

CASS COUNTY, TEXAS

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

CASS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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FINANCIAL SECTION

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Judge Becky Wilbanks and the Commissioners' Court of Cass County
Cass 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 Cass County, Texas as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Cass County, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cass County, Texas, as of September 30, 2019, and the respective changes in financial position, and the respective budgetary comparison for the General Fund, Road and Bridge Fund and the District Court Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension plan trend information on pages 5 through 11 and 44 through 45 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 collectively comprise Cass County Texas' basic financial statements. The combining and individual nonmajor fund financial statements, including the budgetary comparison schedules for nonmajor funds, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, including the budgetary comparison schedules for nonmajor funds and the schedule of expenditures of federal and 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, including the budgetary comparison schedules for nonmajor funds and the schedule of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 6, 2020, on our consideration of Cass County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cass County, Texas' 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 Cass County, Texas' internal control over financial reporting and compliance.

McMinn, Laird, Pope & Woodfin, P.C.

July 6, 2020

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019

This section of the Cass County, Texas (County) financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2019.

FINANCIAL HIGHLIGHTS

- § The County's assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$17,518,149.
- § The County's net position increased by \$1,146,660 as a result of this year's operations. This compares unfavorably with a prior year increase of \$1,147,757.
- § Unrestricted Net Position of the County as of September 30, 2019 was \$6,542,590.
- § The general fund reported a fund balance of \$5,865,205, of which \$5,076,440 was unassigned at September 30, 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of 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 and liabilities, with the difference between the two reported as net position. Over time, increases and 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 fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The County has no business-type activities. The governmental activities of the County include administration and finance, roads and public works, corrections, law enforcement, judicial, and community services.

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

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019

legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds. The County does not have any proprietary 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 balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 24 governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for major governmental funds. Individual data for each of these non-major governmental funds is provided in the form of combining statements presented elsewhere in the report.

The County adopts an annual appropriated budget for all required governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because these resources are not available to support the County's own programs.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provided pension benefits to its employees. Required supplementary information regarding pension benefits may be found immediately following the notes to the financial statements. The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information.

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Cass County, Texas, assets exceeded liabilities by \$17,518,149 as of September 30, 2019.

The following table indicates the County's financial position as of September 30, 2019 and 2018.

NET POSITION

	Governmental Activities	
	2019	2018
Current and Other Assets	\$ 10,941,877	10,365,358
Capital Assets	13,994,935	13,956,760
Total Assets	24,936,812	24,322,118
 Deferred Outflows from Pensions	 2,204,312	 491,258
Current and Other Liabilities	635,215	947,762
Long-term Liabilities	8,570,487	6,972,719
Total Liabilities	9,205,702	7,920,481
 Deferred Inflows from Pensions	 417,273	 521,406
Net Position:		
Invested in Capital Assets	9,440,100	8,908,846
Restricted	1,535,459	1,312,507
Unrestricted	6,542,590	6,150,136
Total Net Position	\$ 17,518,149	16,371,489

The largest portion of the County's current year net position, \$9,440,100 reflects its investment in capital assets (e.g., land, buildings, furniture and equipment), less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position represents resources that are subject to external restrictions on their usage. The restricted net position of \$1,535,459 has constraints which have been placed on the use of these resources either (a) externally imposed by creditors, grantors, contributors or by laws or regulations of other governments or (b) imposed by law through constitutional provisions of enabling legislation.

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019

The following table indicates the changes in net position for governmental activities:

CHANGES IN NET POSITION

	Governmental Activities	
	2019	2018
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,760,673	1,902,029
Operating Grants and Contributions	1,538,246	1,110,765
Capital Grants and Contributions	15,361	261,184
General Revenues		
Property Taxes	10,150,323	9,860,281
Other Taxes	93,481	83,161
Investment Earnings	226,404	165,418
Miscellaneous	403,958	395,432
Total Revenue	<u>14,188,446</u>	<u>13,778,270</u>
Expenses:		
Administration and Finance	2,950,383	2,731,178
Roads and Public Works	2,476,364	2,398,320
Corrections	19,793	19,793
Law Enforcement	3,530,799	3,708,928
Judicial	2,030,250	2,044,119
Community Service	1,690,744	1,361,554
Interest on Long-term Debt	118,259	127,247
Other	225,194	239,374
Total Expenses	<u>13,041,786</u>	<u>12,630,513</u>
Change in Net Position	1,146,660	1,147,757
Net Position Beginning of Year, as Previously Reported	17,188,717	16,181,674
Prior Period Adjustments	(817,228)	(957,942)
Net Position Beginning of Year, as Restated	<u>16,371,489</u>	<u>15,223,732</u>
Net Position End of Year	<u>\$ 17,518,149</u>	<u>16,371,489</u>

Property taxes are collected to support governmental activities through the General, Road and Bridge, Debt Service and R.O.W. (Right of way) projects funds. Property taxes increased \$290,042 for the fiscal year. The increase was primarily due to the change in assessed valuation of property. Operating grants and contributions increased \$427,481. Capital grants and contributions decreased by \$245,823. Interest earnings increased by \$60,986 due to an increase in interest rates. Expenses for the County increased \$411,273. There were increases in administration and finance of \$219,205 roads and public works of \$78,044 and community service of \$329,190.

MAJOR FUND FINANCIAL ANALYSIS

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

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At September 30, 2019, the County's governmental funds reported a combined fund balance of \$9,310,156 as compared to \$8,529,383 at September 30, 2018.

The General Fund is the chief operating fund of the County. For the year ended September 30, 2019 the General Fund reported revenues of 9,187,413 and expenditures of \$8,570,360 as compared to revenues of \$9,051,317 and expenditures of \$8,449,326 for the year ended September 30, 2018. Unassigned fund balance for the General Fund at year-end was \$5,076,440.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total revenues were budgeted for \$9,098,013 while actual revenues were \$9,187,413, for a favorable variance of \$89,400. Actual taxes had an unfavorable variance of \$52,632. Total General Fund appropriations exceeded expenditures by \$431,458.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The County's investment in capital assets as of September 30, 2019 amounted to \$13,994,935 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and furniture and equipment.

Debt – At September 30, 2019 the County had long-term liabilities outstanding of \$8,570,487, including bonds, tax notes, accrued compensated absences and net pension liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2020 budget and tax rates. The overall tax rate for fiscal year 2020 will be .555190. Of the total rate, the debt service tax rate will be .036333.

These indicators were taken into account when adopting the General Fund budget for 2020. Indicators and factors which materially influence the budget are amounts available for appropriation in the General Fund budget, budgeted expenditures and the County future capital expenditures needs. If these estimates are realized, the County's budgetary General Fund balance is expected to remain unchanged as of the close of 2020.

REQUESTS FOR INFORMATION

The financial 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 the County Auditor's office, P.O. Box 152, Linden, Texas 75563.

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BASIC FINANCIAL STATEMENTS

CASS COUNTY, TEXAS
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2019

	Governmental Activities
ASSETS	
Cash	\$ 5,586,770
Investments	4,248,904
Receivables (net of allowances for uncollectible):	
Accounts	34,237
Property Taxes	1,065,966
Due from Other Governmental Agencies	6,000
Capital Assets (net of accumulated depreciation):	
Land	167,504
Buildings	10,578,370
Furniture and Equipment	3,249,061
Total Assets	24,936,812
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows from Pensions	2,204,312
 LIABILITIES	
Accounts Payable	272,332
Accrued Payroll	95,199
Due to Other Governments	193,998
Accrued Interest	15,842
Other Payables	57,844
Long-term Liabilities:	
Due within One Year:	
Bonds Payable	340,000
Tax Notes	148,000
Accrued Compensated Absences	168,128
Due in More than One Year:	
Bonds Payable	4,053,879
Tax Notes	457,000
Accrued Compensated Absences	35,577
Net Pension Liability	3,367,903
Total Liabilities	9,205,702
 DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows from Pensions	417,273
 NET POSITION	
Invested in Capital Assets	9,440,100
Restricted for:	
Corrections	
Debt Service	414,603
Records Management	374,150
Courthouse Security	140,703
Technology	141,197
Training	18,881
Other	31,733
Community Services	1,149
Judicial	151,987
Law Enforcement	99,754
Capital Improvements	161,302
Unrestricted	6,542,590
Total Net Position	\$ 17,518,149

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
Administration and Finance	\$ 2,950,383	502,008	150,407		(2,297,968)
Roads and Public Works	2,476,364	866,076	123,625	15,361	(1,471,302)
Corrections	19,793				(19,793)
Law Enforcement	3,530,799	58,743	69,413		(3,402,643)
Judicial	2,030,250	315,445	200,854		(1,513,951)
Community Services	1,690,744	18,401	993,947		(678,396)
Other	225,194				(225,194)
Interest of Long-term Debt	118,259				(118,259)
Total Governmental Activities	13,041,786	1,760,673	1,538,246	15,361	(9,727,506)

General Revenues:

Property Taxes	10,150,323
Other Taxes	93,481
Investment Earnings	226,404
Miscellaneous	403,958
Total General Revenues	10,874,166

Change in Net Position 1,146,660

Net Position, Beginning of Year, as Previously Reported 17,188,717

Prior Period Adjustments (817,228)

Net Position, Beginning of Year as Restated 16,371,489

Net Position, Ending **\$ 17,518,149**

CASS COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

AS OF SEPTEMBER 30, 2019

	General Fund	Road and Bridge Fund	District Court Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 2,833,143	1,140,578	3,015	1,610,033	5,586,769
Investments	3,102,692	1,084,935		61,278	4,248,905
Receivables (net of allowances for uncollectible):				-	-
Accounts	15,398	7,055	2,618	9,167	34,238
Property Taxes	40,466	7,558	1,990	3,603	53,617
Due from Other Governmental Agencies	6,000			-	6,000
Due from Other Funds	278,865	19,216		135,226	433,307
Total Assets	\$ 6,276,564	2,259,342	7,623	1,819,307	10,362,836
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 114,200	107,523	17,096	33,513	272,332
Accrued Payroll	74,868	19,274	1,056	-	95,198
Due to Other Governments	193,998			-	193,998
Due to Other Funds	16,173	68,651	235,317	113,166	433,307
Other Payables	12,120	2,281	18	43,426	57,845
Total Liabilities	411,359	197,729	253,487	190,105	1,052,680
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Grants				-	-
Total Deferred Inflows of Resources	-	-	-	-	-
NET POSITION					
Restricted for:					
Corrections				-	-
Debt Service				425,709	425,709
Records Management	374,150			-	374,150
Courthouse Security	140,703			-	140,703
Technology	141,197			-	141,197
Training	18,881			-	18,881
Other	31,733			-	31,733
Community Services	1,149			-	1,149
Judicial	36,536			115,450	151,986
Law Enforcement	36,460			25,633	62,093
Capital Improvements				160,748	160,748
Assigned	7,956	2,061,613		-	2,069,569
Unassigned:				-	-
General Fund	5,076,440			-	5,076,440
Special Revenue Funds			(245,864)	901,662	655,798
Total Fund Balances	5,865,205	2,061,613	(245,864)	1,629,202	9,310,156
Total Liabilities, Deferred Inflows and Fund Balances	\$ 6,276,564	2,259,342	7,623	1,819,307	10,362,836

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2019

Total Governmental Funds Balance	\$ 9,310,156
Capital assets used in governmental activities that are not financial resources and therefore are not reported in the funds.	13,994,934
Receivables reported in the statement of net position that are not available to provide current financial resources and are not reported as receivables in the funds.	1,012,349
Long-term liabilities, including bonds payable and tax notes, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds.	<u>(6,799,290)</u>
Net position of governmental activities	<u>\$ 17,518,149</u>

CASS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

REVENUES	General Fund	Road and Bridge Fund	District Court Fund	Other Governmental Funds	Total Governmental Funds
Taxes	\$ 7,703,633	1,391,030	367,417	674,566	10,136,646
Licenses and Permits	177,631	715,965		-	893,596
Intergovernmental	343,017	138,986	8,738	1,062,867	1,553,608
Charges for Services	311,897	2,558		18,401	332,856
Fines and Forfeitures	386,667	147,553		-	534,220
Interest	143,643	53,028		29,729	226,400
Miscellaneous	120,925	19,289	8,682	280,622	429,518
Total Revenues	9,187,413	2,468,409	384,837	2,066,185	14,106,844
EXPENDITURES					
Current:					
Administration and Finance	2,613,958			350	2,614,308
Roads and Public Works		2,209,945		-	2,209,945
Corrections	-			-	-
Law Enforcement	3,387,852			-	3,387,852
Judicial	1,480,245		426,815	55,299	1,962,359
Community Services	682,283			994,079	1,676,362
Other	205,940			19,253	225,193
Capital Outlay	200,082	437,495		-	637,577
Debt Service:					
Principal Retirement				480,000	480,000
Interest on Debt				132,475	132,475
Total Expenditures	8,570,360	2,647,440	426,815	1,681,456	13,326,071
Excess of Revenues Over Expenditures	617,053	(179,031)	(41,978)	384,729	780,773
OTHER FINANCING SOURCES & (USES)					
Transfers In	3,858			27,633	31,491
Transfers Out	(27,633)			(3,858)	(31,491)
Total Other Financing Sources (Uses)	(23,775)	-	-	23,775	-
Net Change in Fund Balance	593,278	(179,031)	(41,978)	360,954	780,773
Fund Balance, Beginning of Year	5,271,927	2,240,644	(203,886)	1,220,698	8,529,383
Fund Balance, End of Year	\$ 5,865,205	2,061,613	(245,864)	1,581,652	9,310,156

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2019

Net Change in Fund Balances - Governmental Funds	\$ 780,773
Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the effect of those differences.	63,733
The statement of activities reports a gain or loss of the sale of the assets based on the proceeds received and the net book value of the assets at the time of disposal. This amount is the net effect of the difference between the cost of assets disposed and the accumulated depreciation of assets disposed.	(25,559)
Revenues for property taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	107,157
The issuance of long-term debt (e.g., bonds, tax notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net positions. Also, governmental funds report the net effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	494,216
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as an expenditure in the governmental funds.	(19,881)
Net pension liabilities reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	<u>(253,779)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,146,660</u></u>

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 7,756,265	7,756,265	7,703,633	(52,632)
Licenses and Permits	165,250	165,250	177,631	12,381
Intergovernmental	354,290	354,290	343,017	(11,273)
Charges for Services	255,527	255,527	311,897	56,370
Fines and Forfeitures	410,050	410,050	386,667	(23,383)
Interest	60,000	60,000	143,643	83,643
Miscellaneous	96,631	96,631	120,925	24,294
Total Revenues	9,098,013	9,098,013	9,187,413	89,400
 EXPENDITURES				
Current:				-
Administration and Finance	2,663,934	2,663,934	2,613,958	49,976
Corrections				-
Law Enforcement	3,477,804	3,477,804	3,387,321	90,483
Judicial	1,513,920	1,513,920	1,480,245	33,675
Community Services	925,633	925,633	682,283	243,350
Other	205,905	205,905	205,940	(35)
Capital Outlay	214,622	214,622	200,613	14,009
Total Expenditures	9,001,818	9,001,818	8,570,360	431,458
 Excess of Revenues Over Expenditures	96,195	96,195	617,053	520,858
 OTHER FINANCING SOURCES & (USES)				
Transfers In	3,805	3,805	3,858	53
Transfers Out	(100,000)	(100,000)	(27,633)	72,367
Total Other Financing Sources (Uses)	(96,195)	(96,195)	(23,775)	72,420
 Net Change in Fund Balance	-	-	593,278	593,278
 Fund Balance, Beginning of Year	5,271,927	5,271,927	5,271,927	-
 Fund Balance, End of Year	\$ 5,271,927	5,271,927	5,865,205	593,278

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

REVENUES	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Taxes	\$ 1,380,921	1,380,921	1,391,030	10,109
Licenses and Permits	690,000	690,000	715,965	25,965
Intergovernmental	110,000	110,000	138,986	28,986
Charges for Services	23,900	23,900	2,558	(21,342)
Fines and Forfeitures	200,000	200,000	147,553	(52,447)
Interest	32,600	32,600	53,028	20,428
Miscellaneous			19,289	19,289
Total Revenues	2,437,421	2,437,421	2,468,409	30,988
EXPENDITURES				
Current:				
Roads and Public Works	2,357,524	2,357,524	2,209,945	147,579
Capital Outlay	440,000	440,000	437,495	2,505
Total Expenditures	2,797,524	2,797,524	2,647,440	150,084
Excess of Revenues Over Expenditures	(360,103)	(360,103)	(179,031)	181,072
Net Change in Fund Balance	(360,103)	(360,103)	(179,031)	181,072
Fund Balance, Beginning of Year	2,240,644	2,240,644	2,240,644	-
Fund Balance, End of Year	\$ 1,880,541	1,880,541	2,061,613	181,072

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL DISTRICT COURT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 399,356	399,356	367,417	(31,939)
Intergovernmental	7,000	7,000	8,738	1,738
Miscellaneous	16,600	16,600	8,682	(7,918)
Total Revenues	422,956	422,956	384,837	(38,119)
EXPENDITURES				
Current:				
Judicial	492,956	492,956	426,815	66,141
Total Expenditures	492,956	492,956	426,815	66,141
Excess of Revenues Over Expenditures	(70,000)	(70,000)	(41,978)	28,022
OTHER FINANCING SOURCES & (USES)				
Transfers In	70,000	70,000		(70,000)
Total Other Financing Sources (Uses)	70,000	70,000	-	(70,000)
Net Change in Fund Balance	-	-	(41,978)	(41,978)
Fund Balance, Beginning of Year	(203,886)	(203,886)	(203,886)	-
Fund Balance, End of Year	\$ (203,886)	(203,886)	(245,864)	(41,978)

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2019

ASSETS	Agency Funds
Cash	\$ 1,262,199
Investments	314,230
Total Assets	\$ 1,576,429
LIABILITIES	
Due to Other Governments	\$ 1,061,858
Due to Other Entities	514,571
Total Liabilities	\$ 1,576,429

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Cass County, Texas (County) is governed by a Commissioners Court that is comprised of four elected commissioners and an elected county judge. The Commissioners Court serves as the principal decision-making body of the County. The county judge serves as an administrative official and votes with the Commissioners Court as a tiebreaker only. The County performs all local governmental functions within its jurisdiction.

B. Government-wide and Fund Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities. The government-wide financial statements report information on all of the non-fiduciary activities of the primary government. The effect of inter-fund activity has been eliminated from the government-wide financial statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds as well as fiduciary funds even though they 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 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 revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded when payment is due.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

Revenue sources, such as property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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:

General Fund – The general fund is the County’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Road and Bridge Special Revenue Fund – These funds are aggregated on the financial statement and have the primary purpose of allocating revenues to the various precincts of the County where each elected commissioner is responsible for maintenance of County infrastructure.

District Court Special Revenue Fund – This fund was established to account for the salaries of the administrative assistant of the district court, district court office expenses and the district court’s portion of property tax revenues and maintenance, operations and court costs.

Additionally, the County reports the following fund type(s):

Agency Funds – These custodial funds are used to account for organizational activities requiring clearing accounts. Financial resources for the agency funds are recorded as assets and liabilities. Therefore, these funds do not include revenues and expenditures and have no fund equity. If any unused resources are declared surplus, they are transferred to the general fund with a recommendation to the Commissioners Court for an appropriate utilization through a budgeted program.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. All taxes are included as general revenues.

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 or Equity

1. Cash and Cash Equivalents

The County’s cash and cash equivalents include amounts in demand and time deposit accounts. The County classifies all certificates of deposit as investments. Statutes authorize the County to invest in (1)

CASS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended September 30, 2019

obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts (10) and common trust funds.

2. Investments

Investments for the County are reported at fair value. Short-term investments, such as certificates of deposit and debt securities with a maturity date of less than one year, are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales prices at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals.

3. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year is referred to as either "due to/from other funds" (i.e. the current portion of inter-fund loans) or "advances to/from other funds" (i.e. the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property taxes receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 95.65 percent of outstanding property taxes as of September 30, 2019.

Property taxes are levied each October 1 and may be paid without penalty until January 31. A penalty is added to payments received February 1 through June 30. Optionally, taxes may be paid in two installments, one-half due November 30 and one-half due June 30. A 15% penalty is added to taxes remaining delinquent on July 1 and an enforceable lien attaches July 1.

4. Capital Assets

Capital assets, which includes land, buildings, furniture and equipment, are reported in the government-wide financial statements.

Capital assets are defined by governmental activities as assets with a normal service life greater than one year and an initial individual cost of more than the following amounts:

Land	\$ -
Buildings	5,000
Furniture and Equipment	5,000

Such assets are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Donated assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The County does not have any infrastructure that meets the thresholds for depreciating.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

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

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

Buildings	20-50 Years
Vehicles	5-15 Years
Furniture	5-8 Years
Computer Equipment	5-8 Years
Equipment	10-20 Years

5. Long-term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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.

6. Accrued Compensated Absences

Paid time off (PTO) hours are granted to all full-time permanent employees of the County. The number of hours range from twenty (20) to one hundred sixty (160) hours, depending upon length of continuous service. Unused PTO expires at the end of the calendar year. An employee that has worked at least one year and resigns, is discharged or is terminated for any other reason shall receive pay for all unused PTO hours up to half of the employee's maximum annual PTO benefit. An employee who has not worked for a minimum of one year in a position eligible for PTO shall not be eligible for any PTO pay upon termination of employment.

All full-time regular employees of the County are eligible to accrue sick leave at a rate of one-half work day per month (4 hours). Employees are not entitled to payment for unused sick leave upon termination. Sick leave is allowed to be accumulated but does not vest. Therefore, a liability for unused sick leave has not been recorded in the accompanying financial statements.

7. Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Fund balances may be restricted or unrestricted (the total of committed, assigned, and unassigned fund balance). The government itself can

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Fund balance for governmental funds can consist of the following:

Non-spendable fund balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts and long-term notes receivable.

Restricted fund balance – includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resources providers.

Committed fund balance – includes amounts that can only be used for the specific purposes determined by a formal action of the County’s highest level of decision making authority. The Commissioners’ Court is the highest level of decision making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit a fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – includes amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Commissioners’ Court has taken action to assign fund balance for specific purposes the current fiscal year. The Commissioners’ Court may by resolution authorize the county judge to assign fund balance. The Commissioners’ Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Generally, the general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance account. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

8. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2019

9. 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 one item that qualifies for reporting in this category. It is the deferred pension outflows reported in the statement of net position. The deferred pension outflows are the deferred outflows of contributions for the amount of contributions made by the County after the liability measurement date, but prior to the County year-end.

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 in inflow of resources (revenue) until that time. The government has one type of item that qualifies for reporting in this category. Accordingly, the deferred pension inflows consist of the difference in expected and actual experience and the difference in the assumption changes.

10. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the respective retirement plan and additions to/deductions from the respective Fiduciary Net Position have been determined on the same basis as they are reported by the respective pension plan. 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.

NOTE 2 – 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

The governmental fund balance sheet includes a reconciliation between the fund balance – total governmental funds and net position for governmental activities as reported in the government-wide statement of net position. One element that reconciliation explains the “long-term liabilities, including bonds payable and tax notes, are not due and payable in the current period and therefore, are not reported as liabilities in the funds.” The details of this \$ (6,308,032) difference are as follows:

Bonds payable	\$	(4,250,000)
Add: Bond Premium		(143,879)
Tax Notes Payable		(605,000)
Accrued Interest		(15,842)
Accrued Compensated Absences		(203,705)
Net Pension Liability		(3,367,903)
Less: Deferred Pension Outflows		2,695,570
Add: Deferred Pension Inflows		(417,273)
Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Position – Governmental Activities	\$	<u>(6,308,032)</u>

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

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

The governmental fund financial statement of revenues, expenditures, and changes in fund balances includes 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 those assets is allocated over their estimated useful lives and reported as depreciation expense.” Details of this adjustment are as follows:

Capital Outlay	\$ 637,577
Capital Asset Addition Classified as Other Expenditures	123,010
Depreciation Expense	(696,854)
Net Adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities.	\$ 63,733

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, tax notes) provides current financial resources to governmental funds, while the repayment of the principle of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$494,216 differences are as follows:

Principal Repayments:	
Bonds Payable	\$ 335,000
Tax Notes Payable	145,000
Amortization of Bond Premiums	13,080
Add: Beginning Accrued Interest Balance	16,978
Less: Ending Accrued Interest Balance	(15,842)
Net Adjustment to Increase Net Position	\$ 494,216

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general fund and the special revenue funds, except for these funds: District Attorney Escrow, District Attorney State, District Attorney Forfeiture, District Attorney Discretionary, Sheriff Federal Forfeiture, Regional Interstate Task Force, Linden Enterprise, Texas Community Development Block Grants (CDBG), Federal Emergency Management Agency (FEMA) Grants, Road Improvement Grant 0710197, Bear Creek Fire Management Assistance Grant (FMAG) and the HOME Program funds. Debt service funds do not have legally adopted budgets because effective budgetary control is alternatively achieved through bond indenture provisions. In addition to the above mentioned funds, the capital

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

projects funds have legally adopted project-length budgets. All budget annual appropriations lapse at year-end and are re-established in the succeeding year.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to September 20 the County prepares a budget for the next succeeding year that begins October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Commissioners' Court is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to October 1. The Commissioners' Court legally enacts the budget through passage of a resolution. Once a budget is approved, it can only be amended at the fund level by approval of a majority of the members of the Court. Amendments are presented to the Court at its regular meetings. Each amendment must have Court approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Court, and are not made after fiscal year end. Because the County has a policy of careful budgetary control, budget amendments were necessary during the year.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure account level. Budgeted amounts are as amended by the Court. All budget appropriations lapse at year-end.
5. The County does not employ encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase order and contracts. An encumbrance represents a commitment of Court appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signage of a contract creates an encumbrance, but does not represent an expenditure for the period, only a commitment to expend resources.

B. Excess of Expenditures Over Appropriations

During the year ending September 30, 2019, the actual expenditures in the Law Library Fund exceeded budgetary appropriations by \$4,127.

C. Deficit Fund Equity

The District Court Fund had a deficit fund balance of \$245,864. The Cass County Park Fund had a deficit fund balance of \$339. The Law Library Fund had a deficit fund balance of \$18,833. The Linden Enterprise Fund had a deficit fund balance of \$9,826. The Bear Creek FMAG Fund had a deficit fund balance of \$28,359.

NOTE 4 – DEPOSITS AND INVESTMENTS

A. Interest Rate Risk

To limit the risk that changes in interest rates will adversely affect the fair value of investments, the county shall use final and weighted-average maturity limits and diversification. The County monitors interest rate risk using weighted-average maturity and specific identification.

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2019

As of September 30, 2019, the County had the following debt security investments and maturities:

Investment	Fair Value	Weighted Average Maturities (in days)
TexPool	\$ 822,684	34
Texas CLASS Investment Pool	3,035,297	41
	<u>\$ 3,857,981</u>	

B. Custodial Credit Risk

For a deposit, this is the risk that in the event of a failure of a depository institution, the County will not be able to recover the deposit or will not be able to recover collateral securities that are in the possession of an outside party. Deposits of the County are insured or collateralized with securities held by the pledging financial institution's trust department or agent in the name of the County. Of the County's categorizable bank deposits of \$8,175,074, none were uninsured or uncollateralized.

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have any categorizable investments at September 30, 2019.

The County's policy on custodial credit risk regarding authorized deposits and investments and collateral requirements dictates that the funds of the County must be deposited and invested under contract terms set forth in the depository contract law. The County's policies also require that purchased securities be held by the County or County account in a third party financial institution for safekeeping. Certificates of deposit insured by the FDIC are pledged by the depository bank shall be held for safekeeping in custody of a Federal Reserve Bank, in accordance with state law. Pledged securities by the depository bank shall be held for safekeeping by the County, a County account in a third party financial institution, or a Federal Reserve Bank.

C. Credit Risk

For an investment, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy details stipulations for approved investments in repurchase agreements, banker's acceptance, commercial paper, mutual funds, money market mutual funds, and investment pools. As outlined in the County's policy, a public fund investment pool must be continuously rated no lower than a AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2019, the County's investments in both TexPool and Texas CLASS Investment Pool are rated AAAM by Standard and Poor's.

Concentration of credit risk over 5% by issuer are as follows:

Investment	Issuer	Fair Value	% of Total Investments
Cash and Certificates of Deposit	State Bank of DeKalb	7,005,882	60.40%

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2019

NOTE 5 – RECEIVABLES

	General	Road & Bridge	District Court	Nonmajor Governmental	Total
Receivables:					
Accounts	\$ 15,398	7,055	2,618	9,167	34,233
Property Taxes	925,735	171,093	48,287	86,439	1,231,554
Intergovernmental	6,000	-	-	-	6,000
Gross Receivables					
Less: Allowance for Uncollectibles	885,269	163,536	46,297	82,836	1,177,938
Net total Receivables	<u>\$ 61,864</u>	<u>14,612</u>	<u>4,608</u>	<u>12,770</u>	<u>93,849</u>

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019, was as follows:

	PRIMARY GOVERNMENT					Balance 9/30/2019
	Balance 9/30/2018	Prior Period Adjustments	Balance 9/30/2018 as Restated	Additions	Deletions	
Governmental Activities:						
Capital Assets Not Being Depreciated:						
Land	\$ 156,820	-	156,820	10,684	-	167,504
Total Capital Assets Not Being Depreciated	<u>156,820</u>	<u>-</u>	<u>156,820</u>	<u>10,684</u>	<u>-</u>	<u>167,504</u>
Capital Assets Being Depreciated:						
Buildings and Improvements	14,453,565	-	14,453,565	235,538	-	14,689,103
Furniture and Equipment	5,430,121	(249,090)	5,181,031	514,365	(74,337)	5,621,059
Total Capital Assets Being Depreciated	<u>19,883,686</u>	<u>(249,090)</u>	<u>19,634,596</u>	<u>749,903</u>	<u>(74,337)</u>	<u>20,310,162</u>
Less: Accumulated Depreciation For:						
Buildings and Improvements	3,758,465	-	3,758,465	352,267	-	4,110,732
Furniture and Equipment	2,188,206	(112,015)	2,076,191	344,587	(48,778)	2,372,000
Total Accumulated Depreciation	<u>5,946,671</u>	<u>(112,015)</u>	<u>5,834,656</u>	<u>696,854</u>	<u>(48,778)</u>	<u>6,482,732</u>
Total Capital Asset Being Depreciated	<u>13,937,015</u>	<u>(137,075)</u>	<u>13,799,940</u>	<u>53,049</u>	<u>(25,559)</u>	<u>13,827,430</u>
Governmental Capital Assets, Net	<u>\$ 14,093,835</u>	<u>(137,075)</u>	<u>13,956,760</u>	<u>63,733</u>	<u>(25,559)</u>	<u>13,994,934</u>

Depreciation expense was charged to governmental functions as follows:

Administration and Finance	\$ 173,334
Roads and Public Works	266,419
Corrections	19,793
Law Enforcement	163,988
Judicial	59,378
Community Service	13,942
Total Depreciation Expense	<u>\$ 696,854</u>

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

NOTE 7 – INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of inter-fund balances as of September 30, 2019 is as follows:

DUE TO/FROM OTHER FUNDS:

Receivable Fund	Payable Fund				Total
	General Fund	Road & Bridge	District Court	Nonmajor Governmental	
General Fund			165,699	113,166	278,865
Road & Bridge Fund			19,216		19,216
Nonmajor Governmental	16,173	68,651	50,402		135,226
Total	<u>16,173</u>	<u>68,651</u>	<u>235,317</u>	<u>113,166</u>	<u>433,307</u>

The outstanding balances between funds result mainly from the time lag between dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Purpose:

- \$60,000 To reimburse the General Fund for expenditures paid on behalf of the Debt Service Fund in a prior year.
- \$32,661 To reimburse the General Fund for expenditures paid on behalf of the Bear Creek Fire Management Assistance Grant Fund (Nonmajor governmental fund) in a prior year.
- \$68,651 To reimburse the Forestry Fund (Nonmajor governmental fund) for expenditures paid on behalf of the Road and Bridge Fund in a prior year.
- \$35,154 To reimburse the Indigent Defense Grant Fund (Nonmajor governmental fund) for expenditures paid on behalf of the District Court Fund.
- \$16,173 To reimburse the Forestry Fund (Nonmajor governmental fund) for expenditures paid on behalf of the General Fund.
- \$20,505 To reimburse the General Fund for expenditures paid on behalf of the Law Library Fund (Nonmajor governmental fund).
- \$165,699 To reimburse the General Fund for expenditures paid on behalf of the District Court Fund.
- \$15,248 To reimburse the R.O.W. (Right of Way) Projects Fund (Nonmajor governmental fund) for expenditures paid on behalf of the District Court Fund.
- \$19,216 To reimburse the Road and Bridge Fund for expenditures paid on behalf of the District Court Fund.

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2019

INTER-FUND TRANSFERS:

Transfer In	Transfer Out		Total
	General Fund	Nonmajor Governmental	
General Fund		3,858	3,858
Nonmajor Governmental	27,633		27,633
Total	27,633	3,858	31,491

Purpose:

- \$3,858 Funds were transferred from the Indigent Defense Grant Fund (Nonmajor governmental fund) to the General Fund to cover court magistrate salary expenditures.
- \$27,633 Funds were transferred from the General Fund to the Cass County Park Fund (Nonmajor governmental fund) to cover expenditures.

NOTE 8 - LEASE COMMITMENTS – OPERATING LEASES

The County entered into an operating lease for copiers in all County offices in which the County will pay the lessor \$2,360 per month. The term of the lease is December 12, 2018 through December 12, 2023. A total of \$33,623.54 was paid during the fiscal year 2019 under this lease.

The following is a summary of future minimum lease payments at September 30, 2019:

Year	Amount
2020	\$ 28,316
2021	28,316
2022	28,316
2023	28,316
2024	4,720
Total	117,984

NOTE 9 – LONG-TERM LIABILITIES

A. Limited Tax Refunding Bonds

The County has dedicated 6.60% of the ad valorem taxes received for the year for the payment of principal and interest on bonds.

	Rate of Interest	Original Issue	Outstanding Balance 9/30/2019
Limited Tax Refunding Bonds, Series 2015 used to advance refund the outstanding Certificates of Obligations, Series 2006 net of bond premium of \$13,080. Due serially in varying amounts from August 15, 2015 through February 15, 2030	2.00 – 3.25%	\$ 5,540,000	4,250,000
Total Limited Tax Refunding Bonds		\$ 5,540,000	4,250,000

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

Annual requirements to amortize limited tax refunding bonds outstanding at September 30, 2019 are as follows:

Requirements for Year Ending September 30	Limited Tax Refunding Bonds		
	Principal	Interest	Total
2020	\$ 340,000	113,350	453,350
2021	345,000	106,500	451,500
2022	355,000	99,500	454,500
2023	360,000	92,350	452,350
2024	370,000	83,200	453,200
2025-2029	2,030,000	237,488	2,267,488
2030	450,000	7,313	457,313
Total	<u>\$ 4,250,000</u>	<u>739,701</u>	<u>4,989,701</u>

B. Tax Notes

	Rate of Interest	Original Issue	Outstanding Balance 9/30/2019
Tax Notes, Series 2016, used to purchase road maintenance equipment and professional services. Due Serially in varying amounts from February 15, 2017 through August 15, 2023	1.65%	\$ 1,034,000	605,000
Total Limited Tax Refunding Bonds		<u>\$ 1,034,000</u>	<u>605,000</u>

Annual requirements to amortize the tax notes outstanding at September 30, 2019 are as follows:

Requirements for Year Ending September 30	Tax Notes		
	Principal	Interest	Total
2020	\$ 148,000	9,983	157,983
2021	150,000	7,541	157,541
2022	152,000	5,066	157,066
2023	155,000	2,558	157,558
Total	<u>\$ 605,000</u>	<u>25,148</u>	<u>630,148</u>

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

C. Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2019:

	Balance 9/30/2018	Prior Period Adjustments	Balance 9/30/2018 as Restated	Additions	Retirements/ Deductions	Balance 9/30/2019	Due Within One Year
Bonds Payable	\$4,585,000	-	4,585,000	-	(335,000)	4,250,000	340,000
Issuance Premium	156,959	-	156,959	-	(13,080)	143,879	
Total Bonds Payable	<u>4,741,959</u>	<u>-</u>	<u>4,741,959</u>	<u>-</u>	<u>(348,080)</u>	<u>4,393,879</u>	<u>340,000</u>
Tax Notes	750,000	-	750,000	-	(145,000)	605,000	148,000
Accrued Compensated Absences	226,603	(42,779)	183,824	221,730	(201,849)	203,705	168,128
Net Pension Liability	<u>1,296,936</u>	<u>-</u>	<u>1,296,936</u>	<u>3,615,876</u>	<u>(1,544,909)</u>	<u>3,367,903</u>	
Total	<u>\$7,015,498</u>	<u>(42,779)</u>	<u>6,972,719</u>	<u>3,837,606</u>	<u>(2,239,838)</u>	<u>8,570,487</u>	<u>656,128</u>

The general fund is primarily responsible for the accrued compensated absences liability and net pension liability for the governmental activities.

NOTE 10 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County participates in a risk management program through Texas Association of Counties for workers compensation insurance.

The County has not had any significant reductions in insurance coverage from coverage in prior years. The amount of settlements has not exceeded insurance coverage in any of the previous three years.

NOTE 11 – PENSION PLAN LIABILITY

Plan Description:

The County participates as one of over 780 plans in a non-traditional, joint contributory, defined benefit plan administered by the state-wide Texas County and District Retirement System (TCDRS). TCDRS is an agency created by the State of Texas and administered in accordance with the TCDRS Act, as an agent, multiple-employer public employee retirement system. The TCDRS Act places the general administration and management of the system with a nine member board of trustees. Although the governor, with advice and consent of the senate appoints the board, TCDRS is not fiscally dependent on the State of Texas. The system's comprehensive annual financial report can be obtained at www.tcdrs.org.

All full and part-time employees are required to participate in TCDRS, regardless of the hours they work in a year or their age. Only those employees who are classified as "temporary" are excluded from enrollment.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

Benefits:

TCDRS provides retirement, disability and death benefits to eligible employees. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

At retirement, the benefit is calculated based on the employee's account balance and the employer's matching. The employee's account balance with the employer's matching contributions is converted to an annuity at retirement and then he or she receives a payment every month for the rest of his or her life. Retirees elect to receive their monthly retirement benefit by choosing from one of seven actuarially equivalent payment options. Each employer may elect the partial lump-sum option. This payment option allows the retiring member to receive an immediate lump-sum payment not to exceed his or her account balance, and choose a reduced monthly lifetime benefit from any of the payment options.

Members can retire, with full benefits, when their age and years of service total 75, at ages 60 and above with 8 or more years of service or with 30 years of service regardless of age. A member is vested after 8 years, but must leave their accumulated contributions in the plan to receive any employer-financed benefits.

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	125
Inactive employees entitled to, but not yet receiving benefits	110
Active employees	151
Total	<u>386</u>

Contributions:

The contribution rates for employees in TCDRS is 4%, 5%, 6% or 7% of employee gross earnings, as adopted by the governing body of the County. Under the state law governing TCDRS, the contribution rate for the County is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance any unfunded accrual liability. The TCDRS Act allows and the employer may elect to make an additional optional contribution to its account during the year, in addition to its regular monthly contributions.

The employees of Cass County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the County was 11.51% for October through December 2018 and 11.52% for January through September 2019. The County's contributions totaled \$677,305 for the year ended September 30, 2019 and was equal to the required contributions.

Net Pension Liability:

The County's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

Actuarial Assumptions

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75%
Overall Payroll Growth	3.25%
Investment Rate of Return	8.00%, net of administrative and investment expense, including inflation
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflations, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.

The County has no automatic cost of living adjustments ('COLA') and one is not considered to be substantially automatic. Each year the County may elect an ad-hoc COLA for its retirees.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TCDRS over the four year period from January 1, 2013 to December 31, 2016. These assumptions were adopted in 2017 and first used in the December 31, 2017 actuarial valuation.

The mortality actuarial assumptions for active members, retirees and beneficiaries, which were first used in December 2017 actuarial valuation, are as follows:

Depositing Members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service Retirees, Beneficiaries and Non-depositing Members	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.
Disabled Retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultants. The numbers shown are based on January 2019 information for a 10-year time horizon.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return ⁽²⁾
U.S. Equities	Dow Jones U.S. Total Stock Market Index	10.50%	5.40%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	18.00%	8.40%
Global Equities	MSCI World (net) Index	2.50%	5.70%
Int'l Equities – Developed Markets	MSCI World Ex USA (net) Index	10.00%	5.40%
Int'l Equities – Emerging Markets	MSCI Emerging Markets (net) Index	7.00%	5.90%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	1.60%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	4.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.95%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	2.00%	7.20%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.35%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	6.30%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	13.00%	3.90%

(1) Target asset allocation adopted at the April 2019 TCDRS Board Meeting.

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.70%, per Cliffwater's 2019 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:

The discount rate used to measure the Total Pension Liability was 8.1%. The discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which
 - (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and, (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

2. The actuarial present value of projected benefit payments not included in (1) calculated using the municipal bond rate.

The projection of cash flows used to determine the discount rate assumed that employees and employer contributions will be made at the rates specified. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
	<u> </u>	<u> </u>	<u> </u>
Balance as of December 31, 2017	\$ 29,523,785	28,226,849	1,296,936
Changes for the Year:			
Service Cost	667,001		667,001
Interest on Total Pension Liability ⁽¹⁾	2,375,214		2,375,214
Effect of Plan Changes ⁽²⁾	-		-
Effect of Economic/Demographic Gains or Losses	(483,944)		(483,944)
Effect of Assumption Changes or Inputs	-		-
Refunds of Contributions	(96,286)	(96,286)	-
Benefit Payments	(1,672,466)	(1,672,466)	-
Administrative Expenses		(21,643)	21,643
Member Contributions		401,232	(401,232)
Net Investment Income		(533,766)	533,766
Employer Contributions		659,733	(659,733)
Other ⁽³⁾	-	(18,252)	18,252
	<u> </u>	<u> </u>	<u> </u>
Balance as of December 31, 2018	<u>\$ 30,313,304</u>	<u>26,945,401</u>	<u>3,367,903</u>

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

(2) No plan changes valued.

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

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2019

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total Pension Liability	\$ 33,879,766	30,313,304	27,281,577
Fiduciary Net Position	26,945,401	26,945,401	26,945,401
Balance as of December 31, 2018	\$ 6,934,365	3,367,903	336,176

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the internet at www.tcdrs.org.

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

For the year ended September 30, 2019, the County recognized pension expense of \$931,085

At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences Between Expected and Actual Experience	\$ 417,273	-
Changes of Assumptions		54,442
Net Difference Between Projected and Actual Earnings		1,641,039
Contributions Made Subsequent to Measurement Date		508,831
	<u>\$ 417,273</u>	<u>2,204,312</u>

The amount 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 September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Amount
2019	\$ 397,614
2020	95,032
2021	227,473
2022	558,089
2023	0
Thereafter	0
Total	<u>1,278,208</u>

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

NOTE 12 – DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

It is the County's opinion that the County has no liability for losses under the plan, but does have the duty of due care what would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 13 – CONTINGENT LIABILITIES

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at September 30, 2019 may be impaired. In the opinion of the county, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 14 – RELATED PARTY TRANSACTIONS

During the 2019 fiscal year, a relative of an elected official provided indigent legal services to the County. Total payments to the vendor for the fiscal year were \$56,502.

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2019

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

A prior period adjustment was recorded as follows:

	<u>General</u>	<u>Road & Bridge</u>	<u>District Court</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>	<u>Governmental Activities</u>
Equity balance at 9/30/2018 as previously reported	\$5,271,927	2,240,644	(203,886)	1,926,652	9,235,337	17,188,717
Cash				(490,683)	(490,683)	(490,683)
Investments				(250,782)	(250,782)	(250,782)
Accounts Receivable				(29,761)	(29,761)	(29,761)
Accounts Payable				28,211	28,211	28,211
Bank Overdraft				36,419	36,419	36,419
Accrued Payroll				642	642	642
Accrued Interest						16,978
Capital Assets:						
Furniture & Equipment						(249,090)
Accumulated Depreciation:						
Furniture & Equipment						112,015
Compensated Absences						42,779
Total prior period adjustments	-	-	-	(705,954)	(705,954)	(817,228)
Equity balance at 9/30/2018 as restated	\$5,271,927	2,240,644	(203,886)	1,220,698	8,529,383	16,371,489

A prior period adjustment was recorded to reclassify the Drug Court, Civil Child Support, Veterans, County AIP, Juvenile Probation, CSCD Basic Grant, CSCD Substance Abuse, CSCD Community Service, CSCD Mental Health Initiative, CSCD High Risk Treatment and the Aggressive Behavior Grant funds from the governmental fund type to the agency fund type. The activity in these funds is not controlled by Cass County, Texas. The cash and investments in these funds are held by the County in a purely custodial capacity. This resulted in a \$490,683 decrease in cash, a \$250,782 decrease in investments, a \$29,761 decrease in accounts receivable, a \$28,211 decrease in accounts payable, a \$36,419 decrease in bank overdrafts, a \$642 decrease in accrued payroll and a \$705,954 in net position of the governmental funds. This also resulted in a \$249,090 decrease in capital assets, a \$112,015 decrease in accumulated depreciation, a \$42,779 decrease in accrued compensated absences and a \$800,250 decrease in the government-wide net position.

A prior period adjustment was made to accrue interest payable as of September 30, 2018, resulting in an increase in the accrued interest liability of \$16,978 and a decrease in net position of \$16,978.

NOTE 16 – MANAGEMENT REVIEW

In preparing these financial statements, management of the County has evaluated events and transactions for potential recognition or disclosure through July 6, 2020, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CASS COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service Cost	\$ 667,001	698,946	670,964	599,717	598,656
Interest on Total Pension Liability	2,375,214	2,281,509	2,155,836	2,062,352	1,955,128
Effect of Plan Changes	-	-	57,279	(74,087)	83,377
Effect of Assumption Changes or Inputs	-	163,324	-	307,917	-
Effect of Economic/demographic (gains)/Loses	(483,944)	(244,562)	(52,499)	(72,671)	64,106
Benefit Payments/Refunds of Contributions	(1,768,752)	(1,654,319)	(1,590,868)	(1,643,071)	(1,267,834)
Net Change in Total pension Liability	789,519	1,244,898	1,240,713	1,180,158	1,433,433
Total Pension Liability, Beginning	29,523,785	28,278,887	27,038,174	25,858,016	24,424,583
Total Pension Liability, Ending (a)	30,313,304	29,523,785	28,278,887	27,038,174	25,858,016
Fiduciary Net Position					
Employer Contributions	659,733	642,533	634,795	576,858	571,250
Member Contributions	401,232	392,818	382,079	355,459	356,713
Investment Income net of Investment Expenses	(533,766)	3,668,963	1,781,774	260,228	1,627,067
Benefit Payments/Refunds of Contributions	(1,768,752)	(1,654,319)	(1,590,868)	(1,643,071)	(1,267,834)
Administrative Expenses	(21,643)	(18,772)	(19,392)	(17,467)	(18,318)
Other	(18,252)	(8,472)	(107,556)	152,323	35,299
Net Change in Fiduciary Net Position	(1,281,448)	3,022,751	1,080,831	(315,671)	1,304,177
Fiduciary Net Position, Beginning	28,226,849	25,204,098	24,123,267	24,438,938	23,134,761
Fiduciary Net Position, Ending (b)	26,945,401	28,226,849	25,204,098	24,123,267	24,438,938
Net Pension Liability/(Asset), Ending =(a)-(b)	\$ 3,367,903	1,296,936	3,074,789	2,914,907	1,419,078
Fiduciary Net Position as a % of Total Pension Liability	88.89%	95.61%	89.13%	89.22%	94.51%
Pensionable Covered Payroll	\$ 5,731,883	5,611,683	5,458,268	5,077,983	5,095,902
Net Pension Liability/(Asset) as a % of Covered Payroll	58.76%	23.11%	56.33%	57.40%	27.85%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

CASS COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

**SCHEDULE OF CONTRIBUTIONS
 LAST 10 FISCAL YEARS**

Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2010*	\$ 491,128	491,128	-	5,367,522	9.15%
2011*	448,849	453,808	(4,959)	4,959,652	9.15%
2012*	438,057	438,057	-	4,525,364	9.68%
2013*	509,079	509,079	-	4,775,689	10.66%
2014*	571,250	571,250	-	5,095,902	11.21%
2015*	576,858	576,858	-	5,077,983	11.36%
2016*	634,795	634,795	-	5,458,268	11.63%
2017	642,120	642,120	-	5,585,967	11.50%
2018	655,147	655,147	-	5,699,481	11.49%
2019	677,305	677,305	-	5,880,666	11.52%

* The amounts presented for years 2010-2016 are on a calendar year. This pension schedule is intended to present information for 10 fiscal years. Additional fiscal year amounts will be presented as they become available.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date Actuarially determined contribution rates are calculated each 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	10.5 years (based on contribution rate calculated in 12/31/2018 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RR-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

Changes in Plan Provisions Reflected in the Schedule of Contributions

2015: Employer contributions reflect the current service matching rate was increased to 155% for future benefits and a 10% CPI COLA was adopted.

2016: No changes in plan provisions were reflected in the schedule.

2017: Employer contributions reflect that the current service matching rate was increased to 165% for future benefits. Also, new annuity purchase rates were reflected for benefits earned after 2017.

2018: No changes in plan provisions were reflected in the schedule.

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COMBINING AND INDIVIDUAL STATEMENTS AND SCHEDULES

CASS COUNTY, TEXAS

NON-MAJOR GOVERNMENTAL FUNDS

Debt Service Fund – The County accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Indigent Defense Grant – This account was established to account for the legal expenses of indigent persons as incurred by the County. A portion of the expenses are reimbursed by the Texas Indigent Defense Commission.

Cass County Park – This account was established to account for the expenses and revenues as generated by the Cass County Park. Revenues are derived by the rental of camping spots, boat fees, ice sales and other types of revenue. Cass County subsidizes expenses that exceed generated revenues.

Law Library – This account was established to account for the purchase of books and various research materials needed by the judicial courts of Cass County for the efficient operation of the court system.

District Attorney Escrow – This fund was established to account for the revenues and expenses of fees received from charges levied against prosecuted individuals that were processed through the Office of the District Attorney.

District Attorney State – This fund was established to account for the small portion of subsidized personnel salaries as received from the Texas Office of Attorney General.

Regional Interstate Task Force – This fund was established to account for the revenues and expenses related to a task force that was created to apprehend and prosecute individuals who were involved in illegal drug trafficking in a multi-county area of which Cass County was involved.

Forestry Fund – This account was established to account for the revenues as collected through the sale of timber in Cass County. Expenses related to revenues and transfers of funds to various departments are noted in this fund.

District Attorney Forfeiture – This fund was established to account for funds collected and disbursed related to forfeited assets as collected by the Office of the District Attorney.

District Attorney Discretionary Fund – This fund was established to account for funds received from the small percentage received of fees charged from the prosecution of persons for writing fraudulent checks. These cases generate a small revenue stream, which is used to purchase various office supplies and other operating expenses for the Office of the District Attorney.

HAVA Funds – This fund was established to account for expenses incurred and revenues received from a prior year association of Cass County and the Help America Vote Act (HAVA) program. Account revenue is from prior years' investment by Cass County and HAVA Election Security Fund.

Sheriff Federal Forfeiture – This fund was established to account for the seized forfeited funds and assets by the Sheriff's Office.

CASS COUNTY, TEXAS

NON-MAJOR GOVERNMENTAL FUNDS

Linden Enterprise Fund – This fund was established to account for the expenses incurred and revenues received from a joint venture between the City of Linden, Texas and Cass County in the establishment of business in Linden, Texas. Account revenue is from prior years' investment into the fund by Cass County.

Texas CDBG Grants 3069 & 6247 – This fund was established to account for the funds received and expenditures incurred from grants received from the Rural Community Development Block Grant System. These funds from these grants are to help develop viable communities by providing decent housing and suitable living environments and expand economic opportunities principally for persons of low-to-moderate income. Grants to Cass County have been used for road improvements in low-to-moderate income communities.

FEMA Grants – This fund was established to monitor the receipt of funds from the Federal Emergency and Management Agency. The fund provides a clear listing of expenses as per each specific grant received for their particular purpose.

Road Improvement Grant 0710197 – This fund was established to account for the funds received and expenditures incurred from grants received from the U.S. Department of Agriculture Grant System. The funds from this grant have been used for road improvements in various communities within Cass County.

Bear Creek FMAG – This fund was established to account for expenditures, revenues and donations received in conjunction with the Bear Creek Fire that swept through Cass County.

Texas Historical Courthouse Grant – This fund was established to account for the expenditures, revenues and donations received in conjunction with the renovation of the Cass County Historical Courthouse located in Linden, Texas.

HOME Grants – This fund was established to account for the recording of expenses related to the construction of low-income housing and related expenses and the reimbursements received from the Texas Department of Housing and Community Affairs.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Projects Fund/Law Enforcement Construction Fund – This fund was established to account for the expenses incurred in the construction of the Cass County Law and Justice Center. Funds were set aside for the construction project with residual monies remaining in the account that are available to be used for repairs and maintenance, upgrade to the facility and/or other expenses.

R.O.W. (Right of Way) Projects Fund – This fund was established to account for expenses incurred when state highway construction projects occur which require funding from the County to pay a portion of the expenses to state roadways that will undergo construction or repairs which are adjacent to or intersect with County roads. A portion of County taxes flow into this fund for such repairs as they may occur in the future.

CASS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2019

	Special Revenue Funds				
	Debt Service	Indigent Defense Grant	Cass County Park	Law Library	District Attorney Escrow
ASSETS					
Cash	\$ 482,135		918	4,485	321
Investments					
Receivables (net of allowances for uncollectible):					
Accounts					
Property Taxes	3,574				
Due from Other Governmental Agencies					
Due from Other Funds		35,154			
Total Assets	<u>\$ 485,709</u>	<u>35,154</u>	<u>918</u>	<u>4,485</u>	<u>321</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ -		1,257	2,813	
Accrued Payroll					
Due to Other Governments					
Due to Other Funds	60,000			20,505	
Other Payables					
Total Liabilities	<u>60,000</u>	<u>-</u>	<u>1,257</u>	<u>23,318</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Grants					
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Restricted for:					
Corrections					
Debt Service	425,709				
Records Management					
Courthouse Security					
Technology					
Training					
Other					
Community Services					
Judicial		35,154			321
Law Enforcement					
Capital Improvements					
Assigned					
Unassigned					
General Fund					
Special Revenue Funds			(339)	(18,833)	
Total Fund Balances	<u>425,709</u>	<u>35,154</u>	<u>(339)</u>	<u>(18,833)</u>	<u>321</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 485,709</u>	<u>35,154</u>	<u>918</u>	<u>4,485</u>	<u>321</u>

Special Revenue Funds

District Attorney State	Regional Interstate Task Force	Forestry	District Attorney Forfeiture	District Attorney Discretionary	HAVA	Sheriff Federal Forfeiture
1,205	45,625	798,275 48,925	67,031	7,924	5,391	4,473
9,167						
10,372	45,625	84,824 932,024	67,031	7,924	5,391	4,473
	379		2,666	933		
-	24,086 24,465	-	1,753 4,419	933	-	-
-	-	-	-	-	-	-
10,372	21,160		62,612	6,991		4,473
		932,024			5,391	
10,372	21,160	932,024	62,612	6,991	5,391	4,473
10,372	45,625	932,024	67,031	7,924	5,391	4,473

CASS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2019

	Special Revenue Funds				
	Linden Enterprise	Texas CDBG Grants	FEMA Grants	Road Improvement Grant 710197	Bear Creek FMAG
ASSETS					
Cash	\$ 24	501	546	1,843	4,302
Investments					
Receivables (net of allowances for uncollectible):					
Accounts					
Property Taxes					
Due from Other Governmental Agencies					
Due from Other Funds					
Total Assets	<u>\$ 24</u>	<u>501</u>	<u>546</u>	<u>1,843</u>	<u>4,302</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ -				
Accrued Payroll					
Due to Other Governments					
Due to Other Funds					32,661
Other Payables	9,850				
Total Liabilities	<u>9,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,661</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Grants					
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Restricted for:					
Corrections					
Debt Service					
Records Management					
Courthouse Security					
Technology					
Training					
Other					
Community Services					
Judicial					
Law Enforcement					
Capital Improvements		501	546	1,843	
Assigned					
Unassigned					
General Fund					
Special Revenue Funds	(9,826)				(28,359)
Total Fund Balances	<u>(9,826)</u>	<u>501</u>	<u>546</u>	<u>1,843</u>	<u>(28,359)</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 24</u>	<u>501</u>	<u>546</u>	<u>1,843</u>	<u>4,302</u>

Special Revenue Funds

Texas Hist. Courthouse Grant	HOME Grants	Total Special Revenue
27,793	47,069	1,017,726
		48,925
		9,167
		-
		-
		119,978
<u>27,793</u>	<u>47,069</u>	<u>1,195,796</u>
	25,465	33,513
		-
		-
		53,166
<u>7,737</u>		<u>43,426</u>
<u>7,737</u>	<u>25,465</u>	<u>130,105</u>
		-
<u>-</u>	<u>-</u>	<u>-</u>
		-
		-
		-
		-
		-
		-
		-
		-
		115,450
		25,633
20,056		22,946
		-
		-
		-
	21,604	901,662
<u>20,056</u>	<u>21,604</u>	<u>1,065,691</u>
<u>27,793</u>	<u>47,069</u>	<u>1,195,796</u>

CASS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2019

	<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Capital Projects	ROW Projects	Total Capital Projects	
ASSETS				
Cash	\$ 6,797	103,375	110,172	1,610,033
Investments	12,353		12,353	61,278
Receivables (net of allowances for uncollectible):				
Accounts			-	9,167
Property Taxes		29	29	3,603
Due from Other Governmental Agencies			-	-
Due from Other Funds		15,248	15,248	135,226
Total Assets	<u>\$ 19,150</u>	<u>118,652</u>	<u>137,802</u>	<u>1,819,307</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -		-	33,513
Accrued Payroll			-	-
Due to Other Governments			-	-
Due to Other Funds			-	113,166
Other Payables			-	43,426
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,105</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Grants				-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Restricted for:				
Corrections			-	-
Debt Service			-	425,709
Records Management			-	-
Courthouse Security			-	-
Technology			-	-
Training			-	-
Other			-	-
Community Services			-	-
Judicial			-	115,450
Law Enforcement			-	25,633
Capital Improvements	19,150	118,652	137,802	160,748
Assigned			-	-
Unassigned			-	-
General Fund			-	-
Special Revenue Funds			-	901,662
Total Fund Balances	<u>19,150</u>	<u>118,652</u>	<u>137,802</u>	<u>1,629,202</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 19,150</u>	<u>118,652</u>	<u>137,802</u>	<u>1,819,307</u>

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CASS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

REVENUES	Special Revenue Funds				
	Debt Service	Indigent Defense Grant	Cass County Park	Law Library	District Attorney Escrow
Taxes	\$ 669,467				
Licenses and Permits					
Intergovernmental		27,502		13,918	
Charges for Services			16,504		
Fines and Forfeitures					
Interest	9,910	529			5
Miscellaneous			159		
Total Revenues	679,377	28,031	16,663	13,918	5
EXPENDITURES					
Current:					
Administration and Finance	350				
Roads and Public Works					
Corrections					
Law Enforcement					
Judicial				16,127	
Community Services			38,125		
Other					
Capital Outlay					
Debt Service:					
Principal Retirement	480,000				
Interest on Debt	132,475				
Total Expenditures	612,825	-	38,125	16,127	-
Excess of Revenues Over Expenditures	66,552	28,031	(21,462)	(2,209)	5
OTHER FINANCING SOURCES & (USES)					
Sale of Capital Assets					
Transfers In			27,633		
Transfers Out		(3,858)			
Total Other Financing Sources (Uses)	-	(3,858)	27,633	-	-
Net Change in Fund Balance	66,552	24,173	6,171	(2,209)	5
Fund Balance, Beginning of Year	359,157	10,981	(6,510)	(16,624)	316
Fund Balance, End of Year	\$ 425,709	35,154	(339)	(18,833)	321

Special Revenue Funds

District Attorney State	Regional Interstate Task Force	Forestry	District Attorney Forfeiture	District Attorney Discretionary	HAVA	Sheriff Federal Forfeiture
27,500				1,897		
91	726	13,354	1,385	125	95	78
		279,799	653			
<u>27,591</u>	<u>726</u>	<u>293,153</u>	<u>2,038</u>	<u>2,022</u>	<u>95</u>	<u>78</u>
26,501			11,879	792		
		19,253				
<u>26,501</u>	<u>-</u>	<u>19,253</u>	<u>11,879</u>	<u>792</u>	<u>-</u>	<u>-</u>
1,090	726	273,900	(9,841)	1,230	95	78
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,090	726	273,900	(9,841)	1,230	95	78
9,282	20,434	658,124	72,453	5,761	5,296	4,395
<u>10,372</u>	<u>21,160</u>	<u>932,024</u>	<u>62,612</u>	<u>6,991</u>	<u>5,391</u>	<u>4,473</u>

CASS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds				
	Linden Enterprise	Texas CDBG Grants	FEMA Grants	Road Improvement Grant 710197	Bear Creek FMAG
REVENUES					
Taxes	\$ -				
Licenses and Permits					
Intergovernmental					
Charges for Services					
Fines and Forfeitures					
Interest	14	8	9	33	122
Miscellaneous					
Total Revenues	14	8	9	33	122
 EXPENDITURES					
Current:					
Administration and Finance					
Roads and Public Works					
Corrections					
Law Enforcement					
Judicial					
Community Services					
Other					
Capital Outlay					
Debt Service:					
Principal Retirement					
Interest on Debt					
Total Expenditures	-	-	-	-	-
Excess of Revenues Over Expenditures	14	8	9	33	122
 OTHER FINANCING SOURCES & (USES)					
Sale of Capital Assets					
Transfers In					
Transfers Out					
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balance	14	8	9	33	122
Fund Balance, Beginning of Year	(9,840)	493	537	1,810	(28,481)
Fund Balance, End of Year	(9,826)	501	546	1,843	(28,359)

Special Revenue Funds

Texas Hist. Courthouse Grant	HOME Grants	Total Special Revenue
		-
		-
	993,947	1,062,867
		18,401
		-
483	187	17,244
	11	280,622
<u>483</u>	<u>994,145</u>	<u>1,379,134</u>
		-
		-
		-
		-
		55,299
	955,954	994,079
		19,253
		-
		-
		-
		-
<u>-</u>	<u>955,954</u>	<u>1,068,631</u>
<u>483</u>	<u>38,191</u>	<u>310,503</u>
		27,633
		(3,858)
<u>-</u>	<u>-</u>	<u>23,775</u>
<u>483</u>	<u>38,191</u>	<u>334,278</u>
19,573	(16,587)	731,413
<u>20,056</u>	<u>21,604</u>	<u>1,065,691</u>

CASS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Capital Projects	ROW Projects	Total Capital Projects	
REVENUES				
Taxes	\$ -	5,099	5,099	674,566
Licenses and Permits			-	-
Intergovernmental			-	1,062,867
Charges for Services			-	18,401
Fines and Forfeitures			-	-
Interest	398	2,177	2,575	29,729
Miscellaneous			-	280,622
Total Revenues	398	7,276	7,674	2,066,185
 EXPENDITURES				
Current:				
Administration and Finance			-	350
Roads and Public Works			-	-
Corrections			-	-
Law Enforcement			-	-
Judicial			-	55,299
Community Services			-	994,079
Other			-	19,253
Capital Outlay			-	-
Debt Service:			-	-
Principal Retirement			-	480,000
Interest on Debt			-	132,475
Total Expenditures	-	-	-	1,681,456
Excess of Revenues Over Expenditures	398	7,276	7,674	384,729
 OTHER FINANCING SOURCES & (USES)				
Sale of Capital Assets				-
Transfers In			-	27,633
Transfers Out			-	(3,858)
Total Other Financing Sources (Uses)	-	-	-	23,775
Net Change in Fund Balance	398	7,276	7,674	360,954
Fund Balance, Beginning of Year	18,752	111,376	130,128	1,220,698
Fund Balance, End of Year	19,150	118,652	137,802	1,581,652

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CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL INDIGENT DEFENSE GRANT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 23,106	23,106	27,502	4,396
Interest	650	650	529	(121)
Total Revenues	23,756	23,756	28,031	4,275
 EXPENDITURES				
Current:				
Judicial				-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	23,756	23,756	28,031	4,275
 OTHER FINANCING SOURCES & (USES)				
Transfers Out	(23,755)	(23,755)	(3,858)	19,897
Total Other Financing Sources (Uses)	(23,755)	(23,755)	(3,858)	19,897
Net Change in Fund Balance	1	1	24,173	24,172
Fund Balance, Beginning of Year	10,981	10,981	10,981	-
Fund Balance, End of Year	\$ 10,982	10,982	35,154	24,172

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

CASS COUNTY PARK FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 31,300	31,300	16,504	(14,796)
Miscellaneous			159	159
Total Revenues	31,300	31,300	16,663	(14,637)
 EXPENDITURES				
Current:				-
Community Services	81,300	81,300	38,125	43,175
Total Expenditures	81,300	81,300	38,125	43,175
 Excess of Revenues Over Expenditures	(50,000)	(50,000)	(21,462)	28,538
 OTHER FINANCING SOURCES & (USES)				
Transfers In	50,000	50,000	27,633	(22,367)
Total Other Financing Sources (Uses)	50,000	50,000	27,633	(22,367)
 Net Change in Fund Balance	-	-	6,171	6,171
 Fund Balance, Beginning of Year	(6,510)	(6,510)	(6,510)	-
 Fund Balance, End of Year	\$ (6,510)	(6,510)	(339)	6,171

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL LAW LIBRARY FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Intergovernmental	\$ 12,000	12,000	13,918	1,918
Total Revenues	12,000	12,000	13,918	1,918
EXPENDITURES				
Current:				
Judicial	12,000	12,000	16,127	(4,127)
Total Expenditures	12,000	12,000	16,127	(4,127)
Excess of Revenues Over Expenditures	-	-	(2,209)	(2,209)
Net Change in Fund Balance	-	-	(2,209)	(2,209)
Fund Balance, Beginning of Year	(16,624)	(16,624)	(16,624)	-
Fund Balance, End of Year	\$ (16,624)	(16,624)	(18,833)	(2,209)

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

FORESTRY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Interest	\$ 3,300	3,300	13,354	10,054
Miscellaneous	146,700	146,700	279,799	133,099
Total Revenues	150,000	150,000	293,153	143,153
EXPENDITURES				
Current:				
Other	50,000	50,000	19,253	30,747
Total Expenditures	50,000	50,000	19,253	30,747
Excess of Revenues Over Expenditures	100,000	100,000	273,900	173,900
OTHER FINANCING SOURCES & (USES)				
Transfers Out	(100,000)	(100,000)		100,000
Total Other Financing Sources (Uses)	(100,000)	(100,000)	-	100,000
Net Change in Fund Balance	-	-	273,900	273,900
Fund Balance, Beginning of Year	658,124	658,124	658,124	-
Fund Balance, End of Year	\$ 658,124	658,124	932,024	273,900

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL TEXAS HISTORIC COURTHOUSE GRANT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ -		483	483
Total Revenues	-	-	483	483
 EXPENDITURES				
Current:				
Other	20,000	20,000	-	20,000
Total Expenditures	20,000	20,000	-	20,000
Excess of Revenues Over Expenditures	(20,000)	(20,000)	483	20,483
Net Change in Fund Balance	(20,000)	(20,000)	483	20,483
 Fund Balance, Beginning of Year	19,573	19,573	19,573	-
Fund Balance, End of Year	\$ (427)	(427)	20,056	20,483

SCHEDULE OF FEDERAL AND STATE AWARDS

CASS COUNTY, TEXAS
SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal Control over Financial Reporting:	
Significant Deficienc(ies) Identified	None
Material Weakness(es) Identified	Reference 2019-001 through 2019-003
Noncompliance Material to Financial Statements	None

Federal and State Awards:

Internal Control over Major Programs:	
Significant Deficienc(ies) Identified	None
Material Weakness(es) Identified	None
Type of auditor's report issued on compliance for major programs	Unmodified
Audit findings required to be reported and disclosed in accordance with the Uniform Guidance	None

Identification of Major Programs:

CFDA Number:	Name of Federal Program:
14.239	HOME Investment Partnerships Program

Dollar Threshold Used to Distinguish Between Type A and Type B Programs	\$750,000
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Auditee qualified as a low-risk auditee?

Cass County, Texas was not classified as a low-risk auditee in accordance with the Uniform Guidance

CASS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

State or Federal Grantor/Pass-through Grantor/Program or Cluster Title	State ID or Federal CFDA Number	Pass-through Entity Identifying Number	Total State or Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS				
U.S. Department of Housing and Urban Development:				
Passed Through the Texas Department of Housing and Community Affairs:				
HOME Investment Partnerships Program	14.239	045264827	\$ 931,931	-
Total U.S. Department of Housing and Urban Development			931,931	-
U.S. Department of Justice				
Passed Through the Texas Office of the Governor - Criminal Justice Division (CJD)				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3590301	17,122	-
Total U.S. Department of Justice			17,122	-
U.S. Department of Health and Human Services				
Passed Through the Texas Department of Family and Protective Services				
Foster Care - Title IV-E	93.658	23939993	8,171	-
Total U.S. Department of Health and Human Services			8,171	-
Total Expenditures of Federal Awards			\$ 957,223	-
STATE AWARDS:				
Office of the Attorney General				
Victim Coordinator and Liaison Grant	1985811		\$ 42,000	-
Texas Indigent Defense Commission				
Indigent Defense Grant Program		Texas Government Code Sec. 79.037	20,591	-
Total Expenditures of State Awards			\$ 62,591	-
Total Expenditures of Federal and State Awards			\$ 1,019,814	-

The accompanying notes are an integral part of this schedule

CASS COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 1 - GENERAL

The accompanying schedule of expenditures of federal and state awards is a summary of the activity of all federal and state award programs of Cass County, Texas for the year ended September 30, 2019. The grant programs are administered by the various departments of the County. The activities of these departments are monitored by County staff to ensure compliance with requirements of the underlying grants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The schedule of expenditures of federal and state awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 of the financial statements.

NOTE 3 - USE OF 10% DE MINIMIS COST RATE

Cass County, Texas has elected not to use the 10 percent de minimis cost rate as allowed under Uniform Guidance.

NOTE 4 - RELATIONSHIP TO GRANT FINANCIAL REPORTS

The amounts reported in the accompanying schedule may not agree with the amounts reported in the related grant financial reports filed with the grantor agencies due to the fact that the accompanying schedule represents activity for the twelve months ended September 30, 2019, while some grant reports are prepared monthly, quarterly or annually on a grant fiscal year end that is different.

NOTE 5 - STATUS OF PRIOR YEAR FINDINGS

The current status of findings related to federal and state grant awards that were reported with the September 30, 2018 audit of the Cass County, Texas financial statements is provided in the Summary Schedule of Prior Audit Findings.

McMINN, LAIRD, POPE & WOODFIN, P.C.

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

Honorable Judge Becky Wilbanks and the Commissioners' Court of Cass County

Cass County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cass County, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Cass County, Texas' basic financial statements and have issued our report thereon dated July 6, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items reference 2019-001 through 2019-003 that we consider to be material weaknesses.

Compliance and Other Matters

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

Cass County, Texas' Response to Findings

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

Purpose of this Report

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

McMinn, Laird, Pope & Woodfin, P.C.

July 6, 2020

MCMINN, LAIRD, POPE & WOODFIN, P.C.

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

Honorable Judge Becky Wilbanks and the Commissioners' Court of Cass County
Cass County, Texas

Report on Compliance for Each Major Federal Program

We have audited Cass County, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cass County, Texas' major federal and state programs for the year ended September 30, 2019. Cass County, Texas' 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 statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cass County, Texas' major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about Cass County, Texas' 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 Cass County, Texas' compliance.

Opinion on Each Major Federal Program

In our opinion, Cass County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control over Compliance

Management of Cass County, Texas, 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 Cass County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program 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 Cass County, Texas' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely

basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

McMinn, Laird, Pope & Woodfin, P.C.

July 6, 2020

CASS COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Financial Statement Finding

Ref 2017-001 - Expenditures Exceeding Budgetary Allowance

Current Status: This finding is uncorrected. Various line item expenditures exceeded final budgetary allowances during the current fiscal year ending September 30, 2019.

Ref 2018-001 - Financial Policies, Procedures and Application of Accounting Principles

Current Status: This finding has been corrected.

Ref 2018-002 - Unrecorded Bank Accounts

Current Status: This finding has been corrected.

Major Federal/State Awards Program Finding

Ref 2018-003 - Financial Policies, Procedures and Application of Accounting Principles

Current Status: This finding has been corrected.

Findings and Questioned Costs

Ref 2018-004 - Unreported Bank Account

Current Status: This finding has been corrected.

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CASS COUNTY, TEXAS

SCHEDULE OF FINDINGS REQUIRED TO BE REPORTED BY GOVERNMENT AUDITING STANDARDS FOR THE YEAR ENDED SEPTEMBER 30, 2019

Financial Policies, Procedures and Application of Accounting Principles **Reference 2019-001**

Criteria

Cutoff procedures are performed to ensure that all transactions are properly accounted for in the correct period in accordance with Generally Accepted Accounting Principles.

Condition

Cash and accounts payable were both understated by \$40,239 and accounts payable and expenditures were both understated by \$34,371. These misstatements required journal entries on the County's financial statements.

Cause

Proper cutoff procedures were not used to ensure recognition in the proper period. Expenditures were being booked as of the voucher submission date or the invoice date.

Recommendation

The County should revise the voucher process to include the reporting of information detailing the date the service was performed or the underlying good was received to ensure that the County Treasurer and County Auditor's offices have the appropriate information to properly recognize transactions. The County Treasurer and Auditor's offices should closely monitor the dates transactions are recorded to ensure proper recognition.

View of Responsible Officials and Planned Corrective Action

The County officials will review the recommendations and will consider implementing the necessary changes.

CASS COUNTY, TEXAS

SCHEDULE OF FINDINGS REQUIRED TO BE REPORTED BY GOVERNMENT AUDITING STANDARDS FOR THE YEAR ENDED SEPTEMBER 30, 2019

Financial Policies, Procedures and Application of Accounting Principles **Reference 2019-002**

Criteria

Generally accepted accounting principles require that interfund liabilities be recognized when a fund overdraws its share of the pooled cash account. This recognition requires the recognition of an interfund asset and a reduction of cash in the fund that is deemed to have "loaned" cash to the overdrawn fund.

Condition

The District Court Fund and the Law Library Fund maintained an overdrawn cash balance of \$235,317 and \$20,505 respectively that required adjusting entries. This would have resulted in \$255,822 overstatements of cash and bank overdraft liabilities in the government-wide financial statements.

Cause

The county treasurer does not make recommendations of interfund transfers to cover overdrawn amounts from the County's pooled cash account for these funds. The prior county auditor was responsible for recommending interfund transfers for these funds, however, no transfers have been made for several years.

Recommendation

The County Auditor and Treasurer should monitor pooled cash account balances within the funds on a regular basis for overdrawn amounts. Recommendations on transfers to correct the overdrawn balances should be made promptly to ensure timely correction. County officials should also determine if the transfers will be temporary and recognized as interfund liabilities/assets or permanent transfers that will be recognized as other financing sources/uses.

View of Responsible Officials and Planned Corrective Action

The County officials will review the recommendations and will consider implementing the necessary changes.

CASS COUNTY, TEXAS

SCHEDULE OF FINDINGS REQUIRED TO BE REPORTED BY GOVERNMENT AUDITING STANDARDS FOR THE YEAR ENDED SEPTEMBER 30, 2019

Financial Policies, Procedures and Application of Accounting Principles **Reference 2019-003**

Criteria

Generally accepted accounting principles require governmental funds to report financial statement activity using the current financial resources measurement focus and the modified accrual basis of accounting. Using this approach, revenues are recognized as soon as they are both measurable and available. Expenditures generally are recorded when a liability is incurred.

Condition

Revenue collection activity was not reported for the last 4 months of the fiscal year by the District Clerk's Office. This resulted in an understatement of \$91,559 in revenues, a \$36,024 understatement of liabilities and a \$127,583 understatement of cash that required adjusting journal entries.

Cause

The District Clerk is required to submit reports to the County Auditor and Treasurer on a monthly basis to ensure accounting activity is recognized timely. The reporting process also includes reconciliation of bank accounts under the control of the District Clerk. These reports and reconciliations were not performed on a timely basis.

Recommendation

The County should have a standard deadline for making sure that all activity reports and bank reconciliations are prepared and submitted in a timely manner. Responsible officials should ensure that they are meeting the deadlines established by the County for reporting to ensure all activity is properly recorded.

View of Responsible Officials and Planned Corrective Action

The County officials will review the recommendations and will consider implementing the necessary changes.

CASS COUNTY, TEXAS

SCHEDULE OF FINDINGS REQUIRED TO BE REPORTED BY THE UNIFORM GUIDANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

No matters requiring reporting were noted.