30,000	\$ 30,000	\$ 26,424	\$ (3,576)
Miscellaneous:				
Interest	800	800	151	(650)
Total Revenues	<u>\$ 30,800</u>	<u>\$ 30,800</u>	<u>\$ 26,574</u>	<u>\$ (4,226)</u>
<b>Expenditures:</b>				
Current:				
Legal				
District Attorney	\$ 30,800	\$ 30,800	\$ 13,037	\$ 17,763
Total Expenditures	<u>\$ 30,800</u>	<u>\$ 30,800</u>	<u>\$ 13,037</u>	<u>\$ 17,763</u>
Net Change in Fund Balances	\$ -	\$ -	\$ 13,537	\$ 13,537
Fund Balances - Beginning	<u>54,787</u>	<u>54,787</u>	<u>54,787</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 54,787</u></u>	<u><u>\$ 54,787</u></u>	<u><u>\$ 68,325</u></u>	<u><u>\$ 13,537</u></u>

Rusk County, Texas  
Rusk County Officials' Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 8,750	\$ 8,750	\$ 8,010	\$ (740)
Fees	128,633	128,633	169,647	41,014
Fines and Forfeitures	5,000	5,000	3,793	(1,207)
Miscellaneous:				
Other	16,000	16,000	3,449	(12,551)
Total Revenues	<u>\$ 158,383</u>	<u>\$ 158,383</u>	<u>\$ 184,900</u>	<u>\$ 26,517</u>
<b>Expenditures:</b>				
Current:				
General Government:				
County Clerk	\$ 70,400	\$ 70,400	\$ -	\$ 70,400
Judicial:				
District Clerk	3,000	3,000	-	3,000
Justices of the Peace	21,000	21,000	7,583	13,417
All courts	38,500	44,500	21,856	22,644
Legal:				
District Attorney	9,129	9,130	3,928	5,202
Financial Administration:				
Tax Assessor-Collector	5,000	5,000	-	5,000
Public Safety:				
Constables	3,300	5,250	7,613	(2,363)
Sheriff	17,050	17,050	9,913	7,136
Total Expenditures	<u>\$ 167,379</u>	<u>\$ 175,330</u>	<u>\$ 50,893</u>	<u>\$ 124,437</u>
Net Change in Fund Balances	\$ (8,996)	\$ (16,947)	\$ 134,007	\$ 150,954
Fund Balances - Beginning	948,027	948,027	948,027	-
Fund Balances - Ending	<u>\$ 939,031</u>	<u>\$ 931,080</u>	<u>\$ 1,082,034</u>	<u>\$ 150,954</u>

Rusk County, Texas  
Human Services Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Ad Valorem Taxes				
Current Taxes	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Miscellaneous:				
Interest	50,000	50,000	6,194	(43,806)
Total Revenues	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 106,194</u>	<u>\$ (43,806)</u>
<b>Expenditures:</b>				
Current:				
Health and Welfare:				
County Welfare	\$ 426,743	\$ 426,743	\$ 16,429	\$ 410,314
Total Expenditures	<u>\$ 426,743</u>	<u>\$ 426,743</u>	<u>\$ 16,429</u>	<u>\$ 410,314</u>
Net Change in Fund Balances	\$ (276,743)	\$ (276,743)	\$ 89,764	\$ 366,507
Fund Balances - Beginning	<u>2,418,710</u>	<u>2,418,710</u>	<u>2,418,710</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 2,141,967</u></u>	<u><u>\$ 2,141,967</u></u>	<u><u>\$ 2,508,474</u></u>	<u><u>\$ 366,507</u></u>

Rusk County, Texas  
 Airport Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 54,719	\$ 54,719
Fees	240,000	240,000	320,010	80,010
Miscellaneous:				
Interest	20,000	20,000	3,925	(16,075)
Oil & Gas Royalties	180,000	180,000	103,337	(76,663)
Total Revenues	<u>\$ 440,000</u>	<u>\$ 440,000</u>	<u>\$ 481,991</u>	<u>\$ 41,991</u>
<b>Expenditures:</b>				
Current:				
Public Transportation:				
Airport	\$ 703,208	\$ 751,631	\$ 632,533	\$ 119,098
Capital Outlay:				
Public Transportation:				
Airport	358,000	309,577	286,005	23,572
Total Expenditures	<u>\$ 1,061,208</u>	<u>\$ 1,061,208</u>	<u>\$ 918,538</u>	<u>\$ 142,670</u>
Revenues Over (Under) Expenditures	<u>(621,208)</u>	<u>(621,208)</u>	<u>(436,548)</u>	<u>(100,679)</u>
Net Change in Fund Balances	\$ (621,208)	\$ (621,208)	\$ (436,548)	\$ (100,679)
Fund Balances - Beginning	<u>1,766,231</u>	<u>1,766,231</u>	<u>1,766,231</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,145,023</u>	<u>\$ 1,145,023</u>	<u>\$ 1,329,684</u>	<u>\$ (100,679)</u>

Rusk County, Texas  
 Juvenile Services Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 375,455	\$ 375,455	\$ 382,181	\$ 6,726
Fees	1,500	1,500	740	(760)
Miscellaneous:				
Interest	1,800	1,800	154	(1,646)
Total Revenues	<u>\$ 378,755</u>	<u>\$ 378,755</u>	<u>\$ 383,075</u>	<u>\$ 4,320</u>
<b>Expenditures:</b>				
Current:				
Public Safety:				
Juvenile Services	\$ 501,359	\$ 519,460	\$ 502,433	\$ 17,027
Total Expenditures	<u>\$ 501,359</u>	<u>\$ 519,460</u>	<u>\$ 502,433</u>	<u>\$ 17,027</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (122,604)</u>	<u>\$ (140,705)</u>	<u>\$ (119,357)</u>	<u>\$ 21,347</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	\$ 115,000	\$ 115,000	\$ 120,000	\$ 5,000
Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 115,000</u>	<u>\$ 115,000</u>	<u>\$ 120,000</u>	<u>\$ 5,000</u>
Net Change in Fund Balances	\$ (7,604)	\$ (25,705)	\$ 643	\$ 26,347
Fund Balances - Beginning	<u>34,832</u>	<u>34,832</u>	<u>34,832</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 27,228</u></u>	<u><u>\$ 9,128</u></u>	<u><u>\$ 35,475</u></u>	<u><u>\$ 26,347</u></u>

Rusk County, Texas  
Debt Service Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Ad Valorem Taxes:				
Current Taxes	\$ 1,439,496	\$ 1,439,496	\$ 1,450,408	\$ 10,912
Delinquent Taxes	25,000	25,000	71,817	46,817
Interest and Penalty	20,000	20,000	33,394	13,394
Miscellaneous				
Interest	25,000	25,000	4,159	(20,841)
Total Revenues	<u>\$ 1,509,496</u>	<u>\$ 1,509,496</u>	<u>\$ 1,559,778</u>	<u>\$ 50,281</u>
<b>Expenditures:</b>				
Debt Service:				
Principal	\$ 1,160,000	\$ 1,210,000	\$ 1,210,000	\$ -
Interest and Fees	177,200	177,200	128,437	48,763
Total Expenditures	<u>\$ 1,337,200</u>	<u>\$ 1,387,200</u>	<u>\$ 1,338,437</u>	<u>\$ 48,763</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 172,296	\$ 122,296	\$ 221,341	\$ 99,045
Fund Balances - Beginning	<u>1,573,431</u>	<u>1,573,431</u>	<u>1,573,431</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,745,727</u>	<u>\$ 1,695,727</u>	<u>\$ 1,794,772</u>	<u>\$ 99,045</u>

Rusk County, Texas  
 Water Supply Grant Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 246,575	\$ 246,575
Total Revenues	\$ -	\$ -	\$ 246,575	\$ 246,575
<b>Expenditures:</b>				
Current:				
Public Facilities				
Water Improvements	\$ -	\$ 243,550	\$ 243,550	\$ -
Total Expenditures	\$ -	\$ 243,550	\$ 243,550	\$ -
Net Change in Fund Balances	\$ -	\$ (243,550)	\$ 3,025	\$ 246,575
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ (243,550)	\$ 3,025	\$ 246,575

Rusk County, Texas  
 District Probation Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 275,655	\$ 275,655	\$ 161,476	\$ (114,179)
Fees	112,009	112,009	173,754	61,745
Miscellaneous:				
Interest	-	-	126	126
Total Revenues	<u>\$ 387,664</u>	<u>\$ 387,664</u>	<u>\$ 335,355</u>	<u>\$ (52,309)</u>
<b>Expenditures:</b>				
Current:				
Public Safety:				
Adult Services	\$ 387,664	\$ 387,664	\$ 315,441	\$ 72,223
Total Expenditures	<u>\$ 387,664</u>	<u>\$ 387,664</u>	<u>\$ 315,441</u>	<u>\$ 72,223</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,915</u>	<u>\$ 19,915</u>
Net Change in Fund Balances	\$ -	\$ -	\$ 19,915	\$ 19,915
Fund Balances - Beginning	-	-	114,545	114,545
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,460</u>	<u>\$ 134,460</u>

Rusk County, Texas  
 American Rescue Plan Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Miscellaneous:				
Interest	\$ -	\$ -	\$ 6,916	\$ 6,916
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,916</u>	<u>\$ 6,916</u>
<b>Expenditures:</b>				
Current:				
Health and Welfare:				
Public Health	\$ -	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balances	\$ -	\$ -	\$ 6,916	\$ 6,916
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,916</u></u>	<u><u>\$ 6,916</u></u>

Rusk County, Texas  
Combining Statement of Fiduciary Net Position  
December 31, 2021

	Tax Assessor- Collector <u>Fund</u>	County Clerk Registry <u>Fund</u>	District Clerk Registry <u>Fund</u>	Sheriff <u>Fund</u>	Adult Probation <u>Fund</u>	Juvenile Probation <u>Fund</u>	<u>Totals</u>
<b><u>Assets</u></b>							
Cash	\$ 9,674,871	\$ 293,420	\$ 1,428,636	\$ 277,174	\$ -	\$ -	\$ 11,674,100
Investments	-	314,183	410,778	-	-	-	724,961
Total Assets	<u>\$ 9,674,871</u>	<u>\$ 607,602</u>	<u>\$ 1,839,414</u>	<u>\$ 277,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,399,061</u>
<b><u>Liabilities</u></b>							
Due to Other Governments	\$ 9,674,871	-	-	-	-	-	\$ 9,674,871
Due to Others	-	607,602	1,839,414	-	-	-	2,447,016
Total Liabilities	<u>\$ 9,674,871</u>	<u>\$ 607,602</u>	<u>\$ 1,839,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,121,887</u>
<b><u>Net Position</u></b>							
Individuals and Other Governments	\$ -	-	-	\$ 277,174	-	-	\$ 277,174
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,174</u>

The accompanying notes are an integral part of this statement.

Rusk County, Texas  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended December 31, 2021

	Tax Assessor- Collector <u>Fund</u>	County Clerk Registry <u>Fund</u>	District Clerk Registry <u>Fund</u>	Sheriff <u>Fund</u>	Adult Probation <u>Fund</u>	Juvenile Probation <u>Fund</u>	<u>Totals</u>
<b><u>Additions</u></b>							
Tax Collections for Other Governments	\$ 3,476,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,476,487
Held for Others		43,817	176,136	699,344	35,194	1,159	955,651
	<u>\$ 3,476,487</u>	<u>\$ 43,817</u>	<u>\$ 176,136</u>	<u>\$ 699,344</u>	<u>\$ 35,194</u>	<u>\$ 1,159</u>	<u>\$ 4,432,138</u>
<b><u>Deductions</u></b>							
Payments to Other Governments	\$ 3,476,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,476,487
Payments to Others		43,817	176,136	612,420	35,194	1,159	868,727
	<u>3,476,487</u>	<u>43,817</u>	<u>176,136</u>	<u>612,420</u>	<u>35,194</u>	<u>1,159</u>	<u>4,345,214</u>
Net increase (decrease) in Fiduciary Net Position	-	-	-	86,924	-	-	86,924
Net Position - Beginning	\$ -	\$ -	\$ -	\$ 190,250	\$ -	\$ -	\$ 190,250
Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,174</u>

The accompanying notes are an integral part of this statement.

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Rusk County, Texas  
 Capital Assets Used in the Operation of Governmental Funds  
 Comparative Schedules By Source  
 December 31, 2021

	2021	2020
Governmental Funds Capital Assets:		
Land	\$ 1,032,025	\$ 1,032,025
Construction in Progress	89,181	89,181
Buildings	27,558,360	27,288,226
Machinery and Equipment	16,038,972	16,081,871
Infrastructure	5,175,745	5,175,745
	<u>\$ 49,894,284</u>	<u>\$ 49,667,048</u>
Total Governmental Funds Capital Assets	<u>\$ 49,894,284</u>	<u>\$ 49,667,048</u>
Investments in Governmental Funds Capital Assets by Source:		
General Revenues	29,793,646	29,566,410
Certificates of Obligation	19,103,202	19,103,202
Capital Leases	301,643	301,643
Donations	673,965	673,965
Drug Seizures	21,828	21,828
	<u>\$ 49,894,284</u>	<u>\$ 49,667,048</u>
Total Governmental Funds Capital Assets	<u>\$ 49,894,284</u>	<u>\$ 49,667,048</u>

Rusk County, Texas  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule By Function and Activity  
 December 31, 2021

<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
<b>General Government:</b>						
County Clerk	\$ -	\$ -	\$ -	\$ 75,260	\$ -	\$ 75,260
District Clerk	-	-	-	14,724	-	14,724
Veteran's Service	-	-	-	63,745	-	63,745
Information Technology	-	-	-	28,389	-	28,389
Emergency Management	-	-	-	279,841	-	279,841
Total General Government	\$ -	\$ -	\$ -	\$ 461,959	\$ -	\$ 461,959
<b>Judicial:</b>						
Justices of the Peace	\$ 1,060	\$ -	\$ 243,927	\$ 12,137	\$ -	\$ 257,124
District Court	-	-	-	-	-	-
Total Judicial	\$ 1,060	\$ -	\$ 243,927	\$ 12,137	\$ -	\$ 257,124
<b>Legal:</b>						
District Attorney	\$ -	\$ -	\$ -	\$ 17,295	\$ -	\$ 17,295
Total District Attorney	\$ -	\$ -	\$ -	\$ 17,295	\$ -	\$ 17,295
<b>Elections:</b>						
Elections	\$ 16,665	\$ -	\$ -	\$ 475,925	\$ -	\$ 492,590
Total Elections	\$ 16,665	\$ -	\$ -	\$ 475,925	\$ -	\$ 492,590
<b>Financial Administration:</b>						
Tax Assessor-Collector	\$ -	\$ 89,181	\$ 248,887	\$ 5,362	\$ -	\$ 343,430
Treasurer	-	-	-	-	-	-
Total Financial Administration	\$ -	\$ 89,181	\$ 248,887	\$ 5,362	\$ -	\$ 343,430
<b>Public Facilities:</b>						
Courthouse	\$ 191,486	\$ -	\$ 1,151,230	\$ 368,345	\$ -	\$ 1,711,061
Miscellaneous and Nondepartmental	11,100	-	-	107,430	-	118,530
Total Public Facilities	\$ 202,586	\$ -	\$ 1,151,230	\$ 475,775	\$ -	\$ 1,829,591
<b>Public Safety:</b>						
Jail	\$ 225,000	\$ -	\$ 19,433,216	\$ 19,979	\$ -	\$ 19,678,195
Sheriff	50,000	-	386,847	1,409,627	-	1,846,474
Courthouse Security	-	-	-	16,388	-	16,388
Juvenile Probation	-	-	137,493	31,430	-	168,923
Total Public Safety	\$ 275,000	\$ -	\$ 19,957,556	\$ 1,477,424	\$ -	\$ 21,709,980
<b>Public Transportation:</b>						
Road & Bridge-Precinct #1	\$ 4,667	\$ -	\$ -	\$ 2,667,571	\$ 981,240	\$ 3,653,478
Road & Bridge-Precinct #2	6,268	-	-	2,470,847	1,487,698	3,964,813
Road & Bridge-Precinct #3	8,050	-	-	3,324,017	1,173,944	4,506,011
Road & Bridge-Precinct #4	17,624	-	-	3,976,433	336,040	4,330,097
Road & Bridge-Miscellaneous	-	-	-	17,694	-	17,694
License & Weight	-	-	-	46,895	-	46,895
Airport	346,420	-	1,056,942	447,608	1,196,823	3,047,794
Total Public Transportation	\$ 383,029	\$ -	\$ 1,056,942	\$ 12,951,065	\$ 5,175,745	\$ 19,566,781

Rusk County, Texas  
Capital Assets Used in the Operation of Governmental Funds  
Schedule By Function and Activity  
December 31, 2021

<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Health and Welfare:						
County Health	\$ -	\$ -	\$ -	\$ 29,506	\$ -	\$ 29,506
Sanitation	12,165	-	-	23,572	-	35,737
Total Health and Welfare	\$ 12,165	\$ -	\$ -	\$ 53,078	\$ -	\$ 65,243
Culture and Recreation:						
Library Complex	\$ 90,580	\$ -	\$ 937,468	\$ 93,252	\$ -	\$ 1,121,300
Depot/Children's Discovery Center	40,440	-	173,684	9,450	-	223,574
Community Center	10,500	-	-	-	-	10,500
Total Culture and Recreation	\$ 141,520	\$ -	\$ 1,111,152	\$ 102,702	\$ -	\$ 1,355,374
Conservation and Agriculture:						
Agriculture & Home Demo	\$ -	\$ -	\$ 137,493	\$ 6,250	\$ -	\$ 143,743
Youth Expo Center	-	-	3,651,173	-	-	3,651,173
Total Conservation and Agriculture	\$ -	\$ -	\$ 3,788,666	\$ 6,250	\$ -	\$ 3,794,916
Total Governmental Funds Capital Assets	\$ 1,032,025	\$ 89,181	\$ 27,558,360	\$ 16,038,972	\$ 5,175,745	\$ 49,894,284

Rusk County, Texas  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes By Function and Activity  
 For the Year Ended December 31, 2021

<u>Function and Activity</u>	<u>Beginning Balance January 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets December 31, 2021</u>
<b>General Government:</b>				
County Clerk	\$ 69,911	\$ 5,349	\$ -	\$ 75,260
District Clerk	14,724	-	-	14,724
Veteran's Service	63,745	-	-	63,745
Information Technology	28,389	-	-	28,389
Emergency Management	279,841	-	-	279,841
Total General Government	<u>\$ 456,610</u>	<u>\$ 5,349</u>	<u>\$ -</u>	<u>\$ 461,959</u>
<b>Judicial:</b>				
Justices of the Peace	\$ 257,124	\$ -	\$ -	\$ 257,124
District Court	-	-	-	-
Total Judicial	<u>\$ 257,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,124</u>
<b>Legal:</b>				
District Attorney	\$ 17,295	\$ -	\$ -	\$ 17,295
Total Legal	<u>\$ 17,295</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,295</u>
<b>Elections:</b>				
Elections	\$ 492,590	\$ -	\$ -	\$ 492,590
Total Elections	<u>\$ 492,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 492,590</u>
<b>Financial Administration:</b>				
Tax Assessor-Collector	\$ 343,430	\$ -	\$ -	\$ 343,430
Treasurer	-	-	-	-
Total Financial Administration	<u>\$ 343,430</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,430</u>
<b>Public Facilities:</b>				
Courthouse	\$ 1,711,061	\$ -	\$ -	\$ 1,711,061
Miscellaneous and Nondepartmental	150,955	-	32,425	118,530
Total Public Facilities	<u>\$ 1,862,016</u>	<u>\$ -</u>	<u>\$ 32,425</u>	<u>\$ 1,829,591</u>
<b>Public Safety:</b>				
Jail	\$ 19,661,824	\$ 16,371	\$ -	\$ 19,678,195
Sheriff	1,853,977	48,556	56,059	1,846,474
Courthouse Security	16,388	-	-	16,388
Juvenile Probation	168,923	-	-	168,923
Total Public Safety	<u>\$ 21,701,112</u>	<u>\$ 64,927</u>	<u>\$ 56,059</u>	<u>\$ 21,709,981</u>

Rusk County, Texas  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes By Function and Activity  
 For the Year Ended December 31, 2021

<u>Function and Activity</u>	<u>Beginning Balance January 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets December 31, 2021</u>
<b>Public Transportation:</b>				
Road & Bridge-Precinct #1	\$ 3,599,759	\$ 127,731	\$ 74,013	\$ 3,653,478
Road & Bridge-Precinct #2	3,922,534	349,251	341,677	3,930,108
Road & Bridge-Precinct #3	4,327,268	412,654	260,255	4,479,666
Road & Bridge-Precinct #4	4,713,198	315,506	691,555	4,337,148
Road & Bridge-Miscellaneous	31,597	5,390	-	36,987
License & Weight	81,601	-	-	81,601
Airport	2,779,374	268,421	-	3,047,795
Total Public Transportation	\$ 19,334,930	\$ 1,478,953	\$ 1,367,500	\$ 19,566,782
<b>Health and Welfare:</b>				
County Health	\$ 29,506	\$ -	\$ -	\$ 29,506
Sanitation	35,737	-	-	35,737
Total Health and Welfare	\$ 65,243	\$ -	\$ -	\$ 65,243
<b>Culture and Recreation:</b>				
Library Complex	\$ 1,099,640	\$ 21,659	\$ -	\$ 1,121,300
Depot/Children's Discovery Center	223,574	-	-	223,574
Community Center	10,500	-	-	10,500
Total Culture and Recreation	\$ 1,333,714	\$ 21,659	\$ -	\$ 1,355,374
<b>Conservation and Agriculture:</b>				
Agriculture & Home Demo	\$ 151,811	\$ -	\$ 8,068	\$ 143,743
Youth Expo Center	3,651,173	-	-	3,651,173
Total Conservation and Agriculture	\$ 3,802,984	\$ -	\$ 8,068	\$ 3,794,916
<b>Total Governmental Funds Capital Assets</b>	\$ 49,667,049	\$ 1,570,888	\$ 1,464,053	\$ 49,894,284

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## Statistical Section

This part of the Rusk County, Texas annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends:</b>	108
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
<b>Revenue Capacity:</b>	117
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
<b>Debt Capacity:</b>	122
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.	
<b>Demographic and Economic Information:</b>	126
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
<b>Operating Information:</b>	128
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Rusk County, Texas  
Net Position by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Investment in Capital Assets	\$ 21,800,302	\$ 21,546,062	\$ 20,506,285	\$ 18,133,773
Restricted	1,918,547	1,686,923	1,413,854	1,683,418
Unrestricted	17,030,130	17,651,580	16,033,244	12,790,180
 Total	 \$ 40,748,979	 \$ 40,884,565	 \$ 37,953,383	 \$ 32,607,371

Rusk County, Texas  
Net Position by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	17,401,492	\$ 14,450,087	\$ 12,107,820	\$ 12,116,832	\$ 12,114,324	\$ 11,939,360
	1,517,928	1,146,193	1,174,870	961,706	923,225	787,396
	15,981,688	19,687,992	20,482,094	22,786,112	21,150,898	19,751,536
\$	34,901,108	\$ 35,284,272	\$ 33,764,784	\$ 35,864,650	\$ 34,188,447	\$ 32,478,292

Rusk County, Texas  
Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Expenses</b>					
General Government	\$ 1,504,052	\$ 1,460,996	\$ 1,389,236	\$ 1,925,446	\$ 2,802,813
Judicial	2,622,843	2,634,316	2,572,480	2,595,988	2,281,266
Legal	685,262	651,022	599,651	599,587	622,483
Elections	210,658	314,672	213,563	217,943	225,542
Financial Administration	2,003,087	2,049,890	1,906,702	2,017,100	1,988,815
Public Facilities	833,321	592,737	535,180	673,318	678,806
Public Safety	7,673,745	7,355,782	6,585,145	6,679,591	8,015,223
Public Transportation	10,144,536	8,471,467	8,320,928	7,398,140	7,431,412
Health and Welfare	572,766	691,169	554,895	474,859	610,036
Culture and Recreation	1,195,170	1,203,003	1,143,551	1,181,155	1,244,740
Conservation	204,715	194,258	182,576	181,157	194,279
Interest on Long-Term Debt	8,958	66,399	101,478	150,658	179,505
Nondepartmental	812,091	751,292	1,147,305	-	-
<b>Total Expenses</b>	<b>\$ 28,471,204</b>	<b>\$ 26,437,004</b>	<b>\$ 25,252,690</b>	<b>\$ 24,094,942</b>	<b>\$ 26,274,920</b>
<b>Program Revenues</b>					
Charges for Services:					
General Government	\$ 694,467	\$ 602,260	\$ 621,303	\$ 662,456	\$ 517,261
Judicial	786,702	657,877	918,440	925,813	782,230
Legal	31,300	32,699	36,754	35,826	36,654
Elections	19,231	19,041	14,963	30,988	23,964
Financial Administration	1,685,758	1,575,530	1,620,207	1,572,383	1,543,089
Public Facilities	28,351	25,712	5,450	10,502	7,680
Public Safety	83,473	75,383	125,427	119,172	126,021
Public Transportation	232,777	194,763	163,054	187,143	219,261
Health and Welfare	226,310	209,707	186,451	183,883	169,761
Culture and Recreation	40,237	7,843	40,660	35,966	29,002
Operating Grants and Contributions	988,346	934,620	604,110	583,986	642,054
Capital Grants and Contributions	1,225,392	2,040,678	1,127,224	252,401	171,724
<b>Total Program Revenues</b>	<b>\$ 6,042,345</b>	<b>\$ 6,376,114</b>	<b>\$ 5,464,043</b>	<b>\$ 4,600,519</b>	<b>\$ 4,268,701</b>
<b>Net (Expense)/Revenue</b>	<b>\$ (22,428,859)</b>	<b>\$ (20,060,890)</b>	<b>\$ (19,788,647)</b>	<b>\$ (19,494,423)</b>	<b>\$ (22,006,219)</b>
<b>General Revenues and Other Changes in Net Position</b>					
Property Taxes	\$ 21,143,130	\$ 21,207,257	\$ 23,500,202	\$ 15,875,812	\$ 19,952,562
Other Taxes	20,230	7,242	11,313	10,267	10,648
Miscellaneous	609,333	602,388	1,518,393	1,272,567	1,659,845
Gain (Loss) on Sales of Assets	520,580	-	104,751	42,040	-
<b>Total General Revenues and Other Changes in Net Position</b>	<b>\$ 22,293,273</b>	<b>\$ 21,816,887</b>	<b>\$ 25,134,659</b>	<b>\$ 17,200,686</b>	<b>\$ 21,623,055</b>
<b>Change in Net Position</b>	<b>\$ (135,586)</b>	<b>\$ 1,755,997</b>	<b>\$ 5,346,012</b>	<b>\$ (2,293,737)</b>	<b>\$ (383,164)</b>

Rusk County, Texas  
Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	2,465,572	\$ 2,396,679	\$ 2,391,322	\$ 2,500,971	\$ 2,569,722
	2,694,105	2,589,015	2,431,208	2,308,514	2,278,032
	609,600	593,937	602,142	597,931	584,071
	266,954	217,098	249,122	188,382	238,372
	1,905,182	1,851,062	1,814,390	1,748,139	1,746,186
	559,044	645,729	761,845	863,205	756,369
	7,482,411	6,962,714	6,885,164	6,582,485	6,244,736
	7,246,701	7,954,065	6,681,505	6,604,989	6,566,057
	579,082	549,584	551,406	701,967	706,938
	1,211,220	1,152,304	1,106,036	1,029,227	1,075,540
	184,975	174,090	174,833	166,649	155,805
	454,537	429,168	478,600	486,853	534,224
	-	-	-	-	-
\$	25,659,383	\$ 25,515,445	\$ 24,127,573	\$ 23,779,312	\$ 23,456,052
\$	474,601	\$ 599,619	\$ 660,014	\$ 778,666	\$ 781,522
	759,768	751,698	840,343	934,457	1,127,809
	47,759	37,960	45,287	57,797	58,122
	22,998	10,115	44,852	25,336	52,635
	1,573,697	1,669,286	1,642,443	1,608,048	1,551,377
	8,462	8,450	6,150	5,400	5,000
	135,473	114,880	121,028	148,074	135,416
	200,492	230,316	271,467	222,748	264,019
	159,913	150,756	136,772	153,723	144,323
	30,453	33,800	31,156	26,647	32,445
	831,974	682,323	609,584	617,321	854,918
	292,842	716,590	427,699	504,290	319,926
\$	4,538,432	\$ 5,005,793	\$ 4,836,795	\$ 5,082,507	\$ 5,327,512
\$	(21,120,951)	\$ (20,509,652)	\$ (19,290,778)	\$ (18,696,805)	\$ (18,128,540)
\$	20,082,905	\$ 20,296,606	\$ 20,209,323	\$ 19,696,484	\$ 18,968,825
	10,960	14,211	15,384	10,314	11,451
	2,522,797	2,489,004	690,504	412,759	583,411
	23,777	143,943	51,770	287,403	105,619
\$	22,640,439	\$ 22,943,764	\$ 20,966,981	\$ 20,406,960	\$ 19,669,306
\$	1,519,488	\$ 2,434,112	\$ 1,676,203	\$ 1,710,155	\$ 1,540,766

Rusk County, Texas  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund					
Nonspendable	\$ 4,745	\$ -	\$ 1,537	\$ 136,591	\$ 127,494
Assigned	3,103,381	3,103,381	-	-	-
Unassigned	11,734,479	11,685,838	12,584,517	13,088,897	11,323,125
<b>Total General Fund</b>	<b>\$ 14,842,605</b>	<b>\$ 14,789,219</b>	<b>\$ 12,586,054</b>	<b>\$ 13,225,489</b>	<b>\$ 11,450,619</b>
All Other Governmental Funds					
Nonspendable, Reported in:					
Special Revenue Funds	\$ 57,399	\$ 48,869	\$ 45,199	\$ 49,135	\$ 47,367
Permanent Funds	66,494	66,494	66,751	66,800	66,502
Restricted, Reported in:					
Special Revenue Funds	7,876,319	7,950,748	8,614,961	8,934,349	7,428,133
Debt Service Fund	1,794,772	1,573,431	1,346,807	1,596,937	1,196,087
Capital Projects Funds	-	-	-	-	-
Permanent Funds	161	373	296	395	397
<b>Total All Other Governmental Funds</b>	<b>\$ 9,795,145</b>	<b>\$ 9,639,915</b>	<b>\$ 10,074,014</b>	<b>\$ 10,647,616</b>	<b>\$ 8,738,486</b>

Rusk County, Texas  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 120,845	\$ 110,250	\$ 104,793	\$ 95,779	\$ 86,895
-	-	-	-	-
13,077,681	14,294,913	13,949,592	12,828,116	11,010,688
<u>\$ 13,198,526</u>	<u>\$ 14,405,163</u>	<u>\$ 14,054,385</u>	<u>\$ 12,923,895</u>	<u>\$ 11,097,583</u>
\$ 50,436	\$ 48,507	\$ 42,186	\$ 40,762	\$ -
66,651	66,503	66,451	66,451	66,451
10,395,320	10,910,683	8,882,723	7,947,885	8,083,003
1,027,466	1,194,738	1,008,277	981,207	880,091
-	-	-	-	-
551	724	677	630	1,097
<u>\$ 11,540,424</u>	<u>\$ 12,221,155</u>	<u>\$ 10,000,314</u>	<u>\$ 9,036,935</u>	<u>\$ 9,030,642</u>

Rusk County, Texas  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Revenues</b>					
Ad Valorem Taxes	\$ 21,265,974	\$ 21,031,646	\$ 20,147,010	\$ 22,622,172	\$ 17,834,933
Other Taxes	20,230	7,242	11,313	10,267	10,648
Intergovernmental	1,960,969	2,759,059	1,671,864	749,320	718,005
Fees	3,373,263	3,012,481	3,015,858	3,012,651	2,824,622
Fines and Forfeitures	651,965	410,265	568,260	585,722	647,526
Miscellaneous	668,491	824,655	1,645,016	1,607,837	1,459,496
<b>Total Revenues</b>	<b>\$ 27,940,892</b>	<b>\$ 28,045,348</b>	<b>\$ 27,059,321</b>	<b>\$ 28,587,969</b>	<b>\$ 23,495,230</b>
<b>Expenditures</b>					
General Government	\$ 1,429,452	\$ 1,432,362	\$ 1,393,802	\$ 1,505,452	\$ 1,431,311
Judicial	2,536,607	2,606,944	2,632,235	2,547,673	2,492,508
Legal	662,211	647,740	626,180	592,511	612,374
Elections	203,388	311,838	216,243	215,923	215,114
Financial Administration	1,959,112	2,042,934	1,959,623	2,005,787	1,899,748
Public Facilities	779,031	581,364	527,600	655,386	583,890
Public Safety	7,241,593	7,000,531	6,452,341	6,374,704	6,173,941
Public Transportation	7,776,513	6,725,067	6,540,834	6,103,770	6,180,075
Health and Welfare	565,963	687,210	555,686	471,053	584,107
Culture and Recreation	1,155,154	1,240,346	1,191,455	1,163,528	1,155,120
Conservation	194,963	190,954	188,415	177,036	177,642
Nondepartmental	812,091	751,292	1,194,449	581,619	645,394
Capital Outlay	2,026,171	1,854,859	3,572,553	1,107,953	4,830,199
Debt Service:					
Principal	1,302,506	1,226,886	1,180,030	1,128,226	1,080,000
Interest	134,598	180,588	226,637	272,041	282,483
Debt Issuance Cost	-	-	-	1,306	2,812
<b>Total Expenditures</b>	<b>\$ 28,779,353</b>	<b>\$ 27,480,915</b>	<b>\$ 28,458,083</b>	<b>\$ 24,903,969</b>	<b>\$ 28,346,718</b>
Excess of Revenues Over/(Under) Expenditures	\$ (838,461)	\$ 564,433	\$ (1,398,762)	\$ 3,684,000	\$ (4,851,488)
<b>Other Financing Sources/(Uses)</b>					
Transfers in	\$ 135,000	\$ 130,000	\$ 120,000	\$ 120,000	\$ 120,000
Transfers out	(135,000)	(130,000)	(120,000)	(120,000)	(120,000)
Certificates of Obligation Issued	-	-	-	-	-
Premium on Certificates of Obligation	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
Capital Leases	415,579	-	-	-	301,643
Sale of Capital Assets	631,495	29,449	185,726	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>\$ 1,047,074</b>	<b>\$ 29,449</b>	<b>\$ 185,726</b>	<b>\$ -</b>	<b>\$ 301,643</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 208,613</b>	<b>\$ 593,882</b>	<b>\$ (1,213,036)</b>	<b>\$ 3,684,000</b>	<b>\$ (4,549,845)</b>
Debt Service as a Percentage of Noncapital Expenditures	5.29%	5.49%	5.55%	5.91%	5.53%

Rusk County, Texas  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	19,022,552	\$ 20,182,741	\$ 20,098,925	\$ 19,620,948	\$ 18,910,131
	10,960	14,211	15,384	10,314	11,451
	898,583	1,288,412	951,077	1,108,223	1,161,196
	2,810,080	3,059,497	3,122,791	3,206,652	3,218,023
	639,067	448,113	693,184	739,720	895,756
	2,458,966	2,837,623	820,265	760,937	780,753
\$	25,840,208	\$ 27,830,597	\$ 25,701,626	\$ 25,446,794	\$ 24,977,310
\$	1,579,228	\$ 1,494,580	\$ 1,387,736	\$ 1,511,136	\$ 1,366,604
	2,636,082	2,528,118	2,371,495	2,278,410	2,217,680
	603,472	590,379	588,047	590,146	571,069
	262,470	213,089	245,758	186,285	228,494
	1,874,290	1,813,263	1,778,856	1,729,954	1,712,623
	491,450	609,813	720,180	805,138	737,373
	6,241,955	6,049,767	5,892,912	5,691,604	5,628,597
	6,364,781	6,233,731	5,792,902	5,700,644	5,529,201
	565,817	534,943	534,078	687,931	693,254
	1,173,513	1,102,586	1,053,569	1,000,726	1,003,019
	177,636	168,177	170,305	165,143	151,287
	606,213	647,634	766,886	638,145	797,225
	3,697,361	1,516,008	847,772	1,173,537	1,617,263
	1,040,000	1,000,000	965,000	930,000	936,202
	412,585	456,894	492,263	525,388	559,634
	156,015	-	-	-	-
\$	27,882,868	\$ 24,958,982	\$ 23,607,759	\$ 23,614,187	\$ 23,749,525
\$	(2,042,660)	\$ 2,871,615	\$ 2,093,867	\$ 1,832,607	\$ 1,227,785
\$	120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 685,643
	(120,000)	(420,000)	(120,000)	(120,000)	(685,643)
	7,115,000	-	-	-	-
	785,570	-	-	-	-
	(7,745,277)	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
\$	155,293	\$ (300,000)	\$ -	\$ -	\$ -
\$	(1,887,367)	\$ 2,571,615	\$ 2,093,867	\$ 1,832,607	\$ 1,227,785
	5.93%	5.99%	6.42%	6.47%	6.75%

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Rusk County, Texas  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Tax Roll Years  
(amounts expressed in thousands)  
(Unaudited)

<u>Tax Roll Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Less Exemptions</u>	<u>Total Assessed</u>	<u>Estimated Actual Value</u>	<u>Ratio of Assessed Value to Total Estimated Actual Value</u>	<u>Total Direct Tax Rate</u>
2012	2,674,978	3,398,576	1,638,860	4,434,694	6,073,554	73.02	0.46908
2013	2,782,293	3,303,655	1,691,966	4,393,982	6,085,948	72.20	0.48835
2014	2,819,078	3,281,011	1,671,605	4,428,484	6,100,089	72.60	0.48378
2015	2,909,647	3,139,449	1,656,021	4,393,075	6,049,096	72.62	0.49666
2016	3,006,417	2,545,502	1,686,125	3,865,794	5,551,919	69.63	0.57931
2017	3,046,201	2,339,926	1,666,657	3,719,470	5,386,127	69.06	0.63758
2018	3,071,385	2,251,309	1,626,954	3,695,740	5,322,694	69.43	0.57708
2019	3,153,420	2,372,716	1,740,134	3,786,002	5,526,136	68.51	0.58257
2020	3,577,106	2,178,433	2,045,670	3,709,869	5,755,539	64.46	0.59214
2021	3,876,960	2,091,239	2,254,247	3,713,952	5,968,199	62.23	0.64220

Notes: Exemptions from tax are provided for:

- Residential Homesteads: Regular, Over 65 and Disabled
- Disabled Veterans
- Homestead Cap Loss
- Special Valuations: Ag, Timber, Wildlife Use
- TCEQ: Pollution Control
- Abatements
- Freeport

Tax Rates are per \$100 of assessed valuation and levied on October 1 of the year indicated.

Source: Rusk County Appraisal District

Rusk County, Texas  
Direct and Overlapping Property Tax Rates  
Last Ten Tax Roll Years  
(Amounts expressed per \$100 of Assessed Valuation)  
(Unaudited)

Table 6  
Page 1 of 2

<u>Name of Government</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Rusk County, Texas										
Operating	\$0.42521	\$0.37941	\$0.36102	\$0.36612	\$0.40342	\$0.36247	\$0.31627	\$0.30611	\$0.31492	\$0.30600
Debt Service	\$0.04228	\$0.04084	\$0.03935	0.02876	0.04422	0.04548	0.03090	0.03667	0.03343	0.03468
County School	\$0.01032	\$0.01032	\$0.02644	0.02644	0.02575	0.02455	0.02139	0.02100	0.02100	0.02100
Farm to Market	\$0.10510	\$0.10331	\$0.09751	0.09751	0.09946	0.08562	0.07471	0.06800	0.06700	0.05640
Special Roads	<u>\$0.05930</u>	<u>\$0.05825</u>	<u>\$0.05825</u>	<u>0.05825</u>	<u>0.06473</u>	<u>0.06119</u>	<u>0.05339</u>	<u>0.05200</u>	<u>0.05200</u>	<u>0.05100</u>
Total Rate	<u>\$0.64220</u>	<u>\$0.59214</u>	<u>\$0.58257</u>	<u>\$0.57708</u>	<u>\$0.63758</u>	<u>\$0.57931</u>	<u>\$0.49666</u>	<u>\$0.48378</u>	<u>\$0.48835</u>	<u>\$0.46908</u>
City of Henderson, Texas										
Operating	\$0.45320	\$0.47450	\$0.45539	\$0.42900	\$0.43170	\$0.40710	\$0.41570	\$0.46100	\$0.36510	\$0.42960
Debt Service	<u>\$0.09850</u>	<u>\$0.07720</u>	<u>\$0.09631</u>	<u>0.09270</u>	<u>0.09000</u>	<u>0.11460</u>	<u>0.10600</u>	<u>0.05430</u>	<u>0.15660</u>	<u>0.09210</u>
Total Rate	<u>\$0.55170</u>	<u>\$0.55170</u>	<u>\$0.55170</u>	<u>\$0.52170</u>	<u>\$0.52170</u>	<u>\$0.52170</u>	<u>\$0.52170</u>	<u>\$0.51530</u>	<u>\$0.52170</u>	<u>\$0.52170</u>
City of New London, Texas										
Operating	\$1.24468	\$1.11481	\$1.13282	<u>\$1.22925</u>	<u>\$1.17382</u>	<u>\$1.15000</u>	<u>\$0.90445</u>	<u>\$0.06500</u>	<u>\$0.60528</u>	<u>\$0.51095</u>
Total Rate	<u>\$1.24468</u>	<u>\$1.11481</u>	<u>\$1.13282</u>	<u>\$1.22925</u>	<u>\$1.17382</u>	<u>\$1.15000</u>	<u>\$0.90445</u>	<u>\$0.06500</u>	<u>\$0.60528</u>	<u>\$0.51095</u>
City of Kilgore, Texas										
Operating	\$0.59962	\$0.50912	\$0.50763	\$0.50763	\$0.51311	\$0.46974	\$0.41987	\$0.40011	\$0.37011	\$0.34971
Debt Service	<u>\$0.03378</u>	<u>\$0.02988</u>	<u>\$0.03137</u>	<u>0.03137</u>	<u>0.02589</u>	<u>0.03598</u>	<u>0.04989</u>	<u>0.04989</u>	<u>0.04989</u>	<u>0.05029</u>
Total Rate	<u>\$0.63340</u>	<u>\$0.53900</u>	<u>\$0.53900</u>	<u>\$0.53900</u>	<u>\$0.53900</u>	<u>\$0.50572</u>	<u>\$0.46976</u>	<u>\$0.45000</u>	<u>\$0.42000</u>	<u>\$0.40000</u>
City of Overton, Texas										
Operating	\$0.47034	\$0.47034	\$0.41000	\$0.44800	\$0.41000	\$0.17500	\$0.41000	\$0.41000	\$0.40397	\$0.41735
Debt Service	\$0.26268	\$0.26268	\$0.25800	0.28170	0.25800	0.00000	0.21800	0.21800	0.14921	0.15415
Cemetery	<u>\$0.05000</u>	<u>\$0.05000</u>	<u>\$0.05000</u>	<u>0.00000</u>						
Total Rate	<u>\$0.78302</u>	<u>\$0.78302</u>	<u>\$0.71800</u>	<u>\$0.72970</u>	<u>\$0.66800</u>	<u>\$0.17500</u>	<u>\$0.62800</u>	<u>\$0.62800</u>	<u>\$0.55318</u>	<u>\$0.57150</u>
City of Tatum, Texas										
Operating	\$0.29978	\$0.33494	\$0.33710	\$0.31201	\$0.31984	\$0.32015	\$0.33528	\$0.31670	\$0.31670	\$0.30596
Total Rate	<u>\$0.29978</u>	<u>\$0.33494</u>	<u>\$0.33710</u>	<u>\$0.31201</u>	<u>\$0.31984</u>	<u>\$0.32015</u>	<u>\$0.33528</u>	<u>\$0.31670</u>	<u>\$0.31670</u>	<u>\$0.30596</u>
Henderson ISD										
Operating	\$0.96340	\$0.96640	\$0.97000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000
Debt Service	<u>\$0.23000</u>	<u>\$0.23000</u>	<u>\$0.23000</u>	<u>0.23000</u>	<u>0.23000</u>	<u>0.23000</u>	<u>0.23000</u>	<u>0.23000</u>	<u>0.14000</u>	<u>0.14000</u>
Total Rate	<u>\$1.19340</u>	<u>\$1.19640</u>	<u>\$1.20000</u>	<u>\$1.27000</u>	<u>\$1.27000</u>	<u>\$1.27000</u>	<u>\$1.27000</u>	<u>\$1.27000</u>	<u>\$1.18000</u>	<u>\$1.18000</u>
Laneville ISD										
Operating	<u>\$1.05470</u>	<u>\$1.05470</u>	<u>\$1.06830</u>	<u>\$1.17000</u>						
Total Rate	<u>\$1.05470</u>	<u>\$1.05470</u>	<u>\$1.06830</u>	<u>\$1.17000</u>						
Leverett's Chapel ISD										
Operating	\$1.05170	\$1.05470	\$1.06830	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000
Debt Service	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>0.00000</u>						
Total Rate	<u>\$1.05170</u>	<u>\$1.05470</u>	<u>\$1.06830</u>	<u>\$1.17000</u>						
Mt. Enterprise ISD										
Operating	\$0.99670	\$1.03920	\$1.06835	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000
Debt Service	<u>\$0.06360</u>	<u>\$0.06360</u>	<u>\$0.06360</u>	<u>0.06360</u>	<u>0.06360</u>	<u>0.06360</u>	<u>0.06360</u>	<u>0.06360</u>	<u>0.04360</u>	<u>0.04360</u>
Total Rate	<u>\$1.06030</u>	<u>\$1.10280</u>	<u>\$1.13195</u>	<u>\$1.23360</u>	<u>\$1.23360</u>	<u>\$1.23360</u>	<u>\$1.23360</u>	<u>\$1.23360</u>	<u>\$1.21360</u>	<u>\$1.21360</u>
Overton ISD										
Operating	\$1.05170	\$1.06800	\$1.06800	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.04000	\$1.04000	\$1.04000
Debt Service	<u>\$0.31900</u>	<u>\$0.31900</u>	<u>\$0.31900</u>	<u>0.31900</u>	<u>0.31900</u>	<u>0.31900</u>	<u>0.31900</u>	<u>0.44900</u>	<u>0.44900</u>	<u>0.44900</u>
Total Rate	<u>\$1.37070</u>	<u>\$1.38700</u>	<u>\$1.38700</u>	<u>\$1.48900</u>						

Rusk County, Texas  
Direct and Overlapping Property Tax Rates  
Last Ten Tax Roll Years  
(Amounts expressed per \$100 of Assessed Valuation)  
(Unaudited)

Table 6  
Page 2 of 2

<u>Name of Government</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tatum ISD										
Operating	\$0.96640	\$0.97000	\$0.97000	\$1.04000	\$1.04000	\$1.01070	\$0.94670	\$0.94670	\$0.88000	\$0.85500
Debt Service	<u>\$0.24060</u>	<u>\$0.23700</u>	<u>\$0.23700</u>	<u>0.16700</u>	<u>0.16700</u>	<u>0.18930</u>	<u>0.22330</u>	<u>0.22330</u>	<u>0.29000</u>	<u>0.31500</u>
Total Rate	<u>\$1.20700</u>	<u>\$1.20700</u>	<u>\$1.20700</u>	<u>\$1.20700</u>	<u>\$1.20700</u>	<u>\$1.20000</u>	<u>\$1.17000</u>	<u>\$1.17000</u>	<u>\$1.17000</u>	<u>\$1.17000</u>
West Rusk CISD										
Operating	\$0.96340	\$0.95640	\$0.97000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000
Debt Service	<u>\$0.32000</u>									
Total Rate	<u>\$1.28340</u>	<u>\$1.27640</u>	<u>\$1.29000</u>	<u>\$1.36000</u>						
Rusk ISD										
Operating	\$0.90630	\$0.97000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000
Debt Service	<u>\$0.11250</u>	<u>\$0.11250</u>	<u>\$0.11250</u>	<u>0.11250</u>						
Total Rate	<u>\$1.01880</u>	<u>\$1.08250</u>	<u>\$1.15250</u>							
Kilgore ISD										
Operating	\$0.96340	\$0.96640	\$0.97000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000
Debt Service	<u>\$0.25920</u>	<u>\$0.25920</u>	<u>\$0.26920</u>	<u>0.26920</u>						
Total Rate	<u>\$1.22260</u>	<u>\$1.22560</u>	<u>\$1.23920</u>	<u>\$1.30920</u>						
Carlisle ISD										
Operating	\$1.03400	\$1.05340	\$1.06700	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000
Debt Service	<u>\$0.36500</u>	<u>\$0.37200</u>	<u>\$0.34000</u>	<u>0.35000</u>	<u>0.35000</u>	<u>0.38000</u>	<u>0.38000</u>	<u>0.38000</u>	<u>0.38000</u>	<u>0.30000</u>
Total Rate	<u>\$1.39900</u>	<u>\$1.42540</u>	<u>\$1.40700</u>	<u>\$1.52000</u>	<u>\$1.52000</u>	<u>\$1.55000</u>	<u>\$1.55000</u>	<u>\$1.55000</u>	<u>\$1.55000</u>	<u>\$1.47000</u>
Kilgore College										
Operating	<u>\$0.17500</u>	<u>\$0.15400</u>	<u>\$0.15400</u>	<u>\$0.15400</u>						
Total Rate	<u>\$0.17500</u>	<u>\$0.15400</u>	<u>\$0.15400</u>	<u>\$0.15400</u>						
Gregg County RFPD #1										
Operating	<u>\$0.03000</u>									
Total Rate	<u>\$0.03000</u>									
Rusk County RFPD #1										
Operating	<u>\$0.03000</u>									
Total Rate	<u>\$0.03000</u>									
Garrison ISD										
Operating	\$1.04000	\$1.05470	\$1.06830	\$1.17000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.02200	\$1.02200
Debt Service	<u>\$0.32000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>0.00000</u>	<u>0.06650</u>	<u>0.06650</u>	<u>0.07090</u>	<u>0.06885</u>	<u>0.07510</u>	<u>0.07312</u>
Total Rate	<u>\$1.36000</u>	<u>\$1.05470</u>	<u>\$1.06830</u>	<u>\$1.17000</u>	<u>\$1.10650</u>	<u>\$1.10650</u>	<u>\$1.11090</u>	<u>\$1.10885</u>	<u>\$1.09710</u>	<u>\$1.09512</u>
Cushing ISD										
Operating	\$0.96340	\$0.96640	\$0.97000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000
Debt Service	<u>\$0.26000</u>	<u>\$0.26000</u>	<u>\$0.26000</u>	<u>0.26000</u>						
Total Rate	<u>\$1.22340</u>	<u>\$1.22640</u>	<u>\$1.23000</u>	<u>\$1.30000</u>						
Total	<u>\$18.83478</u>	<u>\$18.44421</u>	<u>\$18.54574</u>	<u>\$19.49504</u>	<u>\$19.38274</u>	<u>\$18.79768</u>	<u>\$18.87605</u>	<u>\$17.95593</u>	<u>\$18.28061</u>	<u>\$18.07261</u>

Rusk County, Texas  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Rank</u>	2021 Assessed <u>Valuation</u>	Percentage of Total Assessed <u>Valuation</u>	<u>Rank</u>	2012 Assessed <u>Valuation</u>	Percentage of Total Assessed <u>Valuation</u>
Luminant Generation Co. LP	Electric Generating	1	\$ 342,483,500	9.22%	1	921,695,500	20.78%
Sabine Oil & Gas Corp (WI)	Minerals	2	97,170,890	2.62			
Tenaksa Gateway Partners LTD	Electric Generating	3	91,417,540	2.46	2	118,291,440	2.67
AEP Southwestern Elec Power Co	Utility	4	45,395,450	1.22			
Houston Pipe Line Company	Utility	5	44,379,500	1.19	8	52,529,640	1.18
Luminant Mining Co.	Lease Equipment	6	40,271,270	1.08	4	83,023,990	1.87
Oncor Electric Delivery Co LLC	Utility	7	38,389,040	1.03			0.00
Management & Training Corp.		8	29,875,890	0.80			
Transcanada Keystone Pipeline	Pipeline	9	29,820,940	0.80			
Rockcliff Energy Operating LLC	Minerals	10	28,298,350	0.76			
NFR Energy	Pipeline				3	99,087,850	2.23
Cabot Oil & Gas	Minerals				7	54,492,170	1.23
Sampson Lone Star LP	Minerals				9	46,721,100	1.05
Energy Transfer Fuel Company	Utility				6	57,197,930	1.29
Anadarko E&P Co. LP	Utility				10	41,410,260	0.93
Basa Resources	Minerals				5	70,302,440	1.59
Total			<u>\$ 787,502,370</u>	<u>21.20%</u>		<u>\$ 1,544,752,320</u>	<u>34.83%</u>

Source: Rusk County Appraisal District

Rusk County, Texas  
Property Tax Levies and Collections  
Last Ten Tax Roll Years  
(Unaudited)

Tax Roll Year	(1) Tax Levy	Current Tax Collections	(2) Percent of Current Taxes Collected	Delinquent Tax Collections	Total Collections	(2) Ratio of Total Tax Collections To Total Tax Levy	(3)/(4) Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Tax Levy
2012	19,400,068	18,777,015	96.79	536,085	19,313,100	99.55	86,968	0.45
2013	20,022,006	18,240,172	91.10	1,683,573	19,923,745	99.51	98,261	0.49
2014	20,063,813	19,458,347	96.98	489,264	19,947,611	99.42	116,202	0.58
2015	20,336,201	18,259,598	89.79	1,939,075	20,198,673	99.32	137,528	0.68
2016	20,622,331	17,011,299	82.49	3,441,007	20,452,306	99.18	170,025	0.82
2017	21,753,833	19,017,362	87.42	2,506,166	21,523,528	98.94	230,305	1.06
2018	19,853,735	19,152,471	96.47	400,475	19,152,471	96.47	300,789	1.52
2019	20,953,023	19,986,419	95.39	291,612	19,986,419	95.39	674,992	3.22
2020	20,913,963	6,945,658	33.21	13,508,888	6,945,658	33.21	459,417	2.20
2021	22,539,263	7,222,587	32.04	N/A	7,222,587	32.04	N/A	N/A

(1) Years 2012 through 2020 represent adjusted tax levy and year 2021 represents original tax levy, as adjustments are not complete until the end of the tax roll year June 30, 2022, which will occur during the next fiscal year.

(2) 2021 percentage of collections and total collections is lower than other years because the 2021 tax roll is still in process of being collected.

(3) Outstanding delinquent taxes represent the balance of each tax roll year as of December 31, 2021.

(4) 2021 uncollected taxes are not delinquent until July 1, 2022.

Rusk County, Texas  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u>General Bonded Debt</u>		<u>Total Outstanding Debt</u>	<u>(2) Percentage of Personal Income</u>	<u>Population (3)</u>	<u>Debt Per Capita</u>
	<u>General Obligation Bonds (1)</u>	<u>Capital Leases</u>				
2012	12,738,457	-	12,738,457	0.77%	54,026	236
2013	11,794,794	-	11,794,794	0.66%	53,622	220
2014	10,816,131	-	10,816,131	0.58%	53,923	201
2015	9,802,468	-	9,802,468	0.51%	53,923	182
2016	8,930,850	-	8,930,850	0.46%	52,732	169
2017	7,731,523	301,643	8,033,166	0.43%	52,883	152
2018	6,547,196	238,417	6,785,613	0.36%	53,330	127
2019	5,312,869	173,387	5,486,256	0.28%	54,450	101
2020	4,033,542	106,501	4,140,043	0.20%	54,406	76
2021	2,704,215	429,574	3,133,789	0.15%	52,214	60

Note: Details about the County's outstanding debt can be found in the Notes to the Financial Statements.

- (1) Presented net of original issuance discounts and premiums
- (2) Personal income is disclosed on Table 13
- (3) United States Census Bureau

Rusk County, Texas  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(Unaudited)

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<u>Fiscal Year</u>	<u>Certificates of Obligation (1)</u>	Less: Amounts Available in Debt Service Fund (2)	<u>Total</u>	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita (4)
2012	12,738,457	719,849	12,018,608	0.20%	222
2013	11,794,794	856,191	10,938,603	0.18%	204
2014	10,816,131	894,578	9,921,553	0.16%	184
2015	9,802,468	1,107,643	8,694,825	0.14%	164
2016	8,930,850	1,027,466	7,903,384	0.14%	150
2017	7,731,523	1,196,087	6,535,436	0.12%	124
2018	6,547,196	1,596,937	4,950,259	0.09%	93
2019	5,312,869	1,596,937	3,715,932	0.07%	73
2020	4,033,542	1,573,431	2,460,111	0.04%	45
2021	2,704,215	1,794,772	909,443	0.02%	17

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

- (1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.
- (2) This is the amount restricted for debt service principal payments.
- (3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property on Table 5 for property value data.
- (4) Population data can be found on Table 13.

Rusk County, Texas  
Direct and Overlapping Governmental Activities Debt  
December 31, 2021  
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Cities:			
City of Henderson, Texas	\$ 7,604,807	100.00%	\$ 7,604,807
City of Kilgore, Texas	24,320,000	13.33	3,241,856
City of Overton, Texas	634,361	89.29	566,421
Total Cities			<u>\$ 11,413,084</u>
Independent School Districts:			
Henderson	46,261,820	100.00%	\$ 46,261,820
Overton	12,358,140	100.00	12,358,140
Mt. Enterprise	2,310,000	100.00	2,310,000
Kilgore	34,355,000	31.69	10,887,100
Rusk	7,015,000	3.92	274,988
Tatum	16,180,675	94.75	15,331,190
West Rusk	15,075,000	100.00	15,075,000
Garrison	14,195,000	12.06	1,711,917
Carlisle	6,020,000	78.15	4,704,630
Total Independent School Districts			<u>\$ 108,914,784</u>
Subtotal, Overlapping Debt			\$ 120,327,868
Total Direct Debt			<u>3,133,789</u>
Total Direct and Overlapping Debt			<u><u>\$ 123,461,657</u></u>

Note: Percentage of overlap is based on each entity's respective land area located within Rusk County.

Sources:

- (1) Respective entities and independent auditors of respective entities.
- (2) Texas Municipal Reports

Rusk County, Texas  
 Legal Debt Margin Information  
 Last Ten Property Tax Years  
 (amounts expressed in thousands)  
 (Unaudited)

Property Tax Year	(1) Assessed Value of Taxable Property	(2) Debt Limit	(3) Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2012	4,434,694	1,108,674	12,595	1,096,079	1.14%
2013	4,393,981	1,098,495	11,665	1,086,830	1.06%
2014	4,428,484	1,107,121	10,700	1,096,421	0.97%
2015	4,393,075	1,098,269	9,700	1,088,569	0.88%
2016	3,865,795	966,449	8,931	957,518	0.92%
2017	3,719,470	929,868	8,033	921,834	0.86%
2018	3,695,740	923,935	6,786	917,149	0.73%
2019	3,786,002	946,501	5,313	941,188	0.56%
2020	3,709,869	927,467	4,034	923,434	0.43%
2021	3,713,952	928,488	2,704	925,784	0.29%

(1) Assessed valuation of taxable property can be found on Table 5.

(2) 25% of assessed value of real property (Article 3, Section 52, Constitution of the State of Texas)

(3) Debt outstanding can be found on Table 9

Rusk County, Texas  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)

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Fiscal <u>Year</u>	(1) <u>Population</u>	(2) Personal Income <i>(thousands of dollars)</i>	(1) Per Capita <u>Income</u>	(1) Median <u>Age</u>	(3) School Average Daily <u>Attendance</u>	(4) Unemployment Rate <u>Percentage</u>
2012	54,026	1,656,894	30,821	38.1	7,369	5.5
2013	53,622	1,789,175	33,117	38.0	7,466	6.1
2014	53,923	1,852,146	34,541	38.4	7,649	4.9
2015	53,070	1,921,424	35,633	38.3	7,740	4.7
2016	52,732	1,936,195	36,484	38.7	7,669	5.8
2017	52,883	1,873,670	35,532	38.8	7,653	5.1
2018	53,330	1,876,004	35,508	39.1	7,583	4.1
2019	54,450	1,986,623	36,485	39.0	7,412	3.6
2020	54,406	2,050,937	37,697	38.2	7,128	7.4
2021	52,214	2,148,568	26,658	38.2	7,235	4.9

## Sources:

- (1) U.S. Census Bureau
- (2) Bureau of Economic Analysis, U.S. Department of Commerce. Figures are for the prior calendar year.
- (3) All Independent School Districts - Rusk County
- (4) [www.lmi.com](http://www.lmi.com) - Texas Labor Market Information

Rusk County, Texas  
Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
MTC Henderson/Rusk Co.	662	1	3.19%			
Henderson ISD	580	2	2.80%	580	2	2.29%
Sadler's Bar-B-Que	452	3	2.18%	325	6	1.29%
Wal-Mart Super Center	350	4	1.69%	350	5	1.38%
Rusk County Courthouse	250	5	1.21%	250	8	0.99%
UT Health Henderson	196	6	0.95%			
Capco	165	7	0.80%			
Luminant Mining Co.	406	8	1.96%	896	1	3.55%
Verabank	160	9	0.77%			
West Fraser Inc.	155	10	0.75%			
Bradshaw State Jail				307	7	1.21%
ETMC of Henderson				400	4	1.58%
East Texas ISF				500	3	1.98%
Pioneer Drilling				240	9	0.95%
Panel Truss				180	10	0.71%
Total	<u>3,376</u>		<u>16.29%</u>	<u>4,028</u>		<u>15.93%</u>

(\*) - Indicates that the information is not presently available.

Source: Henderson Area Chamber of Commerce

Rusk County, Texas  
 Full-time County Governmental Employees by Function  
 Last nine Fiscal Years  
 (Unaudited)

<u>Function</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>As of December 31,</u>		<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
					<u>2017</u>	<u>2016</u>				
General Government	18	15	19	21	21	21	20	20	18	18
Judicial	32	28	29	33	33	33	33	33	32	32
Legal	7	8	8	8	8	8	8	8	8	8
Elections	2	2	2	2	2	2	2	2	2	2
Financial Administration	18	20	19	19	19	19	19	19	19	19
Public Facilities	5	4	4	4	4	4	4	4	4	4
Public Safety	79	84	84	80	80	80	80	80	83	83
Public Transportation	59	65	63	58	58	58	58	58	60	60
Health and Welfare	2	2	1	2	2	2	2	2	3	3
Culture and Recreation	14	14	14	15	15	15	15	15	14	14
Conservation	4	4	4	4	4	4	4	4	4	4
<b>Total</b>	<b>240</b>	<b>246</b>	<b>247</b>	<b>246</b>	<b>246</b>	<b>246</b>	<b>245</b>	<b>245</b>	<b>247</b>	<b>247</b>

Source: County employment records.

Notes:

Prior to the implementation of GASB Statement No. 44, this information was not presented by the County. The County elects not to report the information retroactively.

Rusk County, Texas  
Operating Indicators by Function  
Last nine Fiscal Years  
(Unaudited)

Function	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Judicial</b>										
Cases Filed:										
District Court:										
Civil	293	289	377	304	342	269	345	325	495	450
Criminal	508	396	397	372	329	392	339	517	406	370
County Court-at-Law	694	745	776	49	718	1,069	1,030	1,287	1,083	1,236
Convictions:										
District Court	107	103	182	910	196	191	189	330	223	222
County Court-at-Law	279	144	340	52	442	383	415	406	93	430
<b>Elections</b>										
Registered Voters	31,958	30,859	29,632	29,359	30,737	31,339	28,807	30,361	30,021	30,880
<b>Public Safety</b>										
Arrests	1,544	1,116	1,265	1,902	2,094	1,991	2,053	1,964	2,132	2,527
Prisoner Days	45,845	38,982	36,232	36,656	37,845	32,632	36,676	42,997	40,620	37,905
<b>Culture and Recreation</b>										
Library Circulation	228,605	195,375	98,551	364,084	537,821	118,690	113,928	107,068	172,248	280,155
Library Attendance	57,960	44,148	87,682	11,322	12,266	71,821	56,762	11,091	11,093	9,862
Museum Attendance	14,010	1,517	35,512	32,551	32,825	33,025	33,234	29,995	25,589	26,413

## Note:

Prior to the implementation of GASB Statement No. 44, this information was not presented by the County. The County elects not to report the information retroactively.

Rusk County, Texas  
Capital Asset Statistics by Function  
Last nine Fiscal Years  
(Unaudited)

<u>Function</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Judicial										
Number of Justices of the Peace offices	5	5	5	5	5	5	5	5	5	5
Elections										
Number of voting boxes	17	17	17	17	17	17	17	17	22	22
Public Safety										
Number of Jails	1	1	1	1	1	1	1	1	1	1
Jail Capacity	292	292	292	292	292	292	292	292	292	292
Public Transportation										
Number of Precincts	5	5	5	5	5	5	5	5	4	4
Road Miles	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102
Bridges	109	109	109	109	109	109	109	109	109	109
Number of Airports	1	1	1	1	1	1	1	1	1	1
Number of Runways	2	2	2	2	2	2	2	2	2	2
Health and Welfare										
Number of Collection sites	6	6	6	6	6	6	6	6	6	6
Culture and Recreation										
Number of Libraries	4	4	4	4	4	4	4	4	4	4
Number of Museums	1	1	1	1	1	1	1	1	1	1
Number of Community Centers	1	1	2	2	2	2	2	2	3	3

## Note:

Prior to the implementation of GASB Statement No. 44, this information was not presented by the County. The County elects not to report the information retroactively.

# Morgan LaGrone, CPA, PLLC

## Certified Public Accountant

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116 S Marshall  
Henderson TX 75654

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

Rusk County Commissioners' Court  
Rusk County, Texas

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rusk County, Texas, ("County") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 16, 2022.

#### Internal Control over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting (internal control) to determine the audit 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 identified one deficiency in internal control over financial reporting that we consider to be a material weakness. It is described in the Schedule of Findings and Questioned Costs as item 2021-1.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's 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

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

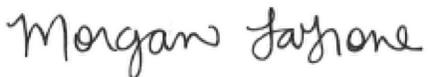
determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **County's Response to Findings**

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.



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Morgan LaGrone, CPA, PLLC

Henderson, Texas  
June 16, 2022

# Morgan LaGrone, CPA, PLLC

## Certified Public Accountant

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Fax: 903.655.1324

116 S Marshall  
Henderson TX 75654

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

Rusk County Commissioners' Court  
Rusk County, Texas

#### Report on Compliance for Each Major State Program

We have audited Rusk County, Texas' ("County") compliance with the types of compliance requirements described in the State of Texas Uniform Grant Management Standards that could have a direct and material effect on each of the County's major state programs for the year ended December 31, 2021. The County's major state 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 laws, regulations, contracts and grants applicable to its major state programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major state 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 State of Texas Uniform Grant Management Standards. Those standards and the State of Texas Uniform Grant Management Standards 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 state 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 state program. However, our audit does not provide a legal determination of the County's compliance.

**MEMBER**

*AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS*

### Opinion on Each Major State Program

In our opinion, the County 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 state programs for the year ended December 31, 2021.

### 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 a major state program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with State of Texas Uniform Grant Management Standards , 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 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 state 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 state 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 requirement of a state 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.

This 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 State of Texas Uniform Grant Management Standards. Accordingly, this report is not suitable for any other purpose.



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Morgan LaGrone  
Certified Public Accountant

Henderson, Texas  
June 16, 2022

Rusk County, Texas  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021

<u>Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program Expenditures</u>	<u>Amount Provided to Subrecipients</u>
<u>U.S. Department of Housing and Urban Development:</u>				
Passed through Texas Department of Agriculture:				
Community Development Block Grant	14.228	7219390	\$ 246,575	\$ -
Total U.S. Department of Housing and Urban Development			<u>\$ 246,575</u>	<u>\$ -</u>
<u>Institute of Museum and Library Services:</u>				
Passed through Texas State Library and Archives Commission:				
LSTA State Grant	45.31	LS-246193-0LS-20	\$ 2,418	-
Total U.S. Department of Homeland Security			<u>\$ 2,418</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 248,993</u>	<u>\$ -</u>

Rusk County, Texas  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021

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The Schedule of Expenditures of Federal Awards is a summary of the activity of the County's federal award programs presented on the modified accrual basis of accounting in accordance with generally accepted accounting principles.

The modified accrual basis of accounting is used for the Governmental Fund Types. The County uses Governmental Fund Types (General Fund and Special Revenue Funds) to account for federal grant awards received. The modified accrual basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

Rusk County, Texas  
Schedule of Expenditures of State Awards  
For the Year Ended December 31, 2021

<u>Grantor/Program Title</u>	<u>Grantor's Number</u>	<u>Program Expenditures</u>	<u>Amount Provided to Subrecipients</u>
Texas Juvenile Probation Commission:			
Juvenile Probation Services-State Aid	TJPC-A-2021-201	\$ 215,761	\$ -
Juvenile Probation Services-State Aid	TJPC-A-2022-201	144,882	-
Total Texas Juvenile Probation Commission		<u>\$ 360,643</u>	<u>\$ -</u>
Texas Task Force on Indigent Defense:			
Indigent Defense Services Grant	212-21-201	\$ 37,184	\$ -
Total Texas Task Force on Indigent Defense		<u>\$ 37,184</u>	<u>\$ -</u>
Texas Department of State Health Services			
RLSS-Local Public Health System	HHS00743500005	\$ 96,810	\$ -
Total Texas Department of State Health Services		<u>\$ 96,810</u>	<u>\$ -</u>
Texas Department of Transportation			
Airport Improvement Program	M1810HNDRI	\$ 50,000	
County Transportation Infrastructure Fund Grant	CTIF-01-201	904,098	\$ -
		<u>\$ 954,098</u>	<u>\$ -</u>
Total State Financial Assistance		<u>\$ 1,448,736</u>	<u>\$ -</u>

Rusk County, Texas  
Schedule of Expenditures of State Awards  
For the Year Ended December 31, 2021

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**Notes to Schedule of Expenditures of State Awards:**

**Note 1 - Significant Accounting Policies Used in Preparing the Schedule**

The accompanying schedule of expenditures of state awards includes the state award activity of Rusk County, Texas, under programs of the state government for the year ended December 31, 2021. The information in this schedule is presented in requirements of the State of Texas *Uniform Grant Management Standards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

**Note 2 - Indirect Cost Rates**

The County did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Rusk County, Texas  
Summary of Auditor's Results and  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2021

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? X Yes      No

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

Noncompliance material to financial statements noted?      Yes X No

2. State Awards

Internal control over major programs:

Material weaknesses identified?      Yes X No

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

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 State of Texas *Uniform Grant Management Standards*?      Yes X No

Identification of major programs:

<u>Name of State Program or Cluster</u>	<u>Grant Number</u>
County Transportation Infrastructure Grant	CTIF-01-201

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?      Yes X No

B. Financial Statement Findings

**2021-1 Material Weakness - Significant Audit Adjustments**

**Condition:**

Significant adjusting entries were necessary to correct and adjust balances and transactions reported in the general ledger in order to prepare accurate financial statements.

Rusk County, Texas  
Summary of Auditor's Results and  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2021

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**Criteria:**

Timeless and accurate financial reports are essential to perform analysis of financial condition, review data for accuracy and completeness, monitor compliance with budget appropriations, prepare long-range financial plans, and to safeguard assets.

**Cause:**

Significant adjustments were necessary to properly record capital asset expenditures and grant revenue.

**Effect:**

The County's year-end financial statements were misstated prior to approval and recording of the proposed audit adjustments.

**Recommendation:**

The County should review the content of the audit adjustments in order to understand the purpose of adjustments, reclassifications or corrections and incorporate these entries into the County's monthly and year-end accounting transactions. Additionally, the County should develop and implement policies and procedures to include strong internal controls related to financial reporting and monitoring to produce more useful and accurate financial reports.

**Management's Responses:**

Instead of netting expenditures with grant revenue, the County Auditor will be recording grant revenue as nonbudgeted revenue and show the expenditure that those grant reimbursements were paid for. Nonbudgeted revenue will result in a budget amendment when that revenue is received.

C. State Award Findings and Questioned Costs

Note noted.

Rusk County, Texas  
Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2021

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Finding

Current Status

Not Applicable for the year ended December 31, 2021.