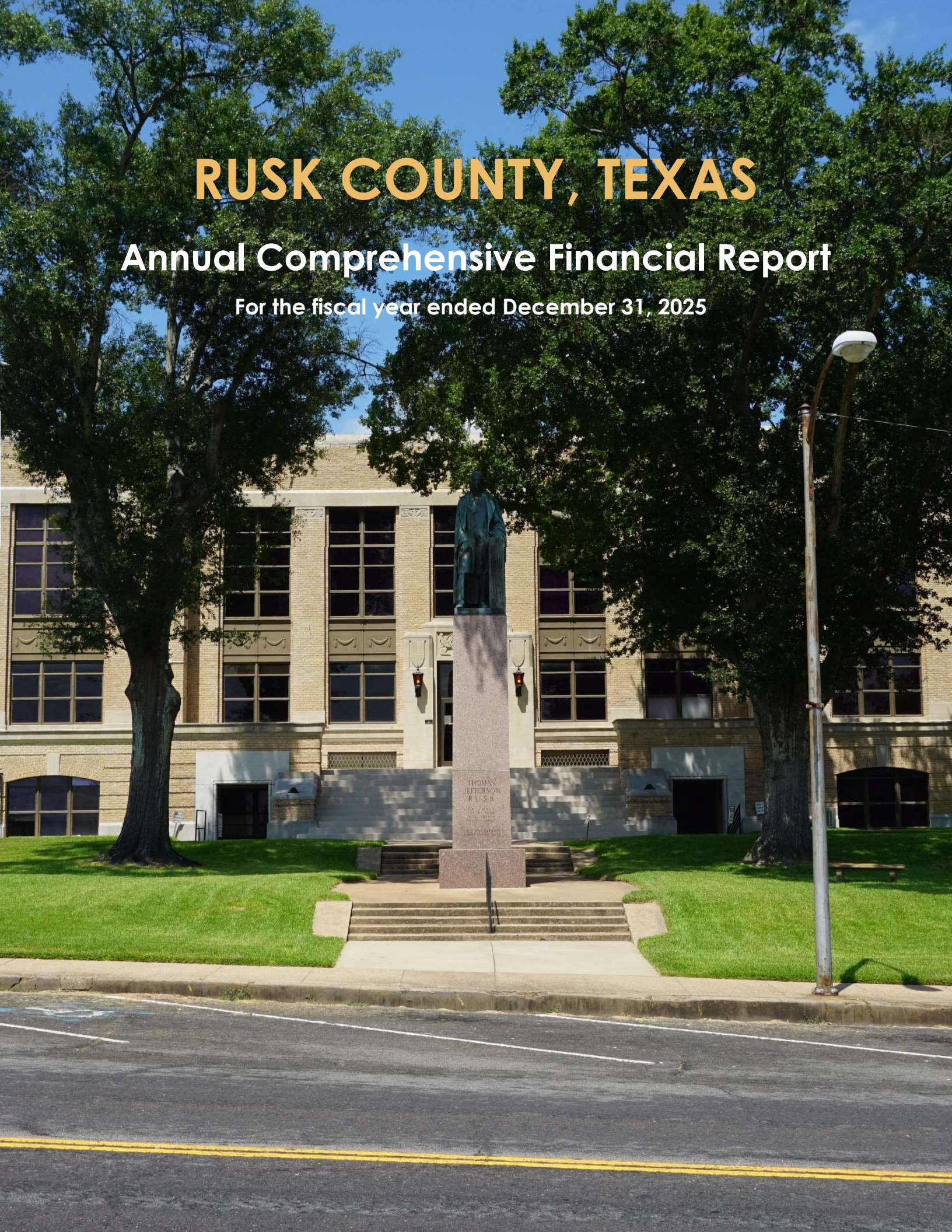


RUSK COUNTY, TEXAS

Annual Comprehensive Financial Report

For the fiscal year ended December 31, 2025



Rusk County, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended December 31, 2025



Prepared by:
County Auditor's Office

**RUSK COUNTY, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025**

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INTRODUCTORY SECTION



COUNTY AUDITOR:
Reagan McCauley



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

June 23, 2026

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, 2025. 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 GMP Assurance 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, 2025.

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*.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A and should be read in conjunction with it. The County's MD&A can be found on 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 52,775. 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 and the Road Bridge Fund (the County's two (2) major funds), this comparison is included in required Supplementary information. For other governmental funds, this comparison is presented in the Combining and Individual Fund Financial Statements and Schedules section of this report.

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.

The school districts in the County have increased average daily attendance (ADA) in 2025.

The County has a civilian labor force of 21,726, 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.

Various costs associated with increased health care premiums for employees had a significant effect on the financial statements in 2025. The County no longer participates in the insurance program provided through the Texas Association of Counties and chose to go out for bid for new insurance in the year 2025. The County chose to switch to United Healthcare due to more competitive pricing.

Respectfully submitted,

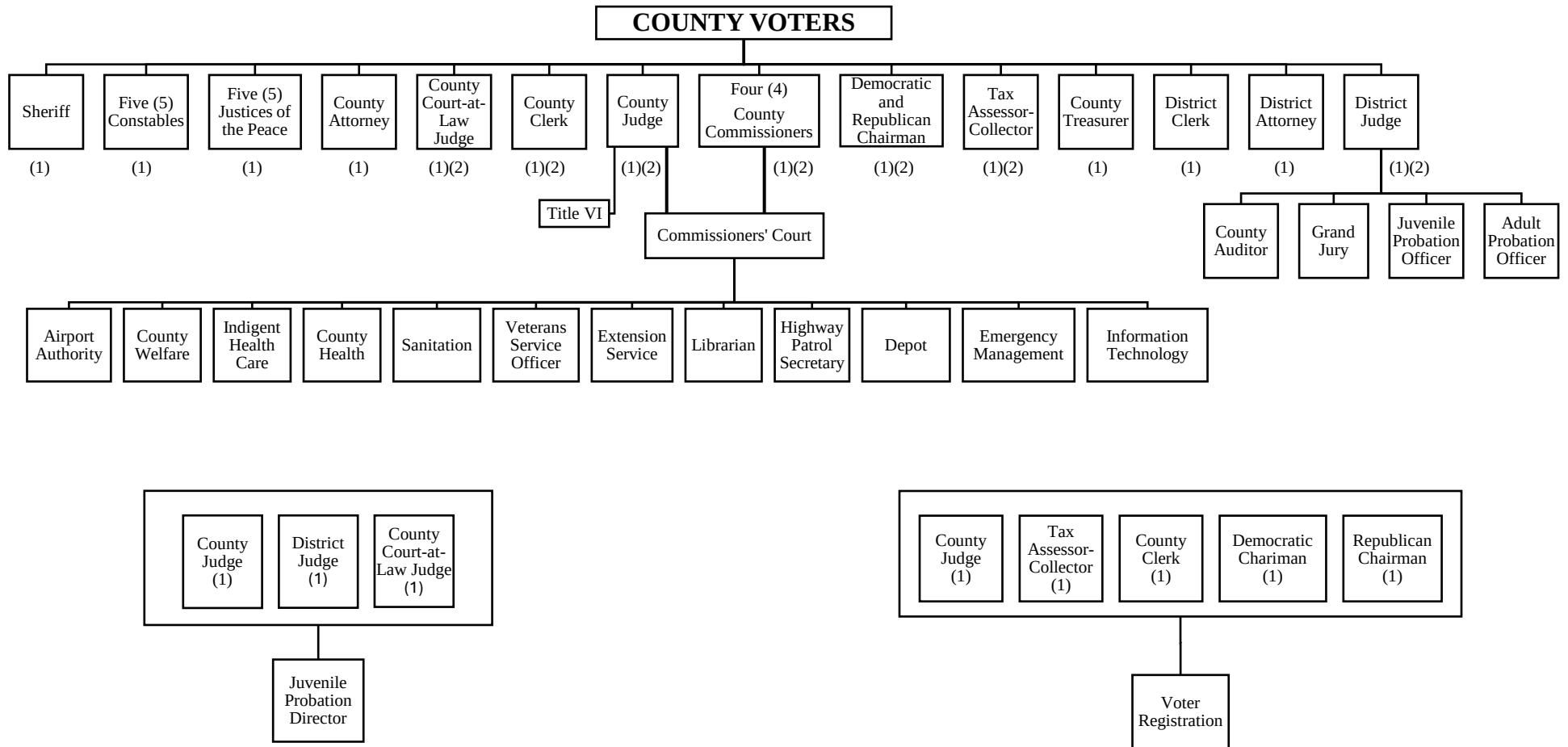


Reagan McCauley
Rusk County Auditor

RUSK COUNTY, TEXAS
LIST OF PRINCIPAL OFFICIALS
As of December 31, 2025

<u>Title</u>	<u>Name</u>
4 th Judicial District Judge	Honorable David Hill
County Judge	Honorable Joel Hale
County Commissioner, Pct. #1	Honorable Randy Gaut
County Commissioner, Pct. #2	Honorable Robert Kuykendall
County Commissioner, Pct. #3	Honorable Greg Gibson
County Commissioner, Pct. #4	Honorable Bennie Whitworth
County Court-at-Law Judge	Honorable Chad Dean
County Attorney	Michael Jimmerson
County Auditor	Reagan McCauley
County Clerk	Trudy McGill
County Sheriff	Johnwayne Valdez
County Tax Assessor-Collector	Nesha Partin
County Treasurer	Andy Vinson
District Clerk	Terri Willard
Constable, Pct. #1	Richard Stanely
Constable, Pct. #2	Matt Allison
Constable, Pct. #3	Rusty Hughes
Constable, Pct. #4	Jesse Stewart
Constable, Pct. #5	Trey Hacker
Justice of the Peace, Pct. #1	Pat McCrory
Justice of the Peace, Pct. #2	Cindy Redmon
Justice of the Peace, Pct. #3	Shannon Burkley
Justice of the Peace, Pct. #4	Darlene Childress
Justice of the Peace, Pct. #5	Jana Enloe
Chief Adult Probation Officer	Mark Hogberg
Chief Juvenile Probation Officer	Fay Terry

RUSK COUNTY, TEXAS ORGANIZATIONAL CHART



- (1) Denotes elected officials. All others are appointed.
 (2) Denotes Joint and Overlapping Responsibilities.



FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

To the Honorable Commissioners' Court of Rusk County
Henderson, 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, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 5-11; the budgetary comparison information contained in Schedules 1 and 2 on pages 51-56; the Schedule of Changes in the County's Net Pension Liability and Related Ratios on page 57; the Schedule of Employer Contributions on page 58 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's 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 Rusk County, Texas' basic financial statements. The introductory section, additional supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is 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 and the statistical tables 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 the other information otherwise appears to be materially 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 23, 2026, on our consideration of Rusk County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rusk County, Texas' internal control over financial reporting and compliance.

GMP Assurance PLLC

Certified Public Accountants

Tyler, Texas
June 23, 2026



RUSK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of Rusk County, Texas (the "County") for the year ending December 31, 2025. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the County's activities, compares the current year's results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows on December 31, 2025, by \$54,198,905 (net position). Of this amount, \$11,833,206 represents net position restricted for various purposes. Unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors, is \$13,357,030.
- The County's total net position increased by \$1,256,215 from operations.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$30,438,298, an increase of \$2,086,644 from prior year. Approximately 57% of this amount, \$17,443,541 is available for spending at the County's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17,443,541, or approximately 79% of total General Fund expenditures.

THE STRUCTURE OF OUR ANNUAL REPORT

The County's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information for the County as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the County as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the County's financial statements, report information on the County's activities that enable the reader to understand the financial condition of the County. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the County's assets, liabilities, and deferred outflows/inflows 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. Other nonfinancial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered in order to assess the overall health of the County.

The Statement of Activities presents information showing how the County's net position changed during the most recent 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 - the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities summarizes the County's financials into governmental activities. The County's basic services are reported here including general government, judicial, financial administration, public safety, public transportation, health and welfare, and culture and recreation. Interest payments on the County's debt are also reported here. Property tax, fees, fines and forfeitures, and other revenue finance most of these activities.

The government-wide financial statements can be found after the MD&A.

RUSK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the County. They are usually segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of County funds are governmental and fiduciary.

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 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 14 individual governmental funds, 2 major and 12 nonmajor. 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 and Road and Bridge Fund which are considered to be major funds for reporting purposes.

The County adopts an annual appropriated budget for its general, road and bridge, debt service, and select special revenue funds. Budgetary comparison schedules have been provided for the general, road and bridge, ARPA, airport, debt service, and select special revenue funds to demonstrate compliance with these budgets.

Proprietary Funds

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund is used to report activities that provide supplies and services for other programs and activities, such as the County's self-insurance program. Because these services predominantly benefit governmental rather than business-type functions, the Internal Service Fund is reported with governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County maintains 7 custodial funds. The County's fiduciary activities are reported separately and can be found just before the footnotes in this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

RUSK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

Other Information

In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general fund, road and bridge fund, and airport fund, as well as schedules of changes in net pension liabilities and, related ratios, and schedule of contributions for the Texas County and District Retirement System. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$54,198,905 as of December 31, 2025. This compares with \$52,942,690 from the prior fiscal year. A portion of the County's net position, \$29,008,669, reflects its investment in capital assets (e.g., construction in progress, building, equipment, and infrastructure) less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities	
	2025	2024
Current and other assets	\$ 43,614,380	\$ 42,364,650
Capital assets, net	30,899,668	30,915,397
Total assets	<u>74,514,048</u>	<u>73,280,047</u>
Deferred outflows - pensions	1,919,331	2,239,335
Total deferred outflows of resources	<u>1,919,331</u>	<u>2,239,335</u>
Current liabilities	1,552,872	2,528,557
Long-term liabilities	12,124,302	12,441,453
Total liabilities	<u>13,677,174</u>	<u>14,970,010</u>
Deferred inflows - advanced tax collections	7,752,953	7,468,114
Deferred inflows - pensions	804,347	138,568
Total deferred inflows of resources	<u>8,557,300</u>	<u>7,606,682</u>
Net position:		
Net investment in capital assets	29,008,669	30,182,767
Restricted	11,833,206	11,269,225
Unrestricted	<u>13,357,030</u>	<u>11,490,698</u>
Total net position	<u>\$ 54,198,905</u>	<u>\$ 52,942,690</u>

A portion of the County's net position, \$11,833,206, represents resources that are subject to external restriction on how they may be used. The County's total net position increased by \$1,256,215 during the current fiscal year.

RUSK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

Statement of Net Position (continued)

Total net position increased by \$1.3 million during fiscal year 2025, from \$52.9 million to \$54.2 million. The increase was primarily due to current-year revenues exceeding expenses, resulting in growth in unrestricted net position. While net investment in capital assets decreased during the year as depreciation expense and related financing activities exceeded capital asset additions, the County's overall financial position improved as evidenced by the increase in total net position.

Statement of Activities

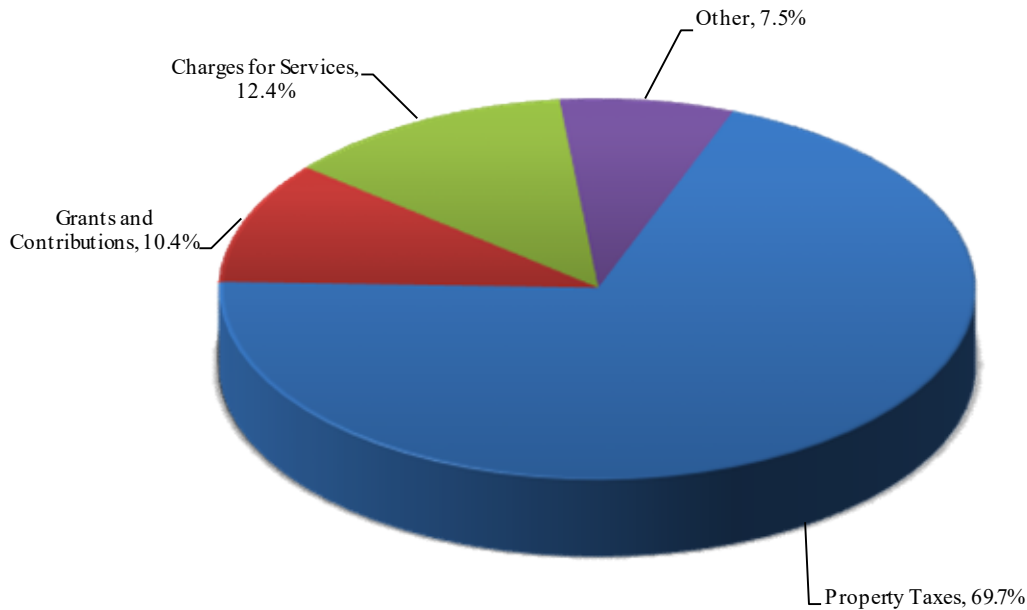
The following table provides a summary of the County's changes in net position:

	Governmental Activities	
	2025	2024
Revenues:		
<u>Program revenues:</u>		
Charges for services	\$ 4,624,468	\$ 4,180,092
Operating grants and contributions	3,179,454	4,520,270
Capital grants and contributions	706,224	1,032,473
<u>General revenues:</u>		
Property taxes	25,924,624	24,613,471
Other	2,782,533	2,918,900
Total revenues	<u>37,217,303</u>	<u>37,265,206</u>
Expenses:		
General government	3,555,586	3,229,181
Judicial	3,636,793	3,146,817
Legal	1,137,766	928,214
Elections	249,251	253,247
Financial administration	2,389,489	2,192,512
Public facilities	675,318	887,649
Public safety	10,318,424	9,297,457
Public transportation	11,428,334	11,174,875
Health and welfare	902,673	842,389
Culture and recreation	1,349,104	1,320,002
Conservation	227,973	217,908
Interest	90,376	31,428
Total expenses	<u>35,961,088</u>	<u>33,521,679</u>
Change in net position	1,256,215	3,743,527
Net position, beginning	<u>52,942,690</u>	<u>49,199,163</u>
Net position, ending	<u>\$ 54,198,905</u>	<u>\$ 52,942,690</u>

**RUSK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

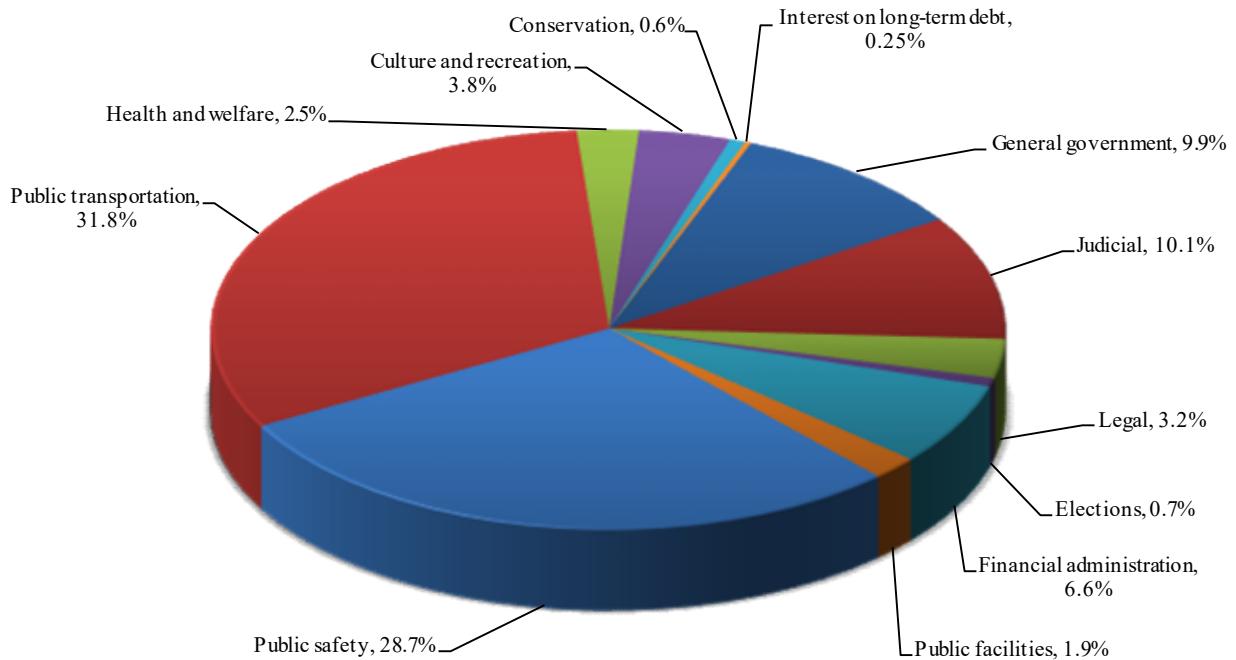
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the County's activities.

Governmental Activities – Revenues



Total governmental activity revenues decreased \$47,903, or 0.13% from the prior year. This consistency is primarily due to the increase in property tax revenues offsetting the decrease in both operating and capital grants and contributions.

Governmental Activities - Expenses



Governmental expenses increased by \$2,439,409 from the prior year. The majority of the change is a result of increases in Public Safety, Public Transportation, General government and Judicial categories.

RUSK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure 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, the unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

The general fund is the chief operating fund of the County. The general fund experienced an increase in fund balance of \$1,355,825 primarily attributed to an increase in property tax revenue. At the end of the current fiscal year, unassigned fund balance of the general fund was \$17,443,541 and total fund balance was \$18,591,032. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 79% of total general fund expenditures and other financing sources.

The road and bridge fund had an ending fund balance of \$4,650,141, an increase of \$576,311 from the prior year. An increase in tax revenue contributed to the increase in fund balance.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual general fund revenues were more than final budgeted revenues by \$1,134,226 during the year. This net positive variance is primarily attributable to more fees and investment earnings received than the anticipated amount in the final budget. Actual expenditures were \$481,168 less than budgeted. Overall, the general fund had a total positive budget variance of \$1,615,394 before capital leases, sale of capital assets, and interfund transfers.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

At the end of the year, the County's governmental activities had invested \$30,899,668 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net decrease of \$15,729.

Major capital asset events during the year included the following:

- Additions to machinery and equipment in the amount of \$2.59 million. These additions are primarily attributable to the financed purchase of Mack trucks and completion of the Tower Project.
- Additions to buildings and improvements in the amount of \$3.59 million, which is made up mostly of the county-wide roof replacement project was completed during fiscal year 2025.
- Deletions to buildings and improvements in the amount of \$3.15 million. A large portion of this amount derives from the removal of the old jail building.

During 2025, the County entered into new lease agreements and financed equipment acquisitions totaling approximately \$1.6 million. Net lease right-of-use assets increased to approximately \$1.3 million, while lease liabilities and financed purchase obligations totaled approximately \$2.1 million at year-end. Despite these additions, total governmental activities long-term debt decreased during the year, primarily due to reductions in the County's net pension liability and scheduled repayments of outstanding obligations.

More detailed information about the County's capital assets and long-term liabilities is presented in the notes to the financial statements.

**RUSK COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

CURRENTLY KNOWN FACTS, CONDITIONS, OR DECISIONS

During fiscal year 2025, the County approved an increase in employer retirement contributions for eligible employees. This change is expected to increase personnel-related expenditures in future years as the County continues its efforts to attract and retain qualified employees.

The County continues to experience economic development activity, including growth among the County's largest taxpayers and the expansion of healthcare facilities within the County. While certain developments may not immediately increase property tax revenues due to tax abatements or tax-exempt status, County officials believe these projects may contribute to long-term economic growth, employment opportunities, and future expansion of the County's tax base.

County management will continue to monitor economic conditions, development activity, and legislative actions that may affect future revenues, expenditures, and financial planning.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The unemployment rate for the County as of the end of the fiscal year was 4.0%, compared with a rate of 4.8% a year ago.
- The County's assessed valuation of property for the 2025 property tax year (2026 fiscal year) has increased \$222,093,132 to approximately \$5,223,812,132.
- The County's property tax rate increased from \$0.541411 per \$100 of assessed valuation to \$0.544476 per \$100 assessed valuation for the 2026 budget year (2025 property tax year).

All of these factors were considered in preparing the County's budget for the 2026 fiscal year. During the current fiscal year, Unassigned Fund Balance in the General Fund increased to \$17,443,541. That amount represents approximately eight and a half months of General Fund operations, and the County believes that to be a reasonable reserve.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances. Questions concerning this report or requests for additional financial information should be directed to Reagan McCauley, County Auditor, Rusk County, 115 N. Main Street, Suite 103, Henderson, TX 75652.





BASIC FINANCIAL STATEMENTS



**RUSK COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2025**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 28,474,218
Investments	6,130,767
Receivables, net	8,026,182
Due from other governments	8,009
Prepaid items	755,515
Restricted assets:	
Temporarily restricted	
Cash and cash equivalents	219,689
Capital assets not being depreciated:	
Land	1,032,025
Construction in progress	422,216
Capital assets net of accumulated depreciation:	
Buildings and improvements	20,594,833
Machinery and equipment	5,942,222
Infrastructure	1,612,249
Right-of-use lease assets	1,296,123
Total assets	<u>74,514,048</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	1,919,331
Total deferred outflows of resources	<u>1,919,331</u>
LIABILITIES	
Accounts payable and accrued liabilities	753,862
Due to others	189,109
Unearned revenues	609,901
Noncurrent liabilities:	
Due within one year:	
Long-term debt	1,344,677
Due in more than one year:	
Long-term debt	992,717
Net pension liability	9,786,908
Total liabilities	<u>13,677,174</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes - advanced collections	7,752,953
Related to pensions	804,347
Total deferred inflows of resources	<u>8,557,300</u>
NET POSITION	
Net investment in capital assets	29,008,669
Restricted for:	
Permanent funds:	
Nonspendable	252,376
County roads and bridges	4,456,381
Airport property	760,592
Law library	140,630
County officials' offices	1,886,992
Indigent health care services	3,066,848
Juvenile services	7,793
Debt service	906,382
District probation	253,337
American rescue funds	101,875
Unrestricted	<u>13,357,030</u>
Total net position	<u>\$ 54,198,905</u>

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

RUSK COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for	Operating	Capital Grants	Revenue and
		Services	Grants and	and	Changes in
			Contributions	Contributions	Position
					Governmental
					Activities
Primary government					
<u>Governmental activities:</u>					
General government	\$ 3,555,586	\$ 1,211,613	\$ 122,852	\$ 232,534	\$ (1,988,587)
Judicial	3,636,793	978,744	341,193	-	(2,316,856)
Legal	1,137,766	44,944	369,003	-	(723,819)
Elections	249,251	-	-	-	(249,251)
Financial administration	2,389,489	1,867,145	-	-	(522,344)
Public facilities	675,318	-	-	-	(675,318)
Public safety	10,318,424	149,696	1,029,974	-	(9,138,754)
Public transportation	11,428,334	351,771	44,193	473,690	(10,558,680)
Health and welfare	902,673	-	1,267,769	-	365,096
Culture and recreation	1,349,104	20,555	4,470	-	(1,324,079)
Conservation	227,973	-	-	-	(227,973)
Interest on long-term debt	90,376	-	-	-	(90,376)
Total governmental activities	<u>35,961,088</u>	<u>4,624,468</u>	<u>3,179,454</u>	<u>706,224</u>	<u>(27,450,942)</u>
Total primary government	<u>\$ 35,961,088</u>	<u>\$ 4,624,468</u>	<u>\$ 3,179,454</u>	<u>\$ 706,224</u>	<u>\$ (27,450,942)</u>
General revenues:					
Property taxes					25,924,624
Other taxes					32,311
Investment income					2,034,494
Miscellaneous					715,728
Total general revenues					<u>28,707,157</u>
Change in net position					1,256,215
Net position - beginning					<u>52,942,690</u>
Net position - ending					<u>\$ 54,198,905</u>

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

**RUSK COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	General	Road and Bridge	Nonmajor Governmental	Total Governmental
ASSETS				
Cash and cash equivalents	\$ 14,025,977	\$ 5,502,957	\$ 7,386,932	\$ 26,915,866
Investments	6,130,767	-	-	6,130,767
Receivables, net:				
Property taxes	1,410,310	588,111	60,804	2,059,225
Due from other governments	8,009	-	-	8,009
Accounts	4,294,877	1,485,779	186,301	5,966,957
Prepays	381,335	193,760	360	575,455
Due from other funds	956,322	-	747,714	1,704,036
Total assets	<u>27,207,597</u>	<u>7,770,607</u>	<u>8,382,111</u>	<u>43,360,315</u>
LIABILITIES				
Accounts payable	418,973	102,817	220,458	742,248
Unearned revenue - grants	-	-	609,901	609,901
Due to other governments	176,943	-	12,166	189,109
Due to other funds	747,714	178,728	267,594	1,194,036
Total liabilities	<u>1,343,630</u>	<u>281,545</u>	<u>1,110,119</u>	<u>2,735,294</u>
DEFERRED INFLOWS OF RESOURCES				
Advance tax collections	5,476,805	2,276,148	-	7,752,953
Unavailable revenue - tax revenue	1,348,757	562,773	59,463	1,970,993
Unavailable revenue - fines and fees	447,373	-	-	447,373
Unavailable revenue - deposits	-	-	15,404	15,404
Total deferred inflows of resources	<u>7,272,935</u>	<u>2,838,921</u>	<u>74,867</u>	<u>10,186,723</u>
FUND BALANCES				
Nonspendable:				
Permanent funds	-	-	72,316	72,316
Prepays	381,335	193,760	360	575,455
Restricted:				
County roads & bridges	-	4,456,381	-	4,456,381
Airport property	-	-	760,592	760,592
Law library	-	-	140,630	140,630
Juvenile services	-	-	7,793	7,793
County officials' offices	-	-	1,886,992	1,886,992
Indigent health care services	-	-	3,066,848	3,066,848
Debt service	-	-	906,382	906,382
District probation	-	-	253,337	253,337
Opioid abatement	-	-	101,875	101,875
Assigned for subsequent year's budget	766,156	-	-	766,156
Unassigned	17,443,541	-	-	17,443,541
Total fund balances	<u>18,591,032</u>	<u>4,650,141</u>	<u>7,197,125</u>	<u>30,438,298</u>
 Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 27,207,597</u>	<u>\$ 7,770,607</u>	<u>\$ 8,382,111</u>	<u>\$ 43,360,315</u>

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

RUSK COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION (EXHIBIT 1)
DECEMBER 31, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds balance sheet	\$ 30,438,298
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.	
Court fines	447,373
Deposits	15,404
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	
Nondepreciable capital assets	1,454,241
Depreciable capital assets	59,394,937
Accumulated depreciation	(29,949,510)
Other long term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	
Prepaid assets	180,060
Delinquent property taxes	1,970,993
The assets and liabilities of the internal service fund are included in the governmental activities Statement of Net Position.	1,256,427
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for postretirement benefits (pension) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.	
Deferred outflows - pension related	1,919,331
Deferred inflows - pension related	(804,347)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds.	
Financed purchases	(875,200)
Leases payable	(1,235,488)
Compensated absences payable	(226,706)
Net pension liability	(9,786,908)
Net position of governmental activities	<u><u>\$ 54,198,905</u></u>

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

RUSK COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	General	Road and Bridge	Nonmajor Governmental	Total Governmental
REVENUES				
Ad valorem taxes	\$ 18,448,586	\$ 7,290,590	\$ 22,554	\$ 25,761,730
Other taxes	32,311	-	-	32,311
Intergovernmental	603,765	44,193	3,229,792	3,877,750
Fees	1,869,538	993,968	926,466	3,789,972
Charges for services	272,232	-	-	272,232
Fines and forfeitures	383,561	150,223	36,205	569,989
Contributions	202	-	-	202
Investment earnings	1,360,890	350,906	265,329	1,977,125
Miscellaneous	344,288	63,740	395,547	803,575
Total revenues	<u>23,315,373</u>	<u>8,893,620</u>	<u>4,875,893</u>	<u>37,084,886</u>
EXPENDITURES				
Current:				
General government	3,011,252	-	384,315	3,395,567
Judicial	3,193,292	-	431,310	3,624,602
Legal	818,415	-	329,269	1,147,684
Elections	248,052	-	-	248,052
Financial administration	2,394,554	-	13,375	2,407,929
Public facilities	670,332	-	3,087	673,419
Public safety	8,356,975	-	1,644,004	10,000,979
Public transportation	-	7,779,277	1,216,834	8,996,111
Health and welfare	875,967	-	28,056	904,023
Culture and recreation	1,358,587	-	-	1,358,587
Conservation	225,344	-	-	225,344
Capital outlay	681,079	1,545,304	911,135	3,137,518
Debt service:				
Principal	196,200	204,060	-	400,260
Interest	14,201	76,175	-	90,376
Total expenditures	<u>22,044,250</u>	<u>9,604,816</u>	<u>4,961,385</u>	<u>36,610,451</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,271,123</u>	<u>(711,196)</u>	<u>(85,492)</u>	<u>474,435</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	-	240,000	255,000
Transfers out	(240,000)	(15,000)	-	(255,000)
Issuance of debt	-	950,775	-	950,775
Issuance of leases	269,302	350,784	-	620,086
Sale of capital assets	40,400	948	-	41,348
Total other financing sources and uses	<u>84,702</u>	<u>1,287,507</u>	<u>240,000</u>	<u>1,612,209</u>
NET CHANGE IN FUND BALANCES	<u>1,355,825</u>	<u>576,311</u>	<u>154,508</u>	<u>2,086,644</u>
FUND BALANCES, BEGINNING	<u>17,235,207</u>	<u>4,073,830</u>	<u>7,042,617</u>	<u>28,351,654</u>
FUND BALANCES, ENDING	<u>\$ 18,591,032</u>	<u>\$ 4,650,141</u>	<u>\$ 7,197,125</u>	<u>\$ 30,438,298</u>

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

RUSK COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (EXHIBIT 2)
FOR THE YEAR ENDED DECEMBER 31, 2025

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds	\$ 2,086,644
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	3,137,518
Amortization of prepaid assets	(60,020)
Depreciation expense	(2,943,212)
Net effect of capital disposals	(210,035)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.	
Unavailable revenue - delinquent property taxes	162,894
Unavailable revenue - court fines	(21,849)
Unavailable revenue - deposits	(87,847)
Net pension and other postemployment benefit (OPEB) liability and deferred outflows and deferred inflows related to pensions and OPEB liability are not reported in the governmental funds	
Net pension liability	1,447,129
Deferred outflows - pensions	(320,004)
Deferred inflows - pensions	(665,779)
Bonds and leases provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position	
Lease payments	336,917
Principal payments	75,575
Debt proceeds	(950,775)
Lease proceeds	(620,086)
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 the governmental funds.	
Compensated absences, net change	28,391
The internal service fund is used by management to charge the costs of health insurance to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.	(139,246)
Change in net position of governmental activities	<u><u>\$ 1,256,215</u></u>

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

**RUSK COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2025**

	Internal Service
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,778,041
Total current assets	<u>1,778,041</u>
 Total assets	 1,778,041
LIABILITIES	
Current liabilities:	
Accounts payable	11,614
Due to other funds	<u>510,000</u>
Total current liabilities	<u>521,614</u>
 Total liabilities	 521,614
NET POSITION	
Unrestricted	<u>1,256,427</u>
Total net position	<u><u>\$ 1,256,427</u></u>

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

RUSK COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Internal Service
OPERATING REVENUES	
Charges for services	\$ 4,501,256
Total operating revenues	<u>4,501,256</u>
OPERATING EXPENSES	
Benefits, insurance & administrative cost	<u>4,697,871</u>
Total operating expenses	<u>4,697,871</u>
OPERATING LOSS	<u>(196,615)</u>
NONOPERATING REVENUES	
Investment income	<u>57,369</u>
Total nonoperating revenues	<u>57,369</u>
CHANGE IN NET POSITION	(139,246)
NET POSITION, BEGINNING	<u>1,395,673</u>
NET POSITION, ENDING	<u><u>\$ 1,256,427</u></u>

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

**RUSK COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from interfund services provided	\$ 4,501,256
Cash payments to suppliers for goods and services	(4,700,039)
Cash used in operating activities	(198,783)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Advances from other funds	510,000
Cash provided by non-capital financing activities	510,000
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	57,369
Cash provided by investing activities	57,369
NET INCREASE IN CASH AND CASH EQUIVALENTS	368,586
CASH AND CASH EQUIVALENTS, BEGINNING	1,409,455
CASH AND CASH EQUIVALENTS, ENDING	\$ 1,778,041
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating income	\$ (196,615)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Decrease in accounts payable	(2,168)
Total adjustments	(2,168)
Net cash used in operating activities	\$ (198,783)

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

RUSK COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2025

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 12,980,131
Investments	32,551
Total assets	<u>13,012,682</u>
LIABILITIES	
Due to other governments	10,881,739
Total liabilities	<u>10,881,739</u>
NET POSITION	
Restricted for:	
Individuals and other governments	2,130,943
Total net position	<u><u>\$ 2,130,943</u></u>

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

RUSK COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Custodial Funds
ADDITIONS	
Taxes and fees collected on behalf of other governments	\$ 93,463,375
Registry and trust funds collected	3,658,729
Fees collected from program participants	912,432
Total additions	98,034,536
DEDUCTIONS	
Taxes and fees remitted to other governments	93,687,075
Registry and trust funds disbursed	4,910,665
Payments to others	644,249
Total deductions	99,241,989
NET CHANGE IN NET POSITION	(1,207,453)
NET POSITION, BEGINNING	3,338,396
NET POSITION, ENDING	\$ 2,130,943

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



RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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. Non-major funds include other special revenue, permanent, and the debt service funds. The combined amounts for these funds are reflected in a single column in the fund financial statements. Detailed statements for non-major funds are presented within the combining and individual fund statements and schedules.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

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

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, and postemployment benefits are recorded only when payments are due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, licenses, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for the revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

All proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Claims incurred, but not reported are included in payables and expenses. All assets, liabilities, and deferred outflows/inflows of resources (current and noncurrent) associated with their activities are included in the fund's statement of net position.

The County reports the following major Governmental funds:

General Fund – 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.

Road and Bridge 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.

Other fund types include proprietary and fiduciary funds which are considered as nonmajor funds. Nonmajor funds include special revenue funds, capital projects funds, and debt service funds.

Proprietary fund level financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. Internal Service funds are used to account for the financing of goods or services provided by one department or agency of the County to other County departments or agencies on a cost reimbursement basis. 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.

The County has one proprietary fund which is classified as an internal service fund:

Internal Service Fund – 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.

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The **Proprietary funds** are accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
2. Current year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations (e.g. insurance payments).

Fiduciary fund level financial statements include fiduciary funds which are classified into pension (and other employee benefit) trust funds, external investment, private purpose trust and custodial funds. The County has only custodial funds which are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and other funds. Custodial funds do not involve a formal trust agreement. Custodial fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The County reports seven custodial funds as fiduciary funds.

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.

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. Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

The County has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the County is authorized to invest in:

- a) obligations of the United States or its agencies and instrumentalities;
- b) direct obligations of the State of Texas or its agencies and instrumentalities;
- c) other obligations, the principal and interest on which are unconditionally guaranteed or insured or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities;
- d) certificates of deposit issued by state and national banks or savings and loans domiciled in Texas in accordance with specific criteria;
- e) public funds investment pools.

Investments for the County are reported at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method).

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

4. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at yearend 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 uncollectible. The allowance is estimated based on prior year collection history and management's estimate.

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 deferred inflows of resources.

5. 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
Infrastructure	25-30
Machinery and equipment	3-7
Right-of-use equipment	3-5

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

6. Construction in Progress

Expenditures on incomplete capital projects have been capitalized as construction in progress. The assets resulting from these projects will be transferred from the construction in progress accounts to the appropriate asset account as the projects are completed.

7. 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 assets 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 one item that qualifies for reporting in this category on the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflow of resources have been recognized as a result of the change in actuarial assumptions and for differences between the expected and the actual economic experience related to the County's defined benefit pension plan. These amounts are deferred and amortized over the average of the expected service lives of pension plan members. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the County's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made.

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 assets 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 two items that qualify for reporting in this category in the government-wide Statement of Net Position. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience related to the County's defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members. Deferred charges have also been recognized as a result of the difference between the projected and actual investments earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. At the fund level, the County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines and fees, and deposits. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

8. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net invested in capital assets consists of the County's capital assets, net of accumulated depreciation, reduced by any outstanding debt used for the acquisition or construction of those assets less unspent cash acquired through debt at year-end. Net position reported as restricted are those amounts which have limitations imposed by creditors, grantors or other laws and regulations. The government-wide statement of net position reports \$11,833,206 of restricted net position.

9. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

9. Long-Term Liabilities (continued)

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.

The property tax rate is allocated each year between the general, road and bridge, and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

Assets acquired under the terms of a financed purchases or notes payable are recorded as liabilities and capitalized in the government-wide financial statements. In the year of acquisition, these transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. The payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

10. Leases

Leases are recognized in accordance with GASB Statement No. 87, *Leases*. A lessor is required to recognize a lease receivable and a deferred inflow in resources. A lease receivable is recognized at the net present value of the lease asset at a borrowing rate either explicitly described in the agreement or implicitly determined by the County and is reduced by the principal payments. The deferred inflow of resources is recognized in an amount equal to the sum of lease payments relating to a future period which were received prior to the lease commencement. These deferred inflows of resources are amortized equal to the amount of equal to the amount of the annual payments.

A lessee is required to recognize a lease payable and an intangible right-to-use lease asset. A lease payable is recognized at the net present value of future lease payments and is adjusted over time by interest and payments. Future lease payments include fixed payments, variable payments based on index or rate, reasonably certain residual guarantees. The right-to-use asset is initially recorded at the amount of the lease liability plus prepayments less any lease incentives received prior to lease commencement and is subsequently amortized over the life of the lease.

In the government-wide, proprietary, and fiduciary fund financial statements, deferred inflows related to leases and any respective right-to-use assets are reported in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources. Under modified accrual accounting, lease payments are considered capital outlay and proceeds of lease contracts, and thereafter are recorded as principal and interest payments.

The County has chosen not to implement GASB 87 for the budgetary basis of accounting. For both the budgetary basis of accounting and for leases that do not meet the criteria for valuation under GASB 87, the County will report inflows of cash for lessor leases and outflows of cash for lessee leases.

Lease assets are reported with right-of-use lease assets and lease liabilities are reported with long term debt on the statement of net position.

11. 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.

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

11. Compensated Absences (continued)

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.

12. 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.

13. Tax Abatements

The government accounts for tax abatement agreements in accordance with GASB standards, which require disclosure of the nature and amount of tax abatements that reduce the County's tax revenues. Tax abatements may result from agreements entered into by the County or by other governments that affect the County's tax revenues. There were no active tax abatements in fiscal year ending December 31, 2025.

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

14. Subscription Based Information Technology Arrangements

Subscription-based information technology arrangements (SBITAs) are defined as a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in exchange or exchange-like transactions. The County recognizes an intangible subscription asset and subscription liability. The subscription liability is measured as the present value of the total subscription payments expected to be made to the vendor during the subscription term. The total future payments are discounted using the interest rate the vendor charges, or if the implicit interest rate is not readily determinable the County uses an estimated incremental borrowing rate. The subscription asset is measured as the initial value of the subscription liability plus any initial capitalized costs and less any vendor incentives received at the commencement of the subscription term.

15. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent amounts at the date of the financial statements, as well as the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

E. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are recognized as revenues in the period for which the taxes are levied, regardless of the lien date. Property taxes for the County are levied based on taxable value on the lien date of January 1 prior to December 31 of the same year. They become due January 1 of the following year and delinquent after June 30 of the following year. Accordingly, receivables and revenues for prior-year levies delinquent at year-end are reflected on the government-wide statement based on the full accrual method of accounting and under the modified accrual method in the fund statements.

3. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation benefits. Vacation benefits are accrued by County employees in accordance with guidelines suggested in the County's personnel policy. Since various departments are supervised by elected and appointed officials, departmental policies established within the guidelines vary by department.

Upon termination of employment, employees are compensated for earned but unused vacation leave at their then-current rate of pay. The County evaluated the liability for accrued vacation leave in accordance with GASB Statement No. 101, *Compensated Absences*, and determined that the amount was not material to the financial statements. Accordingly, no liability for accrued vacation leave has been recorded.

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Revenues and Expenditures/Expenses (continued)

3. Compensated Absences (continued)

Sick leave policies are uniform throughout the departments. Unused sick leave is nonvesting and terminates upon cessation of employment. Accordingly, no liability for accrued sick leave has been recorded at year end.

Compensatory time is accrued by employees in lieu of paid overtime. Accumulated compensatory time may be carried forward from year to year and is payable upon termination of employment. Accordingly, a liability for accrued compensatory time has been recorded in the government-wide financial statements.

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. Implementation of New Accounting Standards

In the current year, the County implemented the following new standard:

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. Statement No. 102 was adopted by the County effective January 1, 2025. There was no significant effect on the County's financial statements.

H. Future Implementation of Accounting Standards

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-of-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles in all governmental funds except the American Rescue Plan Fund, Opioid Fund, Tower Grant Fund, and the Permanent Funds.

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

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. 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 year-end.

III. DETAILED NOTES ON ALL ACTIVITIES AND 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, 2025, and throughout the year ended December 31, 2025, 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.

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

A. Deposits and Investments (continued)

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.

As of December 31, 2025, the County had the following investments:

Investment Type	Value	Weighted Average Maturity (Days)
Certificates of Deposit - County Funds	\$ 6,130,767	237

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 (4th Judicial District).

Analysis of Specific Deposit and Investment Risks. Accounting standards require 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. The County does not have a specific policy regarding interest rate risk, as it does not contemplate the investment of funds in such instruments. During the year, the County was not exposed to interest rate risk.
- **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 and banks domiciled in the State of Texas. At December 31, 2025, 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 or banks domiciled in the State of Texas. 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.

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

B. Receivables

Amounts are aggregated into several accounts receivable (net of allowance for uncollectible) lines for certain funds and aggregated columns.

The following comprise receivable balances at year end:

	Governmental activities			Total
	General	Road and Bridge	Nonmajor	
Delinquent property taxes	\$ 1,880,415	\$ 784,149	\$ 81,072	\$ 2,745,636
Court fine receivables	8,947,451	-	-	8,947,451
Due from other governments	8,009	-	-	8,009
Accounts receivable	3,770,837	1,485,779	262,968	5,519,584
(Allowance for uncollectible court fines)	(8,500,078)	-	-	(8,500,078)
(Allowance for uncollectible taxes)	(470,105)	(196,038)	(20,268)	(686,411)
Total	<u>\$ 5,636,529</u>	<u>\$ 2,073,890</u>	<u>\$ 323,772</u>	<u>\$ 8,034,191</u>

C. Capital Assets

A summary of changes in capital assets for governmental activities for the year ended December 31, 2025 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Capital assets, not being depreciated:</u>				
Land	\$ 1,032,025	\$ -	\$ -	\$ 1,032,025
Construction in progress	4,083,773	972,387	4,633,944	422,216
Total assets not being depreciated	<u>5,115,798</u>	<u>972,387</u>	<u>4,633,944</u>	<u>1,454,241</u>
<u>Capital assets, being depreciated:</u>				
Buildings and improvements	31,826,219	3,586,090	3,145,524	32,266,785
Machinery and equipment	17,592,575	2,592,899	167,054	20,018,420
Infrastructure	5,175,745	-	-	5,175,745
Right-of-use lease assets	1,646,476	620,086	332,575	1,933,987
Total capital assets being depreciated	<u>56,241,015</u>	<u>6,799,075</u>	<u>3,645,153</u>	<u>59,394,937</u>
<u>Less accumulated depreciation:</u>				
Buildings and improvements	13,461,034	1,171,257	2,960,339	11,671,952
Machinery and equipment	12,875,725	1,342,677	142,204	14,076,198
Infrastructure	3,509,082	54,414	-	3,563,496
Right-of-use lease assets	595,575	374,864	332,575	637,864
Total accumulated depreciation	<u>30,441,416</u>	<u>2,943,212</u>	<u>3,435,118</u>	<u>29,949,510</u>
Total capital assets being depreciated, net	<u>25,799,599</u>	<u>3,855,863</u>	<u>210,035</u>	<u>29,445,427</u>
Total capital assets, net	<u>\$ 30,915,397</u>	<u>\$ 4,828,250</u>	<u>\$ 4,843,979</u>	<u>\$ 30,899,668</u>

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

C. Capital Assets (continued)

Depreciation was charged to governmental functions as follows:

Governmental activities:	
General government	\$ 23,709
Judicial	24,374
Legal	2,885
Elections	2,159
Public facilities	4,680
Public safety	375,293
Public transportation	2,499,879
Health and welfare	1,986
Culture and recreation	4,950
Conservation	3,297
Total	<u>\$ 2,943,212</u>

Right-of-Use Assets. A lease is defined as a contract that conveys control of the right of use of another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The County is party to a several lease contracts as lessee for which right-of-use (ROU) has been recognized as an asset on the balance sheet.

Lease right-of-use activity was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Sheriff vehicles	\$ 823,072	\$ 269,302	\$ (332,575)	\$ 759,799
Equipment	823,404	350,784	-	1,174,188
Total Right-of-use Lease Assets	1,646,476	620,086	(332,575)	1,933,987
Less accumulated amortization for:				
Sheriff vehicles	(445,507)	(205,767)	332,575	(318,699)
Equipment	(150,068)	(169,097)	-	(319,165)
Total accumulated amortization	(595,575)	(374,864)	332,575	(637,864)
Total Right-of-use Lease Assets, Net	<u>\$ 1,050,901</u>	<u>\$ 245,222</u>	<u>\$ -</u>	<u>\$ 1,296,123</u>

Construction Commitments. As of December 31, 2025, the County has active construction projects. At year end, the County's commitments with contractors are as follows:

Project	Spent To-Date	Estimated Remaining Commitments
AWOS Machine - Airport	\$ 111,080	\$ 13,420
Flock Equipment	92,000	-
Airport Layout Plan	219,136	105,174
	<u>\$ 422,216</u>	<u>\$ 118,594</u>

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

D. Long-Term Liabilities

The following is a summary of changes in the County's total long-term liabilities for the year ended December 31, 2025. In general, the County uses the general and debt service funds to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Retirements	Ending Balance	Due within One year
Lease liability	\$ 952,319	\$ 620,086	\$ 336,917	\$ 1,235,488	\$ 459,389
Financed purchases	-	950,775	75,575	875,200	875,200
Compensated absences	255,097	1,865	30,256	226,706	10,088
Net pension liability	11,234,037	-	1,447,129	9,786,908	-
Total long-term debt	<u>\$ 12,441,453</u>	<u>\$ 1,572,726</u>	<u>\$ 1,889,877</u>	<u>\$ 12,124,302</u>	<u>\$ 1,344,677</u>

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

During fiscal year 2025, the County entered into a financing agreement for the purchase of five new dump trucks. The original principal amount was \$950,755, bearing interest at 5.03%. The outstanding balance at December 31, 2025 was \$875,200. Future debt service requirements are as follows:

Year Ending December 31,	Financed Purchases		Total Requirements
	Principal	Interest	
2026	<u>\$ 875,200</u>	<u>\$ 48,909</u>	<u>\$ 924,109</u>
Total	<u>\$ 875,200</u>	<u>\$ 48,909</u>	<u>\$ 924,109</u>

Lease Liability. The County has entered into various lease agreements as the lessee for financing the acquisition of vehicles and equipment for the Road and Bridge and Public Safety departments. These lease agreements qualify as leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

A summary of the governmental activities long-term lease payable as of December 31, 2025, is as follows:

Purpose of Lease	Interest Rate	Initial Year of Lease	Amount of		Amounts Outstanding 12/31/25	Amounts Due Within One Year
			Initial Lease Liability	Interest Current Year		
Right-of-use:						
Sheriff vehicles	2.45%-4.35%	2022	\$ 237,276	\$ 6,115	\$ 76,617	\$ 76,617
Precinct #1 equipment	4.66%	2023	103,313	4,814	70,432	34,414
Precinct #4 equipment	2.45%	2023	129,294	3,168	87,235	43,090
Sheriff vehicles	5.35%	2023	151,126	8,086	103,352	50,330
Precinct #1 equipment	6.00%	2024	136,150	8,101	111,973	25,615
Precinct #2 equipment	5.70%	2024	195,160	5,265	165,793	62,976
Sheriff vehicles	5.70%	2025	269,302	-	269,302	85,171
Precinct #4 equipment	5.20%	2025	350,784	-	350,784	81,176
Total			<u>\$ 1,572,405</u>	<u>\$ 35,549</u>	<u>\$ 1,235,488</u>	<u>\$ 459,389</u>

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

D. Long-Term Liabilities (continued)

Future minimum payments to retire lease obligations are as follows:

Year Ending December 31,	Leases		Total Requirements
	Principal	Interest	
2026	\$ 459,389	\$ 29,475	\$ 488,864
2027	401,666	16,544	418,210
2028	249,516	5,552	255,068
2029	124,917	1,813	126,730
Total	<u>\$ 1,235,488</u>	<u>\$ 53,384</u>	<u>\$ 1,288,872</u>

E. Interfund Transfers and Receivables and Payables

Transfers between funds during 2025 were as follows:

Transfer In	Transfer Out	Amount
Nonmajor Governmental	General Fund	\$ 240,000
General Fund	Road & Bridge Fund	15,000
	Total	<u>\$ 255,000</u>

Transfers are used to move unrestricted general fund revenues to finance various programs that the County must account for in the other governmental funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

The composition of interfund balances as of December 31, 2025 is as follows:

Receivable Fund	Payable Fund	Amount
General	Official	\$ 36,257
General	Internal Service	510,000
General	American Rescue Plan	106,650
General	Juvenile	110,524
General	Road and Bridge	178,728
General	Airport	1,010
General	District Probation	13,153
Debt Service	General	383,531
SB22	General	262,308
Opioid	General	101,875
	Total	<u>\$ 1,704,036</u>

Amounts recorded as due to/from are considered temporary loans and will be repaid during the following year.

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

IV. OTHER INFORMATION

A. Contingent Liabilities

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.

B. Pension Plans

Texas County and District Retirement System (TCDRS)

Plan Description

TCDRS is a statewide, agent multiple-employer, public-employee retirement system. TCDRS serves 890 actively participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits.

Plan provisions are adopted by the Board of Directors of each employer, within the options available in the TCDRS Act. Because of that, the County has the flexibility and local control to select benefits and pay for those benefits based on its needs and budgets.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TCDRS issues a publicly available comprehensive annual financial report that can be obtained at www.tcdrs.org.

All eligible employees (except temporary staff) of the County must be enrolled in the TCDRS.

Benefits Provided

TCDRS provides retirement, disability, and death benefits. The benefits provisions are adopted by the Commissioners' Court within the options available in Texas state statutes governing TCDRS. Members can retire at age 60 and above with eight 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 eight years of service, but must leave their accumulated contributions in TCDRS to receive any County-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

Benefit amounts are determined by the sum of the employee's contribution to TCDRS, with interest, and County-financed monetary credits. The level of these monetary credits is adopted by the Commissioners' Court within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the County'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 County-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

The Commissioner's Court adopted the rate of seven percent as the contributed rate payable by the employee members for calendar year 2025. The Commissioners' Court may change the employee contribution rate and the County contribution rate within the options available in the TCDRS Act.

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

IV. OTHER INFORMATION (continued)

B. Pension Plans (continued)

Employees Covered by Benefit Terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	223
Inactive employees entitled to but not yet receiving benefits	215
Active employees	<u>281</u>
Total	<u><u>719</u></u>

Contributions

A combination of three elements funds each employer's plan: employee deposits, employer contributions, and investment income.

- The deposit rate for employees is four percent, five percent, six percent, or seven percent of compensation, as adopted by the employer's governing body.
- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method.
- Investment income funds a large part of the benefits employees earn.

Employers have the option of paying more than the required contribution rate each year. Extra contributions can help employers "prefund" benefit increases, such as a cost-of-living adjustment to retirees, and they can be used to help offset or mitigate future increases in the required rate due to negative plan experience. There are two approaches for making extra contributions:

- a) paying an elected contribution rate higher than the required rate and
- b) making an extra lump-sum contribution to the employer account.

Employees for the County were required to contribute seven percent of their annual gross earnings during the calendar year. The contribution rate for the County was 11.85 percent in calendar year 2025. The County's contributions to TCDRS for the calendar year ended December 31, 2025 were \$1,724,144, which were equal to the required contributions.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2024 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

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RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

IV. OTHER INFORMATION (continued)

B. Pension Plans (continued)

Actuarial Assumptions

The valuation assumption for long-term expected return is reassessed at a minimum of every four years and is set based on a long-term time horizon; the most recent analysis was performed in 2021. The following target asset allocation was adopted by the TCDRS board in March 2025. The geometric real rate of return is net of inflation, assumed at 2.35%.

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	13.00%	5.35%
Global Equities	MSCI World (net) Index	4.00%	5.15%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	6.00%	4.75%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	0.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.55%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.70%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.85%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	6.80%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.95%
Master Limited Partnerships	Alerian MLP Index	2.00%	4.95%
Commodities	Bloomberg Commodities Index	2.00%	1.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.75%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	8.15%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.60%
Cash Equivalents	90-Day U.S. Treasury	2.00%	1.10%

⁽¹⁾ Target asset allocation adopted at the March 2025 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.35%, per Cliffwater's 2025 capital market assumptions

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

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RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

IV. OTHER INFORMATION (continued)

B. Pension Plans (continued)

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of December 31, 2023	\$ 75,595,766	\$ 64,361,729	\$ 11,234,037
Changes for the year:			
Service cost	1,560,552	-	1,560,552
Interest on total pension liability ⁽¹⁾	5,702,284	-	5,702,284
Effect on plan changes ⁽²⁾	-	-	-
Effect of economic/demographic gains or losses	292,780	-	292,780
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(243,633)	(243,633)	-
Benefit payments	(4,088,222)	(4,088,222)	-
Administrative expenses	-	(37,579)	37,579
Member contributions	-	961,979	(961,979)
Net investment income	-	6,523,730	(6,523,730)
Employer contributions	-	1,631,248	(1,631,248)
Other ⁽³⁾	-	(76,635)	76,635
Balance as of December 31, 2024	<u>\$ 78,819,527</u>	<u>\$ 69,032,619</u>	<u>\$ 9,786,908</u>

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

⁽²⁾ No plan changes valued.

⁽³⁾ Relates to allocation of system-wide items.

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the County, calculated using the discount rate of 7.6 percent, as well as what the County's NPL would be if it were calculated using a discount rate that is one percentage point lower (6.6%) or one percentage point higher (8.6%) than the current rate:

	1% Decrease 6.6%	Current Discount Rate 7.6%	1% Increase 8.6%
County's Net Pension Liability / (Asset)	<u>\$ 19,559,175</u>	<u>\$ 9,786,908</u>	<u>\$ 1,592,341</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TCERS financial report. That report may be obtained on the Internet at www.tcdrs.org.

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

IV. OTHER INFORMATION (continued)

B. Pension Plans (continued)

Discount Rate

The discount rate used to measure the TPL was 7.6 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

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

For the year ended December 31, 2025, the County recognized pension expense of \$1,262,798.

At December 31, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 195,187	\$ 69,284
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	-	735,063
Contributions made subsequent to measurement date	1,724,144	-
Total	<u>\$ 1,919,331</u>	<u>\$ 804,347</u>

\$1,724,144 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 NPL for the fiscal year ending December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended December 31
2025	\$ (571,132)
2026	1,062,285
2027	(760,044)
2028	(340,270)
2029	-
Thereafter	-
	<u>\$ (609,161)</u>

C. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. At no time during the last three fiscal years have claims exceeded commercial coverage.

RUSK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

IV. OTHER INFORMATION (continued)

D. Deferred Compensation Plans

The County offers its employees deferred compensation plans (the “Plans”) created in accordance with Internal Revenue Service Code, Section 457. The Plans permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until retirement, termination, death, or unforeseeable emergencies.

Federal law requires all assets and income of Section 457 plans to be held in trust, custodial accounts, or annuity contracts for the exclusive benefit of the participants and their beneficiaries. The County’s Plans are administered by private corporations under contract with the County. Total participant contributions were \$63,201 for the year ended December 31, 2025. The County does not contribute to the Plans.

E. Subsequent Events

The County has evaluated subsequent events through June 23, 2026, that date the financial statements were available to be issued.





REQUIRED SUPPLEMENTARY INFORMATION



RUSK COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 19,048,143	\$ 19,048,143	\$ 18,448,586	\$ (599,557)
Other taxes	15,000	15,000	32,311	17,311
Intergovernmental	263,020	263,020	603,765	340,745
Fees	1,647,584	1,647,584	1,869,538	221,954
Charges for services	60,000	60,000	272,232	212,232
Fines and forfeitures	400,000	400,000	383,561	(16,439)
Contributions	-	-	202	202
Investment earnings	700,000	700,000	1,360,890	660,890
Miscellaneous	47,400	47,400	344,288	296,888
Total revenues	22,181,147	22,181,147	23,315,373	1,134,226
EXPENDITURES				
<u>Current:</u>				
General government:				
County judge	292,468	292,468	263,156	29,312
Commissioners' court	397,584	397,584	401,991	(4,407)
County clerk	759,616	759,616	671,564	88,052
Veterans' service	108,468	108,468	102,916	5,552
Emergency management	117,862	116,262	146,732	(30,470)
Nondepartmental	1,231,500	1,290,325	1,238,595	51,730
Information technology	315,378	315,378	186,298	129,080
Total general government	3,222,876	3,280,101	3,011,252	268,849
Judicial:				
County-court-at-law	414,191	414,191	440,162	(25,971)
District court	290,415	290,415	269,045	21,370
Justice of the peace court	111,600	111,600	107,898	3,702
District clerk	699,692	699,692	705,712	(6,020)
Justices of the peace	907,907	907,907	917,495	(9,588)
All courts	1,159,606	1,159,606	752,980	406,626
Total judicial	3,583,411	3,583,411	3,193,292	390,119
Legal:				
District attorney	944,338	944,338	818,415	125,923
Total legal	944,338	944,338	818,415	125,923
Elections:				
Elections	369,203	369,203	248,052	121,151
Total elections	369,203	369,203	248,052	121,151

(continued)

RUSK COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (cont.)				
<u>Current (cont.):</u>				
Financial administration:				
County auditor	\$ 382,672	\$ 382,672	\$ 374,754	\$ 7,918
County treasurer	244,096	244,096	245,254	(1,158)
Tax assessor-collector	1,723,981	1,723,981	1,774,546	(50,565)
Total financial administration	2,350,749	2,350,749	2,394,554	(43,805)
Public facilities:				
Maintenance	664,692	685,590	670,332	15,258
Total public facilities	664,692	685,590	670,332	15,258
Public safety:				
Jail	3,456,593	3,464,178	3,572,041	(107,863)
Constables	384,246	384,246	454,214	(69,968)
Sheriff	4,116,378	4,095,840	4,121,489	(25,649)
Juvenile board	66,984	66,984	73,340	(6,356)
Highway patrol	136,027	136,027	135,891	136
Total public safety	8,160,228	8,147,275	8,356,975	(209,700)
Health and welfare:				
County health	119,771	119,771	121,538	(1,767)
Public health	125,000	125,000	111,120	13,880
County welfare	7,069	7,069	4,452	2,617
Ambulance and sanitation	472,747	485,583	611,298	(125,715)
Mental health	5,000	5,000	1,692	3,308
Juvenile room and board	42,000	42,000	25,867	16,133
Total health and welfare	771,587	784,423	875,967	(91,544)
Culture and recreation:				
Library complex	1,179,062	1,170,062	1,127,839	42,223
Depot/children's discovery center	230,177	230,177	230,748	(571)
Total culture and recreation	1,409,239	1,400,239	1,358,587	41,652
Conservation:				
Agriculture and home demo	226,345	226,345	225,344	1,001
Total conservation	226,345	226,345	225,344	1,001

(continued)

RUSK COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (cont.)				
<u>Debt service:</u>				
Principal	\$ -	\$ -	196,200	(196,200)
Interest	-	-	14,201	(14,201)
Total debt service	-	-	210,401	(210,401)
<u>Capital outlay</u>				
General government:				
Information technology	28,000	28,000	-	28,000
Emergency management	13,500	15,100	15,059	41
Total general government	41,500	43,100	15,059	28,041
Public facilities:				
Maintenance	63,250	42,352	8,844	33,508
Total public facilities	63,250	42,352	8,844	33,508
Public safety:				
Jail	20,000	12,415	12,414	1
Constables	10,000	10,000	-	10,000
Sheriff	198,000	218,538	378,271	(159,733)
Total public safety	228,000	240,953	390,685	(149,732)
Culture and recreation:				
Library complex	-	9,000	-	9,000
Total culture and recreation	-	9,000	-	9,000
Nondepartmental:				
Nondepartmental	490,000	418,339	266,491	151,848
Total nondepartmental	490,000	418,339	266,491	151,848
Total expenditures	22,525,418	22,525,418	22,044,250	481,168
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(344,271)	(344,271)	1,271,123	1,615,394

(continued)

RUSK COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Transfers out	(240,000)	(240,000)	(240,000)	-
Issuance of leases	-	-	269,302	269,302
Sale of capital assets	-	-	40,400	40,400
Total other financing sources (uses)	(225,000)	(225,000)	84,702	309,702
NET CHANGE IN FUND BALANCES	(569,271)	(569,271)	1,355,825	1,925,096
FUND BALANCES, BEGINNING	17,235,207	17,235,207	17,235,207	-
FUND BALANCES, ENDING	<u>\$ 16,665,936</u>	<u>\$ 16,665,936</u>	<u>\$ 18,591,032</u>	<u>\$ 1,925,096</u>

RUSK COUNTY, TEXAS
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 7,624,947	\$ 7,624,947	\$ 7,290,590	\$ (334,357)
Intergovernmental	50,000	50,000	44,193	(5,807)
Fees	890,000	890,000	993,968	103,968
Fines and forfeitures	130,000	130,000	150,223	20,223
Investment earnings	100,000	100,000	350,906	250,906
Miscellaneous	800	800	63,740	62,940
Total revenues	8,795,747	8,795,747	8,893,620	97,873
EXPENDITURES				
<u>Current:</u>				
Public transportation:				
Precinct #1	1,392,689	1,526,189	1,456,245	69,944
Precinct #2	1,401,765	1,627,765	1,539,648	88,117
Precinct #3	2,154,206	2,420,206	2,336,129	84,077
Precinct #4	1,919,012	2,292,512	2,269,114	23,398
Weight & license	12,950	12,950	14,653	(1,703)
Right-of-way	2,532,000	32,000	-	32,000
Nondepartmental:	168,190	168,189	163,488	4,701
Total public transportation	9,580,812	8,079,811	7,779,277	300,534
<u>Debt service:</u>				
Principal	-	-	204,060	(204,060)
Interest	-	-	76,175	(76,175)
Total debt service	-	-	280,235	(280,235)
<u>Capital outlay:</u>				
Public transportation:				
Precinct #1	170,500	511,471	50,068	461,403
Precinct #2	412,000	1,018,766	-	1,018,766
Precinct #3	199,000	1,000,478	61,992	938,486
Precinct #4	316,000	78,922	64,145	14,777
Weight & license	30,600	30,600	67,540	(36,940)
Nondepartmental	-	-	1,301,559	(1,301,559)
Total public transportation	1,128,100	2,640,237	1,545,304	1,094,933
 Total expenditures	 10,708,912	 10,720,048	 9,604,816	 1,115,232
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	 (1,913,165)	 (1,924,301)	 (711,196)	 1,213,105 (continued)

RUSK COUNTY, TEXAS
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ -
Issuance of debt	-	-	950,775	950,775
Issuance of leases	-	-	350,784	350,784
Sale of capital assets	-	-	948	948
Total other financing sources (uses)	(15,000)	(15,000)	1,287,507	1,302,507
NET CHANGE IN FUND BALANCES	(1,928,165)	(1,939,301)	576,311	2,515,612
FUND BALANCES, BEGINNING	4,073,830	4,073,830	4,073,830	-
FUND BALANCES, ENDING	<u>\$ 2,145,665</u>	<u>\$ 2,134,529</u>	<u>\$ 4,650,141</u>	<u>\$ 2,515,612</u>

RUSK COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2025

Measurement Date December 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service cost	\$ 1,299,717	\$ 1,402,367	\$ 1,394,187	\$ 1,334,088	\$ 1,317,400	\$ 1,364,176	\$ 1,426,684	\$ 1,484,395	\$ 1,494,750	\$ 1,560,552
Interest total pension liability	3,639,457	3,865,500	4,128,704	4,257,598	4,532,375	4,766,808	4,973,580	5,192,517	5,506,752	5,702,284
Changes in benefit terms	(163,823)	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	671,526	(270,583)	(1,119,324)	540,491	(60,487)	4,238	840,194	1,430,037	(207,854)	292,780
Effect of assumption changes or inputs	(160,279)	-	(164,034)	-	-	3,620,979	(827,723)	-	-	-
Benefit payments/refunds of contributions	(2,285,289)	(2,309,912)	(2,604,843)	(2,570,801)	(2,881,614)	(3,004,442)	(3,452,971)	(3,731,521)	(4,243,110)	(4,331,855)
Net change in total pension liability	3,001,309	2,687,372	1,634,690	3,561,376	2,907,674	6,751,759	2,959,764	4,375,429	2,550,539	3,223,761
Total pension liability - beginning	45,165,853	48,167,162	50,854,534	52,489,224	56,050,600	58,958,274	65,710,033	68,669,798	73,045,227	75,595,766
Total pension liability - ending (a)	\$ 48,167,162	\$ 50,854,534	\$ 52,489,224	\$ 56,050,600	\$ 58,958,274	\$ 65,710,033	\$ 68,669,798	\$ 73,045,227	\$ 75,595,766	\$ 78,819,527
Plan Fiduciary Net Position										
Employer contributions	973,204	990,136	935,394	986,284	1,018,925	1,199,756	1,171,498	1,238,767	1,249,713	1,631,248
Member contributions	722,961	754,395	756,960	769,670	788,112	823,971	803,168	816,777	846,858	961,979
Investment income net of investment expenses	256,853	2,892,978	6,036,414	(876,021)	7,356,107	5,266,967	11,960,316	(3,705,270)	6,578,015	6,523,730
Benefit payments, including refunds of contributions	(2,285,289)	(2,309,912)	(2,604,843)	(2,570,801)	(2,881,614)	(3,004,442)	(3,452,971)	(3,731,521)	(4,243,110)	(4,331,855)
Administrative expenses	(28,253)	(31,484)	(30,947)	(35,974)	(38,866)	(40,409)	(35,515)	(35,189)	(33,607)	(37,579)
Other	128,486	2,147	(14,922)	(19,602)	(27,087)	(23,966)	(26,673)	(181,216)	(83,374)	(76,635)
Net change in plan fiduciary net position	(232,038)	2,298,260	5,078,056	(1,746,444)	6,215,577	4,221,877	10,419,823	(5,597,652)	4,314,495	4,670,890
Plan fiduciary net position - beginning	39,389,775	39,157,737	41,455,997	46,534,053	44,787,609	51,003,186	55,225,063	65,644,887	60,047,235	64,361,729
Plan fiduciary net position - ending (b)	\$ 39,157,737	\$ 41,455,997	\$ 46,534,053	\$ 44,787,609	\$ 51,003,186	\$ 55,225,063	\$ 65,644,887	\$ 60,047,235	\$ 64,361,729	\$ 69,032,619
Net pension liability (asset) - ending (a) - (b)	\$ 9,009,425	\$ 9,398,537	\$ 5,955,171	\$ 11,262,991	\$ 7,955,088	\$ 10,484,970	\$ 3,024,911	\$ 12,997,992	\$ 11,234,037	\$ 9,786,908
Fiduciary net position as a percentage of total pension liability	81.30%	81.52%	88.65%	79.91%	86.51%	84.04%	95.59%	82.21%	85.14%	87.58%
Pensionable covered payroll	\$ 10,328,011	\$ 10,777,075	\$ 10,813,720	\$ 10,995,282	\$ 11,258,736	\$ 11,727,645	\$ 11,473,835	\$ 11,587,947	\$ 12,097,969	\$ 13,742,562
Net pension liability as a percentage of covered payroll	87.23%	87.21%	55.07%	102.43%	70.66%	89.40%	26.36%	112.17%	92.86%	71.22%

RUSK COUNTY, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

Fiscal Year Ended December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a % of Covered Payroll
2016	990,136	990,136	-	10,777,075	9.19%
2017	935,394	935,394	-	10,813,720	8.65%
2018	986,284	986,284	-	10,995,651	8.97%
2019	1,018,925	1,018,925	-	11,261,108	9.05%
2020	1,199,759	1,199,759	-	11,727,871	10.23%
2021	1,171,498	1,171,498	-	11,473,488	10.21%
2022	1,238,767	1,238,767	-	11,587,947	10.69%
2023	1,249,713	1,249,713	-	12,097,969	10.33%
2024	1,631,248	1,631,248	-	13,742,562	11.87%
2025	1,724,144	1,724,144	-	14,549,706	11.85%

(1) Payroll is calculated based on contributions as reported to TCDRS.

RUSK COUNTY, TEXAS
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

Valuation Date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.
<u>Methods and assumptions used to determine contributions rates:</u>	
Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	15.0 years (based on contribution rate calculated in 12/31/2024 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and 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	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected.
	2017: New mortality assumptions were reflected.
	2019: New inflation, mortality and other assumptions were reflected.
	2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: Employer contributions reflect that a 50% CPI COLA was adopted.
	2016: Employer contributions reflect that a 50% CPI COLA was adopted.
	2017: Employer contributions reflect that a 50% CPI COLA was adopted. Also, new Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018, 2019, 2020, 2021, 2022, 2023, 2024: Employer contributions reflect that a 50% CPI COLA was adopted.





ADDITIONAL SUPPLEMENTARY INFORMATION

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

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure 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*)

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.

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.

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.

Opioid Fund – This fund is used to account for funds received in the legal settlement related to opioids.

SB22 Fund – This fund is used to account for grant funds received in relation to the Rural Law Enforcement Salary Assistance Program.

DEBT SERVICE FUND

Debt Service Fund – This fund is used to account for mineral lease revenue derived from property awarded in Texas land grants to be held for the benefit of schools within the County. These funds may be distributed, if approved by the Commissioners' Court.

PERMANENT FUNDS

Permanent Funds are used 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 property tax revenue and expenditures related to construction and maintenance of roads.

Cemetery Fund – This fund and the associated fee assessed were established for probate guardian fees collected through the Constitutional County Court.

PROPRIETARY FUNDS

INTERNAL SERVICE FUND

Internal Service Funds are used 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 Ad Valorem 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.

Tax Assessor-Collector Other Fund - This fund is used to account for assets held by the Tax Assessor Collector for sales tax and other fees. Collections for the state government 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, 2025

	Special Revenue			
	Law Library	Rusk County Officials	Human Services	Juvenile Services
ASSETS				
Cash and cash equivalents	\$ 140,683	\$ 1,915,387	\$ 3,066,851	\$ 125,234
Receivables, net:				
Property taxes	-	-	-	-
Accounts	1,855	12,073	-	2
Prepays	-	-	-	360
Due from other funds	-	-	-	-
Total assets	<u>142,538</u>	<u>1,927,460</u>	<u>3,066,851</u>	<u>125,596</u>
LIABILITIES				
Accounts payable	1,908	4,211	3	6,919
Unearned revenue - grants	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	36,257	-	110,524
Total liabilities	<u>1,908</u>	<u>40,468</u>	<u>3</u>	<u>117,443</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - seized funds	-	-	-	-
Unavailable revenue - deposits	-	-	-	-
Unavailable revenue - tax revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable:				
Permanent funds	-	-	-	-
Prepaid	-	-	-	360
Restricted for:				
Law library	140,630	-	-	-
County officials' offices	-	1,886,992	-	-
Indigent health care services	-	-	3,066,848	-
Juvenile services	-	-	-	7,793
Airport property	-	-	-	-
Jail improvements	-	-	-	-
District probation	-	-	-	-
Opioid abatement	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>140,630</u>	<u>1,886,992</u>	<u>3,066,848</u>	<u>8,153</u>
 Total liabilities, deferred inflows of resources and fund balances	<u>\$ 142,538</u>	<u>\$ 1,927,460</u>	<u>\$ 3,066,851</u>	<u>\$ 125,596</u>

(continued)

RUSK COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Special Revenue		
	American Rescue Plan	District Probation	Airport
ASSETS			
Cash and cash equivalents	\$ 452,451	\$ 266,497	\$ 801,707
Receivables, net:			
Property taxes	-	-	-
Accounts	-	14,554	155,825
Prepays	-	-	-
Due from other funds	-	-	-
Total assets	<u>452,451</u>	<u>281,051</u>	<u>957,532</u>
LIABILITIES			
Accounts payable	10,900	14,561	180,526
Unearned revenue - grants	334,901	-	-
Due to other governments	-	-	-
Due to other funds	106,650	13,153	1,010
Total liabilities	<u>452,451</u>	<u>27,714</u>	<u>181,536</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - seized funds	-	-	-
Unavailable revenue - deposits	-	-	15,404
Unavailable revenue - tax revenue	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>15,404</u>
FUND BALANCE			
Nonspendable:			
Permanent funds	-	-	-
Prepaid	-	-	-
Restricted for:			
Law library	-	-	-
County officials' offices	-	-	-
Indigent health care services	-	-	-
Juvenile services	-	-	-
Airport property	-	-	760,592
Jail improvements	-	-	-
District probation	-	253,337	-
Opioid abatement	-	-	-
Unassigned	-	-	-
Total fund balances	<u>-</u>	<u>253,337</u>	<u>760,592</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 452,451</u>	 <u>\$ 281,051</u>	 <u>\$ 957,532</u>

(continued)

RUSK COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Special Revenue		
	SB22 Grant	Opioid Abatement	Debt Service
ASSETS			
Cash and cash equivalents	\$ 26,288	\$ -	\$ 519,518
Receivables, net:			
Property taxes	-	-	60,804
Accounts	-	-	1,992
Prepays	-	-	-
Due from other funds	262,308	101,875	383,531
Total assets	<u>288,596</u>	<u>101,875</u>	<u>965,845</u>
LIABILITIES			
Accounts payable	1,430	-	-
Unearned revenue - grants	275,000	-	-
Due to other governments	12,166	-	-
Due to other funds	-	-	-
Total liabilities	<u>288,596</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - seized funds	-	-	-
Unavailable revenue - deposits	-	-	-
Unavailable revenue - tax revenue	-	-	59,463
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>59,463</u>
FUND BALANCE			
Nonspendable:			
Permanent funds	-	-	-
Prepaid	-	-	-
Restricted for:			
Law library	-	-	-
County officials' offices	-	-	-
Indigent health care services	-	-	-
Juvenile services	-	-	-
Airport property	-	-	-
Jail improvements	-	-	906,382
District probation	-	-	-
Opioid abatement	-	101,875	-
Unassigned	-	-	-
Total fund balances	<u>-</u>	<u>101,875</u>	<u>906,382</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 288,596</u>	 <u>\$ 101,875</u>	 <u>\$ 965,845</u>

(continued)

RUSK COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Permanent Funds		Total Nonmajor Governmental Funds
	Available School	Cemetery Trust	
ASSETS			
Cash and cash equivalents	\$ 54,643	\$ 17,673	\$ 7,386,932
Receivables, net:			
Property taxes	-	-	60,804
Accounts	-	-	186,301
Prepays	-	-	360
Due from other funds	-	-	747,714
Total assets	<u>54,643</u>	<u>17,673</u>	<u>8,382,111</u>
LIABILITIES			
Accounts payable	-	-	220,458
Unearned revenue - grants	-	-	609,901
Due to other governments	-	-	12,166
Due to other funds	-	-	267,594
Total liabilities	<u>-</u>	<u>-</u>	<u>1,110,119</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - seized funds	-	-	-
Unavailable revenue - deposits	-	-	15,404
Unavailable revenue - tax revenue	-	-	59,463
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>74,867</u>
FUND BALANCE			
Nonspendable:			
Permanent funds	54,643	17,673	72,316
Prepaid	-	-	360
Restricted for:			
Law library	-	-	140,630
County officials' offices	-	-	1,886,992
Indigent health care services	-	-	3,066,848
Juvenile services	-	-	7,793
Airport property	-	-	760,592
Jail improvements	-	-	906,382
District probation	-	-	253,337
Opioid abatement	-	-	101,875
Unassigned	-	-	-
Total fund balances	<u>54,643</u>	<u>17,673</u>	<u>7,197,125</u>
 Total liabilities, deferred inflows of resources and fund balances	<u>\$ 54,643</u>	<u>\$ 17,673</u>	<u>\$ 8,382,111</u>

RUSK COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Special Revenue			
	Law Library	Rusk County Officials	Human Services	Juvenile Services
REVENUES				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	16,847	-	514,752
Fees	31,016	259,140	-	-
Fines and forfeitures	-	36,205	-	-
Investment earnings	5,760	77,222	126,529	1,832
Contributions	-	-	-	-
Miscellaneous	-	13,276	-	-
Total revenues	36,776	402,690	126,529	516,584
EXPENDITURES				
Current:				
General government	-	93	-	-
Judicial	-	190,408	-	-
Legal	27,178	22,225	-	-
Public transportation	-	-	-	-
Public facilities	-	3,087	-	-
Public safety	-	24,834	-	609,748
Financial administration	-	13,375	-	-
Health and welfare	-	-	28,056	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	27,178	254,022	28,056	609,748
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,598	148,668	98,473	(93,164)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	115,000
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	115,000
NET CHANGE IN FUND BALANCE	9,598	148,668	98,473	21,836
FUND BALANCE, BEGINNING	131,032	1,738,324	2,968,375	(13,683)
FUND BALANCE, ENDING	\$ 140,630	\$ 1,886,992	\$ 3,066,848	\$ 8,153

(continued)

RUSK COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Special Revenue		
	American Rescue Plan	District Probation	Airport
REVENUES			
Ad valorem taxes	\$ -	\$ -	\$ -
Intergovernmental	1,118,525	341,082	473,690
Fees	-	194,147	442,163
Fines and forfeitures	-	-	-
Investment earnings	-	-	36,869
Contributions	-	-	-
Miscellaneous	-	19,702	317,464
Total revenues	<u>1,118,525</u>	<u>554,931</u>	<u>1,270,186</u>
EXPENDITURES			
Current:			
General government	379,020	-	-
Judicial	240,902	-	-
Legal	-	-	-
Public transportation	252,677	-	964,157
Public facilities	-	-	-
Public safety	-	510,562	-
Financial administration	-	-	-
Health and welfare	-	-	-
Capital outlay	245,926	-	665,209
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>1,118,525</u>	<u>510,562</u>	<u>1,629,366</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>44,369</u>	<u>(359,180)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	125,000
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>125,000</u>
NET CHANGE IN FUND BALANCE	-	44,369	(234,180)
FUND BALANCE, BEGINNING	<u>-</u>	<u>208,968</u>	<u>994,772</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 253,337</u>	<u>\$ 760,592</u>

(continued)

RUSK COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Special Revenue		
	SB22 Grant	Opioid Abatement	Debt Service
REVENUES			
Ad valorem taxes	\$ -	\$ -	\$ 22,554
Intergovernmental	764,896	-	-
Fees	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	13,830	-	-
Contributions	-	-	-
Miscellaneous	-	45,105	-
Total revenues	<u>778,726</u>	<u>45,105</u>	<u>22,554</u>
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	-	-	-
Legal	279,866	-	-
Public transportation	-	-	-
Public facilities	-	-	-
Public safety	498,860	-	-
Financial administration	-	-	-
Health and welfare	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>778,726</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>45,105</u>	<u>22,554</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	45,105	22,554
FUND BALANCE, BEGINNING	-	56,770	883,828
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 101,875</u>	<u>\$ 906,382</u>

(continued)

RUSK COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Permanent Funds		Total Nonmajor Governmental Funds
	Available School	Cemetery Trust	
REVENUES			
Ad valorem taxes	\$ -	\$ -	\$ 22,554
Intergovernmental	-	-	3,229,792
Fees	-	-	926,466
Fines and forfeitures	-	-	36,205
Investment earnings	2,296	991	265,329
Contributions	-	-	-
Miscellaneous	-	-	395,547
Total revenues	2,296	991	4,875,893
EXPENDITURES			
Current:			
General government	5,202	-	384,315
Judicial	-	-	431,310
Legal	-	-	329,269
Public transportation	-	-	1,216,834
Public facilities	-	-	3,087
Public safety	-	-	1,644,004
Financial administration	-	-	13,375
Health and welfare	-	-	28,056
Capital outlay	-	-	911,135
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	5,202	-	4,961,385
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,906)	991	(85,492)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	240,000
Sale of capital assets	-	-	-
Total other financing sources (uses)	-	-	240,000
NET CHANGE IN FUND BALANCE	(2,906)	991	154,508
FUND BALANCE, BEGINNING	57,549	16,682	7,042,617
FUND BALANCE, ENDING	\$ 54,643	\$ 17,673	\$ 7,197,125





**DETAILED SCHEDULES OF REVENUES
EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET TO ACTUAL**



**RUSK COUNTY, TEXAS
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fees	\$ 25,000	\$ 25,000	\$ 31,016	\$ 6,016
Investment earnings	2,000	2,000	5,760	3,760
Total revenues	27,000	27,000	36,776	9,776
EXPENDITURES				
<u>Current:</u>				
Legal:				
District attorney	27,000	27,000	27,178	(178)
Total expenditures	27,000	27,000	27,178	(178)
NET CHANGE IN FUND BALANCE	-	-	9,598	9,598
FUND BALANCE, BEGINNING	131,032	131,032	131,032	-
FUND BALANCE, ENDING	<u>\$ 131,032</u>	<u>\$ 131,032</u>	<u>\$ 140,630</u>	<u>\$ 9,598</u>

RUSK COUNTY, TEXAS
RUSK COUNTY OFFICIALS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 7,950	\$ 7,950	\$ 16,847	\$ 8,897
Fees	172,533	172,533	259,140	86,607
Fines and forfeitures	15,000	15,000	36,205	21,205
Investment earnings	-	-	77,222	77,222
Miscellaneous	10,000	10,000	13,276	3,276
Total revenues	205,483	205,483	402,690	197,207
EXPENDITURES				
<u>Current:</u>				
General government:				
County judge	300	300	-	300
Veterans' service	100	100	93	7
Total general government	400	400	93	307
Judicial:				
County-court-at-law	50,300	50,300	70,528	(20,228)
District court	2,700	2,700	-	2,700
District clerk	100,000	100,000	63,298	36,702
Justices of the peace	42,500	42,500	9,056	33,444
All courts	78,900	78,900	47,526	31,374
Total judicial	274,400	274,400	190,408	83,992
Legal:				
District attorney	17,607	17,607	22,225	(4,618)
Total legal	17,607	17,607	22,225	(4,618)
Financial administration:				
Tax Assessor-Collector	-	-	13,375	(13,375)
County treasurer	100	100	-	100
Total financial administration	100	100	13,375	(13,275)
Public safety:				
Constables	8,004	32,004	19,804	12,200
Sheriff	21,546	21,546	5,030	16,516
Total public safety	29,550	53,550	24,834	28,716
Public facilities:				
Maintenance	6,000	6,000	3,087	2,913
Total public facilities	6,000	6,000	3,087	2,913

(continued)

RUSK COUNTY, TEXAS
RUSK COUNTY OFFICIALS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (cont.)				
<u>Debt service:</u>				
Interest	\$ 5,000	\$ 5,000	\$ -	\$ 5,000
Total debt service	5,000	5,000	-	5,000
Total expenditures	333,057	357,057	254,022	103,035
NET CHANGE IN FUND BALANCE	(127,574)	(151,574)	148,668	300,242
FUND BALANCE, BEGINNING	1,738,324	1,738,324	1,738,324	-
FUND BALANCE, ENDING	<u>\$ 1,610,750</u>	<u>\$ 1,586,750</u>	<u>\$ 1,886,992</u>	<u>\$ 300,242</u>

**RUSK COUNTY, TEXAS
HUMAN SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 50,000	\$ 100,000	\$ 126,529	\$ 26,529
Total revenues	50,000	100,000	126,529	26,529
EXPENDITURES				
<u>Current:</u>				
Health and welfare:				
County welfare	427,100	427,301	28,056	399,245
Total expenditures	427,100	427,301	28,056	399,245
NET CHANGE IN FUND BALANCE	(377,100)	(327,301)	98,473	425,774
FUND BALANCE, BEGINNING	2,968,375	2,968,375	2,968,375	-
FUND BALANCE, ENDING	<u>\$ 2,591,275</u>	<u>\$ 2,641,074</u>	<u>\$ 3,066,848</u>	<u>\$ 425,774</u>

RUSK COUNTY, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 45,000	\$ 45,000	\$ 22,554	\$ (22,446)
Investment earnings	30,000	30,000	-	(30,000)
Total revenues	75,000	75,000	22,554	(52,446)
EXPENDITURES				
<u>Debt service:</u>				
Interest	3,000	3,000	-	3,000
Total debt service	3,000	3,000	-	3,000
Total expenditures	3,000	3,000	-	3,000
NET CHANGE IN FUND BALANCE	72,000	72,000	22,554	(49,446)
FUND BALANCE, BEGINNING	883,828	883,828	883,828	-
FUND BALANCE, ENDING	<u>\$ 955,828</u>	<u>\$ 955,828</u>	<u>\$ 906,382</u>	<u>\$ (49,446)</u>

RUSK COUNTY, TEXAS
AIRPORT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 473,690	\$ 473,690
Fees	300,000	300,000	442,163	142,163
Investment earnings	40,000	40,000	36,869	(3,131)
Miscellaneous	100,000	100,000	317,464	217,464
Total revenues	440,000	440,000	1,270,186	830,186
EXPENDITURES				
<u>Current:</u>				
Public transportation:				
Aiport	907,733	907,733	964,157	(56,424)
Total public transportation	907,733	907,733	964,157	(56,424)
<u>Capital outlay:</u>				
Public transportation:				
Aiport	208,000	208,000	665,209	(457,209)
Total public transportation	208,000	208,000	665,209	(457,209)
Total expenditures	1,115,733	1,115,733	1,629,366	(513,633)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(675,733)	(675,733)	(359,180)	316,553
OTHER FINANCING SOURCES (USES)				
Transfers in	125,000	125,000	125,000	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	125,000	125,000	125,000	-
NET CHANGE IN FUND BALANCES	(550,733)	(550,733)	(234,180)	316,553
FUND BALANCES, BEGINNING	994,772	994,772	994,772	-
FUND BALANCES, ENDING	\$ 444,039	\$ 444,039	\$ 760,592	\$ 316,553

RUSK COUNTY, TEXAS
SB22 FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 831,250	\$ 831,250	\$ 764,896	\$ (66,354)
Investment earnings	-	-	13,830	13,830
Total revenues	831,250	831,250	778,726	(52,524)
EXPENDITURES				
<u>Current:</u>				
Legal:				
District attorney	275,000	275,000	279,866	(4,866)
Total legal	275,000	275,000	279,866	(4,866)
Public safety:				
Sheriff	556,250	556,250	498,860	57,390
Total public safety	556,250	556,250	498,860	57,390
Total expenditures	831,250	831,250	778,726	52,524
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING	-	-	-	-
FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -

RUSK COUNTY, TEXAS
AMERICAN RESCUE PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,118,525	\$ 1,118,525	\$ 1,118,525	\$ -
Total revenues	1,118,525	1,118,525	1,118,525	-
EXPENDITURES				
<u>Current:</u>				
General government:				
Grant administration	65,920	65,920	65,920	-
Generator	8,679	8,679	8,679	-
Information technology	304,421	304,421	304,421	-
Total general government	379,020	379,020	379,020	-
Judicial:				
District clerk	240,902	240,902	240,902	-
Total judicial	240,902	240,902	240,902	-
Public facilities:				
Rural water	-	-	-	-
Total public facilities	-	-	-	-
Public transportation:				
Road & bridge	252,677	252,677	252,677	-
Total public transportation	252,677	252,677	252,677	-
<u>Capital outlay:</u>				
Public safety:				
Sheriff	245,926	245,926	245,926	-
Total public safety	245,926	245,926	245,926	-
Total expenditures	1,118,525	1,118,525	1,118,525	-
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING	-	-	-	-
FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -



FIDUCIARY FUNDS



RUSK COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

	Custodial Funds							
	Tax Assessor Collector Ad Valorem	Tax Assessor Collector Other	County Clerk Registry	District Clerk Registry	Sheriff	Adult Probation	Juvenile Probation	Total Custodial Funds
ASSETS								
Cash and cash equivalents	\$ 9,658,939	\$ 1,222,800	\$ 410,779	\$ 1,352,979	\$ 294,013	\$ 40,620	\$ 1	\$ 12,980,131
Investments	-	-	32,551	-	-	-	-	32,551
Total assets	9,658,939	1,222,800	443,330	1,352,979	294,013	40,620	1	13,012,682
LIABILITIES								
Due to other governments	9,658,939	1,222,800	-	-	-	-	-	10,881,739
Total liabilities	9,658,939	1,222,800	-	-	-	-	-	10,881,739
NET POSITION								
Restricted for:								
Individuals and other governments	-	-	443,330	1,352,979	294,013	40,620	1	2,130,943
Total net position	\$ -	\$ -	\$ 443,330	\$ 1,352,979	\$ 294,013	\$ 40,620	\$ 1	\$ 2,130,943

RUSK COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

	Custodial Funds							
	Tax Assessor Collector Ad Valorem	Tax Assessor Collector Other	County Clerk Registry	District Clerk Registry	Sheriff	Adult Probation	Juvenile Probation	Total Custodial Funds
ADDITIONS								
Taxes and fees collected on behalf of other governments	\$ 78,825,349	\$ 14,638,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,463,375
Registry and trust funds collected	-	-	465,611	3,193,118	-	-	-	3,658,729
Fees collected from program participants	-	-	-	-	661,048	251,384	-	912,432
Total additions	78,825,349	14,638,026	465,611	3,193,118	661,048	251,384	-	98,034,536
DEDUCTIONS								
Taxes and fees remitted to other governments	78,825,349	14,638,026	-	-	-	223,700	-	93,687,075
Registry and trust funds disbursed	-	-	447,502	4,463,163	-	-	-	4,910,665
Payments to others	-	-	-	-	644,249	-	-	644,249
Total deductions	78,825,349	14,638,026	447,502	4,463,163	644,249	223,700	-	99,241,989
NET CHANGE IN NET POSITION	-	-	18,109	(1,270,045)	16,799	27,684	-	(1,207,453)
NET POSITION, BEGINNING	-	-	425,221	2,623,024	277,214	12,936	1	3,338,396
NET POSITION, ENDING	\$ -	\$ -	\$ 443,330	\$ 1,352,979	\$ 294,013	\$ 40,620	\$ 1	\$ 2,130,943



STATISTICAL SECTION



STATISTICAL SECTION

(Unaudited)

This part of the County's 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.

Contents	Page
Financial Trends (Tables 1-4) These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	91
Revenue Capacity (Tables 5-8) These schedules contain information to help the reader assess the County's most significant local revenue source, property taxes.	95
Debt Capacity (Tables 9-12) 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 additional debt in the future.	99
Demographic and Economic Information (Tables 13-14) These schedules offer economic and demographic information indicators to help the reader understand the environment within the County's financial activities take place.	103
Operating Information (Tables 15-17) 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.	105



TABLE 1

**RUSK COUNTY, TEXAS
NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Governmental activities</u>										
Net investment in capital assets	\$ 14,450,087	\$ 17,401,492	\$ 18,133,773	\$ 20,506,285	\$ 21,546,062	\$ 21,800,302	\$ 22,847,734	\$ 28,813,689	\$ 30,182,767	\$ 29,008,669
Restricted	1,146,193	1,517,928	1,683,418	1,413,854	1,686,923	1,918,547	10,584,038	9,695,129	11,269,225	11,833,206
Unrestricted	19,687,992	15,981,688	12,790,180	16,033,244	17,651,580	17,030,130	8,546,473	10,690,345	11,490,698	13,357,030
Total governmental activities										
Net position	<u>\$ 35,284,272</u>	<u>\$ 34,901,108</u>	<u>\$ 32,607,371</u>	<u>\$ 37,953,383</u>	<u>\$ 40,884,565</u>	<u>\$ 40,748,979</u>	<u>\$ 41,978,245</u>	<u>\$ 49,199,163</u>	<u>\$ 52,942,690</u>	<u>\$ 54,198,905</u>

TABLE 2

**RUSK COUNTY, TEXAS
CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
Expenses	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	\$ 2,465,572	\$ 2,802,813	\$ 1,925,446	\$ 1,389,236	\$ 1,460,996	\$ 1,504,052	\$ 2,385,329	\$ 2,724,276	\$ 3,229,182	\$ 3,555,586
Judicial	2,694,105	2,281,266	2,595,988	2,572,480	2,634,316	2,622,843	2,058,412	3,395,395	3,146,817	3,636,793
Legal	609,600	622,483	599,587	599,651	651,022	685,262	598,619	711,266	928,214	1,137,766
Elections	266,954	225,542	217,943	213,563	314,672	210,658	264,952	296,429	253,247	249,251
Financial administration	1,905,182	1,988,815	2,017,100	1,906,702	2,049,890	2,003,087	1,925,448	2,167,830	2,192,512	2,389,489
Public facilities	559,044	678,806	673,318	535,180	592,737	833,321	641,476	2,670,389	887,649	675,318
Public safety	7,482,411	8,015,223	6,679,591	6,585,145	7,355,782	7,673,745	7,690,602	8,704,054	9,297,457	10,318,424
Public transportation	7,246,701	7,431,412	7,398,140	8,320,928	8,471,467	10,144,536	9,920,977	11,923,908	11,174,875	11,428,334
Health and welfare	579,082	610,036	474,859	554,895	691,169	572,766	1,079,066	819,229	842,389	902,673
Culture and recreation	1,211,220	1,244,740	1,181,155	1,143,551	1,203,003	1,195,170	1,149,059	1,338,634	1,320,002	1,349,104
Conservation	184,975	194,279	181,157	182,576	194,258	204,715	200,542	189,794	217,908	227,973
Nondepartmental	-	-	-	1,147,305	751,292	812,091	-	-	-	-
Interest on long-term debt	454,537	179,505	150,658	101,478	66,399	8,958	6,340	15,103	31,428	90,376
Total expenses	<u>\$ 25,659,383</u>	<u>\$ 26,274,920</u>	<u>\$ 24,094,942</u>	<u>\$ 25,252,690</u>	<u>\$ 26,437,003</u>	<u>\$ 28,471,204</u>	<u>\$ 27,920,822</u>	<u>\$ 34,956,307</u>	<u>\$ 33,521,679</u>	<u>\$ 35,961,088</u>
Program Revenues										
<u>Charges for services</u>										
General government	\$ 474,601	\$ 517,261	\$ 662,456	\$ 621,303	\$ 602,260	\$ 694,467	\$ 1,404,276	\$ 1,018,954	\$ 944,996	\$ 1,211,613
Judicial	759,768	782,230	925,813	918,440	657,877	786,702	902,444	867,822	824,292	978,744
Legal	47,759	36,654	35,826	36,754	32,699	31,300	39,087	51,756	42,632	44,944
Elections	22,998	23,964	30,988	14,963	19,041	19,231	-	-	-	-
Financial administration	1,573,697	1,543,089	1,572,383	1,620,207	1,575,530	1,685,758	1,605,882	1,778,434	1,694,596	1,867,145
Public facilities	8,462	7,680	10,502	5,450	25,712	28,351	-	-	-	-
Public safety	135,473	126,021	119,172	125,427	75,383	83,473	188,348	167,790	154,820	149,696
Public transportation	200,492	219,261	187,143	163,054	194,763	232,777	316,775	276,361	492,728	351,771
Health and welfare	159,913	169,761	183,883	186,451	209,707	226,310	135	-	-	-
Culture and recreation	30,453	29,002	35,966	40,660	7,843	40,237	38,065	43,555	26,028	20,555
<u>Operating grants and contributions</u>	831,974	642,054	583,986	604,110	934,620	988,346	2,351,576	6,681,074	4,520,270	3,179,454
<u>Capital grants and contributions</u>	292,842	171,724	252,401	1,127,224	2,040,678	1,225,392	399,108	2,490,174	1,032,473	706,224
Total program revenues	<u>\$ 4,538,432</u>	<u>\$ 4,268,701</u>	<u>\$ 4,600,519</u>	<u>\$ 5,464,043</u>	<u>\$ 6,376,113</u>	<u>\$ 6,042,344</u>	<u>\$ 7,245,696</u>	<u>\$ 13,375,920</u>	<u>\$ 9,732,835</u>	<u>\$ 8,510,146</u>
Total net (expense)	<u>\$ (21,120,951)</u>	<u>\$ (22,006,219)</u>	<u>\$ (19,494,423)</u>	<u>\$ (19,788,647)</u>	<u>\$ (20,060,890)</u>	<u>\$ (22,428,860)</u>	<u>\$ (20,675,126)</u>	<u>\$ (21,580,387)</u>	<u>\$ (23,788,844)</u>	<u>\$ (27,450,942)</u>
General Revenues										
Property taxes	\$ 20,082,905	\$ 19,952,562	\$ 15,875,812	\$ 23,500,202	\$ 21,207,257	\$ 21,143,130	\$ 22,643,414	\$ 23,098,311	\$ 24,613,471	\$ 25,924,624
Other taxes	10,960	10,648	10,267	11,313	7,242	20,230	29,281	31,622	32,291	32,311
Miscellaneous	2,522,797	1,659,845	1,272,567	1,518,393	602,388	609,333	1,018,629	5,743,234	2,736,517	2,750,222
Gain (loss) on sales of assets	23,777	-	42,040	104,751	-	520,580	54,479	-	150,092	-
Total general revenues	<u>22,640,439</u>	<u>21,623,055</u>	<u>17,200,686</u>	<u>25,134,659</u>	<u>21,816,887</u>	<u>22,293,273</u>	<u>23,745,803</u>	<u>28,873,167</u>	<u>27,532,371</u>	<u>28,707,157</u>
Total change in net position	<u>\$ 1,519,488</u>	<u>\$ (383,164)</u>	<u>\$ (2,293,737)</u>	<u>\$ 5,346,012</u>	<u>\$ 1,755,997</u>	<u>\$ (135,587)</u>	<u>\$ 3,070,677</u>	<u>\$ 7,292,780</u>	<u>\$ 3,743,527</u>	<u>\$ 1,256,215</u>

TABLE 3

**RUSK COUNTY, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 120,845	\$ 127,494	\$ 136,591	\$ 1,537	\$ -	\$ 4,745	\$ 3,657	\$ 7,839	\$ 181,346	\$ 381,335
Assigned	-	-	-	-	3,103,381	3,103,381	1,234,710	749,067	569,271	766,156
Unassigned	13,077,681	11,323,125	13,088,897	12,584,517	11,685,838	11,734,479	12,145,862	16,638,080	16,484,590	17,443,541
Total General Fund	<u>\$ 14,405,163</u>	<u>\$ 13,198,526</u>	<u>\$ 11,450,619</u>	<u>\$ 13,225,488</u>	<u>\$ 12,586,054</u>	<u>\$ 14,789,219</u>	<u>\$ 14,842,605</u>	<u>\$ 13,384,229</u>	<u>\$ 17,235,207</u>	<u>\$ 18,591,032</u>
All Other Governmental Funds										
Nonspendable, reported in:										
Special Revenue Funds	\$ 50,436	\$ 47,367	\$ 49,135	\$ 45,199	\$ 48,869	\$ 57,399	\$ 66,772	\$ 51,428	\$ 101,345	\$ 194,120
Permanent Funds	66,651	66,502	66,800	66,751	66,494	66,494	67,367	70,792	74,231	72,316
Restricted, Reported in:										
Special Revenue Funds	10,395,320	7,428,133	8,934,349	8,614,961	7,950,748	7,876,319	8,365,139	8,508,553	10,057,043	10,674,448
Debt Service Fund	1,027,466	1,196,087	1,596,937	1,346,807	1,573,431	1,794,772	2,081,510	815,684	883,828	906,382
Permanent funds	551	397	395	296	373	161	161	-	-	-
Total all other										
Governmental funds	<u>\$ 11,540,424</u>	<u>\$ 8,738,486</u>	<u>\$ 10,647,616</u>	<u>\$ 10,074,014</u>	<u>\$ 9,639,915</u>	<u>\$ 9,795,145</u>	<u>\$ 10,580,949</u>	<u>\$ 9,446,457</u>	<u>\$ 11,116,447</u>	<u>\$ 11,847,266</u>

TABLE 4

RUSK COUNTY, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Ad valorem taxes	\$19,022,552	\$17,834,933	\$22,622,172	\$20,147,010	\$21,031,646	\$ 21,265,974	\$ 22,716,210	\$ 23,058,508	\$ 24,449,642	\$ 25,761,730
Other taxes	10,960	10,648	10,267	11,313	7,242	20,230	29,281	31,622	32,291	32,311
Intergovernmental	898,583	718,005	749,320	1,671,864	2,759,059	1,960,969	2,343,546	9,030,342	5,526,562	3,877,750
Fees & charges for services	2,810,080	2,824,622	3,012,651	3,015,858	3,012,481	3,373,263	3,960,650	3,685,764	3,738,028	4,062,204
Fines and forfeitures	639,067	647,526	585,722	568,260	410,265	651,965	531,500	498,961	444,209	569,989
Contributions	-	-	-	-	-	-	410,000	163,556	24,036	202
Investment earnings	-	-	-	-	-	-	673,090	2,298,948	2,241,280	1,977,125
Miscellaneous	2,458,966	1,459,496	1,607,837	1,645,016	824,655	668,491	255,777	3,365,532	392,260	803,575
Total revenues	25,840,208	23,495,230	28,587,969	27,059,321	28,045,348	27,940,892	30,920,054	42,133,233	36,848,308	37,084,886
Expenditures										
General government	1,579,228	1,431,311	1,505,452	1,393,802	1,432,362	1,429,452	1,541,325	1,712,529	2,120,926	2,156,972
Judicial	2,636,082	2,492,508	2,547,673	2,632,235	2,606,944	2,536,607	2,679,396	3,128,314	3,188,567	3,624,602
Legal	603,472	612,374	592,511	626,180	647,740	662,211	633,391	661,030	940,035	1,147,684
Elections	262,470	215,114	215,923	216,243	311,838	203,388	271,219	283,718	253,714	248,052
Financial administration	1,874,290	1,899,748	2,005,787	1,959,623	2,042,934	1,959,112	2,002,400	2,062,937	2,214,111	2,407,929
Public facilities	491,450	583,890	655,386	527,600	581,364	779,031	651,274	2,647,032	888,102	673,419
Public safety	6,241,955	6,173,941	6,374,704	6,452,341	7,000,531	7,241,593	7,985,059	8,191,174	9,025,250	10,000,979
Public transportation	6,364,781	6,180,075	6,103,770	6,540,834	6,725,067	7,776,513	8,060,311	9,597,541	9,243,830	8,996,111
Health and welfare	565,817	584,107	471,053	555,686	687,210	565,963	1,092,408	797,221	844,925	904,023
Culture and recreation	1,173,513	1,155,120	1,163,528	1,191,455	1,240,346	1,155,154	1,207,338	1,251,530	1,333,892	1,358,587
Conservation	177,636	177,642	177,036	188,415	190,954	194,963	200,329	184,233	216,279	225,344
Nondepartmental	606,213	645,394	581,619	1,194,449	751,292	812,091	949,071	888,212	1,112,527	1,238,595
Capital outlay	3,697,361	4,830,199	1,107,953	3,572,553	1,854,859	2,026,171	2,058,898	6,842,413	4,234,223	3,137,518
Debt service										
Principal	1,040,000	1,080,000	1,128,226	1,180,030	1,226,886	1,302,506	1,397,565	1,558,293	400,291	400,260
Interest	412,585	282,483	272,041	226,637	180,588	134,598	111,186	54,641	31,428	90,376
Debt issuance costs	156,015	2,812	1,306	-	-	-	-	-	-	-
Total expenditures	27,882,868	28,346,718	24,903,968	28,458,083	27,480,915	28,779,353	30,841,170	39,860,818	36,048,100	36,610,451
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,042,660)	(4,851,488)	3,684,001	(1,398,762)	564,433	(838,461)	78,884	2,272,415	800,208	474,435
Other Financing Sources (Uses)										
Transfers in	120,000	120,000	120,000	120,000	130,000	135,000	215,000	330,000	255,000	255,000
Transfers out	(120,000)	(120,000)	(120,000)	(120,000)	(130,000)	(135,000)	(215,000)	(330,000)	(255,000)	(255,000)
Certificates of obligation issued	7,115,000	-	-	-	-	-	-	-	-	-
Premium on certificates of obligation	785,570	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(7,745,277)	-	-	-	-	-	-	-	-	-
Issuance of leases	-	-	-	-	-	-	293,804	571,862	448,235	620,086
Issuance of debt	-	301,643	-	-	-	415,579	-	-	-	950,775
Sale of capital assets	-	-	-	185,726	29,449	631,495	105,007	103,850	261,768	41,348
Total other financing sources (uses)	155,293	301,643	-	185,726	29,449	1,047,074	398,811	675,712	710,003	1,612,209
Net change in fund balance	<u>\$ (1,887,367)</u>	<u>\$ (4,549,845)</u>	<u>\$ 3,684,001</u>	<u>\$ (1,213,036)</u>	<u>\$ 593,882</u>	<u>\$ 208,613</u>	<u>\$ 477,695</u>	<u>\$ 2,948,127</u>	<u>\$ 1,510,211</u>	<u>\$ 2,086,644</u>
Debt service as a percentage of noncapital expenditures	6.42%	5.99%	5.93%	5.53%	5.91%	5.55%	5.49%	5.29%	1.34%	1.47%

TABLE 5

RUSK COUNTY, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)

Tax Roll Year	Real Property	Personal Property	Less Exemptions	Total Assessed	Estimated Actual Value	Ratio of Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate
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
2022	4,557,677	2,414,723	2,698,612	4,273,788	6,972,401	61.30	0.55618
2023	4,926,958	3,260,097	3,272,329	4,914,726	8,187,055	60.03	0.51391
2024	5,267,716	3,535,189	3,801,085	5,001,819	8,802,905	56.82	0.54141
2025	5,357,834	3,483,147	3,617,069	5,223,912	8,840,981	59.09	0.54448

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 OVERLAPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Rusk County Direct Rates</u>										
Operating	0.388579	0.386279	0.366272	0.396218	0.425206	0.379410	0.361020	0.366120	0.403420	0.362470
Debt Service	-	-	-	-	0.042279	0.040844	0.039350	0.028760	0.044220	0.045480
County School	-	-	-	-	0.010322	0.010322	0.026437	0.026440	0.025750	0.024550
Farm to Market	0.102912	0.102563	0.097741	0.105951	0.105095	0.103308	0.097511	0.097510	0.099460	0.085620
Special Roads	0.052985	0.052569	0.049893	0.054015	0.059296	0.058253	0.058253	0.058250	0.064730	0.061190
Total Direct Rate	0.544476	0.541411	0.513906	0.556184	0.642198	0.592137	0.582571	0.577080	0.637580	0.579310
<u>Overlapping Rates</u>										
City and Town Rates:										
Henderson	0.529139	0.541799	0.541700	0.541800	0.551700	0.551700	0.551700	0.521700	0.521700	0.521700
New London	0.589436	0.681959	0.722274	0.824210	1.244680	1.114813	1.132819	1.229250	1.173820	1.150000
Kilgore	0.616000	0.616000	0.599000	0.599000	0.633396	0.539000	0.539000	0.539000	0.539000	0.505720
Overton	0.420794	0.517611	0.517611	0.569106	0.783022	0.783022	0.718000	0.729700	0.668000	0.175000
Tatum	0.204535	0.205068	0.231753	0.231753	0.299781	0.334937	0.337099	0.312010	0.319840	0.320150
School Districts Rates:										
Henderson ISD	0.822200	0.929300	0.929300	1.129900	1.193400	1.196400	1.200000	1.270000	1.270000	1.270000
Laneville ISD	0.786900	0.779200	0.779200	0.956700	1.054700	1.054700	1.068300	1.170000	1.170000	1.170000
Leverett's Chapel ISD	0.755200	0.755200	0.757500	0.942900	1.051700	1.054700	1.068300	1.170000	1.170000	1.170000
Mt. Enterprise ISD	1.235226	1.235200	0.757500	1.342800	1.060300	1.102800	1.131950	1.233600	1.233600	1.233600
Overton ISD	1.205900	1.225400	1.201200	1.261900	1.370700	1.387000	1.387000	1.489000	1.489000	1.489000
Tatum ISD	0.930500	0.930500	0.940500	1.207000	1.207000	1.207000	1.207000	1.207000	1.207000	1.200000
West Rusk CISD	1.169200	0.989200	0.989200	1.174600	1.283400	1.276400	1.290000	1.360000	1.360000	1.360000
Rusk ISD	0.781700	0.781700	0.781700	1.002000	1.018800	1.082500	1.152500	1.152500	1.152500	1.152500
Kilgore ISD	1.104687	1.155000	1.167500	1.385300	1.222600	1.225600	1.239200	1.309200	1.309200	1.309200
Carlisle ISD	1.115100	1.115100	1.115100	1.336500	1.399000	1.425400	1.407000	1.520000	1.520000	1.550000
Garrison ISD	1.085300	1.043500	1.092600	1.861415	1.360000	1.054700	1.068300	1.170000	1.106500	1.106500
Cushing ISD	0.942200	0.972400	0.942400	1.223400	1.223400	1.226400	1.230000	1.300000	1.300000	1.300000
Other Special District Rates:										
Kilgore College	0.17712	0.180000	0.175000	0.175000	0.175000	0.175000	0.175000	0.175000	0.175000	0.175000
Gregg County RFPD #1	0.03000	0.030000	0.030000	0.100000	0.030000	0.030000	0.030000	0.030000	0.030000	0.030000
Rusk County RFPD #1	0.03000	0.030000	0.030000	0.077500	0.030000	0.030000	0.030000	0.030000	0.030000	0.030000

Source: Various taxing entities

TABLE 7

**RUSK COUNTY, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	Type of Business	Rank	2024 Assessed Valuation	Percentage of Total Assessed Valuation	Rank	2015 Assessed Valuation	Percentage of Total Assessed Valuation
Luminant Generation Co. LLC	Electric Generating	1	\$ 325,604,830	6.23%	1	615,491,870	15.92%
Sabine Oil & Gas Corp (WI)	Minerals	2	104,689,030	2.00	4	91,970,770	2.38
Atmos Energy/Mid-Tex Pipeline	Pipeline	3	95,195,280	1.82			0.00
Tenaksa Gateway Partners LTD	Electric Generating	4	95,127,560	1.82	2	127,461,830	
Oak Hill Solar LLC	Electric Generating	5	95,000,000	1.82			
West Fraser Wood Products Inc.	Other	6	66,627,050	1.28			
Southwestern Elec Pw Co (UTI)	Utility	7	55,781,590	1.07			
Management & Training Corp.	Real Estate	8	39,290,680	0.75	7	31,887,660	
Oncor Electric Delivery Co LLC	Utility	9	34,457,160	0.66	10	29,183,320	
South Bow (USA)LP	Pipeline	10	32,653,010	0.63			
Luminant Mining Co.	Lease Equipment				3	117,455,390	3.04
Energy Transfer Fuel Company	Utility				5	35,678,890	0.92
Enbridge PL LP - Trnsmiss	Pipeline				6	34,310,960	0.89
AEP Southwestern Elec Power Co	Utility				8	31,318,680	0.81
Enbridge PL LP - Hend	Pipeline				9	30,002,450	0.78
Total			<u>\$ 944,426,190</u>			<u>\$ 1,144,761,820</u>	
Total Assessed Value and Percentage of Total			<u>\$ 5,223,912,000</u>	<u>18.08%</u>		<u>\$ 3,865,794,000</u>	<u>29.61%</u>

Source: Rusk County Appraisal District

RUSK COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL 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
2016	\$ 20,622,331	\$ 17,011,299	82.49	\$ 3,536,678	\$ 20,547,977	99.64	\$ 74,354	36.00%
2017	21,753,833	19,017,362	87.42	2,645,820	21,663,182	99.58	90,651	42.00%
2018	19,853,735	19,152,471	96.47	589,745	19,742,216	99.44	111,519	56.00%
2019	20,953,023	19,986,419	95.39	841,110	20,827,529	99.40	125,494	60.00%
2020	20,913,963	18,195,632	87.00	2,563,937	20,759,569	99.26	154,394	74.00%
2021	22,539,263	19,751,002	87.63	2,568,177	22,319,179	99.02	220,085	98.00%
2022	22,992,427	22,231,148	96.69	465,156	22,696,304	98.71	296,123	129.00%
2023	24,330,166	23,497,426	96.58	379,055	23,876,481	98.14	453,684	186.00%
2024	25,689,059	24,706,083	96.17	186,015	24,706,083	96.17	796,961	310.00%
2025	26,904,942	7,752,954	28.82	N/A	7,752,954	N/A	N/A	N/A

- (1) Years 2016 through 2024 represent adjusted tax levy and year 2025 represents original tax levy, as adjustments are not complete until the end of the tax roll year June 30, 2025, which will occur during the next fiscal year.
- (2) 2025 percentage of collections and total collections is lower than other years because the 2025 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, 2025.
- (4) 2025 uncollected taxes are not delinquent until July 1, 2026.

TABLE 9

RUSK COUNTY, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	(1) General Bonded Debt			Total Outstanding Debt	(2) Percentage of Personal Income		(3) Population	Debt Per Capita
	Obligation Bonds	Financed Purchases	Leases					
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	
2022	1,310,000	34,577	546,229	1,890,806	0.09%	53,338	35	
2023	-	8,824	895,551	904,375	0.04%	53,222	17	
2024	-	-	952,319	952,319	0.04%	52,755	18	
2025	-	875,200	1,235,488	2,110,688	0.08%	53,511	39	

Notes:

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

TABLE 10

RUSK COUNTY, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Property Tax Year	(1) Certificates of Obligation	(2) Less: Amounts Available in Debt Service Fund	Total	(3) Percentage of Estimated Actual Taxable Value of Property	Per Capita
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	1,346,807	3,966,062	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
2022	1,336,200	2,081,510	(745,310)	-0.01%	(14)
2023	-	815,684	(815,684)	-0.01%	(15)
2024	-	883,828	(883,828)	-0.01%	(17)
2025	-	906,832	(906,832)	-0.01%	(17)

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

- (1) This is the general bonded debt of governmental 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 the property value data.
- (3) Population data can be found on Table 13.

TABLE 11

**RUSK COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2025
(UNAUDITED)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Cities:			
City of Henderson, Texas	\$ 935,464	100.00%	\$ 935,464
City of Kilgore, Texas	38,460,000	13.33	5,126,718
Total Cities			<u>\$ 6,062,182</u>
Independent School Districts:			
Henderson	26,833,762	100.00%	\$ 26,833,762
Overton	5,945,000	100.00	5,945,000
Mt. Enterprise	11,070,000	100.00	11,070,000
Kilgore	174,126,878	31.69	55,180,808
Rusk	3,985,000	3.92	156,212
Tatum	10,349,625	94.75	9,806,270
West Rusk	59,975,244	100.00	59,975,244
Garrison	12,800,000	12.06	1,543,680
Carlisle	4,192,669	78.15	3,276,571
Total Independent School Districts			<u>\$ 173,787,546</u>
Subtotal, Overlapping Debt			\$ 179,849,728
Total Direct Debt			<u>2,110,688</u>
Total Direct and Overlapping Debt			<u>\$ 181,960,416</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

TABLE 12

**RUSK COUNTY, TEXAS
LEGAL DEBT MARGIN
LAST TEN FISCAL 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
2016	\$ 3,865,794	\$ 966,449	\$ 8,931	\$ 957,518	0.93%
2017	3,719,470	929,868	8,033	921,834	0.87%
2018	3,695,740	923,935	6,786	917,149	0.74%
2019	3,786,002	946,501	5,486	941,014	0.58%
2020	3,709,869	927,467	4,140	923,327	0.45%
2021	3,713,952	928,488	3,134	925,354	0.34%
2022	4,273,788	1,068,447	1,891	1,066,556	0.18%
2023	4,914,726	1,228,682	904	1,227,777	0.07%
2024	5,001,819	1,250,455	952	1,249,502	0.08%
2025	5,223,912	1,305,978	2,111	1,303,867	0.16%

(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)

Fiscal Year	(1) Population	(2) Personal Income <i>(thousands of dollars)</i>	(1) Per Capita Income	(1) Median Age	(3) School Average Daily Attendance	(4) Unemployment Rate Percentage
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
2022	53,338	2,124,327	29,210	38.6	7,291	4.6
2023	53,222	2,380,610	33,420	38.4	7,202	4.0
2024	52,755	2,511,286	30,365	38.8	7,017	4.8
2025	53,511	2,577,079	33,876	39.1	7,041	4.0

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 - Texas Labor Market Information

TABLE 14

**RUSK COUNTY, TEXAS
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO**

Employer	2025			2016		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Luminant Mining Co.	930	1	4.09%	896	1	7.47%
Henderson ISD	569	2	2.51%	569	2	4.83%
UT Health Henderson	400	3	1.76%			
Wal-Mart Super Center	320	4	1.41%	350	6	2.92%
Sadler's Bar-B-Que	304	5	1.34%	452	4	3.77%
Bradshaw State Jail	285	6	1.25%	307	7	2.56%
Rusk County Courthouse	250	7	1.10%	250	8	2.08%
Capco	165	8	0.73%	165	10	1.38%
Verabank	160	9	0.70%			
West Fraser Inc.	155	10	0.68%			
ETMC of Henderson				400	5	3.33%
East Texas ISF				500	3	4.17%
Panel Truss				180	9	1.50%
Total	3,538		17.07%	4,069		34.01%

(*) - 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 Ten Fiscal Years
(Unaudited)

Function	As of December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government	15	15	13	13	15	15	19	21	21	21
Judicial	22	21	22	21	21	28	29	33	33	33
Legal	10	8	8	7	7	8	8	8	8	8
Elections	2	2	2	2	2	2	2	2	2	2
Financial Administration	20	17	17	18	19	20	19	19	19	19
Public Facilities	4	4	4	4	4	4	4	4	4	4
Public Safety	78	87	86	86	84	84	84	80	80	80
Public Transportation	59	60	59	60	62	65	63	58	58	58
Health and Welfare	1	2	2	2	2	2	1	2	2	2
Culture and Recreation	14	14	14	14	13	14	14	15	15	15
Conservation	4	3	3	3	4	4	4	4	4	4
Total	229	233	230	230	233	246	247	246	246	246

Source: County employment records.

TABLE 16

RUSK COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years
(Unaudited)

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Judicial										
Cases Filed:										
District Court:										
Civil	851	898	703	345	293	289	377	304	342	269
Criminal	397	346	317	456	508	396	397	372	329	392
County Court-at-Law	907	565	495	583	694	745	776	49	718	1,069
Convictions:										
District Court	180	160	185	166	107	103	182	910	196	191
County Court-at-Law	186	179	238	217	279	144	340	52	442	383
Elections										
Registered Voters	34,067	34,325	32,921	32,981	31,958	30,859	29,632	29,359	30,737	31,339
Public Safety										
Arrests	1,603	1,504	1,302	1,440	1,544	1,116	1,265	1,902	2,094	1,991
Prisoner Days	45,571	38,211	38,303	42,917	45,845	38,982	36,232	36,656	37,845	32,632
Culture and Recreation										
Library Circulation	95,236	111,681	91,933	90,513	228,605	195,375	98,551	364,084	537,821	118,690
Library Attendance	74,657	75,895	72,380	67,246	57,960	44,148	87,682	11,322	12,266	71,821
Museum Attendance	16,918	11,245	14,842	12,684	14,010	1,517	35,512	32,551	32,825	33,025

RUSK COUNTY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years
(Unaudited)

<u>Function</u>	As of December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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	17	17
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	5	5
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	1	1	1	2	2	2	2	2





GOVERNMENTAL COMPLIANCE SECTION





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

The Honorable Commissioners' Court of Rusk County, Texas
Henderson, 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 as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Rusk County, Texas' basic financial statements, and have issued our report thereon dated June 23, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rusk County, Texas' 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 Rusk County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Rusk County, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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.

GMP Assurance PLLC

Certified Public Accountants

Tyler, Texas

June 23, 2026



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND TEXAS GRANT MANAGEMENT STANDARDS**

Independent Auditor's Report

To Honorable Commissioners' Court of Rusk County, Texas
Henderson, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Rusk County, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the State of Texas *Grant Management Standards* that could have a direct and material effect on each of Rusk County, Texas' major federal and state programs for the year ended December 31, 2025. Rusk County, Texas' major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of Rusk County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Rusk County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS, we:

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

GMP Assurance PLLC

Certified Public Accountants

Tyler, Texas
June 23, 2026



RUSK COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Grantor or Pass-through Grantor's Number	Program Expenditures
U. S. DEPARTMENT OF TREASURY			
Passed Through Texas Division of Emergency Management:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	2020-CF-21019	\$ 1,118,525 +
TOTAL U. S. DEPARTMENT OF TREASURY			<u>1,118,525</u>
NATIONAL FOUNDATION ON THE ART AND THE HUMANITIES			
Passed Through Texas State Library and Archives Commission:			
ILL Lending Reimbursement Program	45.310	LS-253655-OLS-23	4,470
TOTAL NATIONAL FOUNDATION ON THE ART AND THE HUMANITIES			<u>4,470</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Texas Department of State Health Services:			
<u>SNAP Program Cluster</u>			
Obesity Prevention Program	10.561	HHS001432000007	60,000
Total Obesity Prevention Program			<u>60,000</u>
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>60,000</u>
U. S. DEPARTMENT OF TRANSPORTATION			
Passed Through Texas Department of Transportation:			
Airport Improvement Program	20.106	2310HENDR	50,371
Airport Improvement Program	20.106	21CRHENDR	9,318
Airport Improvement Program	20.106	25ALHENDR	202,920
Airport Improvement Program	20.106	M2510HENDR	100,000
Total Airport Improvement Program			<u>362,609</u>
TOTAL U. S. DEPARTMENT OF TRANSPORTATION			<u>362,609</u>
U. S. DEPARTMENT OF JUSTICE			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	O-BJA-2024-172032	8,374
TOTAL U. S. DEPARTMENT OF JUSTICE			<u>8,374</u>
U.S. DEPARTMENT OF HOMELAND SECURITY - FEDERAL EMERGENCY MANAGEMENT AGENCY			
Passed Through Texas Division of Emergency Management:			
Hazard Mitigation Grant Program (HMGP)	97.039	DR-4485-0280	61,175
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY - FEDERAL EMERGENCY MANAGEMENT AGENCY			<u>61,175</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,615,153</u>

+ Denotes Major Program

See Notes to Schedule on following page.

RUSK COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE A – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Rusk County, Texas, under programs of the federal government for the year ended December 31, 2025 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of operations of Rusk County, Texas, it is not intended to and does not present the financial position, changes in net assets or cash flows of Rusk County, Texas.

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
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

State Grantor/Pass Through Grantor/ Program Title	Grant Contract Number	Program Expenditures
TEXAS DEPARTMENT OF TRANSPORTATION		
Direct Programs:		
Rusk County Automated Weather Observing System (AWOS)	25AWHENDR	\$ 111,080
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION		<u>111,080</u>
TEXAS OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION		
Direct Programs:		
Rifle Resistant Body Armor Grant Sheriff	2025-BG-DT-0025	<u>17,280</u>
TOTAL TEXAS OFFICE OF THE GOVERNOR - CROMINAL JUSTICE DIVISION		<u>17,280</u>
TEXAS DEPARTMENT OF MOTOR VEHICLES		
Passed Through Motor Vehicle Crime Prevention Authority:		
FY25 SB224 Catalytic Converter Grant	224-25-2010000	76,667
Passed Through Smith County:		
East Texas Auto Theft Task Force		<u>56,234</u>
TOTAL TEXAS DEPARTMENT OF MOTOR VEHICLES		<u>132,901</u>
TEXAS INDIGENT DEFENSE COMMISSION		
Direct Programs:		
Indigent Defense Formula Grant	212-25-201	<u>35,869</u>
TOTAL TEXAS INDIGENT DEFENSE COMMISSION		<u>35,869</u>
TEXAS OFFICE OF THE ATTORNEY GENERAL		
Direct Programs:		
Statewide Automated Victim Notification Service (SAVNS)	20222344900-482-01	<u>21,178</u>
TOTAL TEXAS OFFICE OF THE ATTORNEY GENERAL		<u>21,178</u>
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		
Direct Programs:		
Rural Law Enforcement Salary Assistance Program - DA	IA-0000000420	279,866 +
Rural Law Enforcement Salary Assistance Program - Sheriff	IA-0000000228	<u>498,860 +</u>
TOTAL TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		<u>778,726</u>
TEXAS DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Programs:		
Tobacco Settlement Distribution Program		6,435
Opioid Settlement Distribution Program		<u>45,105</u>
TOTAL TEXAS DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>51,540</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u><u>\$ 1,148,574</u></u>

+ Denotes Major Program

See Notes to Schedule on following page.

RUSK COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The accompanying schedule of expenditures of state awards includes the state grant activity of Rusk County, Texas, under programs of the federal government for the year ended December 31, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas *Grant Management Standards* (TxGMS). Because the schedule presents only a selected portion of operations of Rusk County, Texas, it is not intended to and does not present the financial position, changes in net assets or cash flows of Rusk County, Texas.

Expenditures reported in the schedule is presented on the modified accrual basis of accounting, which is described in Note 1 to the County's financial statement. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and TxGMS, wherein certain types of expenditures are not allowable or limited as to reimbursement.

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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified
that are not considered to be
material weaknesses? _____ Yes X No

Noncompliance material to financial
statements noted? _____ Yes X No

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified
that are not considered to be material
weakness(es)? _____ Yes X No

Type of auditors’ report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are
required to be reported in accordance
with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal or State Program</i>
21.027	Coronavirus State and Local Fiscal Recovery Fund
State	SB22 Rural Law Enforcement Grants

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

Auditee qualified as low-risk auditee: _____ Yes X No

**RUSK COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025**

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

**RUSK COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2025**

No findings for FY2024