

CASS COUNTY, TEXAS

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

CASS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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FINANCIAL SECTION

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McMinn, Pope, Woodfin & Shaw P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To Honorable Judge Travis Ransom and the Commissioners' Court of Cass County
Cass County, Texas

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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. 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, 2021, and the respective changes in financial position and the respective budgetary comparison for the general fund, road and bridge fund and the CARES Act 2020 – judicial fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-10 and 22-24 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 combining and individual nonmajor fund financial statements, including the budgetary comparison schedules for nonmajor funds, 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 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 June 6, 2022, 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 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 consideration of Cass County, Texas' internal control over financial reporting and compliance.

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

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

June 6, 2022

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

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, 2021.

FINANCIAL HIGHLIGHTS

- § The County's assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$20,135,798.
- § The County's net position increased by \$399,105 as a result of this year's operations. This compares unfavorably with a prior year increase of \$2,171,526.
- § Unrestricted Net Position of the County as of September 30, 2021 was \$6,172,955.
- § The general fund reported a fund balance of \$7,881,590, of which \$6,249,927 was unassigned at September 30, 2021.

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, 2021

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 32 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, 2021

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 \$20,135,798 as of September 30, 2021.

The following table indicates the County's financial position as of September 30, 2021 and 2020.

NET POSITION

	Governmental Activities	
	2021	2020
Current and Other Assets	\$ 15,750,626	12,842,589
Capital Assets	13,622,554	13,741,724
Total Assets	29,373,180	26,584,313
Deferred Outflows from Pensions	1,781,568	602,388
Total Deferred Outflows	1,781,568	602,388
Current and Other Liabilities	1,337,036	1,287,405
Long-term Liabilities	5,320,725	5,197,336
Total Liabilities	6,657,761	6,484,741
Deferred Inflows from Pensions	1,441,944	937,560
Unavailable Revenue – Grants	2,919,242	27,705
Total Deferred Inflows	4,361,186	965,265
Net Position:		
Invested in Capital Assets	9,632,835	9,687,969
Restricted	4,330,007	3,933,048
Unrestricted	6,172,955	6,115,676
Total Net Position	\$ 20,135,798	19,736,693

The largest portion of the County's current year net position, \$9,632,835 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 \$4,330,007 has constraints which have been placed on the use of these resources either (a) externally imposed by creditors, grantors, contributors or

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

by laws or regulations of other governments or (b) imposed by law through constitutional provisions of enabling legislation.

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

CHANGES IN NET POSITION

	Governmental Activities	
	2021	2020
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,867,014	1,805,704
Operating Grants and Contributions	1,165,017	1,960,130
Capital Grants and Contributions	30,420	21,960
General Revenues		
Property Taxes	9,671,959	10,215,665
Other Taxes	87,228	92,646
Investment Earnings	72,906	124,222
Miscellaneous	164,189	208,264
Total Revenue	13,058,733	14,428,591
Expenses:		
Administration and Finance	2,613,563	2,697,054
Roads and Public Works	2,952,441	2,441,095
Corrections	19,793	19,793
Law Enforcement	3,616,853	3,487,263
Judicial	1,981,200	1,989,832
Community Service	1,136,414	1,258,669
Interest on Long-term Debt	99,789	109,097
Other	239,575	254,262
Total Expenses	12,659,628	12,257,065
Change in Net Position	399,105	2,171,526
Net Position Beginning of Year	19,736,693	17,565,167
Net Position End of Year	\$ 20,135,798	19,736,693

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 decreased \$543,706 for the fiscal year. Operating grants and contributions decreased by \$795,113. Capital grants and contributions increased by \$30,420. Investment earnings decreased by \$51,316 due to a decrease in interest rates.

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

MAJOR FUND FINANCIAL ANALYSIS

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

Governmental Funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, 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, 2021, the County's governmental funds reported a combined fund balance of \$10,998,060 as compared to \$10,310,701 at September 30, 2020.

The General Fund is the chief operating fund of the County. For the year ended September 30, 2021 the General Fund reported revenues of 8,788,415 and expenditures of \$8,453,441 as compared to revenues of \$9,314,419 and expenditures of \$7,730,247 for the year ended September 30, 2020. Unassigned fund balance for the General Fund at year-end was \$6,249,927.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total revenues were budgeted for \$9,526,656 while actual revenues were \$8,788,415, for a unfavorable variance of \$738,241. Actual taxes had an unfavorable variance of \$775,731. Total General Fund appropriations exceeded expenditures by \$783,033.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The County's investment in capital assets as of September 30, 2021 amounted to \$13,622,554 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and furniture and equipment.

Debt – At September 30, 2021 the County had long-term liabilities outstanding of \$5,320,725, 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 2022 budget and tax rates. The overall tax rate for fiscal year 2021 will be .506873. Of the total rate, the debt service tax rate will be .034045.

These indicators were taken into account when adopting the General Fund budget for 2022. 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 2022.

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

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 299, Linden, Texas 75563.

BASIC FINANCIAL STATEMENTS

CASS COUNTY, TEXAS
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2021

ASSETS	Governmental Activities
Cash	\$ 7,266,067
Investments	7,161,182
Receivables (net of allowances for uncollectible):	
Accounts	18,280
Property Taxes	1,197,393
Other Non-Cash Current Assets	600
Prepaid Expenses	107,104
Capital Assets (net of accumulated depreciation):	
Land	167,504
Buildings	9,987,910
Furniture and Equipment	3,467,140
Total Assets	29,373,180
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows from Pensions	1,781,568
LIABILITIES	
Accounts Payable	276,216
Accrued Payroll	103,436
Due to Other Governments	221,682
Accrued Interest	13,515
Due to Agency Funds	71,473
Other Payables	39,376
Long-term Liabilities:	
Due within One Year:	
Bonds Payable	355,000
Tax Notes	152,000
Accrued Compensated Absences	104,338
Due in More than One Year:	
Bonds Payable	3,327,719
Tax Notes	155,000
Accrued Compensated Absences	56,253
Net Pension Liability	1,781,753
Total Liabilities	6,657,761
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows from Pensions	1,441,944
Unavailable Revenue - Grants	2,919,242
NET POSITION	4,361,186
Invested in Capital Assets	9,632,835
Restricted for:	
Debt Service	558,000
Records Management	890,573
Courthouse Security	173,308
Technology	155,657
Training	27,791
Other	149,518
Community Services	31,238
Judicial	260,908
Law Enforcement	141,559
Capital Improvements	125,897
Roads & Public Works	1,815,558
Unrestricted	6,172,955
Total Net Position	\$ 20,135,798

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	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	\$ 2,613,563	530,984	70,759		(2,011,820)
Roads and Public Works	2,952,441	868,365	113,089	30,420	(1,940,567)
Corrections	19,793				(19,793)
Law Enforcement	3,616,853	76,822	212,744		(3,327,287)
Judicial	1,981,200	390,843	212,256		(1,378,101)
Community Services	1,136,414		541,162		(595,252)
Other	239,575		15,007		(224,568)
Interest of Long-term Debt	99,789				(99,789)
Total Governmental Activities	12,659,628	1,867,014	1,165,017	30,420	(9,597,177)
General Revenues:					
Property Taxes					9,671,959
Other Taxes					87,228
Investment Earnings					72,906
Miscellaneous					164,189
Total General Revenues					9,996,282
Change in Net Position					399,105
Net Position, Beginning of Year					19,736,693
Net Position, Ending					\$ 20,135,798

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

AS OF SEPTEMBER 30, 2021

	General Fund	Road and Bridge Fund	American Rescue Plan Act of 2021 Fund
ASSETS			
Cash	\$ 3,955,765	1,058,707	502,273
Investments	3,378,732	855,654	2,416,286
Receivables (net of allowances for uncollectible):			
Accounts	3,662	2,897	
Property Taxes	909,505	166,651	
Other Non-Cash Current Assets			
Prepaid Expenses	105,754		
Due from Other Funds	893,350		
Total Assets	<u>\$ 9,246,768</u>	<u>2,083,909</u>	<u>2,918,560</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts Payable	\$ 123,797	95,764	
Accrued Payroll	79,497	22,679	
Due to Other Governments	221,682		
Due to Other Funds	71,473		
Other Payables	17,414		
Total Liabilities	<u>513,863</u>	<u>118,443</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Grants			2,916,100
Unavailable Revenue - Property Taxes	851,315	156,088	
Total Deferred Inflows of Resources	<u>851,315</u>	<u>156,088</u>	<u>2,916,100</u>
NET POSITION			
Nonspendable - Prepays	105,754		
Restricted for:			
Debt Service			
Records Management	890,573		
Courthouse Security	173,308		
Technology	155,657		
Training	27,791		
Other	149,518		
Community Services	1,149		
Judicial	84,415		
Law Enforcement	35,542		
Capital Improvements			
Roads & Public Works		1,809,379	
Assigned	7,956		
Unassigned:			
General Fund	6,249,927		
Special Revenue Funds			2,460
Total Fund Balances	<u>7,881,590</u>	<u>1,809,379</u>	<u>2,460</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 9,246,768</u>	<u>2,083,909</u>	<u>2,918,560</u>

The accompanying notes are an integral part of this statement

CARES Act 2020 - Judicial Fund	Other Governmental Funds	Total Governmental Funds
396,877	1,352,444	7,266,066
500,037	10,473	7,161,182
	11,721	18,280
	121,235	1,197,391
	600	600
	1,350	107,104
	12,500	905,850
<u>896,913</u>	<u>1,510,323</u>	<u>16,656,474</u>

	56,655	276,216
	1,261	103,437
	-	221,682
893,350	12,500	977,323
	21,962	39,376
<u>893,350</u>	<u>92,378</u>	<u>1,618,034</u>

	3,142	2,919,242
	113,736	1,121,139
<u>-</u>	<u>116,878</u>	<u>4,040,381</u>

	-	105,754
	559,172	559,172
	-	890,573
	-	173,308
	-	155,657
	-	27,791
	-	149,518
	30,088	31,237
3,563	221,582	309,560
	51,355	86,897
	155,819	155,819
	-	1,809,379
	-	7,956
	-	6,249,927
	283,052	285,512
<u>3,563</u>	<u>1,301,068</u>	<u>10,998,061</u>
<u>896,913</u>	<u>1,510,323</u>	<u>16,656,474</u>

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CASS COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2021

Total Governmental Funds Balance	\$ 10,998,061
Capital assets used in governmental activities that are not financial resources and therefore are not reported in the funds.	13,622,554
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.	1,121,139
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>(5,605,954)</u>
Net position of governmental activities	<u>\$ 20,135,798</u>

CASS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

REVENUES	General Fund	Road and Bridge Fund	American Rescue Plan Act of 2021 Fund
Taxes	\$ 7,380,439	1,444,824	
Licenses and Permits	222,191	703,748	
Intergovernmental	290,608	143,509	
Charges for Services	320,647	5,126	
Fines and Forfeitures	398,387	159,491	
Interest	45,476	12,103	2,460
Miscellaneous	130,667	54,561	
Total Revenues	8,788,415	2,523,362	2,460
EXPENDITURES			
Current:			
Administration and Finance	2,505,823		
Roads and Public Works		2,647,367	
Corrections			
Law Enforcement	3,324,503		
Judicial	1,446,605		
Community Services	684,155		
Other	205,583		
Capital Outlay	286,772	193,332	
Debt Service:			
Principal Retirement			
Interest on Debt			
Total Expenditures	8,453,441	2,840,699	-
Excess of Revenues Over Expenditures	334,974	(317,337)	2,460
OTHER FINANCING SOURCES & (USES)			
Transfers In	11,493		
Transfers Out	(508,034)		
Total Other Financing Sources (Uses)	(496,541)	-	-
Net Change in Fund Balance	(161,567)	(317,337)	2,460
Fund Balance, Beginning of Year	8,043,156	2,126,716	-
Fund Balance, End of Year	\$ 7,881,590	1,809,379	\$ 2,460

The accompanying notes are an integral part of this statement



CARES Act 2020 - Judicial Fund	Other Governmental Funds	Total Governmental Funds
	968,708	9,793,971
	-	925,939
784,828	644,924	1,863,869
	11,661	337,434
	45,763	603,641
3,218	9,651	72,908
	36,047	221,275
<u>788,046</u>	<u>1,716,754</u>	<u>13,819,037</u>

	350	2,506,173
	-	2,647,367
	-	-
144,173	27,088	3,495,764
	488,760	1,935,365
	414,972	1,099,127
	33,155	238,738
	120,000	600,104
	495,000	495,000
	114,040	114,040
<u>144,173</u>	<u>1,693,365</u>	<u>13,131,678</u>
<u>643,873</u>	<u>23,389</u>	<u>687,359</u>
	533,033	544,526
	(36,493)	(544,527)
-	496,540	(1)
<u>643,873</u>	<u>519,929</u>	<u>687,360</u>
<u>(640,310)</u>	<u>781,139</u>	<u>10,310,701</u>
<u>3,563</u>	<u>1,301,068</u>	<u>10,998,061</u>

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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, 2021

Net Change in Fund Balances - Governmental Funds	\$ 687,360
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.	(62,084)
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.	(57,086)
Revenues for property taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(34,784)
Revenues for grants in recognized as revenue in the funds that were recognized in the prior year in the statement of activities.	(668,433)
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.	509,252
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.	(5,090)
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>29,971</u>
Change in Net Position of Governmental Activities	<u>\$ 399,105</u>

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 8,238,420	8,156,170	7,380,439	(775,731)
Licenses and Permits	174,800	215,300	222,191	6,891
Intergovernmental	271,426	282,926	290,608	7,682
Charges for Services	188,585	243,135	320,647	77,512
Fines and Forfeitures	370,000	418,500	398,387	(20,113)
Interest	147,000	147,925	45,476	(102,449)
Miscellaneous	62,700	62,700	130,667	67,967
Total Revenues	9,452,931	9,526,656	8,788,415	(738,241)
 EXPENDITURES				
Current:				-
Administration and Finance	2,606,940	2,670,668	2,505,823	164,845
Corrections			-	-
Law Enforcement	3,649,160	3,550,165	3,324,503	225,662
Judicial	1,518,958	1,514,413	1,446,605	67,808
Community Services	1,037,105	972,095	684,155	287,940
Other	254,000	221,000	205,583	15,417
Capital Outlay	180,000	308,133	286,772	21,361
Total Expenditures	9,246,163	9,236,474	8,453,441	783,033
 Excess of Revenues Over Expenditures	206,768	290,182	334,974	44,792
 OTHER FINANCING SOURCES & (USES)				
Transfers In	3,232	13,232	11,493	(1,739)
Transfers Out	(210,000)	(196,709)	(508,034)	(311,325)
Total Other Financing Sources (Uses)	(206,768)	(183,477)	(496,541)	(313,064)
 Net Change in Fund Balance	-	106,705	(161,567)	(268,272)
 Fund Balance, Beginning of Year	8,043,156	8,043,156	8,043,156	-
 Fund Balance, End of Year	\$ 8,043,156	8,149,861	7,881,590	(268,272)

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, 2021

REVENUES	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Taxes	\$ 1,445,086	1,475,586	1,444,824	(30,762)
Licenses and Permits	690,000	690,000	703,748	13,748
Intergovernmental	476,055	498,055	143,509	(354,546)
Charges for Services	-	3,500	5,126	1,626
Fines and Forfeitures	150,000	150,000	159,491	9,491
Interest	8,500	14,700	12,103	(2,597)
Miscellaneous	353,925	170,905	54,561	(116,344)
Total Revenues	3,123,567	3,002,746	2,523,362	(479,384)
EXPENDITURES				
Current:				
Roads and Public Works	2,748,567	2,919,494	2,647,367	272,127
Capital Outlay	375,000	240,940	193,332	47,608
Total Expenditures	3,123,567	3,160,434	2,840,699	319,735
Excess of Revenues Over Expenditures	(0)	(157,688)	(317,337)	(159,649)
OTHER FINANCING SOURCES & (USES)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(0)	(157,688)	(317,337)	(159,649)
Fund Balance, Beginning of Year	2,126,716	2,126,716	2,126,716	-
Fund Balance, End of Year	\$ 2,126,716	1,969,028	1,809,379	(159,649)

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

CARES Act 2020 - Judicial Fund

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				-
Licenses and Permits				-
Intergovernmental	115,000	4,000	784,828	780,828
Charges for Services				-
Fines and Forfeitures				-
Interest			3,218	3,218
Miscellaneous				-
Total Revenues	115,000	4,000	788,046	784,046
 EXPENDITURES				
Current:				
Law Enforcement	115,000	149,000	144,173	4,827
Total Expenditures	115,000	149,000	144,173	4,827
 Excess of Revenues Over Expenditures	-	(145,000)	643,873	788,873
 OTHER FINANCING SOURCES & (USES)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
 Net Change in Fund Balance	-	(145,000)	643,873	788,873
 Fund Balance, Beginning of Year	(640,310)	(640,310)	(640,310)	-
 Fund Balance, End of Year	\$ (640,310)	(785,310)	3,563	788,873

The accompanying notes are an integral part of this statement

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CASS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 1,419,384
Investments	997,293
Due from General Fund	71,473
Total Assets	<u>\$ 2,488,150</u>
NET POSITION	
Restricted For	
Individuals and Other Governments	\$ 2,488,150
Total Net Position	<u>\$ 2,488,150</u>

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2021

	<u>Custodial Funds</u>
ADDITIONS	
Amounts collected for individuals and other governments	\$ 31,115,234
Investment Earnings:	
Interest	10,302
Total Additions	<u>\$ 31,125,536</u>
DEDUCTIONS	
Amounts distributed to individuals and other governments	\$ 30,623,339
Total Deductions	<u>\$ 30,623,339</u>
Net increase (decrease) in fiduciary net position	502,196
Net position, Beginning of Year	<u>1,985,953</u>
Net position, End of Year	<u>\$ 2,488,150</u>

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CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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, 2021

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.

American Rescue Plan Act of 2021 Fund – This fund was created to maintain and track the funds received through the Coronavirus State and Local Fiscal Recovery Funds grant established by the American Rescue Plan Act.

CARES Act 2020 -Judicial Fund – This fund was created to maintain and track the funds received and expended through the Coronavirus Relief Fund grant.

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

Custodial 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.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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) 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. The property tax receivable allowance is shown at 7% of outstanding property taxes receivable as of year-end.

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

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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.

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.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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 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.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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.

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 an inflow of resources (revenue) until that time. The government has two items that qualify 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, and unavailable grant revenue is comprised of grant funds that have been received by the county, but the county has not met the performance obligation to recognize that grant revenue.

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.

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2021

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 \$ (5,605,954) difference are as follows:

Bonds payable	\$ (3,565,000)
Add: Bond Premium	(117,719)
Tax Notes Payable	(307,000)
Accrued Interest	(13,515)
Accrued Compensated Absences	(160,592)
Net Pension Liability	(1,781,753)
Less: Deferred Pension Outflows	1,781,568
Add: Deferred Pension Inflows	(1,441,944)
Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Position – Governmental Activities	\$ (5,605,954)

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	\$ 600,103
Administration and Finance	48,685
Judicial	16,507
Law Enforcement	66,783
Depreciation Expense	(794,162)
Net Adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities.	\$ (62,084)

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2021

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 \$509,252 differences are as follows:

Principal Repayments:			
Bonds Payable	\$	345,000	
Tax Notes Payable		150,000	
Amortization of Bond Premiums		13,080	
Add: Beginning Accrued Interest Balance		14,687	
Less: Ending Accrued Interest Balance		(13,515)	
Net Adjustment to Increase Net Position	\$	509,252	

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: American Rescue Plan Act of 2021 Fund, Cass County Park, District Attorney Escrow, Linden Enterprise, Texas Historical Courthouse Grant, and the VSO Donations 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 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.

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2021

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, 2021, the actual expenditures in the District Attorney Forfeiture Fund exceeded budgetary appropriations by \$16,493.

C. Deficit Fund Equity

The Cass County Park Fund had a deficit fund balance of \$56. The Texas CDBG Grant Fund had a deficit fund balance of \$30,516. The TEOAF Task Force Fund had a deficit fund balance of \$11,124.

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.

As of September 30, 2021, the County had the following debt security investments and maturities:

Investment	Fair Value	Weighted Average Maturities (in days)
TexPool	\$ 828,593	34
Texas CLASS Investment Pool	6,592,106	56
	\$ 7,420,699	

B. Custodial Credit Risk

The County's balances were partially covered by federal deposit insurance or by collateral held by the County's agent in the County's name. The County's deposits are categorized to give an indication of the level of risk assumed by the County at fiscal year-end. The categories are described as follows:

- Category 1** Insured or collateralized with securities held by the County or by its agent in the County's name.
- Category 2** Collateralized with securities held by the pledging financial institution's trust department agent in the County's name.
- Category 3** Uncollateralized.

CASS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended September 30, 2021

	Bank Balance	Category			Carrying Amount
		1	2	3	
Cash & Cash Equivalents					
Primary Government	\$10,037,267	\$ 416,393	\$9,620,874	\$ -	\$9,338,780
Total	<u>\$10,037,267</u>	<u>\$ 416,393</u>	<u>\$9,620,874</u>	<u>\$ -</u>	<u>\$9,338,780</u>

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, 2021, 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	9,870,874	56.25%

NOTE 5 – RECEIVABLES

	General	Road & Bridge	Nonmajor Governmental	Total
Receivables:				
Accounts	\$ 3,662	2,897	11,721	18,280
Property Taxes	977,963	180,532	129,023	1,287,517
Gross Receivables	981,625	183,429	140,744	1,305,797
Less: Allowance for Uncollectibles	68,457	12,637	9,032	90,126
Net total Receivables	<u>\$ 913,168</u>	<u>170,792</u>	<u>131,712</u>	<u>1,215,671</u>

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021, was as follows:

	PRIMARY GOVERNMENT			Balance 9/30/2021
	Balance 9/30/2020	Additions	Deletions	
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	167,504	-	-	167,504
Construction in Progress	80,555	-	(80,555)	-
Total Capital Assets Not Being Depreciated	<u>248,059</u>	<u>-</u>	<u>(80,555)</u>	<u>167,504</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	14,689,103	119,849	-	14,808,952
Furniture and Equipment	5,917,377	692,784	(251,370)	6,358,791
Total Capital Assets Being Depreciated	<u>20,606,480</u>	<u>812,633</u>	<u>(251,370)</u>	<u>21,167,743</u>
Less: Accumulated Depreciation For:				
Buildings and Improvements	4,465,117	355,924	-	4,821,041
Furniture and Equipment	2,647,698	438,238	(194,284)	2,891,652
Total Accumulated Depreciation	<u>7,112,815</u>	<u>794,162</u>	<u>(194,284)</u>	<u>7,712,693</u>
Total Capital Asset Being Depreciated	<u>13,493,665</u>	<u>18,471</u>	<u>(57,086)</u>	<u>13,455,050</u>
Governmental Capital Assets, Net	<u>13,741,724</u>	<u>18,471</u>	<u>(137,641)</u>	<u>13,622,554</u>

Depreciation expense was charged to governmental functions as follows:

Administration and Finance	\$ 185,304
Roads and Public Works	299,415
Corrections	19,793
Law Enforcement	192,104
Judicial	59,378
Community Service	38,167
Total Depreciation Expense	<u>\$ 794,162</u>

NOTE 7 – INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of inter-fund balances as of September 30, 2021 is as follows:

Receivable Fund	DUE TO/FROM OTHER FUNDS:			Total
	Payable Fund			
	General Fund	CARES Act 2020 – Judicial Fund	Nonmajor Governmental	
General Fund		893,350		893,350
Special Projects Fund			12,500	12,500
Tax Assessor-Collector Custodial Fund	71,473			71,473
Total	<u>71,473</u>	<u>893,350</u>	<u>12,500</u>	<u>977,323</u>

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2021

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:

- \$893,350 To reimburse the General Fund for expenditures paid on behalf of the of the CARES Act 2020 – Judicial Fund.
- \$12,500 To reimburse the Special Projects Fund (Nonmajor governmental fund) for expenditures paid on behalf of the TEOAF Task Force Fund (Nonmajor governmental fund).
- \$71,473 To reimburse the Tax Assessor/Collector Agency Fund for amounts erroneously paid to the General Fund in prior years.

INTER-FUND TRANSFERS:

Transfer In	Transfer Out		Total
	General Fund	Nonmajor Governmental	
General Fund		11,493	11,493
Nonmajor Governmental	508,033	25,000	533,033
Total	508,033	36,493	544,526

Purpose:

- \$32,661 Funds were transferred from the General Fund to the Bear Creek FMAG Fund (Nonmajor governmental fund) to eliminate a long-outstanding interfund payable balance.
- \$60,000 Funds were transferred from the General Fund to the Debt Service Fund (Nonmajor governmental fund) to eliminate a long-outstanding interfund payable balance.
- \$76,083 Funds were transferred from the General Fund to the District Court Fund (Nonmajor governmental fund) to cover expenditures.
- \$3,232 Funds were transferred from the Indigent Defense Grant Fund (Nonmajor governmental fund) to the General Fund to cover expenditures.
- \$25,000 Funds were transferred from the Indigent Defense Grant Fund (Nonmajor governmental fund) to the District Court Fund (Nonmajor governmental fund) to cover expenditures.
- \$938 Funds were transferred from the Regional Interstate Task Force Fund (Nonmajor governmental fund) to the General Fund to cover expenditures.

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2021

\$24	Funds were transferred from the Linden Enterprise Fund (Nonmajor governmental fund) to the General Fund to absorb the Linden Enterprise Fund residual balance.
\$508	Funds were transferred from the Texas CDBG Grant Fund (Nonmajor governmental fund) to the General Fund to cover expenditures.
\$554	Funds were transferred from the FEMA Grants Fund (Nonmajor governmental fund) to the General Fund to absorb the FEMA Grants Fund residual balance.
\$1,870	Funds were transferred from the Road Improvement Grant 710197 Fund (Nonmajor governmental fund) to the General Fund to absorb the Road Improvement Grant 710197 Fund residual balance.
\$4,367	Funds were transferred from the Bear Creek FMAG Fund (Nonmajor governmental fund) to the General Fund to absorb the Bear Creek FMAG Fund residual balance.
\$300,000	Funds were transferred from the General Fund to the Special Projects Fund (Nonmajor governmental fund) to establish the Special Projects Fund.
\$11,324	Funds were transferred from the General Fund to the Sheriff Office Donations Fund (Nonmajor governmental fund) to reclassify donations received in the general fund in a prior year.
\$27,965	Funds were transferred from the General Fund to the Law Library 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 \$35,638 was paid during the fiscal year 2021 under this lease.

The following is a summary of future minimum lease payments at September 30, 2021:

Year	Amount
2022	28,316
2023	28,316
2024	4,720
Total	61,352

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.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

	Rate of Interest	Original Issue	Outstanding Balance 9/30/2021
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	3,565,000
Total Limited Tax Refunding Bonds		\$ 5,540,000	3,565,000

Annual requirements to amortize limited tax refunding bonds outstanding at September 30, 2021 are as follows:

Requirements for Year Ending September 30	Limited Tax Refunding Bonds		
	Principal	Interest	Total
2022	\$ 355,000	99,500	454,500
2023	360,000	92,350	452,350
2024	370,000	83,200	453,200
2025	385,000	71,875	456,875
2026	390,000	60,250	450,250
2027 - 2030	1,705,000	112,675	1,817,675
Total	\$ 3,565,000	519,850	4,084,850

B. Tax Notes

	Rate of Interest	Original Issue	Outstanding Balance 9/30/2021
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	307,000
Total Limited Tax Refunding Bonds		\$ 1,034,000	307,000

Annual requirements to amortize the tax notes outstanding at September 30, 2021 are as follows:

Requirements for Year Ending September 30	Tax Notes		
	Principal	Interest	Total
2022	\$ 152,000	5,066	157,066
2023	155,000	2,558	157,558
Total	\$ 307,000	7,624	314,624

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2021

C. Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2021:

	<u>Balance 9/30/2020</u>	<u>Additions</u>	<u>Retirements/ Deductions</u>	<u>Balance 9/30/2021</u>	<u>Due Within One Year</u>
Bonds Payable	3,910,000	-	(345,000)	3,565,000	355,000
Issuance Premium	130,799	-	(13,080)	117,719	-
Total Bonds Payable	<u>4,040,799</u>	<u>-</u>	<u>(358,080)</u>	<u>3,682,719</u>	<u>355,000</u>
Tax Notes	457,000	-	(150,000)	307,000	152,000
Accrued Compensated Absences	155,502	235,748	(230,658)	160,592	104,338
Net Pension Liability	<u>1,136,928</u>	<u>5,352,019</u>	<u>(4,707,195)</u>	<u>1,781,753</u>	<u>-</u>
Total	<u>5,790,229</u>	<u>5,587,767</u>	<u>(5,445,933)</u>	<u>5,932,063</u>	<u>611,338</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 800 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, 2021

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, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	131
Inactive employees entitled to, but not yet receiving benefits	112
Active employees	151
Total	<u>394</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 11.28% for October through December 2020 and 11.15% for January through September 2021. The County's contributions totaled \$694,227 for the year ended September 30, 2021 and was equal to the required contributions.

Net Pension Liability:

The County's Net Pension Liability (NPL) was measured as of December 31, 2020, 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, 2021

Actuarial Assumptions

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall Payroll Growth	3.00%
Investment Rate of Return	7.60%, net of administrative and investment expense, including inflation

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

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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 2021 information for a 10-year time horizon.

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation⁽¹⁾</u>	<u>Geometric Real Rate of Return⁽²⁾</u>
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
Int'l Equities – Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.25%
Int'l Equities – Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	5.70%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-0.70%

(1) Target asset allocation adopted at the March 2021 TCDRS Board Meeting.

(2) Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.00%, per Cliffwater's 2021 capital market assumptions.

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

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

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

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Discount Rate:

The discount rate used to measure the Total Pension Liability was 7.6%. The discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

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

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)
Balance as of December 31, 2019	\$ 31,763,015	30,626,088	1,136,928
Changes for the Year:			
Service Cost	724,667		724,667
Interest on Total Pension Liability ⁽¹⁾	2,556,682		2,556,682
Effect of Plan Changes ⁽²⁾	210,228		210,228
Effect of Economic/Demographic Gains or Losses	(438,770)		(438,770)
Effect of Assumption Changes or Inputs	1,816,335		1,816,335
Refunds of Contributions	(108,187)	(108,187)	-
Benefit Payments	(1,775,899)	(1,775,899)	-
Administrative Expenses		(24,122)	24,122
Member Contributions		423,574	(423,574)
Net Investment Income		3,162,291	(3,162,291)
Employer Contributions		682,560	(682,560)
Other ⁽³⁾	-	(19,985)	19,985
Balance as of December 31, 2020	<u>\$ 34,748,072</u>	<u>32,966,320</u>	<u>1,781,753</u>

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

(2) Reflects plan changes adopted effective in 2021.

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

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2021

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 (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total Pension Liability	\$ 38,897,845	34,748,072	31,234,371
Fiduciary Net Position	32,966,320	32,966,320	32,966,320
Balance as of December 31, 2020	\$ 5,931,525	1,781,753	(1,731,949)

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, 2021, the County recognized pension expense of \$664,632.

At September 30, 2021, 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	\$ 292,513	43,752
Changes of Assumptions	-	1,210,890
Net Difference Between Projected and Actual Earnings	1,149,431	-
Contributions Made Subsequent to Measurement Date	-	526,926
	\$ 1,441,944	1,781,568

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, 2021. 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
2021	\$ 133,029
2022	419,894
2023	(597,382)
2024	(142,843)
2025	0
Thereafter	0
Total	(187,302)

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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, 2021 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 2021 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 \$46,675.

NOTE 15 – IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

During the 2021 fiscal year, the County implemented GASB Statement No. 84, Fiduciary Activities. This statement established new criteria for identifying fiduciary activities which, when met, require that the activities be reported in a fiduciary fund in the basic financial statements. A statement of fiduciary net position and a statement of changes in fiduciary net position are required to be presented for these activities. This statement describes four fiduciary funds that should be reported if applicable: (1) pension and other employee benefit trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds (formerly agency funds). The County currently only has custodial funds that were previously reported as agency funds. This implementation resulted in no change in governmental or fiduciary funds net position.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 16 – MANAGEMENT REVIEW

In preparing these financial statements, management of the County has evaluated events and transactions for potential recognition or disclosure through June 6, 2022, 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, 2021

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2020	2019	2018	2017	2016
Total Pension Liability					
Service Cost	\$ 724,667	\$ 682,399	\$ 667,001	698,946	670,964
Interest on Total Pension Liability	2,556,682	2,439,052	2,375,214	2,281,509	2,155,836
Effect of Plan Changes	210,228	-	-	-	57,279
Effect of Assumption Changes or Inputs	1,816,335	-	-	163,324	-
Effect of Economic/demographic (gains)/Loses	(438,770)	131,258	(483,944)	(244,562)	(52,499)
Benefit Payments/Refunds of Contributions	(1,884,086)	(1,802,997)	(1,768,752)	(1,654,319)	(1,590,868)
Net Change in Total pension Liability	2,985,057	1,449,712	789,519	1,244,898	1,240,713
Total Pension Liability, Beginning	31,763,015	30,313,304	29,523,785	28,278,887	27,038,174
Total Pension Liability, Ending (a)	34,748,072	31,763,015	30,313,304	29,523,785	28,278,887
Fiduciary Net Position					
Employer Contributions	682,560	684,919	659,733	642,533	634,795
Member Contributions	423,574	416,182	401,232	392,818	382,079
Investment Income net of Investment Expenses	3,162,291	4,425,685	(533,766)	3,668,963	1,781,774
Benefit Payments/Refunds of Contributions	(1,884,086)	(1,802,997)	(1,768,752)	(1,654,319)	(1,590,868)
Administrative Expenses	(24,122)	(23,338)	(21,643)	(18,772)	(19,392)
Other	(19,985)	(19,765)	(18,252)	(8,472)	(107,556)
Net Change in Fiduciary Net Position	2,340,232	3,680,686	(1,281,448)	3,022,751	1,080,831
Fiduciary Net Position, Beginning	30,626,088	26,945,401	28,226,849	25,204,098	24,123,267
Fiduciary Net Position, Ending (b)	32,966,320	30,626,088	26,945,401	28,226,849	25,204,098
Net Pension Liability/(Asset), Ending =(a)-(b)	\$ 1,781,753	\$ 1,136,928	\$ 3,367,903	1,296,936	3,074,789
Fiduciary Net Position as a % of Total Pension Liability	94.87%	96.42%	88.89%	95.61%	89.13%
Pensionable Covered Payroll	\$ 6,051,060	\$ 5,945,459	\$ 5,731,883	5,611,683	5,458,268
Net Pension Liability/(Asset) as a % of Covered Payroll	29.45%	19.12%	58.76%	23.11%	56.33%

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.



<u>2015</u>	<u>2014</u>
599,717	598,656
2,062,352	1,955,128
(74,087)	83,377
307,917	-
(72,671)	64,106
<u>(1,643,071)</u>	<u>(1,267,834)</u>
1,180,158	1,433,433
<u>25,858,016</u>	<u>24,424,583</u>
<u>27,038,174</u>	<u>25,858,016</u>

576,858	571,250
355,459	356,713
260,228	1,627,067
(1,643,071)	(1,267,834)
(17,467)	(18,318)
<u>152,323</u>	<u>35,299</u>
(315,671)	1,304,177
<u>24,438,938</u>	<u>23,134,761</u>
<u>24,123,267</u>	<u>24,438,938</u>

<u>2,914,907</u>	<u>1,419,078</u>
------------------	------------------

89.22% 94.51%

5,077,983 5,095,902

57.40% 27.85%

CASS COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

**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
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	684,919	684,919	-	5,945,459	11.52%
2020	690,972	690,972	-	6,093,131	11.34%
2021	671,615	694,227	(22,612)	6,006,167	11.56%

* The amounts presented for years 2010-2016 are on a calendar year.

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	18.0 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	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 Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New Inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New Inflation, mortality and other assumptions were reflected.
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. 2019: No changes in plan provisions were reflected in the schedule. 2020: No changes in plan provisions were reflected in the schedule.

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.

District Court – 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.

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.

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.

Cares Act 2020 HAVA Funds – This fund was established to account for expenses incurred and revenues received from a grant received in association with the Cares Act relating to the Help America Vote Act (HAVA) program.

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

Sheriff Office Donations – This fund was established to account for donations and related expenses to the sheriff's office.

Election Reimbursement – This fund was established to account for revenues and related expenses for election-related expenses that are to be reimbursed by other entities.

E.O. Feral Hog Abatement – This fund was established to account for revenues and related expenses for the purchase of feral hog abatement equipment.

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.

TEOAF Task Force – This fund was established to account for revenues and related expenses in accordance with an agreement between the Cass County District Attorney's office and the United States Secret Service.

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.

VSO Donations – This fund was established to account for donations and related expenses to the Veterans Service Office (VSO).

CASS COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
(Continued)

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.

Special Projects Fund – This fund was established to account for special projects as directed by the Commissioners' Court.

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.

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CASS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2021

	<u>Special Revenue Funds</u>				
	<u>Debt Service</u>	<u>District Court</u>	<u>Indigent Defense Grant</u>	<u>Cass County Park</u>	<u>Law Library</u>
ASSETS					
Cash	\$ 554,219	57,501	51,718	862	22,496
Investments					
Receivables (net of allowances for uncollectible):					
Accounts			7,721		
Property Taxes	81,431	39,354			
Other Non-Cash Current Assets					
Prepaid Expenses					
Due from Other Funds					
Total Assets	<u>\$ 635,651</u>	<u>96,855</u>	<u>59,439</u>	<u>862</u>	<u>22,496</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable		13,399		918	
Accrued Payroll		1,261			
Due to Other Governments					
Due to Other Funds					
Other Payables					
Total Liabilities	<u>-</u>	<u>14,660</u>	<u>-</u>	<u>918</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Grants					
Unavailable Revenue - Property Taxes	76,479	36,836			
Total Deferred Inflows of Resources	<u>76,479</u>	<u>36,836</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Restricted for:					
Corrections					
Debt Service	559,172				
Records Management					
Courthouse Security					
Technology					
Training					
Other					
Community Services					
Judicial		45,360	59,439		22,496
Law Enforcement					
Capital Improvements					
Assigned					
Unassigned					
General Fund					
Special Revenue Funds				(56)	
Total Fund Balances	<u>559,172</u>	<u>45,360</u>	<u>59,439</u>	<u>(56)</u>	<u>22,496</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 635,651</u>	<u>96,855</u>	<u>59,439</u>	<u>862</u>	<u>22,496</u>

Special Revenue Funds

District Attorney Escrow	District Attorney State	Regional Interstate Task Force	District Attorney Forfeiture	District Attorney Discretionary	HAVA	Cares Act 2020 HAVA
327	19,526	36,924	83,069	8,684	5,881	3,341

600

<u>327</u>	<u>19,526</u>	<u>36,924</u>	<u>83,669</u>	<u>8,684</u>	<u>5,881</u>	<u>3,341</u>
------------	---------------	---------------	---------------	--------------	--------------	--------------

50

936

<u>-</u>	<u>-</u>	<u>-</u>	<u>16,933</u>	<u>936</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>16,983</u>	<u>936</u>	<u>-</u>	<u>-</u>

3,142

<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,142</u>
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327

19,526

36,924

66,686

7,748

5,881

198

<u>327</u>	<u>19,526</u>	<u>36,924</u>	<u>66,686</u>	<u>7,748</u>	<u>5,881</u>	<u>198</u>
------------	---------------	---------------	---------------	--------------	--------------	------------

<u>327</u>	<u>19,526</u>	<u>36,924</u>	<u>83,669</u>	<u>8,684</u>	<u>5,881</u>	<u>3,341</u>
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CASS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2021

	Special Revenue Funds				
	Sheriff Federal Forfeiture	Sheriff Office Donations	Election Reimbursement	E.O. Feral Hog Abatement	Linden Enterprise
ASSETS					
Cash	\$ 4,286	6,402	5,949		
Investments					
Receivables (net of allowances for uncollectible):					
Accounts		4,000			
Property Taxes					
Other Non-Cash Current Assets					
Prepaid Expenses					
Due from Other Funds					
Total Assets	<u>\$ 4,286</u>	<u>10,402</u>	<u>5,949</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable		257			
Accrued Payroll					
Due to Other Governments					
Due to Other Funds					
Other Payables			5,029		
Total Liabilities	<u>-</u>	<u>257</u>	<u>5,029</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Grants					
Unavailable Revenue - Property Taxes					
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			920		
Judicial					
Law Enforcement	4,286	10,145			
Capital Improvements					
Assigned					
Unassigned					
General Fund					
Special Revenue Funds					
Total Fund Balances	<u>4,286</u>	<u>10,145</u>	<u>920</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 4,286</u>	<u>10,402</u>	<u>5,949</u>	<u>-</u>	<u>-</u>

Special Revenue Funds

Texas CDBG Grants	FEMA Grants	Road Impr. Grant 710197	TEOAF Task Force	Bear Creek FMAG	Texas Hist. Courthouse Grant	VSO Donations
9			10,096		14,184	662
			1,350			
<u>9</u>	<u>-</u>	<u>-</u>	<u>11,446</u>	<u>-</u>	<u>14,184</u>	<u>662</u>
30,525			10,070			
			12,500			
<u>30,525</u>	<u>-</u>	<u>-</u>	<u>22,570</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
						662
					14,184	
<u>(30,516)</u>	<u>-</u>	<u>-</u>	<u>(11,124)</u>	<u>-</u>	<u>14,184</u>	<u>662</u>
<u>(30,516)</u>	<u>-</u>	<u>-</u>	<u>(11,124)</u>	<u>-</u>	<u>14,184</u>	<u>662</u>
<u>9</u>	<u>-</u>	<u>-</u>	<u>11,446</u>	<u>-</u>	<u>14,184</u>	<u>662</u>

CASS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2021

	<u>Special Revenue Funds</u>		
	HOME Grants	Special Projects Fund	Total Special Revenue Funds
ASSETS			
Cash	\$ 22,927	312,248	667,092
Investments			-
Receivables (net of allowances for uncollectible):			
Accounts			11,721
Property Taxes			39,354
Other Non-Cash Current Assets			600
Prepaid Expenses			1,350
Due from Other Funds		12,500	12,500
Total Assets	<u>\$ 22,927</u>	<u>324,748</u>	<u>732,617</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts Payable	\$ 500		56,655
Accrued Payroll			1,261
Due to Other Governments			-
Due to Other Funds			12,500
Other Payables			21,962
Total Liabilities	<u>500</u>	<u>-</u>	<u>92,378</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Grants			3,142
Unavailable Revenue - Property Taxes			36,836
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>39,978</u>
NET POSITION			
Restricted for:			
Corrections			-
Debt Service			-
Records Management			-
Courthouse Security			-
Technology			-
Training			-
Other			-
Community Services	22,427		30,088
Judicial			221,582
Law Enforcement			51,355
Capital Improvements			14,184
Assigned			-
Unassigned			-
General Fund			-
Special Revenue Funds		324,748	283,052
Total Fund Balances	<u>22,427</u>	<u>324,748</u>	<u>600,261</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 22,927</u>	<u>324,748</u>	<u>732,617</u>

Capital Projects Funds

Capital Projects	ROW Projects	Total Capital Projects	Total Nonmajor Governmental Funds
\$ 313	130,820	131,133	1,352,444
10,473		10,473	10,473
		-	11,721
	450	450	121,235
		-	600
		-	1,350
		-	12,500
<u>\$ 10,786</u>	<u>131,270</u>	<u>142,056</u>	<u>1,510,323</u>
\$ -		-	56,655
		-	1,261
		-	-
		-	12,500
		-	21,962
<u>-</u>	<u>-</u>	<u>-</u>	<u>92,378</u>
		-	3,142
	421	421	113,736
<u>-</u>	<u>421</u>	<u>421</u>	<u>116,878</u>
		-	-
		-	559,172
		-	-
		-	-
		-	-
		-	-
		-	30,088
		-	221,582
		-	51,355
10,786	130,849	141,635	155,819
		-	-
		-	-
		-	-
		-	283,052
<u>10,786</u>	<u>130,849</u>	<u>141,635</u>	<u>1,301,068</u>
<u>\$ 10,786</u>	<u>131,270</u>	<u>142,056</u>	<u>1,510,323</u>

CASS COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

REVENUES	Special Revenue Funds				
	Debt Service	District Court	Indigent Defense Grant	Cass County Park	Law Library
Taxes	\$ 612,593	351,250			
Licenses and Permits					
Intergovernmental		3,298	40,154		13,336
Charges for Services		10,811			
Fines and Forfeitures					
Interest	4,892	688	490		109
Miscellaneous					
Total Revenues	617,485	366,047	40,644	-	13,445
EXPENDITURES					
Current:					
Administration and Finance	350				
Roads and Public Works					
Corrections					
Law Enforcement					
Judicial		382,000			16,571
Community Services					
Other					
Capital Outlay					
Debt Service:					
Principal Retirement	495,000				
Interest on Debt	114,040				
Total Expenditures	609,390	382,000	-	-	16,571
Excess of Revenues Over Expenditures	8,095	(15,953)	40,644	-	(3,126)
OTHER FINANCING SOURCES & (USES)					
Transfers In	60,000	101,083			27,965
Transfers Out			(28,232)		
Total Other Financing Sources (Uses)	60,000	101,083	(28,232)	-	27,965
Net Change in Fund Balance	68,095	85,130	12,412	-	24,839
Fund Balance, Beginning of Year	491,077	(39,770)	47,027	(56)	(2,343)
Fund Balance, End of Year	\$ 559,172	45,360	59,439	(56)	22,496

Special Revenue Funds

District Attorney Escrow	District Attorney State	Regional Interstate Task Force	District Attorney Forfeiture	District Attorney Discretionary	HAVA	Cares Act 2020 HAVA
	41,428			850	120,000	24,563
3	142	450	45,763 555	71	436	112
<u>3</u>	<u>41,570</u>	<u>450</u>	<u>46,318</u>	<u>921</u>	<u>120,436</u>	<u>24,675</u>
	35,916	8,401	44,893	979		24,563
					120,000	
-	35,916	8,401	44,893	979	120,000	24,563
3	5,654	(7,951)	1,425	(58)	436	112
		(938)				
-	-	(938)	-	-	-	-
3	5,654	(8,889)	1,425	(58)	436	112
324	13,872	45,813	65,261	7,806	5,445	86
<u>327</u>	<u>19,526</u>	<u>36,924</u>	<u>66,686</u>	<u>7,748</u>	<u>5,881</u>	<u>198</u>

CASS COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds				
	Sheriff Federal Forfeiture	Sheriff Office Donations	Election Reimbursement	E.O. Feral Hog Abatement	Linden Enterprise
REVENUES					
Taxes					
Licenses and Permits					
Intergovernmental					
Charges for Services					
Fines and Forfeitures					
Interest	37	49	23	1	
Miscellaneous		11,482			
Total Revenues	37	11,531	23	1	-
EXPENDITURES					
Current:					
Administration and Finance					
Roads and Public Works					
Corrections					
Law Enforcement	268	14,543			
Judicial					
Community Services			2,122	837	
Other					
Capital Outlay					
Debt Service:					
Principal Retirement					
Interest on Debt					
Total Expenditures	268	14,543	2,122	837	-
Excess of Revenues Over Expenditures	(231)	(3,012)	(2,099)	(836)	-
OTHER FINANCING SOURCES & (USES)					
Transfers In		11,324			
Transfers Out					(24)
Total Other Financing Sources (Uses)	-	11,324	-	-	(24)
Net Change in Fund Balance	(231)	8,312	(2,099)	(836)	(24)
Fund Balance, Beginning of Year	4,518	1,832	3,019	836	24
Fund Balance, End of Year	\$ 4,286	10,145	920	-	-

Special Revenue Funds

Texas CDBG Grants	FEMA Grants	Road Improvement Grant 710197	TEOAF Task Force	Bear Creek FMAG	Texas Hist. Courthouse Grant	VSO Donations
			5,546			
2	2	9	4	21	113	4
<u>2</u>	<u>2</u>	<u>9</u>	<u>5,550</u>	<u>21</u>	<u>113</u>	<u>4</u>

12,277

-	-	-	12,277	-	-	-
2	2	9	(6,727)	21	113	4
(508)	(554)	(1,870)		32,661		
(508)	(554)	(1,870)	-	(4,367)	-	-
(506)	(552)	(1,861)	(6,727)	28,294	-	-
(506)	(552)	(1,861)	(6,727)	28,315	113	4
(30,010)	552	1,861	(4,397)	(28,315)	14,071	658
(30,516)	-	-	(11,124)	-	14,184	662

CASS COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Special Revenue Funds

REVENUES	<u>HOME Grants</u>	<u>Special Projects Fund</u>	<u>Total Special Revenue Funds</u>
Taxes			351,250
Licenses and Permits			-
Intergovernmental	396,599		644,924
Charges for Services			11,661
Fines and Forfeitures			45,763
Interest	236	183	3,740
Miscellaneous		24,565	36,047
Total Revenues	<u>396,835</u>	<u>24,748</u>	<u>1,093,385</u>
EXPENDITURES			
Current:			
Administration and Finance			-
Roads and Public Works			-
Corrections			-
Law Enforcement			27,088
Judicial			488,760
Community Services	412,013		414,972
Other			24,563
Capital Outlay			120,000
Debt Service:			
Principal Retirement			-
Interest on Debt			-
Total Expenditures	<u>412,013</u>	<u>-</u>	<u>1,075,383</u>
Excess of Revenues Over Expenditures	<u>(15,178)</u>	<u>24,748</u>	<u>18,002</u>
OTHER FINANCING SOURCES & (USES)			
Transfers In		300,000	473,033
Transfers Out			(36,493)
Total Other Financing Sources (Uses)	<u>-</u>	<u>300,000</u>	<u>436,540</u>
Net Change in Fund Balance	<u>(15,178)</u>	<u>324,748</u>	<u>454,542</u>
Fund Balance, Beginning of Year	<u>37,605</u>	<u>-</u>	<u>145,719</u>
Fund Balance, End of Year	<u>\$ 22,427</u>	<u>324,748</u>	<u>600,261</u>

Capital Projects Funds			Total Nonmajor Governmental Funds
Capital Projects	ROW Projects	Total Capital Projects	
	4,865	4,865	968,708
		-	-
		-	644,924
		-	11,661
		-	45,763
46	973	1,019	9,651
		-	36,047
<u>46</u>	<u>5,838</u>	<u>5,884</u>	<u>1,716,754</u>
		-	350
		-	-
		-	-
		-	27,088
		-	488,760
		-	414,972
8,592		8,592	33,155
		-	120,000
		-	495,000
		-	114,040
<u>8,592</u>	<u>-</u>	<u>8,592</u>	<u>1,693,365</u>
<u>(8,546)</u>	<u>5,838</u>	<u>(2,708)</u>	<u>23,389</u>
		-	533,033
		-	(36,493)
<u>-</u>	<u>-</u>	<u>-</u>	<u>496,540</u>
<u>(8,546)</u>	<u>5,838</u>	<u>(2,708)</u>	<u>519,929</u>
<u>19,332</u>	<u>125,011</u>	<u>144,343</u>	<u>781,139</u>
<u>10,786</u>	<u>130,849</u>	<u>141,635</u>	<u>1,301,068</u>

CASS COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AS OF SEPTEMBER 30, 2021

	Tax Assessor - Collector	Sheriff	Justice Court #1	Justice Court #2	Justice Court #3
ASSETS					
Cash	259,201	87,057	2,001	1,804	2,401
Investments					
Due from General Fund	71,473				
Total Assets	<u>330,674</u>	<u>87,057</u>	<u>2,001</u>	<u>1,804</u>	<u>2,401</u>
NET POSITION					
Restricted For					
Individuals and Other Governments	330,674	87,057	2,001	1,804	2,401
Total Net Position	<u>330,674</u>	<u>87,057</u>	<u>2,001</u>	<u>1,804</u>	<u>2,401</u>

Justice Court #4	County Clerk	District Clerk	District Attorney	Juvenile Probation	Adult Probation	Total Custodial Funds
2,092	72,993	459,349		140,326	392,160	1,419,384
	202,285	535,490		147,517	112,001	997,293
					-	71,473
<u>2,092</u>	<u>275,278</u>	<u>994,839</u>	<u>-</u>	<u>287,843</u>	<u>504,161</u>	<u>2,488,151</u>
2,092	275,278	994,839	-	287,843	504,161	2,488,151
<u>2,092</u>	<u>275,278</u>	<u>994,839</u>	<u>-</u>	<u>287,843</u>	<u>504,161</u>	<u>2,488,151</u>

CASS COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 AS OF SEPTEMBER 30, 2021

	Tax Assessor - Collector	Sheriff	Justice Court #1	Justice Court #2	Justice Court #3
ADDITIONS					
Amounts collected for individuals and other governments	28,278,506	212,396	2,429	1,144	6,623
Investment Earnings:					
Interest					
Total Additions	<u>28,278,506</u>	<u>212,396</u>	<u>2,429</u>	<u>1,144</u>	<u>6,623</u>
DEDUCTIONS					
Amounts distributed to individuals and other governments	28,171,495	193,758	2,429	1,144	6,606
Total Deductions	<u>28,171,495</u>	<u>193,758</u>	<u>2,429</u>	<u>1,144</u>	<u>6,606</u>
Net increase (decrease) in fiduciary net position	107,011	18,638	-	-	17
Net position, Beginning of Year	<u>223,664</u>	<u>68,418</u>	<u>2,001</u>	<u>1,804</u>	<u>2,384</u>
Net position, End of Year	<u>330,674</u>	<u>87,057</u>	<u>2,001</u>	<u>1,804</u>	<u>2,401</u>

Justice Court #4	County Clerk	District Clerk	District Attorney	Juvenile Probation	Adult Probation	Total Custodial Funds
-	57,077	1,112,139	8,075	273,428	1,163,417	31,115,234
	2,494	2,877		1,663	3,267	10,302
-	59,571	1,115,016	8,075	275,092	1,166,684	31,125,536
-	10,489	791,926	9,238	328,398	1,107,855	30,623,339
-	10,489	791,926	9,238	328,398	1,107,855	30,623,339
-	49,082	323,090	(1,163)	(53,306)	58,829	502,196
2,092	226,196	671,749	1,163	341,150	445,332	1,985,953
2,092	275,278	994,839	-	287,843	504,161	2,488,150

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL DISTRICT COURT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 414,000	414,000	351,250	(62,750)
Intergovernmental	12,408	12,408	3,298	(9,110)
Charges for Services	8,500	9,000	10,811	1,811
Interest		700	688	(12)
Total Revenues	434,908	436,108	366,047	(70,061)
 EXPENDITURES				
Current:				
Judicial	509,908	502,551	382,000	120,551
Total Expenditures	509,908	502,551	382,000	120,551
Excess of Revenues Over Expenditures	(75,000)	(66,443)	(15,953)	50,490
 OTHER FINANCING SOURCES & (USES)				
Transfers In	75,000	101,083	101,083	-
Total Other Financing Sources (Uses)	75,000	101,083	101,083	-
Net Change in Fund Balance	-	34,640	85,130	50,490
Fund Balance, Beginning of Year	(39,770)	(39,770)	(39,770)	-
Fund Balance, End of Year	\$ (39,770)	(5,130)	45,360	50,490

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 28,250	24,713	40,154	15,441
Interest	600	600	490	(110)
Total Revenues	<u>28,850</u>	<u>25,313</u>	<u>40,644</u>	<u>15,331</u>
EXPENDITURES				
Current:				
Judicial			-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>28,850</u>	<u>25,313</u>	<u>40,644</u>	<u>15,331</u>
OTHER FINANCING SOURCES & (USES)				
Transfers Out	(28,232)	(28,232)	(28,232)	-
Total Other Financing Sources (Uses)	<u>(28,232)</u>	<u>(28,232)</u>	<u>(28,232)</u>	<u>-</u>
Net Change in Fund Balance	<u>618</u>	<u>(2,919)</u>	<u>12,412</u>	<u>15,331</u>
Fund Balance, Beginning of Year	<u>47,027</u>	<u>47,027</u>	<u>47,027</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 47,645</u>	<u>44,108</u>	<u>59,439</u>	<u>15,331</u>

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL LAW LIBRARY FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 15,000	15,000	13,336	(1,664)
Interest		75	109	34
Total Revenues	15,000	15,075	13,445	(1,630)
 EXPENDITURES				
Current:				
Judicial	40,000	40,000	16,571	23,429
Total Expenditures	40,000	40,000	16,571	23,429
Excess of Revenues Over Expenditures	(25,000)	(24,925)	(3,126)	21,799
 OTHER FINANCING SOURCES & (USES)				
Transfers In	25,000	27,965	27,965	-
Total Other Financing Sources (Uses)	25,000	27,965	27,965	-
Net Change in Fund Balance	-	3,040	24,839	21,799
Fund Balance, Beginning of Year	(2,343)	(2,343)	(2,343)	-
Fund Balance, End of Year	\$ (2,343)	697	22,496	21,799

CASS COUNTY, TEXAS

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

DISTRICT ATTORNEY STATE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2021

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Intergovernmental	\$ 18,600	55,267	41,428	(13,839)
Interest		150	142	(8)
Total Revenues	18,600	55,417	41,570	(13,847)
EXPENDITURES				
Current:				
Judicial	18,600	55,671	35,916	19,755
Total Expenditures	18,600	55,671	35,916	19,755
Excess of Revenues Over Expenditures	-	(254)	5,654	5,908
Net Change in Fund Balance	-	(254)	5,654	5,908
Fund Balance, Beginning of Year	13,872	13,872	13,872	-
Fund Balance, End of Year	\$ 13,872	13,618	19,526	5,908

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL REGIONAL INTERSTATE TASKFORCE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest		515	450	(65)
Total Revenues	-	515	450	(65)
EXPENDITURES				
Current:				
Judicial		8,640	8,401	239
Total Expenditures	-	8,640	8,401	239
Excess of Revenues Over Expenditures	-	(8,125)	(7,951)	174
OTHER FINANCING SOURCES & (USES)				
Transfers Out		(938)	(938)	-
Total Other Financing Sources (Uses)	-	(938)	(938)	-
Net Change in Fund Balance	-	(9,063)	(8,889)	174
Fund Balance, Beginning of Year	45,813	45,813	45,813	-
Fund Balance, End of Year	\$ 45,813	36,750	36,924	174

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL DISTRICT ATTORNEY FORFEITURE FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines & Forfeitures	\$ 5,000	17,300	45,763	28,463
Interest		475	555	80
Total Revenues	5,000	17,775	46,318	28,543
 EXPENDITURES				
Current:				
Judicial	5,000	28,400	44,893	(16,493)
Total Expenditures	5,000	28,400	44,893	(16,493)
Excess of Revenues Over Expenditures	-	(10,625)	1,425	12,050
Net Change in Fund Balance	-	(10,625)	1,425	12,050
Fund Balance, Beginning of Year	65,261	65,261	65,261	-
Fund Balance, End of Year	\$ 65,261	54,636	66,686	12,050

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL DISTRICT ATTORNEY DISCRETIONARY FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 700	700	850	150
Interest	100	100	71	(29)
Total Revenues	<u>800</u>	<u>800</u>	<u>921</u>	<u>121</u>
EXPENDITURES				
Current:				
Judicial	800	1,000	979	21
Total Expenditures	<u>800</u>	<u>1,000</u>	<u>979</u>	<u>21</u>
Excess of Revenues Over Expenditures	-	(200)	(58)	142
Net Change in Fund Balance	-	(200)	(58)	142
Fund Balance, Beginning of Year	7,806	7,806	7,806	-
Fund Balance, End of Year	<u>\$ 7,806</u>	<u>7,606</u>	<u>7,748</u>	<u>142</u>

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL HAVA FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental		120,000	120,000	-
Interest		650	436	(214)
Total Revenues	-	120,650	120,436	(214)
 EXPENDITURES				
Current:				
Capital Outlay		120,000	120,000	-
Total Expenditures	-	120,000	120,000	-
Excess of Revenues Over Expenditures	-	650	436	(214)
Net Change in Fund Balance	-	650	436	(214)
 Fund Balance, Beginning of Year	5,445	5,445	5,445	-
Fund Balance, End of Year	\$ 5,445	6,095	5,881	(214)

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL CARES ACT 2020 - HAVA ELECTIONS FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Intergovernmental	\$ 16,000		24,563	24,563
Interest		200	112	(88)
Total Revenues	16,000	200	24,675	24,475
EXPENDITURES				
Current:				
Community Service	16,000	40,600	24,563	16,037
Total Expenditures	16,000	40,600	24,563	16,037
Excess of Revenues Over Expenditures	-	(40,400)	112	40,512
Net Change in Fund Balance	-	(40,400)	112	40,512
Fund Balance, Beginning of Year	86	86	86	-
Fund Balance, End of Year	\$ 86	(40,314)	198	40,512

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL SHERIFF FEDERAL FORFEITURE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest		40	37	(3)
Total Revenues	-	40	37	(3)
EXPENDITURES				
Current:				
Law Enforcement		275	268	7
Total Expenditures	-	275	268	7
Excess of Revenues Over Expenditures	-	(235)	(231)	4
Net Change in Fund Balance	-	(235)	(231)	4
Fund Balance, Beginning of Year	4,518	4,518	4,518	-
Fund Balance, End of Year	\$ 4,518	4,283	4,286	4

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL SHERIFF OFFICE DONATIONS FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest		40	49	9
Miscellaneous	500	500	11,482	10,982
Total Revenues	500	540	11,531	10,991
EXPENDITURES				
Current:				
Law Enforcement	500	14,925	14,543	382
Total Expenditures	500	14,925	14,543	382
Excess of Revenues Over Expenditures	-	(14,385)	(3,012)	11,373
OTHER FINANCING SOURCES & (USES)				
Transfers Out			11,324	11,324
Total Other Financing Sources (Uses)	-	-	11,324	11,324
Net Change in Fund Balance	-	(14,385)	8,312	22,697
Fund Balance, Beginning of Year	1,832	1,832	1,832	-
Fund Balance, End of Year	\$ 1,832	(12,553)	10,145	22,697

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL ELECTION REIMBURSEMENT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,000	3,000		(3,000)
Interest		20	23	3
Total Revenues	3,000	3,020	23	(2,997)
 EXPENDITURES				
Current:				
Community Service	3,000	3,000	2,122	878
Total Expenditures	3,000	3,000	2,122	878
 Excess of Revenues Over Expenditures	-	20	(2,099)	(2,119)
 Net Change in Fund Balance	-	20	(2,099)	(2,119)
 Fund Balance, Beginning of Year	3,019	3,019	3,019	-
 Fund Balance, End of Year	\$ 3,019	3,039	920	(2,119)

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL E. O. FERAL HOG ABATEMENT PROGRAM FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental				-
Interest		5	1	(4)
Total Revenues	-	5	1	(4)
 EXPENDITURES				
Current:				
Community Service		840	837	3
Total Expenditures	-	840	837	3
Excess of Revenues Over Expenditures	-	(835)	(836)	(1)
Net Change in Fund Balance	-	(835)	(836)	(1)
 Fund Balance, Beginning of Year	836	836	836	-
Fund Balance, End of Year	\$ 836	1	-	(1)

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL TEXAS CDBG GRANTS FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 244,750	244,750		(244,750)
Interest		5	2	(3)
Total Revenues	244,750	244,755	2	(244,753)
 EXPENDITURES				
Current:				
Roads & Public Works	244,750	244,750		244,750
Total Expenditures	244,750	244,750	-	244,750
Excess of Revenues Over Expenditures	-	5	2	(3)
 OTHER FINANCING SOURCES & (USES)				
Transfers Out		(508)	(508)	-
Total Other Financing Sources (Uses)	-	(508)	(508)	-
Net Change in Fund Balance	-	(503)	(506)	(3)
Fund Balance, Beginning of Year	(30,010)	(30,010)	(30,010)	-
Fund Balance, End of Year	\$ (30,010)	(30,513)	(30,516)	(3)

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL FEMA GRANTS FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest		5	2	(3)
Total Revenues	-	5	2	(3)
EXPENDITURES				
Current:				
Other				-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	5	2	(3)
OTHER FINANCING SOURCES & (USES)				
Transfers Out		(554)	(554)	-
Total Other Financing Sources (Uses)	-	(554)	(554)	-
Net Change in Fund Balance	-	(549)	(552)	(3)
Fund Balance, Beginning of Year	552	552	552	-
Fund Balance, End of Year	\$ 552	3	-	(3)

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL ROAD IMPROVEMENT GRANT 710197 FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest		50	9	(41)
Total Revenues	-	50	9	(41)
EXPENDITURES				
Current:				
Roads & Public Works				-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	50	9	(41)
OTHER FINANCING SOURCES & (USES)				
Transfers Out		(1,870)	(1,870)	-
Total Other Financing Sources (Uses)	-	(1,870)	(1,870)	-
Net Change in Fund Balance	-	(1,820)	(1,861)	(41)
Fund Balance, Beginning of Year	1,861	1,861	1,861	-
Fund Balance, End of Year	\$ 1,861	41	-	(41)

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL TEOAF TASK FORCE GRANT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	15,000	15,000	5,546	(9,454)
Interest			4	4
Total Revenues	15,000	15,000	5,550	(9,450)
 EXPENDITURES				
Current:				
Law Enforcement	15,000	27,500	12,277	15,223
Total Expenditures	15,000	27,500	12,277	15,223
 Excess of Revenues Over Expenditures	-	(12,500)	(6,727)	5,773
 Net Change in Fund Balance	-	(12,500)	(6,727)	5,773
 Fund Balance, Beginning of Year	(4,397)	(4,397)	(4,397)	-
 Fund Balance, End of Year	\$ (4,397)	(16,897)	(11,124)	5,773

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL BEAR CREEK FMAG FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest		35	21	(14)
Total Revenues	-	35	21	(14)
EXPENDITURES				
Current:				
Other				-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	35	21	(14)
OTHER FINANCING SOURCES & (USES)				
Transfers In		32,661	32,661	-
Transfers Out		(4,367)	(4,367)	-
Total Other Financing Sources (Uses)	-	28,294	28,294	-
Net Change in Fund Balance	-	28,329	28,315	(14)
Fund Balance, Beginning of Year	(28,316)	(28,316)	(28,316)	-
Fund Balance, End of Year	\$ (28,316)	13	-	(14)

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL HOME GRANTS FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental		450,000	396,599	(53,401)
Interest		190	236	46
Total Revenues	-	450,190	396,835	(53,355)
EXPENDITURES				
Current:				
Community Service		416,730	412,013	4,717
Total Expenditures	-	416,730	412,013	4,717
Excess of Revenues Over Expenditures	-	33,460	(15,178)	(48,638)
Net Change in Fund Balance	-	33,460	(15,178)	(48,638)
Fund Balance, Beginning of Year	37,605	37,605	37,605	-
Fund Balance, End of Year	\$ 37,605	71,065	22,427	(48,638)

COMPLIANCE AND INTERNAL CONTROL SECTION

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McMinn, Pope, Woodfin & Shaw P.C.
— Certified Public Accountants —

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*

To Honorable Judge Travis Ransom 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, 2021, and the related notes to the financial statements, which collectively comprise the Cass County, Texas' basic financial statements and have issued our report thereon dated June 6, 2022.

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) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 that we consider to be significant deficiencies.

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 financial statements. 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, Pope, Woodfin & Shaw, P.C.

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

June 6, 2022

CASS COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Financial Statement Finding

Ref 2017-001 - Expenditures Exceeding Budgetary Allowance

Current Status: This finding has been corrected.

Ref 2020-001 - Financial Policies, Procedures and Application of Accounting Principles

Current Status: This finding has been corrected.

Ref 2020-002 - Financial Policies, Procedures and Application of Accounting Principles

Current Status: This finding has been corrected.

Ref 2020-003 - Financial Policies, Procedures and Application of Accounting Principles

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, 2021

Financial Policies, Procedures and Application of Accounting Principles Reference 2021-001

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 timely during the fiscal year by the District Clerk's Office. This resulted in delayed recording of the revenues from that office ranging from 1-6 months after the revenues should have been recognized.

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 enforce 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. The County Treasurer should also take over the bank reconciliation process for the District Clerk's bank accounts.

View of Responsible Officials and Planned Corrective Action

The County has repeatedly worked to ensure timely submission of reports by the District Clerk and will continued to do so. Moving forward, the County has researched options to impose fines and possible misdemeanor charges and/or petition for removal from office for the District Clerk if the matter is not resolved. Additionally, the County Treasurer will take over the bank reconciliation process for the District Clerk.

Contact Person Responsible for Corrective Action

Cass County Auditor, County Treasurer and District Clerk

Anticipated Completion Date and Current Status

Anticipated Completion August 31, 2022 - This matter is unresolved.