

RUSK COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

Prepared by:
County Auditor

Rusk County, Texas
Comprehensive Annual Financial Report
For the Year Ended December 31, 2020

TABLE OF CONTENTS

INTRODUCTORY SECTION	<u>Exhibit</u>	<u>Page</u>
Letter of Transmittal		1-3
GFOA Certificate of Achievement		4
Organizational Chart		5
List of Elected and Appointed Officials		6
 FINANCIAL SECTION		
Independent Auditor's Report		7-9
Management's Discussion and Analysis		11-21
 Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	27
Statement of Activities	2	28
 Fund Financial Statements:		
Balance Sheet-Governmental Funds	3	31
Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Position	3-A	32
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	4	33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds to the Statement of Activities	4-A	34
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-General Fund and Major Special Revenue Funds	5	35-37
Statement of Net Position-Proprietary Funds	6	38
Statement of Revenues, Expenses, and Changes in Fund Net Position-Proprietary Funds	7	39
Statement of Cash Flows-Proprietary Funds	8	40
Statement of Fiduciary Net Position-Fiduciary Funds	9	41
Notes to the Financial Statements		43-67
 Required Supplementary Information:		
Schedule of Changes in Net Pension Liability and Related Ratios	10	70
Schedule of Contributions – Net Pension Liability	11	71
Notes to Schedule of Contributions	12	72
Schedule of Changes in Net OPEB Liability and Related Ratios	13	73
Schedule of Contributions – OPEB	14	74
Notes to Schedule of Contributions – OPEB	15	75

	<u>Exhibit</u>	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules: Fund Descriptions		79-80
Combining Balance Sheet-Nonmajor Governmental Funds	A-1	81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances-Nonmajor Governmental Funds	A-2	82
Combining Balance Sheet-Nonmajor Special Revenue Funds	B-1	83
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances-Nonmajor Special Revenue Funds	B-2	84
Schedules of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual:		
General Fund	C-1	85-87
Road and Bridge Fund	C-2	88
Law Library Fund	C-3	89
Rusk County Officials' Fund	C-4	90
Human Services Fund	C-5	91
Airport Fund	C-6	92
Juvenile Services Fund	C-7	93
Debt Service Fund	C-8	94
Water Supply Grant Fund	C-9	95
District Probation Fund	C-10	96
Agency Funds:		
Combining Statement of Assets & Liabilities	D-1	98
Combining Statement of Changes in Assets & Liabilities	D-2	99-101
Capital Assets Used in the Operation of Governmental Funds:		
Schedule by Source	E-1	102
Schedule by Function and Activity	E-2	103-104
Schedule of Changes by Function and Activity	E-3	105-106

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
Net Position by Component	1	108-109
Changes in Net Position	2	110-111
Fund Balances of Governmental Funds	3	112-113
Changes in Fund Balances of Governmental Funds	4	114-115
Assessed Value and Estimated Actual Value of Taxable Property	5	117
Direct and Overlapping Property Tax Rates	6	118-119
Principal Property Taxpayers	7	120
Property Tax Levies and Collections	8	121
Ratios of Outstanding Debt by Type	9	122
Ratios of General Bonded Debt Outstanding	10	123
Direct and Overlapping Governmental Activities Debt	11	124
Legal Debt Margin Information	12	125
Demographic and Economic Statistics	13	126
Principal Employers	14	127
Full-time Equivalent County Governmental Employees by Function	15	128
Operating Indicators by Function	16	129

Capital Asset Statistics by Function	17	130
STATE AND FEDERAL FINANCIAL ASSISTANCE SECTION	<u>Exhibit</u>	<u>Page</u>
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		131-132
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance		133-134
Schedule of Expenditures of Federal Awards and Notes	F-1	135-136
Schedule of Expenditures of State Awards and Notes	F-2	137-138
Schedule of Findings and Questioned Costs	F-3	139
Summary Schedule of Prior Year Findings	F-4	140
Corrective Action Plan	F-5	141

This page is left blank intentionally.

COUNTY AUDITOR:
Rebekah Acres



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

June 11, 2021

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 Comprehensive Annual Financial Report (CAFR) for Rusk County for the year ended December 31, 2020. The report was prepared by the County Auditor's Office. This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Texas State law requires the County's financial statements be audited by a licensed independent certified public accountant. The Commissioners' Court selected Morgan LaGrone, CPA, PLLC to perform the audit for the current fiscal year. The auditors have issued an unmodified opinion on Rusk County's financial statements for the year ended December 31, 2020, and their report may be found on pages 7-9 in the Financial Section of this report.

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

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

Profile of the Government

Rusk County, Texas, created in 1843, is located in the northeast part of the State. The County occupies a land area of 932 square miles and serves a population of 54,406. 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 on pages 35-37 as part of the Basic Financial Statements. For other governmental funds, this comparison is presented in the Combining and Individual Fund Financial Statements and Schedules section of this report, starting on page 79.

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

Local Economy

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

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

The County has a civilian labor force of 22,127, which is down from the prior year.

Long-term Financial Planning

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

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

Various costs associated with increased health care premiums for active and retired employees had a significant effect on the financial statements in 2020. The County continues to participate in the insurance program provided through the Texas Association of Counties. This insurance pool allows the County to limit increases in premiums at an amount less than the national average.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Rusk County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019. This was the thirtieth (30th) consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both GAAP and applicable legal requirements.

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

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

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

Respectfully submitted,



Rebekah Acres
Rusk County Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Rusk County
Texas**

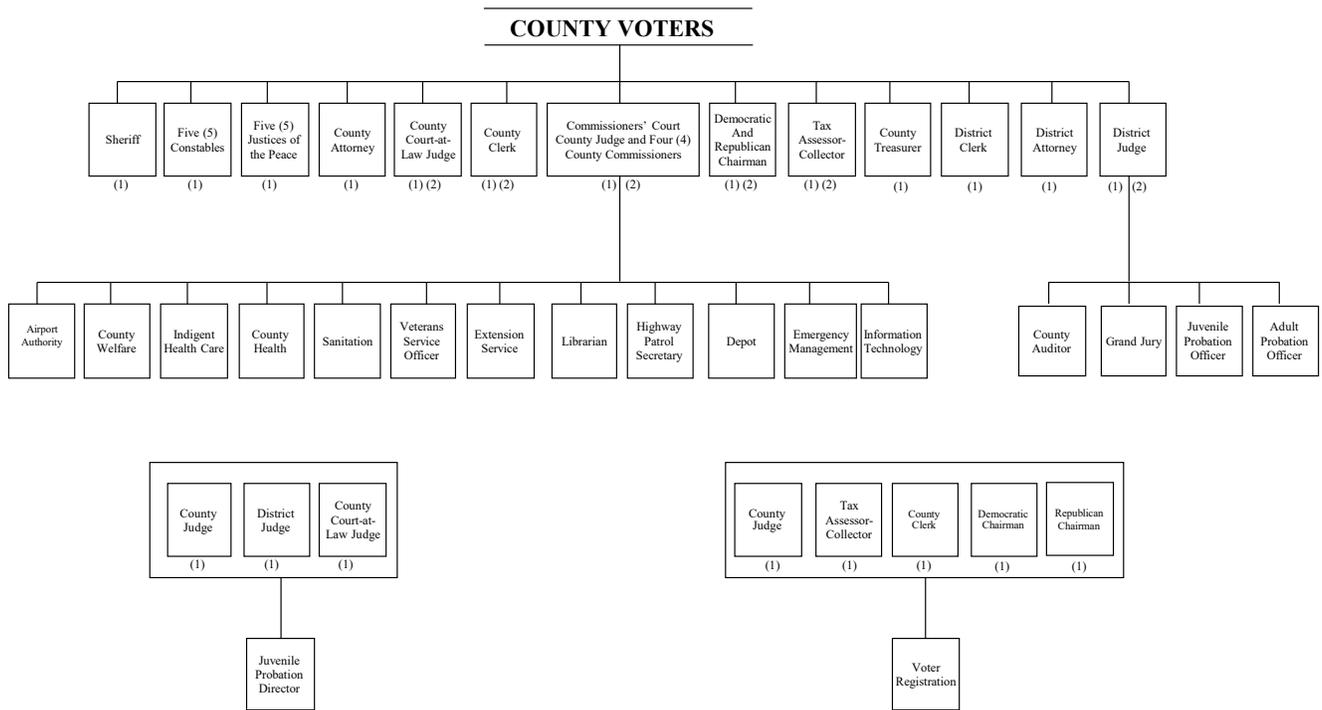
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

RUSK COUNTY, TEXAS ORGANIZATIONAL CHART



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

Rusk County, Texas
List of Elected and Appointed Officials
December 31, 2020

Elected Officials

4th Judicial District Judge	Honorable J. Clay Gossett
County Judge	Honorable Joel Hale
County Commissioner, Precinct #1	Honorable W.D. Bill Hale
County Commissioner, Precinct #2	Honorable Robert Kuykendall
County Commissioner, Precinct #3	Honorable Greg Gibson
County Commissioner, Precinct #4	Honorable Bennie Whitworth
County Court-at-Law Judge	Honorable Chad Dean
County Attorney	Michael Jimerson
County Clerk	Trudy McGill
County Sheriff	Jeff Price
County Tax Assessor-Collector	Nesha Partin
County Treasurer	Andy Vinson
District Clerk	Terri Willard
Constable, Precinct #1	Sammy Nichols
Constable, Precinct #2	Chuck McDonald
Constable, Precinct #3	Kenneth Miley
Constable, Precinct #4	David Guy
Constable, Precinct #5	Kenneth Logan
Justice of the Peace, Precinct #1	Pat McCrory
Justice of the Peace, Precinct #2	Cindy Redmon
Justice of the Peace, Precinct #3	Jackie Risinger
Justice of the Peace, Precinct #4	Darlene Childress
Justice of the Peace, Precinct #5	Jana Enloe

Appointed Officials

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

Morgan LaGrone, CPA, PLLC

Certified Public Accountant

Telephone: 903.657.0240
Fax: 903.655.1324

116 S Marshall
Henderson TX 75654

INDEPENDENT AUDITOR'S REPORT

Rusk County Commissioners' Court
Rusk County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rusk County, Texas, ("County") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the internal service fund type of Rusk County, Texas, as of and for the year ended December 31, 2020, as displayed in the County's basic financial statements. We also have audited the financial statements of each of the County's nonmajor governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2020, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

MEMBER

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

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

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Rusk County, Texas, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison schedules for the General Fund, the Road and Bridge Fund, and the Airport Fund (major special revenue funds) for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and fiduciary fund of Rusk County, Texas, as of December 31, 2020, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note I (G) to the financial statements, in 2020, the County adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 21, the schedule of changes in net pension liability and schedule of contributions on pages 70-71, and the schedule of changes in net OPEB and schedule of contributions on pages 73-74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise Rusk County, Texas' basic and combining and individual fund financial statements. The introductory section, the Budgetary Comparison for the General Fund, Road and Bridge Fund, Law Library Fund, Rusk County Officials' Fund, Human Services Fund, Airport Fund, Juvenile Services Fund, District Probation, Debt Service Fund, and the Water Supply Grant Fund; the Capital Assets Used in the Operation of Governmental Funds schedules; and the statistical section are presented for purposes of additional analysis and are not a

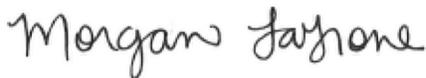
required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards are presented for purposes of additional analysis as required by the State of Texas Single audit Circular and is also not a required part of the basic financial statements of the County.

The Budgetary Comparison for the General Fund, Road and Bridge Fund, Law Library Fund, Rusk County Officials' Fund, Human Services Fund, Airport Fund, Juvenile Services Fund, and the Debt Service Fund; the Capital Assets Used in the Operation of Governmental Funds schedules; the Schedule of Expenditures of Federal Awards; and the Schedule of Expenditures of State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic and combining and individual fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison for the General Fund, Road and Bridge Fund, Law Library Fund, Rusk County Officials' Fund, Human Services Fund, Airport Fund, Juvenile Services Fund, Debt Service Fund, and the Water Supply Grant Fund; the Capital Assets Used in the Operation of Governmental Funds schedules; the Schedule of Expenditures of Federal Awards; and the Schedule of Expenditures of State Awards are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2021 on our consideration of Rusk County, Texas, internal control over financial reporting and 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 the 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 the County's internal control over financial reporting and compliance.



Morgan LaGrone, CPA, PLLC

Henderson, Texas
June 11, 2021

This page is left blank intentionally.

Management's Discussion and Analysis

As management of Rusk County, Texas, (the "County") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-3 of this report.

Financial Highlights

- ◆ The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the year by \$40,884,565 (Net Position). Of this amount, \$17,651,580 (Unrestricted Net Position) may be used to meet the County's ongoing obligations to citizens and creditors.
- ◆ The County's total net position increased by \$2,931,182.
- ◆ As of the close of the current year, the County's governmental funds reported combined ending fund balances of \$24,429,135, an increase of \$1,769,066 in comparison with the prior year. \$11,685,838 of this amount is available for spending at the County's discretion (Unassigned Fund Balance). The principal reason for the increase in fund balance is attributable to the restatement of the County's beginning net position to account for fiduciary activities being reported in the governmental funds rather than custodial funds.
- ◆ At the end of the current year, Unassigned Fund Balance for the General Fund was \$11,685,838, or 78.46% of total General Fund expenditures.
- ◆ On August 8, 2016, the Commissioners' Court authorized the issuance of \$7,115,000 in general obligation refunding bonds to advance refund a portion of the County's Series 2008 certificates of obligation. The refunding resulted in an overall savings of \$816,462.

Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to the County's Basic Financial Statements. The County's Basic Financial Statements comprise three components: (1) Government-wide Financial Statements; (2) Fund Financial Statements; and (3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the Basic Financial Statements themselves.

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

The Statement of Net Position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both of the Government-wide Financial Statements are designed to distinguish functions of the County that are principally supported by taxes, intergovernmental revenues, fees, and fines (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, legal, elections, financial administration, public facilities, public safety, public transportation, health and welfare, culture and recreation, and conservation. Rusk County has no business-type activities.

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

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

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

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

Because the focus of governmental funds is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains fourteen (14) individual governmental funds. Each of the funds is described on pages 79-80 of this report. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the Road and Bridge Fund, each of which are considered to be major funds. Data from the other twelve (12) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of Combining Statements elsewhere in this report.

The County adopts annual appropriated budgets for the General Fund and the Road and Bridge Fund, its two (2) major funds. A Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund

Balances-Budget (Budgetary Basis) and Actual is presented at the functional level of detail for each of these funds on pages 35-37 of this report. In addition, a Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget (Budgetary Basis) and Actual is presented for the General Fund and the Road and Bridge Fund at the activity or departmental level to demonstrate legal compliance with the budget on pages 85-87 and page 88.

The County also adopts annual appropriated budgets for eight (8) of its twelve (12) nonmajor governmental funds (Law Library Fund, Rusk County Officials' Fund, Human Services Fund, Juvenile Services Fund, Water Supply Grant, District Probation, Airport Fund, and Debt Service Fund). A Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget (GAAP Basis) and Actual is presented for each of these funds to demonstrate compliance with their budgets starting on page 89 of this report.

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

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

Proprietary Funds provide the same type of information as the Government-wide Financial Statements, only in more detail.

The basic Proprietary Fund Financial Statements can be found on pages 38-41 of this report.

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

The County's basic Fiduciary Fund Financial Statement can be found on page 42 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to the Financial Statements can be found on pages 43-67 of this report.

Other Information. In addition to the Basic Financial Statements and accompanying Notes, this report also presents Combining and Individual Fund Financial Statements and Schedules. These statements and schedules provide greater detail in connection with Governmental Funds, Fiduciary Funds, and Capital Assets Used in the Operation of Governmental Funds. The Combining and Individual Fund Financial Statements and Schedules may be found on pages 81-106 of this report.

Government-wide Financial Analysis.

Net Position. As noted earlier, Net Position may serve over time as a useful indicator of the County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$40,884,565 at the close of the most recent fiscal year.

A large portion of the County’s Net Position (52.70%) reflects its investment in capital assets (e.g., Land, Buildings, Machinery and Equipment, and Infrastructure), less the related outstanding debt to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	<u>2020</u>	2019 <u>(Restated)</u>
Current and Other Assets	\$ 48,357,387	\$ 46,269,042
Capital Assets	25,661,311	25,956,306
Total Assets	<u>\$ 74,018,698</u>	<u>\$ 72,225,348</u>
 Total Deferred Outflows of Resources	 <u>\$ 1,494,793</u>	 <u>\$ 4,209,761</u>
 Long-Term Liabilities Outstanding	 \$ 12,382,875	 \$ 17,045,446
Other Liabilities	644,224	627,993
Total Liabilities	<u>\$ 13,027,099</u>	<u>\$ 17,673,439</u>
 Total Deferred Inflows of Resources	 <u>\$ 21,601,827</u>	 <u>\$ 20,808,287</u>
 Net Position:		
Net Investment in Capital Assets	\$ 21,546,062	\$ 20,506,285
Restricted	1,686,923	1,413,854
Unrestricted	17,651,580	17,208,429
Total Net Position	<u>\$ 40,884,565</u>	<u>\$ 39,128,568</u>

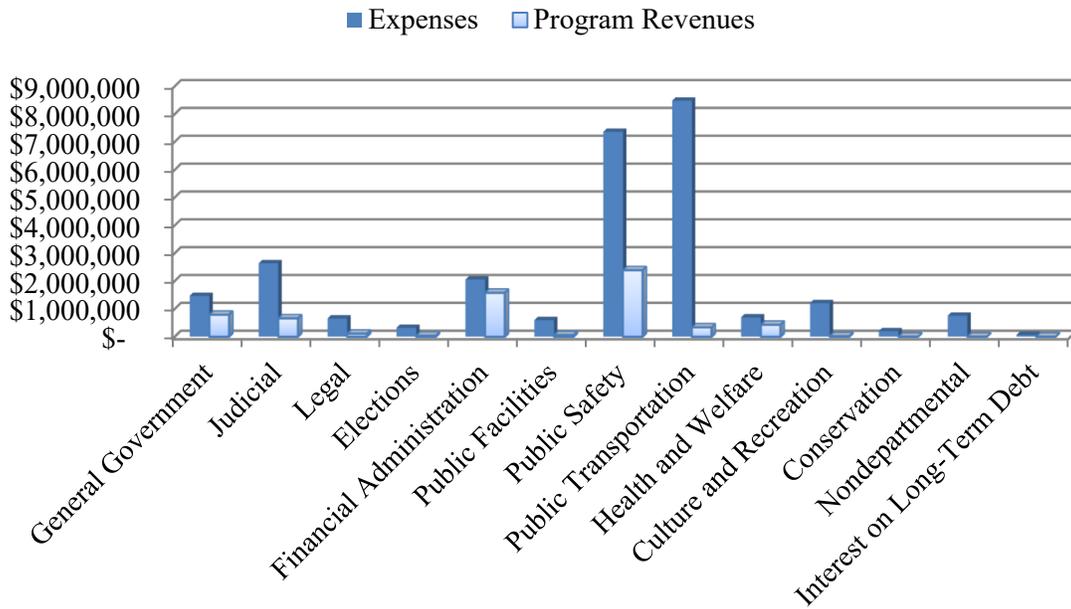
At the end of the current fiscal year, the County is able to report positive balances in all three (3) categories of Net Position. The same situation held true for the prior fiscal year.

Changes in Net Position. Net Position for the County increased \$2,931,182 from the prior year. The most significant County revenue source is Ad Valorem Taxes, which represented 75.22% of total revenue in the most recently completed fiscal year. Fees and fines charged and collected by County Officials generated another 12.06% of revenue. Grants received from the State and Federal government constituted 10.56% of revenue. The remaining balance of the County’s revenue, 2.16% came from other taxes, oil and gas royalties, interest, and other miscellaneous revenues.

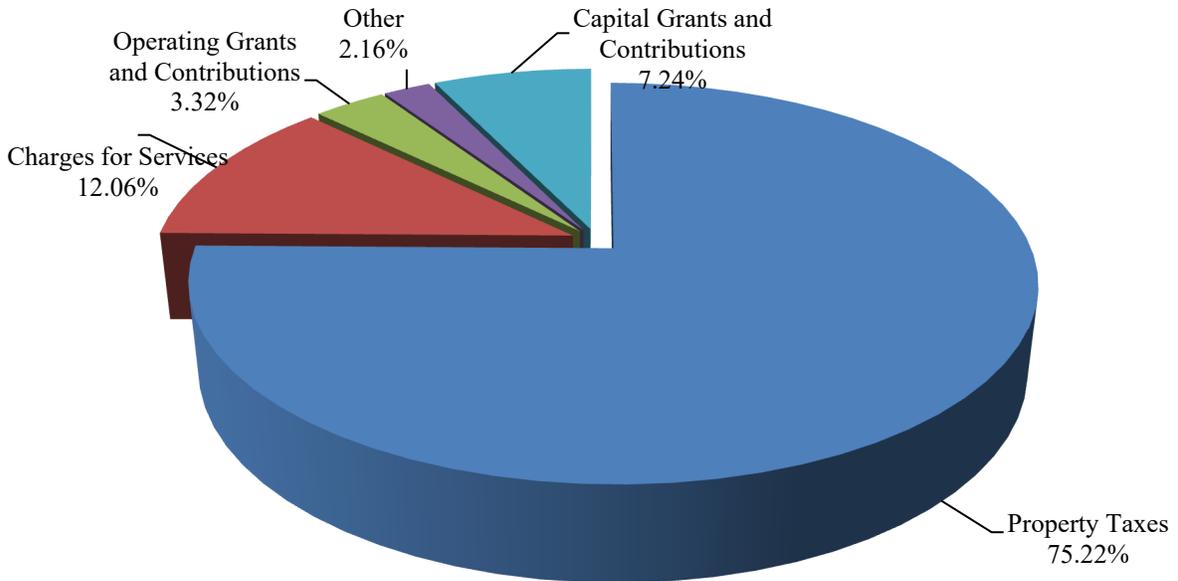
Rusk County, Texas
Changes in Net Position of Governmental Activities
(Table 2)

Revenues:	<u>2020</u>	<u>2019</u>
Program Revenues:		
Charges for Services	\$ 3,400,816	\$ 3,764,132
Operating Grants and Contributions	934,620	583,986
Capital Grants and Contributions	2,040,678	252,401
General Revenues:		
Property Taxes	21,207,257	15,875,812
Other	609,630	1,324,874
Total Revenues	<u>\$ 28,193,001</u>	<u>\$ 21,801,205</u>
Expenses:		
General Government	\$ 1,460,996	\$ 1,925,446
Judicial	2,634,316	2,595,988
Legal	651,022	599,587
Elections	314,672	217,943
Financial Administration	2,049,890	2,017,100
Public Facilities	592,737	673,318
Public Safety	7,355,782	6,679,591
Public Transportation	8,471,467	7,398,140
Health and Welfare	691,169	474,859
Culture and Recreation	1,203,003	1,181,155
Conservation	194,258	181,157
Nondepartmental	751,292	-
Interest on Long-Term Debt	66,399	150,658
Total Expenses	<u>\$ 26,437,004</u>	<u>\$ 24,094,942</u>
Increase/(Decrease) in Net Position	\$ 1,755,997	\$ (2,293,737)
Net Position - Beginning	37,953,383	34,901,108
Restatement - Fiduciary Activities	1,175,185	-
Net Position - Beginning, as restated	<u>39,128,568</u>	<u>34,901,108</u>
Net Position - Ending	<u>\$ 40,884,565</u>	<u>\$ 32,607,371</u>

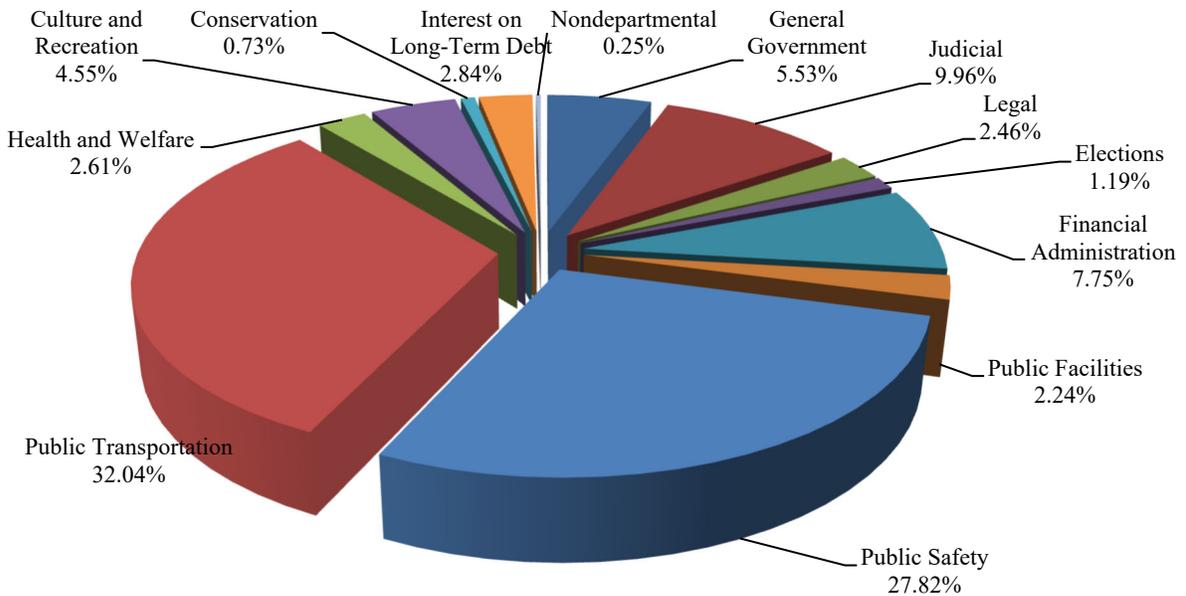
**Rusk County, Texas
Governmental Activities
Expenses and Program Revenues
2020
(Chart 1)**



**Rusk County, Texas
Governmental Activities
Revenues by Source
2020
(Chart 2)**



**Rusk County, Texas
Governmental Activities
Expenses by Function
2020
(Chart 3)**



Financial Analysis of the County's Funds.

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

Governmental Funds. The focus of the County's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, Unassigned Fund Balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's Governmental Funds reported combined ending Fund Balances of \$24,429,135, an increase of \$1,769,066 in comparison with the prior year. 47.84% of this (\$11,685,838) constitutes Unassigned Fund Balance, which is available for spending at the County's discretion. The remainder of Fund Balance is nonspendable, assigned or restricted to indicate that it is 1) not in spendable form (\$115,363), 2) assigned to particular departments (\$1,103,381) or 3) restricted for particular purposes (\$9,524,552).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, Unassigned Fund Balance of the General Fund was \$11,685,838, while total Fund Balance was \$24,429,135. As a measure of the General Fund's liquidity, it may be useful to compare Fund Balance to total fund expenditures. Unassigned Fund Balance represents 78.46% of total General Fund expenditures.

The Fund Balance of the County's General Fund increased by \$1,234,961 during the current fiscal year.

The Road and Bridge Fund has a total Fund Balance of \$2,662,485 all of which is Restricted Fund Balance (for County roads and bridges) and nonspendable. The net decrease in Fund Balance during the year was \$755,276.

Proprietary Funds. The County's Proprietary Funds provide the same type of information as the Government-wide Financial Statements, only in more detail. The County's only Proprietary Fund is the Insurance Internal Service Fund. Unrestricted Net Position at the end of the current year amounted to \$1,618,788. The County provides employees and retirees' health and life insurance through traditional insurance.

General Fund Budgetary Highlights.

Differences between the original budget and the final amended budget were a net increase in appropriations of \$312,792. Significant among the increases were:

- ◆ *\$117,462 net increase in expenditures allocated to Capital Outlay.*
- ◆ *\$104,600 increase in current expenditures allocated to the Health and Welfare Department.*

The increases were funded by maintaining other expenditures well below budgeted amounts.

As a result of the favorable budget variances in expenditures, it was unnecessary to draw upon any Fund Balance as was originally anticipated. As indicated by the final budget, the County anticipated using \$2,800,379 of fund balance. However, none of fund balance was used.

Differences between the final amended budget and actual General Fund expenditures were a net positive variance of \$4,352,698. Significant among the net positive variances were:

- ◆ \$655,800 in positive budget variances in Judicial/All Courts, due to less than anticipated costs for capital murder trials.
- ◆ \$297,300 in positive budget variances in Nondepartmental due to less than expected costs for maintenance, supplies, insurance and other miscellaneous expenditures.
- ◆ \$119,000 in positive budget variances in Legal/District Attorney due to less than anticipated special trial expenditures.
- ◆ \$891,500 in positive budget variances in Public Safety/Jail due to savings in insurance, medical fees, and utilities.
- ◆ \$1,024,500 in positive budget variances in Public Safety/Sheriff due mostly to savings in salaries (car deputy, animal control officer, narcotic officer), workers compensation, and deputy training.
- ◆ \$646,000 in positive budget variances in Capital Outlay due to less than anticipated major renovations and other capital improvements.
- ◆ The balance of the positive variance resulted from a general cost savings in all departments within the County.

Governmental Activities Capital Asset and Debt Administration.

Governmental Activities Capital Assets. The County’s investment in Governmental Activities Capital Assets as of December 31, 2020, amounts to \$27,802,717, net of accumulated depreciation. This investment in Governmental Activities Capital Assets includes Land, Buildings, Machinery and Equipment, and Infrastructure (e.g., roads and bridges).

Major Capital Asset events during the current fiscal year included the following:

- ◆ Approximately \$89,000 in construction in progress for building improvements for the Tax Assessor-Collector.
- ◆ Approximately \$1,439,000 of equipment purchased for the County’s Road & Bridge Department.

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

	<u>2020</u>	<u>2019</u>
Land	\$ 1,032,025	\$ 1,032,025
Construction in Progress	89,181	-
Buildings	17,149,759	17,875,526
Machinery and Equipment	5,248,940	4,758,709
Infrastructure	2,141,406	2,290,046
Total Capital Assets	\$ 25,661,311	\$ 25,956,306

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

Long-Term Debt. At the end of the current fiscal year, the County had total debt of \$12,382,875.

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

	<u>2020</u>	<u>2019</u>
Certificates of Obligation:		
Principal Amount of Debt	\$ 3,775,000	\$ 4,935,000
Premium on Issuance of Debt	258,542	377,869
OPEB Liability	124,325	164,344
Net Pension Liability	7,955,088	11,262,991
Capital Leases	106,501	173,387
Compensated Absences	163,419	131,935
Total Long-Term Debt	<u>\$ 12,382,875</u>	<u>\$ 17,045,526</u>

The Texas State Constitution limits the amount of general obligation bonded debt the County may issue to 25% of the assessed value of the real property in the County. The current debt limit for the County is \$894,276,000. The County presently has \$3,775,000 in general obligation bonded debt.

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

Economic Factors and Next Year’s Budgets and Rates.

- ◆ The unemployment rate for the County as of the end of the fiscal year was 7.3%, compared with a rate of 3.8% a year ago.
- ◆ The County’s assessed valuation of property for the 2019 property tax year (2020 fiscal year) has decreased \$76,132,775 to approximately \$3,709,869,211.
- ◆ The County’s property tax rate increased from \$0.582571 per \$100 of assessed valuation to \$0.592137 per \$100 assessed valuation for the 2021 budget year (2020 property tax year).

All of these factors were considered in preparing the County's budget for the 2021 fiscal year.

During the current fiscal year, Unassigned Fund Balance in the General Fund decreased to \$14,789,219. That amount represents approximately eight and a half months of General Fund operations, and the County believes that to be a reasonable reserve.

Requests for Information.

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

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

This page is left blank intentionally.

BASIC FINANCIAL STATEMENTS

This page is left blank intentionally.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

This page is left blank intentionally.

Rusk County, Texas
Statement of Net Position
December 31, 2020

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash	\$ 30,652,192
Investments	1,345,140
Receivables (net of allowances for uncollectibles):	
Property Taxes	14,790,717
Due from Other Governments	1,460,344
Accounts	60,124
Prepays	48,869
Capital Assets (not being depreciated)	
Land	1,032,025
Construction in Progress	89,181
Capital Assets (net of accumulated depreciation):	
Buildings	17,149,759
Machinery & Equipment	5,248,940
Infrastructure	<u>2,141,406</u>
Total Assets	<u>\$ 74,018,698</u>
<u>Deferred Outflows of Resources</u>	
Deferred Amount on Bond Refunding	\$ 24,792
Deferred Outflows - Pensions	<u>1,470,001</u>
Total Deferred Outflows of Resources	<u>\$ 1,494,793</u>
<u>Liabilities</u>	
Accounts Payable and Accrued Expenses	\$ 529,656
Due to Other Governments	114,568
Long-term Debt:	
Portion due or payable within on year:	
Compensated Absences	9,927
Bonds Payable	1,210,000
Capital Leases	68,796
Portion due or payable after one year:	
Compensated Absences	153,492
Bonds Payable	2,823,542
Capital Leases	37,705
Net Pension Liability	7,955,088
Other Post-Employment Benefit Liability	<u>124,325</u>
Total Liabilities	<u>\$ 13,027,099</u>
<u>Deferred Inflows of Resources</u>	
Deferred Revenue - Advance Tax Collections	\$ 6,945,657
Deferred Revenue	12,990,595
Deferred Inflows - OPEB	11,341
Deferred Inflows - Pensions	<u>1,654,234</u>
Total Deferred Inflows of Resources	<u>\$ 21,601,827</u>
<u>Net Position</u>	
Net Investment in Capital Assets	\$ 21,546,062
Restricted for:	
Debt Service	1,620,056
Perpetual Care:	
Expendable	373
Nonexpendable	15,000
County Independent School Districts:	
Nonexpendable	51,494
Unrestricted	<u>17,651,580</u>
Total Net Position	<u>\$ 40,884,565</u>

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

Rusk County, Texas
Statement of Activities
For the Year Ended December 31, 2020

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)/ Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
				<u>Governmental Activities</u>	
<u>Functions/Programs:</u>					
General Government	\$ 1,460,996	\$ 602,260	\$ 30,280	\$ 154,497	\$ (673,958)
Judicial	2,634,316	657,877	266	-	(1,976,174)
Legal	651,022	32,699	73,351	-	(544,971)
Elections	314,672	19,041	-	13,857	(281,774)
Financial Administration	2,049,890	1,575,530	-	-	(474,360)
Public Facilities	592,737	25,712	-	28,425	(538,600)
Public Safety	7,355,782	75,383	689,117	1,622,387	(4,968,894)
Public Transportation	8,471,467	194,763	50,689	87,624	(8,138,391)
Health and Welfare	691,169	209,707	81,687	133,888	(265,887)
Culture and Recreation	1,203,003	7,843	9,230	-	(1,185,931)
Conservation	194,258	-	-	-	(194,258)
Nondepartmental	751,292	-	-	-	(751,292)
Interest on Long-Term Debt	66,399	-	-	-	(66,399)
Net (Expense)/Revenue	<u>\$ 26,437,004</u>	<u>\$ 3,400,816</u>	<u>\$ 934,620</u>	<u>\$ 2,040,678</u>	<u>\$ (20,060,890)</u>
General Revenues:					
Property Taxes					\$ 21,207,257
Other Taxes					7,242
Interest Earned					183,954
Miscellaneous					418,434
Total General Revenues					<u>\$ 21,816,887</u>
Change in Net Position					\$ 1,755,997
Net Position - Beginning					37,953,383
Restatement - Fiduciary Activities (See Note IV.M)					<u>1,175,185</u>
Net Position - Beginning, as restated					39,128,568
Net Position - Ending					<u>\$ 40,884,565</u>

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

FUND FINANCIAL STATEMENTS

This page is left blank intentionally.

Rusk County, Texas
Balance Sheet
Governmental Funds
December 31, 2020

	General Fund	Road & Bridge Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash	\$ 16,636,839	\$ 4,565,749	\$ 7,831,053	\$ 29,033,640
Investments	1,345,140	-	-	1,345,140
Receivables (net of allowances for uncollectibles):				
Property Taxes	9,594,243	4,142,185	1,054,289	14,790,717
Due from Other Governments	15,761	37,624	1,406,959	1,460,344
Accounts	33,379	1,358	24,672	59,409
Prepays	-	48,869	-	48,869
Due from Other Funds	1,638,969	-	-	1,638,969
Total Assets	<u>\$ 29,264,330</u>	<u>\$ 8,795,784</u>	<u>\$ 10,316,973</u>	<u>\$ 48,377,087</u>
<u>Liabilities</u>				
Accounts Payable	\$ 292,957	\$ 37,292	\$ 94,817	\$ 425,066
Due to Other Governments	114,568	-	-	114,568
Due to Other Funds	-	-	1,638,969	1,638,969
Total Liabilities	<u>\$ 407,526</u>	<u>\$ 37,292</u>	<u>\$ 1,733,786</u>	<u>\$ 2,178,604</u>
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Advance Tax Collections	\$ 4,473,530	\$ 1,953,649	\$ 518,478	\$ 6,945,657
Unavailable Revenue - Other	-	-	32,989	32,989
Unavailable Revenue - Tax Revenue	9,594,055	4,142,358	1,054,289	14,790,702
Total Deferred Inflows of Resources	<u>\$ 14,067,586</u>	<u>\$ 6,096,007</u>	<u>\$ 1,605,757</u>	<u>\$ 21,769,348</u>
<u>Fund Balances</u>				
Nonspendable	\$ -	\$ 48,869	\$ 66,494	\$ 115,363
Restricted	-	2,613,616	6,910,936	9,524,552
Assigned	3,103,381	-	-	3,103,381
Unassigned	11,685,838	-	-	11,685,838
Total Fund Balances	<u>\$ 14,789,219</u>	<u>\$ 2,662,485</u>	<u>\$ 6,977,430</u>	<u>\$ 24,429,135</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 29,264,330</u>	<u>\$ 8,795,784</u>	<u>\$ 10,316,973</u>	<u>\$ 48,377,087</u>

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

Rusk County, Texas
 Reconciliation of the Balance Sheet-Governmental Funds
 to the Statement of Net Position
 December 31, 2020

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

Total Fund Balances-Total Governmental Funds (Page 31)	\$ 24,429,135
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,661,313
The Internal Service Fund is used to charge the costs of health insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	1,618,788
Net Delinquent Property Taxes Receivable is a "long-term asset" and not available to pay for current period expenditures and therefore is deferred in the funds.	1,800,107
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (See Note II.A.)	(4,349,791)
Net OPEB Liability and the related deferred outflows and deferred inflows of resources are not reported in the funds. (See Note II.A.)	(135,666)
Net Pension Liability and the related deferred outflows and deferred inflows of resources are not reported in the funds. (See Note II.A.)	(8,139,321)
Net Position of Governmental Activites (page 27)	\$ 40,884,565

Rusk County, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General Fund	Road & Bridge Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Ad Valorem Taxes	\$ 13,457,842	\$ 5,917,677	\$ 1,656,127	\$ 21,031,646
Other Taxes	7,242	-	-	7,242
Intergovernmental	302,633	37,624	2,418,802	2,759,059
Fees	1,576,915	885,449	550,117	3,012,481
Fines and Forfeitures	349,433	50,689	10,143	410,265
Miscellaneous	508,590	165,770	150,295	824,655
Total Revenues	<u>\$ 16,202,655</u>	<u>\$ 7,057,209</u>	<u>\$ 4,785,484</u>	<u>\$ 28,045,348</u>
Expenditures:				
Current:				
General Government	\$ 1,430,998	\$ -	\$ 1,364	\$ 1,432,362
Judicial	2,562,830	-	44,114	2,606,944
Legal	622,131	-	25,609	647,740
Elections	297,900	-	13,938	311,838
Financial Administration	2,042,934	-	-	2,042,934
Public Facilities	552,939	-	28,425	581,364
Public Safety	4,498,719	-	2,501,812	7,000,531
Public Transportation	-	6,213,574	511,493	6,725,067
Health and Welfare	520,754	-	166,456	687,210
Culture and Recreation	1,240,346	-	-	1,240,346
Conservation	190,954	-	-	190,954
Nondepartmental	612,011	139,281	-	751,292
Capital Outlay	321,465	1,372,663	160,731	1,854,859
Debt Service:		-		
Principal	-	66,886	1,160,000	1,226,886
Interest	-	5,081	175,507	180,588
Total Expenditures	<u>\$ 14,893,981</u>	<u>\$ 7,797,485</u>	<u>\$ 4,789,449</u>	<u>\$ 27,480,915</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 1,308,673</u>	<u>\$ (740,276)</u>	<u>\$ (3,965)</u>	<u>\$ 564,433</u>
Other Financing Sources (Uses):				
Transfers in	\$ 15,000	\$ -	\$ 115,000	\$ 130,000
Transfers out	(115,000)	(15,000)	-	(130,000)
Sale of Capital Assets	26,288	-	3,161	29,449
Total Other Financing Sources (Uses)	<u>\$ (73,711)</u>	<u>\$ (15,000)</u>	<u>\$ 118,161</u>	<u>\$ 29,449</u>
Net Change in Fund Balances	<u>\$ 1,234,961</u>	<u>\$ (755,276)</u>	<u>\$ 114,196</u>	<u>\$ 593,882</u>
Fund Balances - Beginning	12,586,055	3,417,760	6,656,254	22,660,069
Prior Period Adjustment	968,203	-	206,980	1,175,183
Fund Balances - Beginning, as Restated	13,554,258	3,417,760	6,863,234	23,835,252
Fund Balances - Ending	<u>\$ 14,789,219</u>	<u>\$ 2,662,485</u>	<u>\$ 6,977,430</u>	<u>\$ 24,429,134</u>

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

Rusk County, Texas
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances-Governmental Funds
 To the Statement of Activities
 For the Year Ended December 31, 2020

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

Net Change in Fund Balances-Total Governmental Funds (Page 33)	\$ 593,882
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (See Note II.B.)	(120,557)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(174,437)
The repayment of long-term debt (e.g. certificates of obligation and capital leases) consumes current financial resources of governmental funds, but the transaction has no effect on net position.	1,226,886
Delinquent property tax collections provide current financial resources to the funds but has no effect on net position.	(586,567)
Delinquent property taxes receivable, which do not provide current financial resources, are not reported as revenue in the funds.	762,178
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (See Note II.B.)	82,704
Some expenses reported in the Statement of Activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds. This amount reflects the change in pension expense as a result of GASB 68.	(340,613)
Governmental funds report all payments to other post employment benefits as expenditures. However, in the government-wide statement of activities the actuarial annually required contribution is considered an expense. Any deficit amount is considered a liability. Change in net other post employment benefit obligation.	188,084
The Internal Service Fund is used to charge the costs of health insurance to individual funds. The net revenue (expense) of the activity of the Internal Service Fund is reported with governmental activities.	<u>124,437</u>
Changes in Net Position of Governmental Activities (Page 28)	<u>\$ 1,755,997</u>

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

Rusk County, Texas
 Schedule of Revenues, Expenditures, and Changes in Fund Balances-
 Budget and Actual (Budgetary Basis)-General Fund and Major Special Revenue Funds
 For the Year Ended December 31, 2020

	General Fund			Variance with Final Budget Positive/ (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Ad Valorem Taxes	\$ 13,571,495	\$ 13,571,495	\$ 13,457,842	\$ (113,653)
Other Taxes	10,500	10,500	7,242	(3,258)
Intergovernmental	86,320	86,320	302,633	216,313
Fees	1,548,884	1,548,884	1,576,915	28,031
Fines and Forfeitures	475,000	475,000	349,433	(125,567)
Miscellaneous	670,600	712,151	466,640	(245,511)
Total Revenues	<u>\$ 16,362,799</u>	<u>\$ 16,404,350</u>	<u>\$ 16,160,705</u>	<u>\$ (243,645)</u>
Expenditures:				
Current:				
General Government	\$ 1,595,539	\$ 1,598,985	\$ 1,430,998	\$ 167,987
Judicial	3,370,036	3,363,509	2,562,830	800,679
Legal	738,034	741,099	622,131	118,968
Elections	271,147	322,541	297,900	24,641
Financial Administration	2,106,552	2,106,869	2,042,934	63,935
Public Facilities	614,403	626,649	552,939	73,710
Public Safety	6,404,889	6,421,760	4,498,719	1,923,041
Health and Welfare	536,698	641,298	520,754	120,544
Culture and Recreation	1,293,910	1,314,360	1,198,396	115,964
Conservation	195,079	190,954	190,954	-
Nondepartmental	915,700	909,293	612,011	297,282
Capital Outlay	849,950	967,412	321,465	645,947
Total Expenditures	<u>\$ 18,891,937</u>	<u>\$ 19,204,729</u>	<u>\$ 14,852,031</u>	<u>\$ 4,352,698</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (2,529,138)</u>	<u>\$ (2,800,379)</u>	<u>\$ 1,308,673</u>	<u>\$ 4,109,053</u>
Other Financing Sources (Uses):				
Transfers in	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Transfers out	(115,000)	(115,000)	(115,000)	-
Sale of Capital Assets	-	-	26,288	26,288
Total Other Financing Sources (Uses)	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>\$ (73,711)</u>	<u>\$ 26,288</u>
Net Change in Fund Balances	<u>\$ (2,629,138)</u>	<u>\$ (2,900,379)</u>	<u>\$ 1,234,961</u>	<u>\$ 4,135,340</u>
Fund Balances - Beginning	12,586,055	12,586,055	12,586,055	-
Prior Period Adjustment	968,203	968,203	968,203	-
Fund Balances - Beginning, as Restated	13,554,258	13,554,258	13,554,258	-
Fund Balances - Ending	<u>\$ 10,925,120</u>	<u>\$ 10,653,879</u>	<u>\$ 14,789,219</u>	<u>\$ 4,135,340</u>

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

Rusk County, Texas
Reconciliation of the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - (Budgetary Basis)-
General Fund to the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2020

Total Revenue - Exhibit #5	\$ 16,160,705
Intergovernmental Revenue - Library Grant	<u>41,950</u>
Total Revenues - Exhibit #4 (page 33)	<u>\$ 16,202,655</u>
Total Expenditures - Exhibit #5	\$ 14,852,031
Newspaper Digitization	<u>41,950</u>
Total Expenditures - Exhibit #4 (page 33)	<u>\$ 14,893,981</u>

Rusk County, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual (Budgetary Basis)-General Fund and Major Special Revenue Funds
For the Year Ended December 31, 2020

	<u>Major Special Revenue Funds</u>			Variance with Final Budget Positive/ (Negative)
	<u>Road & Bridge Fund</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	
<u>Original</u>	<u>Final</u>			
Revenues:				
Ad Valorem Taxes	\$ 5,835,595	\$ 5,835,595	\$ 5,917,677	\$ 82,082
Intergovernmental	-	-	37,624	37,624
Fees	890,000	890,000	885,449	(4,551)
Fines and Forfeitures	250,000	250,000	50,689	(199,311)
Miscellaneous	150,800	150,800	165,770	14,970
Total Revenues	<u>\$ 7,126,395</u>	<u>\$ 7,126,395</u>	<u>\$ 7,057,209</u>	<u>\$ (69,186)</u>
Expenditures:				
Current:				
Public Transportation	\$ 6,295,958	\$ 6,902,724	\$ 6,213,574	\$ 689,150
Nondepartmental	182,978	166,683	139,281	27,402
Capital Outlay	4,035,497	3,445,026	1,372,663	2,072,363
Debt Service	71,967	71,967	71,967	-
Total Expenditures	<u>\$ 10,586,400</u>	<u>\$ 10,586,400</u>	<u>\$ 7,797,485</u>	<u>\$ 2,788,915</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (3,460,005)</u>	<u>\$ (3,460,005)</u>	<u>\$ (740,276)</u>	<u>\$ 2,719,729</u>
Other Financing Sources (Uses):				
Transfers out	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ -
Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	<u>\$ -</u>
Net Change in Fund Balances	<u>\$ (3,475,005)</u>	<u>\$ (3,475,005)</u>	<u>\$ (755,275)</u>	<u>\$ 2,719,729</u>
Fund Balances - Beginning	<u>3,417,760</u>	<u>3,417,760</u>	<u>3,417,760</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ (57,245)</u></u>	<u><u>\$ (57,245)</u></u>	<u><u>\$ 2,662,485</u></u>	<u><u>\$ 2,719,729</u></u>

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

Rusk County, Texas
Statement of Net Position
Proprietary Funds
December 31, 2020

	<u>Governmental Activities Internal Service Fund</u>
<u>Assets</u>	
Current Assets:	
Cash	\$ 1,618,552
Accounts Receivable	<u>716</u>
Total Current Assets	<u>\$ 1,619,268</u>
Total Assets	<u>\$ 1,619,268</u>
<u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	<u>\$ 480</u>
Total Current Liabilities	<u>\$ 480</u>
Total Liabilities	<u>\$ 480</u>
<u>Net Position</u>	
Unrestricted	<u>\$ 1,618,788</u>
Total Net Position	<u><u>\$ 1,618,788</u></u>

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

Rusk County, Texas
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Governmental <u>Activities</u> Internal Service <u>Fund</u>
Operating Revenues:	
Charges for Services	\$ 3,171,349
Total Operating Revenues	\$ 3,171,349
Operating Expenses:	
Benefits, Insurance & Administrative Cost	\$ 3,060,904
Total Operating Expenses	\$ 3,060,904
Operating Income (Loss)	\$ 110,445
Nonoperating Revenues (Expenses):	
Interest Income	\$ 13,992
Total Nonoperating Revenues (Expenses)	\$ 13,992
Change in Net Position	\$ 124,437
Total Net Position - Beginning	1,494,351
Total Net Position - Ending	\$ 1,618,788

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

Rusk County, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	<u>Governmental Activities Internal Service Fund</u>
Cash Flows from Operating Activities	
Receipts from Interfund Services Provided	\$ 3,171,349
Payments to Suppliers and Providers	<u>(3,101,761)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 69,588</u>
Cash Flows from Investing Activities:	
Interest Income	<u>\$ 13,992</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 13,992</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 83,580
Cash and Cash Equivalents, January 1	<u>1,534,972</u>
Cash and Cash Equivalents, December 31 (See below)	<u><u>\$ 1,618,552</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	<u>\$ 110,445</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
(Increase)/Decrease in Receivable:	\$ (716)
Increase/(Decrease) in Payables	<u>(40,141)</u>
Total Adjustments	<u>\$ (40,857)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 69,588</u></u>
Exhibit #6 - Page 38: Cash	<u>\$ 1,618,552</u>
Total Cash and Cash Equivalents - Exhibit #6	<u><u>\$ 1,618,552</u></u>

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

Rusk County, Texas
Statement of Net Position
Fiduciary Funds
December 31, 2020

	<u>Custodial Funds</u>
<u>Assets</u>	
Cash	\$ 13,038,388
Investments	<u>829,881</u>
Total Assets	<u><u>\$ 13,868,269</u></u>
<u>Liabilities</u>	
Due to Other Governments	\$ 11,083,929
Court Ordered Deposits	719,208
Inmate Trust Funds	157,761
Court Ordered Trust Funds	<u>1,907,371</u>
Total Liabilities	<u><u>\$ 13,868,269</u></u>

The accompanying notes are an integral part of this statement.

This page is left blank intentionally.

RUSK COUNTY, TEXAS

Notes to the Financial Statements

December 31, 2020

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the County. Governmental activities that are normally supported by taxes, intergovernmental, fee, and fine revenues, are to be reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Rusk County has no business-type activities.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. Major individual governmental funds are reported as separate columns in the Fund Financial Statements.

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

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The County's only Fiduciary Funds are Custodial Funds, which have no measurement focus.

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

Property taxes, intergovernmental revenue, and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major Governmental funds:

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

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

Additionally, the County reports the following fund types:

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

Custodial Funds do not present results of operations or have a measurement focus. Custodial Funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that County officials collect pending disbursement to the County Treasurer, as well as other governmental jurisdictions or individuals. The funds collected by the officials include ad valorem taxes, fines and fees, and court ordered trust funds and deposits.

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

The Internal Service Fund provides services to other funds of the County. The financial statements of the Internal Service Fund are consolidated into the governmental activities column when presented at the Government wide level. The cost benefit of these services is reflected in the appropriate functional activity.

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

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

1. Deposits and Investments

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

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

Investments are stated at fair value.

2. Receivables and Payables

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

Property Taxes Receivable are shown net of an allowance for uncollectibles. The allowance is equal to seven (7) percent of current property taxes receivable plus twenty (20) percent of delinquent taxes receivable at December 31, 2020.

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

3. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both Government-wide and Fund Financial Statements, utilizing the consumption method of accounting.

4. Capital Assets

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

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

Capital assets other than buildings and infrastructure are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Buildings are capitalized if their purchase or construction cost exceeds \$100,000. General Infrastructure Assets are capitalized if their construction cost exceeds \$500,000. Such assets are recorded at historical cost where records are available or at an estimated fair market value at date of acquisition where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category. Unearned Revenue and Unearned Deferred Revenue are reported in the

government-wide Statement of Net Position. Any current taxes levied and collected between October 1 and December 31 are not available for use until January 1, the beginning of the next fiscal year. Therefore, all collections of current taxes during this period and all current taxes receivable as of December 31 are recorded as Unearned Revenue and Unearned Deferred Revenue, respectively. These liabilities are reflected in the Government-wide financial statements since the tax revenue has not been earned as of December 31, 2020. The governmental funds report unavailable revenues for advance tax collections, property taxes receivable, and resources that have been received, but not earned for grant drawdowns and deposits. In addition, the County reports deferred inflows of resources related to pensions.

6. *Net Position Flow Assumption*

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

7. *Long-term Obligations*

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

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

8. *Fund Balances – Governmental Funds*

Fund balances of the governmental funds are classified as follows:

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

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

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

Assigned Fund Balance - represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Commissioners’ Court or by an official or body to which the Commissioners’ Court delegates the

authority. The Court, by order, has authorized the County Judge to assign fund balance. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the fund itself.

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

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

9. Statement of Cash Flows

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

E. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Compensated Absences

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

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

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

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

F. Pensions

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

G. New Accounting Standards Adopted

In fiscal year 2020, the County adopted a new statement of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

--Statement No. 84, *Fiduciary Activities*

The primary objective of this Statement is to improve the information that is disclosed in notes to the financial statements regarding the identification of fiduciary activities. The implementation of this statement resulted in a restatement within the County's financial statements (see note IV. M).

H. Future Implementation of New Standards

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

II. Reconciliation of Government-wide and Fund Financial Statements

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

Exhibit 3-A on page 32 is a reconciliation between Total Fund Balances-Total Governmental Funds and Net Position-Governmental Activities. One element of that reconciliation explains that "Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this \$4,349,791 difference are as follows:

Certificates of Obligation Payable	\$ (3,775,000)
Premium on Debt Issuance	(258,542)
Accrued Interest Payable	(71,121)
Capital Leases	(106,501)
Deferred Resource Outflows - Bond Refunding	24,793
Compensated Absences	<u>(163,419)</u>
Net Adjustment to Reduce Total Fund Balances-Total Governmental Funds to Arrive at Net Position - Governmental Activities	<u>\$ (4,349,791)</u>

Another element of that reconciliation states that “Net Pension/OPEB Liability and the related deferred outflows and deferred inflows of resources are not reported in the funds.” The details of this \$8,274,987 difference are as follows:

Net Pension Liability	\$ (7,955,088)
Net OPEB Liability	(124,325)
Deferred Resource Outflows - Related to Pensions	1,470,001
Deferred Resource Inflows - Related to OPEB	(11,341)
Deferred Resource Inflows - Related to Pensions	<u>(1,654,234)</u>
Net Adjustment to Reduce Total Fund Balances-Total Governmental Funds to Arrive at Net Position - Governmental Activities	<u>\$ (8,274,987)</u>

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

Exhibit 4-A on page 34 is a reconciliation between Net Changes in Fund Balances-Total Governmental Funds and Changes in Net Position of Governmental Activities as reported in the Government-wide Statement of Activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$120,557 difference are as follows:

Capital Outlay	\$1,829,955
Depreciation Expense	<u>(1,950,512)</u>
Net Adjustment to Decrease Net Changes in Fund Balance- Total Governmental Funds to Arrive at Changes in Net Position- Governmental Activities	<u><u>(\$120,557)</u></u>

Another element of that reconciliation states that “The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$1,160,000 difference are as follows:

Principal Payments on Certificates of Obligation	<u>\$ 1,160,000</u>
Total Governmental Funds to Arrive at Changes in Net Position- Governmental Activities	<u><u>\$ 1,160,000</u></u>

Another element of that reconciliation states that “Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$82,704 difference are as follows:

Decrease in Compensated Absences	\$ (31,485)
Decrease in Accrued Interest	6,305
Amortization of Deferred Amount on Refunding	(11,443)
Amortization of Premium on Certificates of Obligation	<u>119,327</u>
Net Adjustment to Decrease Net Changes in Fund Balance- Total Governmental Funds to Arrive at Changes in Net Position- Governmental Activities	<u><u>\$ 82,704</u></u>

III. Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

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

Expenditures may not legally exceed budgeted appropriations at the activity or departmental level (County Judge, County Clerk, District Clerk, County Auditor, etc.). The budget is amended only by approval of the Commissioners' Court. Proposed amendments are presented to the Commissioners' Court in a public meeting, and each amendment must have Commissioners' Court approval. As required by law, such amendments are made before the fact, and are reflected in the minutes of the Commissioners' Court meetings. During the year the budget was amended as necessary.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are canceled, consequently there are none as of December 31, 2020.

IV. Detailed Notes on All Funds

A. Deposits and Investments

Deposits. The County's funds are required to be deposited and invested under the terms of a depository contract pursuant to Texas State Law. The depository bank deposits for safekeeping and trust with the County's agent bank, approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) Insurance. At December 31, 2020, and throughout the year ended December 31, 2020, the County's bank balances were fully covered by federal depository insurance or collateral held by the pledging financial institution's agent in the County's name.

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

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

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

During the year ended December 31, 2020, the County's only investments were in certificates of deposit with its depository bank. As of December 31, 2020, the County's investments were as indicated below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Certificates of Deposit - County Funds	\$ 1,345,140	N/A
Certificates of Deposit - Custodial Funds	829,881	N/A
Total Investments	<u>\$ 2,175,021</u>	

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

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

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

At December 31, 2020, the County’s only investments were certificates of deposit and was not exposed to credit risk.

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

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

The County was not exposed to custodial credit risk.

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

B. Receivables

Receivables at December 31, 2020 for the County’s individual major funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectibles, are as follows:

	General <u>Fund</u>	Road & Bridge <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	<u>Total</u>
Current Property Taxes	\$ 9,063,404	\$ 3,897,942	\$ 1,007,036	\$ 13,968,382
Delinquent Property Taxes	1,456,575	646,393	147,182	2,250,150
Due from Other Governments	15,761	37,624	1,406,959	1,460,344
Accounts	<u>33,379</u>	<u>1,358</u>	<u>24,672</u>	<u>59,409</u>
Total Gross Receivables	\$ 10,569,119	\$ 4,583,317	\$ 2,585,849	\$ 17,738,285
Less: Allowance for Uncollectible Taxes	<u>(925,735)</u>	<u>(402,149)</u>	<u>(99,929)</u>	<u>(1,427,813)</u>
Net Total Receivables	<u>\$ 9,643,384</u>	<u>\$ 4,181,168</u>	<u>\$ 2,485,920</u>	<u>\$ 16,310,472</u>

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

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

	General Fund	Road & Bridge Fund	Nonmajor Governmental Funds	Total
<u>Deferred Revenue</u>				
Advance Tax Collections	\$ 4,473,530	\$ 1,953,649	\$ 518,478	\$ 6,945,657
Seized Funds	-	-	12,989	12,989
Grant Funds	-	-	16,149	16,149
Deposits	-	-	3,851	3,851
Total Unearned Revenue	<u>\$ 4,473,530</u>	<u>\$ 1,953,649</u>	<u>\$ 551,467</u>	<u>\$ 6,978,646</u>

Unearned Deferred Revenue:

Current Property Taxes Receivable	\$ 9,063,404	\$ 3,897,942	\$ 1,007,036	\$ 13,968,382
Less: Allowance for Uncollectible Taxes	<u>(634,428)</u>	<u>(272,867)</u>	<u>(70,493)</u>	<u>(977,788)</u>
Net Current Property Taxes Receivable	<u>\$ 8,428,976</u>	<u>\$ 3,625,075</u>	<u>\$ 936,543</u>	<u>\$ 12,990,594</u>

C. Capital Assets

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

	Balance January 1, 2020	Increases	Decreases	Balance December 31, 2020
Capital Assets Not Being Depreciated:				
Land	\$ 1,032,025	\$ -	\$ -	\$ 1,032,025
Construction in Progress	-	89,181	-	89,181
Total Capital Assets Not Being Depreciated	<u>\$ 1,032,025</u>	<u>\$ 89,181</u>	<u>\$ -</u>	<u>\$ 1,121,206</u>
Capital Assets Being Depreciated:				
Buildings	\$ 27,256,069	\$ 137,056	\$ 104,899	\$ 27,288,226
Machinery & Equipment	15,474,181	1,603,718	996,028	16,081,871
Infrastructure	<u>5,175,745</u>	<u>-</u>	<u>-</u>	<u>5,175,745</u>
Total Capital Assets Being Depreciated	<u>\$ 47,905,995</u>	<u>\$ 1,740,774</u>	<u>\$ 1,100,927</u>	<u>\$ 48,545,842</u>
Less Accumulated Depreciation for:				
Buildings	\$ 9,380,543	\$ 784,226	\$ 26,302	\$ 10,138,467
Machinery & Equipment	10,715,472	1,017,647	900,188	10,832,931
Infrastructure	<u>2,885,699</u>	<u>148,640</u>	<u>-</u>	<u>3,034,339</u>
Total Accumulated Depreciation	<u>\$ 22,981,714</u>	<u>\$ 1,950,512</u>	<u>\$ 926,490</u>	<u>\$ 24,005,736</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 24,924,281</u>	<u>\$ (209,738)</u>	<u>\$ 174,437</u>	<u>\$ 24,540,106</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,956,306</u>	<u>\$ (120,557)</u>	<u>\$ 174,437</u>	<u>\$ 25,661,313</u>

Depreciation expense was charged to Functions/Programs as follows:

General Government	\$ 21,735
Judicial	21,745
Legal	2,065
Elections	1,545
Public Facilities	9,262
Public Transportation	1,599,223
Public Safety	287,676
Health and Welfare	1,585
Culture and Recreation	3,544
Conservation	<u>2,132</u>
Total Depreciation Expense	<u><u>\$ 1,950,512</u></u>

D. Pension Plan

Plan Description

The County provides retirement benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (“TCDRS”). The Board of Trustees is responsible for the administration of the statewide agent multi-employer public employee retirement system. TCDRS in the aggregate issues a comprehensive annual financial report (“CAFR”) on a calendar year basis. The most recent CAFR is available at <https://www.tcdrs.org/globalassets/library/reports/2019-annual-report.pdf>.

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

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after 8 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

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

Contributions

Employees for the County were required to contribute 7.00% of their annual gross earnings during the fiscal year. The contribution rates for the County were 9.05% and 10.23% in calendar 2019 and 2020, respectively. The County's contributions to TCDRS for the year ended December 31, 2020 were \$1,199,756 and were equal to the required contributions.

Changes in Net Pension Liability

At December 31, 2019 the County reported a net pension liability of \$7,955,088. The changes in net pension liability (asset) were as follows:

	Total Pension <u>Liability</u> (a)	Increase (Decrease) Plan Fiduciary <u>Net Position</u> (b)	Net Pension <u>Liability</u> (a) - (b)
Balance at 12/31/2018	\$ 56,050,600	\$ 44,787,609	11,262,991
Changes for the year:			
Service Cost	1,317,400	-	1,317,400
Interest	4,532,375	-	4,532,375
Change in benefit terms	-	-	-
Diff between expected/actual experience	(60,487)		(60,487)
Changes of assumptions	-	-	-
Contributions - employer	-	1,018,925	(1,018,925)
Contributions - employee	-	788,112	(788,112)
Net investment income	-	7,356,107	(7,356,107)
Benefit payments, including refunds of employee contributions	(2,881,614)	(2,881,614)	-
Administrative expenses	-	(38,866)	38,866
Other charges	-	(27,087)	27,087
Net changes	<u>2,907,674</u>	<u>6,215,577</u>	<u>(3,307,903)</u>
Balance at 12/31/2019	<u>\$ 58,958,274</u>	<u>\$ 51,003,186</u>	<u>\$ 7,955,088</u>

Long-Term Expected Rate of Return

The long term rate of return on pension plan investments is 8.1%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown below are based on April 2020 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017.

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

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

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.80%, per Cliffwater's 2020 capital market assumptions.

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

⁽⁴⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Discount Rate Sensitivity Analysis.

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

	1% Decrease (7.1%)	Current Discount Rate (8.1%)	1% Increase (9.1%)
Net pension liability / (asset)	\$15,184,994	\$7,955,088	\$1,875,131

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

For the year ended December 31, 2020 the County recognized pension expenses in the amount of \$1,540,289.

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Inflows/Outflows of Resources	Deferred Inflows Of Resources	Deferred Outflows Of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ 325,196	\$ 270,245
Changes in actuarial assumptions	41,007	-
Differences between projected and actual investment earnings (net of current year amortization)	1,288,031	-
Contributions made subsequent to measurement date	-	1,199,756
Total	\$ 1,654,234	\$1,470,001

\$1,199,756 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be expense as follows:

Year ended December 31:	
2021	\$ (525,684)
2022	(255,886)
2023	152,300
2024	(754,719)
2025	-
Thereafter	-

E. Post-retirement Healthcare Benefits

Plan Description

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

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

The retiree premium was \$607 per month for 2020.

Premiums must be paid by the 20th day of each month preceding the month of coverage, or coverage is lost permanently. The plan does not issue a separate report. For financial reporting purposes, the retiree health plan is accounted for in the County’s Health Insurance Internal Service Fund.

Plan Membership

At the December 31, 2020 valuation date, the following employees were covered by the benefit terms:

	<u>12/31/2020</u>
Inactive employees currently receiving benefits:	5
Active employees	-
	<u>5</u>

Funding Policy

The County is funding the plan on a “pay as you go” basis. During the year ended December 31, 2020, expenses of \$32,733, net of premiums received from retirees, were recognized for post-retirement healthcare.

Total OPEB Liability

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

	Increase (Decrease) Total OPEB <u>Liability</u> (a)
Balance at 12/31/2019	\$ 164,344
Changes for the year:	
Service Cost	-
Interest	4,055
Change in benefit terms	-
Diff between expected/actual experience	-
Changes of assumptions	(11,341)
Contributions - employer	-
Net investment income	-
Benefit payments, including refunds of employee contributions	(32,733)
Administrative expenses	-
Other charges	-
Net changes	<u>(40,019)</u>
Balance at 12/31/2020	<u>\$ 124,325</u>

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

The following presents the total OPEB liability of the County, calculated using the discount rate of 2.12%, as well as what the County’s total OPEB liability would have been if it were calculated using a discount rate that is 1 percentage point lower 1.12% or 1 percentage point higher 3.12% than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	(1.12%)	(2.12%)	(3.12%)
Net OPEB liability	\$121,788	\$124,344	\$126,963

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

For the year ended December 31, 2020, the County recognized OPEB expense in the amount of (\$7,286.)

<u>Total OPEB Expense</u>	<u>FY2020</u>
Service Cost	-
Interest	4,055
Change in benefit terms	-
Diff between expected/actual experience	-
Changes of assumptions	(11,341)
Administrative expenses	-
Other charges	-
Total OPEB Expense	<u>\$ (7,286)</u>

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 11,341
Total	<u>\$ 11,341</u>

Actuarial Valuation Information

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

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

In the latest actuarial valuation, as of December 31, 2020, the projected unit cost method was used. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability. If experience is in accordance with the assumptions used, ARC will increase at approximately the same rate as active member payroll, and the ARC as a percentage of payroll will remain basically level on a year-to-year basis. The actuarial assumptions include a 4% discount rate (1.00% real rate of return plus 3.00% inflation) and an annual healthcare cost trend of 7.50% initially, reduced by decrements to an ultimate rate of 5%. The investment rate of return was assumed to be 0%, because the plan has no assets. There are no planned post-retirement benefit increases. The remaining amortization period on an open basis at January 1, 2014, was 30 years.

F. Risk Management

Rusk County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the County carries commercial insurance. There have been no significant reductions in insurance coverages during the year ended December 31, 2020. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three (3) years.

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

During the year ended December 31, 2020, employees of the County were covered by a fully insured health insurance plan (the Plan). The County contributed \$925 per month per employee to the Plan, and employees, at their option, authorized payroll withholding to pay contributions for their

dependents. All contributions were paid to an internal service fund maintained by the County. The internal service fund paid premiums to the Texas Association of Counties to provide for health insurance coverage for employees, dependents, and retirees.

G. Leases

Operating Leases. Rusk County is obligated under certain leases for equipment accounted for as operating leases. General revenues of the General Fund will be used to pay these leases. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one (1) year as of December 31, 2020.

<u>Year Ending December 31</u>	<u>Governmental Activities</u>
2021	1,666
Total minimum lease payments	<u>\$ 1,666</u>

Total cost for these leases for the year ended December 31, 2020 was \$3,718.

H. Long-term debt

Certificates of Obligation

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

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

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

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2021	1,210,000	126,800	1,336,800
2022	1,255,000	77,500	1,332,500
2023	1,310,000	26,200	1,336,200
Total	<u>\$ 3,775,000</u>	<u>\$ 230,500</u>	<u>\$ 4,005,500</u>

The Tax Reform Act of 1986 (“Act”) substantially revised the treatment to be afforded to earnings on the proceeds of tax-exempt debt. The County is required to calculate and remit any rebatable arbitrage earnings attributable to the 2008 certificates of obligation to the Internal Revenue Service. As of December 31, 2020, the County had no arbitrage rebate liability.

Capital Leases

The County has entered into various lease agreements as the lessee for financing the acquisition of vehicles and equipment for the Road and Bridge Department. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The total amount of equipment capitalized from leases was \$297,190. Interest rates on the capital leases range from 2.4%-3.2%.

The assets acquired through capital leases are as follows:

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

Depreciation expense on assets under capital lease for the year ended December 31, 2019 was \$42,522.

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

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2021	68,796	3,172	71,967
2022	37,705	1,207	38,911
Total	<u>\$ 106,501</u>	<u>\$ 4,378</u>	<u>\$ 110,879</u>

Changes in Long-Term Debt

Long-term liability activity for the year ended December 31, 2020, was as follows:

	Balance January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2020</u>	Due Within <u>One Year</u>
2016 Refunding Bonds	\$ 4,935,000	\$ -	\$ 1,160,000	\$ 3,775,000	\$ 1,210,000
Add: Premium on Issuance	377,869	-	119,327	258,542	-
Net Certificates of Obligation	\$ 5,312,869	-	\$ 1,279,327	\$ 4,033,542	\$ 1,210,000
OPEB Liability	164,344	-	40,019	124,325	-
Net Pension Liability	11,262,991	-	3,307,903	7,955,088	-
Capital Leases	173,387	-	66,886	106,501	68,796
Compensated Absences	131,935	38,607	7,123	163,419	9,927
Total Governmental Activity					
Long-Term Liabilities	<u>\$ 11,732,657</u>	<u>\$ 38,607</u>	<u>\$ 4,701,258</u>	<u>\$ 12,382,875</u>	<u>\$ 1,288,723</u>

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

I. Governmental Fund Balances

Components of nonspendable fund balance and specific purposes for restricted fund balances as of December 31, 2020 are as follows:

	General <u>Fund</u>	Major Special <u>Revenue Funds</u> Road & Bridge <u>Fund</u>	Other <u>Funds</u>	<u>Total</u>
Nonspendable:				
Prepaid Items	\$ -	\$ 48,869	\$ -	\$ 48,869
Permanent Fund Principal	-	-	66,494	66,494
Restricted:				
County Roads & Bridges	-	2,613,616	-	2,613,616
Airport Property	-	-	1,766,231	1,766,231
Law Library	-	-	54,787	54,787
County Officials' Offices	-	-	948,027	948,027
Indigent Health Care Services	-	-	2,418,710	2,418,710
Juvenile Services	-	-	34,832	34,832
General Obligation Debt	-	-	1,573,431	1,573,431
Cemetery Maintenance	-	-	373	373
District Probation	-	-	114,545	114,545
Assigned:	3,103,381	-	-	3,103,381
Unassigned	11,685,838	-	-	11,685,838
Total Fund Balances	<u>\$ 14,789,219</u>	<u>\$ 2,662,485</u>	<u>\$ 6,977,430</u>	<u>\$ 24,429,134</u>

J. Interfund Balances and Activities

1. Transfers to and From Other Funds

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Funds (Juvenile)</u>	<u>Overall Totals</u>
<u>Transfer Out:</u>			
General Fund	\$ -	\$ 115,000	\$ 115,000
Road & Bridge Fund	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total	<u>\$ 15,000</u>	<u>\$ 115,000</u>	<u>\$ 130,000</u>

The purpose of these transfers was to supplement revenue.

2. Due To and From Other Funds

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	CARES Grant Fund	\$ 1,638,969	Supplement Funds

K. Tax Abatements

As of December 31, 2020, the County did not provide any tax abatements.

L. Contingencies and Commitments

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

M. Restatement

During the year ended December 31, 2020, the County adopted GASB Statement No. 84 for Fiduciary Activities. With GASB 84, the County must report certain funds as governmental funds rather than custodial funds. The implementation must occur retroactively. Fund balance and net position is required to be restated as of December 31, 2019. The total amount of the prior period adjustment is an increase in fund balance and net position in the amount of \$1,175,185.

This page is left blank intentionally.

REQUIRED SUPPLEMENTARY INFORMATION

Rusk County, Texas
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended December 31, 2020

	Plan Year Ended December 31,					
	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 1,317,400	\$ 1,334,088	\$ 1,394,187	\$ 1,402,367	\$ 1,299,717	\$ 1,265,726
Interest (on the total pension liability)	4,532,375	4,257,598	4,128,704	3,865,500	3,639,457	3,446,888
Changes of benefit terms	-	-	-	-	(163,823)	-
Difference between expected and actual experience	(60,487)	540,491	(1,119,324)	(270,583)	671,526	-
Changes of assumptions	-	-	(164,034)	-	(160,279)	(332,432)
Benefit payments, including refunds of employee contributions	(2,881,614)	(2,570,801)	(2,604,843)	(2,309,912)	(2,285,289)	(2,252,086)
Net Change in Total Pension Liability	<u>2,907,674</u>	<u>3,561,376</u>	<u>1,634,690</u>	<u>2,687,372</u>	<u>3,001,309</u>	<u>2,128,097</u>
Total Pension Liability - Beginning	<u>56,050,600</u>	<u>52,489,224</u>	<u>50,854,534</u>	<u>48,167,162</u>	<u>45,165,853</u>	<u>43,037,756</u>
Total Pension Liability - Ending (a)	<u>\$ 58,958,274</u>	<u>\$ 56,050,600</u>	<u>\$ 52,489,224</u>	<u>\$ 50,854,534</u>	<u>\$ 48,167,162</u>	<u>\$ 45,165,853</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 1,018,925	\$ 986,284	\$ 935,394	\$ 990,136	\$ 973,204	\$ 929,203
Contributions - employee	788,112	769,670	756,960	754,395	722,961	719,526
Net investment income	7,356,107	(876,021)	6,036,414	2,892,978	256,853	2,562,436
Benefit payments, including refunds of employee contributions	(2,881,614)	(2,570,801)	(2,604,843)	(2,309,912)	(2,285,289)	(2,252,086)
Administrative expense	(38,866)	(35,974)	(30,947)	(31,484)	(28,253)	(29,640)
Other	(27,087)	(19,602)	(14,922)	2,147	128,486	(112,261)
Net Change in Plan Fiduciary Net Position	<u>6,215,577</u>	<u>(1,746,444)</u>	<u>5,078,056</u>	<u>2,298,260</u>	<u>(232,038)</u>	<u>1,817,178</u>
Plan Fiduciary Net Position - Beginning	<u>44,787,609</u>	<u>46,534,053</u>	<u>41,455,997</u>	<u>39,157,737</u>	<u>39,389,775</u>	<u>37,572,597</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 51,003,186</u>	<u>\$ 44,787,609</u>	<u>\$ 46,534,053</u>	<u>\$ 41,455,997</u>	<u>\$ 39,157,737</u>	<u>\$ 39,389,775</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 7,955,088</u>	<u>\$ 11,262,991</u>	<u>\$ 5,955,171</u>	<u>\$ 9,398,537</u>	<u>\$ 9,009,425</u>	<u>\$ 5,776,077</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.51%	79.91%	88.65%	81.52%	81.30%	87.21%
Covered Payroll	\$ 11,727,871	\$ 10,995,282	\$ 10,813,720	\$ 10,777,075	\$ 10,328,011	\$ 9,927,337
Net Pension Liability as a Percentage of Covered	67.83%	102.43%	55.07%	87.21%	87.23%	58.18%

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

Rusk County, Texas
Schedule of Contributions
For the Year Ended December 31, 2020

	Fiscal Year Ended December 31,					
	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,199,759	\$ 1,018,925	\$ 986,311	\$ 935,394	\$ 990,136	\$ 972,899
Contributions in relation to actuarially determined contribution	(1,199,756)	(1,018,925)	(986,311)	(935,394)	(990,136)	(972,899)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 11,727,871	\$ 11,261,108	\$ 10,995,651	\$ 10,813,720	\$ 10,777,075	\$ 10,328,011
Contributions as a percentage of covered payroll	10.23%	9.08%	8.97%	8.65%	9.19%	9.42%

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

Rusk County, Texas
Notes to the Schedule of Contributions
For the Year Ended December 31, 2020

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.
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	10.3 years
Asset Valuation Method	5-yr smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8%, net of investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Other Information:	New mortality assumptions were reflected. Employer contributions reflect that a 50% CPI COLA was adopted.

Rusk County, Texas
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended December 31, 2020

	Plan Year Ended December 31,	
	2020	2019
Total OPEB Liability		
Service cost	\$ -	\$ 75,750
Interest (on the total pension liability)	6,902	86,002
Changes of benefit terms	(55,604)	(1,840,404)
Difference between expected and actual experience	-	(139,345)
Change of assumptions	-	(20,061)
Benefit payments, including refunds of employee contributions	(37,862)	(38,907)
Net Change in Total OPEB Liability	(86,564)	(1,876,965)
Total OPEB Liability - Beginning	164,344	2,041,309
Total OPEB Liability - Ending (a)	\$ 77,780	\$ 164,344
Covered Payroll	n/a	n/a
Net Pension Liability as a Percentage of Covered Payroll	n/a	n/a

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

Rusk County, Texas
 Schedule of Contributions
 For the Year Ended December 31, 2020

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

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

Rusk County, Texas
Notes to the Schedule of Contributions
For the Year Ended December 31, 2020

Valuation Date:	December 31, 2020
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry age
Amortization Method	Individual Entry Age Normal Cost Method - Level Percentage of Projected Salary
Asset Valuation Method	The plan is not prefunded.
Discount Rate	2.74% (-.26% real rate of return plus 3.00% inflation)
Healthcare Cost Trend Rates	5.00%
Eligibility	The earlier of a) age 60 with 8 years of service or b) the sum of age plus service equals 75 with 8 years of service. Must be hired prior to September 1, 2012 and retired on or before December 31, 2019.
Mortality	RPH-2014 Total Table with Projection MP-2019
Other Information:	Dental benefits are provided with the medical plan on the same cost sharing basis.
Change in Plan Provisions:	Plan was amended to limit medical benefits to eligible retirees retiring on or before December 31, 2019.

This page is left blank intentionally.

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

This page is left blank intentionally.

Governmental Funds

General Fund

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

Special Revenue Funds

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

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

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

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

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

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

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

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

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

CARES Grant Fund-This fund is used to account for the proceeds from the U.S. Treasury passed through the Texas Division of Emergency Management. The grant funds are used for expenses related to the COVID-19 pandemic.

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

Debt Service Fund

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

Permanent Funds

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

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

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

Proprietary Funds

Internal Service Fund

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

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

Fiduciary Funds

Custodial Funds

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

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

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

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

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

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

Rusk County, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	<u>Permanent Funds</u>					Total Nonmajor Governmental Funds
	Special Revenue Funds	Debt Service Fund	Available School Fund	Cemetery Trust Fund	Total Permanent Funds	
<u>Assets</u>						
Cash	\$ 5,672,276	\$ 2,091,910	\$ 51,494	\$ 15,373	\$ 66,867	\$ 7,831,053
Investments	-	-	-	-	-	-
Receivables: (net of allowances for uncollectibles):						
Property Taxes	-	1,054,289	-	-	-	1,054,289
Accounts	24,672	-	-	-	-	24,672
Due from Other Governments	1,406,959	-	-	-	-	1,406,959
Total Assets	<u>\$ 7,103,907</u>	<u>\$ 3,146,199</u>	<u>\$ 51,494</u>	<u>\$ 15,373</u>	<u>\$ 66,867</u>	<u>\$ 10,316,973</u>
<u>Liabilities</u>						
Accounts Payable	\$ 94,817	\$ -	\$ -	\$ -	\$ -	\$ 94,817
Due to Other Funds	1,638,969	-	-	-	-	1,638,969
Total Liabilities	<u>\$ 1,733,786</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,733,786</u>
<u>Deferred Inflows of Resources</u>						
Unavailable Revenue - Advance Tax	\$ -	\$ 518,478	\$ -	\$ -	\$ -	\$ 518,478
Unavailable Revenue - Other	32,989	-	-	-	-	32,989
Unavailable Revenue - Tax Revenue	-	1,054,289	-	-	-	1,054,289
Total Deferred Inflows of Resources	<u>\$ 32,989</u>	<u>\$ 1,572,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,605,757</u>
<u>Fund Balances</u>						
Nonspendable	\$ -	\$ -	\$ 51,494	\$ 15,000	\$ 66,494	\$ 66,494
Restricted	5,337,132	1,573,431	-	373	373	6,910,936
Total Fund Balances	<u>\$ 5,337,132</u>	<u>\$ 1,573,431</u>	<u>\$ 51,494</u>	<u>\$ 15,373</u>	<u>\$ 66,867</u>	<u>\$ 6,977,430</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,103,907</u>	<u>\$ 3,146,199</u>	<u>\$ 51,494</u>	<u>\$ 15,373</u>	<u>\$ 66,867</u>	<u>\$ 10,316,973</u>

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

Rusk County, Texas
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	<u>Permanent Funds</u>					Total Nonmajor Governmental Funds
	Special Revenue Funds	Debt Service Fund	Available School Fund	Cemetery Trust Fund	Total Permanent Funds	
Revenues:						
Ad Valorem Taxes	\$ 100,000	\$ 1,556,127	\$ -	\$ -	\$ -	\$ 1,656,127
Intergovernmental	2,418,802	-	-	-	-	2,418,802
Fees	550,117	-	-	-	-	550,117
Fines and Forfeitures	10,143	-	-	-	-	10,143
Miscellaneous	143,955	6,004	259	77	336	150,295
Total Revenues	\$ 3,223,017	\$ 1,562,131	\$ 259	\$ 77	\$ 336	\$ 4,785,484
Expenditures:						
Current:						
General Government	\$ 848	\$ -	\$ 516	\$ -	\$ 516	\$ 1,364
Judicial	44,114	-	-	-	-	44,114
Legal	25,609	-	-	-	-	25,609
Elections	13,938	-	-	-	-	13,938
Public Facilities	28,425	-	-	-	-	28,425
Public Safety	2,501,812	-	-	-	-	2,501,812
Public Transportation	511,493	-	-	-	-	511,493
Health and Welfare	166,456	-	-	-	-	166,456
Nondepartmental	-	-	-	-	-	-
Capital Outlay:						
Public Transportation	160,731	-	-	-	-	160,731
Debt Service:						
Principal	-	1,160,000	-	-	-	1,160,000
Interest	-	175,507	-	-	-	175,507
Total Expenditures	\$ 3,453,426	\$ 1,335,507	\$ 516	\$ -	\$ 516	\$ 4,789,449
Excess (Deficiency) of Revenues over Expenditures	\$ (230,409)	\$ 226,624	\$ (257)	\$ 77	\$ (180)	\$ (3,965)
Other Financing Sources (Uses):						
Transfers In	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ 115,000
Sale of Capital Assets	3,161	-	-	-	-	3,161
Total Other Financing Sources (Uses)	\$ 118,161	\$ -	\$ -	\$ -	\$ -	\$ 118,161
Net Change in Fund Balances	\$ (112,248)	\$ 226,624	\$ (257)	\$ 77	\$ (180)	\$ 114,196
Fund Balances - Beginning, as restated	5,449,380	1,346,807	51,751	15,296	67,047	6,863,234
Fund Balances - Ending	\$ 5,337,132	\$ 1,573,431	\$ 51,494	\$ 15,373	\$ 66,867	\$ 6,977,430

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

Rusk County, Texas
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020

	Law Library <u>Fund</u>	Rusk County Officials' <u>Fund</u>	Human Services <u>Fund</u>	Juvenile Services <u>Fund</u>	Airport <u>Fund</u>	District Probation <u>Fund</u>	CARES Grant <u>Fund</u>	Election CARES <u>Fund</u>	Total
<u>Assets</u>									
Cash	\$ 54,390	\$ 959,133	\$ 2,420,586	\$ 74,675	\$ 1,779,616	\$ 115,444	\$ 239,851	\$ 28,581	\$ 5,672,276
Due from Other Governments	-	-	-	-	-	-	1,406,959	-	1,406,959
Due from Other Funds	-	-	-	-	-	-	-	-	-
Receivables:									
Accounts	2,025	2,945	-	-	1,591	-	-	18,111	24,672
Total Assets	\$ 56,415	\$ 962,078	\$ 2,420,586	\$ 74,675	\$ 1,781,207	\$ 115,444	\$ 1,646,810	\$ 46,691	\$ 7,103,907
<u>Liabilities</u>									
Accounts Payable	\$ 1,628	\$ 1,062	\$ 1,876	\$ 23,694	\$ 11,125	\$ 899	\$ 7,841	\$ 46,691	\$ 94,817
Due to Other Funds	-	-	-	-	-	-	1,638,969	-	1,638,969
Total Liabilities	\$ 1,628	\$ 1,062	\$ 1,876	\$ 23,694	\$ 11,125	\$ 899	\$ 1,646,810	\$ 46,691	\$ 1,733,785
<u>Deferred Inflows of Resources</u>									
Unavailable Revenue - Other	\$ -	\$ 12,989	\$ -	\$ 16,149	\$ 3,851	\$ -	\$ -	\$ -	\$ 32,989
Total Deferred Inflows of Resources	\$ -	\$ 12,989	\$ -	\$ 16,149	\$ 3,851	\$ -	\$ -	\$ -	\$ 32,989
<u>Fund Balances</u>									
Restricted	\$ 54,787	\$ 948,027	\$ 2,418,710	\$ 34,832	\$ 1,766,231	\$ 114,545	\$ -	\$ -	\$ 5,337,132
Total Fund Balances	\$ 54,787	\$ 948,027	\$ 2,418,710	\$ 34,832	\$ 1,766,231	\$ 114,545	\$ -	\$ -	\$ 5,337,132
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 56,415	\$ 962,078	\$ 2,420,586	\$ 74,675	\$ 1,781,207	\$ 115,444	\$ 1,646,810	\$ 46,691	\$ 7,103,907

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

Rusk County, Texas
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2020

	Law Library Fund	Rusk County Officials' Fund	Human Services Fund	Juvenile Services Fund	Water Supply Grant Fund	Airport Fund	District Probation Fund	CARES Grant Fund	Election CARES Fund	Totals
Revenues:										
Ad Valorem Taxes	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Intergovernmental	-	8,177	-	394,491	28,425	50,000	167,578	1,756,275	13,857	2,418,802
Fees	24,853	161,720	-	475	-	250,485	112,584	-	-	550,117
Fines and Forfeitures	-	10,143	-	-	-	-	-	-	-	10,143
Miscellaneous	255	5,218	12,014	564	-	124,548	896	379	81	143,955
Total Revenues	\$ 25,108	\$ 185,258	\$ 112,014	\$ 395,530	\$ 28,425	\$ 425,033	\$ 281,057	\$ 1,756,654	\$ 13,938	\$ 3,223,017
Expenditures:										
Current:										
General Government	\$ -	\$ 848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 848
Judicial	-	44,114	-	-	-	-	-	-	-	44,114
Legal	19,866	5,743	-	-	-	-	-	-	-	25,609
Elections	-	-	-	-	-	-	-	-	13,938	13,938
Public Facilities	-	-	-	-	28,425	-	-	-	-	28,425
Public Safety	-	9,716	-	495,839	-	-	373,492	1,622,766	-	2,501,812
Public Transportation	-	-	-	-	-	511,493	-	-	-	511,493
Health and Welfare	-	-	32,568	-	-	-	-	133,888	-	166,456
Capital Outlay:										
Public Transportation	-	-	-	-	-	160,731	-	-	-	160,731
Total Expenditures	\$ 19,866	\$ 60,421	\$ 32,568	\$ 495,839	\$ 28,425	\$ 672,224	\$ 373,492	\$ 1,756,654	\$ 13,938	\$ 3,453,426
Excess (Deficiency) of Revenues over Expenditures	\$ 5,242	\$ 124,837	\$ 79,446	\$ (100,309)	\$ -	\$ (247,191)	\$ (92,435)	\$ -	\$ -	\$ (230,410)
Other Financing Sources (Uses):										
Transfers In	\$ -	\$ -	\$ -	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
Sale of Capital Assets	-	-	-	3,161	-	-	-	-	-	3,161
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ 118,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,161
Net Change in Fund Balances	\$ 5,242	\$ 124,837	\$ 79,446	\$ 17,853	\$ -	\$ (247,191)	\$ (92,435)	\$ -	\$ -	\$ (112,249)
Fund Balances - Beginning	49,545	823,190	2,339,264	16,979	-	2,013,422	-	-	-	5,242,400
Prior Period Adjustment	-	-	-	-	-	-	206,980	-	-	206,980
Fund Balances - Beginning, as Restated	49,545	823,190	2,339,264	16,979	-	2,013,422	206,980	-	-	5,449,380
Fund Balances - Ending	\$ 54,787	\$ 948,027	\$ 2,418,710	\$ 34,832	\$ -	\$ 1,766,231	\$ 114,545	\$ -	\$ -	\$ 5,337,132

Rusk County, Texas
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (Budgetary Basis) and Actual
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Ad Valorem Taxes:				
Current Taxes	\$ 13,121,495	\$ 13,121,495	\$ 12,783,088	\$ (338,408)
Delinquent Taxes	250,000	250,000	380,369	130,369
Interest and Penalty	200,000	200,000	294,385	94,385
Other Taxes:				
Liquor Drink Tax	10,500	10,500	7,242	(3,258)
Intergovernmental	86,320	86,320	302,633	216,313
Fees	1,548,884	1,548,884	1,576,915	28,031
Fines and Forfeitures	475,000	475,000	349,433	(125,567)
Miscellaneous:				
Interest	500,000	500,000	106,236	(393,764)
Other	170,600	212,151	360,404	148,254
Total Revenues	<u>\$ 16,362,799</u>	<u>\$ 16,404,350</u>	<u>\$ 16,160,705</u>	<u>\$ (243,645)</u>
Expenditures:				
Current:				
General Government:				
County Judge	\$ 268,851	\$ 268,854	\$ 236,928	\$ 31,926
Commissioners' Court	348,304	348,304	345,182	3,122
County Clerk	715,007	715,007	625,349	89,658
Veterans' Service	100,095	100,095	77,687	22,408
Emergency Management	24,579	24,869	8,572	16,297
Information Technology	138,703	141,856	137,278	4,579
Judicial:				
County Court-at-Law	387,944	388,041	366,093	21,948
District Court	255,689	249,065	215,416	33,648
Justice of the Peace Court	103,600	103,600	87,452	16,148
District Clerk	606,750	606,750	552,352	54,398
Justices of the Peace	764,824	764,824	746,126	18,698
All Courts	1,251,229	1,251,229	595,391	655,838
Legal:				
District Attorney	738,034	741,099	622,131	118,968
Elections	271,147	322,541	297,900	24,640
Financial Administration:				
County Auditor	265,812	270,212	270,211	1
County Treasurer	205,712	205,712	201,444	4,268
Tax Assessor-Collector	1,635,028	1,630,945	1,571,279	59,666
Public Facilities:				
Maintenance	614,403	626,649	552,939	73,710
Public Safety:				
Jail	2,513,751	2,513,751	1,622,249	891,502
Constables	318,442	318,442	312,732	5,710
Sheriff	3,395,019	3,413,310	2,388,795	1,024,515

Rusk County, Texas
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (Budgetary Basis) and Actual
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
Juvenile Board	63,155	63,155	62,254	901
Highway Patrol	114,522	113,102	112,689	413
Health and Welfare:				
County Health	108,905	108,905	98,890	10,015
Public Health	21,000	125,000	60,986	64,014
County Welfare	6,825	6,825	3,572	3,253
Ambulance and Sanitation	339,968	340,568	317,286	23,282
Mental Health	18,000	18,000	427	17,573
Juvenile Room and Board	42,000	42,000	39,593	2,407
Culture and Recreation:				
Library Complex	1,082,269	1,102,719	1,023,080	79,639
Depot/Children's Discovery Center	211,641	211,641	175,316	36,325
Conservation:				
Agriculture and Home Demo	195,079	190,954	190,954	-
Nondepartmental	915,700	909,293	612,011	297,282
Capital Outlay:				
General Government:				
County Judge	2,000	1,997	-	1,997
County Clerk	10,000	10,000	-	10,000
Veterans' Service	29,000	29,000	-	29,000
Emergency Management	13,500	13,210	-	13,210
Information Technology	6,000	2,847	2,738	109
Judicial:				
County Court-at-Law	1,500	1,403	-	1,403
District Court	2,000	8,624	8,624	-
District Clerk	10,000	10,000	-	10,000
Legal:				
District Attorney	10,000	6,935	2,496	4,439
Elections	32,000	135,103	-	135,103
Financial Administration:				
County Auditor	6,000	2,485	2,485	-
County Treasurer	-	4,597	4,596	1
Tax Assessor-Collector	2,500	6,613	6,612	1
Public Facilities:				
Maintenance	43,250	31,004	2,500	28,504
Public Safety:				
Jail	20,000	20,000	19,431	569
Sheriff	130,000	151,725	151,725	-
Highway Patrol	-	1,420	1,420	-
Health and Welfare:				
County Welfare	-	-	-	-
Ambulance and Sanitation	10,000	9,400	-	9,400
Culture and Recreation:				
Library Complex	14,000	7,800	4,949	2,851
Depot/Children's Discovery Center	7,000	7,000	-	7,000

Rusk County, Texas
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (Budgetary Basis) and Actual
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
Conservation:				
Agriculture and Home Demo	1,200	6,250	6,250	-
Nondepartmental	500,000	500,000	107,644	392,356
Total Expenditures	\$ 18,891,937	\$ 19,204,729	\$ 14,852,031	\$ 4,352,698
Excess (Deficiency) of Revenues over Expenditures	\$ (2,529,138)	\$ (2,800,379)	\$ 1,308,673	\$ 4,109,053
Other Financing Sources (Uses):				
Transfers in	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Transfers out	(115,000)	(115,000)	(115,000)	-
Sale of Capital Assets	-	-	26,288	26,288
Total Other Financing Sources (Uses)	\$ (100,000)	\$ (100,000)	\$ (73,713)	\$ 26,288
Net Change in Fund Balances	\$ (2,629,138)	\$ (2,900,379)	\$ 1,234,961	\$ 4,135,340
Fund Balances - Beginning	12,586,055	12,586,055	12,586,055	-
Prior Period Adjustment	968,203	968,203	968,203	-
Fund Balances - Beginning, as restated	13,554,258	13,554,258	13,554,258	-
Fund Balances - Ending	\$ 12,861,526	\$ 10,653,879	\$ 14,789,219	\$ 4,135,340

**Reconciliation of Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Budgetary Basis) and Actual
- General Fund to the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**

Total Revenue - Exhibit C-1	\$ 16,160,705
Intergovernmental Revenue - Airport Grant	41,950
Total Revenues - Exhibit #4 (page 33)	\$ 16,202,655
Total Expenditures - Exhibit C-1	\$ 14,852,031
Capital Outlay	41,950
Total Expenditures - Exhibit #4 (page 33)	\$ 14,893,981

Rusk County, Texas
Road and Bridge Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Ad Valorem Taxes:				
Current Taxes	\$ 5,650,595	\$ 5,650,595	\$ 5,628,760	\$ (21,835)
Delinquent Taxes	105,000	105,000	162,144	57,144
Interest and Penalty	80,000	80,000	126,773	46,773
Intergovernmental	-	-	37,624	37,624
Fees	890,000	890,000	885,449	(4,551)
Fines and Forfeitures	250,000	250,000	50,689	(199,311)
Miscellaneous:				
Interest	150,000	150,000	165,182	15,182
Other	800	800	588	(212)
Total Revenues	\$ 7,126,395	\$ 7,126,395	\$ 7,057,209	\$ (69,186)
Expenditures:				
Current:				
Public Transportation:				
Precinct #1	\$ 1,272,220	\$ 1,405,934	\$ 1,310,020	\$ 95,914
Precinct #2	1,261,909	1,298,902	1,077,083	221,818
Precinct #3	1,941,644	2,008,016	1,797,429	210,588
Precinct #4	1,739,258	2,108,945	1,955,400	153,546
Weight & License	80,927	80,927	73,642	7,285
Nondepartmental	182,978	166,683	139,281	27,402
Capital Outlay:				
Public Transportation:				
Precinct #1	419,882	286,168	283,438	2,730
Precinct #2	677,303	640,310	269,287	371,023
Precinct #3	1,319,372	1,253,000	164,021	1,088,979
Precinct #4	1,588,340	1,218,653	609,023	609,630
Weight & License	30,600	46,895	46,895	-
Debt Service:				
Principal	66,886	66,886	66,886	-
Interest	5,081	5,081	5,081	-
Total Expenditures	\$ 10,586,400	\$ 10,586,400	\$ 7,797,485	\$ 2,788,915
Excess (Deficiency) of Revenues over Expenditures	\$ (3,460,005)	\$ (3,460,004)	\$ (740,275)	\$ 2,719,729
Other Financing Sources (Uses):				
Transfers Out	\$ (15,000)	\$ (15,000)	\$ (15,000)	-
Total Other Financing Sources (Uses)	\$ (15,000)	\$ (15,000)	\$ (15,000)	-
Net Change in Fund Balances	\$ (3,475,005)	\$ (3,475,004)	\$ (755,275)	\$ 2,719,729
Fund Balances - Beginning	3,417,760	3,417,760	3,417,760	-
Fund Balances - Ending	\$ (57,245)	\$ (57,244)	\$ 2,662,485	\$ 2,719,729

Rusk County, Texas
 Law Library Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees	\$ 30,000	\$ 30,000	\$ 24,853	\$ (5,147)
Miscellaneous:				
Interest	800	800	255	(545)
Total Revenues	<u>\$ 30,800</u>	<u>\$ 30,800</u>	<u>\$ 25,108</u>	<u>\$ (5,692)</u>
Expenditures:				
Current:				
Legal:				
District Attorney	\$ 30,800	\$ 30,800	\$ 19,866	\$ 10,934
Total Expenditures	<u>\$ 30,800</u>	<u>\$ 30,800</u>	<u>\$ 19,866</u>	<u>\$ 10,934</u>
Net Change in Fund Balances	\$ -	\$ -	\$ 5,242	\$ 5,242
Fund Balances - Beginning	<u>49,545</u>	<u>49,545</u>	<u>49,545</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 49,545</u></u>	<u><u>\$ 49,545</u></u>	<u><u>\$ 54,787</u></u>	<u><u>\$ 5,242</u></u>

Rusk County, Texas
Rusk County Officials' Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 8,750	\$ 8,750	\$ 8,177	\$ (573)
Fees	128,633	128,633	161,720	33,087
Fines and Forfeitures	5,000	5,000	10,143	5,143
Miscellaneous:				
Other	16,000	16,000	5,218	(10,782)
Total Revenues	<u>\$ 158,383</u>	<u>\$ 158,383</u>	<u>\$ 185,258</u>	<u>\$ 26,875</u>
Expenditures:				
Current:				
General Government:				
County Clerk	\$ 70,400	\$ 70,400	\$ 848	\$ 69,552
Judicial:				
District Clerk	3,000	3,000	-	3,000
Justices of the Peace	21,000	24,000	20,832	3,168
All courts	38,500	39,800	23,282	16,518
Legal:				
District Attorney	9,779	16,346	5,743	10,603
Financial Administration:				
Tax Assessor-Collector	5,000	5,000	-	5,000
Public Safety:				
Constables	3,300	3,300	685	2,615
Sheriff	7,878	9,834	9,031	803
Total Expenditures	<u>\$ 158,857</u>	<u>\$ 171,680</u>	<u>\$ 60,421</u>	<u>\$ 111,259</u>
Net Change in Fund Balances	\$ (474)	\$ (13,297)	\$ 124,837	\$ 138,133
Fund Balances - Beginning	<u>823,190</u>	<u>823,190</u>	<u>823,190</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 822,716</u>	<u>\$ 809,893</u>	<u>\$ 948,027</u>	<u>\$ 138,133</u>

Rusk County, Texas
Human Services Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Ad Valorem Taxes				
Current Taxes	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Miscellaneous:				
Interest	50,000	50,000	12,014	(37,986)
Total Revenues	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 112,014</u>	<u>\$ (37,986)</u>
Expenditures:				
Current:				
Health and Welfare:				
County Welfare	\$ 426,746	\$ 426,746	\$ 32,568	\$ 394,178
Total Expenditures	<u>\$ 426,746</u>	<u>\$ 426,746</u>	<u>\$ 32,568</u>	<u>\$ 394,178</u>
Net Change in Fund Balances	\$ (276,746)	\$ (276,746)	\$ 79,446	\$ 356,192
Fund Balances - Beginning	<u>2,339,264</u>	<u>2,339,264</u>	<u>2,339,264</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,062,518</u>	<u>\$ 2,062,518</u>	<u>\$ 2,418,710</u>	<u>\$ 356,192</u>

Rusk County, Texas
 Airport Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 50,000	\$ 50,000
Fees	240,000	240,000	250,485	10,485
Miscellaneous:				
Interest	50,000	50,000	10,036	(39,964)
Donations	-	-	35	35
Oil & Gas Royalties	450,000	450,000	114,477	(335,523)
Total Revenues	<u>\$ 740,000</u>	<u>\$ 740,000</u>	<u>\$ 425,033</u>	<u>\$ (314,967)</u>
Expenditures:				
Current:				
Public Transportation:				
Airport	\$ 756,599	\$ 752,339	\$ 511,493	\$ 240,845
Capital Outlay:				
Public Transportation:				
Airport	360,000	364,260	160,731	203,529
Total Expenditures	<u>\$ 1,116,599</u>	<u>\$ 1,116,599</u>	<u>\$ 672,224</u>	<u>\$ 444,375</u>
Revenues Over (Under) Expenditures	<u>(376,599)</u>	<u>(376,599)</u>	<u>(247,191)</u>	<u>(759,342)</u>
Net Change in Fund Balances	\$ (376,599)	\$ (376,599)	\$ (247,191)	\$ (759,342)
Fund Balances - Beginning	<u>2,013,422</u>	<u>2,013,422</u>	<u>2,013,422</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,636,823</u>	<u>\$ 1,636,823</u>	<u>\$ 1,766,231</u>	<u>\$ (759,342)</u>

Rusk County, Texas
 Juvenile Services Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 375,455	\$ 375,455	\$ 394,491	\$ 19,036
Fees	1,500	1,500	475	(1,025)
Miscellaneous:				
Interest	1,800	1,800	564	(1,236)
Total Revenues	<u>\$ 378,755</u>	<u>\$ 378,755</u>	<u>\$ 395,530</u>	<u>\$ 16,775</u>
Expenditures:				
Current:				
Public Safety:				
Juvenile Services	\$ 493,755	\$ 493,755	\$ 495,839	\$ (2,084)
Total Expenditures	<u>\$ 493,755</u>	<u>\$ 493,755</u>	<u>\$ 495,839</u>	<u>\$ (2,084)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (115,000)</u>	<u>\$ (115,000)</u>	<u>\$ (100,309)</u>	<u>\$ 14,691</u>
Other Financing Sources (Uses):				
Transfers in	\$ 115,000	\$ 115,000	\$ 115,000	\$ -
Sale of Capital Assets	-	-	3,161	3,161
Total Other Financing Sources (Uses)	<u>\$ 115,000</u>	<u>\$ 115,000</u>	<u>\$ 118,161</u>	<u>\$ 3,161</u>
Net Change in Fund Balances	\$ -	\$ -	\$ 17,853	\$ 17,853
Fund Balances - Beginning	<u>16,979</u>	<u>16,979</u>	<u>16,979</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 16,979</u></u>	<u><u>\$ 16,979</u></u>	<u><u>\$ 34,832</u></u>	<u><u>\$ 17,853</u></u>

Rusk County, Texas
Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Ad Valorem Taxes:				
Current Taxes	\$ 1,430,200	\$ 1,430,200	\$ 1,476,369	\$ 46,169
Delinquent Taxes	25,000	25,000	44,055	19,055
Interest and Penalty	20,000	20,000	35,703	15,703
Miscellaneous				
Interest	25,000	25,000	6,004	(18,996)
Total Revenues	<u>\$ 1,500,200</u>	<u>\$ 1,500,200</u>	<u>\$ 1,562,131</u>	<u>\$ 61,931</u>
Expenditures:				
Debt Service:				
Principal	\$ 1,160,000	\$ 1,160,000	\$ 1,160,000	\$ -
Interest and Fees	177,200	177,200	175,507	1,693
Total Expenditures	<u>\$ 1,337,200</u>	<u>\$ 1,337,200</u>	<u>\$ 1,335,507</u>	<u>\$ 1,693</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 163,000	\$ 163,000	\$ 226,623	\$ 63,623
Fund Balances - Beginning	<u>1,346,808</u>	<u>1,346,808</u>	<u>1,346,808</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,509,808</u>	<u>\$ 1,509,808</u>	<u>\$ 1,573,431</u>	<u>\$ 63,623</u>

Rusk County, Texas
 Water Supply Grant Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 28,425	\$ 28,425
Total Revenues	\$ -	\$ -	\$ 28,425	\$ 28,425
Expenditures:				
Current:				
Public Facilities				
Water Improvements	\$ -	\$ 28,425	\$ 28,425	\$ -
Total Expenditures	\$ -	\$ 28,425	\$ 28,425	\$ -
Net Change in Fund Balances	\$ -	\$ (28,425)	\$ -	\$ 28,425
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ (28,425)	\$ -	\$ 28,425

This page is left blank intentionally.

Rusk County, Texas
District Probation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 299,966	\$ 299,966	\$ 167,578	\$ (132,388)
Fees	150,000	150,000	112,584	(37,416)
Miscellaneous:				
Interest	-	-	896	896
Total Revenues	<u>\$ 449,966</u>	<u>\$ 449,966</u>	<u>\$ 281,057</u>	<u>\$ (168,909)</u>
Expenditures:				
Current:				
Public Safety:				
Juvenile Services	\$ 449,966	\$ 449,966	\$ 373,492	\$ 76,474
Total Expenditures	<u>\$ 449,966</u>	<u>\$ 449,966</u>	<u>\$ 373,492</u>	<u>\$ 76,474</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (92,435)</u>	<u>\$ (92,435)</u>
Net Change in Fund Balances	\$ -	\$ -	\$ (92,435)	\$ (92,435)
Fund Balances - Beginning , as restated	-	-	206,980	206,980
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,545</u>	<u>\$ 114,545</u>

Rusk County, Texas
Custodial Funds
Combining Statement of Assets and Liabilities
December 31, 2020

	<u>Tax Assessor- Collector Fund</u>	<u>County Clerk Fund</u>	<u>District Clerk Fund</u>	<u>Sheriff Fund</u>	<u>Justices of the Peace Fund</u>	<u>Adult Probation Fund</u>	<u>Totals</u>
<u>Assets</u>							
Cash	\$ 12,083,801	\$ 279,156	\$ 1,503,339	\$ 190,250	\$ 10,107	\$ 115,383	\$ 14,182,037
Investments	-	317,670	512,211	-	-	-	829,881
Total Assets	<u>\$ 12,083,801</u>	<u>\$ 596,826</u>	<u>\$ 2,015,550</u>	<u>\$ 190,250</u>	<u>\$ 10,107</u>	<u>\$ 115,383</u>	<u>\$ 15,011,918</u>
<u>Liabilities</u>							
Due to Other Governments	\$ 12,083,801	\$ -	\$ -	\$ -	\$ -	\$ 115,383	\$ 12,199,185
Court Ordered Deposits	-	279,156	425,849	32,489	10,107	-	747,601
Inmate Trust Funds	-	-	-	157,761	-	-	157,761
Court Ordered Trust Funds	-	317,670	1,589,701	-	-	-	1,907,371
Total Liabilities	<u>\$ 12,083,801</u>	<u>\$ 596,826</u>	<u>\$ 2,015,550</u>	<u>\$ 190,250</u>	<u>\$ 10,107</u>	<u>\$ 115,383</u>	<u>\$ 15,011,918</u>

The accompanying notes are an integral part of this statement.

Rusk County, Texas
Combining Statement of Changes in Assets and Liabilities
Custodial Funds
For the Year Ended December 31, 2020

	Balance as restated, <u>January 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>December 31, 2020</u>
<i><u>Tax Assessor-Collector Fund:</u></i>				
<u>Assets</u>				
Cash	\$ 6,583,796	\$ 84,975,240	\$ 80,475,107	\$ 11,083,929
Total Assets	<u>\$ 6,583,796</u>	<u>\$ 84,975,240</u>	<u>\$ 80,475,107</u>	<u>\$ 11,083,929</u>
<u>Liabilities</u>				
Due to Other Governments	\$ 6,583,796	\$ 84,975,240	\$ 80,475,107	\$ 11,083,929
Total Liabilities	<u>\$ 6,583,796</u>	<u>\$ 84,975,240</u>	<u>\$ 80,475,107</u>	<u>\$ 11,083,929</u>
<i><u>County Clerk Fund:</u></i>				
<u>Assets</u>				
Cash	\$ 252,947	\$ 82,657	\$ 74,734	\$ 260,870
Investments	311,242	6,428	-	317,670
Total Assets	<u>\$ 582,136</u>	<u>\$ 89,085</u>	<u>\$ 74,734</u>	<u>\$ 578,540</u>
<u>Liabilities</u>				
Court Ordered Deposits	\$ 252,947	\$ 82,657	\$ 74,734	\$ 260,870
Court Ordered Trust Funds	311,242	6,428	-	317,670
Total Liabilities	<u>\$ 582,136</u>	<u>\$ 89,085</u>	<u>\$ 74,734</u>	<u>\$ 578,540</u>
<i><u>District Clerk Fund:</u></i>				
<u>Assets</u>				
Cash	\$ 1,836,391	\$ 377,780	\$ 710,832	\$ 1,503,339
Investments	464,033	130,828	82,651	512,211
Total Assets	<u>\$ 2,300,424</u>	<u>\$ 508,608</u>	<u>\$ 793,483</u>	<u>\$ 2,015,550</u>
<u>Liabilities</u>				
Court Ordered Trust Funds	\$ 2,300,424	\$ 508,608	\$ 793,483	\$ 2,015,550
Total Liabilities	<u>\$ 2,300,424</u>	<u>\$ 508,608</u>	<u>\$ 793,483</u>	<u>\$ 2,015,550</u>

The accompanying notes are an integral part of this statement.

Rusk County, Texas
Combining Statement of Changes in Assets and Liabilities
Custodial Funds
For the Year Ended December 31, 2020

	Balance as restated, <u>January 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>December 31, 2020</u>
<i><u>Sheriff Fund:</u></i>				
<u>Assets</u>				
Cash	\$ 218,620	\$ 410,555	\$ 438,925	\$ 190,250
Total Assets	<u>\$ 207,955</u>	<u>\$ 410,555</u>	<u>\$ 438,925</u>	<u>\$ 190,250</u>
<u>Liabilities</u>				
Court Ordered Deposits	\$ 41,487	\$ 58,601	\$ 67,599	\$ 32,489
Inmate Trust Funds	177,133	351,954	371,327	157,761
Total Liabilities	<u>\$ 207,955</u>	<u>\$ 410,555</u>	<u>\$ 438,925</u>	<u>\$ 190,250</u>
<i><u>Adult Probation:</u></i>				
<u>Assets</u>				
Cash	\$ -	\$ 34,593	\$ 34,593	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 34,593</u>	<u>\$ 34,593</u>	<u>\$ -</u>
<u>Liabilities</u>				
Due to Other Governments	\$ -	\$ -	\$ -	\$ -
Court Ordered Deposits	-	34,593	34,593	-
Total Liabilities	<u>\$ -</u>	<u>\$ 34,593</u>	<u>\$ 34,593</u>	<u>\$ -</u>
<i><u>Juvenile Probation Fund:</u></i>				
<u>Assets</u>				
Cash	\$ -	\$ 510	\$ 510	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 510</u>	<u>\$ 510</u>	<u>\$ -</u>
<u>Liabilities</u>				
Court Ordered Deposits	\$ -	\$ 510	\$ 510	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 510</u>	<u>\$ 510</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Rusk County, Texas
Combining Statement of Changes in Assets and Liabilities
Custodial Funds
For the Year Ended December 31, 2020

<u>Total All Custodial Funds:</u>	Balance as restated, <u>January 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>December 31, 2020</u>
<u>Assets</u>				
Cash	\$ 8,891,754	\$ 85,881,335	\$ 81,734,701	\$ 13,038,388
Investments	775,275	137,257	82,651	829,881
Total Assets	<u>\$ 9,667,029</u>	<u>\$ 86,018,592</u>	<u>\$ 81,817,352</u>	<u>\$ 13,868,269</u>
<u>Liabilities</u>				
Due to Other Governments	\$ 6,583,796	\$ 84,975,240	\$ 80,475,107	\$ 11,083,929
Court Ordered Deposits	294,434	176,361	177,436	293,359
Inmate Trust Funds	177,133	351,954	371,327	157,761
Court Ordered Trust Funds	2,611,666	515,037	793,483	2,333,220
Total Liabilities	<u>\$ 9,667,029</u>	<u>\$ 86,018,592</u>	<u>\$ 81,817,352</u>	<u>\$ 13,868,269</u>

The accompanying notes are an integral part of this statement.

Rusk County, Texas
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedules By Source
 December 31, 2020

	2020	2019
Governmental Funds Capital Assets:		
Land	\$ 1,032,025	\$ 1,032,025
Construction in Progress	89,181	-
Buildings	27,288,226	27,256,069
Machinery and Equipment	16,081,871	15,474,181
Infrastructure	5,175,745	5,175,745
	<u>\$ 49,667,048</u>	<u>\$ 48,938,020</u>
Total Governmental Funds Capital Assets	<u>\$ 49,667,048</u>	<u>\$ 48,938,020</u>
Investments in Governmental Funds Capital Assets by Source:		
General Revenues	29,566,410	28,837,382
Certificates of Obligation	19,103,202	19,103,202
Capital Leases	301,643	301,643
Donations	673,965	673,965
Drug Seizures	21,828	21,828
	<u>\$ 49,667,048</u>	<u>\$ 48,938,020</u>
Total Governmental Funds Capital Assets	<u>\$ 49,667,048</u>	<u>\$ 48,938,020</u>

Rusk County, Texas
 Capital Assets Used in the Operation of Governmental Funds
 Schedule By Function and Activity
 December 31, 2020

<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
General Government:						
County Clerk	\$ -	\$ -	\$ -	\$ 69,911	\$ -	\$ 69,911
District Clerk	-	-	-	14,724	-	14,724
Veteran's Service	-	-	-	63,745	-	63,745
Information Technology	-	-	-	28,389	-	28,389
Emergency Management	-	-	-	279,841	-	279,841
Total General Government	\$ -	\$ -	\$ -	\$ 456,610	\$ -	\$ 456,610
Judicial:						
Justices of the Peace	\$ 1,060	\$ -	\$ 243,927	\$ 12,137	\$ -	\$ 257,124
District Court	-	-	-	-	-	-
Total Judicial	\$ 1,060	\$ -	\$ 243,927	\$ 12,137	\$ -	\$ 257,124
Legal:						
District Attorney	\$ -	\$ -	\$ -	\$ 17,295	\$ -	\$ 17,295
Total District Attorney	\$ -	\$ -	\$ -	\$ 17,295	\$ -	\$ 17,295
Elections:						
Elections	\$ 16,665	\$ -	\$ -	\$ 475,925	\$ -	\$ 492,590
Total Elections	\$ 16,665	\$ -	\$ -	\$ 475,925	\$ -	\$ 492,590
Financial Administration:						
Tax Assessor-Collector	\$ -	\$ 89,181	\$ 248,887	\$ 5,362	\$ -	\$ 343,430
Treasurer	-	-	-	-	-	-
Total Financial Administration	\$ -	\$ 89,181	\$ 248,887	\$ 5,362	\$ -	\$ 343,430
Public Facilities:						
Courthouse	\$ 191,486	\$ -	\$ 1,151,230	\$ 368,345	\$ -	\$ 1,711,061
Miscellaneous and Nondepartmental	11,100	-	-	139,855	-	150,955
Total Public Facilities	\$ 202,586	\$ -	\$ 1,151,230	\$ 508,200	\$ -	\$ 1,862,016
Public Safety:						
Jail	\$ 225,000	\$ -	\$ 19,433,216	\$ 3,608	\$ -	\$ 19,661,824
Sheriff	50,000	-	386,847	1,417,130	-	1,853,977
Courthouse Security	-	-	-	16,388	-	16,388
Juvenile Probation	-	-	137,493	31,430	-	168,923
Total Public Safety	\$ 275,000	\$ -	\$ 19,957,556	\$ 1,468,556	\$ -	\$ 21,701,112
Public Transportation:						
Road & Bridge-Precinct #1	\$ 4,667	\$ -	\$ -	\$ 2,493,453	\$ 981,240	\$ 3,479,360
Road & Bridge-Precinct #2	6,268	-	-	2,463,273	1,487,698	3,957,239
Road & Bridge-Precinct #3	8,050	-	-	3,171,619	1,173,944	4,353,613
Road & Bridge-Precinct #4	17,624	-	-	4,359,536	336,040	4,713,200
Road & Bridge-Miscellaneous	-	-	-	5,250	-	5,250
License & Weight	-	-	-	46,895	-	46,895
Airport	346,420	-	808,468	427,662	1,196,823	2,779,373
Total Public Transportation	\$ 383,029	\$ -	\$ 808,468	\$ 12,967,688	\$ 5,175,745	\$ 19,334,930
Health and Welfare:						
County Health	\$ -	\$ -	\$ -	\$ 29,506	\$ -	\$ 29,506
Sanitation	12,165	-	-	23,572	-	35,737
Total Health and Welfare	\$ 12,165	\$ -	\$ -	\$ 53,078	\$ -	\$ 65,243

Rusk County, Texas
 Capital Assets Used in the Operation of Governmental Funds
 Schedule By Function and Activity
 December 31, 2020

<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Culture and Recreation:						
Library Complex	\$ 90,580	\$ -	\$ 915,808	\$ 93,252	\$ -	\$ 1,099,640
Depot/Children's Discovery Center	40,440	-	173,684	9,450	-	223,574
Community Center	10,500	-	-	-	-	10,500
Total Culture and Recreation	<u>\$ 141,520</u>	<u>\$ -</u>	<u>\$ 1,089,492</u>	<u>\$ 102,702</u>	<u>\$ -</u>	<u>\$ 1,333,714</u>
Conservation and Agriculture:						
Agriculture & Home Demo	\$ -	\$ -	\$ 137,493	\$ 14,318	\$ -	\$ 151,811
Youth Expo Center	-	-	3,651,173	-	-	3,651,173
Total Conservation and Agriculture	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,788,666</u>	<u>\$ 14,318</u>	<u>\$ -</u>	<u>\$ 3,802,984</u>
Total Governmental Funds Capital Assets	<u>\$ 1,032,025</u>	<u>\$ 89,181</u>	<u>\$ 27,288,226</u>	<u>\$ 16,081,871</u>	<u>\$ 5,175,745</u>	<u>\$ 49,667,049</u>

Rusk County, Texas
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes By Function and Activity
 For the Year Ended December 31, 2020

<u>Function and Activity</u>	<u>Beginning Balance January 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets December 31, 2020</u>
General Government:				
County Clerk	\$ 69,911	\$ -	\$ -	\$ 69,911
District Clerk	6,100	8,624	-	14,724
Veteran's Service	88,234	-	24,489	63,745
Information Technology	28,389	-	-	28,389
Emergency Management	336,797	-	56,956	279,841
Total General Government	<u>\$ 529,431</u>	<u>\$ 8,624</u>	<u>\$ 81,445</u>	<u>\$ 456,610</u>
Judicial:				
Justices of the Peace	\$ 257,124	\$ -	\$ -	\$ 257,124
District Court	-	-	-	-
Total Judicial	<u>\$ 257,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,124</u>
Legal:				
District Attorney	\$ 25,095	\$ -	\$ 7,800	\$ 17,295
Total Legal	<u>\$ 25,095</u>	<u>\$ -</u>	<u>\$ 7,800</u>	<u>\$ 17,295</u>
Elections:				
Elections	\$ 492,590	\$ -	\$ -	\$ 492,590
Total Elections	<u>\$ 492,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 492,590</u>
Financial Administration:				
Tax Assessor-Collector	\$ 254,249	\$ 89,181	\$ -	\$ 343,430
Treasurer	5,000	-	5,000	-
Total Financial Administration	<u>\$ 259,249</u>	<u>\$ 89,181</u>	<u>\$ 5,000</u>	<u>\$ 343,430</u>
Public Facilities:				
Courthouse	\$ 1,732,201	\$ -	\$ 21,140	\$ 1,711,061
Miscellaneous and Nondepartmental	145,606	5,349	-	150,955
Total Public Facilities	<u>\$ 1,877,807</u>	<u>\$ 5,349</u>	<u>\$ 21,140</u>	<u>\$ 1,862,016</u>
Public Safety:				
Jail	\$ 19,730,367	\$ -	\$ 68,543	\$ 19,661,824
Sheriff	2,124,036	128,643	398,702	1,853,977
Courthouse Security	16,388	-	-	16,388
Juvenile Probation	193,952	-	25,029	168,923
Total Public Safety	<u>\$ 22,064,743</u>	<u>\$ 128,643</u>	<u>\$ 492,274</u>	<u>\$ 21,701,112</u>

Rusk County, Texas
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes By Function and Activity
 For the Year Ended December 31, 2020

<u>Function and Activity</u>	<u>Beginning Balance January 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets December 31, 2020</u>
Public Transportation:				
Road & Bridge-Precinct #1	\$ 3,241,999	\$ 340,388	\$ 103,027	\$ 3,479,359
Road & Bridge-Precinct #2	3,872,518	286,920	236,904	3,922,534
Road & Bridge-Precinct #3	4,129,494	277,536	79,763	4,327,268
Road & Bridge-Precinct #4	4,138,092	607,556	32,450	4,713,198
Road & Bridge-Miscellaneous	31,597	-	-	31,597
License & Weight	72,675	46,895	37,969	81,601
Airport	2,653,173	152,738	26,537	2,779,374
Total Public Transportation	<u>\$ 18,139,548</u>	<u>\$ 1,712,033</u>	<u>\$ 516,650</u>	<u>\$ 19,334,930</u>
Health and Welfare:				
County Health	\$ 29,506	\$ -	\$ -	\$ 29,506
Sanitation	35,737	-	-	35,737
Total Health and Welfare	<u>\$ 65,243</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,243</u>
Culture and Recreation:				
Library Complex	\$ 1,196,382	\$ -	\$ 96,742	\$ 1,099,640
Depot/Children's Discovery Center	223,574	-	-	223,574
Community Center	10,500	-	-	10,500
Total Culture and Recreation	<u>\$ 1,430,456</u>	<u>\$ -</u>	<u>\$ 96,742</u>	<u>\$ 1,333,714</u>
Conservation and Agriculture:				
Agriculture & Home Demo	\$ 145,561	\$ 6,250	\$ -	\$ 151,811
Youth Expo Center	3,651,173	-	-	3,651,173
Total Conservation and Agriculture	<u>\$ 3,796,734</u>	<u>\$ 6,250</u>	<u>\$ -</u>	<u>\$ 3,802,984</u>
Total Governmental Funds Capital Assets	<u><u>\$ 48,938,020</u></u>	<u><u>\$ 1,950,080</u></u>	<u><u>\$ 1,221,051</u></u>	<u><u>\$ 49,667,049</u></u>

Statistical Section

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

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net Investment in Capital Assets	\$ 21,546,062	\$ 20,506,285	\$ 18,133,773	\$ 17,401,492
Restricted	1,686,923	1,413,854	1,683,418	1,517,928
Unrestricted	17,651,580	16,033,244	12,790,180	15,981,688
 Total	 \$ 40,884,565	 \$ 37,953,383	 \$ 32,607,371	 \$ 34,901,108

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$	14,450,087	\$ 12,107,820	\$ 12,116,832	\$ 12,114,324	\$ 11,939,360	\$ 12,149,550
	1,146,193	1,174,870	961,706	923,225	787,396	207,659
	19,687,992	20,482,094	22,786,112	21,150,898	19,751,536	18,580,317
\$	<u>35,284,272</u>	<u>\$ 33,764,784</u>	<u>\$ 35,864,650</u>	<u>\$ 34,188,447</u>	<u>\$ 32,478,292</u>	<u>\$ 30,937,526</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses					
General Government	\$ 1,460,996	\$ 1,389,236	\$ 1,925,446	\$ 2,802,813	\$ 2,465,572
Judicial	2,634,316	2,572,480	2,595,988	2,281,266	2,694,105
Legal	651,022	599,651	599,587	622,483	609,600
Elections	314,672	213,563	217,943	225,542	266,954
Financial Administration	2,049,890	1,906,702	2,017,100	1,988,815	1,905,182
Public Facilities	592,737	535,180	673,318	678,806	559,044
Public Safety	7,355,782	6,585,145	6,679,591	8,015,223	7,482,411
Public Transportation	8,471,467	8,320,928	7,398,140	7,431,412	7,246,701
Health and Welfare	691,169	554,895	474,859	610,036	579,082
Culture and Recreation	1,203,003	1,143,551	1,181,155	1,244,740	1,211,220
Conservation	194,258	182,576	181,157	194,279	184,975
Interest on Long-Term Debt	66,399	101,478	150,658	179,505	454,537
Nondepartmental	751,292	1,147,305	-	-	-
Total Expenses	\$ 26,437,004	\$ 25,252,690	\$ 24,094,942	\$ 26,274,920	\$ 25,659,383
Program Revenues					
Charges for Services:					
General Government	\$ 602,260	\$ 621,303	\$ 662,456	\$ 517,261	\$ 474,601
Judicial	657,877	918,440	925,813	782,230	759,768
Legal	32,699	36,754	35,826	36,654	47,759
Elections	19,041	14,963	30,988	23,964	22,998
Financial Administration	1,575,530	1,620,207	1,572,383	1,543,089	1,573,697
Public Facilities	25,712	5,450	10,502	7,680	8,462
Public Safety	75,383	125,427	119,172	126,021	135,473
Public Transportation	194,763	163,054	187,143	219,261	200,492
Health and Welfare	209,707	186,451	183,883	169,761	159,913
Culture and Recreation	7,843	40,660	35,966	29,002	30,453
Operating Grants and Contributions	934,620	604,110	583,986	642,054	831,974
Capital Grants and Contributions	2,040,678	1,127,224	252,401	171,724	292,842
Total Program Revenues	\$ 6,376,114	\$ 5,464,043	\$ 4,600,519	\$ 4,268,701	\$ 4,538,432
Net (Expense)/Revenue	\$ (20,060,890)	\$ (19,788,647)	\$ (19,494,423)	\$ (22,006,219)	\$ (21,120,951)
General Revenues and Other Changes in Net Position					
Property Taxes	\$ 21,207,257	\$ 23,500,202	\$ 15,875,812	\$ 19,952,562	\$ 20,082,905
Other Taxes	7,242	11,313	10,267	10,648	10,960
Miscellaneous	602,388	1,518,393	1,272,567	1,659,845	2,522,797
Gain (Loss) on Sales of Assets	-	104,751	42,040	-	23,777
Total General Revenues and Other Changes in Net Position	\$ 21,816,887	\$ 25,134,659	\$ 17,200,686	\$ 21,623,055	\$ 22,640,439
Change in Net Position	\$ 1,755,997	\$ 5,346,012	\$ (2,293,737)	\$ (383,164)	\$ 1,519,488

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$	2,396,679	\$ 2,391,322	\$ 2,500,971	\$ 2,569,722	\$ 2,307,567
	2,589,015	2,431,208	2,308,514	2,278,032	2,386,602
	593,937	602,142	597,931	584,071	605,541
	217,098	249,122	188,382	238,372	172,758
	1,851,062	1,814,390	1,748,139	1,746,186	1,682,757
	645,729	761,845	863,205	756,369	725,521
	6,962,714	6,885,164	6,582,485	6,244,736	5,828,528
	7,954,065	6,681,505	6,604,989	6,566,057	7,163,046
	549,584	551,406	701,967	706,938	754,206
	1,152,304	1,106,036	1,029,227	1,075,540	1,042,855
	174,090	174,833	166,649	155,805	165,767
	429,168	478,600	486,853	534,224	583,919
	-	-	-	-	-
\$	<u>25,515,445</u>	<u>\$ 24,127,573</u>	<u>\$ 23,779,312</u>	<u>\$ 23,456,052</u>	<u>\$ 23,419,067</u>
\$	599,619	\$ 660,014	\$ 778,666	\$ 781,522	\$ 589,945
	751,698	840,343	934,457	1,127,809	1,104,447
	37,960	45,287	57,797	58,122	69,742
	10,115	44,852	25,336	52,635	37,224
	1,669,286	1,642,443	1,608,048	1,551,377	1,512,021
	8,450	6,150	5,400	5,000	5,400
	114,880	121,028	148,074	135,416	137,485
	230,316	271,467	222,748	264,019	256,426
	150,756	136,772	153,723	144,323	154,083
	33,800	31,156	26,647	32,445	28,326
	682,323	609,584	617,321	854,918	697,592
	716,590	427,699	504,290	319,926	372,479
\$	<u>5,005,793</u>	<u>\$ 4,836,795</u>	<u>\$ 5,082,507</u>	<u>\$ 5,327,512</u>	<u>\$ 4,965,170</u>
\$	<u>(20,509,652)</u>	<u>\$ (19,290,778)</u>	<u>\$ (18,696,805)</u>	<u>\$ (18,128,540)</u>	<u>\$ (18,453,897)</u>
\$	20,296,606	\$ 20,209,323	\$ 19,696,484	\$ 18,968,825	\$ 19,071,911
	14,211	15,384	10,314	11,451	11,207
	2,489,004	690,504	412,759	583,411	967,619
	143,943	51,770	287,403	105,619	-
\$	<u>22,943,764</u>	<u>\$ 20,966,981</u>	<u>\$ 20,406,960</u>	<u>\$ 19,669,306</u>	<u>\$ 20,050,737</u>
\$	<u>2,434,112</u>	<u>\$ 1,676,203</u>	<u>\$ 1,710,155</u>	<u>\$ 1,540,766</u>	<u>\$ 1,596,840</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund					
Nonspendable	\$ -	\$ 1,537	\$ 136,591	\$ 127,494	\$ 120,845
Assigned	3,103,381	-	-	-	-
Unassigned	11,685,838	12,584,517	13,088,897	11,323,125	13,077,681
Total General Fund	<u>\$ 14,789,219</u>	<u>\$ 12,586,054</u>	<u>\$ 13,225,489</u>	<u>\$ 11,450,619</u>	<u>\$ 13,198,526</u>
All Other Governmental Funds					
Nonspendable, Reported in:					
Special Revenue Funds	\$ 48,869	\$ 45,199	\$ 49,135	\$ 47,367	\$ 50,436
Permanent Funds	66,494	66,751	66,800	66,502	66,651
Restricted, Reported in:					
Special Revenue Funds	7,950,748	8,614,961	8,934,349	7,428,133	10,395,320
Debt Service Fund	1,573,431	1,346,807	1,596,937	1,196,087	1,027,466
Capital Projects Funds	-	-	-	-	-
Permanent Funds	373	296	395	397	551
Total All Other Governmental Funds	<u>\$ 9,639,915</u>	<u>\$ 10,074,014</u>	<u>\$ 10,647,616</u>	<u>\$ 8,738,486</u>	<u>\$ 11,540,424</u>

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

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 110,250	\$ 104,793	\$ 95,779	\$ 86,895	\$ 92,152	\$ 73,843
-	-	-	-	-	-
14,294,913	13,949,592	12,828,116	11,010,688	9,499,518	8,072,463
<u>\$ 14,405,163</u>	<u>\$ 14,054,385</u>	<u>\$ 12,923,895</u>	<u>\$ 11,097,583</u>	<u>\$ 9,591,670</u>	<u>\$ 8,146,306</u>
\$ 48,507	\$ 42,186	\$ 40,762	\$ -	\$ 48,720	\$ 12,260
66,503	66,451	66,451	66,451	66,451	66,451
10,910,683	8,882,723	7,947,885	8,083,003	7,769,821	7,813,776
1,194,738	1,008,277	981,207	880,091	312,870	251,165
-	-	-	-	1,110,222	2,934,601
724	677	630	1,097	686	580
<u>\$ 12,221,155</u>	<u>\$ 10,000,314</u>	<u>\$ 9,036,935</u>	<u>\$ 9,030,642</u>	<u>\$ 9,308,770</u>	<u>\$ 11,078,833</u>

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

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$	19,022,552	\$ 20,182,741	\$ 20,098,925	\$ 19,620,948	\$ 18,910,131	\$ 19,023,149
	10,960	14,211	15,384	10,314	11,451	11,207
	898,583	1,288,412	951,077	1,108,223	1,161,196	1,054,635
	2,810,080	3,059,497	3,122,791	3,206,652	3,218,023	2,961,380
	639,067	448,113	693,184	739,720	895,756	911,127
	2,458,966	2,837,623	820,265	760,937	780,753	1,227,452
\$	25,840,208	\$ 27,830,597	\$ 25,701,626	\$ 25,446,794	\$ 24,977,310	\$ 25,188,950
\$	1,579,228	\$ 1,494,580	\$ 1,387,736	\$ 1,511,136	\$ 1,366,604	\$ 1,315,372
	2,636,082	2,528,118	2,371,495	2,278,410	2,217,680	2,356,730
	603,472	590,379	588,047	590,146	571,069	598,231
	262,470	213,089	245,758	186,285	228,494	166,254
	1,874,290	1,813,263	1,778,856	1,729,954	1,712,623	1,663,473
	491,450	609,813	720,180	805,138	737,373	707,359
	6,241,955	6,049,767	5,892,912	5,691,604	5,628,597	5,453,515
	6,364,781	6,233,731	5,792,902	5,700,644	5,529,201	5,952,718
	565,817	534,943	534,078	687,931	693,254	742,309
	1,173,513	1,102,586	1,053,569	1,000,726	1,003,019	981,557
	177,636	168,177	170,305	165,143	151,287	159,044
	606,213	647,634	766,886	638,145	797,225	641,844
	3,697,361	1,516,008	847,772	1,173,537	1,617,263	3,278,808
	1,040,000	1,000,000	965,000	930,000	936,202	904,018
	412,585	456,894	492,263	525,388	559,634	592,417
	156,015	-	-	-	-	-
\$	27,882,868	\$ 24,958,982	\$ 23,607,759	\$ 23,614,187	\$ 23,749,525	\$ 25,513,649
\$	(2,042,660)	\$ 2,871,615	\$ 2,093,867	\$ 1,832,607	\$ 1,227,785	\$ (324,699)
\$	120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 685,643	\$ 115,000
	(120,000)	(420,000)	(120,000)	(120,000)	(685,643)	(115,000)
	7,115,000	-	-	-	-	-
	785,570	-	-	-	-	-
	(7,745,277)	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	155,293	\$ (300,000)	\$ -	\$ -	\$ -	\$ -
\$	(1,887,367)	\$ 2,571,615	\$ 2,093,867	\$ 1,832,607	\$ 1,227,785	\$ (324,699)
	5.93%	5.99%	6.42%	6.47%	6.75%	6.70%

This page is left blank intentionally.

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

<u>Tax Roll Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Less Exemptions</u>	<u>Total Assessed</u>	<u>Estimated Actual Value</u>	<u>Ratio of Assessed Value to Total Estimated Actual Value</u>	<u>Total Direct Tax Rate</u>
2011	2,650,132	3,637,093	1,685,788	4,601,437	6,287,225	73.19	0.44170
2012	2,674,978	3,398,576	1,638,860	4,434,694	6,073,554	73.02	0.46908
2013	2,782,293	3,303,655	1,691,966	4,393,982	6,085,948	72.20	0.48835
2014	2,819,078	3,281,011	1,671,605	4,428,484	6,100,089	72.60	0.48378
2015	2,909,647	3,139,449	1,656,021	4,393,075	6,049,096	72.62	0.49666
2016	3,006,417	2,545,502	1,686,125	3,865,794	5,551,919	69.63	0.57931
2017	3,046,201	2,339,926	1,666,657	3,719,470	5,386,127	69.06	0.63758
2018	3,071,385	2,251,309	1,626,954	3,695,740	5,322,694	69.43	0.57708
2019	3,153,420	2,372,716	1,740,134	3,786,002	5,526,136	68.51	0.58257
2020	3,577,106	2,178,433	2,045,670	3,709,869	5,755,539	64.46	0.59214

Notes: Exemptions from tax are provided for:

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

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

Source: Rusk County Appraisal District

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

Table 6
Page 1 of 2

<u>Name of Government</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Rusk County, Texas										
Operating	\$0.37941	\$0.36102	\$0.36612	\$0.40342	\$0.36247	\$0.31627	\$0.30611	\$0.31492	\$0.30600	\$0.28810
Debt Service	\$0.04084	\$0.03935	0.02876	0.04422	0.04548	0.03090	0.03667	0.03343	0.03468	0.03180
County School	\$0.01032	\$0.02644	0.02644	0.02575	0.02455	0.02139	0.02100	0.02100	0.02100	0.02100
Farm to Market	\$0.10331	\$0.09751	0.09751	0.09946	0.08562	0.07471	0.06800	0.06700	0.05640	0.05380
Special Roads	<u>\$0.05825</u>	<u>\$0.05825</u>	<u>0.05825</u>	<u>0.06473</u>	<u>0.06119</u>	<u>0.05339</u>	<u>0.05200</u>	<u>0.05200</u>	<u>0.05100</u>	<u>0.04700</u>
Total Rate	<u>\$0.59214</u>	<u>\$0.58257</u>	<u>\$0.57708</u>	<u>\$0.63758</u>	<u>\$0.57931</u>	<u>\$0.49666</u>	<u>\$0.48378</u>	<u>\$0.48835</u>	<u>\$0.46908</u>	<u>\$0.44170</u>
City of Henderson, Texas										
Operating	\$0.47450	\$0.45539	\$0.42900	\$0.43170	\$0.40710	\$0.41570	\$0.46100	\$0.36510	\$0.42960	\$0.41540
Debt Service	<u>\$0.07720</u>	<u>\$0.09631</u>	<u>0.09270</u>	<u>0.09000</u>	<u>0.11460</u>	<u>0.10600</u>	<u>0.05430</u>	<u>0.15660</u>	<u>0.09210</u>	<u>0.10630</u>
Total Rate	<u>\$0.55170</u>	<u>\$0.55170</u>	<u>\$0.52170</u>	<u>\$0.52170</u>	<u>\$0.52170</u>	<u>\$0.52170</u>	<u>\$0.51530</u>	<u>\$0.52170</u>	<u>\$0.52170</u>	<u>\$0.52170</u>
City of New London, Texas										
Operating	\$1.11481	\$1.13282	<u>\$1.22925</u>	<u>\$1.17382</u>	<u>\$1.15000</u>	<u>\$0.90445</u>	<u>\$0.06500</u>	<u>\$0.60528</u>	<u>\$0.51095</u>	<u>\$0.63481</u>
Total Rate	<u>\$1.11481</u>	<u>\$1.13282</u>	<u>\$1.22925</u>	<u>\$1.17382</u>	<u>\$1.15000</u>	<u>\$0.90445</u>	<u>\$0.06500</u>	<u>\$0.60528</u>	<u>\$0.51095</u>	<u>\$0.63481</u>
City of Kilgore, Texas										
Operating	\$0.50912	\$0.50763	\$0.50763	\$0.51311	\$0.46974	\$0.41987	\$0.40011	\$0.37011	\$0.34971	\$0.34765
Debt Service	<u>\$0.02988</u>	<u>\$0.03137</u>	<u>0.03137</u>	<u>0.02589</u>	<u>0.03598</u>	<u>0.04989</u>	<u>0.04989</u>	<u>0.04989</u>	<u>0.05029</u>	<u>0.05179</u>
Total Rate	<u>\$0.53900</u>	<u>\$0.53900</u>	<u>\$0.53900</u>	<u>\$0.53900</u>	<u>\$0.50572</u>	<u>\$0.46976</u>	<u>\$0.45000</u>	<u>\$0.42000</u>	<u>\$0.40000</u>	<u>\$0.39944</u>
City of Overton, Texas										
Operating	\$0.47034	\$0.41000	\$0.44800	\$0.41000	\$0.17500	\$0.41000	\$0.41000	\$0.40397	\$0.41735	\$0.39781
Debt Service	\$0.26268	\$0.25800	0.28170	0.25800	0.00000	0.21800	0.21800	0.14921	0.15415	0.17872
Cemetery	<u>\$0.05000</u>	<u>\$0.05000</u>	<u>0.00000</u>							
Total Rate	<u>\$0.78302</u>	<u>\$0.71800</u>	<u>\$0.72970</u>	<u>\$0.66800</u>	<u>\$0.17500</u>	<u>\$0.62800</u>	<u>\$0.62800</u>	<u>\$0.55318</u>	<u>\$0.57150</u>	<u>\$0.57653</u>
City of Tatum, Texas										
Operating	\$0.33494	\$0.33710	\$0.31201	\$0.31984	\$0.32015	\$0.33528	\$0.31670	\$0.31670	\$0.30596	\$0.31851
Total Rate	<u>\$0.33494</u>	<u>\$0.33710</u>	<u>\$0.31201</u>	<u>\$0.31984</u>	<u>\$0.32015</u>	<u>\$0.33528</u>	<u>\$0.31670</u>	<u>\$0.31670</u>	<u>\$0.30596</u>	<u>\$0.31851</u>
Henderson ISD										
Operating	\$0.96640	\$0.97000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000
Debt Service	<u>\$0.23000</u>	<u>\$0.23000</u>	<u>0.23000</u>	<u>0.23000</u>	<u>0.23000</u>	<u>0.23000</u>	<u>0.23000</u>	<u>0.14000</u>	<u>0.14000</u>	<u>0.14000</u>
Total Rate	<u>\$1.19640</u>	<u>\$1.20000</u>	<u>\$1.27000</u>	<u>\$1.27000</u>	<u>\$1.27000</u>	<u>\$1.27000</u>	<u>\$1.27000</u>	<u>\$1.18000</u>	<u>\$1.18000</u>	<u>\$1.18000</u>
Laneville ISD										
Operating	<u>\$1.05470</u>	<u>\$1.06830</u>	<u>\$1.17000</u>							
Total Rate	<u>\$1.05470</u>	<u>\$1.06830</u>	<u>\$1.17000</u>							
Leverett's Chapel ISD										
Operating	\$1.05470	\$1.06830	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.22180
Debt Service	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>0.00000</u>							
Total Rate	<u>\$1.05470</u>	<u>\$1.06830</u>	<u>\$1.17000</u>	<u>\$1.22180</u>						
Mt. Enterprise ISD										
Operating	\$1.03920	\$1.06835	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.04000
Debt Service	<u>\$0.06360</u>	<u>\$0.06360</u>	<u>0.06360</u>	<u>0.06360</u>	<u>0.06360</u>	<u>0.06360</u>	<u>0.06360</u>	<u>0.04360</u>	<u>0.04360</u>	<u>0.17360</u>
Total Rate	<u>\$1.10280</u>	<u>\$1.13195</u>	<u>\$1.23360</u>	<u>\$1.23360</u>	<u>\$1.23360</u>	<u>\$1.23360</u>	<u>\$1.23360</u>	<u>\$1.21360</u>	<u>\$1.21360</u>	<u>\$1.21360</u>
Overton ISD										
Operating	\$1.06800	\$1.06800	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.04000	\$1.04000	\$1.04000	\$1.04000
Debt Service	<u>\$0.31900</u>	<u>\$0.31900</u>	<u>0.31900</u>	<u>0.31900</u>	<u>0.31900</u>	<u>0.31900</u>	<u>0.44900</u>	<u>0.44900</u>	<u>0.44900</u>	<u>0.46430</u>
Total Rate	<u>\$1.38700</u>	<u>\$1.38700</u>	<u>\$1.48900</u>	<u>\$1.50430</u>						

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

Table 6
Page 2 of 2

<u>Name of Government</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tatum ISD										
Operating	\$0.97000	\$0.97000	\$1.04000	\$1.04000	\$1.01070	\$0.94670	\$0.94670	\$0.88000	\$0.85500	\$0.76000
Debt Service	<u>\$0.23700</u>	<u>\$0.23700</u>	<u>0.16700</u>	<u>0.16700</u>	<u>0.18930</u>	<u>0.22330</u>	<u>0.22330</u>	<u>0.29000</u>	<u>0.31500</u>	<u>0.28000</u>
Total Rate	<u>\$1.20700</u>	<u>\$1.20700</u>	<u>\$1.20700</u>	<u>\$1.20700</u>	<u>\$1.20000</u>	<u>\$1.17000</u>	<u>\$1.17000</u>	<u>\$1.17000</u>	<u>\$1.17000</u>	<u>\$1.04000</u>
West Rusk CISD										
Operating	\$0.95640	\$0.97000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000
Debt Service	<u>\$0.32000</u>	<u>\$0.08000</u>								
Total Rate	<u>\$1.27640</u>	<u>\$1.29000</u>	<u>\$1.36000</u>	<u>\$1.12000</u>						
Rusk ISD										
Operating	\$0.97000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000
Debt Service	<u>\$0.11250</u>	<u>\$0.11250</u>	<u>0.11250</u>	<u>0.11750</u>						
Total Rate	<u>\$1.08250</u>	<u>\$1.15250</u>	<u>\$1.15750</u>							
Kilgore ISD										
Operating	\$0.96640	\$0.97000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000
Debt Service	<u>\$0.25920</u>	<u>\$0.26920</u>	<u>0.26920</u>							
Total Rate	<u>\$1.22560</u>	<u>\$1.23920</u>	<u>\$1.30920</u>							
Carlisle ISD										
Operating	\$1.05340	\$1.06700	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000	\$1.17000
Debt Service	<u>\$0.37200</u>	<u>\$0.34000</u>	<u>0.35000</u>	<u>0.35000</u>	<u>0.38000</u>	<u>0.38000</u>	<u>0.38000</u>	<u>0.38000</u>	<u>0.30000</u>	<u>0.33500</u>
Total Rate	<u>\$1.42540</u>	<u>\$1.40700</u>	<u>\$1.52000</u>	<u>\$1.52000</u>	<u>\$1.55000</u>	<u>\$1.55000</u>	<u>\$1.55000</u>	<u>\$1.55000</u>	<u>\$1.47000</u>	<u>\$1.50500</u>
Kilgore College										
Operating	<u>\$0.17500</u>	<u>\$0.17500</u>	<u>\$0.17500</u>	<u>\$0.17500</u>	<u>\$0.17500</u>	<u>\$0.17500</u>	<u>\$0.15400</u>	<u>\$0.15400</u>	<u>\$0.15400</u>	<u>\$0.15400</u>
Total Rate	<u>\$0.17500</u>	<u>\$0.17500</u>	<u>\$0.17500</u>	<u>\$0.17500</u>	<u>\$0.17500</u>	<u>\$0.17500</u>	<u>\$0.15400</u>	<u>\$0.15400</u>	<u>\$0.15400</u>	<u>\$0.15400</u>
Gregg County RFPD #1										
Operating	<u>\$0.03000</u>									
Total Rate	<u>\$0.03000</u>									
Rusk County RFPD #1										
Operating	<u>\$0.03000</u>									
Total Rate	<u>\$0.03000</u>									
Garrison ISD										
Operating	\$1.05470	\$1.06830	\$1.17000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.02200	\$1.02200	\$1.02200
Debt Service	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>0.00000</u>	<u>0.06650</u>	<u>0.06650</u>	<u>0.07090</u>	<u>0.06885</u>	<u>0.07510</u>	<u>0.07312</u>	<u>0.07340</u>
Total Rate	<u>\$1.05470</u>	<u>\$1.06830</u>	<u>\$1.17000</u>	<u>\$1.10650</u>	<u>\$1.10650</u>	<u>\$1.11090</u>	<u>\$1.10885</u>	<u>\$1.09710</u>	<u>\$1.09512</u>	<u>\$1.09540</u>
Cushing ISD										
Operating	\$0.96640	\$0.97000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000	\$1.04000
Debt Service	<u>\$0.26000</u>	<u>\$0.26000</u>	<u>0.26000</u>							
Total Rate	<u>\$1.22640</u>	<u>\$1.23000</u>	<u>\$1.30000</u>							
Total	<u>\$18.44421</u>	<u>\$18.54574</u>	<u>\$19.49504</u>	<u>\$19.38274</u>	<u>\$18.79768</u>	<u>\$18.87605</u>	<u>\$17.95593</u>	<u>\$18.28061</u>	<u>\$18.07261</u>	<u>\$17.92349</u>

Table 7

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

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Rank</u>	2020 Assessed <u>Valuation</u>	Percentage of Total Assessed <u>Valuation</u>	<u>Rank</u>	2011 Assessed <u>Valuation</u>	Percentage of Total Assessed <u>Valuation</u>	
Luminant Generation Co. LP	Electric Generating	1	\$ 393,593,000	10.40%	1	1,089,418,590	23.68%	
Tenaksa Gateway Partners LTD	Electric Generating	2	111,170,940	2.94	2	97,685,950	2.12	
Sabine Oil & Gas Corp (WI)	Minerals	3	56,874,940	1.50				
AEP Southwestern Elec Power Co	Utility	4	43,750,200	1.16				
Oncor Electric Delivery Co LLC	Utility	5	39,077,770	1.03				
Luminant Mining Co.	Lease Equipment	6	37,799,660	1.00	3	88,173,230	1.92	
Houston Pipe Line Company	Utility	7	37,676,540	1.00	6	65,996,400	1.43	
Luminant Mining Co.	Lease Equipment	8	32,780,100	0.87				
Transcanda Keystone Pipeline Management & Training Corp.	Pipeline	9	31,923,750	0.84				
Cabot Oil & Gas Corp.	Minerals	10	30,456,160	0.80	4	75,218,920	1.63	
Sampson Lone Star LP	Minerals				5	67,983,510	1.48	
Energy Transfer Fuel Company	Utility				7	55,271,850	1.20	
Anadarko E&P Co. LP	Utility				8	54,739,780	1.19	
Basa Resources	Minerals				9	44,432,380	0.97	
Verado Energy	Minerals				10	37,918,350	0.82	
Total			<u>\$ 815,103,060</u>	<u>21.53%</u>			<u>\$ 1,676,838,960</u>	<u>36.44%</u>

Source: Rusk County Appraisal District

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

Tax Roll Year	(1) Tax Levy	Current Tax Collections	(2)	Delinquent Tax Collections	Total Collections	(2)	(3)/(4) Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Tax Levy
			Percent of Current Taxes Collected			Ratio of Total Tax Collections To Total Tax Levy		
2011	18,948,333	18,014,651	95.07	865,830	18,880,481	99.64	67,852	0.36
2012	19,400,068	18,777,015	96.79	536,085	19,313,100	99.55	86,968	0.45
2013	20,022,006	18,240,172	91.10	1,683,573	19,923,745	99.51	98,261	0.49
2014	20,063,813	19,458,347	96.98	489,264	19,947,611	99.42	116,202	0.58
2015	20,336,201	18,259,598	89.79	1,939,075	20,198,673	99.32	137,528	0.68
2016	20,622,331	17,011,299	82.49	3,441,007	20,452,306	99.18	170,025	0.82
2017	21,753,833	19,017,362	87.42	2,506,166	21,523,528	98.94	230,305	1.06
2018	19,853,735	19,152,471	96.47	400,475	19,152,471	96.47	300,789	1.52
2019	20,953,023	19,986,419	95.39	291,612	19,986,419	95.39	674,992	3.22
2020	20,913,963	6,945,658	33.21	N/A	6,945,658	33.21	N/A	N/A

(1) Years 2011 through 2019 represent adjusted tax levy and year 2020 represents original tax levy, as adjustments are not complete until the end of the tax roll year June 30, 2021, which will occur during the next fiscal year.

(2) 2020 percentage of collections and total collections is lower than other years because the 2020 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, 2020.

(4) 2020 uncollected taxes are not delinquent until July 1, 2021.

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

<u>Fiscal Year</u>	<u>General Bonded Debt</u> General Obligation Bonds (1)	<u>Capital Leases</u>	<u>Total Outstanding Debt</u>	(2) <u>Percentage of Personal Income</u>	<u>Population (3)</u>	<u>Debt Per Capita</u>
2011	13,647,120	41,202	13,688,322	0.88%	53,689	255
2012	12,738,457	-	12,738,457	0.77%	54,026	236
2013	11,794,794	-	11,794,794	0.66%	53,622	220
2014	10,816,131	-	10,816,131	0.58%	53,923	201
2015	9,802,468	-	9,802,468	0.51%	53,923	182
2016	8,930,850	-	8,930,850	0.46%	52,732	169
2017	7,731,523	301,643	8,033,166	0.43%	52,883	152
2018	6,547,196	238,417	6,785,613	0.36%	53,330	127
2019	5,312,869	173,387	5,486,256	0.28%	54,450	101
2020	4,033,542	106,501	4,140,043	0.20%	54,406	76

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

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

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

Property Tax <u>Year</u>	Certificates of <u>Obligation (1)</u>	Less: Amounts Available in Debt <u>Service Fund (2)</u>	<u>Total</u>	Percentage of Estimated Actual Taxable Value of <u>Property (3)</u>	<u>Per Capita</u>
2011	13,647,120	140,522	13,506,598	0.21%	252
2012	12,738,457	719,849	12,018,608	0.20%	222
2013	11,794,794	856,191	10,938,603	0.18%	204
2014	10,816,131	894,578	9,921,553	0.16%	184
2015	9,802,468	1,107,643	8,694,825	0.14%	164
2016	8,930,850	1,027,466	7,903,384	0.14%	150
2017	7,731,523	1,196,087	6,535,436	0.12%	124
2018	6,547,196	1,596,937	4,950,259	0.09%	93
2019	5,312,869	1,346,807	3,966,062	0.07%	73
2020	4,033,542	1,573,431	2,460,111	0.04%	45

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.

Rusk County, Texas
 Direct and Overlapping Governmental Activities Debt
 December 31, 2019
 (Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Cities:			
City of Henderson, Texas	\$ 8,221,132	100.00%	\$ 8,221,132
City of Kilgore, Texas	11,805,000	13.33	1,573,607
City of Overton, Texas	634,361	89.29	566,421
Total Cities			<u>\$ 10,361,159</u>
Independent School Districts:			
Henderson	38,394,919	100.00%	\$ 38,394,919
Overton	9,099,263	100.00	9,099,263
Mt. Enterprise	2,410,000	100.00	2,410,000
Kilgore	36,385,000	31.69	11,530,407
Rusk	7,015,000	3.92	274,988
Tatum	20,143,594	94.75	19,086,055
West Rusk	17,410,000	100.00	17,410,000
Garrison	1,420,000	12.06	171,252
Carlisle	7,470,056	78.15	5,837,849
Total Independent School Districts			<u>\$ 104,214,733</u>
Subtotal, Overlapping Debt			\$ 114,575,892
Total Direct Debt			<u>4,033,542</u>
Total Direct and Overlapping Debt			<u><u>\$ 118,609,434</u></u>

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

Sources:

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

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

Property Tax Year	(1) Assessed Value of Taxable Property	(2) Debt Limit	(3) Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2011	4,601,437	1,150,359	13,531	1,136,828	1.18%
2012	4,434,694	1,108,674	12,595	1,096,079	1.14%
2013	4,393,981	1,098,495	11,665	1,086,830	1.06%
2014	4,428,484	1,107,121	10,700	1,096,421	0.97%
2015	4,393,075	1,098,269	9,700	1,088,569	0.88%
2016	3,865,795	966,449	8,931	957,518	0.92%
2017	3,719,470	929,868	8,033	921,834	0.86%
2018	3,695,740	923,935	6,786	917,149	0.73%
2019	3,786,002	946,501	5,313	941,188	0.56%
2020	3,709,869	927,467	4,034	923,434	0.43%

(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)

<u>Fiscal Year</u>	(1) <u>Population</u>	(2) Personal Income <i>(thousands of dollars)</i>	(1) Per Capita <u>Income</u>	(1) Median <u>Age</u>	(3) School Average Daily <u>Attendance</u>	(4) Unemployment Rate <u>Percentage</u>
2011	53,689	1,550,169	29,033	38.1	7,296	6.0
2012	54,026	1,656,894	30,821	38.1	7,369	5.5
2013	53,622	1,789,175	33,117	38.0	7,466	6.1
2014	53,923	1,852,146	34,541	38.4	7,649	4.9
2015	53,070	1,921,424	35,633	38.3	7,740	4.7
2016	52,732	1,936,195	36,484	38.7	7,669	5.8
2017	52,883	1,873,670	35,532	38.8	7,653	5.1
2018	53,330	1,876,004	35,508	39.1	7,583	4.1
2019	54,450	1,986,623	36,485	39.0	7,412	3.6
2020	54,406	2,050,937	37,697	38.2	7,128	7.4

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

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

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Henderson ISD	580	1	2.81%			
MTC Henderson/Rusk Co.	438	2	2.12%	580	2	2.32%
Sadler's Bar-B-Que	452	3	2.19%	325	6	1.30%
Luminant	406	4	1.97%	896	1	3.58%
Wal-Mart Super Center	350	5	1.70%	350	5	1.40%
CCA-Bradshaw State Jail			0.00%	307	7	1.23%
Rusk County Courthouse	250	6	1.21%	250	8	1.00%
UT Health Henderson	196	7	0.95%			
Capco	165	8	0.80%	235	10	0.94%
Citizens National Bank	160	9	0.78%			
West Fraser Inc.	155	10	0.75%			
ETMC of Henderson				400	4	1.60%
East Texas ISF				500	3	2.00%
Pioneer Drilling				250	9	1.00%
Total	<u>3,152</u>		<u>15.29%</u>	<u>4,093</u>		<u>16.37%</u>

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

Source: Henderson Area Chamber of Commerce

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

<u>Function</u>	<u>As of December 31,</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Government	15	19	21	21	21	20	20	18	18	19
Judicial	28	29	33	33	33	33	33	32	32	32
Legal	8	8	8	8	8	8	8	8	8	8
Elections	2	2	2	2	2	2	2	2	2	2
Financial Administration	20	19	19	19	19	19	19	19	19	19
Public Facilities	4	4	4	4	4	4	4	4	4	4
Public Safety	84	84	80	80	80	80	80	83	83	83
Public Transportation	65	63	58	58	58	58	58	60	60	60
Health and Welfare	2	1	2	2	2	2	2	3	3	3
Culture and Recreation	14	14	15	15	15	15	15	14	14	14
Conservation	4	4	4	4	4	4	4	4	4	4
Total	246	247	246	246	246	245	245	247	247	248

Source: County employment records.

Notes:

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

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

<u>Function</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Judicial										
Cases Filed:										
District Court:										
Civil	289	377	304	342	269	345	325	495	450	470
Criminal	396	397	372	329	392	339	517	406	370	397
County Court-at-Law	745	776	49	718	1,069	1,030	1,287	1,083	1,236	839
Convictions:										
District Court	103	182	910	196	191	189	330	223	222	204
County Court-at-Law	144	340	52	442	383	415	406	93	430	348
Elections										
Registered Voters	30,859	29,632	29,359	30,737	31,339	28,807	30,361	30,021	30,880	29,772
Public Safety										
Arrests	1,116	1,265	1,902	2,094	1,991	2,053	1,964	2,132	2,527	1,945
Prisoner Days	38,982	36,232	36,656	37,845	32,632	36,676	42,997	40,620	37,905	32,933
Culture and Recreation										
Library Circulation	195,375	98,551	364,084	537,821	118,690	113,928	107,068	172,248	280,155	129,018
Library Attendance	44,148	87,682	11,322	12,266	71,821	56,762	11,091	11,093	9,862	9,441
Museum Attendance	1,517	35,512	32,551	32,825	33,025	33,234	29,995	25,589	26,413	23,180

Note:

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

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

<u>Function</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Judicial										
Number of Justices of the Peace offices	5	5	5	5	5	5	5	5	5	5
Elections										
Number of voting boxes	17	17	17	17	17	17	17	22	22	22
Public Safety										
Number of Jails	1	1	1	1	1	1	1	1	1	1
Jail Capacity	292	292	292	292	292	292	292	292	292	292
Public Transportation										
Number of Precincts	5	5	5	5	5	5	5	4	4	4
Road Miles	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102
Bridges	109	109	109	109	109	109	109	109	109	109
Number of Airports	1	1	1	1	1	1	1	1	1	1
Number of Runways	2	2	2	2	2	2	2	2	2	2
Health and Welfare										
Number of Collection sites	6	6	6	6	6	6	6	6	6	6
Culture and Recreation										
Number of Libraries	4	4	4	4	4	4	4	4	4	4
Number of Museums	1	1	1	1	1	1	1	1	1	1
Number of Community Centers	1	2	2	2	2	2	2	3	3	3

Note:

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

Morgan LaGrone, CPA, PLLC

Certified Public Accountant

Telephone: 903.657.0240
Fax: 903.655.1324

116 S Marshall
Henderson TX 75654

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

Rusk County Commissioners' Court
Rusk County, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rusk County, Texas, ("County") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 11, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit 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 the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the

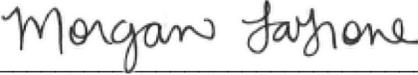
MEMBER

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

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

Purpose of this Report

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



Morgan LaGrone, CPA, PLLC

Henderson, Texas
June 11, 2021

Morgan LaGrone, CPA, PLLC

Certified Public Accountant

Telephone: 903.657.0240
Fax: 903.655.1324

116 S Marshall
Henderson TX 75654

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

Rusk County Commissioners' Court
Rusk County, Texas

Report on Compliance for Each Major Federal Program

We have audited Rusk County, Texas' ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2020. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

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

MEMBER

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

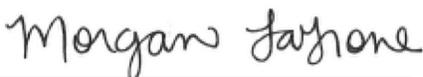
Report on Internal Control over Compliance

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

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

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

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, 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 report is not suitable for any other purpose.



Morgan LaGrone
Certified Public Accountant

Henderson, Texas
June 11, 2021

Rusk County, Texas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

<u>Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program Expenditures</u>	<u>Amount Provided to Subrecipients</u>
<u>U.S. Department of Housing and Urban Development:</u>				
Passed through Texas Department of Agriculture: Community Development Block Grant	14.228	7219390	\$ 28,425	\$ -
Total U.S. Department of Housing and Urban Development			<u>\$ 28,425</u>	<u>\$ -</u>
<u>Institute of Museum and Library Services:</u>				
Passed through Texas State Library and Archives Commission: LSTA State Grant	45.31	LS-00-15-0044-19	\$ 1,867	-
Total U.S. Department of Homeland Security			<u>\$ 1,867</u>	<u>\$ -</u>
<u>U.S. Department of Transportation:</u>				
Passed through Texas Department of Transportation: Airport Improvement Program	20.106	M1810HNDR1	\$ 50,000	\$ -
Total U.S. Department of Transportation			<u>\$ 50,000</u>	<u>\$ -</u>
<u>U.S. Department of Justice</u>				
Direct Programs: State Criminal Alien Assistance Program	16.606	2020-AP-BX-1237	\$ 3,311	\$ -
Total U.S. Department of Justice			<u>\$ 3,311</u>	<u>\$ -</u>
<u>U.S. Department of Treasury</u>				
Passed through Texas Department of Emergency Management: COVID-19 Coronavirus Relief Fund Grant	21.019	2020-CF-2019	\$ 1,756,275	\$ -
Total U.S. Department of Treasury			<u>\$ 1,756,275</u>	<u>\$ -</u>
<u>U.S. Elections Assistance Commission</u>				
Passed through Texas Secretary of State Help America Vote Election Security Grant	90.404	TX18101001-01-201	\$ 120,000	\$ -
COVID-19 Coronavirus Relief Fund Grant	90.404	TX20101CARES-201	13,857	-
Total U.S. Elections Assistance Commission			<u>\$ 133,857</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 1,973,735</u>	<u>\$ -</u>

Rusk County, Texas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

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

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

Rusk County, Texas
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2020

<u>Grantor/Program Title</u>	<u>Grantor's Number</u>	<u>Program Expenditures</u>	<u>Amount Provided to Subrecipients</u>
Texas Juvenile Probation Commission:			
Juvenile Probation Services-State Aid	TJPC-A-2020-201	\$ 252,429	\$ -
Juvenile Probation Services-State Aid	TJPC-A-2021-201	126,232	-
Total Texas Juvenile Probation Commission		<u>\$ 378,661</u>	<u>\$ -</u>
Texas Task Force on Indigent Defense:			
Indigent Defense Services Grant	212-20-201	\$ 41,501	\$ -
Total Texas Task Force on Indigent Defense		<u>\$ 41,501</u>	<u>\$ -</u>
Texas Department of State Health Services			
RLSS-Local Public Health System	HHS00743500005	\$ 60,986	\$ -
Total Texas Department of State Health Services		<u>\$ 60,986</u>	<u>\$ -</u>
Total State Financial Assistance		<u>\$ 481,149</u>	<u>\$ -</u>

Rusk County, Texas
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2020

Notes to Schedule of Expenditures of State Awards:

Note 1 - Significant Accounting Policies Used in Preparing the Schedule

The accompanying schedule of expenditures of state awards includes the state award activity of Rusk County, Texas, under programs of the state government for the year ended December 31, 2020. The information in this schedule is presented in requirements of Title 2 U.S. Code of Federal Awards(Uniform Guidance) and the State of Texas *Uniform Grant Management Standards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Note 2 - Indirect Cost Rates

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

Rusk County, Texas
Summary of Auditor's Results and
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes X No

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

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

Material weaknesses identified? Yes X No

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

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

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

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Federal Agency</u>	<u>Grant Number</u>
COVID-19 Coronavirus Relief Fund	Department of Treasury	2020-CF-2019

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

Auditee qualified as low-risk auditee? Yes X No

B. Financial Statement Findings

None noted

C. Federal Award Findings and Questioned Costs

Note noted.

Rusk County, Texas
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2020

Finding

Current Status

Not Applicable for the year ended December 31, 2020.

Rusk County, Texas
Corrective Action Plan
For the Year Ended December 31, 2020

Not applicable.