

COOKE COUNTY, TEXAS

Annual Financial Report



**For the Fiscal Year Ended
September 30, 2021**

COOKE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

SEPTEMBER 30, 2021

**Page
Number**

INTRODUCTORY SECTION

Letter of Transmittal	i – iii
Elected Officials and Appointed Department Heads.....	iv
Organizational Chart	v

FINANCIAL SECTION

Independent Auditor’s Report.....	1 – 2
Management’s Discussion and Analysis.....	3 – 8
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	9
Statement of Activities.....	10
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	11
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Position.....	12
Statement of Revenues, Expenditures and Changes in	
Fund Balances – Governmental Funds.....	13
Reconciliation of the Statement of Revenues, Expenditures	
and Changes in Fund Balances of Governmental Funds to the	
Statement of Activities	14
Statement of Fiduciary Net Position	15
Statement of Changes in Fiduciary Net Position.....	16
Notes to Financial Statements.....	17 – 35
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in	
Fund Balances – Budget and Actual – General Fund.....	36 – 37
Schedule of Changes in Net Pension Liability	
and Related Ratios	38 – 39

Schedule of Employer Contributions	40
Notes to Schedule of Employer Contributions.....	41
Schedule of Changes in Total OPEB Liability and Related Ratios	42
Combining Statements	
Combining Balance Sheet – Nonmajor Governmental Funds	43 – 48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	49 – 54
Combining Statement of Fiduciary Net Position	55 – 56
Combining Statement of Changes in Fiduciary Net Position.....	57 – 58

OTHER SCHEDULE

Tax Rate Information	59 – 60
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COMPLIANCE SECTION

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	61 - 62
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INTRODUCTORY SECTION

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**COOKE COUNTY AUDITOR
COOKE COUNTY COURTHOUSE
101 SOUTH DIXON STREET
GAINESVILLE, TEXAS 76240**

PHONE: 940-668-5431 - FAX: 940-668-5442

June 27, 2022

Honorable District Judge
Honorable County Judge
Honorable County Commissioners
Cooke County, Texas

The Annual Financial Report of Cooke County, Texas, for the fiscal year ended September 30, 2021, is submitted herewith in accordance with Chapter 114.025 of the Local Government Code. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

This report consists of management's representations concerning the finances of Cooke County, Texas. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide basis for making these representations, Cooke County management has established a comprehensive internal control framework designed both to protect governmental assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Cooke County's comprehensive framework, because the cost of internal controls should not outweigh their benefits, has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Pattillo, Brown & Hill, L.L.P., a firm of licensed certified public accountants, has audited Cooke County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2021, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on Cooke County's financial statements for fiscal year ended September 30, 2021, that they were fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Cooke County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Located in North Central Texas, Cooke County was incorporated in 1848 and the County was named after the Texas Revolution hero William G. Cooke. The County's population has remained relatively stable in the last hundred years. The current population projection is 42,763, which is a 3% increase over the 2020 census of 41,668. The County has a land area of 874.8 square miles.

The County operates as specified under the Constitution of the State of Texas and Vernon's Texas Code Annotated which provide for a Commissioners' Court consisting of the County Judge and four Commissioners, one for each of four geographical precincts. The County Judge is elected for a term of four years and the Commissioners for four-year staggered terms.

Cooke County provides a full range of services, including judicial, law enforcement, jail facilities, construction and maintenance of roads, bridges, and other infrastructure and homeland security response teams.

The annual budget serves as the foundation for Cooke County's financial planning and control. All departments of the County are required to submit requests for appropriations to the County Judge by the first of June. The County Judge uses these requests as the starting point for developing a proposed budget. The proposed budget is then prepared by the County Judge and submitted to Commissioners' Court for their consideration. Commissioners' Court then holds budget hearings to hear the requests from all departments. The Court is required to publish specific information, notices, and hold public hearings as defined by state statute. Once, and if all these requirements are met, the Court may adopt the budget and the tax rate by September 1 or as soon thereafter as is practical. The appropriated budget is adopted by line item. Budget to actual comparisons are provided in this report for the General Fund.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Cooke County operates.

Local Economy. Cooke County was experiencing the same economic growth felt across North Texas in recent years, but the COVID-19 pandemic slowed the growth. Oil and gas production has decreased resulting in lower mineral values and causing some companies to stop production. Population growth has increased with multiple subdivisions planned or being built. The 100-year-old courthouse has been restored and is the anchor to an active City square.

Long-term financial planning. The Commissioners' Court continues to be very active in maintaining viable fund balances to be able to finance any projects or emergencies that may arise.

Cash management policies and practices. Cash temporarily idle during the year was invested according to the adopted investment policy. Short-term and long-term cash flow was met with investing in cash-equivalent pools and the County bank depository. The investments are met to obtain the highest possible yield while still protecting the principal.

Risk management. Cooke County has a pooled insurance program for liability claims, workers' compensation and health and dental insurance. Additional information on Cooke County's risk management activities can be found in Note 4(a) of the notes to the financial statements.

Pension. The County provides retirement, disability, and death benefits for all of its fulltime and permanent part-time employees through a nontraditional defined pension plan in the statewide Texas County and District Retirement System (TCDRS). Detailed information on the retirement plan can be found in the notes to the financial statements.

The preparation of this report could not have been possible without the efficient and dedicated services of the entire staff of the County Auditor's office. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Commissioners' Court and Board of District Judges for their support for maintaining the highest standard of professionalism in the management of Cooke County's finances.

Respectfully submitted,

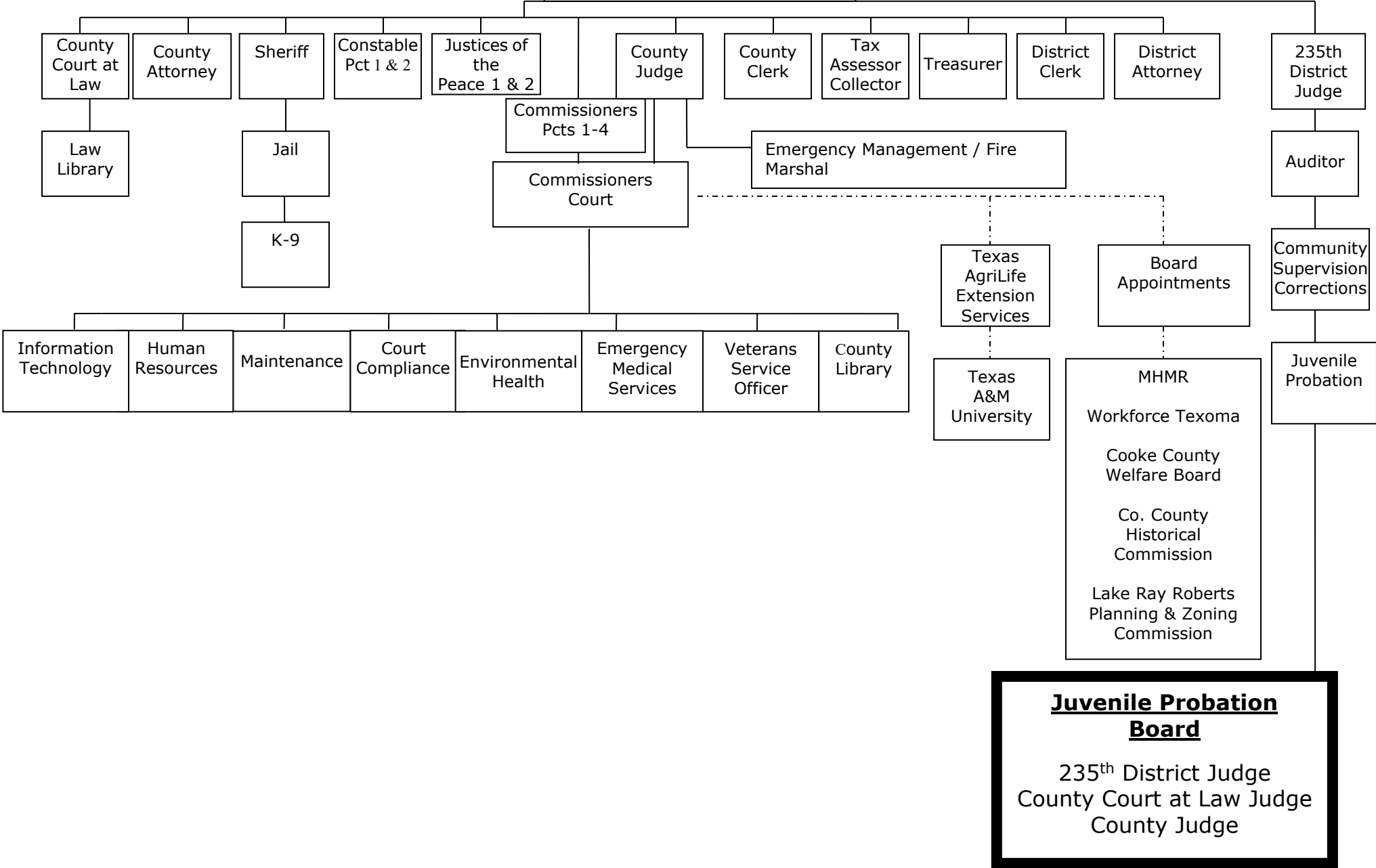
A handwritten signature in blue ink that reads "Shelly Atteberry". The signature is written in a cursive style with a large initial "S" and a stylized "A".

Shelly Atteberry
Cooke County Auditor

**ELECTED OFFICIALS & APPOINTED DEPARTMENT HEADS
COOKE COUNTY
FY 2021**

County Judge	Steve Starnes
Commissioner Pct. 1	Gary Hollowell
Commissioner Pct. 2	Jason Snuggs
Commissioner Pct. 3	Adam Arendt
Commissioner Pct. 4	Leon Klement
County Attorney	Edmund Zielinski
County Auditor	Shelly Atteberry
County Clerk	Pamela Harrison
County Court at Law Judge	John Morris
District Clerk	Marci Gilbert
Justice of Peace Pct. 1	Jody Henry
Justice of Peace Pct. 2	Carroll Johnson
Sheriff	Ray Sappington
Tax Assessor-Collector	Brandy Carr
Treasurer	Patty Brennan
District Attorney	John Warren
District Judge	Janelle Haverkamp
Environmental Health	Todd Daniel
Librarian	Jennifer Johnson-Spence
Veterans Service Officer	Tim Cortes
EMS Administrator	Kevin Grant
Constable Pct. 1	Mark Westbrook
Constable Pct. 2	Chuck Owen

**Cooke County, Texas
Organizational Chart
2021**



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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Judge and
Commissioners' Court
Cooke County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cooke County, Texas, (the "County"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cooke County, Texas, as of September 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston

NEW MEXICO | Albuquerque

Emphasis of Matter – Change in Accounting Principle

As described in the notes to the financial statements, in fiscal year 2021 the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section and combining fund financial statements, and other schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and other schedule have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
June 27, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of Cooke County, Texas, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with the independent auditor's report on page 1 and the County's basic financial statements that begin on page 9.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows at the close of the fiscal year ended September 30, 2021, by \$58,591,623 (net position), an increase of \$417,316 or 0.72% over the prior year ending net position. Of this amount, \$16,054,157 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- As of September 30, 2021, the County's governmental funds reported combined fund balances of \$28,408,344. Approximately 6.31% of this total amount, \$1,791,262, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,812,494, or approximately 7.30% of total General Fund expenditures.
- The County's total outstanding long-term liabilities increased by \$166,092 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and 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 analysis of the County's overall financial condition and operations begins on page 9. Its primary purpose is to show whether the County is better or worse off as a result of the year's activities.

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

The *Statement of Activities* presents information showing how the County's net position changed during the fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Liabilities are considered regardless of whether they must be paid in the current or future years.

The government-wide financial statements can be found on pages 9 – 10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the County's most significant funds – not the County as a whole.

- Some funds are required by state law and/or bond covenants.

- Other funds may be established by the Commissioners' Court to control and manage money for particular purposes or to show that it is properly using certain taxes or grants.

All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

- **Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating 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 fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 36 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund which is the only fund considered to be a major fund. Data from the other 34 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its General fund, road and bridge funds, and certain other special revenue funds. A budgetary comparison schedule has been provided to demonstrate compliance with the General Fund budget. The basic governmental fund financial statements can be found on pages 11 – 14 of this report.

- **Fiduciary funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary fund financial statements can be found on pages 15 – 16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements on pages 17 – 35 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 36 – 42 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$58,591,623 as of September 30, 2021, an increase of \$417,316 from operations as compared with the previous fiscal year. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – is \$16,054,157 at September 30, 2021, a decrease of \$5,127,004 from the prior year unrestricted net position of \$21,181,161.

The following table presents condensed financial information derived from the Statement of Net Position:

COOKE COUNTY'S NET POSITION

	Governmental Activities	
	2021	2020
Current and other assets	\$ 37,537,328	\$ 36,226,003
Capital assets	<u>32,920,832</u>	<u>28,602,081</u>
Total assets	<u>70,458,160</u>	<u>64,828,084</u>
Deferred outflows of resources	<u>4,133,236</u>	<u>1,815,246</u>
Total deferred outflows of resources	<u>4,133,236</u>	<u>1,815,246</u>
Long-term liabilities	5,667,427	5,501,335
Other liabilities	<u>8,333,394</u>	<u>1,727,872</u>
Total liabilities	<u>14,000,821</u>	<u>7,229,207</u>
Deferred inflows of resources	<u>1,998,952</u>	<u>1,239,816</u>
Total deferred inflows of resources	<u>1,998,952</u>	<u>1,239,816</u>
Net position:		
Net investment		
in capital assets	30,315,073	25,631,084
Restricted	12,222,393	11,362,062
Unrestricted	<u>16,054,157</u>	<u>21,181,161</u>
Total net position	<u>\$ 58,591,623</u>	<u>\$ 58,174,307</u>

Investment in capital assets (i.e. land, buildings, furniture, and equipment) less any outstanding debt used to acquire those assets is \$30,315,073, an increase of 18.27% over the prior fiscal year balance of \$25,631,084. This represents a significant portion (51.74%) of the County's net position. Cooke 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.

A smaller portion of the County's total net position (20.86%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$16,054,157 (27.40%) is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors. This surplus is not an indication that the County has significant resources available to meet financial obligations next year, but rather it results from the fiscal planning necessary to meet certain *long-term commitments* that generally accepted accounting principles currently have no provision for recognizing.

COOKE COUNTY'S CHANGES IN NET POSITION

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 5,556,970	\$ 5,427,229
Operating grants and contributions	465,485	2,160,677
Capital grants and contributions	168,093	17
General revenues:		
Property taxes	18,538,994	17,996,933
Sales taxes	3,464,186	3,361,830
Other taxes	348,414	252,567
Gain on sale of capital assets	889,538	10,484
Investment income	139,476	403,236
Miscellaneous	193,073	458,254
Total revenues	<u>29,764,229</u>	<u>30,071,227</u>
Expenses:		
General government	5,659,032	5,961,601
Health and safety	4,729,153	4,515,559
Education	95,905	105,799
Culture and recreation	741,408	795,610
Welfare	79,260	81,891
Judicial	11,361,213	11,415,219
Transportation	6,593,100	6,525,275
Interest on long-term debt	87,842	98,183
Total expenses	<u>29,346,913</u>	<u>29,499,137</u>
Change in net position	417,316	572,090
Net position, beginning	<u>58,174,307</u>	<u>57,602,217</u>
Net position, ending	<u>\$ 58,591,623</u>	<u>\$ 58,174,307</u>

Governmental Activities

The County's total net position increased by \$417,316 from operations as compared to the prior fiscal year's increase of \$572,090. The total cost of all governmental activities this year was \$29,346,913, a decrease of 0.52% when compared to the prior fiscal year.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

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

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$28,408,344, a decrease of \$3,199,862 (10.12%) over the prior year. Approximately 6.31% of this amount \$1,791,262 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is 1) not in spendable form (\$47,908), 2) legally required to be maintained intact (\$34,000), 3) restricted for particular purposes \$12,023,936, or 4) assigned for particular purposes (\$14,511,238).

The General Fund is the chief operating fund of Cooke County. At the end of the current fiscal year, total fund balance of the General Fund was \$16,457,365, a decrease of \$3,932,518 over the prior year. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. At September 30, 2021, unassigned fund balance represents 7.30% of total General Fund expenditures.

In the prior fiscal year, fund balance decreased by \$957,414 compared to the current year decrease of \$3,932,518. Key factors in the decrease of the change in fund balance for the General Fund are as follows:

- A \$755,518 increase in revenue, mostly caused by an increase in sales tax revenue, ad valorem tax revenue, and intergovernmental revenue;
- A \$223,050 increase in health and safety expenditures as compared to the prior year; and
- A \$3,418,163 increase in capital outlay expenditures as compared to the prior year;

The American Recovery Plan Act (ARPA) Fund ended the year with fund balance of \$9,294, which was driven by investment earnings on stimulus funds not yet spent.

General Fund Budgetary Highlights

Differences between the final amended budget and actual expenditures consisted of the following briefly summarized items:

- \$895,459 under budget in general government;
- \$164,722 under budget in health and safety; and
- \$1,092,296 under budget in judicial.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Cooke County's investment in capital assets for its governmental activities as of September 30, 2021, amounts to \$32,920,832 (net of accumulated depreciation). This investment in capital assets includes buildings and improvements, machinery and equipment, and construction in progress.

Major capital asset events during the current fiscal year included the purchase of buildings and improvement of \$4,828,826 and machinery and equipment in the amount of \$856,814.

COOKE COUNTY'S CAPITAL ASSETS

	Governmental Activities	
	2021	2020
Land	\$ 1,504,748	\$ 1,504,748
Buildings and improvements	36,139,455	31,310,629
Infrastructure	4,110,328	4,110,328
Machinery and equipment	18,185,265	17,328,451
Accumulated depreciation	(27,018,964)	(25,652,075)
Total capital assets	<u>\$ 32,920,832</u>	<u>\$ 28,602,081</u>

Additional information regarding the County's capital assets can be found in the notes on page 25 of this report.

Long-term Liabilities

COOKE COUNTY'S LONG-TERM LIABILITIES

	Governmental Activities	
	2021	2020
General obligations bonds	\$ 2,317,437	\$ 3,063,653
Capital lease	448,000	-
Compensated absences	405,494	442,166
Net pension liability	610,129	-
Total OPEB liability	<u>1,886,367</u>	<u>1,995,516</u>
Total long-term debt	\$ <u>5,667,427</u>	\$ <u>5,501,335</u>

At year-end, the County had \$2,317,437 in bonds outstanding versus \$3,063,653 at the end of the prior year. More detailed information about the County's long-term liabilities is presented in the notes to the financial statements on pages 26 – 34. In the prior year, the County reported a net pension asset, and in the current year the county has a net pension liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Cooke County's elected officials considered many factors when setting the fiscal year 2022 budget and tax rates. The County authorized a maintenance and operations tax rate of \$0.3962 as compared with the fiscal year 2021 rate of \$0.4053. However, in fiscal year 2020-21, the interest and sinking rate was \$0.0172, while for fiscal year 2021-22, the interest and sinking tax rate will be \$0.0168, making the County's total tax rate, including \$0.0001 for lateral road, \$0.4130 for 2021-22 as compared with a total tax rate of \$0.4225 for fiscal year 2020-21.

The County's 2021-22 budget projects a decrease in General Fund revenues of \$124,024 and an increase in General Fund expenditures of \$5,214,554. However, due to the outbreak of COVID-19, the revenues for the County are uncertain moving forward.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Cooke County Auditor's office, at the Cooke County Courthouse, Gainesville, Texas 76240.

**BASIC
FINANCIAL STATEMENTS**

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COOKE COUNTY, TEXAS**STATEMENT OF NET POSITION**

SEPTEMBER 30, 2021

	Governmental Activities
ASSETS	
Cash and investments	\$ 35,119,569
Receivables, net	2,369,851
Inventory	35,090
Prepays	12,818
Capital assets:	
Non-depreciable	1,504,748
Depreciable	<u>31,416,084</u>
Total capital assets, net	<u>32,920,832</u>
Total assets	<u>70,458,160</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	159,678
Deferred outflows - OPEB	448,606
Deferred outflows - pensions	<u>3,524,952</u>
Total deferred outflows of resources	<u>4,133,236</u>
LIABILITIES	
Accounts payable	3,644,437
Accrued liabilities	482,019
Unearned revenue	4,198,594
Interest payable	8,344
Noncurrent liabilities:	
Due within one year	
Long-term debt	954,248
Total OPEB liability	63,908
Due in more than one year	
Long-term debt	2,216,683
Net pension liability	610,129
Total OPEB liability	<u>1,822,459</u>
Total noncurrent liabilities	<u>5,667,427</u>
Total liabilities	<u>14,000,821</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - OPEB	302,155
Deferred inflows - pensions	<u>1,696,797</u>
Total deferred inflows of resources	<u>1,998,952</u>
NET POSITION	
Net investment in capital assets	30,315,073
Restricted for:	
Capital projects	2,764,169
Public safety	661,155
Judicial	713,637
Records management and preservation	280,576
Transportation	6,668,911
Debt service	532,758
Culture and recreation:	
Expendable	567,187
Non-expendable	34,000
Unrestricted	<u>16,054,157</u>
Total net position	<u>\$ 58,591,623</u>

The accompanying notes are an integral
part of these financial statements.

COOKE COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
					Governmental Activities
Primary government					
Governmental activities:					
General government	\$ 5,659,032	\$ 1,706,196	\$ 99,487	\$ -	\$(3,853,349)
Health and safety	4,729,153	1,823,500	90,370	-	(2,815,283)
Education	95,905	-	-	-	(95,905)
Culture and recreation	741,408	-	29,636	-	(711,772)
Welfare	79,260	-	-	-	(79,260)
Judicial	11,361,213	911,101	212,202	-	(10,237,910)
Transportation	6,593,100	1,116,173	33,790	168,093	(5,275,044)
Interest on long-term debt	87,842	-	-	-	(87,842)
Total governmental activities	<u>29,346,913</u>	<u>5,556,970</u>	<u>465,485</u>	<u>168,093</u>	<u>(23,156,365)</u>
Total primary government	\$ <u>29,346,913</u>	\$ <u>5,556,970</u>	\$ <u>465,485</u>	\$ <u>168,093</u>	<u>(23,156,365)</u>
General revenues:					
Taxes:					
Property taxes					18,538,994
Sales taxes					3,464,186
Other taxes					348,414
Investment income					139,476
Gain on sale of capital assets					889,538
Miscellaneous					<u>193,073</u>
Total general revenues					<u>23,573,681</u>
Change in net position					<u>417,316</u>
Net position - beginning					<u>58,174,307</u>
Net position - ending					\$ <u>58,591,623</u>

The accompanying notes are an integral part of these financial statements.

COOKE COUNTY, TEXAS**BALANCE SHEET****GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2021

	General	ARPA Grant	Other Governmental Funds	Total
ASSETS				
Cash and investments	\$ 19,013,966	\$ 4,016,139	\$ 12,089,464	\$ 35,119,569
Receivables, net				
Taxes	889,890	-	109,931	999,821
Accounts	798,884	-	58,505	857,389
Intergovernmental	41,581	-	471,060	512,641
Due from other funds	40,700	-	-	40,700
Inventory	35,090	-	-	35,090
Prepaid items	12,818	-	-	12,818
Total assets	<u>20,832,929</u>	<u>4,016,139</u>	<u>12,728,960</u>	<u>37,578,028</u>
LIABILITIES				
Accounts payable	3,214,015	-	430,422	3,644,437
Accrued liabilities	402,942	-	79,077	482,019
Unearned revenue	41,749	4,006,845	150,000	4,198,594
Due to other funds	-	-	40,700	40,700
Total liabilities	<u>3,658,706</u>	<u>4,006,845</u>	<u>700,199</u>	<u>8,365,750</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	224,557	-	87,076	311,633
Unavailable revenue - court fines	279,412	-	-	279,412
Unavailable revenue - ambulance	212,889	-	-	212,889
Total deferred inflows of resources	<u>716,858</u>	<u>-</u>	<u>87,076</u>	<u>803,934</u>
FUND BALANCES				
Nonspendable:				
Prepaid items and inventory	47,908	-	-	47,908
Library endowment	-	-	34,000	34,000
Restricted for:				
Capital projects	-	-	2,758,744	2,758,744
Public safety	85,725	-	489,705	575,430
Judicial	-	-	713,637	713,637
Records management and preservation	-	-	280,576	280,576
Transportation	-	-	6,600,839	6,600,839
Debt service	-	-	527,523	527,523
Culture and recreation	-	-	567,187	567,187
Assigned for:				
Capital projects	5,000,000	-	-	5,000,000
Subsequent year's budget	9,511,238	-	-	9,511,238
Unassigned	1,812,494	9,294	(30,526)	1,791,262
Total fund balances	<u>16,457,365</u>	<u>9,294</u>	<u>11,941,685</u>	<u>28,408,344</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 20,832,929</u>	<u>\$ 4,016,139</u>	<u>\$ 12,728,960</u>	<u>\$ 37,578,028</u>

The accompanying notes are an integral
part of these financial statements.

COOKE COUNTY, TEXAS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

SEPTEMBER 30, 2021

Total fund balances - governmental funds balance sheet \$ 28,408,344

Amounts reported for governmental activities in the Statement of Net Position are different because:

Uncollected revenues are reported as unavailable resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities. 803,934

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. 32,920,832

Long-term liabilities, including bonds payable, capital leases, compensated absences, and the total OPEB liability are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Additionally, a long-term asset related to pensions is not reported in the fund statements.

Bonds payable	(2,317,437)
Deferred amount on refunding	159,678
Capital leases	(448,000)
Compensated absences	(405,494)
Total OPEB liability	(1,886,367)
Net pension liability	(610,129)
Deferred outflows related to OPEB	448,606
Deferred inflows related to OPEB	(302,155)
Deferred outflows related to pensions	3,524,952
Deferred inflows related to pensions	(1,696,797)

Interest payable on long-term liabilities does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet. (8,344)

Net position of governmental activities \$ 58,591,623

COOKE COUNTY, TEXAS**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES****GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General	ARPA Grant	Other Governmental Funds	Total Governmental
REVENUES				
Taxes				
Ad valorem taxes	\$ 11,967,669	\$ -	\$ 6,776,177	\$ 18,743,846
Sales taxes	3,464,186	-	-	3,464,186
Hotel occupancy	-	-	276,998	276,998
Other	71,416	-	-	71,416
Intergovernmental	1,346,242	-	414,217	1,760,459
License and permits	-	-	955,196	955,196
Fines and fees	3,748,134	-	636,588	4,384,722
Investment earnings	79,909	9,294	50,273	139,476
Miscellaneous	172,317	-	22,446	194,763
Total revenues	<u>20,849,873</u>	<u>9,294</u>	<u>9,131,895</u>	<u>29,991,062</u>
EXPENDITURES				
Current:				
General government	4,687,175	-	521,859	5,209,034
Health and safety	4,423,139	-	-	4,423,139
Education	96,854	-	-	96,854
Culture and recreation	545,639	-	194,129	739,768
Welfare	80,064	-	-	80,064
Judicial	10,643,801	-	275,224	10,919,025
Transportation	-	-	5,857,993	5,857,993
Capital outlay	4,362,855	-	2,090,488	6,453,343
Debt service:				
Principal	-	-	700,000	700,000
Interest and fiscal charges	-	-	80,832	80,832
Total expenditures	<u>24,839,527</u>	<u>-</u>	<u>9,720,525</u>	<u>34,560,052</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,989,654)</u>	<u>9,294</u>	<u>(588,630)</u>	<u>(4,568,990)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	370	-	30,000	30,370
Transfers out	-	-	(30,370)	(30,370)
Insurance recovery	18,164	-	15,288	33,452
Issuance of long-term debt	-	-	448,000	448,000
Sale of general capital assets	<u>38,602</u>	<u>-</u>	<u>849,074</u>	<u>887,676</u>
Total other financing sources and uses	<u>57,136</u>	<u>-</u>	<u>1,311,992</u>	<u>1,369,128</u>
NET CHANGE IN FUND BALANCES	<u>(3,932,518)</u>	<u>9,294</u>	<u>723,362</u>	<u>(3,199,862)</u>
FUND BALANCES, BEGINNING	<u>20,389,883</u>	<u>-</u>	<u>11,218,323</u>	<u>31,608,206</u>
FUND BALANCES, ENDING	<u>\$ 16,457,365</u>	<u>\$ 9,294</u>	<u>\$ 11,941,685</u>	<u>\$ 28,408,344</u>

The accompanying notes are an integral
part of these financial statements.

COOKE COUNTY, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Net change in fund balances - total governmental funds \$(3,199,862)

Amounts reported for governmental activities in the Statement of Activities are different

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 as depreciation expense. This is the amount of capital outlay in the governmental funds reported as capital asset additions in the government-wide statements. 6,472,376

Depreciation of capital assets is reported as an expense in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds. (2,122,035)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. (31,590)

Compensated absences are accrued on the statement of net position but do not require the use of current financial resources. The current period change in compensated absences is reported in the statement of activities. This is the current period net increase in compensated absences not reported as expenditures in governmental funds. 36,672

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 252,000

Governmental funds report the effect of loss on refunding and premium from the sale of bonds when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (7,010)

Some revenues reported in the governmental funds were previously reported in the statement of activities but are only recognized in the funds in the year financial resources are provided. (1,116,371)

Some OPEB and pension costs are recognized in the period during which services are rendered in the statement of activities, and are recognized as expenditures in the fund statements when the current resources are used. 133,136

Change in net position of governmental activities \$ 417,316

COOKE COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ <u>4,535,431</u>
Total assets	<u>4,535,431</u>
LIABILITIES	
Due to other governments	355,919
Due to individuals and organizations	<u>37,369</u>
Total liabilities	<u>393,288</u>
NET POSITION	
Restricted for:	
Individuals and organizations	<u>4,142,143</u>
Total net position	<u>\$ 4,142,143</u>

COOKE COUNTY, TEXAS**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION****FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Custodial Funds</u>
ADDITIONS	
Registry deposits	\$ 1,516,796
Receipts from inmates	162,049
Appellate justice system collections	725,039
Hot check collections	12,018
Vehicle registration collections	16,342,761
Cash bond receipts	253,611
Investment earnings	<u>8,611</u>
Total additions	<u>19,020,885</u>
DEDUCTIONS	
Registry withdrawals	57,707
Inmate disbursements	184,248
Appellate justice system disbursements	800,685
Restitution paid	122
Hot check disbursements	13,303
Vehicle registration disbursements	16,342,761
Refunds	<u>230,287</u>
Total deductions	<u>17,629,113</u>
NET INCREASE IN FIDUCIARY NET POSITION	1,391,772
NET POSITION, BEGINNING	-
PRIOR PERIOD ADJUSTMENT	<u>2,750,371</u>
NET POSITION, ENDING	<u>4,142,143</u>

COOKE COUNTY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Cooke County is an independent governmental entity created under the laws of the State of Texas. The County is governed by an elected Commissioners' Court. The financial statements of the County include all funds and agencies over which the County exercises oversight responsibilities and accountability.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities* generally are supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. *Program revenue* includes 1) charges to customers or applicants 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 the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

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

The government-wide financial statements and fiduciary funds are reported using the *economic resources measurement focus* and the accrual basis of accounting. Revenue is 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 revenue 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*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if 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 only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability 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:

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

The **ARPA Grant Fund** is used to account for the resources received from the American Rescue Plan Act of 2021.

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for specific revenue sources that are legally restricted or committed to expenditures for specified purposes (other than for capital projects or debt service).

The **Debt Service Fund** is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Capital Projects Funds are used to account for resources that are accumulated for capital improvements.

The **Fiduciary Funds** are used to account for assets held by the County on behalf of individuals and other governments. Examples include taxes, fines, bonds and restitution.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments between funds where the amounts are reasonably equivalent in value to the interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various programs concerned.

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

Deposits and Investments

The County's cash and investments are considered to be cash on hand, demand deposits, time deposits, and amounts maintained in one or more of the investment pools authorized by the Public Funds Investment Act. Investments for the County are reported at fair value, except for the position in investment pools. The County's investment pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

TexPool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only imposed restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

Receivables and Payables

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

All trade (fines and court costs, emergency medical services, and other) and property tax receivables are shown net of an allowance for uncollectibles. The County has contracted with a law firm to aggressively collect these delinquent property taxes. The County has also contracted with a law firm to collect fines, court costs, and restitution.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g. roads, bridges, dams and similar items), are reported in the governmental activities column of the statement of net position. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Equipment	3 - 10
Infrastructure	40

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

All regular fulltime County employees accumulate vacation leave. An employee does not vest in vacation leave until the completion of one year of employment. Employees who have completed 12 months of employment are eligible for 40 hours of vacation leave. Vacation leave is accumulated at the following rates:

After 1 year	3.3 hours per month/40 hours per year
1 to 10 years	6.7 hours per month/80 hours per year
Over 10 years	10 hours per month/120 hours per year

The maximum vacation time that may accumulate is the amount the employee would earn in 18 months at the current rate of vacation accrual. Upon termination, an employee is paid for accumulated vacation leave.

In addition to vacation leave, County employees accumulate sick leave at the rate of 8 hours per month. Sick leave is vested only to the extent that such sick leave is actually used while employed. Employees are not paid for accumulated sick leave upon termination or retirement.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities. On new bond issues, bond premiums and discounts, as well as deferred gain or loss on refunding of debt, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Governmental fund financial statements report the face amount of debt issued 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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan 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.

Other Post-Employment Benefits

For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the County for benefits due and payable that are not reimbursed by plan assets. Information regarding the County's total OPEB liability is obtained from a report prepared by a consulting actuary, Gabriel Roeder Smith & Company.

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 the following items that qualify for reporting in this category:

- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Differences between expected and actual experience – This difference is deferred and amortized over a closed five-year period.
- Changes in actuarial assumptions – This difference is deferred and amortized over the average remaining service life for all active, inactive, and retired members.
- Deferred charge on refunding – A deferred loss on a bond refunding results when the reacquisition price of the refunded debt exceeds the carrying value. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Differences between expected and actual experience – This difference is deferred and amortized over a closed five-year period.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

- Changes in actuarial assumptions – This difference is deferred and amortized over the average remaining service life for all active, inactive, and retired members.

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by Commissioners' Court, the County's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County Auditor.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

It is the goal of the County to achieve and maintain an unassigned General Fund balance equal to at least 25% of budgeted expenditures. In the event that the unassigned General Fund balance is less than the policy anticipates, the County shall plan to adjust budget resources in the subsequent fiscal years to restore the fund balance.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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.

Use of 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 and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The County adopts annual appropriated budgets for the General Fund, Special Revenue Funds and the Debt Service Fund on the modified accrual basis of accounting. Project length budgets are adopted for Capital Projects Funds and amended on an annual basis to reflect the uncompleted portion of the projects. The County did not adopt an annual budget for the ARPA Grant Fund, major special revenue fund.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) During June, the County Judge submits to the Commissioners' Court a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. Each fund is budgeted on an annual basis with no carryovers into the next year. If a fund has a balance at the end of the year, the balance is included in the computation of available cash for next year's budget.
- b) Public hearings are conducted to obtain taxpayer comments.
- c) Prior to October 1, the budget is legally enacted.
- d) The County Auditor is required to monitor the expenditures of the various departments. The budget is controlled on a departmental object class basis. Expenditures can be reallocated within a departmental object class at any time by Court order, but the budget must be formally amended to allow the original level of budgeted expenditures within a department to be exceeded. The Court must approve all amendments to the budget.

The Court approves budget amendments proposed by the County Judge throughout and immediately subsequent to the fiscal year. These amendments are routinely approved and the current year budgetary data presented includes all approved budget amendments. Budgetary amendments are integrated after the fiscal year-end due to the normal year-end closing procedures and adjustments that are discovered during that period. Budget amendments are necessary at that time to comply with Chapter 111, Local Government Code of the State of Texas, which states that funds may be spent only for items or categories of items that are included in the adopted budget. The County has chosen to adopt the budget at the department object class level, since this allows budgetary control, but is still meaningful to the Commissioners' Court and the citizens of the County. All annual appropriations lapse at the end of each fiscal year, in accordance with state law.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

State statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (b) secured by obligations that are described by (1) – (4); and (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with a third party selected or approved the County, and placed through a primary government securities dealer.

Interest Rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires that investment maturities not exceed two years for all investment types.

Custodial Credit Risk - In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2021, the County's full deposit balance was collateralized with securities held by the pledging financial institution in the County's name or by FDIC insurance.

Credit Risk - State law and county policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. The County's investments as of September 30, 2021, were rated as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	AAAm	Standard & Poor's	37
LOGIC	AAAm	Standard & Poor's	59
TexSTAR	AAAm	Standard & Poor's	39

B. Receivables

Receivables as of year-end for the County's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Funds</u>		
	<u>General</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:			
Taxes	\$ 954,667	\$ 130,735	\$ 1,085,402
Adjudicated fines	5,588,238	-	5,588,238
Ambulance	1,055,373	-	1,055,373
Accounts	41,564	58,505	100,069
Intergovernmental	<u>41,581</u>	<u>471,060</u>	<u>512,641</u>
Gross receivables	7,681,423	660,300	8,341,723
Less: allowance for uncollectibles	<u>(5,951,068)</u>	<u>(20,804)</u>	<u>(5,971,872)</u>
Total receivables, net	<u>\$ 1,730,355</u>	<u>\$ 639,496</u>	<u>\$ 2,369,851</u>

C. Property Taxes

Property subject to taxation consists of real property and certain personal property situated in the County. Certain properties of religious, educational and charitable organizations, including the federal government and the State of Texas, are exempt from taxation. Additionally, there are other exemptions in arriving at the total assessed valuation of property subject to County taxation. The valuations are subject to countywide revaluation every year. The effective tax rate is computed based upon the previous year's total assessed valuation.

Portions of the adopted tax rate are assessed and designated for specific purposes. These designated tax revenues are deposited into funds created for the accumulation and disbursement of these revenues. The following schedule details the components of the 2021 tax rate allocated to each fund:

<u>Fund</u>	<u>Rate Per \$100</u>
General fund	\$ 0.2652
Permanent improvement fund	0.0150
Road and bridge fund	0.1250
Farm to market and lateral road fund	0.0001
Interest and sinking fund	<u>0.0172</u>
	<u>\$ 0.42250</u>

Ad valorem taxes are levied prior to October 1 and are due and payable from October 1 of the year in which levied until January 31 of the following year without interest or penalty. Taxes become delinquent February 1 of each year and are subject to simple interest of 12% per annum, plus a 6% penalty for the first calendar month such taxes are delinquent, plus an additional 2 percent each month thereafter not to exceed 12%.

Taxes on real property attach as an enforceable lien as of January 1 and are a lien against such property until paid. The County may foreclose on real property upon which it has a lien for unpaid taxes. Delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title to the property. Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes become delinquent. Unlike real property, the sale or transfer of most personal property does not require any evidence that taxes thereon are paid.

D. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ <u>1,504,748</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,504,748</u>
Total assets not being depreciated	<u>1,504,748</u>	<u>-</u>	<u>-</u>	<u>1,504,748</u>
Capital assets, being depreciated:				
Buildings and improvements	31,310,629	4,828,826	-	36,139,455
Infrastructure	4,110,328	-	-	4,110,328
Machinery and equipment	<u>17,328,451</u>	<u>1,643,550</u>	<u>(786,736)</u>	<u>18,185,265</u>
Total capital assets being depreciated	<u>52,749,408</u>	<u>6,472,376</u>	<u>(786,736)</u>	<u>58,435,048</u>
Less accumulated depreciation:				
Buildings and improvements	12,051,104	717,583	-	12,768,687
Infrastructure	844,455	145,704	-	990,159
Machinery and equipment	<u>12,756,516</u>	<u>1,258,748</u>	<u>(755,146)</u>	<u>13,260,118</u>
Total accumulated depreciation	<u>25,652,075</u>	<u>2,122,035</u>	<u>(755,146)</u>	<u>27,018,964</u>
Total capital assets being depreciated, net	<u>27,097,333</u>	<u>4,350,341</u>	<u>(31,590)</u>	<u>31,416,084</u>
Governmental activities capital assets, net	\$ <u>28,602,081</u>	\$ <u>4,350,341</u>	\$ <u>(31,590)</u>	\$ <u>32,920,832</u>

Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:	
General government	\$ 489,394
Health and safety	339,760
Culture and recreation	4,432
Judicial	526,309
Transportation	<u>762,140</u>
Total depreciation expense - governmental activities	\$ <u>2,122,035</u>

E. Operating Leases

The County is committed under various leases for office equipment (i.e., copiers and postage machine). These leases are considered for accounting purposes to be operating leases. Operating lease expenditures for the year ended September 30, 2021, amounted to \$119,222. Future minimum lease payments for these leases are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Lease Obligation</u>
2022	\$ 85,841
2023	51,109
2024	9,858
2025	<u>8,821</u>
Total	\$ <u>155,629</u>

F. Short-term Liabilities

Note Payable

In the current year, the County financed equipment through a short-term note payable. The note carried an interest rate of 2.91% and matured in 2021. No interest payments were made during the current year. The following is a summary of short-term debt activity for the fiscal year ended September 30, 2021:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Note payable	\$ 120,248	\$ -	\$ 120,248	\$ -	\$ -
Total	\$ 120,248	\$ -	\$ 120,248	\$ -	\$ -

G. Long-term Liabilities

General Obligation Bonds

The County periodically issues general obligation bonds. Detailed information on outstanding general obligation bonds is as follows:

	Date of Issue	Interest Rate	Principal Balance	Due Within One Year
\$6,810,000 General Obligation Refunding Bonds, Series 2012	06/20/2012	2.0% - 3.0%	\$ 2,225,000	\$ 720,000

The Series 2012 Refunding Bonds constitute direct obligations of the County, payable from the levy and collection of a direct and continuing ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the County. If the County defaults in the payment of principal or interest, or defaults in the observation or performance of any other covenants, the registered owners may seek a writ of mandamus to compel County officials to carry out their legally imposed duties with respect to the Bonds.

The annual debt service requirements for general obligation bonds outstanding, as of September 30, 2021, are as follows:

Fiscal Year Ending September 30,	General Obligation Bonds		
	Principal	Interest	Total
2022	720,000	55,950	775,950
2023	740,000	34,050	774,050
2024	765,000	11,475	776,475
Total	\$ 2,225,000	\$ 101,475	\$ 2,326,475

Capital Leases

In 2021, the County entered into a capital lease for heavy equipment in the amount of \$448,000. The lease carries an interest rate of 2.394% and matures in 2024.

	Total Outstanding
Capital lease payable to a finance company for the purchase of road maintenance equipment. Payments are due in annual installments of \$156,539.79, including interest at 4.8%. Final maturity March 2024.	\$ 448,000
Total capital lease obligations	\$ 448,000

The annual lease payments to maturity are as follows:

Year ending September 30,	Governmental Activities
2022	156,540
2023	156,540
2024	156,540
Total minimum lease payments	469,619
Less: amounts representing interest	(21,619)
Present value of minimum lease payments	\$ <u>448,000</u>

The historical cost and accumulated depreciation for the equipment are noted in the table below:

Equipment	\$ 448,000
Accumulated Depreciation	(26,134)
Equipment, net	\$ <u>421,866</u>

Changes in Long-term Liabilities

The following is a summary of long-term debt activity for the fiscal year ended September 30, 2021:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 2,925,000	\$ -	\$ 700,000	\$ 2,225,000	\$ 720,000
Capital lease	-	448,000	-	448,000	145,815
Premium	138,653	-	46,216	92,437	-
Compensated absences	442,166	558,651	595,323	405,494	88,433
Total	\$ <u>3,505,819</u>	\$ <u>1,006,651</u>	\$ <u>1,341,539</u>	\$ <u>3,170,931</u>	\$ <u>954,248</u>

Compensated absences and capital leases are generally liquidated by the General Fund and special revenue funds.

IV. OTHER INFORMATION

A. 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; injuries to employees; and natural disasters. During the year ended September 30, 2021, the County carried insurance through various commercial carriers, including the Texas Association of Counties, to cover all risks of losses. The County has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

B. Contingent Liabilities and Commitments

The County may be contingently liable with respect to lawsuits and claims in the ordinary course of operations that, in the opinion of management, will not have a material adverse effect on the financial condition of the government.

The County participates in various federal grant programs, the principal of which are periodically subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County anticipates such amounts, if any will be immaterial.

C. **Retirement Plan**

Plan Description

The County participates in a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent, multiple-employer, public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report that can be obtained at www.tcdrs.org.

All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

Benefits Provided

TCDRS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCDRS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

Members can retire at age 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. By law, employee accounts earn 7% interest. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	139
Inactive employees entitled to but not yet receiving benefits	202
Active employees	<u>241</u>
	<u>582</u>

Contributions. The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 8.0% and 7.76% in calendar years 2020 and 2021, respectively. The County's contributions to TCDRS for the year ended September 30, 2021, were \$1,351,349, and were \$300,000 greater than the required contributions.

Net Pension Liability (Asset). The County's Net Pension Liability (Asset) (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date. This liability is generally liquidated by the General Fund.

Actuarial Assumptions

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

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment rate of return	7.60%, net of pension plan investment expense, including inflation

Cost-of-living adjustments ("COLA") for the County are considered to be substantively automatic. Therefore, an annual cost-of-living adjustment is not included in the actuarial valuation. Each year, the County may elect an ad-hoc COLA for its retirees.

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Updated mortality assumptions were adopted in the actuarial valuation of December 31, 2018. All other actuarial assumptions that determined the total pension liability as of December 31, 2019, were based on the results of an actuarial experience study for the period January 1, 2013, through December 31, 2016.

The long-term expected rate of return on pension plan investments is 8.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2018 information for a 10-year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. The target allocation and best estimates of geometric real rates return for each major asset's class are summarized in the following table:

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected minus Inflation) (2)
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities - Developed	MSCI World Ex USA (net) Index	5.00%	4.25%
International Equities - Emerging	MSCI EM Standard (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	5.70%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-0.70%

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

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.0%, per Cliffwater's 2021 capital market assumptions.

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

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

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

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.6%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. 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 period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2019	\$ 45,511,959	\$ 46,489,923	\$ (977,964)
Changes for the year:			
Service cost	1,682,547	-	1,682,547
Interest on total pension liability ⁽¹⁾	3,738,618	-	3,738,618
Effect of economic/demographic gains or losses	155,251	-	155,251
Effect of assumptions changes or inputs	3,135,481	-	3,135,481
Refund of contributions	(144,025)	(144,025)	-
Benefit payments	(1,974,671)	(1,974,671)	-
Administrative expenses	-	(37,680)	37,680
Member contributions	-	950,805	(950,805)
Net investment income	-	4,803,187	(4,803,187)
Employer contributions	-	1,396,131	(1,396,131)
Other ⁽²⁾	-	11,361	(11,361)
Balance at 12/31/2020	<u>\$ 52,105,160</u>	<u>\$ 51,495,031</u>	<u>\$ 610,129</u>

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

⁽²⁾ Relates to allocation of system-wide items.

Sensitivity Analysis

The following presents the net pension liability (asset) of the County, calculated using the discount rate of 7.6%, as well as what the County's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.6%) or 1-percentage-point higher (8.6%) than the current rate:

	1% Decrease 6.6%	Current Discount Rate 7.6%	1% Increase 8.6%
Total pension liability	\$ 59,419,354	\$ 52,105,161	\$ 46,062,600
Fiduciary net position	<u>51,495,032</u>	<u>51,495,032</u>	<u>51,495,032</u>
Net pension liability/(asset)	<u>\$ 7,924,322</u>	<u>\$ 610,129</u>	<u>\$ (5,432,432)</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. The report may be obtained on the Internet at www.tcdrs.org.

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

For the year ended September 30, 2021, the County recognized pension expense of \$1,102,983.

At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 365,642	\$ 46,054
Changes in actuarial assumptions	2,386,061	-
Difference between projected and actual investment earnings	-	1,650,743
Contributions subsequent to the measurement date	773,249	-
Total	<u>\$ 3,524,952</u>	<u>\$ 1,696,797</u>

\$773,249 reported as deferred outflows of resources related to pension 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 and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended September 30,	
2022	\$ 394,399
2023	827,169
2024	39,235
2025	(205,897)
Total	<u>\$ 1,054,906</u>

D. Other Post-Employment Benefits – Retiree Health Insurance Plan

Plan Description. The County sponsors a Retiree Health Insurance Benefits Plan (the “Plan”). The Plan provides these other post-employment benefits (“OPEB”) for eligible employees through a single-employer defined benefit plan, under the County’s policy. This plan is administered by the County and it has the authority to establish and amend the benefit terms and financing arrangements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits and Eligibility. The Retiree Health Program provides County retirees full retiree health care benefits. Members hired on or after January 1, 1998, are eligible at age 62 with 20 or more years of service. Members hired on or before December 31, 1997, are eligible at age 60 with 20 or more years of service or at age 55 with 25 or more years of service. Members who retire before meeting the eligibility requirements above are offered COBRA benefits. County coverage ceases when retiree becomes eligible for Medicare coverage. The County also offers dental coverage to retirees under the age of 65. Retirees who decide to opt-out of the health care plan will not be eligible to opt back in when coverage from another entity ceases.

Contributions. The County pays the retirees premiums. The County’s contributions to the OPEB for the year ended September 30, 2021, were \$63,908, which equal benefit payments for retirees.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	4
Active members	<u>164</u>
Total	<u>168</u>

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Cost Method	Individual Entry Age
Discount Rate	2.00% as of December 31, 2020
Inflation Rate	2.50%
Salary Increases	0.50% to 5.00%, not including wage inflation of 3.25%
Demographic Assumptions	Based on the experience study covering the four year period ending December 31, 2016 as conducted for the Texas County and District Retirement System (TCDRS). For the OPEB valuation, the standard TCERS retirement rates were adjusted to reflect the impact of the County's retiree medical plan design.
Mortality	For healthy retirees, the gender-distinct RP-2014 Healthy Annuitant Mortality Tables are used with male rates multiplied by 130% and female rates multiplied by 110%. Those rates are projected on a fully generational basis based on 110% of the ultimate rates of Scale MP-2014.
Health care cost trend rates	Initial rate of 7.00% declining to an ultimate rate of 4.25% after 13 years.
Participation rates	It was assumed that 100% of eligible retirees would choose to receive retiree health care benefits through the County.
Discount rate	The discount rate changed from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

A Single Discount Rate of 2.00% was used to measure the total OPEB liability. This Single Discount Rate was based on the municipal bond rates as of the measurement date. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020.

Changes in the Total OPEB Liability

The County's total OPEB liability of \$1,886,367 was measured as of December 31, 2020 and was determined by an actuarial valuation as of December 31, 2019.

	Total OPEB Liability
Balance at 12/31/2019	\$ 1,995,516
Changes for the year:	
Service cost	109,868
Interest on the total liability	55,509
Difference between expected and actual experience	(317,569)
Changes in assumptions and other inputs	106,951
Benefit payments	(63,908)
Net changes	(109,149)
Balance at 12/31/2020	\$ <u>1,886,367</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.75% to 2.00%. Additionally, the ultimate trend assumption was decreased as a result of the Excise Tax repeal passed by Congress on December 20, 2019.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.00%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
Total OPEB liability	\$ 2,036,844	\$ 1,886,367	\$ 1,744,757

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB liability	\$ 1,690,900	\$ 1,886,367	\$ 2,118,845

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

For the year ended September 30, 2021, the County recognized OPEB expense of \$183,025. At September 30, 2021, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 169,294	\$ 297,846
Changes in actuarial assumptions	228,907	4,309
Contributions subsequent to the measurement date	50,405	-
Total	\$ <u>448,606</u>	\$ <u>302,155</u>

\$50,405 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the County paid with own assets and will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2022. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2022	\$ 17,648
2023	17,648
2024	17,648
2025	17,648
2026	17,648
Thereafter	7,806
Total	\$ <u>96,046</u>

E. Tax Abatements

The County enters into economic development agreements designed to promote development and redevelopment within the County, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the County. This program reduces the assessed property values as authorized under Chapter 381 of the Texas Local Government Code and Chapter 312 of the Texas Tax Code.

The County has entered into agreements that reduce property taxes. Agreements for a reduction of taxable property values on incremental values call for a reduction of 50% to 70% for 5 to 10 years. Each agreement requires a developer to maintain a minimum assessed valuation and/or minimum employment requirements. For the fiscal year ending 2021, the County abated property taxes of \$183,229.

F. Deficit Equity

As of September 30, 2021, the Records Preservation and District Court Preservation funds had deficit unassigned fund balance in the amounts of \$22,386 and \$8,140, respectively. The deficits will be cleared in the subsequent year by transfers in from the General Fund or from greater than expected revenues.

G. Prior Period Adjustment

In the current fiscal year, the County implemented Governmental Accounting Standards Board Statement Number 84, *Fiduciary Activities* and has restated the beginning net position for the fiduciary funds in the amount of \$2,750,371.

H. New Accounting Principles

Statement No. 87, Leases – This statement changes the recognition requirements for certain lease assets and liabilities for leases that are currently classified as operating leases. This statement will become effective in fiscal year 2022.

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period – The objectives of this statement are to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement will become effective in fiscal year 2022.

Statement No. 91, Conduit Debt Obligations – This Statement provides a single method of reporting conduit debt obligation by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 will be implemented in fiscal year 2023 and the impact has not yet been determined.

Statement No. 92, Omnibus 2020 – The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB 92 will be implemented by the County in fiscal year 2022 and the impact has not yet been determined.

Statement No. 93, Replacement of Interbank Offered Rates – Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)-most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB 93 will be implemented in fiscal year 2022 and the impact has not yet been determined.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements, will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The requirements of this statement will be effective for the fiscal year ending September 30, 2023.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

COOKE COUNTY, TEXAS**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes:				
Ad valorem	\$ 11,694,931	\$ 11,694,931	\$ 11,967,669	\$ 272,738
Sales	3,500,000	3,500,000	3,464,186	(35,814)
Other	60,000	60,000	71,416	11,416
Intergovernmental	344,913	344,913	1,346,242	1,001,329
Fines and fees	4,123,000	4,123,000	3,748,134	(374,866)
Investment earnings	250,000	250,000	79,909	(170,091)
Miscellaneous	40,400	40,400	172,317	131,917
Total revenues	<u>20,013,244</u>	<u>20,013,244</u>	<u>20,849,873</u>	<u>836,629</u>
EXPENDITURES				
Current:				
General government:				
Courthouse	726,315	726,315	634,583	91,732
Auditor	423,676	423,676	411,764	11,912
Tax assessor	484,583	484,583	459,364	25,219
County clerk	258,578	258,578	252,957	5,621
Treasurer	103,368	103,368	99,179	4,189
Commissioners' office	1,297	1,297	344	953
Human resources	104,354	104,354	102,079	2,275
Election expense	231,582	231,582	199,922	31,660
Court appointed attorneys	454,000	454,000	253,393	200,607
Technology	629,050	629,050	526,106	102,944
Tax appraisal district	431,000	431,000	417,051	13,949
Lake Ray Roberts	1,000	1,000	-	1,000
Other	1,735,730	1,735,730	1,330,433	405,297
Total general government	<u>5,584,533</u>	<u>5,584,533</u>	<u>4,687,175</u>	<u>897,358</u>
Health and safety:				
Rural subdivision and septic	77,697	77,697	72,015	5,682
Emergency management	375,074	375,074	361,736	13,338
Emergency medical services	3,983,413	3,983,413	3,846,334	137,079
Fire marshal	151,677	151,677	143,054	8,623
Total health and safety	<u>4,587,861</u>	<u>4,587,861</u>	<u>4,423,139</u>	<u>164,722</u>
Education:				
County extension	132,959	132,959	96,854	36,105
Total education	<u>132,959</u>	<u>132,959</u>	<u>96,854</u>	<u>36,105</u>
Culture and recreation:				
Library	421,781	421,781	381,389	40,392
Social services	175,500	175,500	164,250	11,250
Total culture and recreation	<u>597,281</u>	<u>597,281</u>	<u>545,639</u>	<u>51,642</u>
Welfare:				
Child welfare	13,500	13,500	1,050	12,450
Veterans' service	81,561	81,561	79,014	2,547
Total welfare	<u>95,061</u>	<u>95,061</u>	<u>80,064</u>	<u>14,997</u>

COOKE COUNTY, TEXAS

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXPENDITURES (Continued)				
Current:				
Judicial:				
Courthouse security	\$ 302,211	\$ 302,211	\$ 230,376	\$ 71,835
County judge	167,995	167,995	163,961	4,034
Sheriff	3,487,658	3,487,658	3,211,414	276,244
Jail operations	4,014,018	4,014,018	3,550,805	463,213
County attorney	628,569	628,569	587,226	41,343
Justice of the peace, 1	254,442	254,442	223,682	30,760
Justice of the peace, 2	263,614	263,614	251,082	12,532
Highway patrol	61,999	61,999	56,200	5,799
District judge	253,000	253,000	240,690	12,310
District attorney	655,662	655,662	604,908	50,754
Jury	75,300	75,300	20,177	55,123
Constable, precinct 1	69,929	69,929	68,982	947
Constable, precinct 2	70,476	70,476	68,227	2,249
District clerk	364,375	364,375	341,980	22,395
County court-at-law	447,759	447,759	427,345	20,414
County court-at-law clerk's office	182,871	182,871	172,714	10,157
Adult probation	7,464	7,464	7,464	-
Juvenile probation	337,889	337,889	329,168	8,721
Compliance officer	89,866	89,866	86,405	3,461
Game warden	1,000	1,000	995	5
Total judicial	<u>11,736,097</u>	<u>11,736,097</u>	<u>10,643,801</u>	<u>1,092,296</u>
Capital outlay	<u>3,743,659</u>	<u>3,743,659</u>	<u>4,362,855</u>	<u>(619,196)</u>
Total expenditures	<u>26,477,451</u>	<u>26,477,451</u>	<u>24,839,527</u>	<u>1,637,924</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(6,464,207)	(6,464,207)	(3,989,654)	2,474,553
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	370	370
Insurance recovery	16,936	16,936	18,164	1,228
Sale of general capital assets	-	-	38,602	38,602
Total other financing sources (uses)	<u>16,936</u>	<u>16,936</u>	<u>57,136</u>	<u>40,200</u>
NET CHANGE IN FUND BALANCES	(6,447,271)	(6,447,271)	(3,932,518)	2,514,753
FUND BALANCES, BEGINNING	<u>20,389,883</u>	<u>20,389,883</u>	<u>20,389,883</u>	-
FUND BALANCES, ENDING	<u>\$ 13,942,612</u>	<u>\$ 13,942,612</u>	<u>\$ 16,457,365</u>	<u>\$ 2,514,753</u>

COOKE COUNTY, TEXAS

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS**

SEPTEMBER 30, 2021

Measurement Date December 31	2020	2019	2018
Total Pension Liability			
Service cost	\$ 1,682,547	\$ 1,573,366	\$ 1,490,471
Interest on total pension liability	3,738,618	3,455,199	3,230,386
Effect of plan changes	-	-	-
Effect of assumption changes or inputs	3,135,481	-	-
Effect of economic/demographic (gains) or losses	155,251	415,340	(87,477)
Benefit payments/refunds of contributions	(2,118,695)	(1,991,937)	(1,891,620)
Net change in total pension liability	6,593,202	3,451,968	2,741,760
Total pension liability - beginning	<u>45,511,959</u>	<u>42,059,991</u>	<u>39,318,231</u>
Total pension liability - ending (a)	<u>\$ 52,105,161</u>	<u>\$ 45,511,959</u>	<u>\$ 42,059,991</u>
Plan Fiduciary Net Position			
Employer contributions	\$ 1,396,131	\$ 1,309,482	\$ 1,262,309
Member contributions	950,805	883,303	800,021
Investment income net of investment expenses	4,803,187	6,532,279	(750,390)
Benefit payments/refunds of contributions	(2,118,695)	(1,991,937)	(1,891,620)
Administrative expenses	(37,680)	(35,427)	(31,951)
Other	<u>11,361</u>	<u>13,354</u>	<u>9,142</u>
Net change in plan fiduciary net position	5,005,109	6,711,054	(602,489)
Plan fiduciary net position - beginning	<u>46,489,923</u>	<u>39,778,869</u>	<u>40,381,358</u>
Plan fiduciary net position - ending (b)	<u>\$ 51,495,032</u>	<u>\$ 46,489,923</u>	<u>\$ 39,778,869</u>
Net pension liability (asset) - ending (a) - (b)	<u>610,129</u>	<u>(977,964)</u>	<u>2,281,122</u>
Fiduciary net position as a percentage of total pension liability (asset)	98.83%	102.15%	94.58%
Covered payroll	\$ 13,582,926	\$ 12,618,616	\$ 11,428,876
Net pension liability (asset) as a percentage of covered payroll	4.49%	-7.75%	19.96%

- This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

2017	2016	2015	2014
\$ 1,503,639	\$ 1,510,381	\$ 1,327,963	\$ 1,264,645
3,008,030	2,759,965	2,615,683	2,448,024
-	-	(283,822)	-
172,250	-	367,248	-
(55,306)	(314,435)	(858,121)	(277,412)
(1,849,814)	(1,470,646)	(1,403,096)	(1,470,268)
2,778,799	2,485,265	1,765,855	1,964,989
36,539,432	34,054,167	32,288,312	30,323,324
\$ 39,318,231	\$ 36,539,432	\$ 34,054,167	\$ 32,288,313
\$ 1,217,276	\$ 1,242,929	\$ 1,215,858	\$ 1,272,234
766,222	743,298	721,957	686,818
5,131,571	2,393,641	(236,516)	2,008,728
(1,849,813)	(1,470,646)	(1,403,096)	(1,470,268)
(26,855)	(26,054)	(23,215)	(23,871)
1,538	(91,020)	(13,221)	(210,451)
5,239,939	2,792,148	261,767	2,263,190
35,141,419	32,349,271	32,087,504	29,824,315
\$ 40,381,358	\$ 35,141,419	\$ 32,349,271	\$ 32,087,505
(1,063,127)	1,398,013	1,704,896	200,808
102.70%	96.17%	94.99%	99.38%
\$ 10,946,033	\$ 10,618,539	\$ 10,313,672	\$ 9,771,284
-9.71%	13.17%	16.53%	2.06%

COOKE COUNTY, TEXAS**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

SEPTEMBER 30, 2021

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 956,467	\$ 1,606,467	\$(650,000)	\$ 9,630,847	16.7%
2015	937,148	1,237,148	(300,000)	9,771,284	12.7%
2016	968,815	1,268,815	(300,000)	10,910,078	11.6%
2017	923,773	1,223,773	(300,000)	10,873,705	11.3%
2018	943,059	1,243,059	(300,000)	11,212,500	11.1%
2019	1,003,481	1,303,481	(300,000)	12,396,740	10.5%
2020	1,054,999	1,354,999	(300,000)	13,502,246	10.0%
2021	1,051,349	1,351,349	(300,000)	13,027,932	10.4%

- This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

COOKE COUNTY, TEXAS

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

SEPTEMBER 30, 2021

Valuation Date Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contributions rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20.0 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuity Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
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 Employer Contributions	2015: No changes in plan provisions were reflected in the schedule. 2016: No changes in plan provisions were reflected in the schedule. 2017: 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.

COOKE COUNTY, TEXAS

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS**

SEPTEMBER 30, 2021

Measurement Date December 31	2017	2018	2019	2020
Total OPEB Liability				
Service cost	\$ 119,925	\$ 158,103	\$ 106,406	\$ 109,868
Interest on total OPEB liability	74,891	72,942	67,770	55,509
Change in benefit terms	-	(698,723)	-	-
Difference between expected and actual experience of the total OPEB liability	29,261	202,733	(8,208)	(317,569)
Changes of assumptions	93,863	(5,773)	88,028	106,951
Benefit payments	(100,959)	(96,989)	(63,905)	(63,908)
Net change in total OPEB liability	216,981	(367,707)	190,091	(109,149)
Total OPEB liability - beginning	<u>1,956,151</u>	<u>2,173,132</u>	<u>1,805,425</u>	<u>1,995,516</u>
Total OPEB liability - ending	<u>\$ 2,173,132</u>	<u>\$ 1,805,425</u>	<u>\$ 1,995,516</u>	<u>\$ 1,886,367</u>
Covered-employee payroll	\$ 11,154,985	\$ 11,687,686	\$ 12,819,385	\$ 13,954,064
Total OPEB liability (asset) as a percentage of covered-employee payroll	19.48%	15.45%	15.57%	13.52%

Notes to Schedule:

- No assets are accumulated in a trust for the plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.
- Changes of assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates each period.

2021	2.00%
2020	2.75%
2019	3.71%
2018	3.31%
2017	3.81%

- In 2019 the ultimate trend assumption was decreased from 5.25% to 4.25%.
- In 2018 the health care trend assumption was modified. Changes of benefit terms include removing life insurance, adding vision and HRA benefits, and changes to the underlying BCBS health care plan.

COMBINING STATEMENTS

COOKE COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue			
	Jail Commissary	Courthouse Security	Records Management	Records Preservation
ASSETS				
Cash and investments	\$ 236,042	\$ 337,019	\$ 78,503	\$ 114
Receivables (net of allowances for uncollectibles):				
Taxes	-	-	-	-
Accounts	2,065	-	-	-
Intergovernmental	-	-	-	-
Total assets	<u>238,107</u>	<u>337,019</u>	<u>78,503</u>	<u>114</u>
LIABILITIES				
Accounts payable	51,665	-	4	-
Accrued liabilities	-	-	1,299	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	22,500
Total liabilities	<u>51,665</u>	<u>-</u>	<u>1,303</u>	<u>22,500</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Library endowment	-	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Public safety	186,442	-	-	-
Judicial	-	337,019	-	-
Records management and preservation	-	-	77,200	-
Transportation	-	-	-	-
Debt service	-	-	-	-
Culture and recreation	-	-	-	-
Unassigned	-	-	-	(22,386)
Total fund balances	<u>186,442</u>	<u>337,019</u>	<u>77,200</u>	<u>(22,386)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 238,107</u>	<u>\$ 337,019</u>	<u>\$ 78,503</u>	<u>\$ 114</u>

Special Revenue							
Law Library	Law Enforcement Education	Farm to Market and Lateral Road	Justice of the Peace Technology	Check Collecting	Cooke County Historical	Juvenile Probation Diversion	Juvenile Delinquency Prevention
\$ 192,160	\$ 19,076	\$ 816,325	\$ 47,431	\$ 1,525	\$ 2,506	\$ 45,854	\$ 14,407
-	-	77	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	7,343	-	-	-	-	-
<u>192,160</u>	<u>19,076</u>	<u>823,745</u>	<u>47,431</u>	<u>1,525</u>	<u>2,506</u>	<u>45,854</u>	<u>14,407</u>
-	-	-	686	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	64	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>64</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	19,076	-	-	-	-	-	-
192,160	-	-	46,745	1,525	-	45,854	14,407
-	-	-	-	-	-	-	-
-	-	823,681	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,506	-	-
-	-	-	-	-	-	-	-
<u>192,160</u>	<u>19,076</u>	<u>823,681</u>	<u>46,745</u>	<u>1,525</u>	<u>2,506</u>	<u>45,854</u>	<u>14,407</u>
\$ <u>192,160</u>	\$ <u>19,076</u>	\$ <u>823,745</u>	\$ <u>47,431</u>	\$ <u>1,525</u>	\$ <u>2,506</u>	\$ <u>45,854</u>	\$ <u>14,407</u>

COOKE COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue			
	Library	District Attorney Drug Enforcement	Seizure Law Enforcement	Sheriff Drug Enforcement
ASSETS				
Cash and investments	\$ 80,715	\$ 92,116	\$ 88,642	\$ 113,873
Receivables (net of allowances for uncollectibles):				
Taxes	-	-	-	-
Accounts	79	594	-	-
Intergovernmental	-	-	-	-
Total assets	<u>80,794</u>	<u>92,710</u>	<u>88,642</u>	<u>113,873</u>
LIABILITIES				
Accounts payable	724	4,886	-	23,763
Accrued liabilities	-	1,299	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>724</u>	<u>6,185</u>	<u>-</u>	<u>23,763</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Library endowment	-	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Public safety	-	86,525	88,642	90,110
Judicial	-	-	-	-
Records management and preservation	-	-	-	-
Transportation	-	-	-	-
Debt service	-	-	-	-
Culture and recreation	80,070	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>80,070</u>	<u>86,525</u>	<u>88,642</u>	<u>90,110</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 80,794</u>	<u>\$ 92,710</u>	<u>\$ 88,642</u>	<u>\$ 113,873</u>

Special Revenue

Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Records Archive	Juvenile Probation IV-E	Court Reporter Fund	Permanent Improvement
\$ 1,657,729	\$ 613,985	\$ 1,982,908	\$ 1,579,741	\$ 203,376	\$ 104	\$ 22,714	\$ 2,752,436
20,683	20,697	24,235	17,088	-	-	-	11,733
1,799	5,635	1,801	17,081	-	-	-	-
12,879	12,879	134,622	303,337	-	-	-	-
<u>1,693,090</u>	<u>653,196</u>	<u>2,143,566</u>	<u>1,917,247</u>	<u>203,376</u>	<u>104</u>	<u>22,714</u>	<u>2,764,169</u>
57,791	65,204	104,478	109,138	-	-	-	-
18,862	18,938	17,710	19,812	-	-	525	-
-	-	150,000	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>76,653</u>	<u>84,142</u>	<u>272,188</u>	<u>128,950</u>	<u>-</u>	<u>-</u>	<u>525</u>	<u>-</u>
17,004	17,003	16,968	17,033	-	-	-	5,425
<u>17,004</u>	<u>17,003</u>	<u>16,968</u>	<u>17,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,425</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,758,744
-	-	-	-	-	-	-	-
-	-	-	-	-	104	22,189	-
-	-	-	-	203,376	-	-	-
1,599,433	552,051	1,854,410	1,771,264	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,599,433</u>	<u>552,051</u>	<u>1,854,410</u>	<u>1,771,264</u>	<u>203,376</u>	<u>104</u>	<u>22,189</u>	<u>2,758,744</u>
\$ <u>1,693,090</u>	\$ <u>653,196</u>	\$ <u>2,143,566</u>	\$ <u>1,917,247</u>	\$ <u>203,376</u>	\$ <u>104</u>	\$ <u>22,714</u>	\$ <u>2,764,169</u>

COOKE COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue			
	District Clerk Archive	Pretrial Diversion	District Court Preservation	County/ District Clerk Technology
ASSETS				
Cash and investments	\$ 30,415	\$ 13,720	\$ 10,694	\$ 10,931
Receivables (net of allowances for uncollectibles):				
Taxes	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
Total assets	<u>30,415</u>	<u>13,720</u>	<u>10,694</u>	<u>10,931</u>
LIABILITIES				
Accounts payable	1	-	2	1,431
Accrued liabilities	-	-	632	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	18,200	-
Total liabilities	<u>1</u>	<u>-</u>	<u>18,834</u>	<u>1,431</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Library endowment	-	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Public safety	-	-	-	-
Judicial	30,414	13,720	-	9,500
Records management and preservation	-	-	-	-
Transportation	-	-	-	-
Debt service	-	-	-	-
Culture and recreation	-	-	-	-
Unassigned	-	-	(8,140)	-
Total fund balances	<u>30,414</u>	<u>13,720</u>	<u>(8,140)</u>	<u>9,500</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>30,415</u>	\$ <u>13,720</u>	\$ <u>10,694</u>	\$ <u>10,931</u>

Special Revenue				Debt Service	Permanent	Total Nonmajor Governmental Funds
Child Abuse Prevention	Contract Elections	Hotel Occupancy Tax	HAVA Grant	Interest and Sinking	Library Permanent	
\$ 484	\$ 18,426	\$ 461,329	\$ 3,411	\$ 525,684	\$ 35,069	\$ 12,089,464
-	-	-	-	15,418	-	109,931
-	-	29,445	-	-	6	58,505
-	-	-	-	-	-	471,060
<u>484</u>	<u>18,426</u>	<u>490,774</u>	<u>3,411</u>	<u>541,102</u>	<u>35,075</u>	<u>12,728,960</u>
-	-	10,649	-	-	-	430,422
-	-	-	-	-	-	79,077
-	-	-	-	-	-	150,000
-	-	-	-	-	-	40,700
<u>-</u>	<u>-</u>	<u>10,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,199</u>
-	-	-	-	13,579	-	87,076
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,579</u>	<u>-</u>	<u>87,076</u>
-	-	-	-	-	34,000	34,000
-	-	-	-	-	-	2,758,744
484	18,426	-	-	-	-	489,705
-	-	-	-	-	-	713,637
-	-	-	-	-	-	280,576
-	-	-	-	-	-	6,600,839
-	-	-	-	527,523	-	527,523
-	-	480,125	3,411	-	1,075	567,187
-	-	-	-	-	-	(30,526)
<u>484</u>	<u>18,426</u>	<u>480,125</u>	<u>3,411</u>	<u>527,523</u>	<u>35,075</u>	<u>11,941,685</u>
\$ <u>484</u>	\$ <u>18,426</u>	\$ <u>490,774</u>	\$ <u>3,411</u>	\$ <u>541,102</u>	\$ <u>35,075</u>	\$ <u>12,728,960</u>

COOKE COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Special Revenue</u>			
	<u>Jail Commissary</u>	<u>Courthouse Security</u>	<u>Records Management</u>	<u>Records Preservation</u>
REVENUES				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Hotel occupancy taxes	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and fees	27,972	30,160	20,717	121,218
Investment earnings	868	1,443	467	675
Miscellaneous	-	-	-	-
Total revenues	<u>28,840</u>	<u>31,603</u>	<u>21,184</u>	<u>121,893</u>
EXPENDITURES				
Current:				
General government	-	-	53,270	197,809
Culture and recreation	-	-	-	-
Judicial	11,027	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>11,027</u>	<u>-</u>	<u>53,270</u>	<u>197,809</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>17,813</u>	<u>31,603</u>	<u>(32,086)</u>	<u>(75,916)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Insurance recoveries	-	-	-	-
Issuance of long-term debt	-	-	-	-
Sale of general capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	17,813	31,603	(32,086)	(75,916)
FUND BALANCES, BEGINNING	<u>168,629</u>	<u>305,416</u>	<u>109,286</u>	<u>53,530</u>
FUND BALANCES, ENDING	\$ <u>186,442</u>	\$ <u>337,019</u>	\$ <u>77,200</u>	\$ <u>(22,386)</u>

Special Revenue							
Law Library	Law Enforcement Education	Farm to Market and Lateral Road	Justice of the Peace Technology	Check Collecting	Cooke County Historical	Juvenile Probation Diversion	Juvenile Delinquency Prevention
\$ -	\$ -	\$ 4,379	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	7,351	7,360	-	-	-	-	-
-	-	-	-	-	-	-	-
19,082	-	-	8,973	960	-	-	9,135
628	232	1,002	431	-	53	1,455	161
-	-	-	-	-	-	1,170	-
<u>19,710</u>	<u>7,583</u>	<u>12,741</u>	<u>9,404</u>	<u>960</u>	<u>53</u>	<u>2,625</u>	<u>9,296</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,062	8,311	-	11,253	1,743	-	855	-
-	-	98	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>6,062</u>	<u>8,311</u>	<u>98</u>	<u>11,253</u>	<u>1,743</u>	<u>-</u>	<u>855</u>	<u>-</u>
<u>13,648</u>	<u>(728)</u>	<u>12,643</u>	<u>(1,849)</u>	<u>(783)</u>	<u>53</u>	<u>1,770</u>	<u>9,296</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
13,648	(728)	12,643	(1,849)	(783)	53	1,770	9,296
<u>178,512</u>	<u>19,804</u>	<u>811,038</u>	<u>48,594</u>	<u>2,308</u>	<u>2,453</u>	<u>44,084</u>	<u>5,111</u>
\$ <u>192,160</u>	\$ <u>19,076</u>	\$ <u>823,681</u>	\$ <u>46,745</u>	\$ <u>1,525</u>	\$ <u>2,506</u>	\$ <u>45,854</u>	\$ <u>14,407</u>

COOKE COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue			
	Library	District Attorney Drug Enforcement	Seizure Law Enforcement	Sheriff Drug Enforcement
REVENUES				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Hotel occupancy taxes	-	-	-	-
Intergovernmental	29,636	-	-	2,199
Licenses and permits	-	-	-	-
Fines and fees	-	30,941	90,026	18,976
Investment earnings	427	469	-	540
Miscellaneous	11,484	-	-	-
Total revenues	<u>41,547</u>	<u>31,410</u>	<u>90,026</u>	<u>21,715</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Culture and recreation	39,201	-	-	-
Judicial	-	37,475	115,720	71,384
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>39,201</u>	<u>37,475</u>	<u>115,720</u>	<u>71,384</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,346</u>	<u>(6,065)</u>	<u>(25,694)</u>	<u>(49,669)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Insurance recoveries	-	-	-	-
Issuance of long-term debt	-	-	-	-
Sale of general capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,346	(6,065)	(25,694)	(49,669)
FUND BALANCES, BEGINNING	<u>77,724</u>	<u>92,590</u>	<u>114,336</u>	<u>139,779</u>
FUND BALANCES, ENDING	<u>\$ 80,070</u>	<u>\$ 86,525</u>	<u>\$ 88,642</u>	<u>\$ 90,110</u>

Special Revenue

Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Records Archive	Juvenile Probation IV-E	Court Reporter Fund	Permanent Improvement
\$ 1,342,355	\$ 1,342,356	\$ 1,342,356	\$ 1,342,356	\$ -	\$ -	\$ -	\$ 629,450
-	-	-	-	-	-	-	-
9,442	9,442	96,799	234,466	-	-	-	2,778
238,799	238,799	238,799	238,799	-	-	-	-
30,803	30,802	30,802	30,802	112,440	-	10,633	-
6,757	5,590	10,236	7,321	1,062	2	282	3,983
1,329	803	1,652	1,076	-	-	-	4,932
<u>1,629,485</u>	<u>1,627,792</u>	<u>1,720,644</u>	<u>1,854,820</u>	<u>113,502</u>	<u>2</u>	<u>10,915</u>	<u>641,143</u>
-	-	-	-	79,442	-	-	163,942
-	-	-	-	-	-	-	-
-	-	-	-	-	-	11,394	-
1,386,818	1,519,879	1,333,708	1,617,490	-	-	-	-
145,287	148,983	623,355	220,137	-	-	-	952,726
-	-	-	-	-	-	-	-
1,616	1,616	-	-	-	-	-	-
<u>1,533,721</u>	<u>1,670,478</u>	<u>1,957,063</u>	<u>1,837,627</u>	<u>79,442</u>	<u>-</u>	<u>11,394</u>	<u>1,116,668</u>
<u>95,764</u>	<u>(42,686)</u>	<u>(236,419)</u>	<u>17,193</u>	<u>34,060</u>	<u>2</u>	<u>(479)</u>	<u>(475,525)</u>
-	-	30,000	-	-	-	-	-
(30,000)	-	(370)	-	-	-	-	-
-	-	-	15,288	-	-	-	-
-	-	448,000	-	-	-	-	-
398	73,398	686,167	89,111	-	-	-	-
(29,602)	73,398	1,163,797	104,399	-	-	-	-
66,162	30,712	927,378	121,592	34,060	2	(479)	(475,525)
<u>1,533,271</u>	<u>521,339</u>	<u>927,032</u>	<u>1,649,672</u>	<u>169,316</u>	<u>102</u>	<u>22,668</u>	<u>3,234,269</u>
\$ <u>1,599,433</u>	\$ <u>552,051</u>	\$ <u>1,854,410</u>	\$ <u>1,771,264</u>	\$ <u>203,376</u>	\$ <u>104</u>	\$ <u>22,189</u>	\$ <u>2,758,744</u>

COOKE COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue			
	District Clerk Archive	Pretrial Diversion	District Court Preservation	County/ District Clerk Technology
REVENUES				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Hotel occupancy taxes	-	-	-	-
Intergovernmental	5,189	-	-	-
Licenses and permits	-	-	-	-
Fines and fees	3,266	-	4,621	1,954
Investment earnings	514	-	13	183
Miscellaneous	-	-	-	-
Total revenues	<u>8,969</u>	<u>-</u>	<u>4,634</u>	<u>2,137</u>
EXPENDITURES				
Current:				
General government	5,189	-	16,822	2,425
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>5,189</u>	<u>-</u>	<u>16,822</u>	<u>2,425</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,780</u>	<u>-</u>	<u>(12,188)</u>	<u>(288)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Insurance recoveries	-	-	-	-
Issuance of long-term debt	-	-	-	-
Sale of general capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	3,780	-	(12,188)	(288)
FUND BALANCES, BEGINNING	<u>26,634</u>	<u>13,720</u>	<u>4,048</u>	<u>9,788</u>
FUND BALANCES, ENDING	\$ <u>30,414</u>	\$ <u>13,720</u>	\$ <u>(8,140)</u>	\$ <u>9,500</u>

Special Revenue				Debt Service	Permanent	Total Nonmajor Governmental Funds
Child Abuse Prevention	Contract Elections	Hotel Occupancy Tax	HAVA Grant	Interest and Sinking	Library Permanent	
\$ -	\$ -	\$ -	\$ -	\$ 772,925	\$ -	\$ 6,776,177
-	-	276,998	-	-	-	276,998
-	-	-	6,371	3,184	-	414,217
-	-	-	-	-	-	955,196
-	2,305	-	-	-	-	636,588
10	342	1,201	-	3,534	392	50,273
-	-	-	-	-	-	22,446
<u>10</u>	<u>2,647</u>	<u>278,199</u>	<u>6,371</u>	<u>779,643</u>	<u>392</u>	<u>9,131,895</u>
-	-	-	2,960	-	-	521,859
-	-	154,502	-	-	426	194,129
-	-	-	-	-	-	275,224
-	-	-	-	-	-	5,857,993
-	-	-	-	-	-	2,090,488
-	-	-	-	700,000	-	700,000
-	-	-	-	77,600	-	80,832
<u>-</u>	<u>-</u>	<u>154,502</u>	<u>2,960</u>	<u>777,600</u>	<u>426</u>	<u>9,720,525</u>
<u>10</u>	<u>2,647</u>	<u>123,697</u>	<u>3,411</u>	<u>2,043</u>	<u>(34)</u>	<u>(588,630)</u>
-	-	-	-	-	-	30,000
-	-	-	-	-	-	(30,370)
-	-	-	-	-	-	15,288
-	-	-	-	-	-	448,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>849,074</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,311,992</u>
10	2,647	123,697	3,411	2,043	(34)	723,362
<u>474</u>	<u>15,779</u>	<u>356,428</u>	<u>-</u>	<u>525,480</u>	<u>35,109</u>	<u>11,218,323</u>
\$ <u>484</u>	\$ <u>18,426</u>	\$ <u>480,125</u>	\$ <u>3,411</u>	\$ <u>527,523</u>	\$ <u>35,075</u>	\$ <u>11,941,685</u>

COOKE COUNTY, TEXAS**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

SEPTEMBER 30, 2021

	County Clerk	District Clerk	Tax-Assessor Collector	District Attorney
ASSETS				
Cash and investments	\$ 1,708,883	\$ 1,832,811	\$ 355,919	\$ 3,614
Total assets	<u>1,708,883</u>	<u>1,832,811</u>	<u>355,919</u>	<u>3,614</u>
LIABILITIES				
Due to other governments	-	-	355,919	-
Due to individuals and organizations	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>355,919</u>	<u>-</u>
NET POSITION				
Restricted for:				
Individuals and organizations	<u>1,708,883</u>	<u>1,832,811</u>	-	3,614
Total net position	<u>\$ 1,708,883</u>	<u>\$ 1,832,811</u>	<u>\$ -</u>	<u>\$ 3,614</u>

<u>Sheriff</u>	<u>County Attorney</u>	<u>Adult Probations</u>	<u>Juvenile Probations</u>	<u>Total Fiduciary Funds</u>
\$ <u>49,281</u>	\$ <u>-</u>	\$ <u>566,182</u>	\$ <u>18,741</u>	\$ <u>4,535,431</u>
<u>49,281</u>	<u>-</u>	<u>566,182</u>	<u>18,741</u>	<u>4,535,431</u>
-	-	-	-	355,919
<u>-</u>	<u>-</u>	<u>18,628</u>	<u>18,741</u>	<u>37,369</u>
<u>-</u>	<u>-</u>	<u>18,628</u>	<u>18,741</u>	<u>393,288</u>
<u>49,281</u>	<u>-</u>	<u>547,554</u>	<u>-</u>	<u>4,142,143</u>
\$ <u>49,281</u>	\$ <u>-</u>	\$ <u>547,554</u>	\$ <u>-</u>	\$ <u>4,142,143</u>

COOKE COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>County Clerk</u>	<u>District Clerk</u>	<u>Tax-Assessor Collector</u>	<u>District Attorney</u>
ADDITIONS				
Registry deposits	\$ 1,513,955	\$ 2,841	\$ -	\$ -
Receipts from inmates	-	-	-	-
Appellate justice system collections	-	-	-	-
Hot check collections	-	-	-	-
Vehicle registration collections	-	-	16,342,761	-
Cash bond receipts	24,352	94,500	-	-
Investment earnings	<u>444</u>	<u>8,167</u>	<u>-</u>	<u>-</u>
Total additions	<u>1,538,751</u>	<u>105,508</u>	<u>16,342,761</u>	<u>-</u>
DEDUCTIONS				
Registry withdrawals	50,000	7,707	-	-
Inmate disbursements	-	-	-	-
Appellate justice system disbursements	-	-	-	-
Restitution paid	-	-	-	-
Hot check disbursements	-	-	-	-
Vehicle registration disbursements	-	-	16,342,761	-
Refunds	<u>50,796</u>	<u>44,730</u>	<u>-</u>	<u>-</u>
Total deductions	<u>100,796</u>	<u>52,437</u>	<u>16,342,761</u>	<u>-</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	1,437,955	53,071	-	-
NET POSITION, BEGINNING	-	-	-	-
PRIOR PERIOD ADJUSTMENT	<u>270,928</u>	<u>1,779,740</u>	<u>-</u>	<u>3,614</u>
NET POSITION, ENDING	\$ <u>1,708,883</u>	\$ <u>1,832,811</u>	\$ <u>-</u>	\$ <u>3,614</u>

<u>Sheriff</u>	<u>County Attorney</u>	<u>Adult Probations</u>	<u>Juvenile Probations</u>	<u>Total Fiduciary Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,516,796
162,049	-	-	-	162,049
-	-	435,585	289,454	725,039
-	12,018	-	-	12,018
-	-	-	-	16,342,761
134,759	-	-	-	253,611
-	-	-	-	8,611
<u>296,808</u>	<u>12,018</u>	<u>435,585</u>	<u>289,454</u>	<u>19,020,885</u>
-	-	-	-	57,707
184,248	-	-	-	184,248
-	-	511,231	289,454	800,685
-	122	-	-	122
-	13,303	-	-	13,303
-	-	-	-	16,342,761
134,761	-	-	-	230,287
<u>319,009</u>	<u>13,425</u>	<u>511,231</u>	<u>289,454</u>	<u>17,629,113</u>
(22,201)	(1,407)	(75,646)	-	1,391,772
-	-	-	-	-
<u>71,482</u>	<u>1,407</u>	<u>623,200</u>	<u>-</u>	<u>2,750,371</u>
\$ <u>49,281</u>	\$ <u>-</u>	\$ <u>547,554</u>	\$ <u>-</u>	\$ <u>4,142,143</u>

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OTHER SCHEDULE

COOKE COUNTY, TEXAS

TAX RATE INFORMATION

LAST TEN FISCAL YEARS

Fiscal Year	2012	2013	2014	2015
General fund	\$ 0.3263	\$ 0.3115	\$ 0.3344	\$ 0.3262
Road and bridge fund	0.1050	0.1050	0.1050	0.1050
Permanent improvement	0.0150	0.0150	0.0150	0.0150
Interest and sinking	<u>0.0206</u>	<u>0.0204</u>	<u>0.0205</u>	<u>0.0274</u>
Subtotal	<u>0.4669</u>	<u>0.4519</u>	<u>0.4749</u>	<u>0.4736</u>
FM and lateral road	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>
Total Tax Rate	<u>\$ 0.4670</u>	<u>\$ 0.4520</u>	<u>\$ 0.4750</u>	<u>\$ 0.4737</u>

2016	2017	2018	2019	2020	2021
\$ 0.3502	\$ 0.3508	\$ 0.3451	\$ 0.3134	\$ 0.2761	\$ 0.2652
0.1150	0.1150	0.1150	0.1150	0.1250	0.1250
0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
<u>0.0195</u>	<u>0.0189</u>	<u>0.0186</u>	<u>0.0176</u>	<u>0.0183</u>	<u>0.0172</u>
<u>0.4997</u>	<u>0.4997</u>	<u>0.4937</u>	<u>0.4610</u>	<u>0.4344</u>	<u>0.4224</u>
<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>
\$ <u>0.4998</u>	\$ <u>0.4998</u>	\$ <u>0.4938</u>	\$ <u>0.4611</u>	\$ <u>0.4345</u>	\$ <u>0.4225</u>

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COMPLIANCE SECTION

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

Honorable Judge and
Commissioners' Court
Cooke 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 Cooke County, Texas as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Cooke County, Texas' basic financial statements, and have issued our report thereon dated June 27, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cooke 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 Cooke County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooke 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cooke 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*.

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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
June 27, 2022