

CASS COUNTY, TEXAS

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

CASS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cass County, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Cass County, Texas' 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 Cass County, Texas, as of September 30, 2022, and the respective changes in financial position 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 opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cass County, Texas' 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.

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Members American Institute of Certified Public Accountants

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 Cass County, Texas' 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 Cass County, Texas' 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 and budgetary comparison information on pages 5-10 and 18-20 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 Cass County, Texas' basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of 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 America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2023, on our consideration of Cass County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cass County, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cass County, Texas' internal control over financial reporting and compliance.

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

McMinn, Pope, Woodfin & Shaw, P.C.
April 20, 2023

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

This section of the Cass County, Texas (County) financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2022.

FINANCIAL HIGHLIGHTS

- § The County's assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$23,969,635.
- § The County's net position increased by \$3,840,434 as a result of this year's operations. This compares favorably with a prior year increase of \$399,105.
- § Unrestricted Net Position of the County as of September 30, 2022 was \$9,519,435.
- § The general fund reported a fund balance of \$9,525,202, of which \$8,273,210 was unassigned at September 30, 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds. The County does not have any proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 32 governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for major governmental funds. Individual data for each of these non-major governmental funds is provided in the form of combining statements presented elsewhere in the report.

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

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

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

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

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Cass County, Texas, assets exceeded liabilities by \$23,969,635 as of September 30, 2022.

The following table indicates the County's financial position as of September 30, 2022 and 2021.

NET POSITION

	Governmental Activities	
	2022	2021
Current and Other Assets	\$ 20,972,291	\$ 15,750,626
Capital Assets	13,229,325	13,673,113
Total Assets	34,201,616	29,423,739
Deferred Outflows from Pensions	1,611,070	1,781,568
Total Deferred Outflows	1,611,070	1,781,568
Current and Other Liabilities	1,438,822	1,360,945
Long-term Liabilities	2,988,447	5,353,975
Total Liabilities	4,427,268	6,714,920
Deferred Inflows from Pensions	4,787,059	1,441,944
Unavailable Revenue – Grants	2,628,725	2,919,242
Total Deferred Inflows	7,415,784	4,361,186
Net Position:		
Invested in Capital Assets	9,726,436	9,626,235
Restricted	4,723,763	4,330,007
Unrestricted	9,519,435	6,172,955
Total Net Position	\$ 23,969,635	\$ 20,129,635

The largest portion of the County's current year net position, \$9,726,436 reflects its investment in capital assets (e.g., land, buildings, furniture and equipment), less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position represents resources that are subject to external restrictions on their usage. The restricted net position of \$4,723,763 has constraints which have been placed on the use of these resources either (a) externally imposed by creditors, grantors, contributors or

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

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

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

CHANGES IN NET POSITION

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,846,588	\$ 1,867,014
Operating Grants and Contributions	4,768,280	1,165,017
Capital Grants and Contributions	-	30,420
General Revenues		
Property Taxes	10,132,012	9,671,959
Other Taxes	108,541	87,228
Investment Earnings	147,381	72,906
Miscellaneous	338,864	164,189
Total Revenue	17,341,666	13,058,733
Expenses:		
Administration and Finance	2,896,571	2,613,847
Roads and Public Works	2,914,406	2,952,441
Corrections	19,793	19,793
Law Enforcement	3,665,567	3,616,853
Judicial	2,030,135	1,981,200
Community Service	1,623,090	1,136,414
Interest on Long-term Debt	90,285	99,789
Other	261,385	239,575
Total Expenses	13,501,231	12,659,912
Change in Net Position	3,840,434	398,821
Net Position Beginning of Year as Originally Reported	20,135,798	19,736,693
Prior Period Adjustment	(6,600)	(5,879)
Net Position Beginning of Year as Restated	20,129,635	19,730,814
Net Position End of Year	\$ 23,969,635	\$ 20,129,635

Property taxes are collected to support governmental activities through the General, Road and Bridge, Debt Service and R.O.W. (Right of way) projects funds. Property taxes increased \$460,053 for the fiscal year. Operating grants and contributions increased by \$3,603,263. Capital grants and contributions decreased by \$30,420. Investment earnings increased by \$74,475 due to an increase in interest rates.

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

MAJOR FUND FINANCIAL ANALYSIS

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

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

At September 30, 2022, the County's governmental funds reported a combined fund balance of \$13,852,757 as compared to \$10,988,060 at September 30, 2021.

The General Fund is the chief operating fund of the County. For the year ended September 30, 2022 the General Fund reported revenues of \$9,190,208 and expenditures of \$6,724,960 as compared to revenues of \$8,788,415 and expenditures of \$8,453,441 for the year ended September 30, 2021. Unassigned fund balance for the General Fund at year-end was \$8,273,210.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total revenues were budgeted for \$9,692,664 while actual revenues were \$9,190,280, for an unfavorable variance of \$502,456. Actual taxes had an unfavorable variance of \$833,790. Total General Fund appropriations exceeded expenditures by \$2,955,216.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The County's investment in capital assets as of September 30, 2022 amounted to \$13,229,325 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and furniture and equipment.

Debt – At September 30, 2022 the County had long-term liabilities outstanding of \$3,653,166, including bonds, tax notes, accrued compensated absences and net pension liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2023 budget and tax rates. The overall tax rate for fiscal year 2023 will be .485180. Of the total rate, the debt service tax rate will be .030931.

These indicators were taken into account when adopting the General Fund budget for 2023. Indicators and factors which materially influence the budget are amounts available for appropriation in the General Fund budget, budgeted expenditures and the County future capital expenditures needs. If these estimates are realized, the County's budgetary General Fund balance is expected to remain unchanged as of the close of 2023.

CASS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the County's finances for all those with an interest in the county's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's office, P.O. Box 299, Linden, Texas 75563.

BASIC FINANCIAL STATEMENTS

CASS COUNTY, TEXAS
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2022

	Governmental Activities
ASSETS	
Cash	\$ 10,709,376
Investments	6,412,152
Receivables (net of allowances for uncollectible):	
Accounts	27,085
Property Taxes	1,278,026
Other Non-Cash Current Assets	600
Capital Assets (net of accumulated depreciation):	
Land	167,504
Buildings	9,630,599
Furniture and Equipment	3,403,133
Leased Equipment	28,088
Net Pension Asset	2,545,052
Total Assets	34,201,616
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows from Pensions	1,611,070
LIABILITIES	
Accounts Payable	212,753
Accrued Payroll	103,056
Due to Other Governments	340,336
Accrued Interest	12,314
Due to Custodial Funds	71,473
Other Payables	34,170
Long-term Liabilities:	
Due within One Year:	
Bonds Payable	360,000
Tax Notes	155,000
Accrued Compensated Absences	123,438
Lease Liability	26,282
Due in More than One Year:	
Bonds Payable	2,954,639
Tax Notes	-
Accrued Compensated Absences	26,839
Lease Liability	6,968
Total Liabilities	4,427,268
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows from Pensions	4,787,059
Unavailable Revenue - Grants	2,628,725
NET POSITION	7,415,784
Invested in Capital Assets	9,726,436
Restricted for:	
Debt Service	704,511
Records Management	614,588
Courthouse Security	197,235
Technology	139,321
Training	23,975
Other	144,296
Community Services	29,964
Judicial	224,548
Law Enforcement	60,707
Capital Improvements	147,346
Roads & Public Works	2,437,272
Unrestricted	9,519,435
Total Net Position	\$ 23,969,635

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Administration and Finance	\$ 2,896,571	533,519	75,916	(2,287,135)
Roads and Public Works	2,914,406	844,109	330,940	(1,739,358)
Corrections	19,793			(19,793)
Law Enforcement	3,665,567	85,171	108,552	(3,471,844)
Judicial	2,030,135	377,256	212,565	(1,440,314)
Community Services	1,623,090	6,532	836,694	(779,864)
Other	261,385		3,203,614	2,942,229
Interest of Long-term Debt	90,285			(90,285)
Total Governmental Activities	13,501,231	1,846,588	4,768,280	(6,886,363)

General Revenues:

Property Taxes	10,132,012
Other Taxes	108,541
Investment Earnings	147,381
Miscellaneous	338,864
Total General Revenues	10,726,798
 Change in Net Position	 3,840,434
 Net Position, Beginning of Year as Originally Reported	 20,135,798
 Prior Period Adjustments	 (6,600)
 Net Position, Beginning of Year as Restated	 20,129,198
 Net Position, Ending	 \$ 23,969,635

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

AS OF SEPTEMBER 30, 2022

	General Fund	Road and Bridge Fund	American Rescue Plan Act of 2021 Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 6,661,454	1,478,495	504,783	2,064,644	10,709,376
Investments	3,398,794	861,002	2,152,356	-	6,412,152
Receivables (net of allowances for uncollectible):					
Accounts	13,237			13,848	27,085
Property Taxes	966,329	181,261		130,436	1,278,026
Other Non-Cash Current Assets				600	600
Prepaid Expenses	-			-	-
Due from Other Funds	-			-	-
Total Assets	\$ 11,039,814	2,520,758	2,657,140	2,209,527	18,427,240
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 111,948	60,487		40,318	212,753
Accrued Payroll	78,891	22,861		1,303	103,056
Due to Other Governments	340,336			-	340,336
Due to Other Funds	71,473			-	71,473
Other Payables	16,017	138		18,016	34,170
Total Liabilities	618,665	83,486	-	59,637	761,788
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Grants	-	-	2,628,725	-	2,628,725
Unavailable Revenue - Property Taxes	895,946	167,584	-	120,440	1,183,969
Total Deferred Inflows of Resources	895,946	167,584	2,628,725	120,440	3,812,694
NET POSITION					
Nonspendable - Prepaids	-	-	-	-	-
Restricted for:					
Debt Service				624,308	624,308
Records Management	614,588			-	614,588
Courthouse Security	197,235			-	197,235
Technology	139,321			-	139,321
Training	23,975			-	23,975
Other	144,296			-	144,296
Community Services	2,128			27,836	29,964
Judicial	80,180			144,369	224,548
Law Enforcement	50,270			10,437	60,707
Capital Improvements				146,763	146,763
Roads & Public Works		2,269,688		-	2,269,688
Assigned				-	-
Unassigned:					
General Fund	8,273,210			-	8,273,210
Special Revenue Funds			28,414	1,075,738	1,104,152
Total Fund Balances	9,525,202	2,269,688	28,414	2,029,451	13,852,757
Total Liabilities, Deferred Inflows and Fund Balances	\$ 11,039,814	2,520,758	2,657,139	2,209,526	18,427,238

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2022

Total Governmental Funds Balance	\$ 13,852,757
Capital assets used in governmental activities that are not financial resources and therefore are not reported in the funds.	13,229,325
The net pension asset and deferred inflows and outflows from pensions do not require the use of current financial resources and are not recorded as assets, liabilities or deferred inflows or outflows in the funds.	(630,937)
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.	1,183,969
Long-term liabilities, including bonds payable and tax notes, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds.	<u>(3,665,480)</u>
Net position of governmental activities	<u>\$ 23,969,635</u>

CASS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

REVENUES	General Fund	Road and Bridge Fund	American Rescue Plan Act of 2021 Fund	Other Governmental Funds	Total Governmental Funds
Taxes	\$ 7,663,713	1,484,019		1,029,992	10,177,723
Licenses and Permits	227,541	713,023		-	940,564
Intergovernmental	312,178	158,427	3,203,474	1,118,118	4,792,196
Charges for Services	357,211			7,788	364,999
Fines and Forfeitures	401,112	131,086		8,827	541,025
Interest	78,830	20,027	25,954	22,570	147,381
Miscellaneous	149,624	13,860		72,743	236,227
Total Revenues	9,190,208	2,520,441	3,229,428	2,260,037	17,200,115
EXPENDITURES					
Current:					
Administration and Finance	2,141,812		694,983	7,555	2,844,350
Roads and Public Works		2,122,018	630,113	7,918	2,760,049
Corrections				-	-
Law Enforcement	2,440,675		1,298,428	5,616	3,744,718
Judicial	1,003,321		552,793	565,319	2,121,432
Community Services	704,684		27,158	838,111	1,569,953
Other	252,935			8,450	261,385
Capital Outlay	181,534	202,742		47,689	431,965
Debt Service:					
Principal Retirement				507,000	507,000
Interest on Debt				104,566	104,566
Total Expenditures	6,724,960	2,324,760	3,203,474	2,092,224	14,345,418
Excess of Revenues Over Expenditures	2,465,248	195,681	25,954	167,814	2,854,697
OTHER FINANCING SOURCES & (USES)					
Transfers In	26,376	264,629		843,529	1,134,534
Transfers Out	(848,013)			(286,521)	(1,134,534)
Total Other Financing Sources (Uses)	(821,636)	264,629	-	557,008	-
Net Change in Fund Balance	1,643,612	460,310	25,954	724,822	2,854,697
Fund Balance, Beginning of Year	7,881,590	1,809,378	2,460	1,304,629	10,998,058
Fund Balance, End of Year	\$ 9,525,202	2,269,688	28,414	2,029,451	13,852,756

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net Change in Fund Balances - Governmental Funds	\$ 2,854,697
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.	(415,137)
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.	(4,742)
Revenues for property taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	62,830
Revenues for grants recognized as revenue in the funds that were recognized in the prior year in in the statement of activities.	
The issuance of long-term debt (e.g., bonds, tax notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net positions. Also, governmental funds report the net effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	521,281
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as an expenditure in the governmental funds.	10,314
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 governmental funds.	<u>811,192</u>
Change in Net Position of Governmental Activities	<u><u>\$ 3,840,434</u></u>

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 8,472,002	8,497,502	7,663,713	(833,790)
Licenses and Permits	164,300	205,650	227,541	21,891
Intergovernmental	280,100	303,400	312,178	8,778
Charges for Services	117,072	152,712	357,211	204,499
Fines and Forfeitures	318,000	359,600	401,112	41,512
Interest	31,600	62,800	78,830	16,030
Miscellaneous	36,500	111,000	149,624	38,624
Total Revenues	9,419,574	9,692,664	9,190,208	(502,456)
 EXPENDITURES				
Current:				-
Administration and Finance	2,823,822	2,912,998	2,141,812	771,186
Corrections			-	-
Law Enforcement	3,871,347	3,946,611	2,440,675	1,505,936
Judicial	1,566,146	1,530,306	1,003,321	526,986
Community Services	950,045	950,191	704,684	245,507
Other	227,000	257,000	252,935	4,065
Capital Outlay	57,400	83,070	181,534	(98,464)
Total Expenditures	9,495,760	9,680,176	6,724,960	2,955,216
 Excess of Revenues Over Expenditures	(76,186)	12,488	2,465,248	2,452,761
 OTHER FINANCING SOURCES & (USES)				
Transfers In	103,065	150,513	26,376	(124,137)
Transfers Out	(100,000)	(100,000)	(848,013)	(748,013)
Total Other Financing Sources (Uses)	3,065	50,513	(821,636)	(872,150)
 Net Change in Fund Balance	(73,121)	63,001	1,643,612	1,580,611
 Fund Balance, Beginning of Year	7,881,590	7,881,590	7,881,590	-
 Fund Balance, End of Year	\$ 7,808,469	7,944,591	9,525,202	1,580,611

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS

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

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Taxes	\$ 1,620,626	1,617,626	1,484,019	(133,607)
Licenses and Permits	680,000	714,000	713,023	(977)
Intergovernmental	153,000	167,200	158,427	(8,773)
Charges for Services			-	-
Fines and Forfeitures	140,000	135,000	131,086	(3,914)
Interest	14,000	21,700	20,027	(1,673)
Miscellaneous	20,000	20,573	13,860	(6,713)
Total Revenues	2,627,626	2,676,099	2,520,441	(155,658)
EXPENDITURES				
Current:				
Roads and Public Works	2,883,517	3,028,351	2,122,018	906,332
Capital Outlay	305,000	349,000	202,742	146,258
Total Expenditures	3,188,517	3,377,351	2,324,760	1,052,591
Excess of Revenues Over Expenditures	(560,891)	(701,252)	195,681	896,933
OTHER FINANCING SOURCES & (USES)				
Transfers In	-	-	264,629	264,629
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	264,629	264,629
Net Change in Fund Balance	(560,891)	(701,252)	460,310	1,161,561
Fund Balance, Beginning of Year	1,809,378	1,089,378	1,809,378	-
Fund Balance, End of Year	\$ 1,248,487	388,127	2,269,688	1,161,561

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL AMERICAN RESCUE PLAN ACT OF 2021 FUND FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,900,000	-	3,203,474	3,203,474
Interest	1,500	30,000	25,954	(4,046)
Total Revenues	2,901,500	30,000	3,229,428	3,199,428
 EXPENDITURES				
Current:				
Roads and Public Works		3,210,250	3,203,474	6,776
Capital Outlay				-
Total Expenditures	-	3,210,250	3,203,474	6,776
Excess of Revenues Over Expenditures	2,901,500	(3,180,250)	25,954	3,206,204
 OTHER FINANCING SOURCES & (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	2,901,500	(3,180,250)	25,954	3,206,204
Fund Balance, Beginning of Year	2,460	2,460	2,460	-
Fund Balance, End of Year	\$ 2,903,960	(3,177,790)	28,414	3,206,204

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 1,706,810
Investments	714,913
Due from General Fund	71,473
Total Assets	<u>\$ 2,493,196</u>
NET POSITION	
Restricted For	
Individuals and Other Governments	\$ 2,493,196
Total Net Position	<u>\$ 2,493,196</u>

CASS COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
ADDITIONS	
Amounts collected for individuals and other governments	\$ 30,655,565
Investment Earnings:	
Interest	13,093
Total Additions	<u>\$ 30,668,658</u>
DEDUCTIONS	
Amounts distributed to individuals and other governments	\$ 30,713,636
Total Deductions	<u>\$ 30,713,636</u>
Net increase (decrease) in fiduciary net position	(44,979)
Net position, Beginning of Year as previously reported	2,488,150
Prior period adjustment	50,024
Net position, Beginning of Year as restated	<u>2,538,174</u>
Net position, End of Year	<u>\$ 2,493,196</u>

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds as well as fiduciary funds even though they are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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

The County reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Cash and Cash Equivalents

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

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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

2. Investments

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

3. Receivables and Payables

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

All trade and property taxes receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is shown at 7% of outstanding property taxes receivable as of year-end.

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

4. Capital Assets

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

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

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

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

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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

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

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

5. Long-term Debt

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

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

6. Accrued Compensated Absences

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

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

7. Fund Equity

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

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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

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

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

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

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

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

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

8. Estimates

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

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. It is the deferred pension outflows reported in the statement of net position. The deferred pension outflows are the deferred outflows of contributions for the amount of contributions made by the County after the liability measurement date, but prior to the County year-end.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as in inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. Accordingly, the deferred pension inflows consist of the difference in expected and actual experience and the difference in the assumption changes, and unavailable grant revenue is comprised of grant funds that have been received by the county, but the county has not met the performance obligation to recognize that grant revenue.

10. Pension

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

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2022

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between the fund balance – total governmental funds and net position for governmental activities as reported in the government-wide statement of net position. One element that reconciliation explains the “long-term liabilities, including bonds payable and tax notes, are not due and payable in the current period and therefore, are not reported as liabilities in the funds.” The details of this \$ (3,665,480) difference are as follows:

Bonds payable	\$ (3,210,000)
Add: Bond Premium	(104,639)
Tax Notes Payable	(155,000)
Lease Liability	(33,250)
Accrued Interest	(12,314)
Accrued Compensated Absences	(150,277)
Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Position – Governmental Activities	\$ (3,665,480)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund financial statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” Details of this adjustment are as follows:

Capital Outlay	\$ 419,467
Administration and Finance	1,057
Judicial	269
Law Enforcement	77
Community Service	35
Depreciation Expense	(836,043)
Net Adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities.	\$ (415,137)

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2022

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, tax notes) provides current financial resources to governmental funds, while the repayment of the principle of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$521,281 differences are as follows:

Principal Repayments:			
Bonds Payable	\$		355,000
Tax Notes Payable			152,000
Amortization of Bond Premiums			13,080
Add: Beginning Accrued Interest Balance			13,515
Less: Ending Accrued Interest Balance			(12,314)
Net Adjustment to Increase Net Position	\$		521,281

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general fund and the special revenue funds, except for these funds: 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.

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2022

5. The County does not employ encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase order and contracts. An encumbrance represents a commitment of Court appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signage of a contract creates an encumbrance, but does not represent an expenditure for the period, only a commitment to expend resources.

B. Excess of Expenditures Over Appropriations

During the year ending September 30, 2022, the actual expenditures in the Election Reimbursement Fund exceeded budgetary appropriations by \$1,953. The TEOAF Task Force Grant Fund exceeded budgetary appropriations by \$350.

C. Deficit Fund Equity

The County had no funds with deficit fund equity as of September 30, 2022.

NOTE 4 – DEPOSITS AND INVESTMENTS

A. Interest Rate Risk

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

As of September 30, 2022, the County had the following debt security investments and maturities:

<u>Investment</u>	<u>Fair Value</u>	<u>Weighted Average Maturities (in days)</u>
TexPool	\$ 823,878	25
Texas CLASS Investment Pool	5,849,618	110
	<u>\$ 6,673,496</u>	

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

B. Custodial Credit Risk

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

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

	Bank Balance	Category			Carrying Amount
		1	2	3	
Cash & Cash Equivalents					
Primary Government	\$12,983,725	\$ 439,246	\$12,544,479	\$ -	\$12,687,659
Total	<u>\$12,983,725</u>	<u>\$ 439,246</u>	<u>\$12,544,479</u>	<u>\$ -</u>	<u>\$12,687,659</u>

C. Credit Risk

For an investment, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy details stipulations for approved investments in repurchase agreements, banker's acceptance, commercial paper, mutual funds, money market mutual funds, and investment pools. As outlined in the County's policy, a public fund investment pool must be continuously rated no lower than a AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2022, the County's investments in both TexPool and Texas CLASS Investment Pool are rated AAAM by Standard and Poor's.

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

Investment	Issuer	Fair Value	% of Total Investments
Cash and Certificates of Deposit	State Bank of DeKalb	\$ 12,794,479	65.09%

NOTE 5 – RECEIVABLES

	General	Road & Bridge	Nonmajor Governmental	Total
Receivables:				
Accounts	\$ 13,237	-	13,848	27,085
Property Taxes	1,039,064	194,905	140,253	1,374,222
Gross Receivables	1,052,301	194,905	154,101	1,401,307
Less: Allowance for Uncollectibles	72,734	13,643	9,818	96,196
Net total Receivables	<u>\$ 979,567</u>	<u>181,261</u>	<u>144,284</u>	<u>1,305,111</u>

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022, was as follows:

	PRIMARY GOVERNMENT			Balance 9/30/2022
	Balance 9/30/2021	Additions	Deletions	
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	167,504	-	-	167,504
Total Capital Assets Not Being Depreciated	<u>167,504</u>	<u>-</u>	<u>-</u>	<u>167,504</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	14,808,952	-	-	14,808,952
Furniture and Equipment	6,358,791	419,467	(48,180)	6,730,078
Leased Equipment	112,353	-	-	112,353
Total Capital Assets Being Depreciated	<u>21,280,096</u>	<u>419,467</u>	<u>(48,180)</u>	<u>21,651,383</u>
Less: Accumulated Depreciation For:				
Buildings and Improvements	4,821,041	357,311	-	5,178,352
Furniture and Equipment	2,891,652	478,732	(43,438)	3,326,946
Leased Equipment	61,794	22,471	-	84,265
Total Accumulated Depreciation	<u>7,774,487</u>	<u>858,514</u>	<u>(43,438)</u>	<u>8,589,563</u>
Total Capital Asset Being Depreciated	<u>13,505,609</u>	<u>(439,047)</u>	<u>(4,742)</u>	<u>13,061,820</u>
Governmental Capital Assets, Net	<u><u>13,673,113</u></u>	<u><u>(439,047)</u></u>	<u><u>(4,742)</u></u>	<u><u>13,229,325</u></u>

Depreciation expense was charged to governmental functions as follows:

Administration and Finance	\$ 208,393
Roads and Public Works	297,832
Corrections	19,793
Law Enforcement	217,033
Judicial	63,588
Community Service	51,875
Total Depreciation Expense	<u><u>\$ 858,514</u></u>

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2022

NOTE 7 – INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of inter-fund balances as of September 30, 2022 is as follows:

DUE TO/FROM OTHER FUNDS:		
Receivable Fund	Payable Fund	
	General Fund	Total
Tax Assessor-Collector		
Custodial Fund	71,473	71,473
Total	71,473	71,473

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

Purpose:

\$71,473 To reimburse the Tax Assessor/Collector Agency Fund for amounts erroneously paid to the General Fund in prior years.

INTER-FUND TRANSFERS:

Transfer In	Transfer Out		Total
	General Fund	Nonmajor Governmental	
General Fund		26,376	26,376
Road and Bridge Fund	100,000	164,629	264,629
Nonmajor Governmental	748,013	107,516	843,529
Total	848,013	286,521	1,134,534

Purpose:

\$100,000 Funds were transferred from the General Fund to the Road and Bridge Fund to cover expenditures.

\$12,000 Funds were transferred from the General Fund to the District Court Fund (Nonmajor governmental fund) to cover expenditures.

\$736,013 Funds were transferred from the General Fund to the Special Projects Fund (Nonmajor governmental fund) to transfer prior special revenues for holding and usage.

\$3,232 Funds were transferred from the Indigent Defense Grant Fund (Nonmajor governmental fund) to the General Fund to cover expenditures.

\$70,000 Funds were transferred from the Indigent Defense Grant Fund (Nonmajor 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, 2022

\$4,670	Funds were transferred from the CARES Act 2020 – Judicial Fund (Nonmajor governmental fund) to the General Fund to cover expenditures.
\$13,747	Funds were transferred from the Special Projects Fund (Nonmajor governmental fund) to the General Fund to cover expenditures.
\$10,125	Funds were transferred from the Special Projects Fund (Nonmajor governmental fund) to the District Court Fund (Nonmajor governmental fund) to cover expenditures.
\$15,391	Funds were transferred from the Special Projects Fund (Nonmajor governmental fund) to the Texas CDBG Grant fund to cover repayment of grant funds.
\$979	Funds were transferred from the Cass County Park Fund (Nonmajor governmental fund) to the General Fund to absorb the Cass County Park Fund residual balance.
\$3,592	Funds were transferred from the Regional Interstate Task Force Fund (Nonmajor governmental fund) to the General Fund to absorb the Regional Interstate Task Force Fund residual balance.
\$150	Funds were transferred from the Election Reimbursement Fund (Nonmajor governmental fund) to the General Fund to absorb the Election Reimbursement Fund residual balance.
\$164,629	Funds were transferred from the CTIF 2020 TXDOT Grant Fund (Nonmajor governmental fund) to the Road and Bridge Fund to cover expenditures.

NOTE 8 - LEASE COMMITMENTS

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance September 30, 2022
Copiers	12/12/2018	60 Months	2,360	9.5%	112,353	33,250
Total						33,250

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%.

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

Requirements for Year Ending September 30	Principal	Interest	Total
2023	\$ 26,282	2,034	28,316
2024	6,968	111	7,079
Total	\$ 33,250	2,145	35,395

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2022

NOTE 9 – LONG-TERM LIABILITIES

A. 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 9/30/2022
Limited Tax Refunding Bonds, Series 2015 used to advance refund the outstanding Certificates of Obligations, Series 2006 net of bond premium of \$13,080. Due serially in varying amounts from August 15, 2015 through February 15, 2030	2.00 – 3.25%	\$ 5,540,000	3,210,000
Total Limited Tax Refunding Bonds		\$ 5,540,000	3,210,000

Annual requirements to amortize limited tax refunding bonds outstanding at September 30, 2022 are as follows:

Limited Tax Refunding Bonds			
Requirements for Year Ending September 30	Principal	Interest	Total
2023	\$ 360,000	92,350	452,350
2024	370,000	83,200	453,200
2025	385,000	71,875	456,875
2026	390,000	60,250	450,250
2027	405,000	48,325	453,325
2028 - 2030	1,300,000	64,350	1,364,350
Total	\$ 3,210,000	420,350	3,630,350

B. Tax Notes

	Rate of Interest	Original Issue	Outstanding Balance 9/30/2022
Tax Notes, Series 2016, used to purchase road maintenance equipment and professional services. Due Serially in varying amounts from February 15, 2017 through August 15, 2023	1.65%	\$ 1,034,000	155,000
Total Limited Tax Refunding Bonds		\$ 1,034,000	155,000

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2022

Annual requirements to amortize the tax notes outstanding at September 30, 2022 are as follows:

Requirements for Year Ending September 30	Tax Notes		
2023	Principal	Interest	Total
Total	\$ 155,000	2,558	157,558

C. Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2022:

	Balance 9/30/2021	Additions	Retirements/ Deductions	Balance 9/30/2022	Due Within One Year
Bonds Payable	3,565,000	-	(355,000)	3,565,000	360,000
Issuance Premium	117,719	-	(13,080)	104,639	-
Total Bonds Payable	3,682,719	-	(368,080)	3,669,639	360,000
Tax Notes	307,000	-	(152,000)	155,000	155,000
Accrued Compensated Absences	160,592	284,239	(296,267)	150,278	123,438
Net Pension Liability	1,781,753	4,142,985	(5,924,738)	-	-
Total	5,932,063	5,872,006	(6,741,085)	5,062,984	638,438

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

NOTE 10 – RISK MANAGEMENT

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

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

NOTE 11 – PENSION PLAN LIABILITY

Plan Description:

The County participates as one of over 800 plans in a non-traditional, joint contributory, defined benefit plan administered by the state-wide Texas County and District Retirement System (TCDRS). TCDRS is an agency created by the State of Texas and administered in accordance with the TCDRS Act, as an agent, multiple-employer public employee retirement system. The TCDRS Act places the general administration and management of the system with a nine member board of trustees. Although the governor, with advice

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2022

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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	138
Inactive employees entitled to, but not yet receiving benefits	117
Active employees	153
Total	408

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 11.15% for October through December 2021 and 11.20% for January through September 2022. The County’s contributions totaled \$727,729 for the year ended September 30, 2022 and was equal to the required contributions.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Net Pension Liability:

The County's Net Pension Liability (NPL) was measured as of December 31, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions:

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

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TCDRS over the four year period from January 1, 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.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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 2022 information for a 10-year time horizon.

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation⁽¹⁾</u>	<u>Geometric Real Rate of Return⁽²⁾</u>
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
Int'l Equities – Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.80%
Int'l Equities – Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.30%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	4.50%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-1.05%

(1) Target asset allocation adopted at the March 2022 TCDRS Board Meeting.

(2) Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.6%, per Cliffwater's 2022 capital market assumptions.

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

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

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

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Discount Rate:

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

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

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

Changes in Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balance as of December 31, 2020	\$ 34,748,072	32,966,320	1,781,753
Changes for the Year:			
Service Cost	786,726		786,726
Interest on Total Pension Liability ⁽¹⁾	2,628,886		2,628,886
Effect of Plan Changes ⁽²⁾	-		-
Effect of Economic/Demographic Gains or Losses	692,940		692,940
Effect of Assumption Changes or Inputs	(180,787)		(180,787)
Refunds of Contributions	(77,541)	(77,541)	-
Benefit Payments	(1,846,078)	(1,846,078)	-
Administrative Expenses		(21,260)	21,260
Member Contributions		427,208	(427,208)
Net Investment Income		7,150,804	(7,150,804)
Employer Contributions		710,991	(710,991)
Other ⁽³⁾	-	(13,173)	13,173
	<u>\$ 36,752,219</u>	<u>39,297,271</u>	<u>(2,545,052)</u>
Balance as of December 31, 2021			

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

(2) No plan changes valued.

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

CASS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2022

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 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total Pension Liability	\$ 41,192,928	36,752,219	32,988,495
Fiduciary Net Position	39,297,271	39,297,271	39,297,271
Net Pension Liability/(Asset) as of December 31, 2021	<u>\$ 1,895,657</u>	<u>(2,545,052)</u>	<u>(6,308,776)</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, 2022, the County recognized pension income of \$83,462.

At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences Between Expected and Actual Experience	\$ 146,256	461,960
Changes of Assumptions	120,525	605,445
Net Difference Between Projected and Actual Earnings	4,520,278	-
Contributions Made Subsequent to Measurement Date	-	543,665
	<u>\$ 4,787,059</u>	<u>1,611,070</u>

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Amount
2022	\$ (334,578)
2023	(1,361,855)
2024	(1,078,033)
2025	(935,188)
2026	0
Thereafter	0
Total	<u>(3,709,654)</u>

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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, 2022 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.

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.

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

During the year ended September 30, 2022, the County abated \$160,850 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 2022 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 \$61,250.

NOTE 16 – IMPLEMENTATION OF NEW ACCOUNTING STANDARD AND RESTATEMENT

For 2022, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the County’s 2022 financial statements and had an effect on the beginning net position of the General Fund. The County recognized \$50,559 in net book value for the intangible right to use and a lease liability of \$57,159 for a copiers leased in December 2018.

The implementation of GASB Statement No. 87 had the following effect on net position as reported September 30, 2021:

	Governmental Activities
Net Position September 30, 2021	\$ 20,135,798
Adjustments:	
Net Book Value Leased Asset	50,559
Lease Liability	(57,159)
Restated Net Position September 30, 2021	\$ 20,129,198

NOTE 17 – IMPLEMENTATION OF NEW ACCOUNTING STANDARD AND RESTATEMENT

During the year it was discovered that a custodial account in the District Clerk custodial fund had not been reported for the year ended September 30, 2021. The value of this account was \$50,024 as of September 30, 2021.

The addition of this account had the following effect on the fiduciary net position as of September 30, 2021:

	District Clerk Custodial Fund	Total Custodial Funds
Net Position September 30, 2021	\$ 994,839	\$ 2,488,150
Adjustments:		
Cash	50,024	50,024
Restated Net Position September 30, 2021	\$ 1,044,863	\$ 2,538,174

CASS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 18 – MANAGEMENT REVIEW

In preparing these financial statements, management of the County has evaluated events and transactions for potential recognition or disclosure through April 20, 2023, the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

CASS COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	\$ 786,726	\$ 724,667	\$ 682,399	\$ 667,001	698,946
Interest on Total Pension Liability	2,628,886	2,556,682	2,439,052	2,375,214	2,281,509
Effect of Plan Changes	-	210,228	-	-	-
Effect of Assumption Changes or Inputs	(180,787)	1,816,335	-	-	163,324
Effect of Economic/demographic (gains)/Loses	692,940	(438,770)	131,258	(483,944)	(244,562)
Benefit Payments/Refunds of Contributions	(1,923,618)	(1,884,086)	(1,802,997)	(1,768,752)	(1,654,319)
Net Change in Total pension Liability	2,004,148	2,985,057	1,449,712	789,519	1,244,898
Total Pension Liability, Beginning	34,748,072	31,763,015	30,313,304	29,523,785	28,278,887
Total Pension Liability, Ending (a)	36,752,219	34,748,072	31,763,015	30,313,304	29,523,785
Fiduciary Net Position					
Employer Contributions	710,991	682,560	684,919	659,733	642,533
Member Contributions	427,208	423,574	416,182	401,232	392,818
Investment Income net of Investment Expenses	7,150,804	3,162,291	4,425,685	(533,766)	3,668,963
Benefit Payments/Refunds of Contributions	(1,923,618)	(1,884,086)	(1,802,997)	(1,768,752)	(1,654,319)
Administrative Expenses	(21,260)	(24,122)	(23,338)	(21,643)	(18,772)
Other	(13,173)	(19,985)	(19,765)	(18,252)	(8,472)
Net Change in Fiduciary Net Position	6,330,951	2,340,232	3,680,686	(1,281,448)	3,022,751
Fiduciary Net Position, Beginning	32,966,320	30,626,088	26,945,401	28,226,849	25,204,098
Fiduciary Net Position, Ending (b)	39,297,271	32,966,320	30,626,088	26,945,401	28,226,849
Net Pension Liability/(Asset), Ending =(a)-(b)	\$ (2,545,052)	\$ 1,781,753	\$ 1,136,928	\$ 3,367,903	1,296,936
Fiduciary Net Position as a % of Total Pension Liability	106.92%	94.87%	96.42%	88.89%	95.61%
Pensionable Covered Payroll	\$ 6,102,968	\$ 6,051,060	\$ 5,945,459	\$ 5,731,883	5,611,683
Net Pension Liability/(Asset) as a % of Covered Payroll	-41.70%	29.45%	19.12%	58.76%	23.11%

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

2016	2015	2014
670,964	599,717	598,656
2,155,836	2,062,352	1,955,128
57,279	(74,087)	83,377
-	307,917	-
(52,499)	(72,671)	64,106
(1,590,868)	(1,643,071)	(1,267,834)
1,240,713	1,180,158	1,433,433
27,038,174	25,858,016	24,424,583
28,278,887	27,038,174	25,858,016
634,795	576,858	571,250
382,079	355,459	356,713
1,781,774	260,228	1,627,067
(1,590,868)	(1,643,071)	(1,267,834)
(19,392)	(17,467)	(18,318)
(107,556)	152,323	35,299
1,080,831	(315,671)	1,304,177
24,123,267	24,438,938	23,134,761
25,204,098	24,123,267	24,438,938
3,074,789	2,914,907	1,419,078

89.13%	89.22%	94.51%
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5,458,268	5,077,983	5,095,902
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56.33%	57.40%	27.85%
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CASS COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

**SCHEDULE OF CONTRIBUTIONS
 LAST 10 FISCAL YEARS**

Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2012*	438,057	438,057	-	4,525,364	9.68%
2013*	509,079	509,079	-	4,775,689	10.66%
2014*	571,250	571,250	-	5,095,902	11.21%
2015*	576,858	576,858	-	5,077,983	11.36%
2016*	634,795	634,795	-	5,458,268	11.63%
2017	642,120	642,120	-	5,611,683	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	727,729	727,729	-	6,434,114	11.31%

* The amounts presented for years 2012-2016 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 17.2 years (based on contribution rate calculated in 12/31/2021 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.

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

COMBINING AND INDIVIDUAL STATEMENTS AND SCHEDULES

CASS COUNTY, TEXAS

NON-MAJOR GOVERNMENTAL FUNDS

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

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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).

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

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

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

CAPITAL PROJECTS FUNDS

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

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

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

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CASS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2022

	<u>Special Revenue Funds</u>				
	<u>Debt Service</u>	<u>District Court</u>	<u>Indigent Defense Grant</u>	<u>Cass County Park</u>	<u>Law Library</u>
ASSETS					
Cash	\$ 617,516	49,121	9,933		17,630
Investments					
Receivables (net of allowances for uncollectible):					
Accounts		3,502			1,050
Property Taxes	86,995	42,806			
Other Non-Cash Current Assets					
Prepaid Expenses					
Due from Other Funds					
Total Assets	<u>\$ 704,511</u>	<u>95,429</u>	<u>9,933</u>	<u>-</u>	<u>18,680</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable		38,440			
Accrued Payroll		1,303			
Due to Other Governments					
Due to Other Funds					
Other Payables		8			
Total Liabilities	<u>-</u>	<u>39,751</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Grants					
Unavailable Revenue - Property Taxes	80,203	39,653			
Total Deferred Inflows of Resources	<u>80,203</u>	<u>39,653</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Restricted for:					
Corrections					
Debt Service	624,308				
Records Management					
Courthouse Security					
Technology					
Training					
Other					
Community Services					
Judicial		16,024	9,933		18,680
Law Enforcement					
Capital Improvements					
Assigned					
Unassigned					
General Fund					
Special Revenue Funds					
Total Fund Balances	<u>624,308</u>	<u>16,024</u>	<u>9,933</u>	<u>-</u>	<u>18,680</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 704,511</u>	<u>95,429</u>	<u>9,933</u>	<u>-</u>	<u>18,680</u>

Special Revenue Funds

District Attorney Escrow	District Attorney State	Regional Interstate Task Force	District Attorney Forfeiture	District Attorney Discretionary	HAVA	Cares Act 2020 HAVA
331	17,219		81,844	8,494		
	9,296		600			
<u>331</u>	<u>26,515</u>	<u>-</u>	<u>82,444</u>	<u>8,494</u>	<u>-</u>	<u>-</u>
	5			38		
<u>-</u>	<u>5</u>	<u>-</u>	<u>16,933</u>	<u>1,075</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
331	26,510		65,511	7,380		
<u>331</u>	<u>26,510</u>	<u>-</u>	<u>65,511</u>	<u>7,380</u>	<u>-</u>	<u>-</u>
<u>331</u>	<u>26,515</u>	<u>-</u>	<u>82,444</u>	<u>8,494</u>	<u>-</u>	<u>-</u>

CASS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2022

	Special Revenue Funds				
	Sheriff Federal Forfeiture	Sheriff Office Donations	Election Reimbursement	Cares Act 2020 Judicial	CTIF 2020 TXDOT Grant
ASSETS					
Cash	\$ 4,339	5,955			
Investments					
Receivables (net of allowances for uncollectible):					
Accounts					
Property Taxes					
Other Non-Cash Current Assets					
Prepaid Expenses					
Due from Other Funds					
Total Assets	\$ 4,339	5,955	-	-	-
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable					
Accrued Payroll					
Due to Other Governments					
Due to Other Funds					
Other Payables					
Total Liabilities	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Grants					
Unavailable Revenue - Property Taxes					
Total Deferred Inflows of Resources	-	-	-	-	-
NET POSITION					
Restricted for:					
Corrections					
Debt Service					
Records Management					
Courthouse Security					
Technology					
Training					
Other					
Community Services					
Judicial					
Law Enforcement	4,339	5,955			
Capital Improvements					
Assigned					
Unassigned					
General Fund					
Special Revenue Funds					
Total Fund Balances	4,339	5,955	-	-	-
Total Liabilities, Deferred Inflows and Fund Balances	\$ 4,339	5,955	-	-	-

Special Revenue Funds

Texas CDBG Grants	TEOAF Task Force	Texas Hist. Courthouse Grant	VSO Donations	HOME Grants	Special Projects Fund	Total Special Revenue Funds
	143	7,696		27,836	1,075,738	1,306,279
						-
						13,848
						42,806
						600
						-
						-
-	143	7,696	-	27,836	1,075,738	1,363,532
						-
		600				39,083
						1,303
						-
						-
						18,016
-	-	600	-	-	-	58,403
						-
						39,653
-	-	-	-	-	-	39,653
						-
						-
						-
						-
						-
				27,836		27,836
						144,369
	143					10,437
		7,096				7,096
						-
						-
						-
					1,075,738	1,075,738
-	143	7,096	-	27,836	1,075,738	1,265,476
-	143	7,696	-	27,836	1,075,738	1,363,532

CASS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2022

	<u>Capital Projects Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Capital Projects</u>	<u>ROW Projects</u>	<u>Total Capital Projects</u>	
ASSETS				
Cash	\$ 3,572	137,278	140,849	2,064,644
Investments			-	-
Receivables (net of allowances for uncollectible):				
Accounts			-	13,848
Property Taxes		635	635	130,436
Other Non-Cash Current Assets			-	600
Prepaid Expenses			-	-
Due from Other Funds			-	-
Total Assets	<u>\$ 3,572</u>	<u>137,913</u>	<u>141,484</u>	<u>2,209,527</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 1,234		1,234	40,318
Accrued Payroll			-	1,303
Due to Other Governments			-	-
Due to Other Funds			-	-
Other Payables			-	18,016
Total Liabilities	<u>1,234</u>	<u>-</u>	<u>1,234</u>	<u>59,637</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Grants			-	-
Unavailable Revenue - Property Taxes		583	583	120,440
Total Deferred Inflows of Resources	<u>-</u>	<u>583</u>	<u>583</u>	<u>120,440</u>
NET POSITION				
Restricted for:				
Corrections			-	-
Debt Service			-	624,308
Records Management			-	-
Courthouse Security			-	-
Technology			-	-
Training			-	-
Other			-	-
Community Services			-	27,836
Judicial			-	144,369
Law Enforcement			-	10,437
Capital Improvements	2,337	137,329	139,667	146,763
Assigned			-	-
Unassigned			-	-
General Fund			-	-
Special Revenue Funds			-	1,075,738
Total Fund Balances	<u>2,337</u>	<u>137,329</u>	<u>139,667</u>	<u>2,029,451</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 3,572</u>	<u>137,913</u>	<u>141,484</u>	<u>2,209,527</u>

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CASS COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

REVENUES	Special Revenue Funds				
	Debt Service	District Court	Indigent Defense Grant	Cass County Park	Law Library
Taxes	\$ 669,499	355,514			
Licenses and Permits					
Intergovernmental		12,760	23,153		14,433
Charges for Services		7,788			
Fines and Forfeitures					
Interest	7,553	563	574		190
Miscellaneous				1,035	
Total Revenues	677,052	376,625	23,726	1,035	14,623
EXPENDITURES					
Current:					
Administration and Finance	350				
Roads and Public Works					
Corrections					
Law Enforcement					
Judicial		498,085			18,439
Community Services					
Other					
Capital Outlay					
Debt Service:					
Principal Retirement	507,000				
Interest on Debt	104,566				
Total Expenditures	611,916	498,085	-	-	18,439
Excess of Revenues Over Expenditures	65,137	(121,461)	23,726	1,035	(3,816)
OTHER FINANCING SOURCES & (USES)					
Transfers In		92,125			
Transfers Out			(73,232)	(979)	
Total Other Financing Sources (Uses)	-	92,125	(73,232)	(979)	-
Net Change in Fund Balance	65,137	(29,336)	(49,506)	57	(3,816)
Fund Balance, Beginning of Year	559,171	45,360	59,438	(57)	22,496
Fund Balance, End of Year	\$ 624,308	16,024	9,933	-	18,680

Special Revenue Funds

District Attorney Escrow	District Attorney State	Regional Interstate Task Force	District Attorney Forfeiture	District Attorney Discretionary	HAVA	Cares Act 2020 HAVA
	46,087					3,142
4	253	9	8,827 946	103	8	4
4	46,340	9	9,773	520 623	8	3,146
	39,356		8,448	991		3,343
		33,340	2,500		5,885	
-	39,356	33,340	10,948	991	5,885	3,343
4	6,985	(33,331)	(1,175)	(368)	(5,878)	(197)
		(3,594)			(4)	(2)
-	-	(3,594)	-	-	(4)	(2)
4	6,985	(36,925)	(1,175)	(368)	(5,881)	(199)
327	19,526	36,925	66,686	7,748	5,881	199
331	26,510	-	65,511	7,380	-	-

CASS COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds				
	Sheriff Federal Forfeiture	Sheriff Office Donations	Election Reimbursement	Cares Act 2020 Judicial	CTIF 2020 TXDOT Grant
REVENUES					
Taxes					
Licenses and Permits					
Intergovernmental			6,007		172,513
Charges for Services					
Fines and Forfeitures					
Interest	52	76	26	1,107	34
Miscellaneous					
Total Revenues	52	76	6,033	1,107	172,547
EXPENDITURES					
Current:					
Administration and Finance					
Roads and Public Works					7,918
Corrections					
Law Enforcement		4,266			
Judicial					
Community Services			6,803		
Other					
Capital Outlay					
Debt Service:					
Principal Retirement					
Interest on Debt					
Total Expenditures	-	4,266	6,803	-	7,918
Excess of Revenues Over Expenditures	52	(4,190)	(770)	1,107	164,629
OTHER FINANCING SOURCES & (USES)					
Transfers In					
Transfers Out			(150)	(4,670)	(164,629)
Total Other Financing Sources (Uses)	-	-	(150)	(4,670)	(164,629)
Net Change in Fund Balance	52	(4,190)	(920)	(3,563)	-
Fund Balance, Beginning of Year	4,286	10,145	920	3,563	-
Fund Balance, End of Year	\$ 4,339	5,955	-	-	-

Special Revenue Funds

Texas CDBG Grants	TEOAF Task Force	Texas Hist. Courthouse Grant	VSO Donations	HOME Grants	Special Projects Fund	Total Special Revenue Funds
						355,514
						-
	12,478			827,545		1,118,118
						7,788
						8,827
	139	117		417	8,892	13,513
15,125				4,750	51,312	72,743
15,125	12,617	117	-	832,712	60,204	1,576,502
						7,205
		7,205				7,918
						-
	1,350					5,616
						565,319
			662	827,303		838,111
						-
					5,963	47,689
						-
-	1,350	7,205	662	827,303	5,963	1,471,858
15,125	11,267	(7,088)	(662)	5,409	54,241	104,644
15,391					736,013	843,529
					(39,263)	(286,521)
15,391	-	-	-	-	696,750	557,008
30,516	11,267	(7,088)	(662)	5,409	750,990	661,652
(30,516)	(11,124)	14,184	662	22,428	324,748	603,824
-	143	7,096	-	27,836.37	1,075,738	1,265,476

CASS COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Capital Projects	ROW Projects	Total Capital Projects	
REVENUES				
Taxes		4,979	4,979	1,029,992
Licenses and Permits			-	-
Intergovernmental			-	1,118,118
Charges for Services			-	7,788
Fines and Forfeitures			-	8,827
Interest	2	1,502	1,504	22,570
Miscellaneous			-	72,743
Total Revenues	2	6,481	6,483	2,260,037
 EXPENDITURES				
Current:				
Administration and Finance			-	7,555
Roads and Public Works			-	7,918
Corrections			-	-
Law Enforcement			-	5,616
Judicial			-	565,319
Community Services			-	838,111
Other	8,450		8,450	8,450
Capital Outlay			-	47,689
Debt Service:				
Principal Retirement			-	507,000
Interest on Debt			-	104,566
Total Expenditures	8,450	-	8,450	2,092,224
Excess of Revenues Over Expenditures	(8,448)	6,481	(1,967)	167,814
 OTHER FINANCING SOURCES & (USES)				
Transfers In			-	843,529
Transfers Out			-	(286,521)
Total Other Financing Sources (Uses)	-	-	-	557,008
Net Change in Fund Balance	(8,448)	6,481	(1,967)	724,822
Fund Balance, Beginning of Year	10,785	130,849	141,634	1,304,629
Fund Balance, End of Year	2,337	137,329	139,667	2,029,451

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CASS COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AS OF SEPTEMBER 30, 2022

	Tax Assessor - Collector	Sheriff	Justice Court #1	Justice Court #2	Justice Court #3
ASSETS					
Cash	382,248	113,999	2,001	1,804	2,558
Investments					
Due from General Fund	71,473				
Total Assets	<u>453,721</u>	<u>113,999</u>	<u>2,001</u>	<u>1,804</u>	<u>2,558</u>
NET POSITION					
Restricted For					
Individuals and Other Governments	453,721	113,999	2,001	1,804	2,558
Total Net Position	<u>453,721</u>	<u>113,999</u>	<u>2,001</u>	<u>1,804</u>	<u>2,558</u>

Justice Court #4	County Clerk	District Clerk	District Attorney	Juvenile Probation	Adult Probation	Total Custodial Funds
2,092	122,060	497,113		114,330	468,606	1,706,810
	168,454	285,115		148,555	112,789	714,913
					-	71,473
<u>2,092</u>	<u>290,514</u>	<u>782,228</u>	<u>-</u>	<u>262,885</u>	<u>581,395</u>	<u>2,493,196</u>
2,092	290,514	782,228	-	262,885	581,395	2,493,196
<u>2,092</u>	<u>290,514</u>	<u>782,228</u>	<u>-</u>	<u>262,885</u>	<u>581,395</u>	<u>2,493,196</u>

CASS COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 AS OF SEPTEMBER 30, 2022

	Tax Assessor - Collector	Sheriff	Justice Court #1	Justice Court #2	Justice Court #3
ADDITIONS					
Amounts collected for individuals and other governments	28,783,967	216,224	995	618	4,654
Investment Earnings:					
Interest					
Total Additions	<u>28,783,967</u>	<u>216,224</u>	<u>995</u>	<u>618</u>	<u>4,654</u>
DEDUCTIONS					
Amounts distributed to individuals and other governments	28,660,920	189,282	995	618	4,498
Total Deductions	<u>28,660,920</u>	<u>189,282</u>	<u>995</u>	<u>618</u>	<u>4,498</u>
Net increase (decrease) in fiduciary net position	123,047	26,942	-	-	156
Net position, Beginning of Year as previously reported	330,674	87,057	2,001	1,804	2,401
Prior period adjustment					
Net position, Beginning of Year as restated	<u>330,674</u>	<u>87,057</u>	<u>2,001</u>	<u>1,804</u>	<u>2,401</u>
Net position, End of Year	<u>453,721</u>	<u>113,999</u>	<u>2,001</u>	<u>1,804</u>	<u>2,558</u>

Justice Court #4	County Clerk	District Clerk	District Attorney	Juvenile Probation	Adult Probation	Total Custodial Funds
552	51,269	124,724	4,609	345,189	1,122,763	30,655,565
	2,298	2,579		2,898	5,318	13,093
<u>552</u>	<u>53,566</u>	<u>127,303</u>	<u>4,609</u>	<u>348,088</u>	<u>1,128,081</u>	<u>30,668,658</u>
552	38,331	389,938	4,609	373,046	1,050,847	30,713,636
<u>552</u>	<u>38,331</u>	<u>389,938</u>	<u>4,609</u>	<u>373,046</u>	<u>1,050,847</u>	<u>30,713,636</u>
-	15,236	(262,635)	-	(24,958)	77,234	(44,978)
2,092	275,278	994,839	-	287,843	504,161	2,488,150
		50,024				50,024
<u>2,092</u>	<u>275,278</u>	<u>1,044,863</u>	<u>-</u>	<u>287,843</u>	<u>504,161</u>	<u>2,538,174</u>
<u>2,092</u>	<u>290,514</u>	<u>782,228</u>	<u>-</u>	<u>262,885</u>	<u>581,395</u>	<u>2,493,197</u>

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL DISTRICT COURT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 367,000	367,000	355,514	(11,486)
Intergovernmental	2,500	9,500	12,760	3,260
Charges for Services	3,000	8,100	7,788	(312)
Interest	500	650	563	(87)
Total Revenues	372,500	385,250	376,625	(8,625)
 EXPENDITURES				
Current:				
Judicial	427,121	543,546	498,085	45,461
Capital Outlay	50,000	12,000		12,000
Total Expenditures	477,121	555,546	498,085	57,461
Excess of Revenues Over Expenditures	(104,621)	(170,296)	(121,460)	48,836
 OTHER FINANCING SOURCES & (USES)				
Transfers In			92,125	92,125
Total Other Financing Sources (Uses)	-	-	92,125	92,125
Net Change in Fund Balance	(104,621)	(170,296)	(29,336)	140,960
Fund Balance, Beginning of Year	45,360	45,360	45,360	-
Fund Balance, End of Year	\$ (59,261)	(124,936)	16,024	140,960

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL INDIGENT DEFENSE GRANT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 25,000	25,000	23,153	(1,847)
Interest	300	575	574	(1)
Total Revenues	25,300	25,575	23,727	(1,848)
EXPENDITURES				
Current:				
Judicial			-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	25,300	25,575	23,727	(1,848)
OTHER FINANCING SOURCES & (USES)				
Transfers Out	(60,000)	(70,000)	(73,232)	(3,232)
Total Other Financing Sources (Uses)	-	-	-	(3,232)
Net Change in Fund Balance	25,300	25,575	23,727	(1,848)
Fund Balance, Beginning of Year	73,232	73,232	73,232	-
Fund Balance, End of Year	\$ 98,532	98,807	96,959	(1,848)

CASS COUNTY, TEXAS

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

LAW LIBRARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 8,000	10,700	14,433	3,733
Interest	50	200	190	(10)
Total Revenues	8,000	10,900	14,623	3,723
EXPENDITURES				
Current:				
Judicial	18,700	18,700	18,439	261
Total Expenditures	18,700	18,700	18,439	261
Excess of Revenues Over Expenditures	(10,700)	(7,800)	(3,816)	3,984
OTHER FINANCING SOURCES & (USES)				
Transfers In				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(10,700)	(7,800)	(3,816)	3,984
Fund Balance, Beginning of Year	22,496	22,496	22,496	-
Fund Balance, End of Year	\$ 11,796	14,696	18,680	3,984

CASS COUNTY, TEXAS

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

DISTRICT ATTORNEY STATE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

REVENUES	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Intergovernmental	\$ 54,600	54,600	46,087	(8,513)
Interest	150	275	253	(22)
Total Revenues	54,750	54,875	46,340	(8,535)
EXPENDITURES				
Current:				
Judicial	47,736	52,795	39,356	13,439
Total Expenditures	47,736	52,795	39,356	13,439
Excess of Revenues Over Expenditures	7,014	2,080	6,984	4,904
Net Change in Fund Balance	7,014	2,080	6,984	4,904
Fund Balance, Beginning of Year	19,526	19,526	19,526	-
Fund Balance, End of Year	\$ 26,540	21,606	26,510	4,904

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL REGIONAL INTERSTATE TASKFORCE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ 400	400	9	(391)
Total Revenues	400	400	9	(391)
 EXPENDITURES				
Current:				
Judicial				
Capital Outlay	38,000	38,000	36,932	1,068
Total Expenditures	38,000	38,000	36,932	1,068
 Excess of Revenues Over Expenditures	(37,600)	(37,600)	(36,923)	677
 OTHER FINANCING SOURCES & (USES)				
Transfers Out			(2)	(2)
Total Other Financing Sources (Uses)	-	-	(2)	(2)
 Net Change in Fund Balance	(37,600)	(37,600)	(36,925)	675
 Fund Balance, Beginning of Year	36,925	36,925	36,925	-
 Fund Balance, End of Year	\$ (675)	(675)	-	675

CASS COUNTY, TEXAS

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

DISTRICT ATTORNEY FORFEITURE

FOR THE YEAR ENDED SEPTEMBER 30, 2022

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Fines & Forfeitures	\$ 25,000	25,000	8,827	(16,173)
Interest	175	975	946	(29)
Total Revenues	25,175	25,975	9,773	(16,202)
EXPENDITURES				
Current:				
Judicial	25,000	25,000	10,948	14,052
Total Expenditures	25,000	25,000	10,948	14,052
Excess of Revenues Over Expenditures	175	975	(1,175)	(2,150)
Net Change in Fund Balance	175	975	(1,175)	(2,150)
Fund Balance, Beginning of Year	66,686	66,686	66,686	-
Fund Balance, End of Year	\$ 66,861	67,661	65,511	(2,150)

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL DISTRICT ATTORNEY DISCRETIONARY FUND FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ 100	100	103	3
Miscellaneous	700	700	520	(180)
Total Revenues	<u>800</u>	<u>800</u>	<u>623</u>	<u>(177)</u>
EXPENDITURES				
Current:				
Judicial	800	1,000	991	9
Total Expenditures	<u>800</u>	<u>1,000</u>	<u>991</u>	<u>9</u>
Excess of Revenues Over Expenditures	-	(200)	(368)	(168)
Net Change in Fund Balance	-	(200)	(368)	(168)
Fund Balance, Beginning of Year	7,748	7,748	7,748	-
Fund Balance, End of Year	<u>\$ 7,748</u>	<u>7,548</u>	<u>7,380</u>	<u>(168)</u>

CASS COUNTY, TEXAS

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

HAVA FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental				-
Interest	100	100	8	(92)
Total Revenues	100	100	8	(92)
 EXPENDITURES				
Current:				
Capital Outlay	-	5,885	5,885	-
Total Expenditures	-	5,885	5,885	-
 Excess of Revenues Over Expenditures	100	(5,785)	(5,877)	(92)
 OTHER FINANCING SOURCES & (USES)				
Transfers Out			(4)	(4)
Total Other Financing Sources (Uses)	-	-	(4)	(4)
 Net Change in Fund Balance	100	(5,785)	(5,881)	(92)
 Fund Balance, Beginning of Year	5,881	5,881	5,881	-
 Fund Balance, End of Year	\$ 5,981	96	-	(92)

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL CARES ACT 2020 - HAVA ELECTIONS FUND FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental			3,142	3,142
Interest	100	100	4	(96)
Total Revenues	100	100	3,146	3,046
EXPENDITURES				
Current:				
Community Service	10,000	7,500	3,343	4,157
Total Expenditures	10,000	7,500	3,343	4,157
Excess of Revenues Over Expenditures	(9,900)	(7,400)	(197)	7,203
OTHER FINANCING SOURCES & (USES)				
Transfers Out			(2)	(2)
Total Other Financing Sources (Uses)	-	-	(2)	(2)
Net Change in Fund Balance	(9,900)	(7,400)	(199)	7,203
Fund Balance, Beginning of Year	199	199	199	-
Fund Balance, End of Year	\$ (9,701)	(7,201)	-	7,203

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL SHERIFF FEDERAL FORFEITURE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	20	20	52	32
Total Revenues	20	20	52	32
EXPENDITURES				
Current:				
Law Enforcement				-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	20	20	52	32
Net Change in Fund Balance	20	20	52	32
Fund Balance, Beginning of Year	4,286	4,286	4,286	-
Fund Balance, End of Year	\$ 4,306	4,306	4,339	32

CASS COUNTY, TEXAS

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

SHERIFF OFFICE DONATIONS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Interest	\$ 20	100	76	(24)
Miscellaneous	100	100		(100)
Total Revenues	120	200	76	(124)
EXPENDITURES				
Current:				
Law Enforcement	1,300	4,900	4,266	634
Total Expenditures	1,300	4,900	4,266	634
Excess of Revenues Over Expenditures	(1,180)	(4,700)	(4,190)	510
OTHER FINANCING SOURCES & (USES)				
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(1,180)	(4,700)	(4,190)	510
Fund Balance, Beginning of Year	10,145	10,145	10,145	-
Fund Balance, End of Year	\$ 8,965	5,445	5,956	510

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL ELECTION REIMBURSEMENT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,500	6,010	6,007	(3)
Interest	10	50	26	(24)
Total Revenues	3,510	6,060	6,033	(27)
EXPENDITURES				
Current:				
Community Service	5,000	4,850	6,803	(1,953)
Total Expenditures	5,000	4,850	6,803	(1,953)
Excess of Revenues Over Expenditures	(1,490)	1,210	(770)	(1,980)
OTHER FINANCING SOURCES & (USES)				
Transfers Out			(150)	(150)
Total Other Financing Sources (Uses)	-	-	(150)	(150)
Net Change in Fund Balance	(1,490)	1,210	(920)	(1,980)
Fund Balance, Beginning of Year	920	920	920	-
Fund Balance, End of Year	\$ (570)	2,130	-	(1,980)

CASS COUNTY, TEXAS

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

CARES ACT 2020 - JUDICIAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	2,200	2,200	1,107	(1,093)
Total Revenues	2,200	2,200	1,107	(1,093)
EXPENDITURES				
Current:				
Judicial	21,000	74,937	-	74,937
Total Expenditures	21,000	74,937	-	74,937
Excess of Revenues Over Expenditures	(18,800)	(72,737)	1,107	73,844
OTHER FINANCING SOURCES & (USES)				
Transfers Out			(4,670)	(4,670)
Total Other Financing Sources (Uses)	-	-	(4,670)	(4,670)
Net Change in Fund Balance	(18,800)	(72,737)	(3,563)	69,174
Fund Balance, Beginning of Year	3,563	3,563	3,563	-
Fund Balance, End of Year	\$ (15,237)	(69,174)	-	69,174

The accompanying notes are an integral part of this statement

CASS COUNTY, TEXAS

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

CTIF 2020 TXDOT GRANT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Intergovernmental	158,367	172,513	172,513	-
Interest	100	100	34	(66)
Total Revenues	158,467	172,613	172,547	(66)
EXPENDITURES				
Current:				
Roads & Public Works	15,836	7,918	7,918	0
Total Expenditures	15,836	7,918	7,918	0
Excess of Revenues Over Expenditures	142,631	164,695	164,629	(66)
OTHER FINANCING SOURCES & (USES)				
Transfers Out	(142,530)	(164,629)	(164,629)	(0)
Total Other Financing Sources (Uses)	(142,530)	(164,629)	(164,629)	(0)
Net Change in Fund Balance	101	66	-	(66)
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ 101	66	-	(66)

CASS COUNTY, TEXAS

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

TEOAF TASK FORCE GRANT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	1,000	15,000	12,478	(2,522)
Interest		150	139	(11)
Total Revenues	1,000	15,150	12,617	(2,533)
 EXPENDITURES				
Current:				
Law Enforcement	1,000	1,000	1,350	(350)
Total Expenditures	1,000	1,000	1,350	(350)
 Excess of Revenues Over Expenditures	-	14,150	11,267	(2,883)
 Net Change in Fund Balance	-	14,150	11,267	(2,883)
 Fund Balance, Beginning of Year	(11,124)	(11,124)	(11,124)	-
 Fund Balance, End of Year	\$ (11,124)	3,026	143	(2,883)

CASS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL TEXAS HIST. COURTHOUSE GRANT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	100	125	117	(8)
Total Revenues	100	125	117	(8)
 EXPENDITURES				
Current:				
Administration and Finance		14,000	7,205	6,795
Capital Outlay	14,000			-
Total Expenditures	14,000	14,000	7,205	6,795
Excess of Revenues Over Expenditures	(13,900)	(13,875)	(7,088)	6,787
Net Change in Fund Balance	(13,900)	(13,875)	(7,088)	6,787
 Fund Balance, Beginning of Year	14,184	14,184	14,184	-
Fund Balance, End of Year	\$ 284	309	7,096	6,787

CASS COUNTY, TEXAS

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

VSO DONATIONS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	-	-	-	-
Total Revenues	-	-	-	-
 EXPENDITURES				
Current:				
Community Service	100	662	662	-
Total Expenditures	100	662	662	-
Excess of Revenues Over Expenditures	(100)	(662)	(662)	-
Net Change in Fund Balance	(100)	(662)	(662)	-
Fund Balance, Beginning of Year	662	662	662	-
Fund Balance, End of Year	\$ 562	0	0	-

CASS COUNTY, TEXAS

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

HOME GRANTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Intergovernmental	\$ 500,000	900,000	827,545	(72,455)
Interest	100	500	417	(83)
Miscellaneous		510	4,750	4,240
Total Revenues	500,100	901,010	832,712	(72,538)
EXPENDITURES				
Current:				
Community Service		827,303	827,303	0
Total Expenditures	-	827,303	827,303	0
Excess of Revenues Over Expenditures	500,100	73,707	5,409	(72,538)
Net Change in Fund Balance	500,100	73,707	5,409	(72,538)
Fund Balance, Beginning of Year	22,428	22,428	22,428	-
Fund Balance, End of Year	\$ 522,528	96,135	27,837	(72,538)

CASS COUNTY, TEXAS

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

SPECIAL PROJECTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest		9,500	8,892	(608)
Miscellaneous			51,312	51,312
Total Revenues	-	9,500	60,204	50,704
EXPENDITURES				
Current:				
Capital Improvements		6,000	5,963	37
Total Expenditures	-	6,000	5,963	37
Excess of Revenues Over Expenditures	-	3,500	54,241	50,741
OTHER FINANCING SOURCES & (USES)				
Transfers In			736,013	736,013
Transfers Out		53,010	(39,263)	(92,273)
Total Other Financing Sources (Uses)	-	53,010	696,750	(92,273)
Net Change in Fund Balance	-	56,510	750,991	(41,532)
Fund Balance, Beginning of Year	324,748	324,748	324,748	-
Fund Balance, End of Year	\$ 324,748	381,258	1,075,738	(41,532)

COMPLIANCE AND INTERNAL CONTROL SECTION

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SCHEDULE OF FEDERAL AND STATE AWARDS

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CASS COUNTY, TEXAS
SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Financial Statements:

Type of auditor's report issued: Unmodified

Internal Control over Financial Reporting:

Significant Deficienc(ies) Identified 2022-001

Material Weakness(es) Identified None

Noncompliance Material to Financial Statements None

Federal and State Awards:

Internal Control over Major Programs:

Significant Deficienc(ies) Identified None

Material Weakness(es) Identified None

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

Audit findings required to be reported and disclosed in accordance with the Uniform Guidance None

Identification of Major Programs:

CFDA Number: 21.027	Name of Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
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14.239	HOME Investment Partnership Program
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Dollar Threshold Used to Distinguish Between Type A and Type B Programs \$750,000

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

CASS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS				
U.S. Department of the Treasury				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 3,203,974	-
Total U.S. Department of the Treasury			3,203,974	-
U.S. Department of Housing and Urban Development				
Passed Through the Texas Department of Housing and Community Affairs:				
HOME Investment Partnership Program	14.239	2019-0007	\$ 827,303	-
Total U.S. Department Housing and Urban Development			827,303	-
U.S. Election Assistance Commission				
Passed Through the Texas Secretary of State:				
COVID-19 - 2020 Help America Vote Act (HAVA) CARES Act	90.404	TX20101CARES-034	\$ 3,142	-
Total U.S. Election Assistance Commission			3,142	-
U.S. Department of Justice				
Passed Through the Texas Office of the Governor:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	4225001	\$ 27,400	-
Total U.S. Department of Justice			27,400	-
Total Expenditures of Federal Awards			\$ 4,061,819	-

The accompanying notes are an integral part of this schedule

CASS COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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, 2022. 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, 2022, 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, 2021 audit of the Cass County, Texas financial statements is provided in the Summary Schedule of Prior Audit Findings.

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cass County, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Cass County, Texas' basic financial statements and have issued our report thereon dated April 20, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

Cass County, Texas' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Cass County, Texas' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Cass County, Texas' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

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

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

April 20, 2023



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

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' 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, Texas' major federal programs for the year ended September 30, 2022. Cass County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2022.

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, Texas 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 Cass County, Texas' 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, Texas' 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, Texas' 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, Texas' 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, Texas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cass County, Texas' 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, Texas' 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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

McMinn, Pope, Woodfin & Shaw, P.C.
April 20, 2023

CASS COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Financial Statement Finding

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

Current Status: This finding has been corrected.

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CASS COUNTY, TEXAS

SCHEDULE OF FINDINGS REQUIRED TO BE REPORTED BY GOVERNMENT AUDITING STANDARDS FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

Criteria

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

Condition

Revenue collection activity was not reported for the timely during the fiscal year by the District Clerk's Office. This resulted in delayed recording of the revenues from that office ranging from 1-6 months after the revenues should have been recognized.

Cause

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

Recommendation

The County should enforce a standard deadline for making sure that all activity reports and bank reconciliations are prepared and submitted in a timely manner. Responsible officials should ensure that they are meeting the deadlines established by the County for reporting to ensure all activity is properly recorded. The County Treasurer should also take over the bank reconciliation process for the District Clerk's bank accounts.

View of Responsible Officials and Planned Corrective Action

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

Contact Person Responsible for Corrective Action

Cass County Auditor, County Treasurer and District Clerk

Anticipated Completion Date and Current Status

Completed 2/1/2023