

***CASS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2023***

**CASS COUNTY, TEXAS
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Independent Auditor's Report

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

Members of the Commission:

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cass County, Texas, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9, budgetary comparison information on pages 34-37, TMRS schedules of changes in net pension (asset) liability and related ratios on page 38, TMRS schedules of pension contributions and related notes on pages 39, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cass County, Texas's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures or federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of American. 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, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cass County, Texas's internal control over financial reporting and compliance.

Wilf & Henderson, P.C.
WILF & HENDERSON, P.C.
Certified Public Accountants
Texarkana, Texas

June 6, 2024

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

As management of the County of Cass County, Texas, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities and performance for the year ended September 30, 2023. The information presented here should be read in conjunction with the independent auditor's report and the County's financial statements.

FINANCIAL HIGHLIGHTS

The County's total combined net position was \$27,714,922 at September 30, 2023, of which, \$10,303,652 is invested in capital assets, net of related debt. During the year, the County's expenses were \$3,622,733 less than the \$17,874,758 generated in taxes, charges for services, and other revenues from activities. This includes depreciation expense of \$906,411. The adjustment to the net position liability as required by GASB 68 resulted in an increase to expense of the \$281,582.

The total cost of all the County's activities was \$14,252,025, an increase of \$750,000 or 5%.

The general fund balance is \$8,090,526 at September 30, 2023, which is a decrease of approximately \$1.5 million as compared to an increase of \$9,647,855 the prior year. General fund revenue increased approximately \$1.2 million compared to the prior year with an increase of approximately \$650 thousand in tax revenue. Intergovernmental revenue decreased by approximately \$851 thousand. Current expenditures were up approximately \$750 thousand or 6%. Gross Payroll for 2022 was \$6,548,178.02 and for 2023 \$6,496,644.15 which is down by \$51,533.90 for 2023. Fuel and supply costs increased. The main road and bridge fund balance increased by approximately \$800 thousand to a balance of \$3 million.

During the year, \$1,095,619 of fixed assets were added, and \$515,000 of principal was paid on debt.

Approximately 96% of the taxes levied for 2022-2023 were collected by September 30, 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis (this section), basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the County's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about the activities the government operates like businesses, such as a commissary operation.
- Fiduciary fund statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong. This fund contains trust funds.

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net position and how they have changed. Net position- the difference between the County's assets and liabilities- is one way to measure the County's financial health or position.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, consideration should be given to additional nonfinancial factors such as changes in the County's tax base.

The government-wide financial statements of the County include the governmental activities. The Authority's basic expenditures are included here, such as administration and finance, road and public works, corrections, law enforcement, judicial, and community services. Property taxes and charges for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

The County has the following kinds of funds:

- *Governmental Funds* - Most of the Authority's basic services are included in governmental funds, which focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out and 2) the balance remaining at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the following page that explains the relationship (or differences) between them.
- *Fiduciary funds*- The County is the trustee, of *fiduciary*, for certain funds. It is also responsible for other assets that-because of a trust arrangement- can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded for the County's government-wide financial statements because the County cannot use these assets to finance its operations.

**CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County's combined net position was approximately \$27,700,000 at September 30, 2023.

NET POSITION

	<i>Governmental Activities</i>	
	<u>2023</u>	<u>2022</u>
Current Assets		
Current and other assets	\$ 19,182,010	\$ 20,972,291
Capital and non-current assets	<u>13,325,429</u>	<u>13,229,325</u>
Total Current Assets	32,507,439	34,201,616
Deferred outflow-pension plan	<u>1,356,533</u>	<u>1,611,070</u>
Total Deferred Outflows of Resource	<u>1,356,533</u>	<u>1,611,070</u>
Liabilities		
Current and other liabilities	1,197,918	1,438,822
Long-term liabilities	<u>4,890,879</u>	<u>2,988,447</u>
Total Liabilities	6,088,797	4,427,269
Deferred inflow-pension plan	60,253	4,787,059
Unavailable revenue- grants	<u>-</u>	<u>2,628,725</u>
Total Deferred Inflows of Resource	<u>60,253</u>	<u>7,415,784</u>
Net Position		
Invested in capital assets	10,303,652	9,726,436
Restricted	5,939,099	4,723,763
Unrestricted	<u>11,472,171</u>	<u>9,519,435</u>
Total Net Position	<u>\$ 27,714,922</u>	<u>\$ 23,969,634</u>

Net position invested in capital assets of related debt reflects the book value of the County's capital assets in excess of debt which financed those assets. The \$11,472,171 of unrestricted net position represents resources available to fund the programs of the County for the next fiscal year.

The \$5,939,099 is restricted as follows:

Restricted for Debt Service	\$ 798,761
Restricted for Special Revenue Funds	<u>5,140,338</u>
	<u>\$ 5,939,099</u>

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net position of the County increased \$3,700,000. The County recorded depreciation of \$906,411, added fixed assets of \$1,023,000, and paid \$515,000 on principal of debt. The County's revenues exceeded expenditures by \$3,200,515 in the governmental funds.

Changes in net position.

Of the County's total revenue of \$17,871,011, 60% of this came from property taxes, 11% came from charges for services, and 22% came from operating grants and contributions.

The total cost of all programs was approximately \$14.2 million. Approximately 30% of this was for law enforcement, 21% administration and finance, and 21% for road and public works.

Net position increased by \$3,200,515 because of the excess of revenues over expenses. Depreciation expense was \$906,411 thousand for the year.

**CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

CHANGE IN NET POSITION

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenues		
<u>Program Revenues</u>		
Charges for Services	\$ 2,014,459	\$ 1,846,588
Operating Grants and Contributions	3,841,068	4,768,280
Capital Grants and Contributions	100,000	-
<u>General Revenues</u>		
Property Taxes	10,790,985	10,132,012
Other taxes	114,729	108,541
Investment Earnings	635,256	147,381
Other	<u>378,261</u>	<u>338,864</u>
Total Revenues	<u>17,874,758</u>	<u>17,341,666</u>
Expenses		
Administration and Finance	3,014,103	2,896,571
Road and Public Works	2,962,141	2,914,406
Corrections	19,793	19,793
Law Enforcement	4,220,333	3,665,567
Judicial	2,182,919	2,030,135
Community Service	1,453,796	1,623,090
Other	313,717	90,285
Interest on Long-term Debt	<u>85,223</u>	<u>261,385</u>
Total Expenses	<u>14,252,025</u>	<u>13,501,232</u>
Other Sources (Uses)		
Transfers	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	3,622,733	3,840,434
Beginning Net Position	23,969,536	20,135,798
Prior Period Adjustment	<u>122,653</u>	<u>(6,600)</u>
Ending Net Position	<u><u>\$ 27,714,922</u></u>	<u><u>\$ 23,969,632</u></u>

The table below presents the cost of each of the County's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all governmental activities this year was \$14,756,828.
- However, the amount that taxpayers paid for these activities through property taxes was only \$10,795,010.
- Some of the cost was paid by those who directly benefited from the programs (\$2,014,459), or by grants and contributions (\$3,941,068).

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County reported fund balance in its governmental funds of approximately \$17 million at September 30, 2023.

General	\$ 8,090,526
Special Revenue	<u>9,085,496</u>
	<u>\$17,176,022</u>

Fund balance in the governmental funds increased approximately \$3.2 million. The general fund balance decreased approximately \$1.5 million. Tax revenue was up approximately \$490 thousand as both property tax and sales tax increased. The Main Road & Bridge fund balance increased \$800 thousand. Tax revenue was up approximately \$80 thousand in the Main Road & Bridge fund. Other special revenue funds increased approximately \$4 million.

General Fund Budgetary Highlights

Several budget amendments were made during the year. Even with these amendments, actual expenditures were less than budgeted by approximately \$2.1 million. Actual revenues were approximately \$975,000 or 10% more than budgeted. Actual transfers were approximately \$4 million more than budgeted. Actually, the fund balance decreased approximately \$1.5 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets- The County's investment in capital assets as of September 30, 2023 amounted to \$13,247,542. This investment in capital assets included land, buildings, furniture and fixtures, and right to use asset.

Debt- At September 30, 2023, the County had long-term liabilities outstanding of \$5,366,388, including bonds, accrued compensated absences, and net pension liability.

ECONOMIC FACTORS AND NET YEAR'S BUDGET AND RATES

In setting the Fiscal Year 2024 budget, the governing body, after careful consideration, decreased the tax rate by 0.020478. However, the overall property values increased, which will raise the 2024 County revenue.

The only significant increases in expenditures budgeted for FY 2024 was for a 3% salary increase across the board. Also, the longevity pay was increased to \$10 per month after 5 years. No other new programs or initiatives were added for FY 2024.

We believe that the budget is reasonable, attainable, fiscally sound, and allows for services to be provided to the citizens of the County in a sound manner.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of 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 directed to the County's Auditor's Office, P.O. Box 299, Linden, Texas 75563.

CASS COUNTY, TEXAS
BASIC FINANCIAL STATEMENTS

CASS COUNTY, TEXAS
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 17,691,449
Receivables (net of allowance for uncollectible):	
Accounts	8,724
Property Taxes	1,481,837
Capital assets (net of accumulated depreciation):	
Land	181,358
Construction in process	206,648
Buildings and Improvements	9,273,290
Furniture and Equipment	3,586,246
Right Use Asset	77,887
Net Pension Asset	-
Total Assets	<u>32,507,439</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pensions	1,356,533
Total Deferred Outflows of Resources	<u>1,356,533</u>
LIABILITIES	
Accounts Payable	188,266
Accrued Payroll	107,370
Due to Other Governments	120,541
Accrued Interest	11,094
Due to Custodial Funds	71,473
Deferred Revenue	212,498
Other Payables	11,167
Non-current liabilities:	
Due Within One Year: (Bonds, Notes, Loans, Leases, etc.)	475,509
Due In More Than One Year:	
Accrued compensated absences	52,884
Bonds, Notes, Loans, Leases, etc.	2,629,205
Net Pension Liability	2,208,790
Total Liabilities	<u>6,088,797</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pensions	60,253
Total Deferred Inflows of Resources	<u>60,253</u>
NET POSITION	
Net Investment in Capital Assets	10,303,652
Restricted for:	
Debt Service	798,761
Records Management	770,161
Courthouse Security	216,706
Technology	142,344
Training	26,307
Other	95,284
Community Services	29,637
Judicial	309,526
Law Enforcement	142,610
Capital Improvements	145,930
Roads & Public Works	3,261,833
Unrestricted	11,472,171
Total Net Position	<u>\$ 27,714,922</u>

The accompanying notes are an integral part of this statement.

CASS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Program Revenues				Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions		
Governmental activities:					
Administration and Finance	\$ 3,014,103	664,754	471,645	\$ -	\$ (1,877,704)
Roads and Public Works	2,962,141	874,657	1,085,505	-	(1,001,979)
Corrections	19,793	-	-	-	(19,793)
Law Enforcement	4,220,333	166,012	1,002,864	-	(3,051,457)
Judicial	2,182,919	307,836	559,087	-	(1,315,996)
Community Services	1,453,796	1,200	721,967	-	(730,629)
Other	313,717	-	-	100,000	(213,717)
Interest on Long Term Debt	85,223	-	-	-	(85,223)
Total governmental activities	14,252,025	2,014,459	3,841,068	100,000	(8,296,498)
General revenues:					
Property taxes					10,790,985
Other taxes					114,729
Investment earnings					635,256
Miscellaneous					378,261
Total general revenues					11,919,231
Change in net position					3,622,733
Net position, beginning, as restated (Note 16)					24,092,189
Net position at end of year					\$ 27,714,922

The accompanying notes are an integral part of this statement.

**CASS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	General Fund	Road and Bridge Fund	American Rescue Plan Act of 2021 Fund	Special Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 8,563,240	\$ 1,994,632	\$ -	\$ 6,064,307	\$ 1,069,270	\$ 17,691,449
Receivables (net of allowances for uncollectible):	-	-	-	-	-	-
Accounts	6,732	-	-	-	1,392	8,124
Property Taxes	1,122,452	209,658	-	-	149,727	1,481,837
Other Non-Cash Current Assets	-	-	-	-	600	600
Due from Other Funds	-	1,121,618	-	211,000	-	1,332,618
Total Assets	\$ 9,692,424	\$ 3,325,908	\$ -	\$ 6,275,307	\$ 1,220,989	\$ 20,514,628
LIABILITIES						
Accounts Payable	\$ 129,582	\$ 43,076	-	3,444	\$ 12,164	\$ 188,266
Accrued Payroll	85,420	20,999	-	-	951	107,370
Due to Other Governments	120,541	-	-	-	-	120,541
Due to Other Funds	282,473	-	-	1,121,618	-	1,404,091
Deferred Revenue	-	-	-	212,498	-	212,498
Other Payables	4,173	-	-	-	6,994	11,167
Total Liabilities	622,189	64,075	-	1,337,560	20,109	2,043,933
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	979,709	183,138	-	-	131,826	1,294,673
Total Deferred Inflows of Resources	979,709	183,138	-	-	131,826	1,294,673
FUND BALANCES						
Restricted for:	-	-	-	-	-	-
Debt Service	-	-	-	-	722,658	722,658
Records Management	770,161	-	-	-	-	770,161
Courthouse Security	216,706	-	-	-	-	216,706
Technology	142,344	-	-	-	-	142,344
Training	26,307	-	-	-	-	26,307
Other	95,284	-	-	-	-	95,284
Community Services	2,128	-	-	-	27,509	29,637
Judicial	102,224	-	-	-	163,322	265,546
Law Enforcement	132,975	-	-	-	9,635	142,610
Capital Improvements	-	-	-	-	145,930	145,930
Roads & Public Works	-	3,078,695	-	-	-	3,078,695
Assigned	-	-	-	4,937,747	-	4,937,747
Unassigned:	-	-	-	-	-	-
General Fund	6,602,397	-	-	-	-	6,602,397
Special Revenue Funds	-	-	-	-	-	-
Total Fund Balances	8,090,526	3,078,695	-	4,937,747	1,069,054	17,176,022
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 9,692,424	\$ 3,325,908	\$ -	\$ 6,275,307	\$ 1,220,989	\$ 20,514,628

The accompanying notes are an integral part of this statement.

CASS COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total Fund Balances - Governmental Funds	\$ 17,176,022
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	13,325,429
The net effect of change in pension liabilities and the net effect of the change in deferred outflows and inflows in the governmental activities is to (decrease) net position.	(912,511)
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.	1,294,673
Long-term liabilities, including bonds payable, are not due and payable in the current period, and , therefore are not reported as liabilities in the funds.	(3,168,691)

Net Position of Governmental Activities	\$ 27,714,922

The accompanying notes are an integral part of this statement.

CASS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Road and Bridge Fund	American Rescue Plan Act of 2021 Fund	Special Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 8,153,747	\$ 1,566,304	\$ -	\$ -	\$ 1,074,959	\$ 10,795,010
Licenses and Permits	213,572	708,217	-	-	-	921,789
Intergovernmental Revenue and Grants	378,050	168,283	2,628,725	9,000	757,010	3,941,068
Charges for Services	426,206	-	-	-	17,261	443,467
Fines and Forfeitures	453,961	166,439	-	-	28,803	649,203
Interest	399,574	83,385	29,023	98,113	25,161	635,256
Miscellaneous	180,721	210,108	-	93,654	735	485,218
Total Revenues	<u>10,205,831</u>	<u>2,902,736</u>	<u>2,657,748</u>	<u>200,767</u>	<u>1,903,929</u>	<u>17,871,011</u>
EXPENDITURES						
Current						
Administration and Finance	2,298,911	-	403,200	10,706	7,489	2,720,306
Roads and Public Works	-	1,679,410	918,372	-	-	2,597,782
Corrections	-	-	-	-	-	-
Law Enforcement	3,037,101	-	849,444	-	990	3,887,535
Judicial	1,211,977	-	342,025	-	519,643	2,073,645
Community Services	734,472	-	15,684	-	650,228	1,400,384
Other	297,491	-	-	13,889	2,337	313,717
Capital Outlay	164,920	414,319	100,000	408,374	21,860	1,109,473
Debt Service:						
Principal Retirement	39,463	-	-	-	515,000	554,463
Interest on Debt	4,615	-	-	-	94,908	99,523
Total Expenditures	<u>7,788,950</u>	<u>2,093,729</u>	<u>2,628,725</u>	<u>432,969</u>	<u>1,812,455</u>	<u>14,756,828</u>
Excess (deficiency) of revenues over expenditures	<u>2,416,881</u>	<u>809,007</u>	<u>29,023</u>	<u>(232,202)</u>	<u>91,474</u>	<u>3,114,183</u>
OTHER FINANCING SOURCES (USES)						
Lease Proceeds	86,431	-	-	-	-	86,431
Transfers	(4,060,641)	-	(57,437)	4,094,211	23,867	-
Total Other Financing Sources (Uses)	<u>(3,974,210)</u>	<u>-</u>	<u>(57,437)</u>	<u>4,094,211</u>	<u>23,867</u>	<u>86,431</u>
Net Change in Fund Balance	(1,557,329)	809,007	(28,414)	3,862,009	115,341	3,200,614
Fund Balance, beginning, as restated (Note 16)	9,647,855	2,269,688	28,414	1,075,738	953,713	13,975,408
Fund Balance, End of Year	<u>\$ 8,090,526</u>	<u>\$ 3,078,695</u>	<u>\$ -</u>	<u>\$ 4,937,747</u>	<u>\$ 1,069,054</u>	<u>\$ 17,176,022</u>

The accompanying notes are an integral part of this statement.

CASS COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net Change in Fund Balances - Governmental Funds	\$ 3,200,614
<p>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.</p>	156,197
<p>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.</p>	(106,957)
<p>Revenues for property taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	110,704
<p>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 transactions, 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 amounts is the net effect of these differences in the treatment of long-term debt and related items.</p>	529,300
<p>Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as revenues in the government funds.</p>	14,457
<p>Net pension assets reported in the statement of activities do not require the use of current financial resources and therefore are not reported as revenues in the government funds.</p>	(281,582)
Change in Net Position of Governmental Activities	\$ 3,622,733

The accompanying notes are an integral part of this statement.

CASS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2023

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 2,657,594
Investments	408,056
Due from General Fund	71,473
Total Assets	3,137,123
LIABILITIES	
Accounts Payable	\$ 141,101
Total Liabilities	141,101
NET POSITION	
Restricted for:	
Individuals and Other Governments	2,996,022
Total Net Position	\$ 2,996,022

The accompanying notes are an integral part of this statement.

CASS COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2023

	Custodial Funds
ADDITIONS	
Amounts collected for individuals and other governments	\$ 32,932,453
Interest	31,687
Total Additions	32,964,140
DEDUCTIONS	
Amounts distributed to individuals and other governments	32,654,773
Total Deductions	32,654,773
Net increase (decrease) in fiduciary net position	309,367
Net Position, Beginning of Year as previously reported	2,493,197
Prior period adjustment	193,458
Net Position, Beginning of Year as restated	2,686,655
Net Position, End of Year	\$ 2,996,022

The accompanying notes are an integral part of this statement.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Note 1 - Summary of Significant Accounting Policies

Cass County, Texas is a county government operating under the applicable laws and regulations of the State of Texas. It is governed by a four member Commissioner's Court elected by registered voters of the County. The Commissioners Court serves at 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 prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants.

A. Reporting Entity

The Commissioner's Court is elected by the public and it has the authority to make decisions and significantly influence operations. It has the primary accountability for fiscal matters. Therefore, the County is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, *The Financial Reporting Entity*. There are no component units included within the reporting entity.

B. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Cass County with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, charges for services, grants and other intergovernmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs the County operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the County. The "grants and contributions" column includes amounts paid by organizations outside the County to help meet the operational or capital requirements of a given function. If a revenue is not a program revenue, it is a general revenue used to support all of the County's functions. Taxes are always general revenues.

Interfund activities between governmental funds and between governmental funds and fiduciary funds appear as due to/due from on the Governmental Fund Balance Sheet and Statement of Fiduciary Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due froms on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for two fund categories – governmental and fiduciary. Since the resources in the fiduciary funds cannot be used for County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column.

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

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

with expendable available financial resources. The City considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The County considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the County to refund all or part of the unused amount.

D. Fund Accounting

The County reports the following major governmental funds:

The General Fund – The general fund is the County's primary operating fund. It accounts for 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 Recovery Funds grant established by the American Rescue Plan Act.

Special Projects Fund- This fund was created to maintain funding for various county projects as designated necessary, and approved, by the Commissioners' Court.

Additionally, the County maintains and reports other nonmajor governmental funds, including debt service, special revenue, and capital projects funds, as described on pages 40-42.

The County reports the following fiduciary funds:

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, liabilities, and equity. 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 and operating 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, 2023**

E. 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 uncollectable. 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 and improvements, furniture and equipment, and right to use leased assets 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 \$5,000.

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

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:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Vehicles	5-15
Furniture	5-8
Computer Equipment	5-8
Equipment	10-20

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.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

6. Accrued Compensated Absences

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

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

7. Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Fund balances may be restricted or unrestricted (the total of committed, assigned, and unassigned fund balance). The government itself can establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Fund balance for governmental funds can consist of the following:

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

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

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

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

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

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

8. Estimates

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

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

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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; the deferred pension outflows reported in the statement of net position. The deferred pension outflows consist of differences between expected and actual economic experience, differences between projected and actual investment earned, and 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. The deferred pension inflows consist of changes in actuarial assumptions. 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.

NOTE 2 – 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, debt service, and the special revenue funds, except for these funds: Cass County Park, District Attorney Escrow, and Texas CDBG Grants 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 annual budget appropriations lapse at year-end and are re-established in the succeeding year.

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

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

B. Deficit Fund Equity

The County had no funds with deficit fund equity as of September 30, 2023.

NOTE 3 – DEPOSITS AND INVESTMENTS

County Policies and Legal and Contractual Provisions Governing Deposits:

Custodial Credit Risk for Deposits – State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding

**CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agents. Since the county complies with this law, it has no custodial credit risk for deposits.

The captions and amounts of cash and cash equivalents on the Balance Sheet and Statements of Fiduciary Net Position as of September 30, 2023, consist of the following:

	General Fund	Road and Bridge Fund	Special Projects Fund	Other Governmental Funds	Balance Sheet Total	Fiduciary Funds
Cash in bank	\$ 1,671,607	\$ 1,094,497	\$ 239,054	\$ 1,069,270	\$ 4,074,428	\$ 2,668,196
Investment Pools	6,891,633	900,135	5,825,253	-	13,617,021	408,056
Cash and Cash Equivalents	<u>\$ 8,563,240</u>	<u>\$ 1,994,632</u>	<u>\$ 6,064,307</u>	<u>\$ 1,069,270</u>	<u>\$ 17,691,449</u>	<u>\$ 3,076,252</u>

The County's cash deposits at September 30, 2023 and during the year ended September 30, 2023 were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District 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. The Public Funds Investment Act (PFIA) governs the District's investment policies and types of investments. The District's management believes that it complies with the requirements of the PFIA and the County's investments policies.

As of September 30, 2023, the county had the following investment pool accounts:

<u>Investment Type</u>	<u>Amortized Cost</u>
TexPool	\$ 588,605
Texas CLASS Investment Pool	13,028,416
Total Investment Pools	<u>\$ 13,617,021</u>

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, 2023, the County's investments in both TexPool and Texas CLASS Investment Pool are rated AAAM by Standard and Poor's.

Interest Rate Risk - To limit the risk of changes in interest rates will adversely affect the fair value of investments, the County requires invested instruments maturities do not exceed one year from the time of purchase except when a longer maturity may be specifically authorized by the Board for a given investment provided legal limits are not exceeded.

NOTE 4- PROPERTY TAX

The Cass County Appraisal District bills and collects property taxes for the Cass County. Ad valorem tax revenue during the year ended September 30, 2023, was levied using a rate of \$0.485180 per one hundred dollars of assessed valuation. Taxes were allocated between the Maintenance and Operations \$0.394514, Debt Service \$0.059735, and Road and Bridge \$.030931.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

The County internally divided the Maintenance and Operations allocations between general operations \$.368377258, District Court \$.016305490, Right of Way .000239787, and Road and Bridge Main account \$.009591465. The amount levied for the 2022 tax roll was \$10,182,267.

NOTE 5 – RECEIVABLES

As of September 30, 2023, the County had the following receivables:

	General	Road & Bridge	Nonmajor Governmental	Total
Receivables:				
Accounts	\$ 6,732	\$ -	\$ 1,392	\$ 8,124
Property Taxes	1,206,937	225,439	160,996	1,593,372
Gross Receivables	1,213,669	225,439	162,388	1,601,496
Less: Allowance for Uncollectibles	84,485	15,781	11,269	111,535
Net Total Receivables	<u>\$ 1,129,184</u>	<u>\$ 209,658</u>	<u>\$ 151,119</u>	<u>\$ 1,489,961</u>

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

	Primary Government			
	Balance 9/30/2022	Additions	Deletions	Balance 9/30/2023
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 167,504	\$ 13,854		\$ 181,358
Total Capital Assets Not Being Depreciated	167,504	13,854	-	181,358
Capital Assets Being Depreciated				
Building & Improvements	14,808,952	206,648		15,015,600
Furniture & Equipment	6,730,078	802,541	(149,184)	7,383,435
Right to use leased assets	112,353	86,430		198,783
Total Capital Assets Being Depreciated	21,651,383	1,095,619	(149,184)	22,597,818
Less: Accumulated Depreciation For:				
Buildings and Improvements	5,178,352	357,310		5,535,662
Furniture and Equipment	3,326,946	512,470	(42,227)	3,797,189
Right to use leased assets	84,265	36,631		120,896
	8,589,563	906,411	(42,227)	9,453,747
Total Capital Assets	<u>\$ 13,229,324</u>	<u>\$ 203,062</u>	<u>\$ (106,957)</u>	<u>\$ 13,325,429</u>

Depreciation expense was charged to governmental functions as follows:

Administration and Finance	\$ 233,895
Roads and Public Works	310,905
Corrections	19,793
Law Enforcement	231,337
Judicial	59,378
Community Service	51,103
Total Depreciation Expense	<u>\$ 906,411</u>

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 7 – INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of inter-fund balances as of September 30, 2023 is as follows:

Receivable Fund	DUE TO/FROM OTHER FUNDS		Total
	Payable Fund		
	General	Special Projects	
Tax Assessor- Collector Custodial Fund	\$ 71,473		\$ 71,473
Special Projects Fund	211,000		211,000
Road & Bridge Fund		\$ 1,121,618	1,121,618
Total	\$ 282,473	\$ 1,121,618	\$ 1,404,091

The outstanding balances between funds result mainly from the time lag between dates that (1) interfund 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:

- \$71,473 To reimburse the Tax Assessor/Collector Agency Fund for amounts erroneously paid to the General Fund in prior years.
- \$211,000 To reimburse the Special Projects Fund for the LATCF funding shown as deferred revenue in at year-end.
- \$1,121,618 To reimburse the Road and Bridge Fund for amounts erroneously transferred to the Special Projects fund in the current year.

The composition of inter-fund transfers as of September 30, 2023 is as follows:

Transfer In	INTERFUND TRANSFERS				Total
	Transfer Out				
	General Fund	American Rescue Plan Act of 2021 Fund	Special Projects Fund	Other Governmental Funds	
General Fund	\$ -	\$ -	\$ -	\$ 862	\$ 862
Special Projects Fund	4,061,503	57,437	-	62,271	4,181,211
Other Governmental Funds	-	-	87,000	17,000	104,000
Total	\$ 4,061,503	\$ 57,437	\$ 87,000	\$ 80,133	\$ 4,286,073

Purpose:

- \$4,061,503 Funds were transferred from the General Fund to the Special Projects Fund for holding and usage as approved by the Commissioners' Court. This was a transfer of savings related to the use of special revenue funds during the current and prior year.
- \$57,437 Funds were transferred from the American Rescue Plan Act of 2021 Fund to the Special Projects Fund for holding and usage as approved by the Commissioners' Court. This was a transfer of interest revenue as allowed per OMB Guidance.
- \$87,000 Funds were transferred from the Special Projects Fund to the District Court Fund (other governmental fund) to cover expenditures.
- \$862 Funds were transferred from the Indigent Defense Grant Fund (other governmental fund) to the General Fund to cover expenditures.
- \$62,271 Funds were transferred from the District Court Fund (other governmental fund) to the Special Projects Fund for holding and usage as approved by the Commissioners' Court.
- \$17,000 Funds were transferred from the Indigent Defense Grant Fund (other governmental fund) to the District Court Fund (Nonmajor governmental fund) to cover expenditures.

**CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 8 - LEASE COMMITMENTS

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance September 30, 2023
Copiers	12/12/2018	60 Months	2,360	9.50%	112,353	6,968
Washing Machine	6/1/2023	72 Months	340	4.27%	21,639	20,501
Building	10/1/2022	60 Months	1,200	4.38%	64,792	52,748
						<u>80,217</u>

The County entered into lease agreement for copiers in all County offices in which the County will pay the lessor \$2,360 per month for a term of 60 months at a fixed interest rate of 9.5%.

The County entered into lease agreement for a washing machine in which the County will pay the lessor \$340 per month for a term of 72 months at a fixed interest rate of 4.27%.

The County entered into lease agreement for a building for county office use in which the County will pay the lessor \$1,200 per month for a term of 60 months at a fixed interest rate of 4.38%.

Annual requirements to amortize long-term lease obligations and related interest are as follows:

Requirements for Year Ending September 30	Principal	Interest	Total
2024	\$ 22,571	\$ 2,988	\$ 25,559
2025	16,297	2,183	18,480
2026	17,021	1,459	18,480
2027	17,778	702	18,480
2028	3,875	205	4,080
2029	2,675	43	2,718
Total	<u>\$ 80,217</u>	<u>\$ 7,580</u>	<u>\$ 87,797</u>

NOTE 9 – LONG-TERM LIABILITIES

A. Tax Note

Tax Notes, Series 2016, was used to purchase road maintenance, equipment and professional services. The notes were due serially in varying amounts from February 15, 2017 through August 15, 2023. The original issue was \$1,034,000, issued with a rate of interest of 1.65%. These notes were paid off in 2023.

**CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

B. Limited Tax Refunding Bonds

The County has dedicated 6.80% of the ad valorem taxes received for the year for the payment of principal and interest on bonds.

	Rate of Interest	Original Issue	Outstanding Balance 9/30/2023
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	\$2,850,000
Total Limited Tax Refunding Bonds		\$5,540,000	\$2,850,000

Annual requirements to amortize limited tax refunding bonds outstanding at September 30, 2023 are as follows:

Limited Tax Refunding Bonds			
Requirements for Year ending September 30	Principal	Interest	Total
2024	\$ 370,000	\$ 83,200	\$ 453,200
2025	385,000	71,875	456,875
2026	390,000	60,250	450,250
2027	405,000	48,325	453,325
2028	420,000	35,425	455,425
2029-2030	880,000	28,925	908,925
	\$ 2,850,000	\$ 328,000	\$ 3,178,000

C. Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2023:

	Balance Sept. 30, 2022	Additions	Payments	Balance Sept. 30, 2023	Current Portion
Long-term debt:					
Bonds payable	\$ 3,210,000	\$ -	\$ (360,000)	\$ 2,850,000	\$ 370,000
Bond Issuance Premium	104,639	-	\$ (13,080)	91,559	-
Total bonds payable:	3,314,639	-	\$ (373,080)	2,941,559	370,000
Lease Payable	33,250	86,431	\$ (39,463)	80,217	22,571
Tax Notes	155,000		(155,000)	-	-
Accrued Compensated Absences	150,278	26,045	(40,501)	135,822	82,938
Net Pension Liability	-	2,208,790	-	2,208,790	
Total	\$ 3,653,167	\$ 2,321,266	\$ (608,044)	\$ 5,366,388	\$ 475,509

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

**CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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.

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, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	144
Inactive employees entitled to but not yet receiving benefits	130
Active employees	150
	424

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 11.20% for October through December 2022 and 11.74% for January through September 2023. The County’s contributions totaled \$723,300 for the year ended September 30, 2023 and was equal to the required contributions.

**CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Net Pension Liability:

The County's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall Payroll Growth	3.00%
Investment Rate of Return	7.50%, 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, 2017 to December 31, 2020. These assumptions were adopted in 2021 and first used in the December 31, 2021 actuarial valuation.

The mortality actuarial assumptions for active members, retirees and beneficiaries, which were first used in December 2021 actuarial valuation, are as follows:

Depositing Members	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount - Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service Retirees, Beneficiaries and Non-depositing Members	135% of Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount - Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled Retirees	160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

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 2023 information for a 10-year time horizon.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.95%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.39%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD I	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	7.60%
REIT Equities	67%FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	20.00%

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.

**CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balance as of December 31, 2021	\$ 36,752,219	\$ 39,297,271	\$ (2,545,052)
Increase (decrease) in:			
Service cost	792,516	-	792,516
Interest on total pension liability	2,769,749	-	2,769,749
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	15,854	-	15,854
Effect of assumptions changes or inputs	-	-	-
Refund of Contributions	(117,214)	(117,214)	-
Benefit payments	(2,125,185)	(2,125,185)	-
Administrative expenses	-	(21,026)	21,026
Member contributions	-	452,063	(452,063)
Net investment income	-	(2,212,671)	2,212,671
Employer contributions	-	723,300	(723,300)
Other	-	(117,389)	117,389
Balance as of December 31, 2022	<u>\$ 38,087,939</u>	<u>\$ 35,879,149</u>	<u>\$ 2,208,790</u>

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 7.60%, 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 in Discount Rate (6.6%)	Discount Rate (7.6%)	1% Increase in Discount Rate (8.6%)
Total Pension Liability	\$ 42,525,625	\$ 38,087,939	\$ 34,323,243
Fiduciary Net Position	<u>35,879,149</u>	<u>35,879,149</u>	<u>35,879,149</u>
Net Pension Liability/Asset as of December 31, 2022	<u>\$ 6,646,476</u>	<u>\$ 2,208,790</u>	<u>\$ (1,555,906)</u>

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, 2023, the County recognized pension expense of \$281,582

At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 241,549
Changes in actuarial assumptions	60,253	-
Difference between projected and actual investment earnings		577,643
Contributions subsequent to the measurement date	-	537,343
	\$ 60,253	\$ 1,356,535

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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2023	(325,711)
2024	(4,890)
2025	95,671
2026	1,030,859
2027	-
Thereafter	-
Total	\$ 795,929

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, 2023 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 – TAX ABATEMENTS

The County is allowed to enter into property tax abatement agreements for the purpose of stimulating business and commercial activity in the County in accordance with Sec. 312.007 of the *Texas Tax Code* and Sec. 381.004(g) of the *Texas Local Government Code*.

**CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

The County has entered into an Economic Development Agreement to reduce property taxes. The agreement calls for a reduction of taxable property values of 100% for eligible property over a period not to exceed 10 years. As a condition of the abatement, the party eligible for abatement agreed to a project with anticipated investments of \$174 million in constructing or upgrading facilities and to make reasonable efforts to maintain, from the effective date of the agreement until termination, an employment level of 817 full-time employees with a base employment level of at least 654 full-time employees. Additionally, annual administrative payments of \$5,000 and annual pilot payments of \$130,000 are required per the agreement. If the party eligible for abatement fails to meet performance requirements during any year under the agreement, all taxes abated for that year under the agreement will be due and not abated during the year of performance default.

During the year ended September 30, 2023, the County abated \$320,164 in property taxes and received the required \$5,000 and \$130,000 in respective administrative and pilot payments.

NOTE 15 – RELATED PARTY TRANSACTIONS

During the 2023 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 \$9,186.

NOTE 16 – IMPLEMENTATION OF NEW ACCOUNTING STANDARD

For 2023, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription – Based Information Technology Arrangements*, issued May 2020. GASB Statement No. 96 addresses accounting and financial reporting for SBITAs by governments. A SBITA is defined as a contract that conveys control of the right to use another party’s information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. This statement provides an exception for short-term SBITAs. Short term SBITAs have a maximum possible term under the SBITA contract of 12 months or less, including any options to extend, regardless of the probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources. The county had no SBITAs as of September 30, 2023.

NOTE 17 –RESTATEMENT

During the year ended September 30, 2023, it was discovered that the money market accounts for the adult probation custodial fund had not been recorded as cash in the fiduciary statement as of September 30, 2022. The value of these accounts were \$193,458.

The addition of these accounts had the following effect on the fiduciary net position as of September 30, 2022:

	Adult Probation Custodial Fund	Total Custodial Funds
Net Position September 30, 2022	\$ 581,395	\$ 2,493,196
Adjustments:		
Cash	193,459	193,459
Restated Net Position September 30, 2022	\$ 774,854	\$ 2,686,655

During the year ended September 30, 2023, it was discovered that some accounts were classified as due to other governments but should have been classified as revenue in prior years. Therefore, these amounts were reclassified to restate beginning fund balance to account for prior revenue.

	General Fund	Total Governmental Funds
Net Position September 30, 2022	\$ 9,525,202	\$ 13,852,755
Adjustments:		
Cash	122,653	122,653
Restated Net Position September 30, 2022	\$ 9,647,855	\$ 13,975,408

NOTE 18 – MANAGEMENT REVIEW

In preparing these financial statements, management of the County has evaluated events and transactions for potential recognition or disclosure through May xx, 2024, the date the financial statements were available to be issued.

***CASS COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION***

CASS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts GAAP Basis	
REVENUES				
Taxes	\$ 8,036,355	\$ 8,036,355	\$ 8,153,747	\$ 117,392
Licenses and Permits	183,600	183,600	213,572	29,972
Intergovernmental Revenue and Grants	261,416	275,516	378,050	102,534
Charges for Services	238,250	259,420	426,206	166,786
Fines and Forfeitures	341,700	341,700	453,961	112,261
Interest	40,000	55,300	399,574	344,274
Miscellaneous	28,500	76,391	180,721	104,330
Total Revenues	<u>9,129,821</u>	<u>9,228,282</u>	<u>10,205,831</u>	<u>977,549</u>
EXPENDITURES				
Current				
Administration and Finance	2,775,187	2,859,455	2,298,911	560,544
Law Enforcement	4,156,666	4,242,185	3,037,101	1,205,084
Judicial	1,563,807	1,610,842	1,211,977	398,865
Community Services	712,961	790,371	734,472	55,899
Other	269,845	307,491	297,491	10,000
Capital Outlay	28,316	72,791	164,920	(92,129)
Debt Service:				
Principal Retirement	-	-	39,463	(39,463)
Interest on Debt	-	-	4,615	(4,615)
Total Expenditures	<u>9,506,782</u>	<u>9,883,135</u>	<u>7,788,950</u>	<u>2,094,185</u>
Excess (deficiency) of revenues over expenditures	<u>(376,961)</u>	<u>(654,853)</u>	<u>2,416,881</u>	<u>3,071,734</u>
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	86,431	86,431
Transfers In	388,000	388,000	(4,060,641)	(4,448,641)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>388,000</u>	<u>388,000</u>	<u>(3,974,210)</u>	<u>(4,362,210)</u>
Net Change in Fund Balance	11,039	(266,853)	(1,557,329)	(1,290,476)
Fund Balance, beginning, as restated	<u>9,525,202</u>	<u>9,525,202</u>	<u>9,647,855</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 9,536,241</u>	<u>\$ 9,258,349</u>	<u>\$ 8,090,526</u>	<u>\$ (1,290,476)</u>

The accompanying notes are an integral part of this statement.

CASS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts GAAP Basis	
REVENUES				
Taxes	\$ 1,516,332	\$ 1,516,332	\$ 1,566,304	\$ 49,972
Licenses and Permits	660,000	660,000	708,217	48,217
Intergovernmental Revenue and Grants	150,000	150,000	168,283	18,283
Charges for Services	-	-	-	-
Fines and Forfeitures	100,000	100,000	166,439	66,439
Interest	12,000	12,000	83,385	71,385
Miscellaneous	18,500	18,500	210,108	191,608
Total Revenues	<u>2,456,832</u>	<u>2,456,832</u>	<u>2,902,736</u>	<u>445,904</u>
EXPENDITURES				
Current				
Roads and Public Works	1,945,679	1,885,531	1,679,410	206,121
Capital Outlay	160,000	428,400	414,319	14,081
Total Expenditures	<u>2,105,679</u>	<u>2,313,931</u>	<u>2,093,729</u>	<u>220,202</u>
Excess (deficiency) of revenues over expenditures	<u>351,153</u>	<u>142,901</u>	<u>809,007</u>	<u>666,106</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	351,153	142,901	809,007	666,106
Fund Balance, Beginning of Year	<u>2,269,688</u>	<u>2,269,688</u>	<u>2,269,688</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,620,841</u>	<u>\$ 2,412,589</u>	<u>\$ 3,078,695</u>	<u>\$ 666,106</u>

The accompanying notes are an integral part of this statement.

CASS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - AMERICAN RESCUE PLAN ACT OF 2021 FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts GAAP Basis	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	2,628,725	2,628,725	2,628,725	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	10,000	10,000	29,023	19,023
Miscellaneous	-	-	-	-
Total Revenues	<u>2,638,725</u>	<u>2,638,725</u>	<u>2,657,748</u>	<u>19,023</u>
EXPENDITURES				
Current				
Administration and Finance	-	453,631	403,200	50,431
Roads and Public Works	600,000	842,562	918,372	(75,810)
Corrections	-	-	-	-
Law Enforcement	-	837,866	849,444	(11,578)
Judicial	-	377,210	342,025	35,185
Community Services	-	17,456	15,684	1,772
Other	500,000	-	-	-
Capital Outlay	100,000	100,000	100,000	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest on Debt	-	-	-	-
Total Expenditures	<u>1,200,000</u>	<u>2,628,725</u>	<u>2,628,725</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,438,725</u>	<u>10,000</u>	<u>29,023</u>	<u>19,023</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(65,000)	(65,000)	(57,437)	7,563
Total Other Financing Sources (Uses)	<u>(65,000)</u>	<u>(65,000)</u>	<u>(57,437)</u>	<u>7,563</u>
Net Change in Fund Balance	1,373,725	(55,000)	(28,414)	26,586
Fund Balance, Beginning of Year	<u>28,414</u>	<u>28,414</u>	<u>28,414</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,402,139</u>	<u>\$ (26,586)</u>	<u>\$ -</u>	<u>\$ 26,586</u>

The accompanying notes are an integral part of this statement.

CASS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>GAAP Basis</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	110,000	9,000	(101,000)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	5,000	5,000	98,113	93,113
Miscellaneous	-	93,654	93,654	-
Total Revenues	<u>5,000</u>	<u>208,654</u>	<u>200,767</u>	<u>(7,887)</u>
EXPENDITURES				
Current				
Administration and Finance	-	293,000	10,706	282,294
Other	11,000	16,000	13,889	2,111
Capital Outlay	-	205,600	408,374	(202,774)
Total Expenditures	<u>11,000</u>	<u>514,600</u>	<u>432,969</u>	<u>81,631</u>
Excess (deficiency) of revenues over expenditures	<u>(6,000)</u>	<u>(305,946)</u>	<u>(232,202)</u>	<u>73,744</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	87,000	4,094,211	4,007,211
Transfers Out	(167,000)	(202,000)	-	202,000
Use of Fund Balance	-	330,314	-	-
Total Other Financing Sources (Uses)	<u>(167,000)</u>	<u>215,314</u>	<u>4,094,211</u>	<u>4,209,211</u>
Net Change in Fund Balance	(173,000)	(90,632)	3,862,009	4,282,955
Fund Balance, Beginning of Year	<u>1,075,738</u>	<u>1,075,738</u>	<u>1,075,738</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 902,738</u>	<u>\$ 985,106</u>	<u>\$ 4,937,747</u>	<u>\$ 4,282,955</u>

The accompanying notes are an integral part of this statement.

CASS COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension (Asset) Liability									
Service Cost	792,516	\$ 786,726	\$ 724,667	\$ 682,399	\$ 667,001	\$ 698,946	\$ 670,964	\$ 599,717	\$ 598,656
Interest on Total Pension Liability	2,769,749	2,628,886	2,556,682	2,439,052	2,375,214	2,281,509	2,155,836	2,062,352	1,955,128
Effect of Plan Changes			210,228				57,279	(74,087)	83,377
Effect of Assumption Changes or Inputs		(180,787)	1,816,335			163,324		307,917	
Effect of Economic/Demographic (Gains) Losses	15,854	692,940	(438,770)	131,258	(483,944)	(244,562)	(52,499)	(72,671)	64,106
Benefit Payments, Including Refunds of Contributions	(2,242,399)	(1,923,618)	(1,884,086)	(1,802,997)	(1,768,752)	(1,654,319)	(1,590,868)	(1,643,071)	(1,267,834)
Net Change in Total Pension Liability	1,335,720	2,004,147	2,985,056	1,449,712	789,519	1,244,898	1,240,712	1,180,157	1,433,433
Total Pension Liability, Beginning	36,752,219	34,748,072	31,763,015	30,313,304	29,523,755	28,278,887	27,038,174	25,858,016	24,424,583
Total Pension Liability, Ending (a)	38,087,939	36,752,219	34,748,071	31,763,016	30,313,274	29,523,785	28,278,886	27,038,173	25,858,016
Total Fiduciary Net Position									
Employer Contributions	723,300	710,991	682,560	684,919	659,733	642,533	634,795	576,858	571,250
Member Contributions	452,063	427,208	423,574	416,182	401,232	392,818	382,079	355,459	356,713
Net Investment Income	(2,212,671)	7,150,804	3,162,291	4,425,685	(533,766)	3,668,963	1,781,774	260,228	1,627,067
Benefit Payments, Including Refunds of Contributions	(2,242,399)	(1,923,619)	(1,884,086)	(1,802,997)	(1,768,752)	(1,654,319)	(1,590,868)	(1,643,071)	(1,267,834)
Administrative Expense	(21,026)	(21,260)	(24,122)	(23,338)	(21,643)	(18,772)	(19,392)	(17,467)	(18,318)
Other	(117,389)	(13,173)	(19,985)	(19,765)	(18,252)	(8,472)	(107,556)	152,323	35,299
Net Change in Plan Fiduciary Net Position	(3,418,122)	6,330,951	2,340,232	3,680,686	(1,281,448)	3,022,751	1,080,832	(315,670)	1,304,177
Total Pension Liability, Beginning	39,297,271	32,966,320	30,626,088	26,945,401	28,226,849	25,204,098	24,123,267	24,438,938	23,134,761
Total Pension Liability, Ending (b)	35,879,149	\$ 39,297,271	\$ 32,966,320	\$ 30,626,087	\$ 26,945,401	\$ 28,226,849	\$ 25,204,099	\$ 24,123,268	\$ 24,438,938
Net Pension (Asset) Liability, Ending (a) - (b)	\$ 2,208,790	\$ (2,545,052)	\$ 1,781,751	\$ 1,136,929	\$ 3,367,873	\$ 1,296,936	\$ 3,074,787	\$ 2,914,905	\$ 1,419,078
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.20%	106.92%	94.87%	96.42%	88.89%	95.61%	89.13%	89.22%	94.51%
Covered Employee Payroll	\$ 6,458,043	\$ 6,102,968	\$ 6,051,060	\$ 5,945,459	\$ 5,731,883	\$ 5,611,683	\$ 5,458,268	\$ 5,077,983	\$ 5,095,902
Net Pension (Asset) Liability as a Percentage of Covered Covered Employee Payroll	34.20%	-41.70%	29.45%	19.12%	58.76%	23.11%	56.33%	57.40%	27.85%

Notes to the Schedule:
GASB Codification, Vol. 2, P.20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

CASS COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2023

Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
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	-	5,611,683	11.44%
2018	659,733	659,733	-	5,731,883	11.51%
2019	684,919	684,919	-	5,945,459	11.52%
2020	682,560	682,560	-	6,051,060	11.28%
2021	710,991	710,991	-	6,102,968	11.65%
2022	723,300	723,300	-	6,458,043	11.20%

Note: GASB #68, paragraph 81.2.b requires that the data in this schedule be presented as of the County's fiscal year as of the time period covered by the measurement date.

* The amounts presented for years 2013-2016 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	16.3 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub 2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

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. 2022: New investment return and inflation 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.
	2021: Employer contributions reflect that the current service matching rate was increased to 170% for future benefits and a 1% flat COLA was adopted. 2022: No changes in plan provisions were reflected in the Schedule

***CASS COUNTY, TEXAS
COMBINING FINANCIAL STATEMENTS***

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.

**CASS COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS**

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.

Cares Act 2020 Judicial Funds – This fund was established to account for expenses incurred and revenues received from a grant received in association with the Cares Act.

CTIF 2020 TXDOT Grant – This fund was established to account for expenses incurred and revenues received from a grant received in association with the CTIF 2020 TXDOT Grant.

Texas CDBG Grants – 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.

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.

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**

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

CAPITAL PROJECTS FUNDS

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

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

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

**CASS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

H-1

	<u>Special Revenue Funds</u>			
	<u>Debt Service</u>	<u>District Court</u>	<u>Indigent Defense Grant</u>	<u>Law Library</u>
ASSETS				
Cash and Cash Equivalents	\$ 709,149	\$ 3,595	\$ 22,927	\$ 14,242
Receivables (net of allowances for uncollectible):				
Accounts	1,392	-	-	-
Property Taxes	99,314	49,682	-	-
Other Non-Cash Current Assets	-	-	-	-
Prepaid Expenses	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 809,855</u>	<u>\$ 53,277</u>	<u>\$ 22,927</u>	<u>\$ 14,242</u>
LIABILITIES				
Accounts Payable	-	6,041	-	1,726
Accrued Payroll	-	951	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Other Payables	-	-	-	-
Total Liabilities	<u>-</u>	<u>6,992</u>	<u>-</u>	<u>1,726</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	87,197	43,980	-	-
Total Deferred Inflows of Resources	<u>87,197</u>	<u>43,980</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Debt Service	722,658	-	-	-
Records Management	-	-	-	-
Courthouse Security	-	-	-	-
Technology	-	-	-	-
Training	-	-	-	-
Other	-	-	-	-
Community Services	-	-	-	-
Judicial	-	2,305	22,927	12,516
Law Enforcement	-	-	-	-
Capital Improvements	-	-	-	-
Roads & Public Works	-	-	-	-
Assigned	-	-	-	-
Unassigned:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Total Fund Balances	<u>722,658</u>	<u>2,305</u>	<u>22,927</u>	<u>12,516</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 809,855</u>	<u>\$ 53,277</u>	<u>\$ 22,927</u>	<u>\$ 14,242</u>

CASS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2023

H-1

	Special Revenue Funds			
	<i>District Attorney Escrow</i>	<i>District Attorney State</i>	<i>District Attorney Forfeiture</i>	<i>District Attorney Discretionary</i>
ASSETS				
Cash and Cash Equivalents	\$ 339	\$ 43,777	\$ 84,642	\$ 7,607
Receivables (net of allowances for uncollectible):				
Accounts	-	-	-	-
Property Taxes	-	-	-	-
Other Non-Cash Current Assets	-	-	600	-
Prepaid Expenses	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	\$ 339	\$ 43,777	\$ 85,242	\$ 7,607
LIABILITIES				
Accounts Payable	-	4,376	-	21
Accrued Payroll	-	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Other Payables	-	-	5,881	1,113
Total Liabilities	-	4,376	5,881	1,134
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted for:	-	-	-	-
Debt Service	-	-	-	-
Records Management	-	-	-	-
Courthouse Security	-	-	-	-
Technology	-	-	-	-
Training	-	-	-	-
Other	-	-	-	-
Community Services	-	-	-	-
Judicial	339	39,401	79,361	6,473
Law Enforcement	-	-	-	-
Capital Improvements	-	-	-	-
Roads & Public Works	-	-	-	-
Assigned	-	-	-	-
Unassigned:	-	-	-	-
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Total Fund Balances	339	39,401	79,361	6,473
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 339	\$ 43,777	\$ 85,242	\$ 7,607

CASS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2023

H-1

	Special Revenue Funds			
	<i>Sheriff Federal Forfeiture</i>	<i>Sheriff Office Donations</i>	<i>HOME Grants</i>	<i>Total Special Revenue Funds</i>
ASSETS				
Cash and Cash Equivalents	\$ 4,444	\$ 5,191	\$ 27,509	\$ 214,273
Receivables (net of allowances for uncollectible):				
Accounts	-	-	-	-
Property Taxes	-	-	-	49,682
Other Non-Cash Current Assets	-	-	-	600
Prepaid Expenses	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	\$ 4,444	\$ 5,191	\$ 27,509	\$ 264,555
LIABILITIES				
Accounts Payable	-	-	-	\$ 12,164
Accrued Payroll	-	-	-	951
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Other Payables	-	-	-	6,994
Total Liabilities	-	-	-	20,109
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	43,980
Total Deferred Inflows of Resources	-	-	-	43,980
FUND BALANCES				
Restricted for:	-	-	-	-
Debt Service	-	-	-	-
Records Management	-	-	-	-
Courthouse Security	-	-	-	-
Technology	-	-	-	-
Training	-	-	-	-
Other	-	-	-	-
Community Services	-	-	27,509	27,509
Judicial	-	-	-	163,322
Law Enforcement	4,444	5,191	-	9,635
Capital Improvements	-	-	-	-
Roads & Public Works	-	-	-	-
Assigned	-	-	-	-
Unassigned:	-	-	-	-
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Total Fund Balances	4,444	5,191	27,509	200,466
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 4,444	\$ 5,191	\$ 27,509	\$ 264,555

CASS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2023

H-1

	Capital Projects Fund		Total Nonmajor Governmental Funds
	<i>Right of Way Projects</i>	<i>Total Capital Projects Funds</i>	
ASSETS			
Cash and Cash Equivalents	\$ 145,848	\$ 145,848	\$ 1,069,270
Receivables (net of allowances for uncollectible):			
Accounts	-	-	1,392
Property Taxes	731	731	149,727
Other Non-Cash Current Assets	-	-	600
Prepaid Expenses	-	-	-
Due from Other Funds	-	-	-
Total Assets	<u>\$ 146,579</u>	<u>\$ 146,579</u>	<u>\$ 1,220,989</u>
LIABILITIES			
Accounts Payable	-	\$ -	\$ 12,164
Accrued Payroll	-	-	951
Due to Other Governments	-	-	-
Due to Other Funds	-	-	-
Other Payables	-	-	6,994
Total Liabilities	<u>-</u>	<u>-</u>	<u>20,109</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	649	649	131,826
Total Deferred Inflows of Resources	<u>649</u>	<u>649</u>	<u>131,826</u>
FUND BALANCES			
Restricted for:	-	-	-
Debt Service	-	-	722,658
Records Management	-	-	-
Courthouse Security	-	-	-
Technology	-	-	-
Training	-	-	-
Other	-	-	-
Community Services	-	-	27,509
Judicial	-	-	163,322
Law Enforcement	-	-	9,635
Capital Improvements	145,930	145,930	145,930
Roads & Public Works	-	-	-
Assigned	-	-	-
Unassigned:	-	-	-
General Fund	-	-	-
Special Revenue Funds	-	-	-
Total Fund Balances	<u>145,930</u>	<u>145,930</u>	<u>1,069,054</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 146,579</u>	<u>\$ 146,579</u>	<u>\$ 1,220,989</u>

CASS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-2

	<u>Special Revenue Funds</u>			
	<u>Debt Service</u>	<u>District Court</u>	<u>Indigent Defense Grant</u>	<u>Law Library</u>
REVENUES				
Taxes	\$ 685,019	\$ 384,520	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	6,951	10,600	30,568	16,409
Charges for Services	-	17,261	-	-
Fines and Forfeitures	-	-	-	-
Interest	16,638	867	288	320
Miscellaneous	-	-	-	-
Total Revenues	<u>708,608</u>	<u>413,248</u>	<u>30,856</u>	<u>16,729</u>
EXPENDITURES				
Current				
Administration and Finance	350	-	-	-
Roads and Public Works	-	-	-	-
Corrections	-	-	-	-
Law Enforcement	-	-	-	-
Judicial	-	446,836	-	22,794
Community Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	21,860	-	-
Debt Service:				
Principal Retirement	515,000	-	-	-
Interest on Debt	94,908	-	-	-
Total Expenditures	<u>610,258</u>	<u>468,696</u>	<u>-</u>	<u>22,794</u>
Excess (deficiency) of revenues over expenditures	98,350	(55,448)	30,856	(6,065)
OTHER FINANCING SOURCES (USES)				
Proceeds from Bond Issue	-	-	-	-
Sale of Equipment	-	-	-	-
Lease Proceeds	-	-	-	-
Transfers In	-	104,000	-	-
Transfers Out	-	(62,271)	(17,862)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>41,729</u>	<u>(17,862)</u>	<u>-</u>
Net Change in Fund Balance	98,350	(13,719)	12,994	(6,065)
Fund Balance, Beginning of Year	<u>624,308</u>	<u>16,024</u>	<u>9,933</u>	<u>18,581</u>
Fund Balance, End of Year	<u>\$ 722,658</u>	<u>\$ 2,305</u>	<u>\$ 22,927</u>	<u>\$ 12,516</u>

CASS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-2

	Special Revenue Fund			
	<i>District Attorney</i>	<i>District Attorney</i>	<i>District Attorney</i>	<i>District Attorney</i>
	<i>Escrow</i>	<i>State</i>	<i>Forfeiture</i>	<i>Discretionary</i>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	43,526	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	28,803	-
Interest	8	813	1,975	195
Miscellaneous	-	-	-	535
Total Revenues	<u>8</u>	<u>44,339</u>	<u>30,778</u>	<u>730</u>
EXPENDITURES				
Current				
Administration and Finance	-	-	-	-
Roads and Public Works	-	-	-	-
Corrections	-	-	-	-
Law Enforcement	-	-	-	-
Judicial	-	31,448	16,928	1,637
Community Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest on Debt	-	-	-	-
Total Expenditures	<u>-</u>	<u>31,448</u>	<u>16,928</u>	<u>1,637</u>
Excess (deficiency) of revenues over expenditures	8	12,891	13,850	(907)
OTHER FINANCING SOURCES (USES)				
Proceeds from Bond Issue	-	-	-	-
Sale of Equipment	-	-	-	-
Lease Proceeds	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	8	12,891	13,850	(907)
Fund Balance, Beginning of Year	<u>331</u>	<u>26,510</u>	<u>65,511</u>	<u>7,380</u>
Fund Balance, End of Year	<u>\$ 339</u>	<u>\$ 39,401</u>	<u>\$ 79,361</u>	<u>\$ 6,473</u>

CASS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-2

	Special Revenue Fund			
	<i>Sheriff Federal Forfeiture</i>	<i>Sheriff Office Donations</i>	<i>TEOAF Task Force</i>	<i>Texas Historical Courthouse Grant</i>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	105	126	(143)	43
Miscellaneous	-	-	-	-
Total Revenues	105	126	(143)	43
EXPENDITURES				
Current				
Administration and Finance	-	-	-	7,139
Roads and Public Works	-	-	-	-
Corrections	-	-	-	-
Law Enforcement	-	990	-	-
Judicial	-	-	-	-
Community Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest on Debt	-	-	-	-
Total Expenditures	-	990	-	7,139
Excess (deficiency) of revenues over expenditures	105	(864)	(143)	(7,096)
OTHER FINANCING SOURCES (USES)				
Proceeds from Bond Issue	-	-	-	-
Sale of Equipment	-	-	-	-
Lease Proceeds	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	105	(864)	(143)	(7,096)
Fund Balance, Beginning of Year	4,339	6,055	143	7,096
Fund Balance, End of Year	\$ 4,444	\$ 5,191	\$ -	\$ -

CASS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Special Revenue Fund</u>		<u>Capital Projects Funds</u>	
	<i>HOME Grants</i>	<i>Total Special Revenue Funds</i>	<i>Capital Projects</i>	<i>Right of Way Projects</i>
REVENUES				
Taxes	\$ -	\$ 384,520	\$ -	\$ 5,420
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	648,902	750,005	-	54
Charges for Services	-	17,261	-	-
Fines and Forfeitures	-	28,803	-	-
Interest	799	5,396	-	3,127
Miscellaneous	200	735	-	-
Total Revenues	<u>649,901</u>	<u>1,186,720</u>	<u>-</u>	<u>8,601</u>
EXPENDITURES				
Current				
Administration and Finance	-	7,139	-	-
Roads and Public Works	-	-	-	-
Corrections	-	-	-	-
Law Enforcement	-	990	-	-
Judicial	-	519,643	-	-
Community Services	650,228	650,228	-	-
Other	-	-	2,337	-
Capital Outlay	-	21,860	-	-
Debt Service:	-	-	-	-
Principal Retirement	-	-	-	-
Interest on Debt	-	-	-	-
Total Expenditures	<u>650,228</u>	<u>1,199,860</u>	<u>2,337</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(327)	(13,140)	(2,337)	8,601
OTHER FINANCING SOURCES (USES)				
Proceeds from Bond Issue	-	-	-	-
Sale of Equipment	-	-	-	-
Lease Proceeds	-	-	-	-
Transfers In	-	104,000	-	-
Transfers Out	-	(80,133)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>23,867</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(327)	10,727	(2,337)	8,601
Fund Balance, Beginning of Year	<u>27,836</u>	<u>189,739</u>	<u>2,337</u>	<u>137,329</u>
Fund Balance, End of Year	<u>\$ 27,509</u>	<u>\$ 200,466</u>	<u>\$ -</u>	<u>\$ 145,930</u>

CASS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-2

	<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES		
Taxes	\$ 5,420	\$ 1,074,959
Licenses and Permits	-	-
Intergovernmental Revenue and Grants	54	757,010
Charges for Services	-	17,261
Fines and Forfeitures	-	28,803
Interest	3,127	25,161
Miscellaneous	-	735
Total Revenues	<u>8,601</u>	<u>1,903,929</u>
EXPENDITURES		
Current		
Administration and Finance	-	7,489
Roads and Public Works	-	-
Corrections	-	-
Law Enforcement	-	990
Judicial	-	519,643
Community Services	-	650,228
Other	2,337	2,337
Capital Outlay	-	21,860
Debt Service:		
Principal Retirement	-	515,000
Interest on Debt	-	94,908
Total Expenditures	<u>2,337</u>	<u>1,812,455</u>
Excess (deficiency) of revenues over expenditures	6,264	91,474
OTHER FINANCING SOURCES (USES)		
Proceeds from Bond Issue	-	-
Sale of Equipment	-	-
Lease Proceeds	-	-
Transfers In	-	104,000
Transfers Out	-	(80,133)
Total Other Financing Sources (Uses)	<u>-</u>	<u>23,867</u>
Net Change in Fund Balance	6,264	115,341
Fund Balance, Beginning of Year	<u>139,666</u>	<u>953,713</u>
Fund Balance, End of Year	<u>\$ 145,930</u>	<u>\$ 1,069,054</u>

CASS COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2023

H-3

	<u>Tax Assessor - Collector</u>	<u>Sheriff</u>	<u>Justice Court #1</u>	<u>Justice Court #2</u>	<u>Justice Court #3</u>	<u>Justice Court #4</u>
ASSETS						
Cash and Cash Equivalents	\$ 707,459	\$ 68,299	\$ 2,207	\$ 1,804	\$ 1,713	\$ 2,248
Investments						
Due from General Fund	71,473					
Total Assets	<u>\$ 778,932</u>	<u>\$ 68,299</u>	<u>\$ 2,207</u>	<u>\$ 1,804</u>	<u>\$ 1,713</u>	<u>\$ 2,248</u>
LIABILITIES						
Accounts Payable						
Total Liabilities						
NET POSITION						
Restricted for:						
Individuals and Other Governments	\$ 778,932	\$ 68,299	\$ 2,207	\$ 1,804	\$ 1,713	\$ 2,248
Total Net Position	<u>\$ 778,932</u>	<u>\$ 68,299</u>	<u>\$ 2,207</u>	<u>\$ 1,804</u>	<u>\$ 1,713</u>	<u>\$ 2,248</u>

CASS COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2023

H-3

	<u>County Clerk</u>	<u>District Clerk</u>	<u>District Attorney</u>	<u>Juvenile Probation</u>	<u>Adult Probation</u>	<u>Total Custodial Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 124,729	\$ 795,565		267,259	686,311	\$ 2,657,594
Investments	177,483	230,573				408,056
Due from General Fund						71,473
Total Assets	<u>\$ 302,212</u>	<u>\$ 1,026,138</u>	<u>\$ -</u>	<u>\$ 267,259</u>	<u>\$ 686,311</u>	<u>\$ 3,137,123</u>
LIABILITIES						
Accounts Payable					141,101	141,101
Total Liabilities					<u>141,101</u>	<u>141,101</u>
NET POSITION						
Restricted for:						
Individuals and Other Governments	\$ 302,212	\$ 1,026,138	\$ -	\$ 267,259	\$ 545,210	\$ 2,996,022
Total Net Position	<u>\$ 302,212</u>	<u>\$ 1,026,138</u>	<u>\$ -</u>	<u>\$ 267,259</u>	<u>\$ 545,210</u>	<u>\$ 2,996,022</u>

CASS COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-4

	<u>Tax Assessor - Collector</u>	<u>Sheriff</u>	<u>Justice Court #1</u>	<u>Justice Court #2</u>	<u>Justice Court #3</u>	<u>Justice Court #4</u>
ADDITIONS						
Amounts collected for individuals and other governments	\$ 31,176,883	\$ 176,980	\$ 3,929	\$ 835	\$ 868	\$ 765
Interest						
Total Additions	<u>31,176,883</u>	<u>176,980</u>	<u>3,929</u>	<u>835</u>	<u>868</u>	<u>765</u>
DEDUCTIONS						
Amounts distributed to individuals and other governments	<u>30,851,672</u>	<u>222,680</u>	<u>3,723</u>	<u>835</u>	<u>1,713</u>	<u>609</u>
Total Deductions	<u>30,851,672</u>	<u>222,680</u>	<u>3,723</u>	<u>835</u>	<u>1,713</u>	<u>609</u>
Net increase (decrease) in fiduciary net position	325,211	(45,700)	206	-	(845)	156
Net Position, beginning, as restated	453,721	113,999	2,001	1,804	2,558	2,092
Net Position, End of Year	<u>\$ 778,932</u>	<u>\$ 68,299</u>	<u>\$ 2,207</u>	<u>\$ 1,804</u>	<u>\$ 1,713</u>	<u>\$ 2,248</u>

CASS COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-4

	<u>County Clerk</u>	<u>District Clerk</u>	<u>District Attorney</u>	<u>Juvenile Probation</u>	<u>Adult Probation</u>	<u>Total Custodial Funds</u>
ADDITIONS						
Amounts collected for individuals and other governments	\$ 25,990	\$ 346,410	\$ 3,510	\$ 338,132	\$ 858,151	\$ 32,932,453
Interest	2,488	2,400		10,869	15,930	31,687
Total Additions	<u>28,478</u>	<u>348,810</u>	<u>3,510</u>	<u>349,001</u>	<u>874,081</u>	<u>32,964,140</u>
DEDUCTIONS						
Amounts distributed to individuals and other governments	16,780	104,900	3,510	344,627	1,103,724	32,654,773
Total Deductions	<u>16,780</u>	<u>104,900</u>	<u>3,510</u>	<u>344,627</u>	<u>1,103,724</u>	<u>32,654,773</u>
Net increase (decrease) in fiduciary net position	11,698	243,910	-	4,374	(229,643)	309,367
Net Position, beginning, as restated	290,514	782,228	-	262,885	774,853	2,686,655
Net Position, End of Year	<u>\$ 302,212</u>	<u>\$ 1,026,138</u>	<u>\$ -</u>	<u>\$ 267,259</u>	<u>\$ 545,210</u>	<u>\$ 2,996,022</u>

***CASS COUNTY, TEXAS
REPORT ON COMPLIANCE AND INTERNAL CONTROLS***



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 *GOVERNMENTAL 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 (County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 6, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cass County, Texas's 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*.

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.

Wulf & Henderson, P.C.

WILF & HENDERSON, P.C.
Certified Public Accountants
Texarkana, Texas

June 6, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cass County, Texas's (Cass County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Cass County's major federal programs for the year ended September 30, 2023. Cass County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cass County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Cass County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Cass County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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

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



WILF & HENDERSON, P.C.
Certified Public Accountants
Texarkana, Texas

June 6, 2024

**CASS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

I. Summary of the Auditor's Results:

- a. The auditor's report expresses an unmodified opinion on whether the financial statements of Cass County, Texas were prepared in accordance with GAAP.
- b. No significant deficiencies or material weaknesses related to the audit of the financial statements are reported on the internal control over financial reporting and on compliance and other matters required by the GAO's *Government Auditing Standards*.
- c. No instances of noncompliance material to the financial statements of Cass County, Texas were disclosed during the audit.
- d. No significant deficiencies or material weaknesses relating to the audit of the major federal award program are reported in the report on internal control over compliance required by Uniform Guidance.
- e. The type of report the auditor issued on compliance for major programs was an unmodified opinion.
- f. No audit findings relative to the major federal award programs were disclosed by the audit that were required to be reported under 2 CFR 200.516(a).
- g. The program tested as major program was:
 - AL 21.027 COVID 19 – Coronavirus State and Local Fiscal Recovery Funds
- h. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- i. Cass County, Texas was determined not to be a low-risk auditee.

**CASS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

II. Findings Relating to the Financial Statements Which are Required to Be Reported in Accordance with *Generally Accepted Government Auditing Standards*

No findings required to be reported.

III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in I.f Above.

No findings required to be reported.

TRAVIS RANSOM
COUNTY JUDGE

AMY VARNELL
COUNTY CLERK

JAMES LOOMIS
COUNTY AUDITOR

MELISSA SHORES
COUNTY TREASURER

BRETT FITTS
COMMISSIONER, PCT. 1

KEVIN YOUNG
COMMISSIONER, PCT. 2

DOUG LANCE
COMMISSIONER, PCT. 3

DARRELL GODWIN
COMMISSIONER, PCT. 4

CASS COUNTY AUDITOR
P.O. BOX 299 LINDEN, TEXAS 75563
TELEPHONE (903) 756-5067
FAX (903) 756-3018

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Financial Statement Finding

2022-001 Financial Policies, Procedures, and Application of Accounting Principles

In the prior year ended September 30, 2022, the County did not timely report revenue generated in the district clerk office due to delayed presorting of collection activity by the district clerk. It was recommended the County Treasurer should take over the bank reconciliation process for the district clerk accounts to ensure reporting deadlines were met. The County implemented effective controls and no similar instances were found in the 2023 audit.

The responsible contact person is Jim Loomis.

**CASS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
FEDERAL AWARDS				
<u>U.S. Department of the Treasury</u>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 2,628,725	\$ -
Local Assistance and Tribal Consistency Fund	21.032		9,000	-
Total U.S. Department of the Treasury			<u>2,637,725</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through the Texas Department of Housing and Community Affairs:				
HOME Investment Partnership Program	14.239	2022-009	650,228	-
<u>U.S. Department of Justice</u>				
Passed through the Texas Office of the Governor:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	4225001	<u>26,546</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 3,314,499</u>	<u>\$ -</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS

NOTE 1 - GENERAL

The accompanying schedule of expenditures of federal awards is a summary of the activity of all federal award programs of Cass County, Texas for the year ended September 30, 2023. The grant programs are administered by the various departments of the County. The activities of these departments are monitored by County staff to ensure compliance with requirements of the underlying grants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 - USE OF 10% DE MINIMIS COST RATE

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

NOTE 4 - RELATIONSHIP TO GRANT FINANCIAL REPORTS

The amounts reported in the accompanying schedule may not agree with the amounts reported in the related grant financial reports filed with the grantor agencies due to the fact that the accompanying schedule represents activity for the twelve months ended September 30, 2023, while some grant reports are prepared monthly, quarterly or annually on a grant fiscal year end that is different.

NOTE 5 - STATUS OF PRIOR YEAR FINDINGS

The current status of findings related to federal grant awards that were reported with the September 30, 2022 audit of the Cass County, Texas financial statements is provided in the Summary Schedule of Prior Audit Findings.