

Falls County, Texas

Annual Financial Report

Cash Basis

September 30, 2022



PARK FOWLER & CO.

*Certified Public Accountants & Management Consultants
A Professional Limited Liability Company*

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FINANCIAL SECTION



PARK FOWLER & CO.

Certified Public Accountants & Management Consultants

A Professional Limited Liability Company

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INDEPENDENT AUDITOR'S REPORT

To the Honorable County Judge and
Commissioners' Court
Falls County, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the cash-basis financial statements of the governmental activities and major funds of Falls County, Texas (the "County"), as of and for the year September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities and the major funds of the County as of September 30, 2022, and the respective changes in cash-basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 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 cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles 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 Reporting Required by Grant Management Standards

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Falls County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state awards is presented for purposes of additional analysis as required by the standards applicable to financial audits contained in Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter 1 - Comptroller, and is also not a required part of the basic financial statements.

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

Park Fowler & CO., PLLC

Park Fowler & CO., PLLC
August 10, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FALLS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

As management of Falls County, Texas, we offer readers of Falls County, Texas' cash-basis financial statements this narrative overview and analysis of the financial activities of Falls County, Texas for the fiscal year ended September 30, 2022.

Financial Highlights

The assets and equity of Falls County, Texas at the close of the most recent fiscal year are \$8,099,348 (net position). Of this amount, \$2,559,710 or 32% (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by \$2,185,667. This increase is mainly attributable to the American Rescue grant proceeds of \$1,679,869 and careful budget management.

Falls County, Texas' total restricted net position on September 30, 2022, is \$5,539,638 or 68% of net position. This was an increase of \$2,030,985 from the previous year. This increase is mainly attributable to the to the American Rescue grant proceeds of \$1,679,869.

Overview of the Financial Statements

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Falls County's finances.

The *statement of net position* presents information of Falls County, Texas' cash and investments and cash basis - net position. The reported change in financial condition is a change in cash position and not a change in the economic condition of Falls County, Texas.

The statement of activities presents information showing how Falls County, Texas' net position changed during the most recent fiscal year. All changes in net position are reported as cash receipts are received, and disbursements are made. Thus, receipts and disbursements are reported in these statements.

The governmental activities on the government-wide financial statements of Falls County, Texas are principally supplied by taxes and intergovernmental receipts. The governmental activities of Falls County, Texas include general government, legal, health and welfare, judicial, public safety, culture and recreation, roads and bridges and principal and interest on long-term debt.

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. Falls County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All the funds of Falls County, Texas 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. Falls County, Texas maintains thirty-six (36) individual governmental funds.

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.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of receipts, disbursements, and changes in cash basis fund balances for the General, Road and Bridge, Farm to Market Lateral Road, Falls County Renovation Grant funds, and the Grant fund, all of which are major funds. Data from the other 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.

**FALLS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

The Falls County Commissioners Court adopts an annual appropriated budget for its General, Road and Bridge, and Farm to Market Lateral Road Funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to supplement Falls County's own programs.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents combining fund statements that further support the information in the financial statements. The combining fund statements and schedules for non-major funds are presented immediately following the required supplementary schedule.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Falls County, Texas, cash, and net position were \$6,228,958 at the close of the most recent fiscal year.

	Governmental Activities	
	2022	2021
Current and Other Assets	\$ 8,099,348	\$ 6,228,958
Total Assets	8,099,348	6,228,958
Restricted	5,539,638	3,750,255
Unrestricted	2,559,710	2,478,703
Total Net position	\$ 8,099,348	\$ 6,228,958

A portion of Falls County, Texas' net position (68 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$2,524,002) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Falls County, Texas can report positive balances in all two categories of net position, both for the government, as well as for its separate governmental activities.

The government's total net position increased by \$2,185,667. This increase is mainly attributable to the American Rescue grant proceeds of \$1,679,869 and careful budget management.

Governmental activities: There were no business-type activities so any analysis regarding governmental activities will be the same as the analysis of the Government-wide Financial Analysis. Governmental activities total net position increased by \$2,185,667. This increase is mainly attributable to the American Rescue grant proceeds of \$1,679,869 and careful budget management.

**FALLS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

CHANGE IN NET POSITION - CASH BASIS

	Governmental Activities	
	2022	2021
Receipts:		
Program Receipts:		
Charges for Services	\$ 1,534,502	\$ 1,704,407
Operating Grants and Contributions	2,014,897	2,377,512
Capital Grants and Contributions	828,203	3,259,039
General Receipts:		
Maintenance and Operations Taxes	9,134,433	8,029,973
Sales Taxes	600,614	521,467
Other Taxes	12,459	7,851
Unrestricted Investment Earnings	25,210	28,301
Miscellaneous	646,191	341,585
Total Revenue	<u>14,796,509</u>	<u>16,270,135</u>
Disbursements:		
General Administration	3,176,682	2,643,199
Legal	321,555	325,194
Judicial	655,688	638,847
Financial Administration	503,627	532,043
Public Facilities	1,101,355	4,112,264
Public Safety	2,661,104	2,757,711
Public Transportation	3,389,768	2,883,524
Culture and Recreation	21,174	23,410
Health and Welfare	383,607	365,133
Conservation - Agriculture	85,189	187,433
Equipment	43,912	-
Principal, Interest and Fiscal Charges	267,181	264,931
Total Disbursements	<u>12,610,842</u>	<u>14,733,689</u>
Increase in Net Position before	<u>2,185,667</u>	<u>1,536,446</u>
Net Position - Beginning of Year	<u>5,913,681</u>	<u>4,377,235</u>
Net Position - End of Year	<u>\$ 8,099,348</u>	<u>\$ 5,913,681</u>

**FALLS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

STATEMENT OF ACTIVITIES

Functions/Programs	Disbursements	Program Receipts		
		Operating Charges for Services	Grants and Contributions	Capital Grants and Contributions
Primary government				
Government activities:				
General Administration	\$ 3,176,682	\$ 172,811	\$ 1,874,143	\$ -
Legal	321,555	7,140	-	-
Judicial	655,688	234,845	-	-
Financial Administration	503,627	187,654	-	-
Public Facilities	1,101,355	-	-	828,203
Public Safety	2,661,104	128,077	80,931	-
Public Transportation	3,389,768	589,545	59,823	-
Culture and Recreation	21,174	-	-	-
Health and Welfare	383,607	-	-	-
Conservation - Agriculture	85,189	55,710	-	-
Equipment	43,912	158,720	-	-
Principal, Interest and Fiscal Charges	267,181	-	-	-
Total government activities	<u>\$ 12,610,842</u>	<u>\$ 1,534,502</u>	<u>\$ 2,014,897</u>	<u>\$ 828,203</u>

Receipts by source - Governmental Activities

	Receipts	%
Charges for Services	\$ 1,534,502	10%
Operating Grants and Contributions	2,014,897	14%
Capital Grants and Contributions	828,203	6%
Maintenance and Operations Taxes	9,134,433	62%
Sales Taxes	600,614	4%
Other Taxes	12,459	0%
Unrestricted Investment Earnings	25,210	0%
Miscellaneous	646,191	4%
	<u>\$14,796,509</u>	<u>100.00%</u>

For the most part, the increases and decreases in expenses closely paralleled inflation and growth in the demand for services.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of Falls County's governmental funds is to provide information on cash receipts and disbursements.

At the end of fiscal year 2022, Falls County's *governmental funds* reported combined ending cash basis fund balances of \$8,099,348, an increase of \$2,185,667 in comparison with the prior year. Governmental Funds total net position increased by \$2,185,667. This increase is mainly attributable to the American Rescue grant proceeds of \$1,679,869 and careful budget management.

The General Fund is the chief operating fund of Falls County. At the end of fiscal year 2022, the General Fund had an ending cash basis fund balance of \$2,318,175. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance of \$2,559,710 to total fund expenditures. Unassigned cash basis fund balance represents 32% of total General

**FALLS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Fund disbursements.

The fund balance of Falls County's General Fund increased by \$362,018 during 2022. This increase is primarily due to careful budget management.

The Road and Bridge Fund had an ending fund balance of \$734,548, an increase of \$100,721, and the Farm-to-Market Lateral Road Fund ending fund balance was \$846,513, an increase of \$103,242. The increase in the Road and Bridge Fund was primarily due to increased property tax receipts of \$283,823 and the increase in the Farm-to-Market Lateral Road Fund was also due to an increase in property taxes receipts of \$151,468. The cash basis fund balance represents 38% of total Road and Bridge Fund disbursements and 62% of total Farm-to-Market Lateral Road Fund disbursements.

There is no analysis of the Falls County Renovation Grant fund and the Grant fund because they are construction and rehabilitation funds making comparison illusory in nature.

Budgetary Highlights:

There was no difference between the original budget and the final amended budget in the general fund.

Economic Factors

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the County. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Requests for Information

This financial report is designed to provide our citizen's taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If questions are encountered regarding this report; contact the Falls County Auditor's Office, 125 Bridge Room, Marlin, TX. 76661.

BASIC FINANCIAL STATEMENTS

FALLS COUNTY, TEXAS
 STATEMENT OF NET POSITION - CASH BASIS
 SEPTEMBER 30, 2022

	Primary Government	
	Governmental Activities	Total
	<u> </u>	<u> </u>
<i>ASSETS</i>		
Cash and Cash Equivalents	\$ 8,099,348	\$ 8,099,348
Total Assets	<u>\$ 8,099,348</u>	<u>\$ 8,099,348</u>
NET POSITION - CASH BASIS		
Restricted		
Administration	\$ 3,389,506	\$ 3,389,506
Culture and Recreation	2,450	2,450
Debt Service	25,790	25,790
Elections	53,342	53,342
Judicial	407,957	407,957
Legal	16,844	16,844
Public Facilities	2,000	2,000
Public Safety	60,688	60,688
Public Transportation	1,581,061	1,581,061
Other	-	-
Unrestricted	<u>2,559,710</u>	<u>2,559,710</u>
Total Net Position - Cash Basis	<u>\$ 8,099,348</u>	<u>\$ 8,099,348</u>

The accompanying notes are an integral part of these statements.

FALLS COUNTY, TEXAS
STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2022

Functions/ Programs	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in	
					Governmental Activities	Total
Primary government						
Government activities:						
General Administration	\$ 3,176,682	\$ 172,811	\$ 1,874,143	\$ -	\$ (1,129,728)	\$ (1,129,728)
Legal	321,555	7,140	-	-	(314,415)	(314,415)
Judicial	655,688	234,845	-	-	(420,843)	(420,843)
Financial Administration	503,627	187,654	-	-	(315,973)	(315,973)
Public Facilities	1,101,355	-	-	828,203	(273,152)	(273,152)
Public Safety	2,661,104	128,077	80,931	-	(2,452,096)	(2,452,096)
Public Transportation	3,389,768	589,545	59,823	-	(2,740,400)	(2,740,400)
Culture and Recreation	21,174	-	-	-	(21,174)	(21,174)
Health and Welfare	383,607	-	-	-	(383,607)	(383,607)
Conservation - Agriculture	85,189	55,710	-	-	(29,479)	(29,479)
Equipment	43,912	158,720	-	-	114,808	114,808
Debt Service						
Principal, Interest and Fiscal Charges	267,181	-	-	-	(267,181)	(267,181)
Total government activities	<u>12,610,842</u>	<u>1,534,502</u>	<u>2,014,897</u>	<u>828,203</u>	<u>(8,233,240)</u>	<u>(8,233,240)</u>
Total Primary Government	<u>\$12,610,842</u>	<u>\$ 1,534,502</u>	<u>\$ 2,014,897</u>	<u>\$ 828,203</u>	<u>\$ (8,233,240)</u>	<u>\$ (8,233,240)</u>
General Receipts						
Property Taxes, Levies for General Purposes					\$ 9,134,433	\$ 9,134,433
Sales Taxes					600,614	600,614
Other Taxes					12,459	12,459
Unrestricted Investment Earnings					25,210	25,210
Miscellaneous					646,191	646,191
Transfers					-	-
Total General Receipts and Transfers					<u>10,418,907</u>	<u>10,418,907</u>
Change in Net Position - Cash Basis					2,185,667	2,185,667
Net Position - Cash Basis - Beginning					5,913,681	5,913,681
Net Position - Cash Basis - Ending					<u>\$ 8,099,348</u>	<u>\$ 8,099,348</u>

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

FALLS COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS - CASH BASIS
SEPTEMBER 30, 2022

	General Fund	Road and Bridge	F.M. Lateral Road Fund	American Rescue Plan	Non-major Governmental Funds	Total Governmental Funds
<i>ASSETS</i>						
Cash and Cash Equivalents	\$ 2,318,175	\$ 734,548	\$ 846,513	\$ 3,287,589	\$ 912,523	\$ 8,099,348
Total Assets	\$ 2,318,175	\$ 734,548	\$ 846,513	\$ 3,287,589	\$ 912,523	\$ 8,099,348
Accounts Payable						
 FUND BALANCES:						
Fund Balances:						
Restricted						
Administration	-	-	-	3,287,589	101,917	3,389,506
Culture and Recreation	-	-	-	-	2,450	2,450
Debt Service	-	-	-	-	25,790	25,790
Elections	-	-	-	-	53,342	53,342
Judicial	-	-	-	-	407,957	407,957
Legal	-	-	-	-	16,844	16,844
Public Facilities	-	-	-	-	2,000	2,000
Public Safety	-	-	-	-	60,688	60,688
Public Transportation	-	734,548	846,513	-	-	1,581,061
Other	-	-	-	-	-	-
Committed						
Cemetery	-	-	-	-	277	277
Equipment Replacement	-	-	-	-	241,325	241,325
Other	-	-	-	-	-	-
Unassigned	2,318,175	-	-	-	(67)	2,318,108
Total Fund Balance	2,318,175	734,548	846,513	3,287,589	912,523	8,099,348
Total Liabilities, Deferred Inflows of Resources,	\$ 2,318,175	\$ 734,548	\$ 846,513	\$ 3,287,589	\$ 912,523	\$ 8,099,348

Amounts reported for governmental activities in the statement of net position are not different because the statement are prepared on the cash basis of accounting

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

FALLS COUNTY, TEXAS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Road and Bridge	F.M. Lateral Road Fund	American Rescue Plan	Non-major Governmental Funds	Total Governmental Funds
<i>RECEIPTS</i>						
Taxes						
Property	\$ 5,970,039	\$1,360,843	\$1,425,143	\$ -	\$ 378,408	\$ 9,134,433
Sales	600,614	-	-	-	-	600,614
Other	12,459	-	-	-	-	12,459
Intergovernmental	30,392	59,823	-	1,679,869	1,073,016	2,843,100
Licenses and Permits	-	588,845	700	-	-	589,545
Charges for Services	584,058	-	-	-	173,245	757,303
Fines and Forfeitures	187,654	-	-	-	-	187,654
Interest	22,078	-	2,312	510	310	25,210
Miscellaneous	445,678	31,287	32,224	-	137,002	646,191
Total Receipts	<u>7,852,972</u>	<u>2,040,798</u>	<u>1,460,379</u>	<u>1,680,379</u>	<u>1,761,981</u>	<u>14,796,509</u>
<i>DISBURSEMENTS</i>						
Current:						
General Administration	2,409,339	-	-	72,660	694,683	3,176,682
Legal	321,555	-	-	-	-	321,555
Judicial	590,062	-	-	-	65,626	655,688
Financial Administration	503,627	-	-	-	-	503,627
Public Facilities	125,001	-	-	-	976,354	1,101,355
Public Safety	2,555,468	-	-	-	105,636	2,661,104
Public Transportation	92,554	1,940,077	1,357,137	-	-	3,389,768
Culture and Recreation	21,174	-	-	-	-	21,174
Health and Welfare	383,607	-	-	-	-	383,607
Conservation - Agriculture	85,189	-	-	-	-	85,189
Equipment	-	-	-	-	43,912	43,912
Debt Service						
Principal, Interest and Fiscal Charges	-	-	-	-	267,181	267,181
Total Disbursements	<u>7,087,576</u>	<u>1,940,077</u>	<u>1,357,137</u>	<u>72,660</u>	<u>2,153,392</u>	<u>12,610,842</u>
Excess (Deficiency) of Receipts Over (Under)	765,396	100,721	103,242	1,607,719	(391,411)	2,185,667
<i>OTHER FINANCING SOURCES (USES):</i>						
Other Financing Sources	-	-	-	-	-	-
Operating Transfers In	-	-	-	1,679,870	419,255	2,099,125
Operating Transfers Out	(403,378)	-	-	-	(1,695,747)	(2,099,125)
Total Other Financing Sources (Uses)	<u>(403,378)</u>	<u>-</u>	<u>-</u>	<u>1,679,870</u>	<u>(1,276,492)</u>	<u>-</u>
Net Changes in Fund Balances	362,018	100,721	103,242	3,287,589	(1,667,903)	2,185,667
Fund Balances - Beginning	1,956,157	633,827	743,271	-	2,580,426	5,913,681
Fund Balances - Ending	<u>\$ 2,318,175</u>	<u>\$ 734,548</u>	<u>\$ 846,513</u>	<u>\$ 3,287,589</u>	<u>\$ 912,523</u>	<u>\$ 8,099,348</u>

Amounts reported for governmental activities in the statement of net are not different because the statement are prepared on the cash basis of accounting

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

FALLS COUNTY, TEXAS
GENERAL FUND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<i>RECEIPTS</i>				
Taxes				
Property	\$ 5,508,549	\$ 5,508,549	\$ 5,970,039	\$ (461,490)
Sales	480,000	480,000	600,614	(120,614)
Other	6,800	6,800	12,459	(5,659)
Intergovernmental	69,193	69,193	30,392	38,801
Charges for Services	808,602	808,602	584,058	224,544
Fines and Forfeitures	245,300	245,300	187,654	57,646
Interest	2	2	22,078	(22,076)
Miscellaneous	78,010	78,010	445,678	(367,668)
Contingency	438,295	438,295	-	438,295
Total Receipts	<u>7,634,751</u>	<u>7,634,751</u>	<u>7,852,972</u>	<u>(218,221)</u>
<i>DISBURSEMENTS</i>				
Current:				
General Administration				
County Judge	145,713	145,713	125,447	20,266
Court Reporter	107,549	107,549	63,852	43,697
Elections Administration	202,121	202,121	200,344	1,777
Secretary	-	-	46,849	(46,849)
Non-Departmental	1,987,869	1,987,869	1,972,847	15,022
Legal				
County/District Attorney	328,042	328,042	321,555	6,487
Judicial				
County and District Clerk	376,116	376,116	357,075	19,041
Justice's of the Peace	210,376	210,376	142,510	67,866
Courthouse	-	-	90,477	(90,477)
Financial Administration				
County Treasurer	106,700	106,700	96,022	10,678
County Auditor	197,453	197,453	194,890	2,563
Tax Assessor-Collector	249,567	249,567	212,715	36,852
Public Facilities				
Building and Yards	110,614	110,614	113,866	(3,252)
Comm. Towers	10,700	10,700	11,135	(435)
Public Safety				
Emergency Management	89,552	89,552	41,164	48,388
Constables	256,044	256,044	252,728	3,316
Jail	1,358,191	1,358,191	1,152,990	205,201
Sheriff	1,182,371	1,182,371	1,108,586	73,785
Public Transportation	-	-	92,554	(92,554)
Culture and Recreation				
Brazos Park	27,491	27,491	21,174	6,317
Health and Welfare				
Indigent Health	601,053	601,053	383,607	217,446
Conservation - Agriculture				
Agriculture Extension Service	87,230	87,230	85,189	2,041
Total Disbursements	<u>7,634,752</u>	<u>7,634,752</u>	<u>7,087,576</u>	<u>547,176</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>(1)</u>	<u>(1)</u>	<u>765,396</u>	<u>(765,397)</u>
<i>OTHER FINANCING SOURCES (USES):</i>				
Operating Transfers In	1	1	-	-
Operating Transfers Out	1	1	(403,378)	403,379
Total Other Financing Sources (Uses)	<u>1</u>	<u>1</u>	<u>(403,378)</u>	<u>403,379</u>
Net Changes in Fund Balances			362,018	
Fund Balances - Beginning			<u>1,956,157</u>	
Fund Balances - Ending			<u>\$ 2,318,175</u>	

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

FALLS COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes				
Property	\$ 1,101,640	\$ 1,101,640	\$ 1,360,843	\$ 259,203
Licenses and Permits	655,005	655,005	588,845	(66,160)
Miscellaneous	750	750	91,110	90,360
Total Receipts	<u>1,757,395</u>	<u>1,757,395</u>	<u>2,040,798</u>	<u>283,403</u>
DISBURSEMENTS				
Current				
Public Transportation				
Road and Bridge	<u>1,757,395</u>	<u>1,757,395</u>	<u>1,940,077</u>	<u>(182,682)</u>
Total Disbursements	<u>1,757,395</u>	<u>1,757,395</u>	<u>1,940,077</u>	<u>(182,682)</u>
Excess (Deficiency) of Receipts Over (Under) D:	<u>-</u>	<u>-</u>	<u>100,721</u>	<u>100,721</u>
Fund Balances - Beginning			<u>633,827</u>	
Fund Balances - Ending			<u>\$ 734,548</u>	

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

FALLS COUNTY, TEXAS
 FARM TO MARKET LATERAL FUND
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CASH BASIS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes				
Property	\$ 1,345,369	\$ 1,345,369	\$ 1,425,143	\$ 79,774
Licenses and Permits	4,500	4,500	700	(3,800)
Interest	2,999	2,999	2,312	(687)
Miscellaneous	28,000	28,000	32,224	
Total Receipts	<u>1,380,868</u>	<u>1,380,868</u>	<u>1,460,379</u>	<u>79,511</u>
DISBURSEMENTS				
Current				
Public Transportation				
Road and Bridge	<u>2,120,373</u>	<u>2,120,373</u>	<u>1,357,137</u>	<u>763,236</u>
Total Disbursements	<u>2,120,373</u>	<u>2,120,373</u>	<u>1,357,137</u>	<u>763,236</u>
				-
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>(739,505)</u>	<u>(739,505)</u>	<u>103,242</u>	<u>842,747</u>
OTHER FINANCING SOURCES (USES):				
Contingency	<u>739,505</u>	<u>739,505</u>	<u>-</u>	<u>(739,505)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(739,505)</u>	<u>(739,505)</u>	<u>103,242</u>	<u>842,747</u>
Fund Balances - Beginning			<u>743,271</u>	
Fund Balances - Ending			<u>\$ 846,513</u>	

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

FALLS COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
 AGENCY FUNDS
 SEPTEMBER 30, 2022

	Agency Funds	
	County Officer Accounts	TOTAL
ASSETS		
Cash and Cash Equivalents	\$ 209,915	\$ 209,915
Total Assets	<u>\$ 209,915</u>	<u>\$ 209,915</u>
LIABILITIES:		
Due to Others	\$ 209,915	\$ 209,915
Total Liabilities	<u>\$ 209,915</u>	<u>\$ 209,915</u>

Note: The Agency funds were the only fiduciary fund type of the County in the 2022 year.

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

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies

The financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. This cash basis of accounting differs from GAAP primarily because receipts (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and disbursements or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

Reporting Entity

The financial statements of Falls County, Texas are intended to present the financial position - cash basis and the changes in financial position - cash basis of only the portion of governmental activities, each major fund, and the aggregate remaining fund information of the County. They do not purport to, and do not, present fairly the financial position of Falls County, Texas, as of September 30, 2022, and the changes in its financial position - cash basis for the year ended in conformity with accounting principles generally accepted in the United States.

Government-wide Fund Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts, and other non-exchange receipts.

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The County has presented all major funds that met those qualifications.

The County reports the following major governmental funds:

General Fund - Is the primary operating fund of Falls County, Texas and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Road and Bridge Fund - Is a Special Revenue Fund used to account for revenue derived from ad valorem taxes, vehicle registration fees and rebates from the State of Texas. Disbursements are for maintenance and construction of County roads and bridges.

Farm-to-Market Lateral Road Fund - Is a Special Revenue Fund used to account for revenue derived from ad valorem taxes. Disbursements are for maintenance and construction of County farm-to-market roads.

American Rescue Plan fund - Is a Special Revenue Fund used to account for COVID-19 related grant and reimbursement activity.

Additionally, Falls County, Texas reports the following fund types:

Fiduciary Funds are used to account for assets held by Falls County, Texas as an agent for individuals and other governments. Agency Funds are custodial in nature and do not include measurements of results of operations.

The government-wide and fund financial statements are presented under the cash basis of accounting. The cash basis of accounting involves the measurement of cash and investments and changes in cash and investments resulting from cash receipt and disbursement transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

FALLS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

As a result of the use of this cash basis of accounting, certain assets, and their related receipts (such as capital assets, accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as long-term debt, accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If Falls County, Texas utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the government-wide financials would be presented on the accrual basis of accounting.

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

Amounts reported as program receipts include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general revenue includes all taxes. Assets, Liabilities, and Net Assets or Equity

Deposits and Investments

The government's cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value. For purposes of the statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

Property Taxes

Property taxes are levied by October 1st, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1st of the year in which imposed. On July 1st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

The County bills and collects property taxes for itself and for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the tax assessor's agency fund. Tax collections deposited for the County are distributed on a periodic basis to the general, road and bridge, and Debt Service Funds of the County. This distribution is based upon the tax rate established for each fund by order of the Commissioners' Court for the tax year for which the collections are made.

The appraisal of property within the County is the responsibility of the County-wide appraisal district, which is required under the Property Tax Code to assess all property within the appraisal district based on 100 percent of its appraised value and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own expense, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

Net Position

Equity is classified as net position and displayed in two components:

Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - net position that does not meet the definition of "restricted."

FALLS COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2022

It is Falls County, Texas' policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

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:

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 resolution of the 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.

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 a disbursement 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 a disbursement 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.

Fund Balances:	
Restricted	
Administration	\$ 3,389,506
Culture and Recreation	2,450
Debt Service	25,790
Elections	53,342
Judicial	407,957
Legal	16,844
Public Safety	60,688
Public Transportation	1,581,061
Committed	
Cemetery	277
Equipment Replacement	241,325
Unassigned	2,318,108
Total Fund Balance	<u>\$ 8,099,348</u>

Stewardship, Compliance, and Accountability

Budgetary Information

The original budget is adopted by the Commissioner's Court and filed with the County Clerk. Amendments are made during the year on approval by the Commissioner's Court.

The final amended budget is used in this report. The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year. The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioner's Court, the County Auditor prepares an estimate of receipts and a compilation of requested departmental disbursements and submits this data to the Commissioner's Court.

The Commissioner's Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioner's Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of receipts and available cash. The final budget can be legally amended by the Commissioner's Court to whatever extent the Court desires if the amended figures do not exceed the County Auditor's estimate of receipts and available cash.

When the Budget has been adopted by the Commissioner's Court, the County Auditor is responsible for monitoring the disbursements of the various departments of the County to prevent disbursements from exceeding budgeted appropriations and for keeping the members of the Commissioner's Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the fund.

Budgets for the 2022 fiscal year were adopted for the General Fund, the Road and Bridge Fund, and the Farm-to-Market Lateral Road Fund.

Excess of Disbursements over Appropriations

For the year ended September 30, 2022, disbursements did not exceed appropriations in any funds except for the road and bridge fund where total actual expenditures of \$1,980,975 exceeded the budgeted expenditures of \$1,757,395 by \$182,682.

Deficit fund equity

The county had the following deficit fund balances as of September 30, 2022: Courthouse Security Fund (\$32,335), the D.A. State Fund (\$12,007), the VAWA (\$21,398), and the Office of AG-VCLG (\$21,676).

A. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

Policies Governing Deposits and Investments

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. That policy does address the following risks:

As of September 30, 2022, the government had no investments.

Custodial credit risk – Deposits

This is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit policy for custodial credit risk. As of September 30, 2022, the government's bank balance of \$8,402,448 with the Bancorp Bank was not exposed to custodial credit risk because it was fully insured by the U.S. Government and/or the State of Texas and/or is collateralized with securities held by the pledging financial institution's trust department or agent. The book balance of the cash on September 30, 2022, is \$8,099,348.

Other Information

Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no instances where settlements exceeded insurance coverage in any of the three previous years. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and number of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claim's liability estimate.

General Liability Insurance

The County is insured for general, police officers and automobile liability.

The County has joined with other governments in the Texas Association of Counties Risk Management Pool. The County pays an annual premium to Risk Management for auto vehicle insurance coverage. The agreement with Risk Management provides that Risk Management will be self-sustaining through member premiums and will reinsure through commercial companies for claims more than \$100,000 to \$300,000 for each insurance event. The County anticipates no contingent losses.

Texas Association of Counties Risk Management Pool has published its own financial report that can be obtained from the Texas Association of Counties Risk Management Pool.

The County carries commercial fidelity bonds for elected officials and for management.

Property and Casualty Insurance

Property, casualty, mobile equipment insurance is provided by Texas Association of Counties Risk Management Pool.

Workers' Compensation Insurance

The County insures against workers' compensation claims through Texas Association of Counties Risk Management Pool.

Group Health and Life Insurance

The County maintains a group health insurance plan for active employees and their eligible dependents. Costs are recorded in the fund from which the employees' compensation is paid.

Unemployment Compensation Insurance

The County insures against unemployment compensation claims through an agreement with the Texas Association of Counties.

Related Party Transaction

Angel Butler (Assistant Auditor) and Jay Butler Jr. (Contract Juv. Probation Youth Worker) are married. Mr. Butler received compensation from the County in the amount of \$12,453 for FY 2022.

Milton Albright (Commissioner) and Sheryl Pringle (Treasurer) are cousins.

Preble Polk (Justice of the Peace #4) is Kristy Pruitt's (Chief Deputy to TAC) mother.

Laurie Smith (District Clerk) is Lisa Reneau's (tax deputy clerk) sister.

Subsequent Events

In preparing the financial statements, Falls County has evaluated events and transactions for potential recognition or disclosure through August 10, 2023, the date that the financial statements were available to be issued.

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of disbursements that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

There was no litigation at September 30, 2022.

Other Matters

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the System. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

FALLS COUNTY, TEXAS
 COMBINING BALANCE SHEET - CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2022

	SPECIAL REVENUE				
	911 FUND	2018 FALLS COUNTY GRANT	CHAPTER 19 FUND	CHILD SAFETY FUND	CHILTON WATER/SEWER PROJECT
ASSETS					
Cash and Cash Equivalents	\$ 15,981	\$ -	\$ 1,689	\$ 101,917	\$ -
Total Assets	<u>\$ 15,981</u>	<u>\$ -</u>	<u>\$ 1,689</u>	<u>\$ 101,917</u>	<u>\$ -</u>
FUND BALANCES - CASH BASIS					
Fund Balance - Cash Basis					
Restricted					
Administration	-	-	-	101,917	-
Culture and Recreation	-	-	-	-	-
Debt Service	-	-	-	-	-
Elections	-	-	1,689	-	-
Judicial	-	-	-	-	-
Legal	-	-	-	-	-
Public Facilities	-	-	-	-	-
Public Safety	15,981	-	-	-	-
Other	-	-	-	-	-
Committed					
Cemetery	-	-	-	-	-
Equipment Replacement	-	-	-	-	-
Unassigned					
Total Fund Balance - Cash Basis	<u>15,981</u>	<u>-</u>	<u>1,689</u>	<u>101,917</u>	<u>-</u>
TOTAL LIABILITIES AND					
FUND BALANCES - CASH BASIS					
	<u>\$ 15,981</u>	<u>\$ -</u>	<u>\$ 1,689</u>	<u>\$ 101,917</u>	<u>\$ -</u>

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

FALLS COUNTY, TEXAS
 COMBINING BALANCE SHEET - CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2022

	SPECIAL REVENUE FUNDS				
	COURT REPORTER	COURTHOUSE SECURITY	COST EQUIP	CO & DIST COURT TECH	D.A. - DEPT HUMAN SERVICES
ASSETS					
Cash and Cash Equivalents	\$ 16,844	\$ (32,335)	\$ 155,665	\$ 5,523	\$ 85
Total Assets	<u>\$ 16,844</u>	<u>\$ (32,335)</u>	<u>\$ 155,665</u>	<u>\$ 5,523</u>	<u>\$ 85</u>
FUND BALANCES - CASH BASIS					
Fund Balance - Cash Basis					
Restricted					
Administration	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service	-	-	-	-	-
Elections	-	-	-	-	-
Judicial	-	-	-	5,523	85
Legal	16,844	-	-	-	-
Public Facilities	-	-	-	-	-
Public Safety	-	-	-	-	-
Other	-	-	-	-	-
Committed	-	-	-	-	-
Cemetery	-	-	-	-	-
Equipment Replacement	-	-	155,665	-	-
Unassigned	-	(32,335)	-	-	-
Total Fund Balance - Cash Basis	<u>16,844</u>	<u>(32,335)</u>	<u>155,665</u>	<u>5,523</u>	<u>85</u>
TOTAL LIABILITIES AND FUND BALANCES - CASH BASIS	<u>\$ 16,844</u>	<u>\$ (32,335)</u>	<u>\$ 155,665</u>	<u>\$ 5,523</u>	<u>\$ 85</u>

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

FALLS COUNTY, TEXAS
 COMBINING BALANCE SHEET - CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2022

	SPECIAL REVENUE FUNDS				
	DISTRICT ATTORNEY	D.A. - STATE FUND	ELECTION SERVICE FUND	ESTRAY FUND	FAMILY PROTECTION FUND
ASSETS					
Cash and Cash Equivalents	\$ 5,440	\$ (12,007)	\$ 51,653	\$ 3,458	\$ 10,340
Total Assets	<u>\$ 5,440</u>	<u>\$ (12,007)</u>	<u>\$ 51,653</u>	<u>\$ 3,458</u>	<u>\$ 10,340</u>
FUND BALANCES - CASH BASIS					
Fund Balance - Cash Basis					
Restricted					
Administration	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service	-	-	-	-	-
Elections	-	-	51,653	-	-
Judicial	5,440	-	-	-	-
Legal	-	-	-	-	-
Public Facilities	-	-	-	-	-
Public Safety	-	-	-	3,458	10,340
Other	-	-	-	-	-
Committed	-	-	-	-	-
Cemetery	-	-	-	-	-
Equipment Replacement	-	-	-	-	-
Unassigned	-	(12,007)	-	-	-
Total Fund Balance - Cash Basis	<u>5,440</u>	<u>(12,007)</u>	<u>51,653</u>	<u>3,458</u>	<u>10,340</u>
TOTAL LIABILITIES AND					
FUND BALANCES - CASH BASIS					
	<u>\$ 5,440</u>	<u>\$ (12,007)</u>	<u>\$ 51,653</u>	<u>\$ 3,458</u>	<u>\$ 10,340</u>

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

FALLS COUNTY, TEXAS
 COMBINING BALANCE SHEET - CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2022

	SPECIAL REVENUE FUNDS				
	GASSAWAY CEMETERY TRUST	INTER GOVERNMENTAL TRANSFERS	JUSTICE COURT TECH	JUSTICE COURT SECURITY	KEEP FALLS CO BEAUTIFUL
ASSETS					
Cash and Cash Equivalents	\$ 277	\$ -	\$ 8,820	\$ 20,276	\$ 2,450
Total Assets	<u>\$ 277</u>	<u>\$ -</u>	<u>\$ 8,820</u>	<u>\$ 20,276</u>	<u>\$ 2,450</u>
FUND BALANCES - CASH BASIS					
Fund Balance - Cash Basis					
Restricted					
Administration	-	-	-	-	-
Culture and Recreation	-	-	-	-	2,450
Debt Service	-	-	-	-	-
Elections	-	-	-	-	-
Judicial	-	-	8,820	20,276	-
Legal	-	-	-	-	-
Public Facilities	-	-	-	-	-
Public Safety	-	-	-	-	-
Other	-	-	-	-	-
Committed	-	-	-	-	-
Cemetery	277	-	-	-	-
Equipment Replacement	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance - Cash Basis	<u>277</u>	<u>-</u>	<u>8,820</u>	<u>20,276</u>	<u>2,450</u>
TOTAL LIABILITIES AND					
FUND BALANCES - CASH BASIS					
	<u>\$ 277</u>	<u>\$ -</u>	<u>\$ 8,820</u>	<u>\$ 20,276</u>	<u>\$ 2,450</u>

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

FALLS COUNTY, TEXAS
 COMBINING BALANCE SHEET - CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2022

	SPECIAL REVENUE FUNDS				
	LAW				SHERIFF
	ENFORCEMENT EDUCATION	OFFICE OF AG-VCLG	PERMANENT IMPROVEMENT	RECORDS MGMT	FORFEITURE FUND
ASSETS					
Cash and Cash Equivalents	\$ 20,503	\$ (21,676)	\$ 85,660	\$ 343,056	\$ 10,406
Total Assets	<u>\$ 20,503</u>	<u>\$ (21,676)</u>	<u>\$ 85,660</u>	<u>\$ 343,056</u>	<u>\$ 10,406</u>
FUND BALANCES - CASH BASIS					
Fund Balance - Cash Basis					
Restricted					
Administration	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service	-	-	-	-	-
Elections	-	-	-	-	-
Judicial	-	-	-	343,056	-
Legal	-	-	-	-	-
Public Facilities	-	-	-	-	-
Public Safety	20,503	-	-	-	10,406
Other	-	-	-	-	-
Committed	-	-	-	-	-
Cemetery	-	-	-	-	-
Equipment Replacement	-	-	85,660	-	-
Unassigned	-	(21,676)	-	-	-
Total Fund Balance - Cash Basis	<u>20,503</u>	<u>(21,676)</u>	<u>85,660</u>	<u>343,056</u>	<u>10,406</u>
TOTAL LIABILITIES AND					
FUND BALANCES - CASH BASIS					
	<u>\$ 20,503</u>	<u>\$ (21,676)</u>	<u>\$ 85,660</u>	<u>\$ 343,056</u>	<u>\$ 10,406</u>

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

FALLS COUNTY, TEXAS
 COMBINING BALANCE SHEET - CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2022

	SPECIAL REVENUE FUNDS				
	VAWA INVESTIGATOR	CRIME VICTIM RESTITUTION	Pre-Trial Intervention Program	TWDB Grant	Falls County Grant
ASSETS					
Cash and Cash Equivalents	\$ (21,398)	\$ 3,000	\$ 10,823	\$ 13,934	\$ 84,349
Total Assets	<u>\$ (21,398)</u>	<u>\$ 3,000</u>	<u>\$ 10,823</u>	<u>\$ 13,934</u>	<u>\$ 84,349</u>
FUND BALANCES - CASH BASIS					
Fund Balance - Cash Basis					
Restricted					
Administration	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service	-	-	-	-	-
Elections	-	-	-	-	-
Judicial	-	-	10,823	13,934	-
Legal	-	-	-	-	-
Public Facilities	-	-	-	-	-
Public Safety	-	-	-	-	-
Other	-	-	-	-	-
Committed	-	-	-	-	-
Cemetery	-	-	-	-	-
Equipment Replacement	-	-	-	-	-
Unassigned	(21,398)	3,000	-	-	84,349
Total Fund Balance - Cash Basis	<u>(21,398)</u>	<u>3,000</u>	<u>10,823</u>	<u>13,934</u>	<u>84,349</u>
TOTAL LIABILITIES AND					
FUND BALANCES - CASH BASIS					
	<u>\$ (21,398)</u>	<u>\$ 3,000</u>	<u>\$ 10,823</u>	<u>\$ 13,934</u>	<u>\$ 84,349</u>

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

FALLS COUNTY, TEXAS
 COMBINING BALANCE SHEET - CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2022

SPECIAL REVENUE FUNDS				
	Renovation Grant	Falls on Brazos Park Project	I & S 2010 FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 2,000	\$ 25,790	\$ 912,523
Total Assets	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 25,790</u>	<u>\$ 912,523</u>
FUND BALANCES - CASH BASIS				
Fund Balance - Cash Basis				
Restricted				
Administration	-	-	-	101,917
Culture and Recreation	-	-	-	2,450
Debt Service	-	-	25,790	25,790
Elections	-	-	-	53,342
Judicial	-	-	-	407,957
Legal	-	-	-	16,844
Public Facilities	-	2,000	-	2,000
Public Safety	-	-	-	60,688
Other	-	-	-	-
Committed				
Cemetery	-	-	-	277
Equipment Replacement	-	-	-	241,325
Unassigned				
Total Fund Balance - Cash Basis	<u>-</u>	<u>2,000</u>	<u>25,790</u>	<u>(67)</u>
TOTAL LIABILITIES AND				0
FUND BALANCES - CASH BASIS				0
	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 25,790</u>	<u>\$ 912,523</u>

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

FALLS COUNTY, TEXAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	SPECIAL REVENUE FUNDS				
	911 FUND	2018 FALLS COUNTY GRANT	CHAPTER 19 FUND	CHILD SAFETY FUND	CHILTON WATER/SEWER PROJECT
<i>RECEIPTS</i>					
Taxes					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	199,102
Charges for Services	-	-	-	23,034	-
Interest	-	-	-	-	-
Miscellaneous	25,452	-	-	-	-
Total Receipts	<u>25,452</u>	<u>-</u>	<u>-</u>	<u>23,034</u>	<u>199,102</u>
<i>DISBURSEMENTS</i>					
Current:					
General Administration	-	19,831	-	3,923	-
Culture and Recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Public Facilities	-	-	-	-	199,102
Public Safety	20,226	-	-	-	-
Equipment	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal, Interest and Fiscal Charges	-	-	-	-	-
Total Disbursements	<u>20,226</u>	<u>19,831</u>	<u>-</u>	<u>3,923</u>	<u>199,102</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>5,226</u>	<u>(19,831)</u>	<u>-</u>	<u>19,111</u>	<u>-</u>
<i>OTHER FINANCING SOURCES (USES):</i>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	(15,877)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(15,877)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance - Cash Basis	<u>5,226</u>	<u>(35,708)</u>	<u>-</u>	<u>19,111</u>	<u>-</u>
Fund Balance - Cash Basis - Beginning	10,755	35,708	1,689	82,806	-
Fund Balance - Cash Basis - Ending	<u>\$ 15,981</u>	<u>\$ -</u>	<u>\$ 1,689</u>	<u>\$ 101,917</u>	<u>\$ -</u>

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

FALLS COUNTY, TEXAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	SPECIAL REVENUE FUNDS				
	COURT REPORTER	COURTHOUSE SECURITY	COST EQUIP	CO & DIST COURT TECH	D.A. - DEPT HUMAN SERVICES
<i>RECEIPTS</i>					
Taxes					
Property	\$ -	\$ 47,096	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	3,600	4,333	-	1,063	-
Interest	-	-	-	-	-
Miscellaneous	-	-	77,770	-	-
Total Receipts	<u>3,600</u>	<u>51,429</u>	<u>77,770</u>	<u>1,063</u>	<u>-</u>
<i>DISBURSEMENTS</i>					
Current:					
General Administration	2,126	-	-	-	-
Culture and Recreation	-	-	-	-	-
Judicial	-	60,875	-	1,900	-
Public Facilities	-	-	-	-	-
Public Safety	-	-	-	-	-
Equipment	-	-	43,912	-	-
Debt Service	-	-	-	-	-
Principal, Interest and Fiscal Charges	-	-	-	-	-
Total Disbursements	<u>2,126</u>	<u>60,875</u>	<u>43,912</u>	<u>1,900</u>	<u>-</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>1,474</u>	<u>(9,446)</u>	<u>33,858</u>	<u>(837)</u>	<u>-</u>
<i>OTHER FINANCING SOURCES (USES):</i>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance - Cash Basis	<u>1,474</u>	<u>(9,446)</u>	<u>33,858</u>	<u>(837)</u>	<u>-</u>
Fund Balance - Cash Basis - Beginning	15,370	(22,889)	121,807	6,360	85
Fund Balance - Cash Basis - Ending	<u>\$ 16,844</u>	<u>\$ (32,335)</u>	<u>\$ 155,665</u>	<u>\$ 5,523</u>	<u>\$ 85</u>

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

FALLS COUNTY, TEXAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	SPECIAL REVENUE FUNDS				
	DISTRICT ATTORNEY	D.A. - STATE FUND	ELECTION SERVICE FUND	ESTRAY FUND	FAMILY PROTECTION FUND
<i>RECEIPTS</i>					
Taxes					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	170	26,175	1,287	3,468	315
Interest	-	-	-	-	-
Miscellaneous	-	-	6,070	-	-
Total Receipts	<u>170</u>	<u>26,175</u>	<u>7,357</u>	<u>3,468</u>	<u>315</u>
<i>DISBURSEMENTS</i>					
Current:					
General Administration	-	28,602	-	-	-
Culture and Recreation	-	-	-	-	-
Judicial	45	-	-	-	-
Public Facilities	-	-	-	-	-
Public Safety	-	-	-	3,275	-
Equipment	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal, Interest and Fiscal Charges	-	-	-	-	-
Total Disbursements	<u>45</u>	<u>28,602</u>	<u>-</u>	<u>3,275</u>	<u>-</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>125</u>	<u>(2,427)</u>	<u>7,357</u>	<u>193</u>	<u>315</u>
<i>OTHER FINANCING SOURCES (USES):</i>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance - Cash Basis	<u>125</u>	<u>(2,427)</u>	<u>7,357</u>	<u>193</u>	<u>315</u>
Fund Balance - Cash Basis - Beginning	5,315	(9,580)	44,296	3,265	10,025
Fund Balance - Cash Basis - Ending	<u>\$ 5,440</u>	<u>\$ (12,007)</u>	<u>\$ 51,653</u>	<u>\$ 3,458</u>	<u>\$ 10,340</u>

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

FALLS COUNTY, TEXAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	SPECIAL REVENUE FUNDS				
	GASSAWAY CEMETERY TRUST	INTER GOVERNMENTAL TRANSFERS	JUSTICE COURT TECH	JUSTICE COURT SECURITY	KEEP FALLS CO BEAUTIFUL
<i>RECEIPTS</i>					
Taxes					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	383,607	-	-	-
Charges for Services	-	-	624	149	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Receipts	<u>-</u>	<u>383,607</u>	<u>624</u>	<u>149</u>	<u>-</u>
<i>DISBURSEMENTS</i>					
Current:					
General Administration	-	383,607	-	-	-
Culture and Recreation	-	-	-	-	-
Judicial	-	-	1,951	98	-
Public Facilities	-	-	-	-	-
Public Safety	-	-	-	-	-
Equipment	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal, Interest and Fiscal Charges	-	-	-	-	-
Total Disbursements	<u>-</u>	<u>383,607</u>	<u>1,951</u>	<u>98</u>	<u>-</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>-</u>	<u>-</u>	<u>(1,327)</u>	<u>51</u>	<u>-</u>
<i>OTHER FINANCING SOURCES (USES):</i>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance - Cash Basis	<u>-</u>	<u>-</u>	<u>(1,327)</u>	<u>51</u>	<u>-</u>
Fund Balance - Cash Basis - Beginning	277	-	10,147	20,225	2,450
Fund Balance - Cash Basis - Ending	<u>\$ 277</u>	<u>\$ -</u>	<u>\$ 8,820</u>	<u>\$ 20,276</u>	<u>\$ 2,450</u>

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

FALLS COUNTY, TEXAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	SPECIAL REVENUE FUNDS				
	LAW ENFORCEMENT EDUCATION	OFFICE OF AG-VCLG	PERMANENT IMPROVEMENT	RECORDS MGMT	SHERIFF FORFEITURE FUND
<i>RECEIPTS</i>					
Taxes					
Property	\$ -	\$ -	\$ 47,714	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	4,697	55,710	-	48,620	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Receipts	<u>4,697</u>	<u>55,710</u>	<u>47,714</u>	<u>48,620</u>	<u>-</u>
<i>DISBURSEMENTS</i>					
Current:					
General Administration	-	53,933	159,943	33,732	-
Culture and Recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Public Facilities	-	-	-	-	-
Public Safety	6,682	-	-	-	-
Equipment	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal, Interest and Fiscal Charges	-	-	-	-	-
Total Disbursements	<u>6,682</u>	<u>53,933</u>	<u>159,943</u>	<u>33,732</u>	<u>-</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>(1,985)</u>	<u>1,777</u>	<u>(112,229)</u>	<u>14,888</u>	<u>-</u>
<i>OTHER FINANCING SOURCES (USES):</i>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance - Cash Basis	<u>(1,985)</u>	<u>1,777</u>	<u>(112,229)</u>	<u>14,888</u>	<u>-</u>
Fund Balance - Cash Basis - Beginning	22,488	(23,453)	197,889	328,168	10,406
Fund Balance - Cash Basis - Ending	<u>\$ 20,503</u>	<u>\$ (21,676)</u>	<u>\$ 85,660</u>	<u>\$ 343,056</u>	<u>\$ 10,406</u>

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

FALLS COUNTY, TEXAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	SPECIAL REVENUE FUNDS			
	VAWA INVESTIGATOR	CRIME VICTIM RESTITUTION	Pre-Trial Intervention Program	TWDB Grant
<i>RECEIPTS</i>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	76,131	-	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	4,000	21,710	-
Total Receipts	<u>76,131</u>	<u>4,000</u>	<u>21,710</u>	<u>-</u>
<i>DISBURSEMENTS</i>				
Current:				
General Administration	-	1,000	-	-
Culture and Recreation	-	-	-	-
Judicial	-	-	757	-
Public Facilities	-	-	-	-
Public Safety	75,453	-	-	-
Equipment	-	-	-	-
Debt Service	-	-	-	-
Principal, Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>75,453</u>	<u>1,000</u>	<u>757</u>	<u>-</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>678</u>	<u>3,000</u>	<u>20,953</u>	<u>-</u>
<i>OTHER FINANCING SOURCES (USES):</i>				
Operating Transfers In	-	-	2,989	13,934
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,989</u>	<u>13,934</u>
Net Changes in Fund Balance - Cash Basis	<u>678</u>	<u>3,000</u>	<u>23,942</u>	<u>13,934</u>
Fund Balance - Cash Basis - Beginning	(22,076)	-	(13,119)	-
Fund Balance - Cash Basis - Ending	<u>\$ (21,398)</u>	<u>\$ 3,000</u>	<u>\$ 10,823</u>	<u>\$ 13,934</u>

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

FALLS COUNTY, TEXAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	SPECIAL REVENUE FUNDS			
	Falls on			TOTAL
	Renovation Grant	Brazos Park Project	I & S 2010 FUND	
<i>RECEIPTS</i>				
Taxes				
Property	\$ -	\$ -	\$ 283,598	\$ 378,408
Intergovernmental	374,912	-	-	1,073,016
Charges for Services	-	-	-	173,245
Interest	-	-	310	310
Miscellaneous	-	2,000	-	137,002
Total Receipts	<u>374,912</u>	<u>2,000</u>	<u>283,908</u>	<u>1,761,981</u>
<i>DISBURSEMENTS</i>				
Current:				
General Administration	-	-	-	694,683
Culture and Recreation	-	-	-	-
Judicial	-	-	-	65,626
Public Facilities	777,252	-	-	976,354
Public Safety	-	-	-	105,636
Equipment	-	-	-	43,912
Debt Service	-	-	-	-
Principal, Interest and Fiscal Charges	-	-	267,181	267,181
Total Disbursements	<u>777,252</u>	<u>-</u>	<u>267,181</u>	<u>2,153,392</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>(402,340)</u>	<u>2,000</u>	<u>16,727</u>	<u>(391,411)</u>
<i>OTHER FINANCING SOURCES (USES):</i>				
Operating Transfers In	402,332	-	-	419,255
Operating Transfers Out	-	-	-	(1,695,747)
Total Other Financing Sources (Uses)	<u>402,332</u>	<u>-</u>	<u>-</u>	<u>(1,276,492)</u>
Net Changes in Fund Balance - Cash Basis	<u>(8)</u>	<u>2,000</u>	<u>16,727</u>	<u>(1,667,903)</u>
Fund Balance - Cash Basis - Beginning	8	-	9,063	2,580,426
Fund Balance - Cash Basis - Ending	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 25,790</u>	<u>\$ 912,523</u>

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



PARK FOWLER & CO.

Certified Public Accountants & Management Consultants

A Professional Limited Liability Company

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P. Andrew Hall, CPA

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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 STATE OF TEXAS *AUDITING STANDARDS*

To the County Judge and Commissioners' Court

Falls County, Texas

We have audited, in accordance with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter 1 - Comptroller, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Falls County, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Falls County, Texas's basic financial statements, and have issued our report thereon dated August 10, 2023.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

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 cash basis financial statements will not be prevented, or detected and corrected, on a timely basis.

Compliance and Other Matters

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

Park Fowler & CO., PLLC

Park Fowler & CO., PLLC
August 10 2023



PARK FOWLER & CO.

*Certified Public Accountants & Management Consultants
A Professional Limited Liability Company*

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND REQUIRED BY UNIFORM GRANT STANDARDS PROMULGATED BY THE OFFICE OF THE GOVERNOR UNDER 34 TAX PART 1, CHAPTER 20, SUBCHAPTER I - COMPTROLLER

To the County Judge and Commissioners' Court
Falls County, Texas

Report on Compliance for Each Major State Program

We have audited Falls County, Texas' compliance with the types of compliance requirements that could have a direct and material effect on each of Falls County, Texas' major state programs for the year ended September 30, 2022. Falls County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Falls County, Texas' major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter I- Comptroller. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Falls County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Falls County, Texas's compliance.

Opinion on Each Major State Program

In our opinion, Falls County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2022.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

Management of Falls County, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Falls County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and with Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter I- Comptroller, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Falls County, Texas' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and with Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter I- Comptroller. Accordingly, this report is not suitable for any other purpose.

Park Fowler & CO., PLLC

Park Fowler & CO., PLLC
August 10, 2023

FALLS COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

SOURCE AND TITLE OF GRANT	PASS-THROUGH		TOTAL STATE EXPENDITURES
	ENTITY IDENTIFYING NUMBER	PASS-THROUGH TO SUBRECIPIENTS	
Texas Attorney General (OAG) VINE/SAVNS	3214001	NONE	\$ 7,986
Texas Attorney General (OAG) VCLG	4182301	NONE	53,934
Texas Attorney General (OAG) VAWA Investigator	4182401	NONE	75,453
Total Texas Attorney General (OAG)			<u>137,373</u>
Texas Historical Commission (THC) THCPP (Courthouse Renovation)	Round X	NONE	777,752
Total Texas Historical Commission (THC)			<u>777,752</u>
Texas Department of Transportation (TxDOT) Passed Through			
County Transportation Infrastructure Fund Grant Program	NONE	NONE	97,629
Total Texas Department of Transportation (TxDOT)			<u>97,629</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 1,012,754</u>

See Accompanying Notes to Schedule of State Financial Assistance.

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

NOTE A-BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards (the Schedule) includes the state award activity of the Falls County, Texas under programs of the state government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of the standards applicable to financial audits contained in Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter 1 - Comptroller. Because the Schedule presents only a selected portion of the operations of the Falls County, Texas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Falls County, Texas.

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Grant Management Standards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C-INDIRECT COST RATE

The Falls County, Texas has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Grant Management Standards.

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

Section II-Financial Statement Findings

None

Section III-Federal or State Award findings & Questioned Costs

None

FALLS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE
YEAR ENDED SEPTEMBER 30, 2022

Section I Summary of Auditors Results

Financial Statements Section

1. The auditor's report expresses an unmodified opinion on the cash basis financial statements of Falls County, Texas.
2. There were no significant deficiencies disclosed during the audit. There were no material weakness disclosed during the audit.

State Awards Section

3. There were no instances of noncompliance material to the financial statements of the Falls County, Texas, which would be required to be reported in accordance with the State of Texas Auditing Standards.
4. There were no significant deficiencies over major State award programs disclosed during the audit. There were no material weaknesses over major State award programs disclosed during the audit.
5. The auditor's report on compliance for the major State award programs for the Falls County, Texas expresses an unmodified opinion on all major State programs.
6. There were no audit findings that are required to be reported in accordance with the Uniform Guidance.
7. The programs tested as major programs: Courthouse Renovation Grant.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Falls County did not qualify as a low-risk auditee.